



# WorldLink

Linking people management professionals around the globe

## Europe Invests in HR Issues to Lift Economy

By Pieter Haen

In March 2010, the European Commission launched the Europe 2020 Strategy to lift the European Union (EU) economy out of the crisis and to prepare it for the next decade. The Europe 2020 Strategy sets out a vision for Europe's social market economy over the next decade, and it rests on three interlocking and mutually reinforcing priority areas:

- Smart growth by developing an economy based on knowledge and innovation, education, and digital society.
- Sustainable growth by promoting a low-carbon, resource-efficient and competitive economy.
- Inclusive growth by fostering a high-employment economy that delivers social and territorial cohesion, raises participation in the labor market, promotes the acquisition of skills, and reduces the poverty rate.

The European Commission set out five targets to achieve by 2020:

- 75 percent of the population ages 20-64 should be employed.
- 3 percent of the EU's gross domestic product should be invested in research and development.
- The "20-20-20" climate/energy targets should be met (a 20 percent cut in emissions of greenhouse gases by 2020, compared with 1990 levels; a 20 percent increase in the share of renewables in the energy mix; and a 20 percent cut in energy consumption).
- The share of students who leave school early should be under 10 percent, and at least 40 percent of the younger generation should have a degree or diploma.
- 20 million fewer people should be at risk of poverty.

Over the past decade, Europe's economy has been derailed by a succession of global and national events, including the September 11, 2001, terrorist attacks on the United States, a financial meltdown and



Pieter Haen

the biggest economic crisis our generations have ever seen.

Some countries already are recovering, while others remain in the intensive care area. But there is a glimmer of light at the end of the tunnel.

An April 2010 global survey by McKinsey and Co. shows that while European companies will continue to rein in operating costs, they are also planning a range of bold steps to take advantage of improved economic conditions. A new and still delicate hiring of talent is beginning.

A new report by the EU's European Center for the Development of Vocational Training (Cedefop) found that by 2020, some 80 million

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job openings will be generated in the EU, Norway and Switzerland. Of those, around 73 million will be to replace workers who retire or change jobs, and 7 million will be due to the creation of new jobs.

Most new jobs will be created in knowledge-intensive and skills-intensive occupations. (See chart on page 3.) Some of the biggest increases in employment will be registered in high-level managerial and technical jobs: legislators, senior officials and managers (net

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13 Steps to Job  
Creation



25th EAPM  
Conference to Be  
Held in September  
in Turkey



HR Adapts  
to Growing  
Workforce Needs  
in Turkey



Spotlight on  
Switzerland and  
Norway

creation of 1.4 million jobs), professionals (2.7 million), and technicians and associate professionals (4.5 million).

Although the number of craft and related trade jobs will drop overall by 2.1 million, the number of forecasted job openings in this category is high (around 10.3 million). In large part, this is to replace workers who will retire or change jobs.

We in HR have to think about how we can contribute to the realization of the targets set for this decade and how changing work models can meet this growth.

## New World of Work

The economic crisis is changing the future of work. Companies had to redesign their compensation systems and benefits policies, and to cut pensions and training and development budgets to survive. One of the consequences is the erosion of trust between employees and employers. Even a strong employer brand will not be sufficient to recruit and retain top talent.

In Europe, we have seen a rising number of people issues on the business agenda—the talent crisis, an aging workforce, the increase in global worker mobility, and the organizational and cultural issues emerging from the dramatic pace of business change in the past decade.

Business models will change dramatically as the environmental agenda and talent specialization lead to an increase in collaborative networks and force fundamental changes in how people work. Social capital and relationships will become one of the drivers of business success. People metrics used to measure and monitor productivity and performance will need to be more robust in the future.

Boundaries between work and home life are disappearing as companies assume greater responsibility for the social welfare of their employees. Companies have had to make substantial changes in the way they treat their employees, and they must continue to do so.

We are seeing a shift in Europe toward more-collaborative work forms that span boundaries, companies that operate in flatter organizational hierarchies and companies that engage employees in decision-making. We are also seeing a trend toward open-source

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innovation in external communities. Companies are becoming more-flexible organizational clusters and community structures, facilitated by advancements in technology.

