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BEERG TRAINING PROGRAMMES

Managing International Employee Relations....Successfully:

Venue: Barcelona, week beginning, Monday, April 26, 2010. Barcelona programme [Barcelona Programme](#). This programme will also run in Washington DC during the week beginning July 19 in partnership with the HR Policy Association– the structure and content will be the same as for the Barcelona programme. E-mail tom.hayes@beerg.com if you are interested in more information.


EU: Parliamentary Committee wants 20 weeks maternity leave

The European Parliament's Women's Rights Committee wants the European Commission's proposals on revising the Pregnant Worker's Directive amended so that women would be entitled to a minimum of 20 weeks fully paid maternity leave.

In October 2008, the European Commission published proposals to amend the Pregnant Workers Directive (92/8/EC), which sets down minimum levels of maternity rights including leave and pay which member states must provide. Amendments included an increase of the minimum period of leave from 14 to 18 weeks; an extension of the compulsory period of leave after childbirth from 2 to 6 weeks; and a proposal that women should receive full pay during maternity leave although Member States would be able to specify a ceiling which must be at least equal to sick pay. The Commission's proposals are subject to negotiation with Member States and the co-decision process with the European Council and the European Parliament. At the first reading by the Parliament, the EU Women's

A press release from the European Parliament is available [here](#).

Also, some interesting material on gender law can be found here: [European Gender Law Review](#)

<p>Rights Committee voted in favour of further amendments to the Commission's proposals. Specifically, these included a further extension of maternity leave to 20 weeks and a proposal that full pay during maternity leave should mean 100% of a woman's last monthly or average salary.</p> <p>The Council of Ministers still has to agree the proposed amendments (with any further changes having to go back through Parliament) with some Member States known to be concerned at the potential cost implications for business of the proposed changes.</p>	
<p>UK: Agency workers regulations could be reviewed if Conservatives win election</p> <p>The Conservatives have indicated they will review new agency workers regulations if they come to power after the general election. Shadow business minister Jonathan Djanogly, speaking at an event organised by the Association of Recruitment Consultancies (ARC), said that the regulations – due to come into force in October 2011 as part of the European Agency Workers Directive (AWD) – would reduce the flexibility of the UK's labour market. Djanogly said: "As things stand, the regulations are counter-intuitive. They should encourage the agency market and not detract from it. The future will be about flexibility in the workplace. Agency workers are a key way to get young people into the workplace, and the regulations will have a negative impact in this respect." He also suggested that trade unions wanted the legislation because it provided a bigger pool of workers that could be unionised.</p> <p>Djanogly indicated that if the Conservatives were elected, then they would be happy to review the proposed legislation as they were "very unhappy" about the fact that the proposed 12-week qualifying period was not set out in the AWD, but instead resulted from an agreement negotiated between the CBI, TUC and the government in May 2008. The ARC's chairman Adrian Marlowe said a 'two-tier system' for agency workers – with the lowest paid achieving rights after 12 weeks, and the more skilled, higher-paid workers after 12 months – would be fairer.</p> <p>However, the problem for the Conservatives is that the AWD calls for equal treatment for agency workers from day one of the assignment to an end user company unless an alternative period is agreed by the social partners. The CBI/TUC 12 week deal was agreed before the Agency Workers Directive was finalised. As a result of the CBI/TUC deal the UK government dropped its opposition to the Directive. The CBI/TUC agreement is not legally binding. Were a Conservative government to attempt to extend the 12 weeks then the TUC could withdraw from the agreement and claim that equality should apply from day one, the default position in the Directive.</p>	 <p>Jonathan Djanogly</p>
<p>UK: Holiday leave lost due to illness should be carried over to next year, tribunal rules</p> <p>The first employment tribunal to test paid holiday and sick leave following two major court rulings last year has held that an employee should be allowed to carry over his annual leave entitlement to the next year where he has been too ill to take it.</p> <p>In the case of Shan v First West Yorkshire, Mr Shah broke his ankle and was off work for three months between January and April 2009. He asked his employer if he could claim</p>	<p>Pereda v Madrid Movilidad</p> <p>Stringer v HMRC</p>

back four weeks' holiday that he had previously booked, which fell within his period of sickness absence. The company replied more than six weeks later, refusing the request. The tribunal ruled: "Shah is entitled to take the holidays which he was prevented by ill-health from taking in March of 2009 at some subsequent time in the following leave year." The case follows two European Court of Justice (ECJ) cases last year, which ruled that in some circumstances, holiday entitlement should be allowed to be taken in the next annual leave year, despite the UK Working Time Regulations (WTR) specifying it is unlawful to carry over more than eight days per year per full-time employee.

