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Linking people management professionals around the globe

Certain Challenges in Uncertain Times, Results of 2011 BCG/EAPM Study

By Rainer Strack, Jean-Michel Caye and Pieter Haen

Financial crisis, debt crisis, currency crisis: The intensified competition for financial capital and credit ratings is currently confronting companies and national economies with great short-term uncertainty, without a common concept of the necessary measures. Unlike in the finance department, however, the greatest challenges for HR managers are clear, quantifiable and long-term. While finance ministers, bankers and CFOs can hope for a calming of the capital markets, the existing shortage of qualified employees and executives represents a reality for HR managers for which there are no positive forecasts, only negative statistical facts. HR managers can and must face this challenge and find the best possible responses. Those who succeed increase their chances of the HR function taking on the role of strategic partner and enabler within the company.

Which priorities and measures are HR managers applying to prepare their organizations for the future? To find out, The Boston Consulting Group (BCG), together with the European Association for People Management (EAPM), conducted a survey in 2011 among HR managers of the most important European companies. More than 2,000 HR managers from 35 European companies and a wide range of industries took part in the survey. (The survey is similar to the one conducted biannually in partnership with the WFPMA.) The focus of the quantitative and qualitative survey was how HR managers assess the current and future importance of 22 HR topics and the development of corresponding skills within their companies.

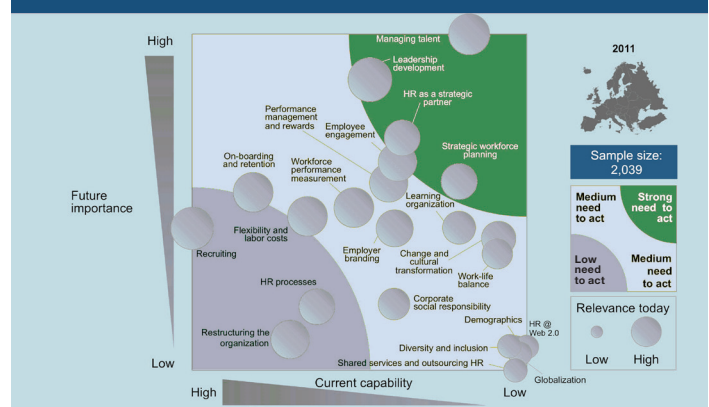
Sights Set on the Future

Results of the survey, *Creating People Advantage 2011*, were released at the 25th Annual European People Management Conference in Istanbul, Turkey, in September. Overall, survey results show that, following the crisis years 2009 and 2010, HR managers are focusing on long-term and forward-looking topics. The top HR issues for the present and future are strategic in nature and of long-term importance. Talent management, leadership development, strategic workforce planning and transforming HR into a strategic partner require a strong need for action. In the chart at right, the topics shown in the green zone are areas of both high future importance as well as current low capabilities in the companies.

The environment in which HR managers are operating is characterized by a number of innovations and megatrends. All HR

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Exhibit 1. Respondents Perceived the Most Critical Topics to Be Managing Talent, Leadership Development, Transforming HR to a Strategic Partner, and Strategic Workforce Planning



Sources: Proprietary Web survey with 2,039 responses; BCG/EAPM analysis



HR Professionals
'Converge' on Istanbul
for 25th Annual EAPM
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European
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measures planned for the future will have to take this environment into account.

Megatrends

Four megatrends must be considered when devising any future HR strategy—demographics, diversity, social networks and globalization.

Demographic changes and the accompanying shortage of qualified employees and executives are shaping HR management approaches. By 2030, an additional 45 million employees will be needed in Western Europe to maintain sustained economic growth. In light of the current population growth rates, this number will be very difficult to reach. Associated with this growing talent gap is the question “From which alternative pools can companies acquire future employees?”

Beyond balancing the age structure of the workforce, companies need to diversify their talent base and embrace untapped pools in terms of gender, ethnicity, or educational and social background. On top of that, employers are confronted with exploring and handling new information technologies, especially the use of social networks and the associated new forms of direct, informal communication. With “digital natives” entering the job market, HR managers are faced with a generation that thinks, lives and speaks online. Of European Internet users between the ages of 16 and 24, 80 percent post messages in social network, chat or blog environments.