Learning and education will fundamentally change in the years to come. Information is instantly and globally accessible. The challenge for HR is to separate the important and correct information from everything else. The ability to bundle messages into packages focused

## More *WorldLink* in 2011

At the September 2010 WFPMA Board Meeting in Montreal, Canada, members voted to devote each issue of *WorldLink* to one of the five member federations, thus increasing the frequency of the newsletter from four to five issues per year. The January 2011 issue is devoted to the European Association of People Management (EAPM) and HR news in Europe. Following is the remaining schedule for 2011:

<b>March 31, 2011:</b>	Interamerican Federation of People Management Associations (FIDAGH) and HR news in Latin America.
<b>May 31, 2011:</b>	Asia Pacific Federation of Human Resource Management (APFHRM) and HR news in Asia.
<b>July 31, 2011:</b>	North American Human Resource Management Association (NAHRMA) and HR news in North America.
<b>October 31, 2011:</b>	African Federation of Human Resource Management Associations (AFHRMA) and HR news in Africa. <a href="#">WL</a>

Each federation will have the opportunity to help direct the focus and the content of its issue. Please contact *WorldLink* editor Adrienne Fox at [afox@pointcs.com](mailto:afox@pointcs.com) for more information.

on a particular issue will be a key asset.

## Branding Yourself

These future trends work together to provide a unique opportunity to shift from the age of mechanization to the age of craft. In this new age, people can put their stamp on their work with regard to who they are and what they choose to do. This has immense benefits as it enables each one of us to become more authentically ourselves. However, it carries with it the necessity to become more aware of what our unique talents are and how to express credentials in a thoughtful and energetic way.

Specialization is crucial to the age we are entering. It could be a specific skill or competency; it could be a breadth of knowledge and insight; it could be particularly valuable networks and connections. The actual specialization or mastery is not the point. The point is that you have to be a specialist or master in something to thrive in the future.

Of course, it is not enough to develop a specialization; you also have to demonstrate it to others and display it prominently.

In the European Association of People Management, HR certification and its added value are a top priority. Some national HR associations already have completed this certification program, while others are setting up their own approach.

2011 is a perfect year to contribute to the new economy, the new world of work and the new you. [WL](#)

Pieter Haen is president of the European Association of People Management and secretary general of the WFPMA.

# 13 Steps to Job Creation

The European Commission has launched a flagship initiative called An Agenda for New Skills and Jobs. It sets out 13 key actions aimed at reforming labor markets, upgrading skills and matching them with market demand to boost employability and mobility, to improve working conditions and job quality, and to create jobs.

- In 2011, the Commission will propose guiding principles to promote enabling conditions for job creation. These will include ways to address administrative and legal obstacles to hiring and firing, creating new businesses, and self-employment; ways to reduce non-wage labor costs; and ways to move from informal or undeclared work to regular employment.
- In 2011, give new momentum to and strengthen the four components of “flexicurity,” with a stakeholder conference between the Commission, member states, the European Parliament and the European social partners.
- In 2011, present a Communication on the implementation of lifelong learning strategies and competence development, a European policy handbook setting out a framework for lifelong learning implementation; and a renewed action plan for adult learning.
- As of 2011, hold a Tripartite Social Forum to enhance the European social partners’ participation in and ownership of the Agenda for New Skills and Jobs.
- In 2011, launch the second phase of the Common Agenda for Integration of third-country nationals, to provide improved structures and tools to facilitate the exchange of knowledge and the mainstreaming of integration priorities of the member states.
- In 2011, propose an amendment to review the Working Time Directive, and make a legislative proposal aimed at improving the implementation of the Posting of Workers Directive.
- In 2011, undertake the final evaluation of the EU Strategy 2007-

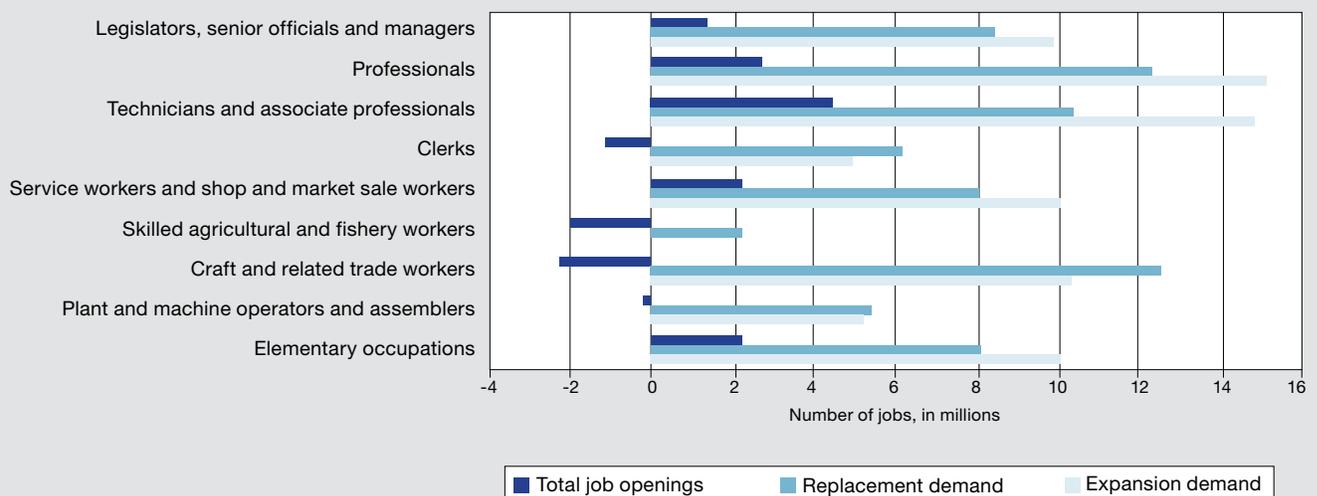
2012 on Health and Safety at Work; on this basis, propose in 2012 a follow-up strategy for the period 2013-2020.

