



WorldLink

Linking people management professionals around the globe

Talent Integration Urged at SHRM Conference

By Adrienne Fox

From keynote sessions headlined by luminaries to sessions led by practicing HR leaders, deploying and developing talent on a global scale dominated the SHRM 62nd Annual Conference & Exposition, held the last week of June in San Diego, California. Speakers noted that HR professionals in developed countries are cautious to hire due to stagnant economic growth, while their colleagues in the developing world can't find and develop the right talent fast enough as expansion continues. Global HR professionals, then, are challenged by talent mobility issues, diversity integration, leadership development and communication.

Steve Forbes, president and CEO of Forbes Inc. and editor-in-chief of *Forbes* magazine, which is published in 120 countries and translated into seven languages, opened the conference by telling 11,000 attendees that fear of the uncertain global economy is keeping companies from hiring. "Bring people on and train them," urged Forbes, who flew in to speak to HR professionals despite having had back surgery three weeks prior that required him to wear a neck brace. The neck brace was not due to whiplash from stock markets' volatility, he joked.

Forbes pointed to positive economic data in inventory, capital investment and consumer spending to suggest a full global recovery by the end of 2010. "The world can only end once," he said, "and this is not it."

The hesitation to hire is resulting in expanded workweeks as companies do more with fewer people. This is not sustainable, Forbes said, adding that companies should take the risk and hire the right people. Companies cannot recover without people; innovation cannot happen without people, he noted.

On the same day that Forbes spoke, U.S. Department of Labor Assistant Secretary for Veterans' Employment and Training Services Ray Jefferson urged HR attendees to more actively recruit veterans and people with disabilities. Noting his own struggles after losing all five fingers from his left hand protecting his team from a hand grenade while in the U.S. Special Forces, he said, "Sometimes the death of a dream can bring the birth of a destiny."

HR can help all citizens become who they were meant to be, added Jefferson, who previously consulted for McKinsey & Co. in Singapore.

Ted Kennedy Jr., son of the late U.S. Senator Ted Kennedy, continued the theme of diversity inclusion on the second day of the conference, speaking about how society's misunderstanding of workers with disabilities creates barriers to employment. "People with disabilities want a job, not a handout," said Kennedy, who lost his leg to cancer as a child. "All of you have an important role to play" in recruiting, hiring and integrating people with disabilities. "It's not a moral issue; it's a business issue," he added.



Former U.S. Vice President Al Gore addressed the 11,000 attendees at the SHRM Annual Conference.

Talent Integration Urged at SHRM Conference continued on [page 2](#)



SHRM Conference Goes
(More) Global



Montreal
Without Limits



Dig Deep to
Uncover Culture



Shifting
Wealth

Former U.S. Vice President and Nobel Peace Prize winner Al Gore followed Kennedy in a keynote address, adding: “HR’s greatest challenge is to integrate diverse people in a way that allows them to contribute to the organization.”

The stalled economic recovery and high unemployment rates represent a lack of long-term focus by senior executives who are more concerned with 90-day financial targets than long-term sustainability, he said. HR’s responsibility is to force executives to take the long view and align business strategy, incentives, training and talent to long-term needs. Not taking on this challenge means HR priorities will suffer, Gore added.

Angelia Herrin, research editor at *Harvard Business Review*, supported Gore’s view with recent research by the journal on the last three global recessions showing what makes a company thrive or not survive after a severe recession. The difference, Herrin said in a panel discussion on the conference’s third day, is investing heavily in operational efficiency and new product development, and having the right people in the right places at the right time to grab those opportunities.

“It is HR’s goal to look transversally across all units and all countries to see what is best for the company as a whole. And sometimes that means moving a top performer from one place to another.”

Talent Mobility

The keynoters set the aspirational tone for HR’s mission while the rest of the conference speakers dove into the details of how to achieve it. Marcelo Ballario Yoshida, global HR director at Alstom Power Systems, spoke in a concurrent session about how to put the right person in the right place at the right time. Managing a global workforce of 50,000 in 70 countries from headquarters in Baden, Switzerland, Yoshida tackled this challenge with uniformity and data collection.

One of the main challenges of any global organization is identifying top talent in each country or business area and convincing their leaders to let them go to another unit in the interest of the entire company, Yoshida said. “Unit leaders are looking at their own business goals and performance. It is HR’s goal to look transversally across all units and all countries to see what is best for the company as a whole. And sometimes that means moving a top performer from one place to another.”

