



ILO chief awarded WFPMA's top honour

The active pursuit of 'decent work' for men and women throughout the world and a focus on the people implications of globalisation were among the factors that led to the selection of International Labour Organisation Director General Juan Somavia as the 10th recipient of the WFPMA's prestigious Petitpas Award.

Presented at the Federation's 10th bi-annual congress, which took place in Rio de Janeiro in August, the trophy – a crystal globe – is given in recognition of the winner's impact and influence on international people management.

Accepting the prize from outgoing President Carlos Aldao Zapiola, himself a regular delegate to the ILO's annual conference, where he represents both the Argentinean employers' body and the WFPMA, Somavia said he was honoured to receive it on behalf of all those working within the ILO.

HR professionals, he said, were the people who made it possible

for the ILO to see its ideas put into practice. Work, the point of production, was the core of the economy. But it was more than that. The more people earning a reasonable income, the greater a nation's stability and stability, in turn, was a source of peace.

Juan Somavia, who was elected ILO Director General in March 1998, is the first representative from the Southern Hemisphere to head up the organisation in its 85-year history. He took up office in 1999 and is now in his second five-year term in that role.

Under his leadership, employment and 'decent' work – defined as work carried out in conditions of freedom, equity, security and human dignity – have become the cornerstone of global development strategies. And he has succeeded in mobilising widespread political endorsement for his people-centred approach.

He was also responsible for launching the World Commission on the Social Dimension of



Photo: Denis Maestrello/Photoclub

President Carlos Aldao presents Somavia with the crystal globe at the Rio Congress, watched by (l to r) FIDAP President Cássio Mattos and ABRH President Luiz Carlos Campos

Full congress report: pages 4 to 7

Globalisation, whose report, published earlier this year, is "an attempt to help focus on the concerns and aspirations of people and on the ways to better harness the potential of globalisation."

And, not least, he is a man who practises what he preaches: concerned to 'mainstream' policies on gender equality around the world, he has overseen within the ILO itself the first-ever participatory gender audit by a UN system organisation.

An attorney by profession, Juan Somavia, 63, has had a long and distinguished career in academia, civil and international affairs, including active participation in the restoration of democracy in his home country, Chile.

He has written and lectured widely on trade issues and labour and human rights, and holds numerous citations and awards for his work in the areas of peace, human rights and social development.

Speaking to *WorldLink* at the Rio Congress, Carlos Aldao praised Somavia's commitment, drive and effectiveness in raising world awareness of the potential of people at work.

Eddie Ng, WFPMA Past President and Chair of the Petitpas Award judging panel, said it was rare for someone in such a high profile position to draw global attention to workplace issues.

Somavia's Rio speech, page 7

Outgoing WFPMA President Carlos Aldao (left) unwraps a gift from successor Geoff Armstrong on behalf of the Board of the World Federation. Carlos Aldao had shown outstanding leadership over the past two years, said Armstrong, with major achievements including

- the nurturing of the relationship with the ILO, which had greatly helped the recognition of the WFPMA as a major player on the world stage;
- the formation of the new pan-African association – Tiisetso Tsukudu had made it happen but Carlos Aldao's support, his charming but relentless drive and determination had been a key factor; and
- the work with China to encourage the formation of a professional people management association there, so this vast and critical country could join the global HR community.

Profile of new WFPMA President Geoff Armstrong, page 2



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WorldLink

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

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Next issue

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WORLDLINK PROFILE

Geoff Armstrong

WFPMA President

Susanne Lawrence, who has worked closely with Geoff Armstrong during his six-year tenure as WFPMA Secretary General, describes the achievements and thinking that he brings to his new role as President

In today's globalised economy it is people more than ever that provide competitive advantage, who are the key differentiators between business success and failure;

Effective people management is therefore a critical driver of value and success; and

People management is not just a collection of ever-changing fads and fashions but a systematically learnable evidence-based discipline of management which HR professionals can lead in promoting and applying.

