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WorldLINK

Linking people management professionals around the globe

SHRM Global Conference Sparks Discussion on the **Future of Globalization**

The global economic recession found its way into nearly every session and cocktail discussion at the Society for Human Resource Management's (SHRM) Global Conference & Exposition, held March 30-April 1 in Toronto. If anyone previously doubted the interconnectivity of national economies, those doubts were erased by the speed with which the downturn spread from the United States and Europe to far-reaching corners of the globe.

"This is the first simultaneous, synchronous global recession in history," opening keynote speaker Fareed Zakaria, editor of *Newsweek International*, CNN contributor and author of the best-selling *Post-American World*, told the more than 300 attendees from 23 countries. Noting the speed of the economic downturn, Zakaria said, "When [U.S. President Barack] Obama began his campaign in 2007, the Dow Jones Industrial Average was at 14,000, and his only issue was getting [U.S. troops] out of Iraq. Today, Iraq is the easiest problem on his plate.

"How did we get into the mess we are in?" Zakaria asked the audience, rhetorically. "It is a consequence of our success, not failure."

Zakaria explained that the roots of today's globally connected world reach back to 1979. Before then, the world had two models on which to base an economic structure—the Soviet Union model and the U.S. model. Most countries were more closely aligned to the Soviet model, that is, until the Soviet Union unsuccessfully invaded Afghanistan in 1979 and began to unravel. With the United States' model emerging as the standard, China, India and other countries worked to restructure their economies by lowering tariffs and encouraging foreign direct investment.

The year 1979 also marked the "death of hyperinflation," Zakaria noted. In the 1970s, Brazil, Peru, Turkey and 34 other countries coped with hyperinflation of 1,000 percent or higher." Inflation is much more destructive than a recession," said Zakaria. "While a recession robs you of what you might have, inflation robs you of what you already have," causing social unrest and political instability.

Since U.S. Federal Reserve Chairman Paul Volcker, appointed in 1979, "slayed the dragon of hyperinflation," Zakaria said, only one country today is left afflicted with it—Zimbabwe. Also in 1979, Margaret Thatcher became prime minister of Great Britain, and she began a movement in tandem with U.S. President Ronald Reagan toward deregulation, free markets and entrepreneurism that sowed the seeds of innovation.

To illustrate the effect these events in 1979 had on global economic growth, Zakaria noted that in that year, only 30 countries grew at a rate of 3 percent to 4 percent, compared with 124 countries 25 years later. In those 25 years, an information revolution spurred extraordinary global connectivity.

What Went Wrong?

F. Zakaria

Zakaria likened the unprecedented global economic growth from 1980-2005 to a "fast race car that no one knew how to drive. The U.S. found it could operate with total freedom and maneuver how it wanted without checks and balances, and it took on extraordinary debt at every level."

In 1976, U.S. household debt totaled $685 billion. Today, that figure is $14 trillion, he noted. By contrast, Asian economies grew by exporting goods while saving instead of spending.

"It threw the entire global economy out of whack," Zakaria said.

To emerge from this crisis, Zakaria said, the United States will have to get its fiscal house in order while other parts of the world will need to assume responsibility for driving the race car—global economic growth—by consuming.

Zakaria told attendees that he believes this global downturn is just a speed bump on the road to further expansion.

HR's Role

The spread of economic growth in the past couple of decades means that millions of people are moving out of abject poverty. "Imagine the potential of someone who is no longer one step away from disaster and can think about his future," Zakaria said. Because of the interconnectivity afforded by technology, HR can identify and deploy "the extraordinary skills of people from Angola to Singapore," he added.

The first wave of globalization was facilitated by governments, "but to move forward, we will need communities and people and companies," said Zakaria. "Painful decisions will need to be made and executed by the best HR people around the world. Diversity and inclusion are essential to success."

Lessons Learned From History's 'Hyperpowers'


A. Chua

Another riveting general session came from Amy Chua, professor of law at Yale Law School, who examined history's seven dominant world powers—"hyperpowers" Persia, Rome, Tang China, the Mongols, the Dutch, the British and the United States. Chua said two conditions separate a hyperpower from a superpower:

- Its economic and military dominance far surpasses rivals'.
- It projects its power all over the globe.