- As of 2012, produce an EU Skills Panorama to improve transparency for job seekers, workers, companies and/or public institutions. The panorama will be available online and will contain updated forecasting of skills supply and labor market needs up to 2020.
- By 2012, complete in all European languages the European Skills, Competences and Occupations Classification (ESCO), as a shared interface between the worlds of employment, education and training.
- In 2012, consider presenting a legislative initiative to reform the systems for the recognition of professional qualifications, on the basis of the evaluation of the Professional Qualification Directive.
- In 2012, consider presenting a legal instrument on enforcement of rights of EU migrant workers in relation to the principle of free movement of workers.
- In 2012, review the effectiveness of EU legislation in the area of information and consultation of workers, as well as EU directives on part-time work and fixed-term contracts and their impact on female participation in employment and equal pay.
- By 2014, conduct a comprehensive review of health and safety legislation in partnership with the member states and the European social partners, in the framework of the Advisory Committee on Safety and Health at Work. [WL](#)

Source: An Agenda for New Skills and Jobs: A European contribution towards full employment, European Commission, November 2010.

## Job Growth in the EU, Norway and Switzerland

By 2020, most new jobs will be high-level managerial and technical jobs, but many craft workers will need to be replaced too.



Source: European Center for the Development of Vocational Training (Cedefop).

# Geography and Seniority Influence Employee Engagement Views

By Adrienne Fox

Companies recognize that with all else being equal, an organization with a highly engaged workforce will outperform a competitor with disengaged employees. However, views on how to improve and sustain employee engagement vary greatly, according to the December 2010 *Re-engaging with Engagement* report by the Economist Intelligence Unit and the Hay Group. The report, based on surveys with 331 senior-level executives and 80 managers and other executives, found that geographical location within Europe and, particularly, seniority in the corporate hierarchy influenced respondents' views on how to engage employees successfully.

Key findings of this report include the following:

- The C-suite displays a consistently “rose-tinted” view of engagement that is not shared lower down the ranks. One important revelation from the survey is the huge disparity between the views of many in the C-suite and those of less-senior directors, including employees just a single rung below board level. For example, 47 percent of C-suite executives believe that they solely influence the levels of employee engagement, a view shared by only 16 percent of senior directors outside the C-suite.
- More than one in five in the C-suite believe that employees at their company are “much more engaged” than those in rival firms, compared with only 7 percent of respondents outside the C-suite.
- A significant mismatch exists between words and deeds on engagement. For example, 84 percent of survey respondents say having “disengaged employees” is one of the three biggest threats facing their business. However, only 12 percent of respondents report that their company “regularly and often” tackles the impacts caused by staff with “continually low engagement.” Even according to C-suite executives alone, engagement is discussed “occasionally,” “rarely” or “never” at the board level in 43 percent of companies.
- Middle managers are not deemed responsible for employee engagement. The low proportion (13 percent) of C-suite executives who believe that line managers and middle managers are “chiefly responsible” for staff engagement is unlikely to boost the people management skills of such managers.
- Long-serving employees pose the greatest engagement challenge. Respondents believe overwhelmingly that it is hardest to raise the engagement levels of “experienced and long-serving staff.” Again, however, C-suite executives reach a different conclusion from those lower in the organizational hierarchy.

Only 27 percent of CEOs believe that this group presents the greatest challenge in raising engagement levels, as opposed to 57 percent of senior vice presidents and heads of departments or business units. The C-suite is more likely than others to say workers younger than 25 represent the most problematic group of employees, in line with the current management orthodoxy surrounding Generation Y.

