



# WorldLINK

Linking people management professionals around the globe

## European Firms Unprepared for Demographic 'Double Whammy'

Companies are hastily cutting their workforce without taking into account that people will soon be a scarce resource. In a comprehensive European HR study, the global management firm Boston Consulting Group (BCG) and the European Association of People Management (EAPM) argue that it is not too late to take action.

Only 15 percent of European companies plan their workforce more than three years in advance, suggesting that many companies may soon face key shortages in skills as the "double whammy" of falling birth rates and rising numbers of baby boomers entering retirement shrinks the size of available labor, according to *Creating People Advantage: How to Tackle the Major HR Challenges During the Crisis and Beyond*, released in June.

The report is based on surveys of 3,348 HR and other executives in more than 30 European countries as well as 109 interviews. The survey asked executives to rate the future importance of 21 HR topics. Despite the crisis, "managing talent" remained the most urgent future topic in 2009, as it was in 2007 when the previous survey was conducted.

"This topic is vital for companies today and in the future, and they know it," explained Rudolf Thurner, president of the EAPM. "Other topics, such as 'managing work-life balance' and 'managing corporate social responsibility,' are viewed as luxuries these days."

The report also found that 47 percent of European companies do not plan their workforce requirements more than a year in advance. Companies that have been forced to cut costs and reduce headcount during the recession may struggle to find the people they need when growth eventually returns, the report stated. (See "Talent Development During the Global Recession" on page 3 for solutions.)

"In 10 years, the scarcest resource for a company will be people," said Rainer Strack, a co-author of the report and senior partner in BCG's Düsseldorf, Germany, office. "Companies should understand how their workforce will develop, which job categories drive the business and how demand will evolve. With the uncertainty prevailing today, the HR department should analyze different scenarios to

figure out whether and how to find, hire, retrain, outsource or lay off employees."

Stephanie Bird, a board member of the EAPM and director of HR capability at the UK-based Chartered Institute of Personnel and Development, said that while "many organizations are weathering the storm by placing greater emphasis on selecting and developing high-performing individuals, based on clear and robust criteria ... this is not yet being felt by employees themselves. For employer strategies to attract, retain and develop the people they need for the future to be truly effective, they need to be well-communicated in a way that generates enthusiasm and motivation." (See "Benchmarking Best Boss Traits" on page 4 for strategies.)

The report also reveals the following findings and makes recommendations:

- Many companies still neglect strategic workforce planning, the strongest tool for making difficult HR decisions. Companies should know how their workforce will develop and which job categories will demand substantial numbers of new employees. Strategic workforce planning can also yield valuable information for knowing where—and where not—to cut in times of crisis.
- About one-third of the companies surveyed plan to lay off full-time employees in this recession. HR executives should take into account not only the likely effectiveness of their actions but also the probable impact on employee commitment. Other options, such as awarding employees time off to compensate for earlier overtime, as long as it complies with local wage-and-hour laws, are effective and help improve employee commitment. An action plan for HR can help companies succeed during the crisis and ensure that their value creation and business health rebound together with the economy.
- Almost one-third of the respondents said that pursuing organic growth was one of the most important business issues facing HR executives. Some companies will have to adjust to a permanent mixture of restructuring and growth: Offense is often the best

defense. For most of the remaining companies, growth will eventually return when the recession fades. In all cases, companies that excel at sourcing, developing and retaining employees will outperform their less successful peers. Other companies should pay attention to the actions of the companies that are successful in these areas.

- Companies already collect a considerable amount of data on people and people processes, but few companies use key performance indicators (KPIs) that are more sophisticated, and few take concrete action based on the feedback they receive from KPIs.
- The financial crisis had many causes, including the sometimes unsustainable, short-term and shortsighted business practices and compensation systems of financial institutions. HR can play a critical role in encouraging people practices and processes that are sustainable over the long term.

“The HR department has an unprecedented opportunity to oversee the transformation of companies preparing for an era in which people will drive competition,” the report concludes.