In her research, she found a fascinating pattern in the hyperpowers' rise and fall. "For all their enormous differences, all seven hyperpowers were tolerant and pluralistic in their rise," Chua told attendees. "Their declines coincided with intolerance and xenophobia."

Chua compiled her research into a new book, *Day of Empire: How Hyperpowers Rise to Global Dominance and Why They Fail*, which goes into detail about how each hyperpower rose to dominance on tolerance—a term she said is put into context for each society's time. The book illustrates why all previous hyperpowers failed and what lessons the world—and in particular the United States—can learn from them.

"Tolerance is so critical to world dominance because a society has to be at the forefront of technology, economics and military prowess. But the best and the brightest are never found in one ethnic group," Chua noted. "To lure the smartest, most driven, skilled human capital, a society has to be tolerant."

She noted that the Mongols were illiterate but were able to attract the best engineering minds to their military by giving them religious freedom. The Dutch did the same in 1579 when they established in their charter that they would not persecute people for religious beliefs. Rome in the second century built its military might by including leaders from all nations it conquered.

The United States was founded on religious tolerance but struggled with racial tolerance. "It wasn't until the civil rights revolution, however fitfully, that sparked the creation of the United States as a hyperpower," Chua said. Rather than through military prowess like the Romans and the Mongols, the United States followed the Dutch model and dominated the world through commercialism.

But the United States faces an identity crisis. It does not have a political system that unites followers, nor does it want one, Chua noted. "Drinking Coca-Cola and wearing a baseball hat does not make one 'American,' " she added.

Will intolerance and xenophobia bring down the United States as a hyperpower as it did to each of the six others in history? That remains to be seen. U.S. citizens struggle with acceptance of immigration, a trend that threatens to erode tolerance. Chua also believes that with the economic downturn, the United States will turn inward.

In many countries, people are gleeful at the problems facing the United States and have already declared the end of its dominance. Chua disagrees with this assessment. Even with the recession, the United States continues to attract the best and the brightest the world has to offer—a critical component of remaining a hyperpower—she noted.

She also does not believe China and India, even with their spectacular economic growth and demographics, have the traits necessary to become hyperpowers. Chua cited their inability to attract, retain and leverage people of diverse backgrounds as a hindrance.

Chua concluded that multinational companies can succeed on the hyperpower model through tolerance, transparency, attracting the best and the brightest, and creating an identity through corporate culture that inspires loyalty and increases retention.

Diversity and Inclusion Readiness Measured **by Region**

A groundbreaking, global study on diversity and inclusion, which will be released in May by the Society for Human Resource Management (SHRM) and the Economist Intelligence Unit (EIU), analyzes the history and drivers of diversity, the challenges to diversity and inclusion, and best-practice solutions specific to each region studied. *Global Diversity and Inclusion in the Workplace* looks at the advantages that diversity and inclusion bring to a company, as well as the challenges inherent in creating and managing an integrated workforce.

According to the survey, 55 percent of respondents said their organizations "strongly promote" diversity and inclusion. Sixty percent of respondents said the main advocates for diversity and inclusion in their organizations are the CEO and top management, followed by heads of HR (42 percent). Most companies recognize that "diversity" and "inclusion" are closely linked and that inclusion helps to ensure that employees from diverse backgrounds are able to contribute, remain with the company and flourish.

Considering differing regional interpretations of diversity and the variety of cultural sensibilities involved, the study noted, multinationals tend to leave much of the implementation of diversity programs to managers at the local and national levels. The degree of decentralization tends to vary with the parent company's nationality. For example, North American companies take a more centralized approach, whereas Western European and Asian firms tend toward a more laissez-faire attitude in diversity-related matters.

In most parts of the world, the main focus of diversity efforts is on hiring and promoting women. The major reason for this is that women, who make up 50 percent of the population, represent a large, untapped (or under-tapped) resource, which companies will need in the future as Baby Boomers begin to retire.

Employees from minority ethnic, national or religious groups may present more complex issues of cultural background and styles of thought, according to the study. When asked to name up to three groups that should be better represented in the company, a whopping 79 percent of survey respondents cited women, followed by 46 percent naming people over 50 years of age and 39 percent saying ethnic minorities.

