



WorldLink

Linking people management professionals around the globe

Be a Voice for **Global HR Standards**

By Adrienne Fox

For many years, global HR leaders have discussed the need for developing HR standards that can be adopted by practitioners in fledgling economies and developed countries alike. That idea got a little closer to reality in February of this year when the International Standards Organization (ISO) ratified a measure to establish the first-ever technical committee for HR management—ISO/TC 260. The measure began last year as a proposal by the Society for Human Resource Management (SHRM) to the American National Standards Institute in the United States, which then presented the proposal to ISO members.

Lee Webster, SPHR, GPHR, director of standards at SHRM in Alexandria, Virginia, led the effort. “When we talk about standards, we’re talking minimum requirements that meet a threshold that any HR practitioner in any company should be able to cross, regardless of industry, company size or country,” he explained. “This is not about best-in-class. This is about what organizations should be doing, not about what organizations could be doing if they had vast resources.”

Explaining the difference between competencies and standards, Webster said, “Competencies focus on individual capabilities—the

skills, knowledge and abilities of an HR professional—whereas standards focus on the organizational practices.”

Be Heard

Global HR professionals who want to get involved in the development of international standards for HR need to contact their national standards governing body and find out if their country is participating in TC 260. Currently, 29 members actively participate in or observe the committee, and Webster expects that number to rise.

Each country has one representative with one vote, and that representative is advised by a group of national technical committees. Technical committees are made up of HR professionals, academics and executives from other professions who research, write, debate and revise standards for a certain HR practice, such as performance management. Once a standard is written and approved by a committee, it goes to the national board. If approved, it continues to the ISO’s TC 260 national representatives, who must reach consensus of roughly 70 percent for it to become a global standard. Once approved, the global standard is revisable every five years.

If your country is not yet a member of TC 260, persuade your national standards governing body to join. Then get involved as an

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The August 2011 *WorldLink* focuses on the North American region and the member countries of the North American Human Resource Management Association (NAHRMA).



Lee Webster, SPHR, GPHR



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Jackson Officially Named SHRM CEO



Mexico’s Grupo Vidanta Is a Gracious ‘Host’ to Its People



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expert on a national technical committee. The first international meeting of experts, called delegates, and ISO representatives for TC 260 will be held in Washington, D.C., on November 10-11, 2011.

Global meetings will take place annually. In the meantime, committee and subcommittee members will work on standards in each of their own countries. Webster estimates that committee members each spend roughly six hours per month working on a standard and then meet once monthly to discuss progress.

HR 'Management System'

It usually takes two to three years for an idea to become a standard. If enough standards are created in the same general category, they form a "management system," such as ISO-9001 for quality. If a number of global HR standards are approved, the ISO membership would need to decide if they fit together well enough to create a management system. An industry would then develop due to demand to evaluate and register companies in the compliance of HR global standards.

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Webster estimates that it will take at least a decade to get enough standards to create a management system and to determine if the standards are working well. TC 260 currently has four task forces—staffing, performance management, diversity and metrics—working to develop global standards. Initially, there was some confusion in the international community about how TC 260's work would overlap or compete with the mission of the International Labor Organization (ILO). Webster clarified that SHRM will not propose standards on any social justice policies, such as child labor and human rights, because those issues are effectively covered and overseen by ILO.

ISO global HR standards are voluntary practices adopted by

organizations at their discretion, Webster stressed. SHRM does not advocate passage of laws in any country that would require companies to adopt ISO global HR standards, which would add an administrative burden to HR professionals. But, Webster said, progress on global standards will not be stalled due to fear that one or more countries may create laws and penalties around them.

Metrics' Promise

Creating metrics standards is the primary focus because they have the most promise to make a difference to organizations worldwide, according to Webster. "Right now, comparing one company's performance on HR metrics to another company's is hard because each company does it differently," he said. "If we can agree on how to measure HR, it will spur excitement and bring attention to the entire HR ISO initiative."

Already, word of global HR standards has spread, prompting members of the finance community to reach out to SHRM to develop a standard for investor metrics that calculates human capital for annual reports and 10K filings. Webster said this standard would require a new level of competency not currently in most HR professionals' skills set. "How many HR people are prepared to speak on an investor conference call or at an investor meeting? If we develop these metrics, investors will start asking HR executives why they made certain people-related decisions that affected the company's stock price," he said. "HR executives will have to explain their decisions."