## National Discrepancies

In addition to position in the organization, geographical location has a significant bearing on survey responses. Over half (51 percent) of UK respondents believe that employees are more engaged than they were two years ago, compared with only 30 percent in France. Moreover, 63 percent in the UK and 65 percent in Germany claim to have more-engaged staff than their

## Learning from Executives

The report offered the following suggestions for improving employee engagement:

- Devote more attention to engagement in board meetings. Of survey respondents who believe that employees in their company are “much more engaged” than workers in rival organizations, 26 percent said engagement was a “consistent agenda item” at board meetings, compared with just 5 percent of the other respondents.
- Confront disengagement head-on. Respondents in organizations said to have high levels of employee engagement are much more likely than others to say that the issue of disengaged employees is at least “sometimes” actively confronted by the organization (84 percent vs. 68 percent elsewhere). Disengagement can be infectious.
- Focus on autonomy, not salary. Just one-quarter of respondents (26 percent) in companies said to have high levels of workforce engagement believe that salary level is among the most important determinants of engagement, compared with 38 percent overall. But nearly one-half (47 percent) in highly engaged organizations believe in “greater staff autonomy,” as opposed to 36 percent elsewhere.
- Ensure that line managers are engaged. Only 4 percent of respondents in highly engaged companies say line managers present an engagement problem, compared with 18 percent in other companies.

## Engagement Tools

What are the main methods senior management currently use to improve staff engagement? Select all that apply.

Tool	Percentage of non-C-suite respondents
Company-wide communication (through e-mail or group meetings) about strategy	65%
Promoting training and learning programs	32%
Company-wide motivational e-mails	28%
Regularly being seen on the “shop floor”	26%
Ensuring that middle managers are capable of good people management	26%
Conveying company philosophy that illustrates company culture	23%
Emphasis on internal promotions	16%
Strict target-based assessment of staff	11%
Employing individuals beneath them who can transmit company values	11%
Improving working conditions, pay and perks where required	10%
Other	5%

Source: *Re-engaging with Engagement*, the Economist Intelligence Unit and the Hay Group, 2010.

competitors, whereas in Spain only 37 percent think this is the case.

These results seem to correlate with respondents' estimation of their own company's financial performance, with 65 percent from Germany reporting improvement over the past 12 months, compared with only 40 percent in Spain.

In the wake of the recession, the British seem most upbeat while the French and Spaniards are most downcast. Only one in five respondents from France and Spain believe that their company's engagement policies over the past year had a positive impact on employee morale, whereas more than two in five in the UK say this is the case.

Overall engagement levels are believed to have increased, with 42 percent believing that workers are more engaged than they were two years ago and only 23 percent believing that they are less engaged. This improvement comes in the face of widespread reported salary freezes and layoffs, and despite greatly increasing levels of stress and pressure.

Looking ahead, other national divergences emerge. Only 34 percent of German respondents think "relative level of remuneration" will be an important factor affecting engagement over the next two years, as opposed to 65 percent in France and around 50 percent in several other European countries.

Only 17 percent in France believe that the "changing ambitions of younger recruits" will strongly influence engagement. Almost one in three Germans think that meeting the demand from older workers for more opportunities will have a strong bearing on engagement, but only around one in 10 in the UK and Spain believe this to be the case.

The German concern about the engagement of older workers is reflected elsewhere in the survey, across all regions. The British and Spaniards evidently think this is a problem that can be compartmentalized, without affecting other age groups and overall engagement levels within the company. "Long-serving and experienced staff" consistently and by some margin emerge as the group deemed most resistant to efforts to improve engagement. **WL**

## 25th EAPM Conference to Be Held in September in Turkey

By Ceren Cezgi, ÇOPUR

The world has become far more unstable and competitive than ever before. We continuously need to find ways to gain competitive advantage whenever and wherever possible. One of these is clearly the management of human resources, which traditionally was regarded as a department function but now is being widely shared among all business managers. We need to take HR to the next level, bringing people and performance together.

The European Association of People Management (EAPM) and its participating national member organizations will hold its 25th European People Management Conference on September 28-30, 2011, in Istanbul, Turkey. Hosted by PERYÖN, the People Management Association of Turkey, the conference has a theme of "Convergence: Rethinking the role of people management as the catalyst."

Convergence is the act of moving toward union or uniformity. It is also a meeting place, where distinct technologies, industries or devices merge into a unified whole. It is the approach toward a definite value, a definite point, a common view or opinion, or a state.

People and performance strategies, targets and practices have been converging. People management is emerging to uniquely combine activities and processes of human resource management, organizational development, brand management, communication studies, psychology, sociology and some other areas—fields that "grew up" distinct from each other. In pursuing this convergence, there are some clear divergences, nuances and specific themes.

