

ORC GLOBAL WORKFORCE

THE QUARTERLY NEWSLETTER PUBLISHED BY ORC WORLDWIDE IN EUROPE

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Business Travel in the Downturn – The Silver Lining

By Narcisa Chelaru, Consultant

Seventy per cent of companies participating in ORC's Cost Saving Initiatives Survey indicated that reducing non-essential business travel was a measure they were considering to reduce overall costs associated with their international assignments.

This corporate cost-consciousness manifested itself in more-than-ever stringent travel policies in the past 12 to 18 months. As reports of signs of a feeble economic recovery are featured in the news, international air travel, hard hit by the economic downturn, is starting to stabilise, but may not recover until 2011 as companies and passengers continue to scale back.

So what are some of the main travel policy changes aimed at reducing costs? Some of the most popular are: switching from business class to economy class, using more cost-efficient hotels (i.e., three-star instead of four-star); authorising the use of public transport rather than taxis; and, last but not least, retaining and using air miles for business travel rather than personal travel.

With huge drops in travel demand, global airlines are using the air miles card to encourage their loyal business travelers not to forego that business meeting or that conference, despite increasing numbers of various online business meeting tools surfacing the market. Face-to-face meetings are, after all, known to be more efficient in building relationships or closing deals.

With a great choice of more than 100 different air miles programmes around the world, travelers can earn miles on almost any purchase through various partner schemes and tie-ins.

ORC Wins Top Survey Awards!

Expatica HR, a provider of online information and conferences for HR mobility professionals in Europe, announced the winners of its 2008/2009 Top 5 HR Industry Survey Awards, and ORC placed first, second, and third. The following ORC surveys were recognised for excellence in HR surveys:

- *ORC Worldwide Flash Survey: Cost Savings Initiatives 2009*
- *ORC Worldwide: 2008 Worldwide Survey of International Assignment Policies and Practices*
- *ORC Worldwide: 2008 Dual Careers and International Assignments Survey*

The top ranking survey, *ORC Worldwide Flash Survey: Cost Savings Initiatives 2009*, is a current and timely review of the impact of context on the use and management of expatriation in a tight economy," says Noleen Doherty of Cranfield School of Management in the UK. It scored highly as a topic of value and interest to the HR profession, presented in an easy to read and digest form.



The Expatica 2008/2009 Expatica Top 5 Industry Survey Awards recognise excellence across the entire HR spectrum including, but not limited to, international HRM, international management, compensation, policy and practices, technology, training, measurement, and talent management.



New! Follow ORC Europe and Middle East on Twitter <http://twitter.com/ORCEMEA> 

Socio Economic Disadvantage Challenges the Equalities Agenda

By Deirdre Golden, Director, Global Equality, Diversity and Inclusion

The debate around the impact of socioeconomic disadvantage has gathered apace in the UK. In January, the National Equality Panel published its findings on equality and inequality in Britain and presented evidence that Britain is, in spite of Government policies and initiatives, a deeply unequal society. Findings show that individuals' life chances are as affected by the social group they are born into as much as other differences arising from their gender, ethnicity etc.

Discussions at a recent meeting of the ORC Breakthrough network (for public sector organisations) show the challenge of socioeconomic disadvantage moving rapidly up the organisation equality agenda. Members debated whether socioeconomic issues should be given attention in the same way as the six equality strands which are covered in existing UK (and European) legislation: race; gender; disability; religion/belief; sexual orientation; and age. In fact, one member organisation is

doing so, referring to it as the eighth strand (the seventh being transgender). Future meetings of the network will address how organisations can proactively address the challenges arising from socioeconomic disadvantage.

These and related issues including people's attitudes to equality and fairness generally (also currently featuring heavily in the discourse of politicians in the run up to the forthcoming General Election) were debated at recent forums 'Shaping equality and fairness after the recession' held by the Equality and Diversity Forum and sponsored by ORC Worldwide and the EHRC.

Details of the Breakthrough network, and a copy of the report of the seminar discussions can be accessed via ORC's web portal:
<https://www.orcnetworks.com/node/1819>.

For further information, contact: Deirdre Golden, Director, Global Equality, Diversity and Inclusion Practice, ORC Worldwide (deirdre.golden@orcww.com).