A few global companies and other organizations have expressed similar interest in creating a global standard on human capital metrics—without the consultation of HR professionals, Webster warned. "If HR professionals don't get involved in ISO/TC 260—through their national HR associations and their national standards governing bodies—they will be left completely out of the discussion," he said.

To get involved, go to www.ISO.org and locate your country's national standards governing body. If your country does not have one, you can join the effort as a member of a liaison group that offers ideas and feedback on standards but that doesn't get a vote. WL

Lessons from the SHRM Annual Conference: Be Flexible, Happy and Take Risks

By Adrienne Fox

Las Vegas, Nevada, hosted the Society for Human Resource Management's (SHRM) 63rd Annual Conference & Exposition, welcoming nearly 14,000 attendees—1,100 of whom came from outside the United States, an all-time high. Global attendees hailed from 73 countries, including Korea—the largest group delegation—Australia, Brazil, Canada, Kuwait, Taiwan and the United Kingdom.

Sir Richard Branson opened the conference on June 26 with a question-and-answer session that covered everything from his childhood to his management philosophy.

Branson told stories that shaped his entrepreneurial spirit, such as the time his mother pushed him out of the car at age 6 about two miles from his grandmother's house and told him to find his way there. Thus began a life of independence and resourcefulness that led to Virgin Group, the global conglomerate of more than 300 companies in 30 countries worth \$18 billion in 2009.

In addition to teaching her son self-sufficiency, Branson's



Richard Branson

mother also lavished praise on him, the founder and CEO of the Virgin Group added.

Giving employees praise and autonomy are two cornerstones of Virgin's culture, Branson said. He doesn't micromanage his

Lessons from the SHRM Annual Conference continued on page 3

numerous companies, allowing the heads of each to run the company as if it were their own. “Find the right people to run your business and give them the freedom to make mistakes,” Branson said. He also strongly advocates promoting from within, citing a former call center agent who now runs Virgin Unite.

Branson encouraged the HR attendees to create a fun work environment where people can make a difference. “Companies should turn themselves into a force for good to inspire staff and customers,” Branson said. “I don’t think it’s worth running a business unless you’re going to make a difference in the world.”

The major issue he sees in the workplace is the need for increased flexibility. “If you ask your workforce what they desire most—and if they’re honest—they will say flexibility,” Branson said. “The idea that you have to work full time or not at all doesn’t work today. Provide more part-time opportunities, job-sharing and unpaid sabbaticals.”

Delivering Happiness

Underscoring the importance of culture in an organization, Tony Hsieh, CEO of Zappos.com, based in Las Vegas, said the online retailer may sell clothes and shoes, but it is really in the business of customer service—delivering happiness to employees and customers. Great customer service is its competitive advantage, Hsieh explained, which can be transferred to any product.

“Culture fuels our customer service,” Hsieh told attendees at the general session on June 28. “If you take care of the culture, good service follows,” he said.

Hsieh takes care of the culture by making 50 percent of an employee’s performance review contingent on their ability to inspire others. Each new hire receives four weeks of training, and everyone works as a call center agent for two weeks. “If we get busy, anyone can answer a customer’s call,” Hsieh said—even him.

During training and onboarding, Zappos offers new hires a \$3,000 bonus to leave the company, in addition to the salary they’ve earned. “The biggest benefit is for the people who stay because they know their co-workers share their dedication and passion,” he said, adding that about 2 percent of people take the bonus and leave.

Hsieh said the interview process includes questions on each of the 10 core values at Zappos. The hardest core value to evaluate is being humble because during a job interview, you are asking people to speak about their accomplishments. Hsieh finds other ways to assess humility, such as by learning how the candidate treated the driver who took him or her from the airport to headquarters.

“It doesn’t matter what your values are as long as you have them and you align the organization around them,” Hsieh said.

Take a Risk

On June 29, the final day of the conference, actor and activist Michael J. Fox delivered a message that resonated with the HR audience: “The more complicated life gets, the better at it you become,” he said.

Fox was talking about his battle with early-onset Parkinson’s disease, but the message also applies to the complicated business world that HR professionals face. As business gets more complex,

HR people who relish the challenge become better in their profession.

In dealing with Parkinson’s, Fox said he has learned to break down and attack each obstacle rather than trying to conquer all challenges at once. He equated it to acting: Actors know not to play the role as if they know the end of the story, Fox explained. “They have to act as though they’re still waiting to find out how the story ends.”