Gain new perspective on and greater understanding of the differences and similarities in various countries, cultures, corporations, functions, policies and practices. At the EAPM Conference, you will discover contemporary best practices and get insights on how to use the convergences as opportunities and how to realign your strategy to maximize performance and profits. The topics will be widely discussed by business and people management leaders, in light of relevant literature.

We're confident that you'll enjoy the opportunities to network with more than 2,500 HR professionals, trainers, consultants, small-business owners and non-HR leaders from throughout Europe and around the world. Connect with many exhibitors who offer products and services that cater to your HR needs, interact with concurrent session speakers, and glean practical information to enhance your people management practices and improve the success of your business.



PERYÖN will be celebrating 40 years of people management at the 25th EAPM Conference. Istanbul, located on the Bosphorus Strait, is the commercial and cultural center of Turkey. In its long history, Istanbul has served as the capital city of the Roman Empire, the Roman Byzantine Empire and the Ottoman Empire. It is attractive for both the beauty of the surrounding landscape and its historical treasures.

Mark your calendars for September 28-30, 2011. For more information and to register, go to [www.eapm2011.org](http://www.eapm2011.org). **WL**

Ceren Cezgi, ÇOPUR, is project management and business development officer of PERYÖN in Istanbul.

# HR Adapts to Growing Workforce Needs in Turkey

By Mehpare Alp

Talent is and will always be the most crucial asset a company owns in the cut-throat competition for market share and survival. High-performing employees make the difference in successfully meeting the expectations and ever-growing demands of clients. These employees guarantee the sustainability of high performance and thus the future of the enterprise.

Based in Ankara, Turkey, FNSS Defense Systems is a medium-sized joint venture company between Nurol Group of Turkey and BAE Systems of the United States. The firm's capabilities in research, innovation, design, production, customer service and project management of land combat systems require top-notch people skills.

Supported by strategic HR programs and policies, FNSS has evolved from a single-project company into a multi-project, multi-product company in the past decade.

To meet the challenges of this growth, HR management, with support from the CEO, made the bold decision in 2007 to restructure the function and redefine its role to become a full strategic business partner. The increasing body of projects created the immediate need to fill numerous positions in a rather short time, and we suddenly found ourselves in the war for talent. The most sought-after and critical talent needs at the time were for design engineers.

To combat the selection and placement challenge in a timely fashion—and, in our role as a strategic partner, to support the improvement of our engineering capabilities—we had to effectively acquire, develop, deploy and retain the human capital we needed.

We first established a company-specific competency model that encompassed our core, functional and managerial competencies. HR encouraged departments to use competency-based interview techniques in creating short-lists of candidates.

Following rigorous selection and placement efforts during our growth decade, FNSS head count more than doubled, and HR predicts the workforce will continue to grow.

One of the misconceptions in attracting high-potential people is that the chore has been accomplished once the candidate is recruited. However, the greatest task lies ahead: retaining the talent within the company. Therefore, our primary aim has been to create a platform of learning and development for our new people and to help them embrace our corporate cultural values to orient them to their new organization.

To help new employees get settled, HR has articulated FNSS company values and core competencies that bind employees together and make its workforce distinct. As HR director, I and the CEO chair all-staff meetings to communicate current projects and new HR initiatives.

HR initiated biweekly “vertical slice meetings” in which 25 employees from various departments representing different hierarchical levels meet for a luncheon with the CEO. These meetings enable the CEO to share with the employees the latest business developments and allow employees the opportunity to discuss issues of their choice and raise questions one-to-one.

The outcome of these get-togethers has been a jump in our annual employee satisfaction survey results, demonstrating that our people feel valued and respected.

With an influx of younger employees, HR had to manage the expectations of workers from Generation Y who wanted to transform

the enterprise and yet be adaptive and productive at the same time. These high-potential employees are usually perceived to want a future with multiple jobs and a variety of employers rather than a long career with a single employer.

We could not afford to lose our talented engineers, so we decided to change our HR paradigm. We prepared supervisors for a potential culture clash and trained them for the newcomers, who would challenge them with their own understanding of work and work-life principles and priorities, as well as interaction patterns with co-workers and managers. In addition, we adapted to the younger generation's needs by creating an appreciative work culture with recognition ceremonies.

Employees who have been assessed as demonstrating significant efforts to achieve results and solve problems were invited, and the CEO presented them with certificate awards. In May 2010, HR kicked off a “Glad to have you” initiative to identify and reward those employee behaviors that exemplify and demonstrate FNSS core competencies.