The arguments for greater diversity range from complying with equal employment opportunity laws to obeying moral imperatives to serving the company's financial interests, the study found. The latter argument—the business case for diversity—has several main components. A majority of survey respondents said the business rationale for diversity-related initiatives is tapping into a broader range of backgrounds and skill sets (53 percent). This is followed by fairness and morality (47 percent) and tapping new sources of talent to understand customers better and increase sales (43 percent).

Among the challenges facing diversity advocates are the dearth of data on workforce composition, particularly in countries where such data collection is not allowed, and the absence of a strong empirical link between greater diversity and an improved bottom line, according to the study. Advocates of diversity programs also struggle with taboos against the use of quotas, which raise uncomfortable questions of so-called "reverse discrimination" against people from mainstream groups. Nearly one-half of survey respondents (46 percent) reported that it is difficult to change diversity-related recruitment, employee development, promotion, retention and evaluation practices.

The biggest barrier to diversity is found in middle management, where departmental or team projects are carried out, the study found. Thirty-six percent of survey respondents said one of the main impediments to increasing diversity is a general attitude of indifference, and one-third said the obstacle is a sense that the workforce is sufficiently diverse.

The SHRM/EIU study also provides best-performance solutions for diversity and inclusion globally. Solutions discussed include leading the effort from the top; making diversity a core value; building an infrastructure to support diversity; focusing on diversity in the entire pipeline; setting clear diversity targets and measuring results; offering management incentives; communicating and training; and broadening recruitment efforts.

In addition, the study breaks down regional characteristics for diversity and inclusion challenges and provides strategies for successful programs.

Ranking Diversity Readiness

Perhaps the most useful component of the SHRM/EIU collaboration is the creation of the Global Diversity Readiness Index (DRI). This interactive online tool ranks and rates 47 different countries in five broad categories (national diversity, workplace diversity, social inclusion, government inclusion and legal framework), using 18 separate indicators, such as immigrants as a percentage of population, women's access to leadership and perceptions of ethnic/racial tension. The raw data, combined with a dynamic scoring model developed by the EIU, is instructive, cutting-edge and practical.

The tool yields a number of useful and sometimes surprising results. For instance, while the United States ranked highest in the category of workplace inclusion, it ranked 18th in legal framework and 25th in social inclusion. The 10 countries that ranked highest in overall diversity readiness were either Scandinavian or English-speaking nations, with one exception: Switzerland, which ranked ninth. The four countries that are currently the hot spots for corporate global expansion—Brazil, Russia, India and China—fared much worse. Brazil scored best of the four at 33rd, followed by India at 41st, Russia at 43rd and China at 44th.

"Organizations that are already global, or are preparing to go global, would do well to analyze the data that our team has collected," said Eric Peterson, manager of diversity and inclusion initiatives at SHRM. Doing so, he noted, will lead to organizations that are better prepared for the global challenges that await them.

"Both the results of the research and the Global DRI will be of great benefit to diversity professionals, academicians, governments and business leaders—anyone who works within a global landscape," said Shirley Davis, Ph.D., director of diversity and inclusion initiatives at SHRM. "This information and analysis is crucial as multinational organizations make decisions that affect their entire workforce, and it's never before been so easy to tap."

The report will be available at www.shrm.org in May, and the online tool will debut in August.

Global Diversity Readiness Index

Overall Score, Countries Ranked 1-23	
1. Sweden	73.0
2. Norway	72.2
3. New Zealand	71.5
4. Canada	70.1
5. Finland	69.4
6. Denmark	67.2
= 7. United Kingdom	66.9
= 7. Australia	66.9
9. Switzerland	65.2
10. Ireland	64.3
11. Germany	63.9
12. Singapore	63.5
13. Netherlands	62.0
14. United States	61.5
15. Spain	60.8
16. Italy	59.2
17. Austria	59.0
18. Belgium	58.3
19. Portugal	56.4
20. Czech Republic	54.8
21. France	53.5
22. South Korea	52.9
=23. Slovakia	51.6
=23. Hungary	51.6

Source: SHRM/EIU 2009 *Global Diversity and Inclusion in the Workplace*

About the Study

The SHRM/EIU 2009 *Global Diversity and Inclusion in the Workplace* report is based on a quantitative online survey of 546 senior executives of companies worldwide and was conducted in July 2008 by the Economist Intelligence Unit (EIU) on behalf of the Society for Human Resource Management (SHRM). The conclusions also draw on more than 40 in-depth interviews with senior executives in North America, Europe, Asia and Latin America.