The fourth trend is the expansion of the field in which HR acts. While globalization is hardly a “new” megatrend, the speed of international expansion has left behind the HR departments of many European companies. Between 2003 and 2008, the 50 largest globally active European companies created a total of 500,000 jobs abroad, while their workforce in the domestic markets was reduced by 300,000 employees. Most HR functions currently have no idea how to build up a coherent global HR management system that fulfills the needs of a workforce distributed across the world.

Based on these trends, as well as the HR management priorities identified in our survey, below we will take a closer look at four strategic topic areas that HR managers must be prepared for now and in the coming years.

Make Talent Not War

One of the most effective ways to counteract the coming shortage of talent and executives is to develop a comprehensive talent management strategy that places great importance on developing and retaining executives. This will provide greater independence from the difficult and resource-intensive fight for scarce talent in the future.

A war for talent that is limited only to recruiting and financial incentives is a relic of the 20th century and unsuitable for a job market in which the balance of power is clearly moving toward the side of the talent. Identifying future talent internally, developing those individuals and retaining them are HR’s top challenges. Buying talent externally at high cost and quickly losing those individuals to the next highest bidder offers little chance of success.

Talent management has been at the top of the HR agenda across many countries since BCG/EAPM’s first study in 2007, but the perceived importance of this topic has not yet been sufficiently translated into action. More than half of the surveyed companies do not have a dedicated talent management unit at this time, and about 60 percent of the surveyed HR managers responded that they do not pursue a dedicated strategy for attracting talent or for succession planning. The survey also showed that the importance of talent management has not yet reached

the minds of CEOs, who spend an average of fewer than nine days on talent management each year.

However, when taking another—differentiated—look at this initially sobering finding, it emerges that the most successful European companies in terms of revenue and profitability have already initiated a significantly larger number of concrete talent management measures. For example, 53 percent of the most successful European companies have developed a strategy to address talent sourcing and succession problems, while only 27 percent of the less successful companies have done so. The high-performing companies also have a dedicated talent management unit (55 percent), use 360-degree feedback (71 percent) and support their high-potential employees in specially developed talent programs (54 percent), while the low-performing companies showed approximately 20 percent lower values in all three categories.

Diverse Advantages

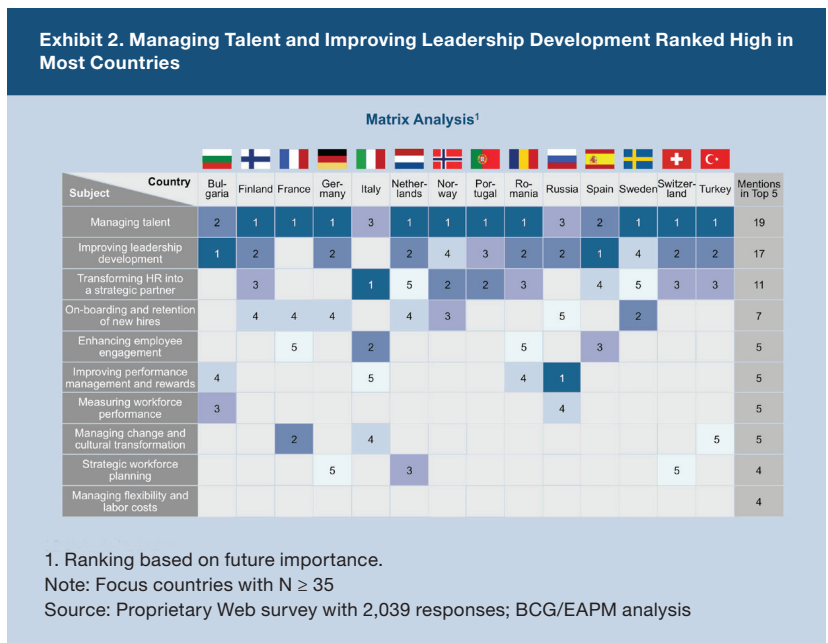
Globalization not only leads to macroeconomic changes, it also changes the internal personnel structure of each individual company. A second response to the coming talent scarcity is to tap new recruiting pools and expand existing pools—by increasing the number of target universities, for instance.

