

# ORC GLOBAL WORKFORCE

THE QUARTERLY NEWSLETTER PUBLISHED BY ORC WORLDWIDE IN EUROPE

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## Welcome to the last edition of our newsletter for 2009

*By Siobhan Cummins, Managing Director EMEA*

This year has proved to be a challenging one and I am sure there are few, if any companies, that have not experienced the impact of the economic downturn in one way or another. We have seen many changes in the market place, with well-known brand names disappearing through closure or acquisition, and long-standing friends losing their jobs. It is a year many of us will be glad to see come to an end.

However, there seems to be a mood of hope and optimism that next year will see gradual economic improvement and brighter prospects. We very much hope that is the case and we look forward to working with all our clients, contacts and friends in 2010.

From the ORC teams in Paris, Munich, London and Dubai we would like to wish you season's greetings and a peaceful and more prosperous, or at least economically-stable, New Year.



## New Home Bases for 2010

*By Andrew Leverton, Consultant*

Did you know that ORC now produces data for over 60 home countries, which encompasses all of the world's major expatriating countries. For several home countries, regional data is also produced, making a total of over 75 home locations.

For each of these locations, ORC produces a “Home Country Data and Tax Profile” document, which is available as a pdf file on our ICS website. Within these documents, there are data on the index weighting structure, analyses of current tax and social security law, year-on-year data comparisons, and tables of goods and services spendable incomes, housing norms and hypothetical tax and social security payments, by income level and family size. The home data and the accompanying documentation are updated annually on a rolling basis. In certain economic circumstances, e.g. where mid-year emergency tax changes are brought in, additional updates are issued.

ORC is always looking to add new home bases. In the last couple of years we have added Sydney, Melbourne, Dominican Republic, Kenya and Lithuania. We are currently researching several other new locations and hope to add Croatia in the near future, with a possibility of Ukraine next year.

Adding new home bases depends on several factors. The main 2 factors are client demand and the availability of detailed official government survey family expenditure data. This data is simply not available in some countries, which makes it a little more difficult for us to produce full home country data. However, for these locations, ORC can still provide index, spendable and tax data on an “off-matrix” request basis.

*For more information or details on the potential locations we are currently researching please contact an ORC Consultant [ukicssupport@orcww.com](mailto:ukicssupport@orcww.com).*



## Launch of the New ORC Worldwide Online Networks Portal

By Jessica Kirby, Network Associate

Continuing our strong tradition of Building communities of thought Leaders since 1922 ORC Worldwide developed and has launched a new website (portal) [www.orcnetworks.com](http://www.orcnetworks.com). ORC's new Global EDI Networks Portal, is the gateway to a new dimension of networking. The portal allows access to all our high quality information—reports, research, blogs, and the latest diversity and inclusion news—and helps members connect quickly and easily with each other and ORC staff. It is an exciting and wonderful opportunity to provide our members with this new cutting edge technology. It also allows members to find archives from past meetings, surveys, and search for materials by topic.

The site provides new capabilities that will make it easier to find information, network with other members, and stay current with news and developments in the Diversity & Inclusion world.

The Networks Portal:

- Leverages ORC's rich content in new user-friendly ways
- Enables individual and peer interaction as well as information sharing
- Applies the best technology tools, principles and patterns in the market

Deirdre Golden, Director of the Global Equality, Diversity and Inclusion Practice and ORC are excited about the new portal, envisage the site as a valuable addition to the network membership!

*For more information regarding the new network portal or the Global Equality, Diversity and Inclusion practice please contact [Deirdre.golden@orcww.com](mailto:Deirdre.golden@orcww.com) or visit [www.orcnetworks.com](http://www.orcnetworks.com).*



## Review of OECD Guidelines for Multinational Companies

By Fiona Webster, Director

The OECD's Guidelines for Multinational Enterprises set standards for business ethics including employment and industrial relations, human rights, environment and information disclosure. Although the Guidelines are voluntary, national signatory Governments have formal procedures for addressing complaints regarding non-compliance by multinational companies, and while no financial or criminal penalties for non-compliance with the Guidelines currently apply, trade unions and other campaigning bodies have successfully used allegations of non-compliance to 'name and shame' companies and as part of their wider corporate campaigns.

Last amended in 2000, the Guidelines are now up for review in 2010. Areas that will be examined include supply chain compliance,

human rights issues, information disclosure and improvement of enforcement procedures. Trade unions will be pressing for tougher scrutiny of company supply chains (any requirement on companies to undertake due diligence across their supply chain would increase significantly the scope of the Guidelines), as well as enforcement provisions and penalties for non-compliance. The OECD has stated that it seeks to "clarify private sector responsibilities".