The first step for Yoshida was to get the entire company on the same performance review process and schedule. That meant defining competencies for each job and aligning them with company values. It also meant establishing two career paths—one for management and one for individual contributors, or specialists, who wanted to grow and be challenged but didn’t want to move into management. Yoshida also implemented a five-point rating scale for performance reviews. In addition, to maintain consistency, all of these reviews are done in English.

HR participates in calibration meetings with managers to discuss what a typical performer looks like for each rating. These meetings also give HR and leaders in other countries and businesses an opportunity to discuss top talent.

Using performance reviews and demographic data, HR creates profiles on top talent to track whether they should stay in their current positions (color-coded yellow) because of business or personal reasons; move to another position (color-coded red) for development, business or personal reasons; or promote up one level (color-coded green).

HR analyzes the data and creates charts to determine who can benefit from training locally (yellow) and who needs to acquire other business or geographic experience (red). Analysis can also reveal whether a manager is holding on to talent (too many yellows) at the expense of the overall company’s needs. Profiles are updated by employees with information about their willingness to move outside their country.

Instead of filling a position externally, managers and HR look at the color-coded data to see who is ready to move geographically or who is repatriating back to their country soon. Before this initiative, 70 percent of open positions were filled externally. Yoshida’s goal is to reduce that figure to 30 percent.

Employees in Control

Creating dual career paths shows employees how to grow within a company, whether as an expert or a manager or in their home country or abroad. It also gives employees more control to manage their careers.

Saagarika Ghoshal, SPHR, chief people officer at Reliance Big Entertainment Pvt. Ltd., deals mostly with “creative people with larger-than-life personalities” who demand control and will leave if they don’t get it.

To combat the entertainment industry’s average attrition rate of 50 percent, Ghoshal restructured and decentralized HR to embed it in each of the business units. Now, corporate HR only deals with talent development and allows HR in each unit to manage every other aspect with best-practices guidelines.

One of those best practices that helps retention is flexibility, said Ghoshal in a concurrent session. “We were one of the first companies in India to not retire people at 58 or 60,” the country’s official retirement age. “We also have flexible working options and allow workers to take sabbaticals,” both of which appeal to members of Generation Y, she explained.

Development is achieved through continuous feedback, mentoring and job rotations, not at a center away from work, Ghoshal added. “Creative people are motivated by working with different people and on different projects.”

Employees can nominate themselves, peers, managers or subordinates for succession planning opportunities. And performance reviews provide space for employees to counter any critical feedback.

The result of giving employees more control and flexibility is a low 3 percent turnover rate, Ghoshal said. “You must create a value proposition for your employees. They want to know ‘What’s in it for me?’ And that’s a good thing because it keeps HR focused on what employees truly want.”

Self-directed work leads to innovation at Internet company Google, which allows its 20,000 people worldwide to spend time working on whatever projects interest them. Employees submit new ideas virtually and colleagues evaluate and improve them, noted Shannon Deegan, Google’s director of people operations, during the panel discussion on HR challenges and opportunities led by Herrin. Panelist Paul Records, senior vice president and chief HR officer at Kaiser Foundation Health Plan, agreed with this approach, adding that workers from younger generations don’t want to be told what to do or how to do their jobs. “They want to develop their own best practices. Encourage this,” he said.

Clarity

“The antidote to anxiety is clarity,” said Marcus Buckingham, author and former researcher at Gallup Organization, on the closing day. “We all fear the unknown, and we revere people who can predict the unknown. You don’t even have to be right,” as long as you continue to communicate with employees about where the company is and where it is going, he added.

That communication should take into account differences in cultures, languages and generations. The key is knowing your audience, said Alison Davis, a communications consultant to such global companies as L’Oreal, at a concurrent session. “Create profiles of your audiences and find out their communication preferences, such as e-mail, texting, video or print,” she said. “Just because people in your headquarters like e-mail doesn’t mean the young workers in China offices do.”

Technological advances in videoconferencing allow people to interact “face to face” while they are in distant locations. However, videos should not be modeled after conference calls, Davis warned. “One-way communication, even if it’s video, loses people’s attention. Be interactive, and don’t let the headquarters team do all the talking. Ask questions and allow time for responses.”

Because HR professionals are always asked by executives to give more information, data and justification for programs, they tend to give the same details to employees. But employees don’t care about the “why” as much as the “what,” Davis said. Simple is always better in communicating globally. “Give the most important information first in case your audience loses interest,” she said. “Ask yourself, ‘What is the most important thought or action I need employees to get?’ and start the message there.”

Employees get most communication from their managers, so it’s important to deliver clear messages to managers. Trust can break down if the company is saying one thing and the manager is doing another, Davis added.



Joseph Hoskin, senior director of HR at NBA China, speaks with attendees after his session on cross-border communications challenges in China.