A diverse workforce offers a number of clear business strategy advantages. Diverse teams are more innovative and successful, and a personnel structure marked by diversity enables a greater intersection between employees and the different segments of a heterogeneous customer structure. Furthermore, the growth markets of a globalized world are suitably reflected in a diverse workforce. This is of immense significance for the local acceptance of globally active companies.

However, despite these many known arguments, the management boards of large European companies continue to be characterized by homogeneous leadership teams. An analysis of 40 randomly selected Euro Stoxx 50 companies showed that 93 percent of board members are male, 49 percent are between 51 and 60 years of age, and 86 percent are of European origin. It should be noted that these same companies generate on average 40 percent of their revenues outside of Europe and that the share of female customers is steadily increasing.

Thus, the topic of diversity still shows a deficit in terms of both perception and action. While age and generational diversity is seen as an important area for action, comprehensive diversity management that also takes into account aspects such as gender, national origin and

Exhibit 2. Managing Talent and Improving Leadership Development Ranked High in Most Countries



educational background is assigned relatively low future importance.

This blind spot is consequently reflected in diversity promotion beyond the statutory regulations. While 80 percent of the companies in our study apply at least three diversity measures, these are for the most part relatively fundamental, partially legally required measures such as flexible working time models or parental leaves.

In addition, there is a lack of effective infrastructure: The survey showed that even in European companies with more than 5,000 employees, only one in four organizations appoint internal diversity officers.

Four megatrends must be considered when devising any future HR strategy—demographics, diversity, social networks and globalization.

Diversity management is not a separate add-on to HR's task list. It needs to be understood and embedded as an imperative that spans across all core HR activities, from strategic workforce planning to recruitment, development and performance assessments. Sustainable diversity programs measure progress. Reliable and quantifiable diversity data and key performance indicators that get anchored into individual targets for the management are necessary to ensure success.

Social Media Opportunities and Risks

The times when social networks, blogs and instant messaging are used only by very specific, Internet-savvy groups are over. Social media have long become mass media that are an integral part of life for most employees. Facebook alone currently has more than 750 million users who on average spend more than half an hour on the site per day. More than 145 million users are registered at the three largest professional online networks: 100 million at LinkedIn, 35 million at Viadeo and 10 million at Xing. The enormous dynamics of social networks are best illustrated by Google's recently launched Google+, which attracted 10 million users in its first two weeks alone.

The topic will gain additional importance and influence once future talent groups that grew up with the Internet enter the job market. HR managers, who are themselves often still part of the baby boom generation and tend to learn about the trends in social media from their own children, may not get around to analyzing and leveraging the opportunities and risks offered by these new challenges.

The HR managers in our study are certainly aware of the enormous potential offered by social networks. Almost three-quarters of the surveyed HR managers see opportunities for their company's branding, and half of them see opportunities for recruiting in different employee segments.

However, this positive assessment of social networks as a unique opportunity for companies is accompanied by a certain risk that companies are also aware of: Almost half of the companies in our study fear the disclosure of confidential data, and one-third of the surveyed companies fear unwanted recruiting competition.

Overall, it can be said that if companies pursue a planned strategy in their handling of social networks, the opportunities outweigh the risks. Yet, about 60 percent of all companies in our study have not yet created a dedicated unit for social media, despite the fact that the organizational establishment of social networks is a decisive

prerequisite for seizing the opportunities of social media.

Based on a self-assessment of their social media capabilities, the companies we surveyed can be divided into two segments—"champions" and "rookies." In the champions segment, 40 percent have a detailed Web 2.0 strategy, while this is the case for only around 11 percent of the rookies; 37 percent of the champions have formulated concrete guidelines for handling social networks, while only 17 percent of the rookies have done so; and 74 percent of the champions benefit from a clear commitment from top management to actively embrace social networks, while this is the case for only 44 percent of the rookies.