New European Commission Due to Be Confirmed in February

By Fiona Webster, Director

The new European Commission – comprising 27 individuals from each of the EU Member States – is expected to be formally installed on 10 February following a long-delayed process of nominations and hearings of the European Parliament.

A number of new initiatives in the employment field which have been delayed pending appointment of the Commission are likely to start moving again. These include consultation of the EU-level social partners on revision of the Working Time Directive, changes to legislation on temporary posting of workers between Member States, and new Directives aimed at harmonising Member States' rules on admission to the EEA of intra-corporate transferees, seasonal workers and paid trainees.

Meanwhile, Commission President Barroso has agreed to concede new powers to the European Parliament that would force the Commission to bring forward legislation at the request of Parliament or explain why it would not be doing so. In the past, Parliament's Employment Committee has called for legislation on, amongst other things, stronger employee consultation rights, new forms of employment and employment standards in sub-contracting chains. Conceding such powers to the European Parliament could significantly increase its influence in the Brussels law-making process.

For more information, please contact Philip Sack at philip.sack@orcww.com.

We are pleased to offer our Foundations of Diversity Strategy and Practices seminar again in London, on 15th June. This is a popular interactive workshop for new diversity professionals and business champions. If you are looking to drive sustainable change by incorporating diversity principles into people management practices or to create a workable diversity strategy that's tied directly to the organisation's business strategy and goals, this is the workshop for you.

Register via our website:
www.orcworldwide.co.uk



Follow ORC Global EDI on Twitter:
<http://twitter.com/ORCDiversity>

Business Travel in the Downturn – The Silver Lining Continued...

Airlines are catching up on the quick-save frenzy and stepping up efforts to sell upgrades to fliers at the airport, while others are making it easier to use miles to buy better seats. Also, travelers, particularly those on business can benefit from expanded upgrade opportunities. The upgrades, typically sold at the airport, depend on the length of the flight and destination – the trick is to knowing when they are available.

Corporate travelers should ask about upgrades, both when checking in and at the gate. A seat may become available right before departure if a customer doesn't show up, for example. Sales of so-called 'Y-Up' fare tickets, the airline industry's best-kept secret, which are essentially economy tickets that come with an instant upgrade, are growing too. Using a 'Y-Up' ticket allows travelers who are restricted to buying only economy tickets to comply with their company's travel policy and fly first class.

Some carriers are making it easier to upgrade with miles as travelers can request alerts from various specialised travel Web sites when certain awards and upgrades become available. Also, carriers are loosening restrictions on buying upgrades with miles and additional cash payments.

If you want to find out more about how companies are reviewing their overall travel policies and what other cost-saving measures are suitable for your international assignment policy, please contact Narcisa Chelaru (narcisa.chelaru@orcwww.com), or ukicssupport@orcwww.com.

ORC EMEA Staff Members Recognised for Contributions to Organisational Excellence

The winners of the ORC Worldwide annual awards were announced recently and we would like to take this opportunity to offer congratulations to all who received them. We are proud to announce record numbers of awards for our Europe-based staff.

John Batley was honoured for the complex coordination of the European accounting systems and for improving the depth and integrity of the numbers reported, receiving the Theo M Bautz International Award. Paul Coleman, also based in the London office, was the second recipient of this International Award by developing the capability to research and answer a very wide range of questions about local labour markets for clients as they expand globally.

Deirdre Golden was acknowledged with the Management Award for her tireless work as UK Global EDI Network leader, working across geographies and always with passion, precision, and a commitment to excellence.

Fiona Dawson was recognised for coordinating many new marketing initiatives as well as being truly dedicated and a highly professional member of the team.

Michael Joyce was acknowledged for his outstanding support of the SIRS® Global Survey as well as epitomising the term "team player".

Lara Julio received an award for her cheerful and thoughtful attitude in organising roundtables and meetings across the European region.

Andrew Leverton was recognised for his work in our Economic Research group and his professionalism in dealing with complex economic conditions across the globe.

Catherine McMenamin received an award for her dedication and expertise in the Global Development sector.

Martine Tardival and Marie Therese Sanz, both based in ORC Paris, won awards for their continued commitment to clients and expertise in the global mobility business in France.