Joseph Hoskin, senior director of HR at NBA China, said messages can get lost in translation from New York headquarters to Beijing. “People in China didn’t grow up watching Michael Jordan play,” he noted during his concurrent session. “So, saying someone is the ‘Michael Jordan of’ something to say they are the best doesn’t translate.”

Sports analogies and slang should be eliminated from communication, he advised.

Effective communication leads to trust, which leads to success in China, Hoskin added. “Trust is not a soft issue in China. You gain trust with communication and following through on what you say. Any broken promises or delay in information will break trust.” [WL](#)

SHRM Conference Goes (More) Global

The SHRM 62nd Annual Conference & Exposition always attracted a sizable global audience, but this year the United States’ premier HR association decided to combine the event with its SHRM Global Conference—usually a separate, annual meeting held in April solely for international members. The combination proved hugely successful, with an enhanced curriculum of global topics drawing nearly 800 international attendees from 70 countries.

“This was not a separate conference within a conference,” noted SHRM’s director of global programs, Howard Wallack, who added that SHRM wanted to integrate U.S. and non-U.S. HR attendees more seamlessly.

In addition to offering all attendees nearly 30 concurrent sessions focused on global HR issues, the conference featured a Global Networking Lounge—a place for attendees to meet, have coffee or tea, read international newspapers, and share ideas with their colleagues. Lunches in the lounge became learning opportunities; each table had a facilitator who led discussions about a hot global topic.

When not in the lounge or at a global HR session, international attendees took advantage of the other function-specific concurrent sessions on topics that cross all borders, such as talent management, strategy, development and total rewards. After each day of learning, attendees continued networking at sponsored international events.

The success of this year’s integration of global HR will be carried into the SHRM 63rd Annual Conference & Exposition, to be held June 26-29, 2011, in Las Vegas, Nevada. [WL](#)



Elham Taqi, left, a senior HR analyst at Kuwait Petroleum Corp., and Ahmad Al-Mutawan, HR manager at Public Authority for Applied Education and Training in Kuwait, talked about HR—and their 8,000-mile journey to San Diego—in the Global Networking Lounge.

Montreal Without Limits

By Adrienne Fox

From September 27-29, 2010, the World Federation of People Management Associations (WFPMA) will welcome its HR members and colleagues to the 13th World Human Resources Congress, “HR Without Limits.” Montreal, Canada, will host some 3,500 attendees from Canada, North America and around the globe for an educational and networking event that only comes around every two years.

“The 2010 World Congress will enable HR professionals to build a global community of peers, to discuss new developments and to network with colleagues from around the world who face similar complex challenges in human resource management,” said WFPMA president Ernesto G. Espinosa of the Philippines.

“The World Congress theme invites us to expand our limits, to see the bigger picture, to move beyond borders, beyond our own organization, beyond HR and beyond our own limits,” said Florent Francoeur, CEO of Quebec’s Ordre des conseillers en ressources humaines agréés, this year’s World Congress organizer.

The World Congress offers attendees professional growth through:

- Five keynote sessions.
- More than 80 concurrent sessions in English, French and Spanish.
- Six longer and more in-depth Super Sessions.
- Breakfast table topics.
- Networking events.

The WFPMA and The Boston Consulting Group will release their fourth joint global HR survey report, *Creating People Advantage: The Future of HR Worldwide*.

Revealed for the first time at the Congress, the 2010 report features the latest trends in:

- Talent management. How companies pave the way for employees to become future leaders of the organization.
- HR in and beyond the crisis. What companies are doing to survive the economic crisis and prepare for the future.
- Employee engagement. What companies are doing to keep employees engaged.
- HR metrics. How companies are using metrics to link HR with corporate strategy.
- HR transformation. How companies are transforming their HR function to link business objectives with people management.



View of Montreal from Mont Royal.

Coinciding with each World Congress is the announcement of the winner of the Georges Petitpas Memorial Award, which honors an individual who embodies the spirit of and demonstrates dedication to the HR profession. The award was established in memory of Georges Petitpas, who contributed significantly to the development and activities of the WFPMA. Previous winners are Carlos M. Aldao Zapiola (Argentina), Michael R. Losey (USA), Juan Somavia (Chile), Chris Brewster (UK), David Ulrich (USA), Sergio Hillesheim (Brazil), John S. Maxwell (Australia), Raul Caldeira (Portugal), Oswald Checchia (Brazil), Ronald C. Pilenzo (USA), Marco Antonio Flores (Mexico) and Antonio Saenz de Miera (Spain).