These three linked notions have become almost a mantra for Geoff Armstrong over the past 12 years, a mantra which has proved a most effective 'sales' message for the profession. For, since he became Director General in 1992 of what was then the Institute of Personnel Management, the world's longest-established professional personnel body, he has spearheaded a merger with the UK's professional organisation for training and development specialists, led the achievement of Chartered status both for the resultant new body and its individual members and seen membership grow from 50,000 to the current figure of 120,000 – and still rising. Moreover every one of those 120,000 has a very high level professional qualification in the subject or is working towards one.

The CIPD sets standards and quality assures the delivery of programmes leading to its professional qualifications at over 400 universities, colleges and other accredited centres across the UK and Ireland. And the majority of HR jobs advertised call for CIPD membership as the hallmark of the profession.

The Institute is also consulted regularly by governmental and other public policy bodies, as well as by sister institutes around the world.

While much of the credit for this enviable situation must go to the management team and other staff and voluntary officers, Armstrong's cohesive vision and single-minded drive have

undoubtedly played a major contributory role in the CIPD's current status.

The same is true in other key areas of Institute activity – the annual national conference and exhibition was always Europe's largest and most successful such event. But under Armstrong there has been a clear policy to make it a destination of choice for the world's best known and most respected speakers in the field, whether gurus, politicians or practitioners, and to attract more senior level delegates – and it has continued to grow in size, popularity and international reputation.

Investment in important research and the development of the Institute's professional knowledge area has been very much an Armstrong initiative and not least the search for what seemed like the 'holy grail' – the evidence that good people management really does make a difference to an organisation's performance.

It is interesting to reflect that, despite having been brought up, professionally-speaking, in the 1970s, before personnel management became HRM and when industrial relations ruled the roost, Armstrong has always been very much a 'new man' as far as integrating people management into boardroom thinking and language is concerned.

The business and management models which worked in the 20th century are coming to the end of their lives, he told his seminar audience at the Rio World Congress. "We learnt about lowest cost mass production and management as a top-down hierarchical process; if the procedures could be parcelled up into neat manuals for implementation throughout the organisation, all would be well. It was all about rational management, calculating management, and defending protective barriers.

Initiative and brainpower

"But a globalised economy depends on the initiative and brainpower of people – not cogs in wheels." It is much more about people than technology, he says, because competitors can use the same technology, make or buy the same products and software – often cheaper – and customers and consumers are no longer loyal to companies or brands, as a result of which product life cycles are much shorter.

"These pressures shift how we do business. It is almost an advantage to be a newcomer – not to have the track history that means long-established practices and procedures."

What an organisation needs to be today, above all else, he says, is flexible – "innovation, continuous



CURRICULUM VITAE

Born November 3, 1946. Married, 3 children

Education Degree in sociology, University of Portsmouth
Advanced Management Programme, Harvard Business School

Employment

1967-85 British Leyland, ultimately Director of Employee Relations, BL Cars
Led negotiations with trade unions at time of major change in industrial relations, as well as directing radical changes in personnel and training across the group

1985-89 Board member, MB Group (formerly Metal Box)

One of four directing overall strategy and operations of company, responsible for personnel, corporate affairs, engineering, IT and trade with Eastern Europe

1989-92 Group Executive Director, Standard Chartered

Worldwide responsibility for personnel, communications, strategic planning, IT and legal affairs

1992 Appointed Director General, IPM (now CIPD)

Voluntary 1996-98 Treasurer, WFPMA. **1998-2004** Secretary General/Treasurer, WFPMA

Has also served as Secretary General of the EAPM; Chairman of the Confederation of British Industry's Employment Policy Committee; a member of the Council of the Advisory Conciliation and Arbitration Service, the Engineering Industry Training and a non-executive member of the Cabinet Office Management Board

Currently a Board member of the EAPM, a Trustee of the Dyslexia Institute and the Foundation for Management Education, a member of the advisory editorial boards of *People Management* magazine, *Human Resource Management Journal* and the *British Journal of Industrial Relations*

Honours Chartered Companion of the CIPD

Commander of the British Empire (CBE)

Doctor of Laws (LLD), Glasgow Caledonian University

improvement and adaptability are the only way to get and stay ahead." And that means earning the respect and "willing contribution" of employees.