Go to [www.bcg.com](http://www.bcg.com) or [www.eapm.org](http://www.eapm.org) for details of the full report, which contains more than 20 case studies and best-practice examples of companies that are looking beyond the crisis to achieve long-term success.

“With the uncertainty today, HR should analyze different scenarios to figure out whether and how to find, hire, retrain, outsource or lay off employees.”

12-Point Action Plan Use the following plan to guide your actions in the months ahead.		
Strategic Planning	Strategic planning	Link workforce planning with business strategy by introducing demand and supply scenarios by job category.
	Productivity controlling	Introduce productivity metrics like value added per person.
Workforce Adaptation	Workforce flexibility	Utilize working time tools like sabbatical programs and engagement with unions.
	Workforce reduction	Adjust workforce sizes to the new economic environment while respecting job category forecasts.
	Personnel cost management	Transform cash incentives to non-cash ones.
	Focused recruitment of key personnel	Hire top candidates for mission-critical roles.
HR and Workforce Improvements	Restructuring the HR profession	Assess all HR activities to ensure excellence through bundling, process optimization and governance measures.
	Performance management	Align performance measures to the new environment by abandoning short-term views and enforcing long-term ones.
Sustainable Implementation	Employee engagement	Focus on such values as honesty and trust and start an initiative to bring discipline and motivation into balance.
	Leadership capabilities	Coach leaders to transition from growth to crisis.
	Change management	Clarify accountabilities, enforce transparency and solicit employee feedback.
	Internal and external communication	Deploy a clear communications strategy and processes that target stakeholders.

Source: BCG and EAPM

## WFPMA.org Gets a Facelift

If you have visited the WFPMA's web site lately, you may have noticed a drastic change—a completely redesigned and retooled online presence of the association. The first thing members will notice is the eye-pleasing graphics, and they will appreciate the cleaner format and simplified navigation that allows for easier access to WFPMA information and resources. The WFPMA would like to thank the Internet operations team at the Society for Human Resource Management for its hard work and creativity. Come over to [www.wfpma.org](http://www.wfpma.org) and have a look for yourself.



# Talent Development During the Global Recession

By Richard F. McGourty, Ph.D., and Carl Robinson, Ph.D.

It may seem odd to focus on strategic talent management at a time when so many businesses around the world are struggling just to hold on, but that's the smart play. Indeed, skillful leadership will continue to be relevant, and a business that focuses only on the short term does so at its peril.

Still, planning for life on the “other side” of the recession is no easy feat. We can't be sure if we are well into the middle or nearing the end of the economic crisis. What we do know is that the recovery will be uneven across global regions and industries, and that planning for a return to “normal” is a surefire path to ruin. What's called for is a fresh, bold look at talent management in light of the new realities the recession has brought on.

First and foremost, HR leaders have a responsibility and a unique platform to help their business colleagues wrestle with a complex question: How can we both manage the demands of the moment and prepare for the opportunities that are around the corner? This perennial challenge has been made more acute by the financial crisis, and addressing it successfully is essential.

Second, the smart HR executive will steer the dialogue away from conventional or linear thinking. The current times are discontinuous from the past, and old solutions will likely come up short. Although we still believe in the business cycle, the resolution of the downturn will not reflect the pattern seen in recent decades. For some time ahead, resources will be more scarce, decision-makers more conservative and the future much more difficult to predict.

On the other hand, building for the long term should not bring to mind the large, slow-to-adapt organizations of the last century. Interestingly, while GM USA was thrown into bankruptcy, GM Brazil was having a record year and has an aggressive growth plan. Because this worldwide “meltdown” reflects considerable variance, the best talent planning must be flexible and highly customized.

In addressing this crucial challenge, we find three tensions, each of which has the power to contribute or to disrupt. Tension, by its nature, fuels conflict and ambiguity. Avoid the temptation to ignore, deny or sugarcoat the real dilemmas inherent in each:

## Leadership in Tension

Leaders, as they work to survive the immediate effects of the downturn, also should position themselves to grow at an opportune moment. Survival will require a cadre of leaders who are well-suited to the challenge, and no one in the organization is more responsible for this than the HR executive.