Beyond the Palais

While in Montreal to learn and connect, don’t miss the chance to explore this unique island where American and European cultures meet. Montreal is the second largest French-speaking city in the world, but many people are fluent in English and other languages. With its outdoor cafes, 350 kilometers of trails, underground city, intense cultural life and status as a business center, Montreal seamlessly integrates new-world energy and old-world charm.

The Palais des congrès de Montréal (convention center) is located in the heart of downtown with direct access to the Metro, the city’s subway system. It is a short walk to Old Montreal (Vieux-Montreal) where visitors can enjoy a Caleche (horse-drawn) carriage ride; visit the art galleries, museums and shops; and eat in one of the 200 creameries and restaurants. The Place Jacques-Cartier, a historic square in the heart of Vieux-Montreal, is a lively venue for musicians, magicians and acrobats. Stroll over to Montreal’s Old Port (Vieux-Port de Montreal), where you can hop on a cruise ship or enjoy an excursion on the majestic St. Lawrence River.



Place Jacques-Cartier in Vieux-Montreal is within walking distance of the convention center.

Other must-see Montreal sights:

The Montreal Botanical Garden. Located minutes from downtown, the Botanical Garden houses a collection of 22,000 plant species and cultivars, 10 exhibition greenhouses, and some 30 gardens.

Biodome. This unique museum is dedicated to raising environmental and ecological awareness and contains five ecosystems—tropical, forest, marine, arctic and antarctic.

Notre-Dame Basilica. Montreal’s oldest Catholic church, built in 1656, possesses some of the finest Gothic Revival architecture in North America, including a stained-glass history of the city.

Montreal Museum of Fine Arts (Musée des Beaux-Arts). One of Canada’s most famous museums, this popular institution houses a wide collection of international contemporary and Canadian exhibits, and straddles two buildings—the 1912 original and its 1991 annex—with underground galleries.

Mont Royal. The jewel of Montreal’s city parks, this 200-hectare park occupies part of the mountain that lies in the midst of Montreal and includes its highest spot (234 meters). The wooded park contains two belvederes, a sculpture garden, the Smith House interpretive center, a monument to Sir George-Étienne Cartier and Saint Joseph’s Oratory, which boasts a 97-meter dome, the second largest after St. Peter’s Basilica in Rome.

The Underground City. Thirty kilometers of underground passageways link two universities, two train stations, 10 subway stations, 37 movie theaters and exhibition galleries, and more than 1,700 shops and restaurants, creating the largest underground city in the world. [WL](#)

To view the full conference program and to register for the World Congress, please visit www.hr2010.com, e-mail info@hr2010.com or call +1-514-879-1639.

Dig Deep to Uncover Culture

By Mark N. Clemente

Most executives think they manage their corporate cultures, but few actually do. Culture is an intangible but critical element of organizational effectiveness. If defined, it is rarely tested or challenged, so it may not be based in reality.

Analyzing and managing culture to improve organizational effectiveness is an ongoing process that should evolve as the business grows and adapts to market challenges.

To help make culture more tangible, Clemente Communications recently analyzed more than 300 web sites and online information sources to identify specific examples of corporate culture traits and select the ones most commonly used. This analysis was followed up with a survey of nearly 200 HR leaders in mid-size firms to rank each trait's importance in maintaining a high-performance culture.

The resulting report, *Organizational Archaeology*, cites 30 of the most common corporate culture traits. The report provides a road map to unearthing the significance of these cultural traits in your company. Once HR leaders uncover their corporate culture, they can influence it strategically and take a proactive lead in managing it.

Unearthing Artifacts

Culture management starts with identifying a company's "artifacts," a term used by Massachusetts Institute of Technology social psychologist Edgar H. Schein to describe organizational culture traits.

Artifacts are the core business activities, management processes and philosophies that characterize how a company does business on a day-to-day basis. They are a combination of factors common to all organizations and unique to your company.

The research at the heart of *Organizational Archaeology* identifies the most prevalent artifacts of corporate culture. Keep in mind, however, that all cultures are different and each has unique artifacts. The process of

identifying the artifacts that are specific to your culture involves assessing it in terms of three anthropological concepts:

- **Social culture.** This refers to how a group is structured in terms of its members' roles and responsibilities. It is the study of "class distinctions" and the distribution of power that exists in any human collective from a sociological standpoint.
- **Material culture.** This involves examining all the things that people in a group "make" (e.g., their tools and technologies). Material culture also entails studying "patterns of subsistence," which refer to the ways people work with and support one another in exchanging required goods and services.
- **Ideological culture.** This is tied to a group's values, beliefs and ideals. Ideological culture refers to studying the things people view as important. Moreover, it's about characterizing the emotional and intellectual guidelines that govern their day-to-day existence and interactions.