Measuring Countries' Workforce Mobility and Contingent Workforce

By Ross Jones and Allan Schweyer

It comes as no surprise that many employers are shedding jobs in response to this recession. Today, approximately 70 percent of an organization's operational expenses come from various labor costs. It is critical, therefore, to look at ways to both increase productivity and manage labor costs with more agility than in the past to be able to compete and survive in today's economy. Even in a deep recession, organizations must attract and retain top talent. At the same time, they need to reduce, or at least manage, labor costs in a way that protects dwindling profits.

SuccessFactors, a talent management software company, and the Human Capital Institute (HCI), a talent research organization, recently conducted a survey of employers in eight countries: Australia, Germany, France, The Netherlands, Sweden, the UK, Canada and the United States. The study, *Workforce Mobility Drives Productivity and More Agile Cost Structures—An International Perspective*, looked at two related approaches to increase productivity and manage labor costs with more agility:

- Using a flexible approach to *workforce mobility* to ensure that the best person is doing each job in every location. This approach can be a powerful way to boost performance through better engagement and better alignment of each employee's talents and the work they spend most of their time doing. Supporting workers who want to relocate to a new office (or who may want to work part time or full time from home, for example), as well as those who don't want to move, can pay off with more engaged workers and a workforce that is distributed in the most effective and competitive way possible.
- Using the *contingent/contract workforce* to reduce labor costs. Organizations across the globe are moving to these non-regular workforces to move from fixed to variable labor costs. Variable labor costs (e.g., prorated health care or other benefits, and decreased office space due to telecommuting) are easier to manage and reduce than fixed costs—and are a key method of reducing overall labor costs and capturing more of the productivity of workers as profit.

HCI developed two key metrics that provide an overview of the state of global workforce mobility: the Workforce Mobility Index and the Contingent Worker Index. Where both measures are concerned, organizations in all countries could be doing much better, whether in the relocation of workers or in the flexible use of contingent workers.

Two countries in particular stood out in our Workforce Mobility Index. France scored significantly lower than average, while Sweden scored significantly higher than average. While French organizations are being challenged by several workforce mobility issues, it is their significantly lower support of employees who want to work at home that has the greatest negative impact on their Workforce Mobility Index score.

In contrast, Swedish organizations provide a higher-than-average level of support for many aspects of workforce mobility and, most strikingly, are significantly less likely to lose top employees because of unwanted transfers. Most important, our index is not the only metric separating France and Sweden: While Sweden is among the European Union leaders in worker productivity, France's per-capita GDP (a prime indicator of worker productivity) is the lowest of all European countries in our survey. While other factors will certainly influence productivity, supporting workers in all aspects of their employment (including mobility issues) can, as in the case of Sweden, only benefit the organization.

Our Contingent Worker Index, which includes both measures of the numbers of contingent workers and the degree of flexibility in their management, showed that France again scored lowest on the scale. This was primarily due to a combination of a relatively low use of contingent workers and, most important, their significantly greater likelihood of managing these workers informally instead of integrating them into the talent management strategy of regular employees. This is in direct contrast to German and Swedish organizations, both of which are far more likely to manage contingent workers the same as regular workers.

However, it is Australia that scored highest on this scale; Australian organizations tend to be on the high end of countries in using contingent workers for long-term staffing, as well as managing them similarly to regular workers. Contingent workers are also a more important (and larger) part of the Australian workforce than in any other surveyed country.

