news@globalhrnews.com
www.globalhrnews.com

VOL. 6 / ISSUE 1
US $10

GlobalHRNews™

World Trade's Effect on Company Strategy, Employees & Cultures

Dale Welcome

INTEL

"Our vision is to deliver value to Intel through our workforce mobility solutions."

Read more on page 14

WHAT'S INSIDE:

PUBLISHER'S DESK

Content is "king"

Content is my "king", as the saying goes. It's all about the customers and trying to serve, trying to be helpful, by coming up with content that would be helpful to the corporate HR professional; helpful to the experts in tax, legal, finance, and management; and helpful to the global service industry - the suppliers.

With regard to our publications and training conferences, we live by this quality credo. In GLOBAL HR NEWS all of the articles, news and information are assembled, then certain items are selected, edited, produced in a working-layout; then re-editing happens and a new working layout is produced for review and possible more editing and refinement. Upon completion of all this, eventually a final layout is produced for final review and if OK then it is prepared electronically for the printing and then the edition is published and finally distributed globally in-print by mail/courier and at industry conferences and trade shows, and also online via www.globalhrnews.com . The above process essentially describes a manufacturing work-flow. It is financed primarily by advertising sales.

Apart from that, I have learned a lot from producing conferences; about the industry and about the topics being discussed, about the faculty and their knowledge and insight, about the business of conferences and a multi-media approach, and finally, I'm learning a lot about myself.

Conference Content production is similar to publishing a magazine with respect to organizing things and with respect to the orchestration of pre-conference tasks and many details. However, the "staging" and the "delivery" elements are what makes a conference production very different from a magazine publishing. Very briefly for this column, I see a conference as a "live event", essentially a theatrical production. Think about the talent aspect, the story lines, the session-pacing and time-flow, all kinds of technical aspects, the aspect of "playing to the audience", presenter presentation skills, overall content coordination and event direction, financing the project, marketing and business administration, and in the end, developing and maintaining audience acceptance. In the post-production phase I take what I learned from the production and try to adapt and make adjustments for the next one.

Content is indeed my "king". It's a process of continuous research and continuous improvement.

GlobalHRNews
Globalization's Effect on Company Strategy, Employees & Cultures

CONTENTS

GlobalHRNews 7910 Ivanhoe Avenue, Suite 432, La Jolla, CA 92037
PHONE 619.787.3100 EMAIL news@globalhrnews.com WEB www.globalhrnews.com
EDITOR & PUBLISHER Ed Cohen DESIGN & PRODUCTION Jill St. Michael

Xavier Patrick "X Pat" Moose

 xpat.moose@livingabroad.com

ADVERTISERS

EDUCATION RESOURCES

Insufficient International Schools Worldwide:

Are New Schools the Answer?

by ELIZABETH PERELSTEIN, President
SCHOOL CHOICE INTERNATIONAL • liz@schoolchoiceintl.com

Whether your clients are moving to New York, Shanghai, Singapore, Dubai, Moscow, or Mumbai, the demand for quality education outstrips the supply of suitable school places for families in transition. In response, there has been rapid growth in the number of new schools being opened internationally by entrepreneurial, for-profit franchises that have the ability to launch on short notice.

ARE THEY THE ANSWER?

These new schools certainly have alleviated waitlists in locations where numbers of student places were limited and one or more companies have expanded quickly, with insufficient time for schools to grow organically to absorb the increase in population. New schools definitely relieve the burden of inequality between demand and supply, ensuring there are adequate numbers of seats in schools in certain prime destinations. Corporations and destination service providers are cautiously optimistic as past overtures towards schools requesting ways to jump waitlists and circumvent the traditional processes have met with little success in the international school arena. There are simply too many suitable students competing for limited places for one company to be favored over another.

However, new schools are not met with unqualified enthusiasm by families. Parents expect that it will be difficult to get a place at a "good" school and therefore a school that is easy to get into, is necessarily suspect. We live in an age where information is readily available. And often, publicly reported rankings contribute to a school's reputation. For new schools, with no track record, or ongoing school placements to boast, this may be an insurmountable problem unless the parent company has an established reputation, like Dulwich College in Shanghai or Repton School, in Dubai. Having devoted years to orchestrate their children's first educational experience, relocating parents are unwilling to take risks on their offspring in this child-centered age. Even reputable school chains, such as Dulwich College, may have issues in some locations, as their 7-year attempt to run a school in Phuket revealed when they precipitously pulled their name from that franchise, leaving it the "British International College of Thailand" in 2005.

WHAT DO PARENTS WANT?