All cultures, including corporate cultures, can be studied in terms of their social, material and ideological traits. Start by focusing on the common traits found in all businesses, then identify the artifacts unique to your own based on social, material and ideological considerations.

Manage Culture in Five Steps

Use the discoveries of your artifacts to actively manage culture:

- **Step 1:** Identify common artifacts, as well as those from the standpoint of your social, material and ideological culture.
- **Step 2:** Convene groups of employees—representatives from all levels, functions and locations of the organization—to assess the validity, significance and currency of each artifact. (Try to focus on the top 15 to 20 most important ones.)
- **Step 3:** Subject those artifacts to a rigorous assessment of their underlying shared assumptions, values and beliefs.

- **Step 4:** Summarize your findings and share them with all participants to solicit additional insights and commentary.
- **Step 5:** Create a culture management action plan based on enhancing those artifacts that support corporate growth and/or organizational effectiveness, and on modifying/correcting those artifacts that may be outdated and are hindering your company's advancement.

Shared assumptions and beliefs typically originate with an organization's founders and leaders. Because these beliefs proved successful (otherwise the company wouldn't exist and the leaders would not be in their positions), they often go unchallenged. However, these assumptions and beliefs may be stuck in the past and may not hold the key to future success.

From a training standpoint, group discussions should focus on the beliefs and assumptions underlying each key artifact—all of which should be strongly challenged. From a global standpoint, what worked in the home-country operations may not be successful in other locations. Participants should assess how each artifact reflects current ways of doing business and then objectively evaluate what may no longer work or isn't currently working.

HR leaders are responsible for ensuring that culture management is a core focus of their companies' efforts to compete in the global marketplace. Identifying artifacts—and assessing their importance in light of current business objectives and where they operate—represents a workable means of culture management and optimization. [WL](#)

The author is president of Clemente Communications Group in Glen Rock, N.J., and co-author of *Winning at Mergers & Acquisitions: The Guide to Market-Focused Planning and Integration* (John Wiley & Sons). For more information on the report *Organizational Archaeology*, e-mail info@clementeonline.com and mention *WorldLink*.

HR's Top 5

Of the 30 most prevalent artifacts of corporate culture identified through global content analysis research, the following five traits were ranked by HR leaders as most important to create a high-performance culture:

1. **Ethics**—the extent to which management establishes and promotes formal guidelines related to corporate ethics and their enforcement.
2. **Employee communications**—the nature, scope and importance management places on communicating with employees on how to support operations and growth.
3. **Knowledge sharing**—the degree to which the organization actively collects and distributes institutional knowledge and market intelligence from employees for managerial decision-making and to support employees' professional growth.
4. **Employee evaluations**—the nature and scope of formal procedures and guidelines related to assessing employee performance

- (e.g., for salary reviews, promotions or disciplinary purposes).
5. **Corporate mission and goals**—the degree to which management regularly articulates and promotes, and ensures employees' understanding of, the organization's mission and goals. [WL](#)

Source: *Organizational Archaeology: A Research-Based Framework for Analyzing, Managing or Integrating Corporate Cultures*.

Shifting Wealth

It is no longer enough to divide the world simply between North and South, developed and developing countries. To understand the complexity of the shift, the Organisation for Economic Co-operation and Development (OECD) released a report, *Perspectives on Global Development 2010: Shifting Wealth*, which divides the world into affluent, converging, struggling and poor countries according to their income and rate of growth per capita relative to the industrialized world.

This report reveals a new geography of global growth—a 20-year structural transformation of the global economy in which the world’s economic center of gravity has moved toward the East and South, from OECD members to emerging economies, a phenomenon the report calls “shifting wealth.”

For instance, in 2009 China became the leading trade partner of Brazil, India and South Africa. The Indian multinational Tata is now the second most active investor in sub-Saharan Africa. More than 40 percent of the world’s researchers are now in Asia. As of 2008, developing countries were holding US\$4.2 trillion in foreign currency reserves, more than 1.5 times the amount held by rich countries.

After a decade or more of very fast growth, Asian exports to Latin America and the Caribbean (US\$170 billion in 2008) and to Africa (US\$146 billion) are now very large. Despite the growth in trade links with Africa and Latin America, the relationships that China and India have built with the rest of developing Asia are more dominant and have expanded more quickly. Asia now accounts for more than three-quarters of South-South trade—US\$2.2 trillion out of a total US\$2.9 trillion. About 60 percent of trade within South and Southeast Asia is related to vertically integrated activities—that is, the provision of inputs for goods consumed outside the region.