HR Without Borders

Ongoing globalization has increasingly raised the demands of HR departments in recent years. HR managers will become strategic partners only if they can confidently navigate an international environment. This is all the more true for the HR departments of multinational companies: 66 percent of the employees in the 50 largest internationally active European companies work outside their home country. However, this global dimension is currently reflected in few HR departments at corporate headquarters, where there is frequently still a strong focus on management of the domestic workforce that results in neglect of international coordination and cooperation.

While the HR managers of many multinational companies are aware of the challenges, few are looking for the right structures, processes and systems for the HR function. The study shows that HR departments have not yet developed a common understanding of the global structure of the HR function and accordingly have not set up a standardized process for transforming the HR department into a truly global player.

HR departments must therefore assess the current situation and then carefully consider which activities should be rolled out globally, whereby the focus should be less on the savings potential and more on the quality of the HR work. Global structures and processes must be fundamentally brought to life, which requires employees with international experience. However, HR departments still often find it difficult to attract highly qualified talent with international experience. The recipe for success is "HR for HR." This motto covers primarily three levers—recruiting, development and rotation.

Recruiting. HR managers should expand and diversify the divisions from which they recruit employees. It is important to recruit employees with diverse functional and personal backgrounds.

Development. The necessary change in the HR personnel structure cannot be achieved through recruitment alone. Targeted development opportunities for existing employees are also needed.

Rotation. Implementing rotation programs in the HR department can help develop employees. If you look not only at the skills of most HR employees but also at their professional experience and personal background, few have long-term international experience or professional experience outside the HR function. Many employees have spent their entire working life in human resources, often in the same position and at the same location for many years.

In an increasingly globalized work environment, this is fatal because the increasingly relevant capability of thinking and acting globally cannot be developed through theoretical training. The offering of cross-functional and cross-business unit rotation measures or international exchange programs, on the other hand, can help these employees to permanently expand their own intellectual horizons. WL

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HR Professionals ‘Converge’ on Istanbul for 25th Annual EAPM Conference

By Adrienne Fox

Istanbul, Turkey, was host to the 25th Annual European People Management Conference in September, welcoming 2,000 HR professionals from 50 countries for two full days of learning. Pieter Haen, past president of the European Association for People Management (EAPM), opened the conference by outlining several challenges facing HR professionals in Europe and around the world due to the lingering global economic woes that began in 2008. “The financial world is burning,” Haen told attendees. “The United States has lost its credit rating, and European countries can’t pay their debts without Central Bank interventions. Growth rates are minimal, and politicians cannot agree on the path forward.”

In this gloomy context, HR challenges—talent management, leadership development and strategic workforce planning—are “real, quantifiable and long-term,” Haen added. But HR professionals must face these challenges; those who succeed will realize the goal of becoming a strategic partner.

“The future starts today,” Haen concluded. “Let’s make it together.”

Convergence

The theme of this year’s conference was “Convergence: Rethinking the Role of People Management as the Catalyst.” Haen introduced Selen Kocabas, chief corporate business officer of Turkcell, a telecommunications company in Istanbul, and Cem Boyner, CEO of Boyner Holding, a retail conglomerate based in Istanbul, for a discussion panel on the topic.

Kocabas, who also serves as president of Peryon, the Turkey HR association that organized the conference, pointed out the setting of the HR conference. “Turkey converges the East and West,” she said. “People are at the convergence of technology, production and business.”

Converge means to join, Kocabas noted, and in Chinese converging is about participating. “Our eyes converge every second and make images intersect, and we derive meaning from them—meaning that may be different based on your cultural backgrounds and experiences,” Kocabas said.

She then asked attendees to close their eyes and listen as she played an audio recording of a barber shop interaction. Even without a visual of the barber shop, listeners could paint a picture of it in their mind’s eye, drawing from their own experiences of getting their hair cut.



Selen Kocabas



Pieter Haen

“Even though you aren’t in this barber shop, hearing the sounds makes it feel as though you are,” Kocabas said.

“People have different styles of learning,” she noted, applying the barber shop exercise to development. “Convergers take abstract concepts and make them concrete. They learn best through experimentation.”