Finally, Andrea Stech was acknowledged for her outstanding contribution in supporting both the international compensation services and global compensation practices in the Munich office.

Totally Expat

The FEM / Daily Telegraph "Totally Expat" show is being held on 24 May 2010 at the prestigious Marriott Grosvenor Square in the heart of London's Mayfair district.

The day will include:

- Two seminar streams running continuously where you will be able to hear industry experts give their perspectives on matters of topical interest.
- A unique "Question Time" event hosted by a well-known journalist from the *Daily Telegraph*.
- The exhibition hall will be crammed full of industry experts including many of the world's leading Global Mobility professionals.

Also, Siobhan Cummins, Managing Director, EMEA will be speaking on the latest trends in expatriate compensation.

To find out more about attending please visit www.totallyexpat.com

Back From the Desert!

It is a pleasure to announce that Arnaud Cordebar is returning to the London Office after a one-year assignment in ORC Dubai where he worked with clients on diverse HR and Reward practices throughout the Middle East region.

Arnaud will now serve as a senior compensation and benefits consultant within ORC's Global Compensation Consulting Practice where he will be responsible for providing a range of compensation services to companies on a global basis. He will also be involved in other ORC practices such as the International Compensation Services (ICS) and the SIRS® Salary Surveys.

Arnaud is currently based in the ORC Paris office but will be relocating to London in March 2010. He will be missed by his colleagues in Dubai, but, in the London office, the global compensation team are looking forward to his return!



Relocating Down Under

By Fiona Dawson, Senior Consultant

With a thriving economy that contradicts the global economic downturn, there is currently considerable interest in relocation to Australia, and in the midst of one of the hardest European winters in decades, it's very easy to see why so many are taking up the challenge of emigrating Down Under. The weather is of course a big draw card, but many are also attracted by the relaxed lifestyle, the friendly Aussie welcome and Australia's great outdoors: the beaches, the bush and the outback.

The country has fared well during the global economic crisis in part due to its natural resources, but it has also been buoyed up by growth through inward migration. The Australian population expected to grow to 35 million by 2050 from its current 22 million, and Australia is actively seeking migrants with the skills listed on its Skilled Occupation List to build a new life Down Under. Better still, the Australian Bureau of Statistics reported unemployment at a low 5.4 percent in January 2010.

But, while the Australian economy is in good shape compared to other western economies, the financial cost of emigrating is high. The Aussie dollar has been strong throughout the current recession, added to which the pound has been very weak. In fact, the Australian dollar appreciated by almost 20 percent against sterling over the last 2 years. On 1 January 2010, the dollar was worth

56p (USD 0.89) but in January 2008, it was worth 45p (USD 0.88). Where once, Australia was a cheap destination for those with UK pounds to spend that is no longer the case, and some aspects of Australian life can seem expensive.

ORC's Efficient Purchaser data suggests that Sydney is the most expensive for UK expatriates, but it's closely followed by Brisbane then Melbourne. But the smaller cities, Adelaide, Canberra and Perth, are all less costly. Clothing stands out as one of the most expensive categories in ORC's market basket, and public transport is also pricey compared to the UK. However, private transport is cheaper because of relatively low fuel taxes.

House prices nationally increased by almost 14 percent in 2009, but in Melbourne prices grew fastest at 19.7 percent. A shortage of housing is largely responsible for keeping prices high. However, with interest rates expected to increase in the coming months and the removal of some government assistance to first-time home buyers, the increases are not expected to be as dramatic in 2010.

The cost of rental properties has correspondingly increased in the last two years. Looking at the rate for a moderate unfurnished 3-bedroom house, Sydney is the most expensive with the average cost being AUD 5,100 per month (GBP 2,825)



and prices have increased here by 12 percent since 2008. In Melbourne, a similar property can be rented for AUD 4,150 (GBP 2,300), but here prices have increased by 18.5 percent since 2008. In Brisbane and Perth, the rate is just over AUD 3,000 (GBP 1,660) and in Adelaide and Canberra a 3-bed house of this sort would be in the region of AUD 2,000 (GBP 1,110).

ORC can provide housing and cost of living data for all of Australia's major cities, and more information about migration can be obtained from the Australian Government's Department of Immigration and Citizenship at <http://www.immi.gov.au>.