The OECD’s report shows how developing countries have become important economic actors and demonstrates the dynamism of the new South-South economic ties. Although the process has been ongoing for 20 years, the opportunities and risks for poor countries posed by shifting wealth are only starting to be understood.

The financial crisis has not been a brake on this process of shifting wealth. If anything, it has been an accelerator. Rapid growth in some emerging countries has quickly resumed, while most OECD countries struggle with the consequences of the crisis in terms of sharp increases in debt, fiscal imbalances and unemployment. If the crisis has to some extent reaffirmed the phenomenon of shifting wealth, there is a strong likelihood that there will be more to come.

Average growth of developing countries is expected to rise from 1.2 percent in 2009 to 5.2 percent in 2010, and is currently forecast to accelerate to 5.8 percent in 2011, compared with 1.8 percent in 2010 and 2.3 percent in 2011 for high-income countries, according to the World Bank.

The direct channels of interaction between the emerging giants and poor countries—such as trade, foreign direct investment and aid—have been intensifying. This trend is likely to continue. Between 1990 and 2008, world trade expanded almost four-fold, but South-South trade multiplied more than 10 times.

The rising importance of the South to the South since 1990 is clear. What broad conclusions can be drawn?

- A common advantage of South-South flow lies in physical and cultural proximity. They are likely to share more of the technology and business practices specific to developing countries. Technological acquisition and upgrading is thus potentially easier.
- There is huge potential for welfare improvement from the judicious removal of trade barriers and reduction of trade costs on South-South trade. Moreover, these gains are not contingent on the outcome of ongoing multilateral negotiations, which are currently stalled.
- Developing countries themselves are becoming important donors. The resources and experience of these new development actors should be leveraged to maximize aid effectiveness.
- Shifting wealth and rising competition from the Asian giants mean there is a new imperative to making South-South regional integration more effective.

From a strategic perspective, it is also important for policy-makers to take into account the fact that power in the value chain increasingly stems from intangible factors (linked with technology, marketing, management practices, etc.), rather than competition through low cost.

Thus, a firm that depends on low wages to convert physical inputs into a physical product will consistently face downward pressure on its prices because of competition from ambitious firms throughout the developing world. But a firm that can deploy intangible factors such as design, brands, business contacts or marketing is better able to protect its position because its skills are not easily copied. [WL](#)

Editor’s note: This article is excerpted from *Perspectives on Global Development 2010: Shifting Wealth* by OECD.

Four-Speed World

The number of “affluent” and “converging” countries have grown while the number of “struggling” and “poor” countries have shrunk over a short period of time.

	1990s	2000s
Affluent	34	40
Converging	12	65
Struggling	66	38
Poor	55	25
Total	167	168

AFFLUENT: The World Bank’s high-income grouping of countries (Gross National Income (GNI) greater than US\$12,196) have maintained their dominance of the global

economy for the past 50 years. They are home to only 20 percent of the world’s population yet account for approximately 75 percent of global income. Their leadership role is increasingly contested by the “converging” group.

Examples: Belgium, Korea

CONVERGING: A group of poor and middle-income economies that have been sustaining GDP per capita growth rates. This group includes countries, such as China and India, that will soon become global leaders and had GDP per capita growth rates greater than 3 percent in 2007.

Examples: Rwanda, Ukraine

STRUGGLING: Countries in this group have had irregular growth performance

even if strong at times (between US\$996 and US\$3,945 GNI). They are not generally recipients of international aid and have little influence in international decision-making processes.

Examples: Jamaica, Algeria

POOR: This last group of countries (mostly in sub-Saharan Africa) have stagnating or falling incomes (less than US\$ 995 GNI). They have gained little from globalization, yet are most vulnerable to its adverse effects, such as climate change and higher commodity prices.

Examples: Kenya, Pakistan [WL](#)

Source: *Perspectives on Global Development 2010: Shifting Wealth*, OECD.

Iceland Same-sex marriage law



Parliament has unanimously approved a measure that legalizes same-sex marriage by making the marriage law gender-neutral. The bill went into effect on June 27, 2010, the same day Prime Minister Jóhanna Sigurðardóttir married her partner.

Ireland Retirement age to rise



In March 2010, the Irish government issued a National Pensions Framework Document, a broad statement of intended future policy that, among other changes, raises the normal retirement age to 65 and later to 68, to be phased in from 2014 to 2028. Beginning in 2014, employers would be required to automatically enroll in a pension scheme employees over the age of 22 who earn in excess of €332 per week.