So, "what can companies do to turn the human 'social capital' that walks through the door in the morning into a sustainable competitive advantage?"

Answering his own question, he says the HR agenda is both wide and dynamic; there are no universal panaceas. Different organisations are at different stages of development with very different needs. "You can't compete by embracing textbook answers," he adds. "There needs to be ruthless benchmarking and a clear focus on delivering business performance."

And it has been this search for the link between people management and business performance that has been at the top of the CIPD research agenda since 1997. Respected researchers had been working in this field for years, but the findings needed translating into practical implementable lessons, because clearly the message was still not adequately being heard in the boardroom.

Was it because they did not believe the evidence or because they did not know what to do about it? The CIPD thought probably the latter.

So most recently it has funded a major three-year study at Bath University, led by one of the UK's most practitioner-oriented professors of HR, which, Armstrong hopes, will lead to a better understanding of the relationship between business and HR strategy, high performance and success.*

Evidence of the CIPD's effectiveness in promoting the work and value of HR professionals to their bosses, management colleagues and the wider public can be seen in the business pages of Britain's national and regional press, where the institute is quoted often on a wide range of employment issues.

This can only be good news for the World Federation, for the well over 400,000 HR professionals currently in membership of WFPMA-member associations should surely provide excellent ammunition for a man who wants to spread the word around the world. Responsible media coverage in his view is an invaluable adjunct to direct contact when it comes to raising awareness of the contribution the WFPMA can make to governments and other organisations.

Expansion

Other ambitions for the two years of his Presidency include working to increase the number of national professional associations in membership – not only expanding the new African federation, but also looking to China and Russia, neither of which yet have single pre-eminent professional bodies. And he wants to energise interest in some of the other countries that do not have strong, active associations.

He will also, not surprisingly, given his CIPD experience, continue to encourage the development of professional standards and certification, sharing and learning from the experience of the 70-plus countries. Indeed he is currently looking into building on and updating the WFPMA report on HR

competencies and professional standards, which has had a major input into the new arrangements so recently put in place in Canada and Germany, and still being worked on in South Africa.

And, not least, he will work very hard to help make the 2006 World Congress in Singapore – not to mention the 2008 Congress in London – "world-class global events, which attract professionals from around the world to share learning and advance the quality of people management and development."

Armstrong has been elected to the presidency at an opportune time for the World Federation. If he can help it to develop its contribution – whether encouraging the strengthening of national and continental associations or developing contacts already established by predecessor Carlos Aldao with bodies such as the ILO – he claims he will be well pleased. And the profession will have moved forward in terms of the value its members bring to the organisations they work with around the world.

It is hard to think of another person with Geoff Armstrong's depth and spread of national and international experience as an HR professional, who has also been director of one of the leading professional institutes in the field and secretary general of the body he will now lead – to describe him as the right man for the job is something of an understatement. But then he is British! ○

* *Understanding the People and Performance Link: Unlocking the Black Box*, Research report by John Purcell et al, CIPD, 2003

Passion and samba

Report of 10th World HR Congress

'Passion and People Management' should have been the theme of the outstandingly successful 10th World HR Congress, held in Rio de Janeiro, Brazil, in August. For not only was it attended by a record-breaking 4,280 delegates, with representatives from 44 countries, but their enthusiasm, joie de vivre and concern for the work and for people was apparent to an unprecedented degree

Clearly the Brazilian culture pervaded the proceedings, with a very high level of audience participation, questions and applause – and not least for comments on social issues; and daily displays of music, rap, song and dance setting the scene for a truly different and energising conference.

Notwithstanding the Salgueiro Samba School's pulsating demonstration of what Brazil is most famous for, Congress highlights included a personal message of support from the country's popular President Lula da Silva; attendance by the Director General of the ILO, who received this year's WFPMA Georges Petitpas Award; and presentations from Brazil's own superstar entrepreneur Luiza Helena Rodrigues, Cirque du Soleil HR Director Suzanne Gagnon, who was asked to repeat

her session by popular demand, and local but globally-renowned guru Ricardo Semler – among many others.