It’s a reminder to stay in the moment without worrying about whether your efforts will amount to a colossal failure. If you spend too much time worrying, you will never take a risk. Fox recalled telling his dad he wanted to drop out of high school to become an actor. Instead of getting angry and trying to talk him out of following his dream, Fox’s father drove him to Los Angeles, saying to his young son, “If you’re going to be a lumberjack, you might as well go to the forest.”

Fox learned from his father to go where the action is. Take risks and make mistakes because you never know what is waiting around the next corner, whether it is a crippling health diagnosis or a successful acting career—or, in Fox’s case, both. **WL**



Henry G. 'Hank' Jackson

Jackson Officially Named SHRM CEO

After a yearlong stint as interim president and CEO of the Society for Human Resource Management (SHRM), Henry G. “Hank” Jackson was officially appointed to the position by the Society’s board of directors. The announcement came at the start of the SHRM 63rd Annual Conference & Exposition in Las Vegas, Nevada, in June, and attendees greeted the news with a standing ovation. Popular with staff and members alike, Jackson had been serving as the interim CEO since July 2010, when former CEO Laurence G. O’Neil resigned.

Telling the audience he was “humbled” by the appointment, Jackson promised to be the “CEO you need, and the ally you want.”

Jackson previously served as SHRM’s chief global finance and business affairs officer. He came to SHRM from Washington, D.C.-based Howard University, where he served as the chief financial officer with oversight of the HR function.

Jackson said he plans to focus his tenure on workplace flexibility issues, getting military veterans back to work and increasing SHRM’s profile globally.

Mexico's Grupo Vidanta Is a Gracious 'Host' to Its People

By Manuel Becerra

Mexico's tourism industry has suffered because of the global recession and drug cartel violence, forcing many in the sector to cut back on employee investment and benefits. Not Grupo Vidanta, which recognizes that fulfilled, valued employees are successful ones that contribute to the bottom line.

Grupo Vidanta, established in 1974 and headquartered in Guadalajara, is one of Mexico's largest real estate, resort and golf course developers. Notable properties throughout the country include The Grand Mayan, Grand Luxxe Residence Club, Mayan Palace and The Grand Bliss. The company has 10,000 full-time employees on staff and in peak season brings on 2,000 additional workers.

One of the hallmarks of working at a Grupo Vidanta resort is the commitment to excellence and a belief that stellar customer service is an organization's lifeblood. While seeking and hiring hard-working, enthusiastic and dedicated individuals is important, it's not enough. Training and retaining the best employees require a long-term outlook. Employees need stability, fair compensation, and the opportunity for career growth and development. An organization that pays attention to these needs and strives to continually provide the type of work environment where quality and performance flourish will itself benefit.

Norma Suarez is a shining example of the benefits an organization reaps when directly investing in employees. A 15-year veteran at Grupo Vidanta, Suarez has steadily risen through the ranks since joining the company as an entry-level receptionist. Taking on varying and more-challenging responsibilities through the years, she has worked as a reservation clerk and has been promoted to guest service manager and then front office manager. Eventually rising to room division manager, Suarez was named general manager of Grupo Vidanta's Riviera Maya in 2005—a position she holds today.

The investment in Suarez paid off. In November 2010, the Riviera Maya resort was awarded the WQC International Star Award. This annual program of Business Initiative Directions Awards recognizes companies on the basis of the QC100 Total Quality Management Model, which is used to measure customer satisfaction and human resources.

Competitive Advantage

Working at Grupo Vidanta, one quickly discovers this isn't an isolated example. Workplace initiatives landed the organization in eighth place on the 2011 Best Companies to Work For list by the Great Place to Work Institute in Mexico. Five years ago, HR practices were revamped based on findings through the Great Place to Work Institute model that identified core deficiencies and areas for improvement, such as leadership development, recognition of associates, communication from leaders and "walking the talk."

Determined to offer stability and long-term career paths that attract and retain the best people, Grupo Vidanta realized that major improvements were needed. After reviewing compensation packages, HR concluded that to beat the competition, pay scales needed to be about 10 percent above the market average to reduce turnover. With the revised pay scales, turnover is now less than the hospitality industry norm and is a core part of the compensation strategy to attract and retain talent.