Germany Business confidence



German business confidence unexpectedly rose to a two-year high in June as the euro's depreciation and a global economic recovery brightened the outlook for exports. Governments across the 16-nation euro region are cutting spending after Greece's near debt default sparked investor concern that budget deficits are spiraling out of control.

Greece Debt crisis



Greece maintained solvency in May, after being pledged €110 billion in bailout loans from the European Union and International Monetary Fund. In return, the Greek government is slashing spending and pushing through sweeping labor reforms. If parliament approves the measures, companies employing more than 150 people would be allowed to fire 5 percent of the workforce every month, up from the current 2 percent. Smaller companies would be able to lay off up to six workers. The maximum notice period would be reduced from 24 months to six months. The proposals have angered labor unions, sparking strikes across the country.

Spain Labor reforms



Facing a growing risk of a debt default and a high 20 percent unemployment rate, Spain's parliament passed measures in June that make firing cheaper and even let companies talk their way out of collective bargaining agreements in bad times. The reform encourages the creation of new jobs by cutting the severance payments for those positions from the mandatory 45 days per year worked to 33 days. Union leaders have called for strikes but not until after the summer.

Estonia Retirement age increased



Starting in 2017, the retirement age will gradually increase for both men and women, reaching age 65 by

2026, according to pension reform legislation approved by the Estonian Parliament.

Rwanda Workplace sex discrimination bill



The Ministry of Public Services and Labor is preparing legislation to protect women from workplace discrimination when they are pregnant or breastfeeding. It would be illegal to terminate female employees, subject them to an unsafe work environment or cut their pay during these periods.

Bahrain Pension portability



The Shura Council has approved legislation that would allow pension portability in the private sector. Workers would be responsible for any employee contribution adjustments, including a higher retroactive contribution after an expatriate worker has been nationalized. The king must still ratify this bill before it becomes law. Measures passed earlier this year will allow private-sector workers to withdraw both an end-of-service lump sum and a monthly lump sum.

India Visa cap waived



The foreign-worker limit for Indian companies—the lesser of 20 workers or 1 percent of total staff—has been waived for the IT sector. Foreign workers brought in at a salary of at least US\$25,000 per year would not be subject to this limit.

China Strikes lead to pay raises



Manufacturers in China have been plagued by industrial unrest over the past month, with strikes breaking out in the south, east and north over pay and workers' rights at foreign companies. Walkouts have pressured firms to increase pay by as much as 70 percent, leading economists to question China's long-term ability to compete for foreign investment on cheap labor.

Singapore Re-employment of older workers



Starting in 2012, employers in Singapore will be required by law to offer re-employment to workers who have reached the current statutory retirement age of 62. Rather than raise the retirement age, the government has formulated this legislation as a more flexible way to extend employment to older workers, initially to age 65 and later to age 67.

Taiwan Foreign-worker reform



The Council of Labor Affairs has outlined plans to allow companies to hire foreign workers directly without having to pay a broker. It has also proposed raising foreign-worker quotas at companies that have robust local hiring practices.

Canada Pension Benefits Standards Regulations



Canada enacted the following amendments to its Pension Benefits Standards Regulations:

- A new standard—that uses average—rather than current—solvency ratios to determine minimum funding requirements and soften the impact of short-term market fluctuations on a plan's solvency funding requirements.
- Limiting contribution holidays unless the solvency ratio exceeds full funding, plus a new solvency margin set at a level of 5 percent of solvency liabilities. This measure will enhance benefit security by helping to maintain a cushion of pension plan assets.
- A modernized investment framework that removes the limits on the amounts pension plans can invest in resource and real property investments. This will offer greater latitude in building a prudent fund portfolio.

U.S. Health care reform



The Department of Health and Human Services has released interim final regulations to define “grandfathered plans” as coverage provided on a fully insured or a self-insured basis that was in existence on March 23, 2010. The distinction is important because many provisions under the Patient Protection and Affordable Care Act apply differently to grandfathered health plans. The rules also clarify that grandfathered union-negotiated health care plans are subject to the same requirements as other grandfathered health plans.

Costa Rica Workers' compensation insurance



From January 1, 2011, workers' compensation insurance will be subject to private-sector competition. Insurance regulator Sugese will issue a report on how INS, the state insurer responsible for workers' compensation, will function in the marketplace.

Argentina Gay marriage bill



President Cristina Fernandez signed a new law on July 21 legalizing marriage for same-sex couples nationwide. The law grants same-sex partners the full legal protections and responsibilities that marriage gives to heterosexual couples, including the ability to inherit property and to jointly adopt children. Same-sex civil unions are legal in Uruguay and some states in Brazil, but Argentina is the first country in Latin America to legalize same-sex marriages.