All spoke and were received with a degree of passion rarely witnessed by this veteran HR conference reporter.

Luiz Carlos Campos, President of ABRH, the Brazilian association which organised and hosted the Congress, talked too about the passion of people who do what they like doing, learn to love what they do and can change themselves in order to meet new challenges.

Outgoing WFPMA President Carlos Aldao Zapiola of Argentina also commented on the passion of the speakers for their work, and not least that of his successor Geoff Armstrong, Director General of the British institute, whose



expertise in HR and his multicultural awareness made him the ideal new President for the World Federation.

Responding, Armstrong pointed out that passion was not a quality often associated with Englishmen but he would try to demonstrate it in his work with the World Federation.

The WFPMA, which now represented nearly half a million HR professionals, was a vibrant global learning community, he said, well placed to publicise the distinct value its members were delivering to business. "With the growing realisation that people are at the heart of competitive success, there is now a wonderful opportunity to show that how they are led, managed, motivated and developed will make the difference across all sectors."

'Change management' is the most consistently cited among companies' top three HR challenges, according to interim findings of a new WFPMA global survey. It came out on top for issues concerning HR professionals three years ago, when restructuring was rife, and change still seems to be the name of the game now in the light of globalisation and increasing competition, reports WFPMA Board member Carolyn Gould, who is conducting the ongoing survey for the Federation. The final results will be published in *WorldLink* when analysis is completed.

Supervisors in the front line

People management and development practices have a far bigger influence on both profitability and productivity than research and development, strategy or technology, research has shown. However, it is not the practices themselves which create the performance, but employees' skills and ability, their motivation and the opportunities afforded by the way the job is designed.

This was one of the main findings from the latest CIPD research on the link between people and performance, summarised by CIPD employee resourcing adviser Angela Baron.

However no less important, even in these technology-dominated times, was found to be the role of the front line manager. Whether supervisors or team leaders, it was how they supported, motivated and communicated with individuals that made the difference, and the degree to which they were able to focus individual action on organisational outcomes.

In the main they were the people who would bring HR policies and practices to life – or not, take action on HR initiatives – or not, control the work and its flow, and lead people.

Further study had revealed that the key behaviours for front line managers were the ability to build good working relationships by listening, being fair, dealing with problems and responding to suggestions; to coach and guide employees; and to build effective teams.

They therefore needed time to carry out their people management role; too often it was seen just as an add-on, said Baron.

And they needed sufficient skills training to enable them to perform these people management activities.

The 11th World Congress on
Human Resource Management

will be held in

Singapore

May 30 – June 1, 2006

www.hrcongress2006.com

HR skills gap hindering business partnership goals

The top priority for most HR functions currently undergoing change is to align themselves with business needs and to become 'strategic partners'. However, a new global survey reveals a significant skills gap to be met before this can be achieved.

Business understanding and cross-functional experience top the list both of skills most needed and those most lacking, according to HR leaders questioned. Others include leadership and consultation skills, coaching/facilitation, team and interpersonal skills.

The study conducted over the last 12 to 18 months by Mercer Human Resource Consulting showed that between 69 and 87 per cent of the 1057 companies participating had either completed or, more often, were currently in the throes of transforming their HR functions.

Changing business needs within and outside the organisation far outweighed cost reduction as reasons for such transformation, Mercer partner Fermin Diez told the conference. And, while cost reduction was one measure of the

effectiveness of the changes, internal customer satisfaction and 'direct impact on business outcomes' were more frequently cited. Nevertheless, four out of five organisations indicated their efforts had not been credited with contributing to business outcomes.

HR leaders from companies in Canada, the USA and Latin America, Europe, Asia and Australia, who took part in the survey, claimed to be looking for ways to reduce the time they spend on administration so they can devote it to HR strategy. Some of the ways employed included redesigning HR work processes, evaluating or implementing new HR technology, using shared service centres (most popular in the US) and outsourcing HR processes. More respondents in Latin America were planning to outsource another HR process within the next 12 months than elsewhere, with Europe close behind and Canada having the lowest response to this question. The outsourcing of payroll and benefit administration was widespread, and particularly in the US, while training and

management development (less in Europe, more in Australia), relocation services (though not so much in Asia and Europe) and recruitment and selection (very little in Canada, much more in Australia) were also frequently outsourced.