While compensation is clearly important, it was also recognized that employees needed other rewards to acknowledge the daily sacrifices they make for the organization. Since many employees

travel great distances to get to work, HR realized that providing meals wasn't just a convenience but a necessity. With this small gesture, employees' financial burdens and stress became a little lighter, significantly increasing overall job satisfaction and improving productivity because employees can focus on their jobs instead of worrying about where they can get an economical meal.

In the past two years, Grupo Vidanta has seen improvements in every dimension of its employee satisfaction survey. Furthermore, it achieved its highest score ever—95 percent—from clients in the satisfaction index.

But the most important facet of the HR strategy is career development programs that are available to every employee. Recently, Grupo Vidanta implemented a detailed training and development operation, where employees train in different functions to determine strengths and find comfort zones. Trainers use a state-of-the-art simulator that replicates a typical Grupo Vidanta hotel facility to help employees quickly learn policies and procedures. Based on test results measuring experience, capabilities and interests, an employee is placed in the right job fit.

Some other notable employee-based programs include:

Wellness. Grupo Vidanta sponsors a series of programs seeking to promote a safer work environment. It also sponsors an annual health week, where health professionals conduct free physicals.

Scholarships. Through a "Mayan with You" scholarship fund, employees can apply for scholarships to fund their children's primary, secondary and post-secondary education.

Nonmonetary awards. Grupo Vidanta's "Well Done!" program recognizes employees for outstanding team and individual achievements in the workplace. The company's Elite Club showcases excellence in the workplace exhibited throughout the year. Elite Club members receive priority when applying for "Mayan with You" scholarships. Also, job security is guaranteed during low seasons.

Innovation. Employees can access a corporate online workplace forum to express ideas and suggestions for departmental improvements.

Perks. Employees have free use of personal computers in the staff dining area. They also enjoy free cafeteria services, free bus routes to and from the resort, and a one-week vacation at any Grupo Vidanta brand resort, available depending on seniority.

Taking Care

Through hard work, determination and perseverance, Norma Suarez continues to succeed. But this isn't the only success story at Grupo Vidanta. Between 30 percent and 40 percent of managers are promoted from within. The company still hires external candidates and values an outside perspective; however, growing and cultivating management expertise internally brings an atmosphere of opportunity and achievement.

When joining the ranks at Grupo Vidanta, you're known as *anfitriones*, which means "host." HR recognizes that employees cannot be gracious hosts if their needs are not being met. **WL**



Norma Suarez

Manuel Becerra is director of human resources at Grupo Vidanta in Guadalajara, Mexico.

Strength in Numbers

By Ian J. Cook

Launched two years ago by the British Columbia Human Resources Management Association (BC HRMA) in Vancouver, Canada, the HR Dashboard, a subscriber-based benchmarking service, is helping business leaders prove the worth of their human resource function.

In the past two years, participation in the program has tripled, with nearly 120 businesses large and small from all sectors signing on. The dashboard provides participating businesses with a simple online collection and reporting process that delivers quarterly reports on key metrics, enabling participants to draw clearer connections between people and profit.

Now, with three years' worth of data compiled, we can see trends and challenge assumptions for HR in businesses worldwide. For instance, in 2010 and 2011 the data show that leadership development is the top concern for HR professionals, not economic uncertainty, which gets the most attention in the media.

Metrics-Based Solutions

Recognizing that leadership development is the paramount issue, how can HR apply metrics to solving leadership capacity and capability gaps in an organization? One of the first questions is "Who do we need to develop?" Identifying the target group before identifying what skills and abilities you will develop ensures that you match the learning to the learner. Many organizations hold off developing their front-line staff for fear that the investment in learning will be wasted when the person moves on to another organization. This is a legitimate concern and a place where analytics can help.

Our data show that voluntary turnover decreases significantly after people have been with an organization for more than three years. Therefore, a way to minimize your investment risk is to select from the group of staff that have been with the organization for more than three years. If there aren't any people in this category, then you know you have another issue to sort out first.

Additional criteria should reflect the current and future capabilities of the individuals. There should be a performance threshold so that you are not investing in people who are not contributing as required. Your future managers and leaders should be above average in their ability to get the work done and their ability to enable others to get the work done. This data should be in your performance management records and is a primary reason to have effective performance management practices embedded in your organization.