Lessons from a CEO

Cem Boyner shared the following lessons learned and observations made in his role as CEO of a large, multi-industry retail company:

Time. “Time is working against us,” Boyner said. With smart phones, customers are one click and three seconds away from comparing prices in Boyner stores with competitors’ prices, he noted. “Our employees have three seconds to convince customers to purchase our product.”

Spirit. Employees can’t make those sales if they aren’t enthusiastic at work. Boyner asked the audience to consider why employees are passionate at football games but lifeless at work. How can you excite people the same way for work projects as they are for sports games? “Work should have a spiritual and emotional side,” he said. For instance, Revlon Cosmetics says it is “in the business of selling dreams, and Porsche is in the entertainment business. What passion are you selling?”

Engage. Boyner said to impassion people for projects and customers for products, you can’t give them all the information.

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Give too much information and people will be suspicious, he said. "If a teenager provides minute details about her plans for the night, wouldn't you be suspicious as a parent?" It's the same for a customer or an employee. "You have to engage them in the discussion so that the other person comes to the conclusion for himself," he said. "There's nothing better or more effective than giving enough detail and

The EU needs to create a more integrated and open European labor market and break down regulatory barriers to labor mobility to allow HR professionals to effectively and economically recruit the best people to contribute to corporate growth.

seeing the customer decide on his own to buy the product. Then the customer becomes a seller for you." Do this with an employee, and he or she becomes a seller for your idea, he added.

Stories. You can't sell a product or an idea with data or dry facts. "Give messages in a simple way with stories," Boyner advised. "And change up the medium, especially for the younger generation, who are used to visual and quick delivery methods."

Arrogance. Never be single-minded and so sure of your idea that you ignore others' opinions or challenges, or arrogantly stay committed to the idea even though all signs are pointing to failure, Boyner warned. Ideas that are fast-tracked and fail big can hinder morale and confidence for years to come, he added.

Champions. Boyner told HR professionals that their role is to be the champion. "If a person is dancing crazy, then he is crazy," he explained. "But if everyone else follows and dances crazy too, then that person is called a leader. The second person to follow the crazy dancer is the most courageous and gives the leader credibility. That person is the champion. And HR people are champions in the company."

State of Europe



On the banks of the Bosphorus

Filippo Abramo, president of the EAPM, presented conference attendees with a state of the European economy and other factors affecting HR professionals on the continent. Noting that while the financial crisis is not over in Europe, he said some areas are recovering better than others. Northern and Eastern Europe, for instance, "are doing considerably well, considering the ongoing crisis," Abramo said. Northern Europe has an average unemployment rate of 6 percent to 7 percent, compared with 15 percent in Southern Europe. France lost 700,000 jobs since the economic crisis began but has added 1.25 million jobs due to technology growth. In his native country, Italy, Abramo said, industrial production is positive with exports growing 16 percent in 2011 over 2010.

However, the economies of Southern Europe and Ireland are



Filippo Abramo

fluctuating, creating financial problems for all of Europe. Greece has depended on international rescue loans since May 2010 and has been forced to implement stringent austerity measures in return for rescue loans from eurozone countries and the International Monetary Fund. The country is in its fifth year of deep recession, and unemployment is at a record high of 21 percent.

"There are 17 countries that participate in the euro, but they don't share fiscal and economic policies," Abramo noted. "All countries need to agree to the same rules, and the EU Commission is working on this."

For HR professionals, an aging workforce in Europe continues to be a challenge as 50 million people in the working population will soon retire, Abramo said. In the United Kingdom, the retirement age is 70, while in other countries it is 67. With people living longer and, therefore, needing to work longer, HR is dealing with age diversity issues in companies, he said.

In addition to managing generational differences, managing "cultural diversity is a tough job in Europe," Abramo said. "HR must manage as many as 40 different nationalities in one company."

Another challenge: While many areas in Europe have high unemployment, highly skilled professionals are hard to find. Germany needs 100,000 engineers and must look outside its borders for that talent. However, employee mobility in Europe is hindered by national laws. Only 2 percent of European workers are employed outside their home country, Abramo said.