Most parents want equivalent schools to those they would have sent their children to at home and are wary of new schools. Parents who will consider a new school are relatively rare. I always have been fascinated by families attracted to new schools – particularly those who choose new schools when turning down places in longstanding schools with fine reputations. These families tend to be more entrepreneurial, or risk taking, seeking the kind of community that only comes with sharing a meaningful experience together. Some parents like to have an impact on hiring of teachers and administrators, shaping the educational program, building playground equipment by hand and being involved in their children's school, not simply their education, in a significant way. These are very different types of families than those who will choose a school based on reputation or hearsay alone.

But these families are atypical and few parents feel confident in their ability to judge underlying quality of education, relying instead on tangible, quantifiable measures that new schools cannot yet offer. As a result, when it comes to new schools, even under duress, not all parents buy-in. Although they may not understand all the intangibles, today's parents are demanding with regard to their children and savvy when it comes to standards. Few are easily swayed by luxurious facilities and smooth sounding curricula. They want to see track records; they want proven results.

WHAT DOES THIS MEAN FOR INTERNATIONAL TRANSFEREES?

The new, for-profit schools will only resolve the waitlist crisis if they can be vetted. Sophisticated parents who have spent years investing in the process of getting their children into the "right" schools, want reassurance that the new schools will provide quality education to prepare their children effectively for the next level of education and keep them on track for repatriation.

Families need to know that they are making thoughtful decisions, rather than putting their children in schools out of fear, knee-jerk reactions, or because of limited availability. New schools need to be evaluated against the family's own criteria. Parents need to know they are in knowledgeable hands of experts who can point out pros and cons of new vs. old schools, showing them an array of schools on look-see visits. These should include both old and new alternatives, and making sure families know what kinds of factors to look for in making their own determinations.

Families will want an honest assessment of the risks and tradeoffs they may be getting into when enrolling in a school. I would, under no circumstances, counsel families to avoid all new schools. Nor do I think that longstanding schools, as a rule, are superior to new schools. Just as is the case with children, schools must be judged on an individual basis. I like to provide parents with the pros and cons of every alternative and help them to make a decision that suits the value system of their family. What is important to me, as an educational consultant, is to provide an even-handed portrayal of both sides of the argument.

As School Choice International consultants, it is our job to understand the generic pros and cons of new vs. existing schools, and to be able to quickly observe signs of quality vs. signs of superficial lip service to a new "educational trend," without genuine commitment behind it. These are some of the factors we consider.

HOW DO YOU EVALUATE A SCHOOL?

The broad parameters to work within are:

CONTINUED — PAGE 36

NEWS

Shorter Assignments and Outsourcing Grow

NEW YORK — Globalization is continuing to force companies to reexamine their international assignment programs, as companies increasingly find these programs are too costly and time consuming to administer, according to the results of KPMG's 2007 Global Assignment Policies and Practices Survey, conducted by the International Executive Services practice of KPMG LLP, the audit, tax and advisory firm. Short-term assignments (STAs) also are increasing as companies are taking a more global approach to doing business. Of the 348 human resources executives surveyed, 49 percent believe international assignment programs "take too much time and effort to administer," up slightly from last year's results of 48 percent. A slight increase in respondents, 40 percent, also thought their international assignment programs are "more generous than they need to be," compared to 38 percent in 2006.

"Despite the U.S. dollar valuation, companies have legitimate business reasons to keep investing in international assignments, but it's no surprise that companies also are looking to trim assignment expenses," said Achim Mossmann, managing director of Global Mobility Advisory Services in the International Executive Services practice of KPMG LLP. "International assignments are here to stay, so the most forward looking companies would be wise to develop ways to administer them more cost effectively using technology and conducting extensive pre-planning due diligence."

The number of companies sending international assignees on STAs continues to trend upward, with 80 percent of those surveyed utilizing this option. According to the results of KPMG's Extended Business Traveler-Short Term Assignment Survey (EBT-STA Survey) announced in September 2007, 38 percent of corporate respondents in that survey expected their use of STAs to increase over the next 18 months.

"The increasing number of short term assignments supports the notion that we are in the midst of a paradigm shift in which we see more companies operating globally," said Ben Garfunkel, national partner in charge of KPMG LLP's International Executive Services (IES) practice. "As more companies transition to a global approach and conduct more business in regions all over the world, international assignment programs need to change to fulfill the business needs required to move their workforce globally. This requires flexible yet consistent policies to ensure competitiveness as well as compliance."