The individuals also need to demonstrate an aptitude for managing people and tasks. This should be assessed using a standardized approach such as specific assessment tools, structured interviews with managers and the individual, test projects, etc. This qualitative step will also provide insight into what needs to be learned and how far the skills need to be developed before each individual is ready to progress within your organization.

Calculating Return on Investment

To determine whether your investment in training is paying off, use three figures—succession planning rate, promotion rate of management or leadership roles, and external hire rate for management or executive positions.

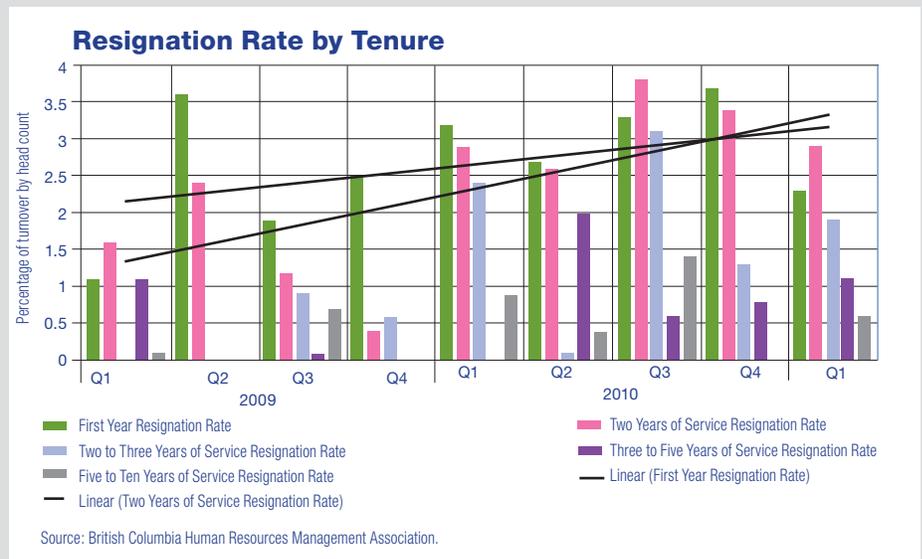
The succession planning rate shows how many candidates are ready to move into executive positions as a percentage of all executive positions. A

rate of 50 percent means you have half of your executive team covered; a rate of 100 percent shows full coverage. If your leadership development program is delivering more than a two-year time frame, it will shift your succession planning rate upward.

The promotion rate shows that you are able to move people up in the organization because they have the skills and capabilities required. Your leadership and management program is working when you can move individual contributors successfully into management roles and managers into more-senior leadership roles. Tracking the quality of these moves is an important piece of supporting data.

The external hire rate demonstrates how often you have to go outside the organization for talent as opposed to moving someone up from within. Comparing the costs and risks of hiring a new leader as opposed to growing one can be a useful piece of analysis for supporting a higher development budget. You know that your leadership budget is working when your external hires are few and highly targeted.

When combined, these three metrics give you a robust, repeatable view of your leadership work and demonstrate whether the investment



is paying the organization back through better promotions and lower costs and risks than are found in external hiring. Together, they make tangible both the purpose of leadership development and the outcomes that are being achieved.

Bottom Line

Part of BC HRMA's knowledge and research function, the HR metrics service is indicative of the profession's firm focus on the bottom line. Committed to the development of business metrics for the HR profession, this resource is valuable for those seeking tangible data and business solutions. The focus on human capital and its significance to the bottom line is now being addressed as a corporate objective and not just an HR matter. [WL](#)

Ian J. Cook, CHRP, is director of knowledge and learning for BC HRMA.

The Power of Indigenous Inclusion

By Peggy Berndt

Over the past century, the doors of many workplaces have been opened wide to diverse groups of people who previously had little access. The progress made in the last few decades has changed the workplace positively. But has this change affected every working-age person?

While Canada is generally a tolerant society, prejudice and discrimination do exist. Even though much has changed, the impact of past policies and practices still plagues many people, none more so than our indigenous peoples.

Today, indigenous youth represent Canada's fastest-growing population. Currently, there are 652,000 indigenous people in Canada of working age. By 2020, an additional 400,000 young indigenous people will enter the workforce—providing an enormous pool of talent for corporate Canada to draw from as our nation's Baby Boomers move into retirement.