HR also restructured the performance management system, which now links individual performance to objectives and competencies. All individual objectives are aligned with company objectives, so all employees are held accountable for the fulfillment of our annual objectives. Company objectives have been cascaded down to employees and are measurable. Our enterprise resource planning system enables top management to track the flow of objectives to lower levels, and all lower-level employees can see their contribution to annual company objectives. Managers can track and thus monitor employee accomplishments on an individual level, and areas for improvement can be pinpointed more clearly by using the enterprise resource planning system.

Employees are evaluated on their core, functional and managerial competencies. Managers conduct a comprehensive performance appraisal with their staff and provide constructive feedback. Our performance management system also focuses on motivating employees by aligning and rewarding the assessment results with compensation.

HR strongly believes that we need to develop a leadership team and improve the technical and soft skills of all employees. We invested an average of 66 training hours per employee in 2009 during a year of robust hiring followed by an average of 50 hours last year. We expect 2011 to be another year of intensive learning.

We feel obliged to exceed the highest standards of performance. In so doing, employees deserve the best we can offer them in terms of training, career and professional development, and competitive compensation and benefits. But above all, our greatest achievement will be to win their confidence and loyalty. As the visionary leaders of FNSS, we in HR strive to help our workforce be dedicated to the company's mission. [WL](#)



Mehpare Alp

Mehpare Alp is director of human resources at FNSS Savunma Sistemleri A.S. in Ankara, Turkey.

# Progressive Labor Laws, Specialized HR Keep Swiss Competitive

By Max Becker

Switzerland and Norway are not members of the European Union (EU), but they have close economic ties with the community and play an important role in European business.

In recent years, Switzerland has become a center for the management of human resources. The world's leading staffing and recruitment agency, Adecco, has its headquarters in Switzerland, while a number of companies have moved their personnel management services to Geneva.

This development has been driven by Switzerland's stable social environment and low tax rates. At the same time, employers from EU countries find the Swiss employment regulations not only less bureaucratic than those at home but also more employer-friendly as far as the right to dismiss workers is concerned, for example.

Although it is not a member of the EU, Switzerland shares close economic and political ties with its European neighbors. But, Swiss labor law governs the rights and duties of employers and employees. It includes significantly fewer requirements than in EU states and

is stated in various acts, most notably the Code of Obligations (individual employment contracts, collective employment contracts, standard employment contracts), the Labor Act (general health protection, working hours and breaks, young people, pregnant women and nursing mothers) and the Accident Insurance Act (occupational health and safety).

Switzerland has a population of about 7.78 million, with foreigners

accounting for 22 percent of the resident population. The average age is increasing as people live longer and have fewer children.

Switzerland has around 4.5 million people who are employed (as of third quarter 2008, excluding cross-border commuters and short-term residents), 2 million of whom are women. The labor force participation rate is high—68.2 percent. Foreigners account for 27 percent of the employed population. One-third of employed people work part time, and the number is rising. Fifty-seven percent of women work part time, compared with just 13 percent of men. In 2008, 32 percent of the working population had a higher education degree. Switzerland is famous for its multilingual employees, and Swiss managers have higher-than-average international experience.

## Swiss HR Trends

Switzerland is experiencing a growing trend in outsourcing in HR. Companies have reduced their internal HR functions to training and development and HR strategy, and have outsourced administrative duties. Some problems arise when you are working in Zurich and your paycheck is processed in Warsaw, Poland—it is difficult to find someone to answer your payroll questions, for example. But HR professionals welcome this trend because it allows them to focus on the more-strategic elements of the function. While recruitment process outsourcing became popular in recent years, companies are starting to bring the function back in-house because they are finding third-party implementation difficult.

Work certificates are required in Switzerland if someone leaves a company or takes a new job within the company, but they aren't standardized. Certificates record your job description; your history in the role; and a general message about your performance, usually in one of three categories. Because HR can't write anything negative

in the certificate that would prevent the person from being employed in the future, some have resorted to "coded" language to covertly express problem areas in the employee's work history. To prevent this practice, a movement is afoot to standardize the wording of these work certificates.

Within HR, people come from all disciplines, so it is hard to weigh one person's qualifications against another's. In Switzerland, our government exams in human resource management represent a success story. Each year, nearly 3,000 people—about 85 percent of whom are female—take one of three levels of exams: HR certificate, HR professional and HR management. You must pass one level to move on to the next.

Although there is no legal requirement to pass these exams, a potential employer will ask if you have passed and will wonder why you haven't. The failure rate is 35 percent, so the exams are highly valued and considered to be credible. We believe this is a success story and a model for other countries to emulate. We have presented our model to Germany and Austria, and would like to share it with other countries. [W/L](#)

Max Becker is a managing director of CGZ Consulting Group in Zurich, president of the Zurich HR Association (ZGP) and a board member of the European Association of People Management.