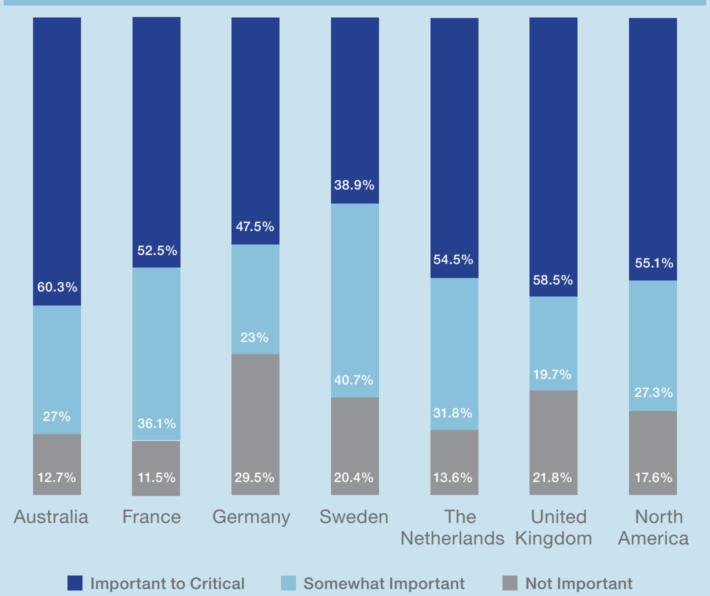
Organizations from the U.S., Canada and the UK rated around the average mark on both indices.

Why is this important? Workforce mobility helps ensure that the right number of employees fills every office and position, and increases individual productivity by ensuring that the best person is doing each job in each location. Supporting workers as they move from one office (or role) to another is a business investment that can pay off with more engaged workers and a workforce that is distributed in the most effective, competitive way possible.

The *Workforce Mobility* study suggests that organizations that are more flexible with regard to the way employees do their work—and toward workforce mobility—and organizations that integrate contingent workers well (without crossing co-employment boundaries) gain advantages over those that do neither well.

Ross Jones, Ph.D., is a senior researcher, and Allan Schweyer is executive director and senior vice president of research, at Human Capital Institute.

The importance of organizational support of workforce mobility to business competitiveness



Source: *Workforce Mobility Drives Productivity and More Agile Cost Structures—An International Perspective*, 2009, by SuccessFactors and Human Capital Institute

Providing HR Value in **Challenging Times**

By John Caplan

The credit and financial crises that started in 2007 and wreaked global havoc as 2008 flowed into 2009 provide a sobering reminder that change, often unpredicted, can have a negative impact on even the most prepared organizations. The results of two PricewaterhouseCoopers CEO surveys illuminate crucial information for human resource leaders who can provide pivotal guidance in change management and human capital matters so critical to businesses struggling to balance long-term sustainability with short-term fiscal conservatism.

As these global CEO survey results show, the need for strong leadership, deft change management and proactive involvement from the human resources function will be greater than ever before. The businesses that keep those goals and values in their sights will be well-positioned to succeed.

People Agenda at Forefront

CEOs surveyed recognize the critical nature of the people agenda, although the current state of the economy has shifted focus to some extent. C-suite leadership remains aware that attracting and retaining key talent is crucial to long-term growth, particularly considering current demographic challenges. Globally, a whopping 97 percent of respondents to the 2009 survey saw getting and keeping top performers as critical or important to sustaining long-term growth.

Respondents to the 2008 survey were already convinced of the gravity of HR issues. Nine out of 10 CEOs globally reported that working on their organization's people agenda is a top priority. The group deemed this the right emphasis, with 67 percent agreeing that their time is best spent on matters pertaining to human capital.

CEOs expressed ongoing concern in the 2009 survey about key skills shortages and their implications for business growth. They also saw systemic vulnerabilities in change dexterity, citing shortcomings among middle and senior management as serious impediments to success. The leaders also communicated doubt regarding the ability of their HR functions to navigate change, attract and develop talent, and integrate acquisitions.

When CEOs were asked to rank the eight possible elements contributing to their competitive edge, people issues surpassed such matters as technological innovation, cross-cultural experience and supply chain management.

Despite the focus on the economic downturn, top executives in the 2009 survey remained firmly focused on people as a crucial component of long-term competitiveness, with flexible work environments seen as the key to overcoming an array of people and talent challenges that include:

- A limited supply of candidates with the right skills.
- Challenges in recruiting and integrating younger employees.
- Providing attractive career paths.
- Competitors recruiting top performers.
- Key employees making career changes for personal reasons.