Although the indigenous population is growing six times faster than the rest of the Canadian population, this same population has an unemployment rate more than twice as high as non-indigenous people, which negatively impacts the entire Canadian economy.

Should indigenous people become educated and enjoy the same social well-being as their fellow Canadians, the country's GDP would increase by an estimated \$401 billion by 2026, according to the Canadian Centre for the Study of Living Standards. "It is one of the many reasons why there's such a strong social and business imperative for employers to master indigenous inclusion," said Kelly Lendsay, president and CEO of the Aboriginal Human Resource Council.

Indigenous Solutions

The Aboriginal Human Resource Council (AHRC) provides employers with leadership in indigenous workplace inclusion—helping organizations across Canada, the United States, Australia and beyond to advance indigenous peoples.

As a thriving social enterprise, we have a mandate to advance the full labor market participation of Aboriginal peoples in Canada and indigenous peoples around the world.

AHRC helps organizations understand the value of inclusion while advancing workplace strategies. Their transformed workplaces position them to become employers of choice for the growing and diverse supply of well-trained, highly motivated indigenous workers.

While educating managers and employees on the differences in indigenous cultures is important, it's just as critical to note the similarities. "Indigenous workers are just like everyone else; they want back what they had—a proud tradition of work: to be employed and contributing to society, and the hope of a rewarding career and independent life," Lendsay said.

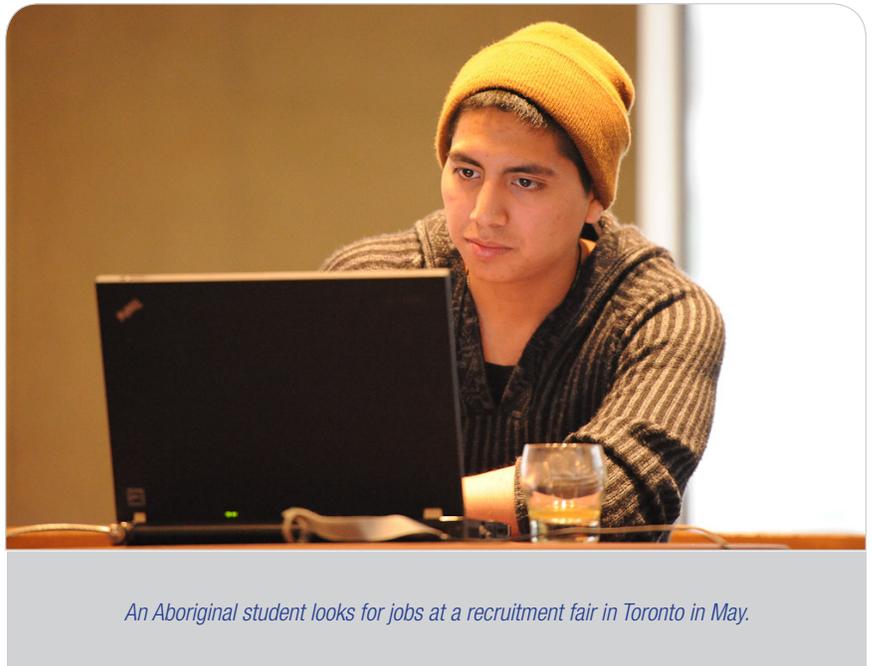
AHRC's research shows that increasingly innovative and socially responsible companies are looking to build business relationships with indigenous communities. They see not only a potential source of skilled labour but also an increased and rapidly growing labour market, the benefits of a diverse workplace, a warm client group that believes in corporate social responsibility and a stronger socioeconomic country. That's a good combination for any economy.

The foundation of a more open and trusting relationship is the workforce. Inclusion of indigenous workers and increased employee

diversity at all levels within companies will help dispel long-held misconceptions and improve understanding between indigenous and non-indigenous communities.

The inclusion of indigenous people in workplaces is an innovative approach to a major long-term challenge. Employers in all countries should look ahead to what their needs will be and seek out the talented young indigenous people who can meet those needs.

The following principles will help you establish your own unique work and learning place of inclusion:



An Aboriginal student looks for jobs at a recruitment fair in Toronto in May.

- Engage in a dialogue with indigenous community groups and organizations.
- Develop a strong corporate philosophy and live by it.
- Create indigenous outreach programs and networks (career and job fairs, job shadowing, cultural practices, indigenous leadership programs, information sessions, community support programs).
- Encourage indigenous economic development (procurement programs, business partnerships).
- Support indigenous educational initiatives (apprenticeships, summer youth camps, elementary school programs).
- Celebrate diversity and recognize achievements.
- Promote a corporate culture of belonging.