The employment and industrial relations chapter of the Guidelines include provisions regarding employees' rights to be represented by unions, engage in collective bargaining, provide facilities and information to employee representatives to conduct meaningful negotiations, promote consultation and

cooperation between employers and employees or their representatives, provide company performance information employees and their representatives, give reasonable notice of operational changes affecting employees' livelihoods, especially as regards collective dismissals, and prior to the final decision being taken, and to cooperate to mitigate adverse effects on employees.

ORC's European Labour and Employee Relations Network (European LERN) will hear from the trade union organisation, TUAC, about its objectives for the Guidelines' review at the network's November 2009 meeting.

*For more information, please contact [Philip Sack](mailto:Philip.Sack@orcww.com) about ORC's European LERN ([philip.sack@orcww.com](mailto:philip.sack@orcww.com)).*

## Strategic Compensation Challenges in the Humanitarian and Development Sector – A Study funded by Industrial Relations Counsellors.

Remuneration systems in the humanitarian and development sector vary considerably across geographies, between organisations, and even within organisations. Aside from the strategic issues this presents, such a fragmented approach to compensation (pay and reward) has a major impact on individual mobility, talent acquisition and retention.

In recent years, ORC and People In Aid have observed the increasing trend to mobilise, recruit and develop local or regional talent, partly for cultural and diversity reasons, but also for practical reasons and to mitigate the costs of expatriation.

These factors, and this evolving operating context, present some significant challenges for organisations working in the humanitarian and development sector, especially INGOs:

- How do organisations determine an equitable pay system across such vastly disparate markets?
- How do organisations practically tackle issues of inequity?
- How can localised remuneration programmes be adapted to encourage mobility, and facilitate succession planning?
- How does a global talent management strategy sit with localised remuneration strategies?
- How can organizations create a coherent, uniform compensation programme?
- How do organisations gather factual, robust and globally relevant compensation data for all categories of staff?

Therefore Industrial Relations Counsellors, have chosen to fund an insightful and thorough study of the key sector players, in their headquarter and field locations, through ORC and People in Aid, to identify trends and changes within the sector. The study has been launched through online survey and will also include one to one case study interviews and a focus group. Expect publication of results in early 2009, and if you would like to find out more or see how your organisation can contribute and receive the research publication, contact [catherine.mcmenamain@orcww.com](mailto:catherine.mcmenamain@orcww.com) as soon as possible.

## The Global Vacation Report: a new ORC Worldwide product for 2010

ORC Worldwide will be launching sometime in 2010 The Global Vacation Report, the first of a series of new products for the Global Compensation practice. The report has been produced to become a leading reference guide to understand vacation entitlement and nationwide public holidays on a global basis. This is especially relevant during a time when organizations are extending their presence in new markets and achieving a global reach. A large number of countries and a full range of information on vacation entitlement will be covered.

*For more information, please contact Elena Finotti – Global Compensation Consultant ([elena.finotti@orcww.com](mailto:elena.finotti@orcww.com)).*



## ORC Global Diversity Forum (GDF)

The ORC Global Diversity Forum (GDF) is a leading edge network addressing equality and diversity issues in the global environment. Meetings will be held in London in February; New York in June; Washington DC in September; and Asia in November 2010. Deirdre Golden and Liz MacGillivray, Co-chairs of the GDF, and Mary Martinez, Director of Workforce and Diversity, will also be speaking at external equality and diversity conferences in Barcelona in February; and in Vienna in March, sharing their extensive knowledge of best practices in addressing global challenges.

*If you would like to learn more about the work of the Global Equality Diversity and Inclusion practice please visit our website: <https://www.orcnetworks.com/networks/global-edl/gdf/home>*

## Narcisa Chelaru

We are pleased to welcome back Narcisa who will assume the role of International Compensation Services Consultant (ICS) and will be working with clients advising them on their international assignments programs.

Narcisa has been working previously for ORC's London Office as an ICS Consultant and Economic Research Analyst. She relocated to Belgrade, Serbia in December 2008 on an expatriate assignment.

Narcisa holds an MA in International HRM awarded by London Metropolitan University and speaks French and Spanish.