Pay particular attention to the competencies that have emerged as highly relevant in the crisis: poise, peripheral vision, courage, stamina and tolerance for uncertainty, and, of course, an ethical value system. These leadership attributes will have enduring value and should be singled out for attention and development.

Implications for HR:

- Learn from the crisis. Identify leadership skills that will be required for your organization in the future.
- One plan is no plan. Develop a range of plausible leadership development scenarios based on potential business opportunities.
- Stay close to business unit leaders to understand the talent they may need for the future, and develop contingency plans so they can act on short notice.

## Budgets in Tension

Part of survival is judicious cutting back. However, blunt, across-the-board cuts ignore the full impact. If business leaders drop initiatives to retain and build talent, they may be cutting the very muscle they

will need to grow. HR needs to assert the importance of recruiting, retaining and developing top people. A business under duress is focused on maintaining solvency; it is the HR executive's task to make sure strategic human resources are given due consideration.

Hold your colleagues accountable for actively supporting the people investments that are being made—simple cooperation is no longer sufficient.

Implications for HR:

- Prepare to provide targeted development. Development budgets will almost certainly not support broad development initiatives.
- Rely on best practices. Experimentation is a bad fit with tight budgets.

HR officers need to assert the strategic importance of recruiting, retaining and developing top people. Indeed, if the business survives only to learn that its key people have left, it is only a momentary victory.

## Values in Tension

Mission statements and the spoken words of leaders connect the business to the people who have served it over the years. The hard choices imposed by today's business realities may require reshaping the strategic talent needed to build a viable future and may not include all those to whom loyalty is owed. This is a painful reality but one that the HR executive is in a position to address.

Implications for HR:

- Plan ahead to ensure that all are treated fairly while securing the talent needed for the future. This requires careful reflection.
- If layoffs are part of the picture, communicate in ways that are respectful of the information needs of those affected and those who will remain. Even the right business decisions can do harm if they are communicated poorly.
- Be present to the workforce during stressful times. This keeps a human face on what may otherwise seem harsh reality.

## Positioned for the Future

To manage these three tensions, here are some time-tested suggestions:

- Engage in clear, direct and frequent communication about the business.
- Be more accessible, show more interest and acknowledge the “gray” matters that shade the tough decisions your company is facing.
- Behind the scenes, use your influence to challenge reactionary or premature people decisions. Remember, your leaders cast long shadows.

The acute phase of the economic crisis will pass, but the recovery will likely be slow and marked by gray areas around strategic talent development. The HR executive who can use these tensions to frame thoughtful, future-oriented discussions around strategic talent development will address present needs and the long-term interests of the business. In this way, HR leaders are in a unique position to ensure that the right questions are being asked and the trade-offs fairly considered.

Richard F. McGourty is senior consultant, and Carl Robinson is managing partner, of Vantage Leadership Consulting, a Chicago-based firm that specializes in strategic talent management.

# Benchmarking Best Boss Traits

By Allison O'Neill

As the boss, you influence the happiness and energy of your team whether you like it or not. What “being the boss” means is something you should ponder daily. After a while, though, you can get stuck in a rut forgetting that you should be constantly growing and becoming better at managing employees than you were yesterday. With so much to do every day, it can be hard to always be an amazing boss in every single way.

After surveying hundreds of companies as a staff surveyor on what employees want from leaders, I have come up with 35 traits of an effective boss. Five of them are discussed here. Evaluate yourself—and then have your staff evaluate you. This will get you on your way to improving your management skills and those of your managers.

## I Am Grateful

Verbal recognition is something workers deeply cherish but seldom receive. It is a costly mistake many bosses unknowingly keep making. The great news is that it costs nothing to fix. Perhaps you feel you are good at giving verbal thanks and recognition. But if you think carefully about it, you may find that a large percentage of your “great verbalization” is just the thought “Oh I must remember to thank ...” or “Boy, they did a great job ...” and it actually never comes out of your mouth. That is better, however, than not noticing at all. Verbal recognition is easy to provide and about as basic as you can get—recognize great work and comment on it straightaway. Remember it and even tell others. Mention the great contributions you have seen at a weekly meeting. Ask workers to share anything you missed—people can confess their own fabulous work and thank their co-workers. Verbal recognition always rates high on the list of importance to workers, and when it is sincere it makes them feel amazing.