Value Added Tax: Retailers Respond to Change

By Nancy Haynes, Regional Research Manager – Europe and Africa

When VAT (Value Added Tax) changes are announced, expatriates are often concerned that this will significantly affect their cost-of-living allowances. However, the immediate effect is usually minimal. During the past few years, many countries within or new to the European Union have been adjusting their VAT rates. The most recent was Hungary's increase from 20 per cent to 25 per cent in July 2009 and the UK reverting back to a rate of 17.5 per cent after a planned short-term rate reduction to 15 per cent for one year.

For example, everyone assumes that for the recent return to 17.5 per cent VAT in the UK will automatically result in a price increase of 2.5 per cent on all items. In reality, this is rarely what happens. Governments generally discuss and announce tax changes well in advance of implementation, which allows retailers to consider what action they are going to take. Increases are never popular and retail outlets are well aware

of this! In the long term, of course, increases will be implemented. In the short term, retailers can lessen the immediate impact.

If known well in advance, retailers often begin to work in the increase before the actual date of change. This allows them to include the tax but not to have to change all prices on a specific date. This can also be achieved after the effective date of change. VAT changes are often implemented with the start of a new year. It is very common in Europe to have large January sales. During the sales, end-of-the-season or special stock is sold at reduced prices and then new stock is brought out in February at new price levels. As it is not unusual for new stock to have higher prices, it is much easier for merchants to phase in prices including the VAT changes at this point.

Alternatively, some retailers may simply choose to absorb the additional cost, for a while, and will advertise a "VAT freeze" and keep prices unchanged.

For items where the price is often exclusive of VAT, e.g. utility rates, there is less chance of hiding or phasing in a tax rate change. These items are most likely to reflect any increases or decreases immediately. Over time, of course, all items will reflect new tax levels, but usually for the majority of goods and services, the change takes place over time and not overnight.

The situation is different for countries such as the United States or Canada which have sales taxes that are added at the point of sale. When a sales tax is increased or decreased, then there is a direct and immediate impact on the final price which is very easy to measure.

For more information, please contact Nancy Haynes (nancy.haynes@orcww.com).

The SIRS® Survey Is Going Global!

By Michael Joyce, Manager, SIRS® Global Survey

In 2008, ORC expanded our successful cross-industry benchmark survey, under the SIRS® brand, outside of the US. This compensation survey collects pay data together with short- and long-term incentive payments.

Increasingly, multinational clients were approaching ORC about getting European compensation data through the SIRS® system, which uses a unique job matching and levelling methodology developed internally at ORC.

A key feature of the SIRS® system, and one of the many reasons it appeals internationally, is that the job codes and matching criteria are the same on a global basis, allowing organisations to analyse, compare and contrast jobs consistently across country borders. It can be an effective job evaluation system and many clients use the SIRS® framework to underpin their salary structures.

The SIRS® survey is primarily coordinated through ORC's Los Angeles office, so additional resources were placed in London to manage this expansion and ensure that clients had key points of contact within a European time zone.

The survey initially focused on the life sciences industry and, in 2009, more than 50 multinational organisations from the pharmaceutical, medical devices, biotechnology and clinical research industries participated and submitted more than 40,000 lines of data to ORC. This fantastic data set allowed ORC to produce individual reports for 23 countries across Europe last year.

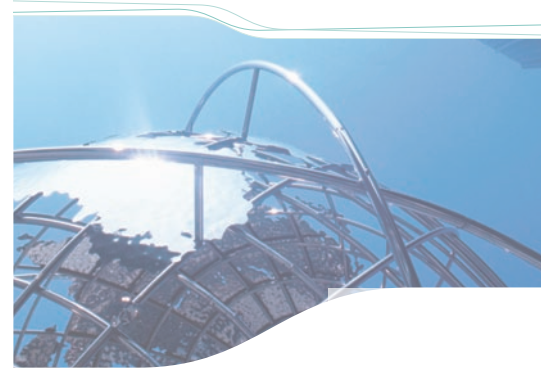
Clients have told us where they wish to see more data; so for 2010, we will expand the scope of the survey outside of Europe to include Latin America and Canada, resulting in a total coverage of 45 countries across the globe. In addition, we are aiming to expand the survey outside of life sciences and intend to collect data sets from a number of other industry sectors.