Narcisa Chelaru

## Short Term Assignments

By Catherine Gervais, Senior ICS Consultant

Every two to three years ORC runs a survey on short term and commuter assignments. The latest survey was run earlier this year and included over 330 participants ranging from a variety of industries across Europe, the Americas and Asia. The survey showed that the average length for a short term assignment is still 3 to 12 months, and that most companies who have short term assignees have a policy in place to cover these types of move. Short term assignees represent just over 20 percent of the population, and almost half of the companies who participated in the survey reported that they were increasing their use of short term assignments.

The most common reason for sending employees on short term assignment nowadays is knowledge transfer. Next is the setting up of

a new business or operation, followed by filling a skills gap and addressing resource shortages. The latter was not a significant reason in the 2006 survey but was reported as being the main purpose for short term assignments by 46 percent of companies in the 2009 survey.

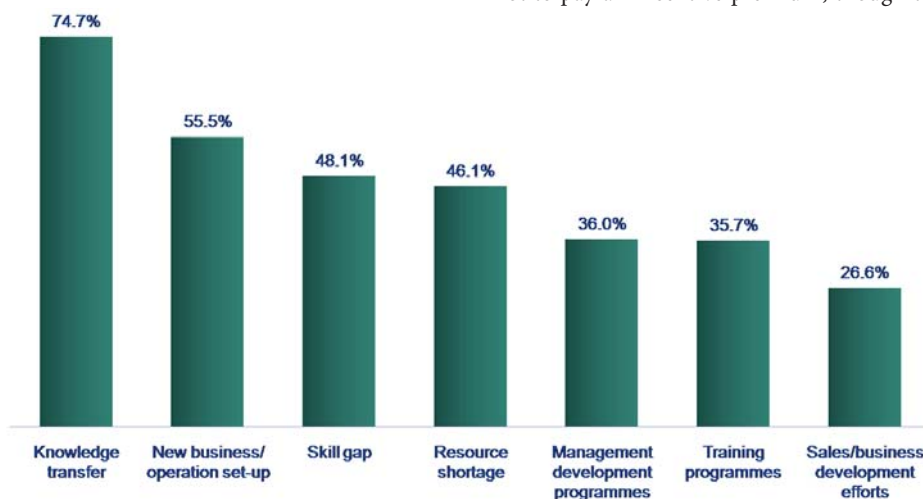
The most popular destination for short term assignees coming from Europe are European countries, where 35 percent of companies reported sending employees. Distance did not seem to play a significant part however, with Asia being the next most popular destination (26%), closely followed by the Americas (23%), and the Middle East and Africa (16%).

The 2009 survey showed that the majority of assignments are still unaccompanied and despite this, it is most common for companies not to pay an incentive premium, though this

can vary by sector and by region. Fifty-nine percent of companies pay short term assignees a per diem, and only 5 percent reimburse actual expenses. This figure fell quite dramatically since the 2006 survey, where almost 20% of companies were still reimbursing expenses. Paying a per diem can significantly reduce administration and is an effective way to control the cost of short term assignments.

Short term assignments offer an additional solution to mobility but come with their own share of challenges. The most significant obstacle in managing short term assignments, as reported by survey participants, is keeping control of the assignment length. Tax compliance, managing exceptions, cost containment and ensuring the involvement of Human Resources were also commonly reported issues. The most efficient way of alleviating difficulties with temporary moves is to implement a formal policy for short term assignments.

*For further information on ORC's 2009 Short term and Commuter Assignment Survey, or if you would like to speak to us about developing a policy or setting per diems, please contact [catherine.gervais@orcwww.com](mailto:catherine.gervais@orcwww.com), or call +44 20 7591 5600.*



## ORC Worldwide Survey update: Maternity/Paternity Policies for International Assignees

By Jaclyn Wright

Have you ever wondered what it will be like the first time you or your partner are expecting a child? Think about all the uncertainties and all the questions. Already have children, and have experienced this? Well imagine what it would be like to be expecting a child whilst on assignment in a foreign country. All the uncertainties and questions will likely double. "Where will we have the baby? How much time will I be out of work? Will I return home or remain on assignment in the foreign country?" All of these are legitimate questions and concerns of an expat, ones of which will need to have answers from the International Assignments Manager.

When developing policies for international assignments, it is important to consider where maternity and paternity policies fit in. ORC Worldwide recently conducted a survey to determine how organisations deal with maternity/paternity for their international assignees. 68% of respondents include a statement on maternity leave in their international mobility policy. 37% of respondents adhere to the home maternity policy, 11% adhere to the host maternity policy and 26% will honor the better of the two options. 26% decide on an individual, as needed basis.