Briefs compiled from Towers Watson, PricewaterhouseCoopers, Mercer, *Financial Times*, BBC, Associated Press, *Wall Street Journal*, *Morocco News*, *Rwanda New Times*, *New York Times*, *Taipei Times* and *BNamericas*.

THE WORLDLINK HR CALENDAR

August 17-20, 2010

ABRH Nacional CONARH

São Paulo, Brazil

Tel: +55 11 3124 8858

E-mail: abrh@abrhnacional.org.br

Web site: www.abrhnacional.org.br

September 22-23, 2010

4th Annual Swiss HR Congress

Bern, Switzerland

Tel: +41 (044) 211 95 41

E-mail: jennifer.aellen@zgp.ch

Web site: www.hr-swiss-congress.ch

September 27-29, 2010

WFPMA World Congress

Montreal, Canada

Tel: +1-514-879-1639

E-mail: info@hr2010.com

Web site: www.hr2010.com

October 5-8, 2010

7th Annual HR Africa Summit IIR SA

Johannesburg, South Africa

Tel: (011) 771-7000

E-mail: conferences@iir.co.za

Web site: iir-conferences.co.za

October 13-16, 2010

PMAP 47th Annual Conference

Mandane City, Cebu, Philippines

Tel: +63 2 726 1532

E-mail: pmap@pmap.org.ph

Web site: www.pmap.org.ph

November 14-17, 2010

**Institute of People Management
Conference**

Sun City, North West Province, South Africa

Tel: (011) 329 3760

E-mail: info@ipm.co.za

Web site: www.imp.co.za

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

© WORLDLINK

is the quarterly newsletter of the World Federation of People Management Associations (WFPMA). For further information about the Federation, contact:

Horacio E. Quirós, Secretary General, WFPMA
c/o the Federacion Interamericana de Asociaciones de Gestion Humana (FIDAGH):

Piedras 77, Piso 10 B
C1070AAA
Ciudad Autonoma de Buenos Aires
Argentina

Tel/Fax: +54 11 4342 6163

E-mail: horacio.quirós@fidagh.org

WFPMA web site: www.wfpma.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:

Adrienne Fox
Editor, *WorldLink*
E-mail: afox@pointcs.com

NEXT ISSUE

The next issue of *WorldLink* will be published on October 31, 2010.

Please submit contributions by August 31. ©2010. Material may be reprinted with credit to *WorldLink*, WFPMA.

Design and production by the Society for Human Resource Management, Alexandria, Va., USA

10-0454

World Federation of People Management Associations (**WFPMA**)

WFPMA BOARD OF DIRECTORS 2008 – 2010

President Ernesto G. Espinosa, Philippines

Immediate Past President Florent Francoeur, Canada

Secretary General/Treasurer Horacio E. Quirós, Argentina

Members **AFHRMA:** Tiisetso Tsukudu, Florence Namatta-Mawejeje

APFHRM: Peter Wilson, P.O. Mak

EAPM: Pieter Haen, Gerold Flick

FIDAGH: Leovigildo Canto Pérez, Fernando Ariceta

NAHRMA: Carolyn M. Gould, Jorge Jauregui

2010 World Congress Chairman Florent Francoeur, Canada

MEMBER ORGANIZATIONS OF THE WORLD FEDERATION

AFHRMA (13)

AFRICAN FEDERATION OF HRM ASSOCIATIONS

Angola, Botswana, Democratic Republic of Congo, Kenya, Malawi, Namibia, Nigeria, South Africa, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe

President: Tiisetso Tsukudu, South Africa

APFHRM (15)

ASIA PACIFIC FEDERATION OF HRM

Australia, Bangladesh, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Papua New Guinea, Philippines, Saudi Arabia, Singapore, Sri Lanka, Taiwan, Thailand

President: Peter Wilson, Australia

EAPM (27)

EUROPEAN ASSOCIATION FOR PEOPLE MANAGEMENT

Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Latvia, Malta, Netherlands, Norway, Poland, Portugal, Romania, Russia, Slovak Republic, Spain, Sweden, Switzerland, Turkey, United Kingdom

President: Pieter Haen, The Netherlands

FIDAGH (15)

INTERAMERICAN FEDERATION OF PEOPLE MANAGEMENT ASSOCIATIONS

Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Nicaragua, Panama, Paraguay, Peru, Uruguay, Venezuela

President: Leovigildo Canto Pérez, Panama

NAHRMA (3)

NORTH AMERICAN HRM ASSOCIATION

Canada, Mexico, United States

President: Carolyn M. Gould, USA