The EU needs to create a more integrated and open European labor market and break down regulatory barriers to labor mobility to allow HR professionals to effectively and economically recruit the best people to contribute to corporate growth, Abramo concluded. [WL](#)

European Women Make Leaps in Board Representation

By Adrienne Fox

Women are beginning to crack Europe's boardroom glass ceilings thanks to government quotas, while their advance in the United States has nearly stalled, a new study found.

The inclusion of more women in boardrooms is crucial to boosting financial performance and, in turn, economic growth, stated the November 2011 study by the Washington, D.C.-based Corporate Women Directors International (CWDI).

The global percentage of board seats held by women grew to 13.8 percent in 2011 from 10.4 percent in 2004, according to *Women Board Directors of Fortune Global 200*.

"Something is happening, and it's driven by Europe," said Irene Natividad, chair of the international research group.

"The momentum for more women on boards will change the

face of the biggest companies in Europe, in the midst of the region's ongoing financial crisis," she added.

Two European women—one French, the other German—hold the keys to economic change in Europe, according to the CWDI. Christine Lagarde, now the head of the International Monetary Fund, declared her full support for quotas for women directors while she was France's Minister of Finance, even though she opposed quotas initially.

German Chancellor Angela Merkel is at the helm of a country with a fierce debate raging on how to increase the number of women in corporate leadership, prompting Germany's blue-chip companies to pledge to increase women representation on boards to at least 30 percent by 2013. While she is publicly opposed to quotas, Merkel made it clear that unless progress was made, the government may intervene.

Norway initiated government quotas for the number of women required to be in the boardroom in 2003, a move that has since been adopted in Belgium, France, Iceland, Italy, the Netherlands and Spain.

France's leap from only 7.2 percent of board seats held by women in 2004 to 20.1 percent this year was largely due to a quota law passed in 2010, the report stated. The law set a halfway point of three years to reach 20 percent, which France surpassed.

Spain, whose quota dates to 2007, also improved its percentage of women directors—from 1.9 percent in 2004 to 9.2 percent in 2011. "Quotas open doors to qualified women," stated Ana Maria Llopis, a Spaniard on the boards of Dia S.A. in Spain and Societe Generale in France.

"Overall, the countries with quotas saw a higher percentage of women's board appointments when compared to the average female representation among other companies in the *Fortune* listing," the report said.

Recent discussions at the EU Council of Employment, Social Policy, Health and Consumer Affairs Ministers concluded that the gender balance of corporate boards requires improvement, although member states remain divided on the role for legislation. The European Commission is due to report in March on the progress of voluntary efforts to remedy the boardroom glass ceiling. Furthermore, the EU's work program for 2012 lists a legislative proposal addressing gender board diversity.

"The reality is perhaps the reason why governments have taken the route of legislated mandates to push companies for a more accelerated pace in promoting women to corporate leadership roles," the CWDI report said.

Natividad said there were a lot more countries adding gender diversity language in corporate governance codes.

The report concluded that quotas for women directors and gender diversity guidelines in corporate governance codes or stock exchange listing requirements are having an impact in moving numbers upward for women on boards at a rate not seen before. [WL](#)

Boards with Gender Diversity


Fortune Global 200 companies with the highest percentage of women board directors as of June 30, 2011

Rank	Company Name	Fortune Global 200 Rank	Country	Total Number of Board Members	Number of Women Board Members	Percentage of Women Board Members
1	Procter & Gamble	80	USA	11	5	45.6%
2	Wellpoint	135	USA	12	5	41.7%
3	Statoil Hydro	67	Norway	10	4	40.0%
4 (tie)	General Motors	20	USA	11	4	36.4%
4 (tie)	Target	106	USA	11	4	36.4%
5 (tie)	Wells Fargo	63	USA	14	5	35.7%
5 (tie)	HP	28	USA	14	5	35.7%
6	Deutsche Bank	146	Germany	20	7	35.0%
7 (tie)	France Telecom	121	France	15	5	33.3%
7 (tie)	PepsiCo	137	USA	12	4	33.3%
7 (tie)	McKesson	37	USA	9	3	33.3%
8 (tie)	BNP Paribas	26	France	16	5	31.3%
8 (tie)	Societe Generale	72	France	16	5	31.3%
9	Dow Chemical	152	USA	13	4	30.8%
10 (tie)	Deutsche Post	93	Germany	20	6	30.0%
10 (tie)	Intel	195	USA	10	3	30.0%


Source: *Women Board Directors of Fortune Global 200*, CWDI, 2011.