### IT REALLY HAPPENED

**Q:** What would make you feel more valued by company X?

**A:** If they told me I was.

The general manager (GM) of a nationwide 90-chain brand was disappointed (and stunned) when the CEO did not speak to him at the annual conference. A brief hello but no encouragement, support, brainstorming or comments over three whole days! The GM has since decided to seek new employment. With his amazing work history in senior management, it will not take long for someone to properly utilize his skills and appreciate his contributions. This story shows that it is not just younger workers or those on the front lines who can feel out of the loop and overlooked; executive-level managers can feel that way, too. This GM learned

firsthand exactly how it feels to be hideously unimportant, a mistake he is now very sure he will never make with his own staff.

### TO DO:

- Keep a notebook of great things you see workers doing (you will notice how many opportunities to thank staff you have missed in the past).
- Share your list at the weekly meeting. Allow everyone else to share, too—recognizing themselves, fellow workers and, yep, if deserved, even the boss.
- Go out of your way to give sincere verbal thanks as soon as you see something amazing done. If you can make it catch on, it will totally change the atmosphere and energy around the place.

## A Light Bulb

You need to communicate enthusiastically and honestly with all levels of staff. While it is important to communicate effectively with your team of executives, you need to be just as good at communicating with your front-line workers. Workers need to know exactly what is going on. When they are left in the dark, they feel they are not important enough to be told. Workers can tell the difference between managers who are open and those who pretend they are. Companies that want to perform well leave pride at the door and openly confess the areas where they are losing money and making money. This allows workers to see how they can personally have an impact on company success. Being in the know shows them they are directly involved and vital to achieving company goals. The alternative is workplace gossip about “this place going under” or exaggerations of the size and extent of company profits.

### IT REALLY HAPPENED

“Half of almost 2,000 people surveyed claimed that their only source of company information is conversations they have with colleagues at the water cooler. Eight out of 10 employees also said that internal communications were lacking at work, with 41 percent thinking that even their managers didn’t know much about the workplace.”—Talent2 survey of Australian workers, March 2007.

**Q:** Does management keep you informed of what is going on?

**A:** We are not important enough to be told.

### TO DO:

- Conduct a secrets audit. What are you hiding from your staff and why? What are you hiding from your customers and why? What do you have to lose by putting all your cards on the table? What is the cost of keeping this secret?
- Ask your staff if they feel they are always “in the know” about what is happening. Identify ways you can improve communication and close the gaps.
- Consider how much workplace gossip goes on at your workplace and why.
- Identify gaps in your communication system. How can you keep everyone constantly informed?

## Stop the Bullies

Where the bully is a team member, the boss needs to sort it out fast. There are many forms of bullying—malicious comments, silent treatment, or withholding resources such as time, information,

training, equipment or support. Even giving someone a cruel look is a form of bullying. It can happen to anyone at anytime, and there are many resources available on the Internet for those suffering it. Victims need to seek support. The cost of bullying for businesses is huge as the productivity of the victim drops and may lead to depression, resulting in time away from work. It also affects those who witness the bullying. Unfortunately, there are plenty of people who do not leave school ground tactics behind as adults. Some companies are fighting back by announcing “we will not tolerate any bad attitudes” and asking all workers to sign a simple and effective new code of conduct (which includes clauses like “don’t be a jerk”).

#### IT REALLY HAPPENED

A worker stood up to the boss regarding his bullying behavior. The boss apologized and said he would change. Yet every time the boss raised his voice after that, he attached a sarcastic, “Oh I’m sorry, is that not soft enough for you?” The team had no respect for him. They did, however, admire another leader who was able to command respect without having to raise his voice. In fact, he used to lower his voice when upset. Speaking quietly was enough to get

the team’s full attention—he did not need to use force or volume.