Implications for HR

It is clear that the people agenda is top-of-mind among CEOs, giving HR a unique, unprecedented and long-overdue opportunity to demonstrate its value to the organization. As business leaders manage challenges and change, growth opportunities, and ever-evolving workforce needs, HR can take advantage of this chance to fulfill its role as a pivotal force in corporate culture.

The people concerns of our CEOs can be categorized under three main HR issues, none of which is new to the HR function but all of which can achieve major improvements with increased levels of HR involvement.

1. Aligning HR with Business Strategy

Aligning human capital strategy with business strategy is key to driving shareholder value and improving overall business performance. To ensure that HR initiatives are aligned with business strategy, organizations must systematically define and measure their workforce investment to drive better decision-making and management strategies. Evaluating and understanding the needs of the workforce enables organizations to improve overall HR operations, processes and service delivery while helping the HR function to create alignment among people, program and organizational development strategies.

And, of course, as the market grows more volatile, financial management becomes a main driver in the overall business strategy. HR has the opportunity to improve return on investment in human capital by enhancing broader human capital capabilities such as succession planning, leadership development, performance management and cultural transformation, all of which are required to achieve and sustain a competitive advantage.

2. Managing People and Change

HR should take the lead role in managing change—an opportunity that many CEOs see going unfulfilled at present. People issues such as HR strategy, plan design, compliance and communication are crucial to ensuring a smooth organizational transition.

In today's economic environment, businesses must be agile to anticipate change and address it deftly—all the while keeping business on course and employees engaged. Failure to do so can be costly. At the same time, HR's response to today's unprecedented challenges provides a high-profile testing and proving ground. In spite of the complexities, HR has an opportunity to establish an identity as a key ally in the corporate struggle to manage change, minimize risk, and hit the sweet spot between short-term positioning and long-term sustainability.

3. Winning, Developing and Retaining Talent

Concerns about the ebb and flow of people who possess critical skills—an issue CEOs perceive as a threat to business growth—point toward an opportunity for HR to deliver the right remedies. For example, creating the right reward plans for employees is essential to attracting and retaining key staff, achieving business and HR objectives, and optimizing related costs. The right reward plan should support the objectives of recruitment, retention and motivation while achieving the delicate balance between remaining competitive in the marketplace and delivering value to shareholders and other stakeholders.

But reward isn't the only driver for winning and retaining talent. Integrated HR measurement programs provide companies with a means toward evidence-based workforce planning. For example, HR measurement helps companies develop highly defined organizational requirement road maps, identify skills requirements and gaps, and create a governance model for data and metrics. Another example includes the implementation of an effective onboarding strategy, which is imperative to retaining new hires once they walk through the door. Training and development coupled with rigorous succession planning can also play key roles in resolving challenges to the people agenda.

Lastly, an effective HR communications strategy can mean the difference between a disgruntled workforce and a satisfied one. Whether sharing information around compensation and benefits, corporate changes, or difficult news such as workforce reductions, a strategic communications program that aligns employee behavior with company objectives is crucial.

Simply put, business success depends on people. The people agenda is irrevocably top-of-mind among our CEOs, and the

HR function is finally stepping into the spotlight. This is a crucial time for human capital management. The race will go not to the swift but to the agile. HR can be the differentiator by demonstrating its readiness to lead the charge.

John Caplan is U.S. leader of human resource services at PricewaterhouseCoopers in New York.

About the Surveys

PricewaterhouseCoopers' 11th Annual Global CEO Survey provides a snapshot of the business world taken at a time when the current financial crisis was just emerging and prior to the dramatic shake-ups that continue to mar the economic landscape. The firm's 12th Annual Global CEO Survey reiterates the imperative for businesses to prepare for change, to leverage people power and to recognize the deep connectivity that characterizes our world today.

During 2007, the year the credit markets began their slide, we interviewed CEOs in 50 countries from September through November for our 2008 survey, eliciting feedback from a diverse cross section of top leaders in Western Europe (454 interviews), Asia Pacific (277), Latin America (136), North America (130, including 30 in Canada), Eastern Europe (86), the Middle East and Africa (37), and Mexico (30). We repeated the process with similar numbers in 2009, just as Wall Street and its global counterparts mirrored the credit market dive, launching enormous volatility in global markets. To view the survey results, go to www.pwc.com/ceosurvey/download.html.