France Finance bill approved

 France's Parliament has approved its corrective Finance Law for 2012, effective 1 October 2012. The law introduces a tax on financial transactions, increases the standard rate of value added tax (VAT) to 21.2 percent (which is similar to the VAT rate in other EU countries), and increases the rate of social contributions on capital income to 15.5 percent.


Germany Dual-earner couple disincentive

 The Organization for Economic Co-operation and Development's Economic Survey of Germany 2012 has garnered some attention in the press with its illustration of the tax system's inadvertent favoritism toward single-earner families. A family's secondary earner faces a higher marginal tax rate plus a public health insurance premium upon crossing the salary threshold of €400 per week, so the spouses of full-time workers are often motivated to take part-time work. The OECD recommends lowering that marginal tax rate and making the health insurance premium mandatory for non-working spouses.

Ireland Early pension withdrawals nixed

 In February, the Parliamentary Committee on Jobs, Social Protection and Education fielded a proposal from the Irish Brokers Association to let financially strapped people take early withdrawals from their pension savings. Some committee members enthused over this approach, but the Jobs, Enterprise and Innovation Minister ruled out the plan as having a disproportionate impact on a worker's pension savings.

Netherlands Pension rights do not expire; various


 The Supreme Court ruled in a high-profile case that employee pension rights accrued over several years in a sectoral pension fund were undiminished even though the employer had failed to make contributions. The pension fund was ultimately responsible for honoring the rights of these workers and should have kept better track of the employer. The ruling suggested that a fund could amend its rules to specify that member pensions do not accrue when their employers do not contribute.

Also, the Dutch state retirement age will increase progressively to 66 in 2020 and to 67 by 2025, following parliamentary approval of the government's proposal. The law will offer some flexibility, enabling employees to either take early retirement or continue working beyond the retirement age. Employees will be allowed to retire up to two years early in exchange for a 6.5 percent reduction in benefits for each year of early retirement, while the reduction for low-earning employees will be capped at 1.5 percent for each year. Employees wishing to work beyond retirement age will be allowed to do so for up to five years in exchange for a 6.5 percent increase in benefits for each additional year worked.

And, new legislation with considerable support


in Parliament would extend the right to reasonable accommodation of flexible hours requests to workers in small enterprises and end the six-month service requirement for this right. Employers would need "serious reasons" for turning down such a request. The bill includes provisions fortifying the employee right to telecommute.

Spain Labor market reform decree


 Spain's Council of Ministers approved an emergency Royal Decree Law, which came into effect 12 February 2012 and introduced some dramatic labor market reform measures:

- Reduction of unfair dismissal severance pay entitlement from 45 days per year of service up to 42 months to 33 days per year of service up to 24 months.
 - Inclusion of termination due to company's financial hardship (three consecutive quarters of decreased revenue) in definition of fair dismissal. Under this category, severance pay is 20 days per year of service with a 12-month limit.
 - Restoration of the 24-month cap on temporary contracts.
 - Encouragement of company-level collective bargaining with companies in financial difficulty able to opt out of a sectoral agreement.
 - Partial subsidies on social security contributions for firms hiring workers younger than 30 or the long-term unemployed older than 45.
 - Promotion of company-sponsored worker training programs.
 - Ability of unemployed persons taking low-paying jobs to claim 25 percent of unemployment benefit as a salary supplement for up to a year.
- Parliament must ratify the law.

Turkey Update on expat health insurance mandate

 Absent formal guidance on the requirement that expats sign up for the national health insurance scheme within a month of having been in Turkey for a year, the English-language press has been reporting on foreign embassy briefings and collecting anecdotes from foreigners who have visited the Social Security Institute (SGK). It has so far been confirmed that US, UK and Canadian citizens have the option of joining the scheme if they don't already have health insurance, but they do not have to enroll. If they decide to get coverage more than a month after they have been in Turkey for a year, they will have to pay premiums plus interest for the entire period since that 13th month cutoff.