Another strategy mentioned was staff development. Between 95 and 99 per cent of respondents said they planned to invest in developing the skills of existing HR staff members, between 37 and 59 per cent said they would replace current staff with new people, 40 (USA) to 72 (Latin America) per cent said they would rotate staff in from the line, while between 25 (Canada) and 50 (Asia) per cent said they would outsource the work.

Despite regional differences resulting from culture, the maturity of the HR function and technology, however, Fermin Diez told WorldLink what surprised him most about the findings was the degree to which most HR leaders around the world were struggling with the same challenges. "We expected more variation," he said.

Trust is key to 'best company' status

The best places to work actually have very little in common, according to Robert Levering, Co-Founder of the Great Place to Work Institute, which produces publications ranking the 100 'best' in the United States, Europe (15 countries), Latin America (7 countries), India and Korea. They certainly don't have the same policies and practices, but they do tend to achieve a particularly high level of trust between employees and management, he said. All of them, said Levering, do three things very well:

- Open, two-way communications
- Showing appreciation for good work
- Treating people as individuals.

One Indian company (WIPRO) had its own Ombudsman to resolve complaints when employees were not satisfied with management answers. Another (Eli Lilly) had a tradition of sending thank you and appreciation cards.

The chief executive of Samsung in Korea sends birthday cards to the top 30 or 35 employees thanking them for that

year's contribution, and this in turn is filtered down through the company.

At Aviva Insurance, where an employee drowned while on holiday in Southern India, the chief executive flew down personally to comfort and help the family.

Visty Banaji, HR director of India's Godrej Group, talked about the (shadow) company boards of young executives who have access to confidential information and their own budgets, and are free to innovate, to suggest and work on projects, one of which was to recast the corporate HR function – Banaji's own job!

Magazine Luiza, Brazil's award-winning retail and financial services company, features employees on billboards.

Luiza Helena Rodrigues, chief executive, and niece of the founders, told a packed and cheering seminar: "I want people to be happy, because this has a huge impact on customer service. If our shops were doctors'



Luiza: ebullient and hands-on

surgeries, I would have masseurs on hand in the waiting rooms and pink and blue toys for the kids."

But she was clear about the behaviour she expected from employers in

return. Describing herself as the guardian of the company's ethics, she said employees sign an affidavit agreeing to the Magazine Luiza do's and don'ts and "they know that if they step out of line, they'll be reported, because we had a pact. We will never reveal who 'told on them', but we only accept complaints from named individuals, so we know that 85-90 per cent of them will be well-founded."

However, if this sounds Big Brother-ish, it has to be set against a context where Mrs Rodrigues' strategies to help her country's poor, not to mention her own personal ebullience and hands-on approach, commands tremendous popularity and

affection. Employee retention rates are high and customer satisfaction is in no small part attributed to smiling, helpful staff. Happiness and teamwork are the company's watchwords. Every other year a huge meeting is held in the evening, to which spouses are invited, and every week begins with a meeting for all staff. As Todd Benson wrote in the *New York Times* this July: "Every Monday morning at 7.45 sharp, the thousands of employees at Magazine Luiza's 185 department stores across southern Brazil gather to start the week.

"Holding hands, they sing the national and company anthems, crooning enthusiastically like worshippers at an evangelical service. New employees introduce themselves, evoking cheers of welcome and applause from the rest of the group. Presents are handed to those who are celebrating birthdays, and the crowd sings again – this time, a spirited version of 'Happy Birthday to You'. Finally, all bow their heads in a group prayer before scampering off to work."

Message from Lula



Luiz Edmundo

Social inclusion was what linked the work of the new Brazilian government and that of the 3,500 Brazilian HR professionals attending the Congress, according to the country's President Inácio Lula da Silva. Unable to attend in person

because he was called away to support Brazilians helping Haiti, Lula's speech was read by Congress Chairman Luiz Edmundo Rosa.