While companies have utilized EBTs and STAs for quite some time, there is an increased focus on the compliance risks associated with these assignments. The EBT-STA survey revealed that 88 and 94 percent of respondents were concerned with compliance risks associated with EBT assignments and STAs respectively. Furthermore, the survey revealed that 50 percent of companies have a compliance framework in place to deal with STAs, while 28 percent are in the process of developing one and 16 percent acknowledge the need to develop one.

As more mid-sized companies send employees abroad, in some cases for the first time, they frequently turn to outsourcing to help manage their international assignment programs. The 2007 GAPP Survey found that, among companies with $500 million or less in revenue, the program functions most frequently outsourced include tax compliance (78 percent), assignment orientation sessions related to tax (72 percent), and immigration/work permit assistance (67 percent).

When asked to select the top reason for outsourcing, 78 percent of companies in this revenue range said to gain access to a service provider's global resources and expertise and 21 percent said to improve service quality and efficiency.

"With increased globalization, companies need to better understand how their international assignment programs will be impacted and how these programs can be utilized to meet their changing business needs," said Mossmann. "They may be leaving money on the table if they are slow to adopt techniques that could systematically achieve greater costs efficiencies and fail to see return on investment as a key goal for their assignment programs."

KPMG's International Executive Services practice provides comprehensive compliance, advisory and administration services, including international assignment program operation, tax and Social Security compliance, outsourcing and technology.

KPMG LLP, the audit, tax and advisory firm (www.us.kpmg.com), is the U.S. member firm of KPMG International. KPMG International's member firms have 123,000 professionals, including more than 7,100 partners, in 145 countries. ■

CORT acquires UK's Roomservice

FAIRFAX, VIRGINIA — CORT (NYSE: BRK.A and BRK.B), a Berkshire Hathaway company and the leading furniture provider in the "rent-to-rent" industry in the United States, has acquired Roomservice Group as part of an expansion into the United Kingdom. Roomservice is the UK's leading furnishing solutions provider with over 20 years of experience in designing and furnishing commercial and residential property interiors. The new UK operation, Roomservice by CORT, is CORT's first international acquisition in the company's 35-year history. Roomservice by CORT will provide furniture rental and design solutions for residential and commercial properties. In addition, the business will continue to provide furniture rental services to multi-national corporations, relocation service providers and their agents to support the relocation of international assignees. The acquisition followed a long standing relationship between the two companies. Roomservice, a member of CORT's global partner network in 50 countries, was CORT's preferred provider in the UK for the past six years, doing business primarily in London and the surrounding region.

Jeff Pederson, President of CORT, commented, "The purchase of Roomservice is our first acquisition outside of the U.S. and clearly demonstrates our commitment to developing our global network of furniture solutions and relocation services. We believe our new UK operation will be ideally positioned to capitalize on a number of growth sectors, including the increased interest in institutional ownership of residential property." ■

LEGAL

US Government Issues Revised Form for Employment Eligibility Verification

by CYNTHIA J. LANGE, Managing Partner and NADIA H. YAKOOB, Attorney FRAGOMEN, DEL REY, BERNSEN & LOEWY, LLP

In a long awaited move, the U.S. Citizenship and Immigration Services (USCIS) issued a revised Form I-9, Employment Eligibility Verification, which employers must begin using as of December 26, 2007. On November 7, 2007, when it released the new form, USCIS instructed employers to immediately begin using it, but granted a 30 day transition period during which they would not be subject to fines and penalties. This transition period started on November 26, 2007 and ends on December 26, 2007.

All new employees (including U.S. citizens) must complete an I-9 to verify their identity and work eligibility at the time they are hired. The form is not submitted to the government. Instead, employers must retain completed I-9 forms until after the employee's termination (three years after the employee's date of hire or one year after the date that employment is terminated, whichever is later). Form I-9 may be completed and stored as a paper copy or can be stored electronically. USCIS issued the revised Form I-9 to reflect a reduction in the number of documents employers may accept as verification of employment eligibility brought about by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996.

The revised Form I-9 removes five documents from List A, Documents that Establish Both Identity and Employment Eligibility and adds one document to List A.

The following five documents were removed from List A: (1) Certificate of U.S. Citizenship (Form N-560 or N-561); (2) Certificate of Naturalization (Form N-550 or N-570); (3) Alien Registration Receipt Card (I-151); (4) unexpired Reentry Permit (Form I-327); and (5) unexpired Refugee Travel Document (Form I-571).

The new List A includes: (1) a U.S. passport; (2) a Permanent Resident Card (Form I-551); (3) An unexpired foreign passport with a temporary I-551 stamp; (4) an unexpired Employment Authorization Document that contains a photograph (Form I-766, I-688, I-688A, or I-688B); and (5) an unexpired foreign passport with an unexpired Form I-94 Arrival-Departure Record showing nonimmigrant status and authorization to work for the employer.