UK Dual-status worker pensions

 The UK's Department for Work and Pensions (DWP) has opened the consultation Workplace Pension Reform—Automatic Enrolment and European Employers, which addresses an unintended consequence of the auto-enrollment regulations. Some multinational employers will have "dual-

status" employees who both qualify as "job holders" under the UK's pension auto-enrollment rules and come under the occupational pension rules of another member state because they move regularly between countries as part of their employment. Acknowledging that few cross-border pension schemes currently exist, and that employers may find it difficult to auto-enroll "dual-status" workers at reasonable cost, the DWP is proposing their exemption from the Pensions Act 2008. The DWP is accepting feedback through 2 April 2012.

EU Economic forecast downgraded; EU data privacy laws; various

 In February, the European Commission made sharp downward revisions in its economic forecasts for 10 EU members. Belgium and the Netherlands are now forecast to have annual negative growth for 2012. The Greek economy will contract by 4.4 percent this year, Portugal's by 3.3 percent, Italy's by 1.3 percent and Spain's by 1 percent. For Europe as a whole, the commission forecasts a contraction of 0.3 percent, compared with a forecast last year of 0.5 percent growth in 2012.

Also, revisions to 1995 EU data privacy rules that focus on modernizing and ensuring proper enforcement and setting global protection standards have been proposed by the European Commission. The current law, which applies to personal data (including employee data), prohibits the processing of certain personal data without explicit consent and requires adequate protection of data processed outside the EU. Proposed revisions include imposing financial penalties if organizations breach the law, applying one set of rules to global companies operating in the EU, simplifying notification duties, strengthening national data privacy authorities and establishing an EU data privacy body.

The European Court of Justice (ECJ) gave a fairly flexible interpretation of fixed-term contract restrictions under EU directive 1999/70/EC. The ECJ noted that the directive's goal is to "prevent abuse arising from the use of successive fixed-term employment contracts," but determined that there is such a thing as "non-abusive use" of these contracts. At issue was a floating court clerk's claim of protection from redundancy after a string of 13 fixed-term contract assignments (mostly covering leaves) over a period of 11 years. The issue now goes back to the member state courts to consider the specific facts and circumstances, including the number and cumulative duration of the contracts.

In another ECJ ruling, the court confirmed that the EU Working Time Directive pre-empts a French law that makes annual leave entitlement conditional on performing at least 10 days of work in that year. The ECJ noted that the directive does not distinguish between workers who are absent from work on sick leave during the reference period and those who have worked.

Sources: Reuters, *Professional Pensions*, *Le Figaro*, *BNA DER*, *Washington Post*, *Irish Times*, *DutchNews.nl*, *Financial Times*, *New York Times*, *Bloomberg*.

THE WORLDLINK HR CALENDAR

May 7-8, 2012

DGFP Congress 2012

Frankfurt, Germany

E-mail: regnier@dgfp.de

Website: www.kongress.dgfp.de

June 8-9, 2012

41st National Congress
AIDP

Sardegna, Italy

E-mail: aidp@aidp.it

Website: www.aidp.it

June 24-27, 2012

SHRM 2012 Annual
Conference & Exposition
Atlanta, Georgia

E-mail: globaldel@shrm.org

Website: http://annual.shrm.org

August 13-16, 2012

38th CONARH ABRH
National Congress HR

São Paulo, Brazil

E-mail: abrh@abrhnational.org.br

Website: www.abrhnational.org.br

September 25-28, 2012
WFPMA World Congress

Melbourne, Australia

Tel: +61 3 9645 6311

E-mail: reception@ahri.com.au

Website: www.whrc2012.com

November 6-8, 2012

CIPD Annual Conference
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Manchester, England

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Editor's note: Please submit events for the calendar to
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welcomes news stories, announcements of events and ideas for articles. These should be accompanied by a telephone number and e-mail address. Please send items to:

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NEXT ISSUE

The next issue of WorldLink will feature the African Federation of Human Resource Management Associations (AFHRMA) and HR news in Africa.

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