If you'd like to be part of this exciting growth initiative or to learn more about the industry and country coverage, fees and process for the 2010 SIRS® Global Survey, please contact Michael Joyce at michael.joyce@orcwww.com or +44 (0) 020 7591 5623.

SIRS

Report

SIRS® Global Survey,
Europe



Employees' engagement in an unstable climate: a mission impossible?

By Christine Theofilou, Global Compensation Consultant

We have spent the whole of 2009 using the words "recession, budget restriction, downturn" quite regularly. During this year, few of us have received any respectable salary increases (if any at all) and even fewer have received any bonuses. Many of us have been made redundant and even more have switched from full time to part time as a way of keeping the companies' costs down. The effects of last year's economic meltdown still echo today. In an economy still struggling to stand back on its feet, how do employers ensure they keep employees engaged and motivated? Is this a possible option or rather a mission impossible?

The first and most important step for employers to retain staff engagement is to seek and receive input from them. Employers should give their opportunity to employees to express the concerns and discuss the challenges they face

during difficult times like this. Open discussion should be implemented for employees to feel that their opinion does matter and is taken into account.

Employers should also ensure that they communicate to employees the challenges the company is facing, as well as the way they can face such difficult times. Explanations and reasoning behind the management's decisions should be provided to employees for the employees to feel acknowledged and valued.

Other important ingredients are honesty and transparency; employers should be honest on the challenges the company is facing and when reporting any of the organisation's financial results to their staff. Honesty also works on a psychological basis since employees feel more involved and as a result motivated to face the challenges.

The common link to all of the above is obviously communication; if communication is not enabled amongst the management and employees, then none of the above can be achieved. Employees can remain engaged in difficult times such as the ones we are going through provided that the communication channels are existent and both the employers and employees are willing to discuss openly. Whether this is actually the cases in most organisations or not, is another matter.

Will you receive a pay rise this year? Why not participate in the Local National Salary Increase Survey, see <https://www.orc-netsafe.com/LNSISv2/login.asp> or for more information, please contact christine.theofilou@orcwww.com

Staff Profiles



We thought you may like to learn more about the staff of ORC Worldwide and in honour of her recent Management Award (see page 3) we will start with Deirdre Golden, Director of the Global Equality, Diversity and Inclusion Practice.

How long have you been at ORC?

8 years

What practice area do you specialise in?

I am the Director of the Global Equality, Diversity and Inclusion Practice.

How did you end up in this practice area?

I have had a lifelong interest in social justice and this has been a guiding principle in my work in HR throughout my career. In my previous job, with a financial services organisation I was appointed a Board member of a regeneration programme in Camden and this led me into equality and diversity work.

What was your first ever job?

I had a newspaper round!

What is the question everyone is talking about at the moment?

The implications of the Equality Bill and the impact of the General Election on its final form

What's your favourite side of the industry?

Networking and making connections, and not always knowing where it is going to take you

What are your industry predictions for 2010?

Growing synergy between diversity and corporate responsibility; More focus on human rights in diversity

What's the best piece of advice anyone has ever given you?

Always smile when you enter a room!

What is the biggest event in your calendar this year?

Our first Global Diversity Forum meeting in Asia

The UK has recently come out of recession, what do you believe is in store for our economy in 2010?

Slow growth

Dates for Your Diary

International Assignments Meeting dates

European Expatriate Policy Forum
18th and 19th March 2010 TBC

European Expatriate Policy Forum
25th and 26th March 2010 Berlin

Employment Policy Meeting Dates

European LERN
22nd April 2010 London

Global Compensation Meeting Dates

International Management
Remuneration Group
3rd and 4th June 2010 Amsterdam

Global Equality, Diversity and Inclusion Practice

Breakthrough Equality & Diversity Network
Public Sector
2nd June 2010 London

Foundations in Diversity Strategy Workshop
15th June London

Vanguard E&D Network
17th June London

Other

UAE HR Network
9th June 2010 Dubai

Joint Annual Conference in
International HR Management
(cohosted with Deloitte)
7th October 2010 London

Congratulations to Murali Krishnan from Maritime & Mercantile International LLC. for winning the Winter Quiz!

An ipod shuffle is on its way to you! Enjoy!

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