#### TO DO:

- Think carefully about any form of bullying behavior you have witnessed yourself or among colleagues.
- What can you do to ensure that such behavior is not tolerated at your workplace?
- Do you command respect naturally, or do you just yell to receive it?

### Stop Hogging the Control Panel

When you give employees control over their work circumstances, they become engaged. This was demonstrated in a test where one group was asked to do proofreading and puzzles in a room that had random loud noises. A second group was asked to do the same but had a button to push to stop the noise if it got to be too much. Nobody used the button, yet the second group got twice as much work done. Why? Just knowing the button was there gave them control.

The only way to develop responsible employees is to give them responsibility. It develops them professionally, and they see they are trusted. Being scared to give employees ownership makes them dependent on you and uncomfortable making even the smallest decisions. Unless you think running around putting out fires all day every day is the best use of your time, you need to change that.

#### IT REALLY HAPPENED

Management deemed the most junior employees “of little value.” But new employees saw issues within the business with fresh eyes. They were also the only people on the team who considered themselves passionate about their role. If the boss did not start to nurture and engage them soon, these great employees would be lost or—even worse—lose their passion.

#### TO DO:

- What parts of the control panel are you personally hogging?
- In what areas are you hesitating to give your workers responsibility and control?
- What is this hesitation costing you?
- What could you gain by allowing them control and responsibility?

### Philosophy

Can you explain your positive, proven, personal philosophy on management in 60 seconds or less? If not, look out—a staff member might just ask you what yours is. Workers think this is part of the criteria for a “perfect boss.” Why? Because workers want you to have substance, they want you to be clear, and they want you to be confident. Since you are the boss, you should know how to be one—not just go through the motions day after day. They want to look up to you, learn from you and see value in you.

The motivation to learn and fine-tune the art of management and leadership can fast dwindle as managers get stuck in the daily motions of the role. There are many bosses out there who are not grounded in (or excited about) their personal philosophy. Experience and skills gained over time are great, too, but there needs to be a firm foundation. This is one of the main reasons workers often look at management and feel disappointed. If they see you as the same as them, just with a different job title, then they cannot learn from you and certainly will not strive to be like you.

#### TO DO:

- Pen your personal management and leadership philosophies. What do you believe? What are your values? What are your personal standards? What is most important in your role as a boss? Don’t stop asking yourself these questions until you have insightful answers.
- Evaluate yourself honestly. What is it about you that makes you really worthy of being admired? Where are your skills lacking?
- Search out and read other management and leadership books to get inspired about what “being the boss” means and to help you figure out where you stand.

### ‘People Leave Bosses, Not Jobs’

After reading these boss benchmarks and completing the exercises, share them with your management staff. There is no truer statement than “People leave bosses, not jobs.” If you have great bosses, you will have happy, motivated employees—and higher productivity and retention.

Allison O’Neill owned a staff survey company in Christchurch, New Zealand, surveying countless organizations of all sizes on what their managers could do better. She turned her research and solutions into a book, *The Boss Benchmark*, which can be downloaded at [www.thebossbenchmark.com](http://www.thebossbenchmark.com).

### How Do You Stack Up?

As a boss, you cannot say you value:

**Best talent** ... if you underpay.

**Amazing service** ... if you are understaffed.

**Flexibility** ... if altering schedules is forbidden.

**Employee feedback** ... if you shoot down suggestions.

**Teamwork** ... if management will not lend a hand in busy periods.

**Communication** ... if workers get their information at the water cooler.

**Innovation** ... if workers are scolded when they do things a bit differently.

# Latter Half of 2009 Looking Slightly **Better** than First Half

Deep workforce and benefits cuts show signs of moderating in the last half of 2009, according to Mercer's *Leading through Unprecedented Times* global survey, released in June.

The survey includes responses from more than 2,100 organizations in North America, Europe, Asia, Latin America and Australia/New Zealand. The findings summarize challenges related to talent, compensation, benefits and investment strategy that organizations are facing as a result of the current economy.

While the findings reveal continued actions taken by companies to relieve cost pressures—workforce reductions, salary freezes, reduced contributions to retirement plans and increased costs for health benefits—organizations generally are not cutting pay or eliminating benefits programs altogether.