## State of HR in Norway

The 2010 National HR Survey in Norway, conducted by Ernst & Young in cooperation with HR Norge, Norway's HR association, provides an overview of the state of HR in that country:

- 85 percent of businesses have a documented HR strategy.
- HR strategies are operationalized to a limited extent. Respondents were asked to rate on a scale of 1 to 7, with 7 being the most integrated, how well-operationalized HR strategy is once it is articulated. The average score is 4.59. "The findings show that most HR departments have some work to do in integrating their HR strategies throughout the business," said Henrik Øhrn, research director at HR Norge.
- In one of six businesses, the top HR manager has been moved to either a higher or lower level in the last year.
- HR reports regularly its progress to a senior management group, but measured or observed gaps between plans and results are not followed up on. "HR is gathering metrics but is not doing anything with the data," said Øhrn. "This may be because HR has chosen the wrong metrics or the metrics are not a priority to senior management."
- International companies operating in Norway claim to report more HR metrics upward, while the Norwegian-owned companies to a greater extent follow up on deviations.
- Major differences exist in what is perceived as important within performance management. There are also significant inconsistencies when looking at the degree to which businesses report having success within the various steps of the review cycle—goal setting, training, feedback and progressive discipline.
- Annual performance appraisals are arranged systematically, but they do not seem to have or lead to any consequences. [W/L](#)

## European Union New presidency; executive bonus rules; single permit law rejected



Hungary assumed the European Union (EU) Presidency in January.

Over the next six months, its top goals will be implementation of the Europe 2020 Strategy, job creation, stabilizing the euro and EU competitiveness. Hungary also has stressed talent support through four objectives: Convene a presidential professional conference on talent support on April 7-9, 2011, in Budapest; create a European Talent Day; include talent support in EU policy documents; and create an open method of cooperation (OMC) group—which is an EU process of policymaking that creates best-practice guidelines without binding legislation—on talent support.

The Committee of European Banking Supervisors released the final draft of Guidelines on Remuneration Policies and Practices. Beginning January 1, 2011, at least 60 percent of an executive bonus in the financial sector will have to be deferred for at least three years and no more than 20 percent may be delivered in cash. Guaranteed bonuses may not be set more than a year in advance, and all financial firms—even those that aren't publicly held—will have to publicly disclose their remuneration policies. While the extraterritorial scope of the first draft guidelines has been reduced, the final rules will apply to executives based outside the EU who have significant management responsibilities in Europe.

The European Parliament rejected a draft directive for a single permit law to simplify procedures for residence and work permits for legal immigrants in the EU. The single work permit directive, together with the existing “blue card” for highly skilled migrants, was meant to facilitate immigration of non-EU citizens to fill gaps in the EU labor market. The directive's goal was to simplify application procedures, provide a “one-stop shop” for immigration into the EU, and provide a common set of rights for immigrants legally living and working in the EU. The directive may be revised and resubmitted at a later date.

## Austria 'Red-white-red' work permit



The government announced a “red-white-red” work permit card that will allow non-EU citizens to work

in Austria. Austria is currently experiencing skills shortages. Similar to the US green card system and the UK points-based system, the red-white-red card will award applicants credit based on age, education, experience and language skills. All immigration quotas will be removed when the system is introduced. It is scheduled to launch on July 1, 2011.

## Estonia New EU member state



Estonia became the 17th member of the eurozone on January 1, 2011.

This small country of only 1.3 million people will be the poorest nation to have adopted the euro currency. However, the Estonian government has kept a firm rein on public spending during the recent recession and has one of the lowest levels of public debt in Europe.

## Hungary Nationalization of private pension schemes



A new pension law has been passed by the Hungarian Parliament.

This transfers all private pension funds to the state Pension Reform and Debt Reduction Fund unless individual members of private schemes opt out of the transfer process by January 31, 2011. Those choosing to retain their private pensions will, however, lose all future contributions from their employers to the state pension system.

## Ireland Bailout funds available; minimum wage lowered



Ireland began drawing on the EUR67.5 billion bailout funds from the EU and International Monetary Fund (IMF) in January as part of a EUR85 billion package to shore up Ireland's stricken banks and public finances. The EU and IMF money will be used to stabilize Ireland's banks and provide the exchequer with funds while sky-high borrowing costs keep Ireland locked out of capital markets. Ireland is contributing another EUR17.5 billion of its own resources to the rescue package and has agreed to bilateral loans with the UK and other nations.