Government commitment to social inclusion was a touchstone of its pragmatism, he said. On the day he had taken office he had declared the fight against hunger and social exclusion as his top priority, along with the fight against corruption. Today the Zero Hunger programme was an international reference point and model for other countries, and encouraging signs of economic recovery and stability, based on a number of indicators, showed "we are on the right track".

But State intervention should only be as much as was necessary to regulate economic activity, to promote development and to take care of the destitute, he said. Business people played a fundamental role in a country's sustainable development, and it was people management, working to improve conditions, generate jobs and train and develop people, who would make the difference in reducing disparities.

Cirque's logistical nightmare

International relocation is often the HR director's nightmare. But imagine having to do it every six to 12 weeks for large blocks of staff moving to and from countries as far apart as Spain and Japan. All local legislation and practices have to be complied with wherever you are operating; visas and work permits obtained, accommodation found and even tutors/schooling for the under-16s you employ.

But for Suzanne Gagnon, Vice-President, HR, for Cirque du Soleil, the internationally successful circus that uses acrobats rather than animals, this is an everyday reality.

Now just 20 years old, Cirque is a classic example of a company that totally integrates its ethos into its employees' lives. It describes itself as "a group of young creators, entrepreneurs, performers, craftsmen, citizens of the street, rooted in the community with an eagerness to reinvent the circus art,

create new experiences and perform live shows for audiences all over the world."

To fully "live the mission, goals and vision", Gagnon said, it was necessary to put "creation and creativity at the heart of our identity and our actions." Financial viability had to be achieved by blending arts and business.

Arts and culture are integrated into the lives of employees and the communities where they work through programmes for developing any artistic and creative skills, culture days to which the local population is invited, and other local artists are supported by Cirque buying tickets to their shows and giving them to staff.

One per cent of gross revenue is devoted to social action, with a particular focus on young people and creators and artists.

From an HR point of view, however, the biggest challenge was

to balance the creative ethos with a business one. Gagnon preferred to talk about challenges "and opportunities" or "managing dualities", some of which included:

- Maintaining the entrepreneurship and creative spirit while managing centralisation;
- Implementing an administrative infrastructure while stimulating creativity (artists "hate" administration, she said);
- Managing the fast growth (now up to 3,000 employees) while remaining profitable;
- Establishing centralised processes and procedures (decentralisation did not work, she said) while permitting regional flexibility (essential for a touring company).

In fact, the company had two cultures – the headquarters in Montreal with a more corporate culture and the touring shows. This meant that, although Cirque was only a middle-sized business, it had

'Types' and the dangers of stereotypes

A totalitarian monolith where any form of dissent is ruthlessly crushed or a paradise where all citizens are equal and class conflict has been eradicated – these conflicting views of China are no more true than trying to attribute one label to Chinese national characteristics. Because "people are very different in different parts of the country," according to P.O. Mak, Senior Vice President, HR for GE Consumer Finance Asia and Liu Yirong, Vice President, China Star Corporation.

And indeed the two speakers differed in their views on Professor John Graham's typology for Western as against Chinese

characteristics. Madam Liu disagreed with the classification of the Chinese as 'self-restrained' as against Western 'aggressive' tendencies; that the Chinese 'procrastinate' as against Western 'proactivity'; and that the Chinese work better in teams as against Western individualism. There were many exceptions to or reasons for the other stereotypes, she said.

In particular it is necessary to be aware of regional differences when devising HR policies and practices, said P.O. For instance in Harbin, the people were very enthusiastic but tended to be careless and drink a lot, he said, which had major implications for disciplinary

procedures. In Ghangdong they were smart and adventurous, but had a lower level of education and so needed more training.

In Shanghai motivation and retention policies had to be geared to people with good business sense, who were proud, impatient and meticulous. And, not least, processes and systems in Beijing had to take account of a strong sense of superiority, albeit the people were enthusiastic and open-minded.