## Business Outlook

Percentage of respondents who believe it is somewhat or very likely to have reduced business and financial performance in the latter half of 2009.	
Global	82%
US	86%
Australia/New Zealand	85%
Europe	85%
Asia	75%

## Talent Management

Some 58 percent of organizations worldwide plan some cuts to their workforce in the remainder of 2009, compared to 66 percent in the six months prior to the survey. Significantly, however, only 5 percent of these organizations plan deep cuts (more than 10 percent of staff) in the remainder of the year, compared to 13 percent in the six months preceding the survey.

The percentage of companies planning layoffs in the next six months varies by region. Some 70 percent of European survey respondents said their companies will make workforce cuts in the last half of the year, roughly the same as the 71 percent who made cuts in the first half. But in Europe, as in other regions, only 10 percent of companies plan substantial cuts (more than 10 percent of the workforce), down from 16 percent who made such cuts in the prior six months.

US-based companies were more likely to have made at least some workforce cuts in the prior six months (74 percent), but fewer companies (64 percent) plan cuts by the end of the year. Some 59 percent of companies in

Asia made cuts in the prior six months and are also less likely to make cuts in the next six months (45 percent). The number of Asian companies planning significant cuts of more than 10 percent fell sharply from the number that made such cuts in the prior six months—from 14 percent to 4 percent.

Despite the impact of the weak economy, many companies remain focused on their most valuable employees. More than one-third of organizations globally (37 percent) say they will continue to hire key talent even as they reduce their workforce overall. Approximately another third of organizations (35 percent) plan to hire talent to replacement levels only, while 15 percent expect overall workforce reductions and 12 percent expect to expand their workforce in 2009.

Mercer's study also shows that organizations are beginning to use or consider alternative work arrangements to control workforce costs. Ten percent globally have already instituted voluntary reductions in hours with a corresponding reduction in pay, while 12 percent have instituted such a program on a mandatory basis.

## Compensation

Organizations globally have been more likely to freeze pay levels or defer pay increases than to implement pay cuts. In the past six months, 51 percent froze salaries at 2008 pay levels for at least part of their employee population; 32 percent froze pay enterprisewide.

Fifty-seven percent of organizations globally awarded smaller bonus payouts for 2009 (based on 2008 performance) compared to 2008 awards (based on 2007 performance). Just 20 percent granted higher bonus payments in 2009 compared to 2008.

"As a result of the economic downturn and current labor market conditions, organizations are moving away from pay based on market competitiveness, instead focusing on internal affordability," said Steve Gross, worldwide partner in Mercer's human capital consulting business. "Companies need to be careful not to stray too far from market rates of pay or they may find themselves at a significant disadvantage when the economy improves and the labor market becomes more balanced."

## Retirement Benefits

Seventy-three percent of organizations globally do not plan to reduce the level of employer contributions for the remainder of 2009. Notably, 14 percent have already done so in the past six months. To date, one-third have reviewed their overall fund lineups (32 percent) and reviewed both investment and

administrative fees (33 percent), while 43 percent are likely to take these actions by year-end.

Organizations are more likely to change the investment strategy to reduce risk (38 percent) rather than change the funding policy (25 percent); 14 percent and 12 percent, respectively, have already taken these steps. Only 16 percent of organizations are likely to cut back or stop accruals in the remainder of the year; 10 percent have already done so.

## Health Benefits

Although health benefits utilization often increases during a recession, the majority of companies (94 percent) have not eliminated any current health and group benefits programs to control expenses this year. Instead, most increased employee contributions for health coverage and raised employee cost-sharing of the program. And many organizations plan to do the same for next year's health care plan.

Over the past six months, 29 percent of respondents added wellness programs, and another 38 percent reported that they are likely or highly likely to do so. Just over a quarter of respondents (26 percent) increased premium contributions. Increased employee contributions are most common in the United States (45 percent) and among organizations with more than 10,000 employees (34 percent). One-quarter (23 percent) also have intensified efforts to understand cost drivers.