Ensuring Long-Term Success

To ensure long-term success, does your people strategy include any of the following measures?

Measure	Percent of Respondents
Creating a more flexible working environment	78%
Redeploying pivotal employees within the organization	77%
Creating opportunities for employees to engage in socially responsible activities	62%
Collaborating with networks of external specialists to attract talent	62%
Working with universities to tailor learning to your needs	61%
Hiring and developing talent from a more diverse pool	61%
Outsourcing business functions	52%
Using more temporary and contractual staff	37%
Acquiring other companies to obtain critical expertise	34%

Source: PricewaterhouseCoopers *12th Annual Global CEO Survey 2009*

Call for **Petitpas Award Nominations**

The WFPMA is seeking nominations for next year's Georges Petitpas Memorial Award for an outstanding contribution to global HR thinking and practice. What distinguishes Petitpas from the various national awards for HR excellence is the degree of global influence the winner has had on people management. "We are looking for someone who has gained international recognition for practice, research, teaching or writing, and, as a result, has had clear impact and influence on the profession," said award panel chairman Florent Francoeur, WFPMA immediate past president.

Previous winners have included Carlos Aldao Zapiola, Dave Ulrich and Juan Somavia as well as key players in the development of the WFPMA and its member organizations. Criteria that will guide the judging panel, which is made up of the five continental association presidents and panel chair Francoeur, include:

- The difference the person and their work has made in influencing the success or effectiveness of one or more employing organizations.
- The degree to which the person's contribution is readily recognized by HR professionals around the world.
- The extent to which the work has advanced the international state of knowledge and understanding of people management and development.

The crystal globe will be presented to the winner at the World Congress in Montreal in September 2010. All entries must be endorsed by one of the five continental associations in WFPMA membership and submitted to the Secretariat by October 31, 2009. The nomination form can be downloaded at www.wfpma.com/paward1.html.

Japan

Unemployment insurance benefits extended

Parliament enacted employment insurance law amendments to enhance support for non-regular, or temporary, employees as many of them have lost or are expected to lose jobs as a result of the economic downturn. The amendments took effect March 31, 2009, the last day of fiscal 2008, and reduce the minimum eligibility period from 12 months to six months for employees to pay insurance premiums to receive unemployment benefits. The amendments are estimated to give insurance coverage to an additional 1.5 million workers.

Taiwan

Industrial relations bill; Long-term health insurance

The Council of Labor Affairs has approved draft amendments to the labor laws that aim to smooth industrial relations while bolstering the right to strike. Following efforts to resolve a dispute through negotiations, workers would be entitled to hold a secret vote on whether to strike. Teachers, civil servants and military staff would be barred from striking, and there would have to be provision for necessary services during strikes in the health and public utilities sectors.

Also, the Executive Yuan is drawing up legislation aimed at having a long-term health insurance system in place by 2011. Either all citizens or those older than 40 would contribute an undetermined amount in exchange for home, community or institution-based long-term-care coverage as well as a disability income scheme.

Austria

Parliament approves 2009 tax reform package

In March, Parliament passed a set of tax law amendments designed to stimulate the economy. The tax exemption for stock options will end for options granted after April 1, 2009. Also, retroactive to January 1, 2009, up to €500 per year in employer-paid childcare expenses will be exempt from income tax and social security contributions.

Belgium

Economic recovery bill passed

The Senate has endorsed a set of financial stimulus measures featuring a more restrictive formula for tax breaks on overtime pay and an opportunity to increase the exercise period for qualified stock option schemes by up to five years.

EU

Guidance on executive compensation

The European Corporate Governance Forum issued a statement on executive remuneration and a best-practices statement on directors' pay. The latter recommends a "reasonable" relationship between variable pay and base salary. It would cap severance pay at two years of annual pay and make it contingent on good performance. Listed companies would detail the pay of individual directors. The European Commission has yet to respond to these recommendations, but it will soon release draft legislation on executive pay.