Overall, said P.O. Mak, it was fair to say that the Chinese were driven by team and family values, personal pride and dignity, social norms and peer pressure;



Tiisetso Tsukudu (*front row, right*), President of the new pan-African Federation of Human Resource Management Associations, hosted a special meeting at the Rio Congress to welcome delegates from Angola, Mozambique and Cape Verde – all African countries not yet in membership of AFHRMA. The discussion focused on information-sharing and how the Federation could help and support those currently trying to establish professional HR associations eligible to become part of AFHRMA.



Adagio from Saltimbanco. Photo: Al Seib

Somavia: security, people and globalisation

Four 'key notions' have guided ILO Director General Juan Somavia over the years, he told the Rio Congress.

The first related to security. Applying the notion to nation states was one thing, but a more corrosive source of insecurity in the world was "the profound and deep expansion of the insecurity of people in their daily, family and community lives." We would never achieve a stable society unless we saw through their eyes.

Second was the notion of community leadership. "We live in a world where there is a virtual obsession with trying to build leadership around personalities and individuals – political leaders, business leaders, sports stars, movie stars. Yet the fact is that in human endeavours, it is teams – groups of human beings – interacting and working together – rooted in a feeling of community – that move things forward.

His third notion was 'daring to think differently' – contesting prevailing notions, questioning organisational culture. "Never be afraid to fly," he said, "provided you know where to land. Be daring in your ideas, but conservative in their implementation."

Finally was the creative power of dialogue. Increasingly today this had to be multicultural. "There is no way you can reach a solution unless you understand counterparts and value diversity." That interaction was what got new options invented.

If there was one area where the issues of people's security, community leadership, a questioning mind and dialogue converged, he said, it was around the challenge of work.

"When I became head of the ILO, we decided our overriding goal must be to respond to worldwide demands for 'a fair chance at a decent job'. So we reorganised the ILO around that – jobs, rights, protection, dialogue – the 'Decent Work Agenda'."

In so many ways, he said, whether or not decent work became a reality depended in large measure on HR people, on the investments and practices of their companies and on the work of the World Federation.

"The contribution that you, as HR managers, make to ensure that decent work becomes a reality at the workplace is invaluable – and essential."

More and more people who expected solutions from laws and governments were turning to enterprises for an answer to their aspiration for decent work.

As far as globalisation was concerned, while it had clearly delivered important benefits and would continue to do so, these had not yet reached enough people, and "the backlash is on our doorstep".

He cited the growth of the informal economy, unequal access to technology and markets, discrimination against women and girls, lack of opportunity for young people. "Too many people feel that the rules of the game are not fair. They feel left out."

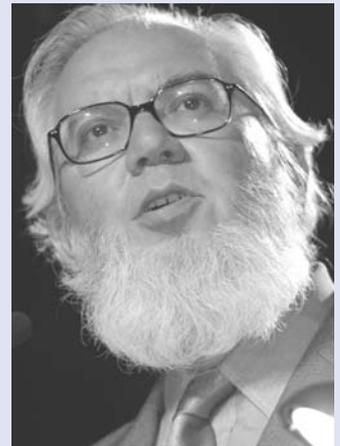
Democracy or jobs?

He then quoted a study by Latinobarómetro published in that week's *Economist*, in which a majority of Latin Americans stated they would not mind a non-democratic government if it solved economic problems – fear of unemployment topped the list for 76 per cent of interviewees.

"For someone who has spent part of his life fighting dictatorships, struggling for freedom and democracy in my own country, Chile, it is deeply troubling to see this happening, here, in Latin America," he said.

He saw similar concerns reflected worldwide.

It was for these reasons that the ILO had convened the World Commission on the Social Dimension of Globalisation. This had brought together 26 people from across the spectrum –



including leading business minds.

The resulting report had shown that much had been done to facilitate global finance, trade and investments, but much less to reinforce local communities and markets where people live. It called for greater international cooperation to promote growth, investment and employment.

It also stressed that countries and sectors which had benefited most from globalisation had invested significantly in their education and training systems.