## Employee Attitudes

According to Mercer's survey, job security tops the list of employees' concerns. Fifty percent of organizations said employees expressed significant concern about their jobs. This high level of anxiety is fairly consistent worldwide. Organizations in Europe, Asia and the United States ranked the concern of job security slightly higher (54 percent), while those in Canada and Australia/New Zealand ranked it slightly lower (42 percent and 46 percent, respectively).

Forty percent of organizations said employees expressed significant concern about how the economy is impacting the overall organization. Australia/New Zealand does not share this level of concern (24 percent), while more organizations in the United States and Asia do (43 percent).

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For the full report and to view podcasts of regional Mercer directors interpreting results for their areas, visit [www.mercer.com/ltutsurvey](http://www.mercer.com/ltutsurvey).

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## United States Health reform heats up



Congress is debating President Barack Obama's sweeping health care reform legislation, which calls for a public sector health care option for all Americans. Republicans believe government health care would be more expensive and of lesser quality than private health care. They are arguing for tax breaks and incentives for individuals and small businesses buying health insurance instead.

## Canada Government to allow early withdrawals from CPP



On May 25, 2009, the Canadian government announced that it is considering proposed legislation that would allow Canadians to draw benefits from their Canada Pension Plan (CPP) before they retire and to continue to work after the age of 60. If approved, this proposal would eliminate the regulation that now exists requiring Canadians who retire early to quit their jobs and remain unemployed for at least two months before being allowed to draw from the CPP. If approved, the legislation is expected to become effective in 2012.

## Argentina New regulation passed to prevent labor accidents



New measures to improve worker safety were passed by the Superintendency of Labor Risks on May 22, 2009. The new regulation will oblige those companies that are deemed to present high labor risks to design and implement plans to improve working conditions.

## Colombia Pension eligibility rules lessened



The Colombian Senate approved a "family pension" ("Pensión Familiar") on June 18, 2009, with more-lenient eligibility conditions to receive pension benefits than are currently attached to the individual state pension. It is designed for those who have reached the statutory retirement age but do not fulfill other eligibility requirements to receive a pension—estimated to be around 80 percent of the current Colombian workforce.

## Peru Pension and health care relief



The Peruvian Congress has approved a proposal to cut the amount that workers contribute toward benefits such as pension and health care. In a separate decision, Congress also approved a measure that will enable workers to make withdrawals from their temporary compensation reserves during the next year. Both these laws were approved on April 29, 2009, and serve to provide some relief

to workers and counteract the effects of the current economic crisis.

## Bolivia Labor regulations tightened



Three new labor regulations passed on May 1, 2009, extend employers' responsibilities to their workers in Bolivia. These new regulations include changes in severance payment eligibility, new provisions to establish a decent working environment and the extension of equal treatment to workers who work only indirectly for the company.

## European Union High-skilled foreign workers' residence conditions eased



A May 25, 2009, ruling by the European Union Council has eased the conditions of entry and residence in the European Union (EU) for third-country employees with high qualifications. This new directive, which will be implemented over a period of two years, creates the EU "blue card," a special residence and work permit for skilled workers that will be valid in all EU member states with the exception of the United Kingdom, Ireland and Denmark.

## United Kingdom Workers on long-term sick leave can accrue paid time off



On June 10, 2009, the House of Lords published a ruling that concludes the issue of whether there is a requirement for employees on long-term sick leave to continue to accrue paid time off during their period of absence. This final ruling may have important implications for employers, as workers can now potentially file a claim under the Employment Rights Act (1996) for any statutory holiday accrued during the long-term sick leave period.

## France Executive bonuses curbed in firms receiving state aid



Strict limits have been placed on the bonuses of executives of companies (in particular banks and companies in the automotive industry) that have received state aid. This measure was taken after a major French bank, Société Générale, which had received state funding as a result of being hard hit by the financial crisis, went on to pay large bonuses to its top executives.

## United Arab Emirates Legislation to improve immigrant workers' conditions



The U.A.E. government announced it will implement new employment legislation that will improve foreign workers' labor conditions

and protect their rights. To receive permits, employers will have to provide workers with accommodation in line with international labor standards. From September 2009, employers will have five years to comply with the new rules.