In the case *Pereda v Madrid Movilidad SA*, the ECJ ruled that workers who fall sick while on holiday should be allowed to reschedule their leave, even if it meant within the next leave year. And earlier in the year, in another case, *Stringer v HMRC*, the court ruled workers can accrue holiday pay while on sick leave, and that holiday should be allowed to be carried forward in such cases. As the UK regulations specify that no more than eight days can be carried forward into the next leave year, employment lawyers had warned of a 'grey area' in the law until UK case law clarified the situation or the government amended the WTR. While *Shah v First West Yorkshire* is not binding on other tribunals, it is highly likely that they will adopt the same approach, namely that UK law has to be interpreted in the light of ECJ judgements.

UNI using UN Global Compact to pressurize bank into global agreement

This week UNI Global Union turned up the heat in its campaign to secure global agreements on minimum work standards in the HSBC and Santander banks. It has used the fact that HSBC has signed the UN's Global Compact "which is supposed to signify their commitment to labour principles" to put pressure on the company to reaffirm this statement in a joint agreement with the union. UNI argues that a "global agreement between HSBC/Santander and UNI Global Union will ensure workers' rights to union recognition without employer interference or resistance and improve processes for dealing with conflict both locally and globally. There is scope in a global agreement for applying transnational industrial relations that can be tailored to national systems through coordinated dialogue between the global and national bodies." According to UNI, HSBC and Santander workers in over 20 countries throughout the world "took action to demand the banks put their commitment to workers in writing and sign Global Agreements with UNI Global Union."

"HSBC and Santander are market leaders in global retail banking," said Oliver Röthig, Head of UNI Finance Global Union. "Together they employ 466,000 staff across the globe. These banks should prove they are serious about their CSR commitments by signing a global agreement with the national unions who represent their workers. UNI Finance has united these unions and their members in global union alliances of HSBC and Santander workers. We are ready to talk....It will be a great result for workers in these banks if we achieve real negotiations for a Global Agreement. This is the recipe for changing the flavour of banking for the future and it is good for the banks bottom line too."



Australia: Fair Work Act does not require arbitration

FAIR Work Australia (FWA), the labor tribunal charged with implementing and interpreting the new Fair Work Act, has overturned a decision that business feared would jeopardise

[Woolworths decision](#)
[Australia Industry Group](#)

hundreds of enterprise agreements by subjecting employers and workers to compulsory arbitration of workplace disputes. A tribunal full bench, headed by president Geoff Giudice, upheld an appeal by Woolworths against an earlier ruling by Commissioner Greg Smith rejecting a proposed agreement between the retail giant and the shop assistants union. The full bench ruled that while the tribunal can deploy voluntary methods of dispute resolution with the consent of parties, it "can only arbitrate if it has been specifically empowered to do so" by both parties to the agreement. Smith has rejected the Woolworths agreement because its disputes resolution procedure did not provide for final arbitration by FWA. A spokeswoman for Workplace Relations Minister Julia Gillard said the decision resolved "unnecessary uncertainty" about the framework for making agreements. She added that the intention of the government had always been that "arbitration is not a mandatory step, and this is a matter for the parties to agree in bargaining". "The government encourages parties to provide for a final, binding stage in their disputes process, as we believe this an effective way of avoiding unnecessary disputes, but the act clearly does not compel this and does not impose a one-size-fits-all model," she said.

ACTU secretary Jeff Lawrence said the decision was disappointing. "Unions opposed the appeal by Woolworths because it is important for workers and employers alike that all agreements have an effective mechanism to resolve disputes quickly and efficiently," he said.

"Commonsense has prevailed in [the] decision by a Full Bench of Fair Work Australia (FWA) to overturn the earlier damaging decision in the Woolworths Case," Australia Industry Group Chief Executive Heather Ridout said. "The original FWA ruling was both flawed at law and inconsistent with the spirit of the legislation. We are pleased that there is now clarity in this matter as the original ruling had enormous implications for business and the economy and put at risk hundreds of enterprise agreements. Ai Group intervened in the proceedings and argued that employers and employees need to maintain the right to choose whether or not they want to grant compulsory arbitration powers in their enterprise agreements. This important right has now been recognised and preserved by the Full Bench.