In other news, the European Comission has launched the Your Business—Europe web site (http://ec.europa.eu/youreurope/business) with guidance on regulatory matters governing all aspects of doing business in the member states.

France

Incentive compensation limits

Following the failure of the business sector to comply with the executive compensation code of conduct drawn up by employer federation Medef, and Medef's refusal to outright ban executive bonuses at companies that are shedding staff, French President Nicolas Sarkozy said that social partners will face a June 1 deadline to devise a plan to rein in excess pay. If they cannot reach agreement, the government will draft legislation to address the issue.

Netherlands

Economic crisis plan features retirement age hike

Social partners have agreed "in principle" to the government's draft economic stimulus package, which includes a provision to raise the retirement age from 65 to 67. Unions rejected this measure, and they now have five months to develop a substitute pension reform proposal of equal impact.

Spain

Employment support measures; Family benefits decree

The Cabinet has endorsed a royal decree that batches job market support measures:

- Companies hiring workers who have been unemployed at least three months will qualify for payroll tax exemptions for up to three years.
- Social security contributions will be reduced for companies that cut work hours rather than staff.
- Part-time workers will qualify for unemployment benefits, and there will be incentives for companies to hire part-timers.
- Companies in a financial squeeze may defer social security contributions for up to a year.

Another recently approved royal decree consolidates various family benefit regulations and expands a few. Parental leave rights would be extended to other relatives who are placed in the caregiver role. Also, women would have a right to reasonable accommodation of a request to change positions within a company if the current job poses potential risk to pregnancy or lactation.

UK

Flexible working regulations

Expansion of the flexible work entitlement to parents of children ages 7 to 16 went into effect on April 6, 2009. These rules extend the pool of employees who have the right to request a contract variation. The right previously applied—and continues to apply—to caretakers of children younger than 6 or disabled children younger than 18, as well as to employees who care for certain adults.

Canada

Unemployment benefit, work-sharing scheme enhanced; Ontario temporary workers bill

The Minister of Human Resources and Skills Development has announced a set of measures to support the job market and displaced workers. For claims started between March 1, 2009, and September 11, 2010, the maximum unemployment benefit period will be extended from 45 weeks to 50. For two years commencing April 3, the 38-week limit for work-sharing arrangements will be stretched to 52 weeks.

Also, the Ontario government-sponsored Employment Standards Amendment Act (Temporary Help Agencies) 2009 is drawing attention as stakeholders weigh in during the bill's committee stage. It would extend the Employment Standards Act to temporary workers and better regulate the employment relationship in temporary help agencies.

United States

Flexible-work accommodation amendment

The Working Families Flexibility Amendment has been re-introduced in the House of Representatives. It is based on the UK legislation on ensuring reasonable accommodation of flexible-hours requests from workers with family responsibilities. President Barack Obama was co-sponsor of its Senate counterpart in the previous session of Congress.

Brazil

Health insurance service provider contracts

A Senate committee will soon vote on a measure that would mandate written contracts between health insurers and health service providers. The greater accountability would benefit both parties as well as the patients.

THE WORLDLINK HR CALENDAR

June 4-5, 2009 | Wiesbaden, Germany
17th DGFP-Congress
Tel: +49 211 5978150
Web site: www.dgfp.de

June 11-13, 2009 | The Hague, Netherlands
XXIV EAPM Congress
Tel: +31 343 578140
E-mail: talent-event@nvp-plaza.nl
Web site: www.nvp-plaza.nl

June 15-16, 2009 | Sydney, Australia
The AHRI National Convention 2009
Tel: +61 3 9918 9200
E-mail: reception@ahri.com.au
Web site: www.convention.ahri.com.au/index.htm

June 28-July 1, 2009 | New Orleans, Louisiana, US
SHRM 61st Annual Conference & Exposition
Tel: +1 703 548 3440
E-mail: shrm@shrm.org
Web site: www.shrm.org/conferences/annual/

August 2009 | Montevideo, Uruguay
XIV Congreso Nacional
E-mail: adpu@adpu.org
Web site: 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
Web site: 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
Web site: 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
Web site: www.adrha.org.ar

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
Web site: www.cipd.co.uk

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

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

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