This year the ILO had adopted a new Recommendation on human resources development which provided definitions of contemporary training issues, including lifelong learning, portability of skills and employability. And it recognised the strong linkage between knowledge and skills enhancement on the one hand and productivity improvement, innovation, poverty reduction and social inclusion on the other.

A major new campaign would promote the Recommendation. Somavia invited HR people to share their experiences in these areas so the ILO in turn could share them with others.

Another HR-related issue in the report was growing awareness of new social responsibilities – increasingly recognised as important to corporate reputation.

No one had all the answers, but the time was ripe for creative thinking and action to build a fair globalisation that would create opportunities for all.

the complexity of a large multinational.

Apart from the ongoing relocation of performers, mentioned above, another key HR responsibility was talent management. For the past two years this had been a priority for the organisation and had been made a part of all managers' job descriptions.

The policy was to recruit talented people at all levels, to develop high potential employees through performance management, internal moves, promotions and temporary assignments, and to retain them. A special committee identified new prospects to stop people leaving.

Even with 52,000 unsolicited CVs received each year, the company could not afford to lose talent, she said.

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money was less critical. Nor did compensation figure in the top three issues highlighted by a survey of executive MBA students – career development, authority and accountability and the company's commitment to China were their priorities.

Foreign investment enterprises (FIEs) were clearly losing their edge in China, said P.O., with only two Western companies on the list of most admired companies in 2003, compared with four the previous year. The main exception was in the case of new graduates who were attracted to FIEs for their training and meritocracies.

Key HR issues were:

- retention - still a big problem, with headhunters very active; training and career development programmes were companies' critical differentiators;
- labour disputes, which were on the rise, especially when people were moved from one part of the country to another where pension and social security provisions were different; and
- relocation, which was changing as provincial boundaries were becoming blurred.

THE WORLDBLINK HR CALENDAR

October 27-29, 2004

Harrogate, England

CIPD 57th National Conference

Tel: +44 20 8263 3434
Fax: +44 20 8263 3223
Email: conf@cipd.co.uk

November 3, 2004

Helsinki, Finland

Henry Forum

Tel: +358 9 6841 4300
Fax: +358 9 6842 6320
Email: henry@henryorg.fi

November 9-10, 2004

Estoril, Portugal

APG 37th National Conference

Tel: +351 21 352 27 17
Fax: +351 21 352 27 13
Email: encontronacional2004@apg.pt

November 9-11, 2004

Lillehammer, Norway

HR Norge Annual 'PersonalForum'

Contact: Johanna Sundén
Tel: +47 2211 1122
Fax: +47 6712 5030
Email: hrnorge@hrnorge.no

November 11-12, 2004

Radenci, Slovenia

Slovenian Association Conference

Tel: +386 1 589 7660
Fax: +386 1 565 5920
Email: zdkds@cpu.si

November 14-15, 2004

Bangkok, Thailand

PMAT Conference

Tel: +662 374 0855
Fax: +662 734 0604
Email: info@pmat.org

November 18-19, 2004

Hong Kong

HKIHRM 24th Annual Conference

Theme: 'Maximising people value through innovation'

Tel: +85 22 881 5113
Fax: +85 22 881 6062
Email: info@hkihrm.org

November 18-20, 2004

Paris, France

ANDCP National Conference

Tel: +33 1 5688 1822
Fax: +33 1 5688 1829
Email: andcp@andcp.fr

November 19, 2004

St Julian's, Malta

Malta Foundation for HRD Annual National Conference

Theme: 'Organisational restructuring - people make the difference'

Tel: +356 21 378895
Fax: +356 21 381945
Email: jcamilleri@fhrd.org

February 2-4, 2005

Toronto, Canada

HRPAO Annual Conference

Tel: +1 416 923 2324
Fax: +1 416 923 7264
Email: mpawych@hrpao.org

May 30-June 1, 2006

Singapore

WFPMA 11th World Congress on Human Resource Management

Tel: +65-438-0012
Fax: +65-438-0029
Email: enquiries@shri.org.sg
Website: www.hrcongress2006.com



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Professor and Director, The Institute for Leadership and HRM, University of St. Gallen, Switzerland

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