The Irish government has decided to cut its national minimum wage from EUR8.65 to EUR7.65 an hour. The new rate will apply only to new employees, unless employers can secure voluntary agreement from individuals for a pay cut. This change has been made in response to pressures from the European Commission and the International Monetary Fund, who made it a condition of their bailout of the ailing Irish economy. However, Ireland has retained its highly competitive 12.5 percent rate of corporation tax in spite of strong objections from several EU member states.

## The Netherlands Right to flexible and home working



A bill giving employees the right to move to flexible working hours or to work at home has been jointly

submitted to the Dutch Parliament by the CDA and Green parties. The bill is in the form of an amendment to an existing law allowing full-time employees to request a transfer to part-time work.

## Poland Leave for adoptive fathers



An amendment has been made to the Polish Labor Code to give adoptive fathers the right to take paternity

leave for up to one week. The leave may be taken at any time within the first year following adoption. Beginning in 2012, this right will be extended to two weeks.

## Portugal Initiative on Competitiveness and Employment



The Council of Ministers has approved the Initiative on Competitiveness and Employment.

The package aims to reinforce collective bargaining while expanding the criteria for just dismissal and limiting the damages paid in an unlawful termination. There are also proposals to partially prefund severance pay and to refine existing rules that allow reduced hours or employment contract suspension in an economic crisis.

## Spain Higher minimum wage



Spain's minimum wage will rise by 1.3 percent in 2011, Prime Minister

Jose Luis Rodriguez Zapatero announced. The increase will take monthly minimum pay to EUR641.50. Zapatero said state pensions would go up by at least the same percentage—more in the case of those receiving the smallest pensions. At a news conference, he said the government was making “a special effort at solidarity” despite Spain's economic crisis.

## United Kingdom New tax restrictions for high earners; net migration rate steady



Starting in April 2011, the annual allowance for pension savings will decrease from £255,000 to £50,000

and there will be no indexation on this amount until at least 2015. Any savings in excess of the allowance will be taxed at an employee's marginal tax rate. Pension savings include both employer and employee contributions to defined contribution plans and the value of the accruing benefit under defined benefit plans. Offering pension benefits worth more than £50,000 per year will no longer be as tax-efficient, and employers will need to decide whether to offer an alternative, such as cash.

The UK's net migration rate is unlikely to fall significantly in 2011, according to a think tank's analysis. The Institute for Public Policy Research says the number of immigrants to the UK minus the number of people leaving will be around 200,000. One reason it points to is that only about 30,000 UK citizens are emigrating—the lowest in almost a decade.

Briefs compiled from reports in *Wall Street Journal*, Reuters, *Financial Times*, BBC, Towers Perrin and Mercer.

# THE WORLDLINK HR CALENDAR

**February 2-4, 2011**  
**HRPA 2011 Annual  
Conference & Trade Show**  
**Toronto, Canada**  
Tel: 416-923-2324  
E-mail: nmaben@hrpa.ca  
Website: www.hrpa.ca

**June 6-11, 2011**  
**AHRI National Convention**  
**Sydney, Australia**  
Tel: +61 3 9918 9200  
E-mail: registrations@ahri.com.au  
Website: www.ahri.com.au

**June 26-29, 2011**  
**SHRM Annual Conference  
& Exposition**  
**Las Vegas, Nevada**  
Tel: 1-703-548-3440  
E-mail: shrm@shrm.org  
Website: www.shrm.org

**September 28-30, 2011**  
**25th European People  
Management Conference**  
**Istanbul, Turkey**  
Tel: 90-212-368-4800 / 4792  
E-mail: peryon@vip.com.tr  
Website: www.eapm2011.org

**October 4-6, 2011**  
**8th HR Africa**  
**Johannesburg, South Africa**  
Tel: (011) 771-7000  
E-mail: conferences@iir.co.za  
Website: www.hr-africa.com

**October 26-28, 2011**  
**22nd Interamerican  
People Management  
Congress: CIGEH 2011**  
**Quito, Ecuador**  
E-mail: adghe@interactive.net.ec  
Website: www.adghe.com

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

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is the newsletter of the World Federation of People Management Associations (WFPMA). It is published by the Society for Human Resource Management, which is the Secretariat for the Federation. For further information contact Pieter Haen at eapm@duurstedegroep.com or the WFPMA Secretariat at WFPMA.Secretariat@shrm.org

## WORLDLINK

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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## NEXT ISSUE

The next issue of *WorldLink* will feature the Interamerican Federation of People Management Associations (FIDAGH) and HR news in Latin America. It will be published on March 31, 2011. Please submit contributions by February 15, 2011. ©2011. Material may be reprinted with credit to *WorldLink*, WFPMA.

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