With regards to Paternity leave, 46% of respondents include a statement on paternity leave in their international mobility policy. 54% adhere to the home paternity policy, 8% adhere to the host policy, and 15% offer the better of the two options. 23% treat each case on an individual basis.

*For further details on this survey or to request a copy, please contact one of the ICS consultants at [ukicssupport@orcwww.com](mailto:ukicssupport@orcwww.com).*

## The reason for sickness: A common flu or a lack of motivation “flu”?

By Christine Theofilou, Global Compensation Consultant

All employees are entitled to an annual statutory sick pay leave (SSP), i.e. the earnings replacement for employees who are off work through illness. This year the cases of sickies in the UK have been dramatically increased. And that is absolutely fine, except that when the real reasons behind this is the lack of employees' motivation as many findings indicate, then this calls for further investigation.

Sickness absence is one of the most serious impediments to productivity, profitability and competitiveness and it costs the UK's economy around £11.5 billion per year; £1.6 billion of this being the result of the employee's last-minute sickies rather than official ill health absences.

But can employees become motivated again, especially in times when redundancies and the slashing of budgets is the norm rather than the exception to the rule? The answer is “yes”; but for this to be achieved, there are a few basic guidelines to be followed.

Communication is one of the most crucial elements here. The employer must regularly update employees on the organisation's financial status and the challenges facing and must present an achievable plan moving forward. In the cases of redundancies or shrinking of budgets, the employer should communicate to

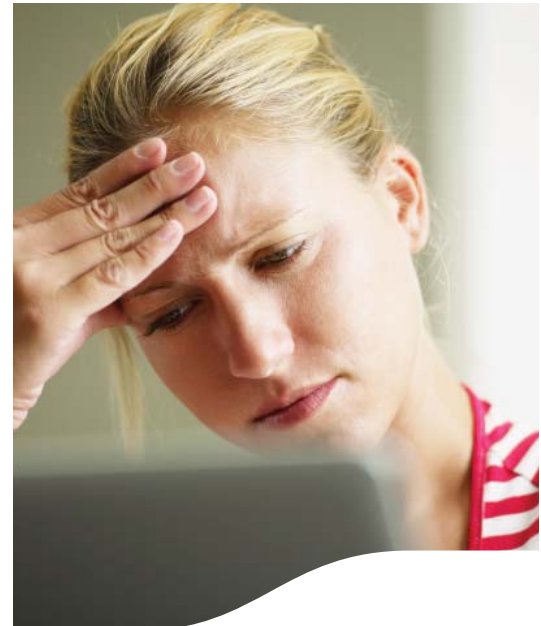
employees the rationale behind it and an action plan for the remaining staff.

Secondly, the employer must focus on increasing the employees' engagement levels. Good employees continuously seek for new opportunities to advance their knowledge on their field. The downturn is one of the best times for the employees' strong engagement to occur; business crises create new needs, especially when the number of remaining employees to undertake new responsibilities is shrinking due to redundancies.

All of the above should be strengthened by a sickness absence policy. The monitoring of sickness and the existence of disciplinary measures are key elements here. Employees with poor attendance should be on the first line of a potential dismissal supported by the company's policy and its effects on the business overall, including the effect on the rest of the employees.

One thing is for sure: employees can be motivated even in times of constant economic avalanches. Whether this occurs or not, is another issue.

*If you would like any further information please contact [Christine.theofilou@orcwww.com](mailto:Christine.theofilou@orcwww.com).*



## Equal Pay – A Time For Change

By Paul Coleman, Senior Global Compensation Consultant

With the gender pay gap increasing in the UK, surely it is time for the Government to face the fact that equal pay law is not working. Last year, approximately 44,000 equal pay claims were brought before the courts, more than double the figure from 2005. As a result, the Employment Tribunal system is at breaking point with many groups calling for tougher measures on employers beyond those highlighted in the recent Equality Bill. Under these new laws, public sector companies with 150 employees or more will be forced to disclose how much they pay men compared to women with the Government hoping that these compulsory gender pay audits will seek to shame employers who routinely pay women less than men and spur more women to demand pay rises. Ministers behind the bill, including Harriet Harman, the Equalities Minister, believe that equal pay audits will shift the onus on to companies to show that they are being fair to their female staff, rather than leave it to individual women to take their employer to a tribunal for discrimination. There are also plans for companies in the private sector with 250 employees or more to fol-

low suit and whilst this very much depends on the level of progress made up to 2013, there is a strong feeling that gender pay audits should be made mandatory for all organisations irrespective of size or sector.