"Employers were alarmed in January when Commissioner Greg Smith of FWA refused to approve an enterprise agreement applicable to Woolworths Limited because of the wording of the dispute settling procedure in the agreement. The Commissioner decided that this meant that dispute settlement procedures in agreements need to provide for the arbitration of disputes if any of the parties to the agreement want it and cannot limit arbitration to circumstances where all parties agree. During the development of the Fair Work legislation, employers were deeply concerned with the prospect or potential for any expansion of compulsory arbitration either when enterprise agreements are being negotiated or under dispute settling clauses of agreements which have been made. Ai Group is strongly opposed to compulsory arbitration because it is antithetical to enterprise bargaining which is fundamental to productivity growth.

"Today's decision importantly preserves the flexibility for employers and employees to decide what dispute settling role they want to give to Fair Work Australia in their enterprise agreements," Mrs Ridout said.

Germany: metalwork pay deal to "save jobs"

Mid-February, metalworkers' union IG Metall reached a provisional agreement with employers for some 700,000 workers in the state of North Rhine-Westphalia. The

agreement includes a pay freeze with a one-time payment of €320 for 2010, with plans to raise wages by 2.7 percent in April 2011. The two sides also agreed early in the discussions to secure jobs for employees in Germany's most populous state by lowering the costs of a reduced working hours programme. To avoid laying workers off companies will be able to reduce their hours to 28 hours per week for six months. Metal industry employers' group Gesamtmetall President Martin Kannegiesser spoke of an "impressive signal of joint crisis management," adding that the branch had never reached such an agreement so early in negotiations. "There's nothing more ambitious than securing jobs during the biggest economic crisis of the last 80 years," said IG Metall head Berthold Huber. The agreement will now serve as a template for negotiations in the metalworking and electronics industries in other regions in Germany, covering some 3.4 million workers.

European HR Barometer: New needs of people managers for tackling post recession challenges

A study designed and carried out for the European Club for human resources (EChr) by Hewitt Associates reports that Human Resource (HR) leaders anticipate "a better but still challenging outlook" for 2010. On the upside, corporate growth plans are putting back more focus on selected human capital development measures – including the prospect of newly created qualified jobs – as well as the opportunity to measure and leverage HR's value to the business more effectively. On the downside however, concerns remain regarding productivity gaps, workforce adequacy, and rigorousness in people management policy implementation.

Leonardo Sforza, head of EU affairs and research at Hewitt Associates and author of the study, presenting the results at a conference in Brussels said:

"Our study of European HR leaders shows 2010 emerging as a true year of transition during which companies are looking to improve their competitiveness and prepare for a post-crisis environment. This is leading to a greater balance between more 'defensive' measures – such as those aiming to reduce production, workforce costs and capacity – and 'growth' initiatives aiming to upgrade productivity, talent and leadership capabilities, or to explore new opportunities for mergers and acquisitions."

Sforza added:

"For many HR leaders the 'exit' strategy from the crisis does not (yet) mean the 'entry' into new models of management, but rather a greater focus on operational performance. However, a rigorous and timely execution of HR policies is not enough to support long term business success. The competitive advantage of an organisation will also depend on its ability to articulate innovative people management policies in anticipation of emerging business paradigms that affect the world of work and change the way business operate."

Jean-Pascal Arnaud, Vice President for HR and Communication at Chantelle Group, commenting on the results of the Barometer at the Brussels' conference, said:

" This 5th survey reveals a clear reinforcement of the HR function in its ability for addressing most of the business and financial expectations, by solving short-term requirements and still maintaining globally the coherence of corporate engagement vis-à-vis employees. The question remains: what do we learn from this financial turmoil experience? We have to increase our strategic partner position with consolidated 'measuring' capacities, with a

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stronger leadership on communication and innovation. HR leaders' leitmotiv for the year ahead should be: let's work better together!"

Key findings of this year's study include:

Overcoming the downturn

While respondents have a more positive outlook for 2010 they still remain very cautious on the prospects of expansion. The proportion of companies foreseeing a reduction in their workforce remains high (44%) – but it is significantly less than in last year's survey (71%). Meanwhile, companies that expect to add new jobs have increased from 8% in 2009, to 20% in 2010, with 37% expecting to maintain the same level of employment.

Revenues and investment are expected to grow at a better pace than last year, but for the majority of companies these remain in the single digit range. Companies planning investment increased from 4% last year to 16% in 2010, while those planning a contraction in new investment decreased from 34% to 16% in 2010.