"People want a sense of belonging," Lendsay said. "When you create this sense of belonging, you create tremendous loyalty and output."

Canada, with its multicultural makeup, will flourish with work and learning places that celebrate diversity—environments where everyone feels welcomed, valued and empowered to play a role in the success and destiny of the organization. Your country and your organization can flourish under this same premise.

Visit www.aboriginalhr.ca for more information on how to advance indigenous inclusion. 

Peggy Berndt is national director of communications for the Aboriginal Human Resource Council in Saskatoon, Saskatchewan.

Canada

Budget measures; parental leave for twins; class-action lawsuit; safety



On August 16, Canada's Department of Finance released for consultation draft legislative proposals to implement tax measures from the 2011 budget, the Next Phase of Canada's Economic Action Plan—A Low-Tax Plan for Jobs and Growth.

The draft proposals concerning business would:

- Extend to the end of 2013 the temporary accelerated capital cost allowance treatment for investment in manufacturing or processing machinery and equipment.
- Expand eligibility for the accelerated capital cost allowance for clean energy generation and conservation equipment to include equipment that generates electricity using waste heat from sources such as industrial processes.
- Extend eligibility for the Mineral Exploration Tax Credit by one year to flow-through share agreements entered into before March 31, 2012.
- Expand the eligibility rules for qualifying environmental trusts to include trusts that are required to be established in the context of pipeline abandonment and to allow a broader range of eligible investments for qualifying environmental trusts.
- Better align the deduction rates for intangible capital costs in the oil sands sector with rates in the conventional oil and gas sector.
- Provide the same income tax treatment to investments made under the Agri-Québec program as is currently provided to investments under the AgriInvest program.

In addition, the Canada Revenue Agency has clarified an item that was annexed to the 2011 budget. The tax-deductible lump-sum payments received in place of health and dental benefits will become taxable as income from the start of 2012. There will be some flexibility for companies that become insolvent before 2012 but make their payments after the cutoff date.

Also, the federal government appealed a ruling by an employment insurance board of referees to double the normal allotment of parental leave for parents of twins. An employment insurance umpire has now backed the government's position that the leave period is not meant to reflect the level of difficulty in infant care. The parents will take the case to the Federal Court of Appeal.

In Ontario, Scotiabank lost its Divisional Court appeal, allowing a class-action lawsuit filed in 2007 to go forward. The suit, brought by 5,000 customer service employees, alleges that nonmanagement, nonunion workers regularly worked overtime, unpaid, to fulfill the duties of their jobs.

In June, the Ontario legislature passed The Occupational Health and Safety Statute Law Amendment Act, 2011. The Ministry of Labor, assisted by a tripartite Prevention Council, would assume occupational safety oversight duties. Mandatory safety training for new

workers and codes of practice for safe workplaces reportedly top the agenda.

Mexico

Labor reform measures; pension changes



Mexico's long-awaited labor reforms were stalled again in August as lawmakers stepped back from forcing quick passage of the proposals after unions and workers took to the streets in protest. The Mexican Federal Labor Law hasn't seen significant change since becoming law in 1970. In March 2010, the National Action Party presented comprehensive changes to 419 of the law's 1,010 articles:

- Full respect to all fundamental worker rights.
- Update of legal framework, in line with today's practices.
- Strengthening access to employment and worker protection.
- Increasing productivity and competitiveness.

According to the International Labor Organization, the Organization for Economic Cooperation and Development, the Bank of Mexico, and the Mexican Institute for Competitiveness, if labor reforms are passed, Mexico will gain 20 to 25 positions in labor market efficiency, and three positions in the Global Competitiveness Index.

Also, pension regulator Consar has set guidelines for external asset managers to invest some of the 20 percent of Afores private pension fund assets that are allowed to go into foreign stocks and bonds. They may also be engaged for domestic investment, but they are seen as adding value particularly for foreign investments.

Meanwhile, Consar has set out to raise the rate of voluntary Afores contributions by making the process easier. Unless one commits to payroll deductions, the process now involves visiting a branch of the Afore or an approved financial institution. A system that should debut in November will allow contributions via the Internet and ATMs.