## Singapore Employers claim early reimbursement for paid maternity leave



Starting May 1, 2009, employers were able to make an interim claim for the early reimbursement of maternity leave remuneration paid by the government. The purpose of this measure is to reduce the current cost pressures on employers, as well as to foster a more family-friendly work environment.

## Australia Disability discrimination act



The Disability Discrimination and Other Human Rights Legislation Amendment Bill 2009, which features some significant amendments to the laws on disability discrimination in the workplace, has received Royal Assent. The burden of proof in indirect discrimination cases shifts away from the employee, but there is guidance for the employer on the unjustifiable hardship defense and the inherent requirements exception, which arises when a worker's disability prevents performance of an occupation's core activities.

## China AIDS exclusion barred



The Insurance Association of China has issued guidelines barring insurance companies from denying accidental death and disability or long-term disability claims from policyholders with AIDS. Any existing policies discriminating against people with HIV must be revised by October 1, 2009. In addition, there is a draft rule on entitling people with HIV to purchase life insurance coverage.

## Malaysia Foreign worker stay cap



The Deputy Prime Minister announced in July that all foreign workers except maids will now have their visas limited to five years. They will not be barred from renewing their applications, but they will have to go home to do it and they will be treated as new applicants. The administration will try to draw more Malaysians into the workforce with better salaries, training programs and worker housing.

Source: Briefs compiled from news items provided by Mercer

# THE WORLDLINK HR CALENDAR

August 2009 | Montevideo, Uruguay  
XIV Congreso Nacional  
E-mail: [adpu@adpu.org](mailto:adpu@adpu.org)  
Web site: [www.adpu.org](http://www.adpu.org)

August 18-21, 2009 | Sao Paulo, Brazil  
35th Congresso Nacional sobre Gestao de Pessoas  
Tel: +55 11 3133 3420  
E-mail: [conar@conarh.com.br](mailto:conar@conarh.com.br)  
Web site: [www.conarh.com.br](http://www.conarh.com.br)

September 8-9, 2009 | Mexico City, Mexico  
44th AMEDIRH International HR Congress  
Tel: +52 55 51 40 22 14  
E-mail: [eventos@amedirh.com.mx](mailto:eventos@amedirh.com.mx)  
Web site: [www.amedirh.com.mx](http://www.amedirh.com.mx)

September 23-24, 2009 | Buenos Aires, Argentina  
FIDAGH - Interamerican Congress on People  
Management - CIGEH 2009  
Tel: +54 11 4342-6163  
E-mail: [congreso@adrha.org.ar](mailto:congreso@adrha.org.ar)  
Web site: [www.adrha.org.ar](http://www.adrha.org.ar)

October 22-23, 2009 | Nairobi, Kenya  
National HRM Conference  
Tel: +254 (0) 20-2213724  
Fax: +254 (0) 20-2244557  
E-mail: [info@ihrm.or.ke](mailto:info@ihrm.or.ke)  
Web site: [www.ihrm.or.ke](http://www.ihrm.or.ke)

November 17-19, 2009 | London, England  
CIPD Annual Conference & Exposition  
Tel: +44 208 612 6200  
Fax: +44 208 612 6201  
E-mail: [conf@cipd.co.uk](mailto:conf@cipd.co.uk)  
Web site: [www.cipd.co.uk](http://www.cipd.co.uk)

September 26-29, 2010 | Montreal, Canada  
WFPMA World Congress  
Tel: +1 613 567 2477  
E-mail: [info@cchra-ccarh.ca](mailto:info@cchra-ccarh.ca)  
Web site: [www.hr2010.com](http://www.hr2010.com)

Editor's note: Please submit events for the  
calendar to Adrienne Fox at [afox@pointcs.com](mailto:afox@pointcs.com).

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welcomes news stories, announcements of events and

ideas for articles. These should be accompanied by a telephone number and e-mail address.  
Please send items to:

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Editor, WorldLink  
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#### NEXT ISSUE

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Please submit contributions by 30 September 2009.

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