The sentiment of respondents on 2010 business results has improved by 20% compared to last year's survey. However the impact of the economic downturn and the uncertainty around the timing and scope of recovery were expected to continue affecting business results (56%), their HR programmes (38%) and, to a lesser extent, their own standard of living (15%). Only 8% said that the slowdown of the economy will have no impact on HR activities in 2010.

The impact of measures taken in 2009 to face the recession has been assessed by almost all respondents and results seem to match the plans. 62% of respondents claimed to have reached more than half of their planned objectives, while 27% of companies have achieved all targets. Only 4% of companies said that they had missed the majority of target objectives.

Although work force reduction is still underway for approximately half of survey respondents, the identification and implementation of productivity improvements is at the top of the list of post-recession measures – chosen by 59% of respondents. The reinforced interest shown for opportunistic hiring of top talent (52%), and targeted leadership development (49%) gives a sense of the change of emphasis in business plans. These two measures now top the list of improvements with both having grown by 20% compared to last year's results.

Pressure on cost reduction continues to influence HR agenda

Pressure on cost reduction is confirmed as the most influential factor for the second consecutive year. Challenging profit targets, changes in the company culture and organisation and talent shortage also continue to be among the top drivers of HR policies. These are all signals of the reinforced consciousness of an HR function that needs to cope with a highly competitive and fast changing business environment in terms of market and of critical work force capabilities.

These factors are expected to have an impact on new business competencies to be developed by HR – moving from sixth position last year to first this year – and, as in the past, on HR processes and on the way HR measures its value to the business. The size of HR departments seems to have stabilised and is less under question compared to last year.

HR's priorities

The top three priorities on the HR agenda for the period 2010 to 2012 remain stable with an even greater emphasis on core human capital issues, namely: leadership development (mentioned by 46%), employee engagement (39%) and talent retention (32%). As a fourth

priority, the focus will be on improving the assessment of what HR does and how it adds value to the business. This is also the area where HR leaders seem to be most keen to have further support and fill their current gap in terms of delivery capacity.

When judging its own performance against business expectations, HR acknowledges that there is large scope for improvement in HR strategy and execution, and in all other 26 different people-related activities under analysis. In 16 of these activities – increased from 11 in last year's survey – the majority of respondents admit to performing below expectations. The most frequently mentioned areas of excellence continue to be those related to statutory compliance issues, such as health and safety at work, employee data-privacy, industrial relations and non-discrimination. But also in these best performing fields, in particular in relation to non-discriminatory practices, the proportion of companies acknowledging the gap has increased from 15% last year to 36% this year.

The weakest fields where HR assesses itself as delivering below target are in relation to: HR metrics (77%), work/life balance programmes (75%), management of intergenerational diversity (62%), consistency of HR policies across countries (62%), and employee communication (59%).

The traditional range of people and internal "customer" tools are generally preferred by HR to measure the business impact of their activities. Employee engagement surveys emerge this year as the most commonly used tool. However, the proportion of companies that due to lack of resources do not use HR metrics at all, has increased from 8% to 18% this year. Meanwhile, there are 35% of respondents that are still looking for relevant quantitative tools. These results further explain the weak performance mentioned above in the same area.

A majority of respondents expect significant changes in HR capabilities and competencies within the next three years, in particular in relation to change management, processes and operations and strategic advice to management. On the contrary, only one fifth of respondents expect changes in the functional area of expertise required to handle compensation and benefits policies.

HR, a fully engaged business partner

This year there is a steady improvement in the level of satisfaction of HR directors with regard to their job and current employer - almost back to the pre-crisis mood. 92% of respondents do not wish to move to another function outside HR, and 87% do not wish to change the company they work for. Moreover, only 7% of them admit to often experiencing a tension between their personal values and the daily practices within the business; while the majority of respondents do not see any major conflict.

HR Leaders look for innovative EU measures to foster people employability

The greatest emphasis and demand from HR leaders to the new EU institutions in office is for the launch of a new European growth plan that would foster innovation in education and research (66%).

The second most compelling request is related to the review and modernisation of the European Union labour laws into a consolidated and simplified EU labour code (56%).

The third priority to beef up the EU policy agenda for HR is for a new initiative that would promote the acquisition of new skills and workforce mobility to reduce unemployment (48%).

The majority of HR executives (63%) continue to hold a generally positive perception of the impact of the EU on their country's economy, but that positive perception has declined by 12% compared to last year while the negative sentiment has increased from 9% in 2009 to 21%. More limited is the proportion of those that see a positive effect of the EU on their

company (also declined from 57% to 48%) and on their own life (from 58% to 52%).	
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