Also, Congress is in recess until September, but the President has asked the Standing Committee that represents it during breaks to reconvene legislators for a special summer session on "urgent" bills. A top priority is to consolidate and pass ruling party and opposition labor reform packages.

United States

Credit rating falls; Supreme Court rulings; IRS clarification



On August 5, Standard & Poor's removed the United States government from its list of risk-free borrowers for the first time ever, a downgrade that has symbolic significance but carries few clear financial implications. The company, one of three major agencies that offer advice to investors in debt securities, said it was cutting its rating of long-term federal debt to AA+, one notch below the top grade of AAA. It described the decision as a judgment about the nation's leaders, writing that "the gulf

between the political parties" had reduced its confidence in the government's ability to manage its finances.

Also, the U.S. Supreme Court rejected in a split decision a class-action lawsuit over pay discrimination brought against retailer Wal-Mart by more than 1.5 million women. The plaintiffs alleged it was company policy to give female workers less pay based on the rationale that men need more money than women and that women are housewives looking for a little spending money. The court determined that this assertion had not been adequately proven. Many of the women will now pursue the case through lower courts and a claim with the Equal Employment Opportunity Commission.

The Supreme Court upheld the authority of a state government to impose sanctions on companies that knowingly hire undocumented workers. A two-strike mechanism under the Legal Arizona Workers Act allows the state to revoke the licenses of companies found twice to be in violation. The court found that this measure did not violate a federal pre-emption of state sanctions against employers of illegal workers under the Immigration Reform and Control Act. Several other states have similar measures in effect.

Also, the Internal Revenue Service has posted proposed regulations seeking to clarify the definition of "qualified performance-based compensation" under Section 162(m), the provision of the Internal Revenue Code that limits a publicly held company's deduction on a person's annual pay to \$1 million unless a payment meets that definition. It offers new disclosure requirements for the incentive stock schemes and specifies which stock schemes are exempt from 162(m) when a company is transitioning from private to public. Comments are welcome through September 22.

Global

New OECD guidelines



The revised OECD Guidelines for Multinational Enterprises have been adopted by the 34 member states and eight additional countries. A "non-binding code of conduct," it advances a set of goals for cross-border companies, including:

- Corporate social responsibility.
- Disclosure of executive remuneration policy.
- Worker rights, including union representation.
- No employment discrimination on any grounds.
- High standards for wages, benefits and working conditions in developing countries where benchmarking against competitors is not possible.
- Advance notice to/consultation with local authorities and worker representatives when an impending change will have an impact on the workforce.

Sources: *New York Times*, *Chicago Tribune*, *Global Pensions*, Government of Canada, *Ottawa Citizen*, *Benefits Canada*, *Financial Times*, *El Economista*, *Institutional Investor*, and *Globe and Mail*.

September 16-17, 2011
Asia Pacific Human
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Taipei, Taiwan, ROC

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September 21-22, 2011
46th AMEDIRH
International Congress on
Human Resources
Mexico City, Mexico

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September 28-30, 2011
25th European People
Management Conference
Istanbul, Turkey

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Website: www.eapm2011.org

October 5-6, 2011
Traefpunkt Human
Resources 2011 Exhibition
and Conference
Copenhagen, Denmark

Tel: + 45 86 21 61 11
Website: www.pid.dk/traefpunkt-hr

October 26-28, 2011
CIGEH 2011 Interamerican
Congress of Human
Resources
Quito, Ecuador

Tel: (593) 99702370
E-mail: adghe@interactive.net.ec
Website: www.adghe.com

November 8-11, 2011
CIPD Annual Conference
and Exposition
Manchester, England

Tel: +44 (0) 20 8612 6202
E-mail: conf@cipd.co.uk
Website: www.cipd.co.uk

November 22-23, 2011
31st HKIHRM Annual
Conference & Exhibition
Hong Kong

Tel: (852) 28815113
E-mail: info@hkihirm.org
Website: www.hkihirm.org

September 25-28, 2012
WFPMA World Congress
Melbourne, Australia

Tel: +61 3 9645 6311
E-mail: reception@ahri.com.au
Website: www.whrc2012.com

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

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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 HR Management Associations (AFHRMA) and HR news in Africa. It will be published on October 31, 2011. Please submit contributions by September 15, 2011. ©2011. Material may be reprinted with credit to *WorldLink*, WFPMA.

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