Further to this, the Bill will lift the ban on ‘gagging/secretcy’ clauses meaning that colleagues will no longer be prevented from comparing their salaries. To reinforce the whole equal pay agenda further, a recent inquiry by the Equality and Human Rights Committee (EHRC) unearthed some shocking statistics on gender differences in the financial sector. The findings showed that there was a gender pay gap at a base pay level of 39% rising to 47% when bonuses, overtime and performance related pay were introduced. Average female performance related bonuses were 80% less than those of male counterparts and in 86% of cases, women started on lower salaries than men. Whilst the figures focus on financial institutions, they nevertheless are a viable gauge as to the extent of the issue in the UK; indeed the World Economic Forum's recent global gender pay index

(October 2009) positioned the UK in 78th place in terms of pay equality, behind Tajikistan and Malawi.

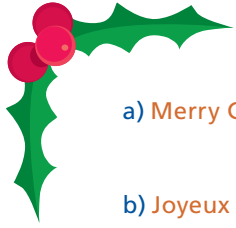
Perhaps more worrying are the number of organisations who have not undertaken equal pay audits of any kind. The EHRC financial sector inquiry highlighted that less than 25% of organisations had actually carried out an equal pay audit and these figures are supported across other sectors through studies by the Industrial Relations Society (IRS), the Chartered Institute of Personnel and Development and ORC Worldwide over the past two years.

The reality is that with gender pay audits potentially being mandatory for all organisations, ignorance will be no protection from the law – recent cases in the UK have proven that litigation can be far more costly to the organisation than investing in an equal pay audit.

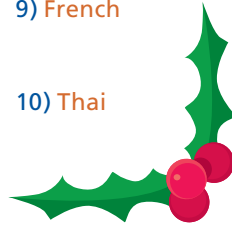
*For more information please contact Paul Coleman ([paul.coleman@orcwww.com](mailto:paul.coleman@orcwww.com)).*

# Holiday Quiz!

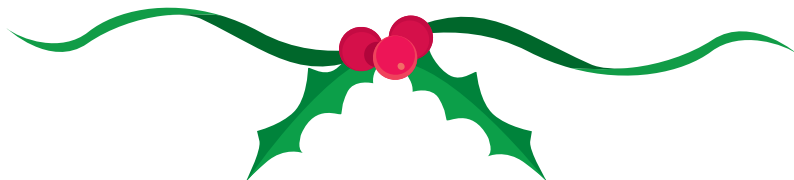
As the temperature drops and the winter festivities draw closer ORC have devised a quiz to ward off the cold and keep festive spirits high. Match the greetings below to their origin for the chance to win a surprise gift! Please send your answers to [infolondon@orcww.com](mailto:infolondon@orcww.com).



- |                                 |                |
|---------------------------------|----------------|
| a) Merry Christmas              | 1) German      |
| b) Joyeux noel                  | 2) Italian     |
| c) Froehliche Wehrachten        | 3) Chile       |
| d) Sawadee Pee Mai              | 4) Icelandic   |
| e) Buone Feste Natalizie        | 5) Yugoslavian |
| f) Idah Saidan Wa Sanah Jadidah | 6) Portuguese  |
| g) Feliz Nanidad                | 7) English     |
| h) Gledileg Jol                 | 8) Arabic      |
| i) Feliz Natal                  | 9) French      |
| j) Cestitamo Bozic              | 10) Thai       |



*From All at ORC London,  
Enjoy The Festive Season!*



# Dates for Your Diary

## International Assignments Meeting dates

European Expatriate Policy Forum 18th and 19th March 2010	TBC
UK Expatriate Forum 4th February 2010	London
Basic Expatriate Compensation: 9th March 2010	London

## Employment Policy Meeting Dates

European LERN 14th January 2010 3rd and 4th March 2010	London Brussels
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## Global Compensation Meeting Dates

International Management Remuneration Group 3rd and 4th June 2010	Amsterdam
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## Global Equality Diversity and Inclusion Practice

Breakthrough Equality & Diversity Network Public Sector 3th March	London
Vanguard Equality & Diversity Network Private Sector 10th March 2010	London
Global Diversity Forum 23rd February	London

## Other

UAE HR Network 17th February 2010	Dubai
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## Congratulations to Joyce Crawley of Hess!

Joyce is the winner of our Summer Vacation Quiz. A Festive Hamper is on its way to you! Enjoy!

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