Human Resources Professional should know that the revised list of acceptable documents applies to both new hires and reverification of existing employees. Employers are not required to complete new Form I-9s for existing employees unless and until the employees are subject to reverification. The Form has a revision date of June 5, 2007 in the lower right hand corner and is available on the USCIS website at www.uscis.gov/files/form/i-9.pdf.

NEWS

Fragomen's 10 New Partners

Largest Group Ever Elected To Firm

NEW YORK — Fragomen, Del Rey, Bernsen & Loewy, LLP (Fragomen) has announced the election of ten new Partners of the firm, the largest group of attorneys ever elected to the partnership at one time, effective January 1, 2008. This exemplary group of attorneys highlights the diversity of Fragomen. Their knowledge, experience and geographic presence enable them to provide outstanding guidance to clients around the world. Fragomen congratulates the following individuals on this well-deserved accomplishment.

Scott E. Bettridge (Miami): Mr. Bettridge earned his undergraduate degree at the University of Tennessee (B.A.) and received his law degree from the John Marshall Law School (J.D.). Mr. Bettridge has spent his entire career at Fragomen, working in the New York and Santa Clara offices, before relocating to the Miami office. Mr. Bettridge is admitted to practice law in Georgia, and is a member of the American Immigration Lawyers Association.

Chad Blocker (New York): Mr. Blocker attended the University of Colorado at Boulder (B.A.) and is a cum laude graduate of TulaneUniversity Law School. Mr. Blocker is admitted to the Bar in Colorado and Texas (inactive), and is a member of the American Bar Association, the Colorado Bar Association and the Texas Bar Association. He is also a member of the American Immigration Lawyers Association.

Steven Brotherton (San Francisco and Washington, D.C.): Mr. Brotherton is a graduate of Auburn University (B.S.) and he received his law degree from the University of Alabama (J.D.). A member of the California Bar, Mr. Brotherton manages the firm's Export Controls Practice Group. He is also a member of the Society for International Affairs and American Bar Association, Export Controls and Economic Sanctions subcommittee.

Mark Buchanan (Singapore): Mr. Buchanan holds a LLB (Hons) degree from Nottingham (Trent) University in England and a Diploma in French and Norman Law from the University of Caen in France. He is also a Barrister-at-Law of England and Wales and a Singapore Advocate and Solicitor. Mr. Buchanan is a member of the Law Society of Singapore, a member of the Singapore Academy of Law, a member of Inner Temple (London), a member of the General Counsel of the Bar (England and Wales) and a member of the American Chamber of Commerce in Singapore.

Amy C. Cococcia (New York): Ms. Cococcia received her B.A. from Tufts University and her J.D. from Brooklyn Law School. She is admitted to the bar in New York, New Jersey, the U.S. District Court, Eastern District of New York, and the U.S. Supreme Court. Ms. Cococcia is an active member of the American Immigration Lawyers Association, the Federal Bar Council, and the Association of the Bar of the City of New York.

Susan Ellison (Boston): Ms. Ellison is a graduate of Ursinus College (B.A.) and she earned her law degree at Boston College Law School (J.D.). She is admitted to practice law in New Jersey,

CONTINUED — PAGE 43

COVER STORY

Dale Welcome

Global Workforce Mobility Manager

INTEL

GLOBAL HR NEWS: Would you please tell us briefly about Intel today and particularly, about your career with the company, your current position, and your responsibilities?

DW: Today, Intel is the leading manufacturer of microprocessors in the semiconductor industry. Intel is widely recognized for its "Intel Inside" as the leading microprocessor in personal computers. Intel has also been expanding it business into mobility, consumer electronics, healthcare, and servers.

Regarding myself, I have been with Intel for over ten years. My career has spanned many roles but first began in finance managing US payroll operations. During my tenure in payroll, Intel's domestic employee base grew over 55% in less than three years.

Looking back, my first role in HR was actually just a shift of moving payroll from a finance function to HR. I was part of a leadership team that formed a new HR group called "Employee Services." We formed a new organization made up of transaction-related employee facing functions, e.g. payroll, retirement programs, stock programs, employee call centers, relocation, health benefits, etc., and brought them together into one global organization. Our objectives were to improve quality of service delivery, improve employee satisfaction, and reduce costs. Overall, we were quite successful to accomplish what we set out to do.

I want to say that one of the things I really love about Intel is that it provides lots of opportunities to move around in different roles in your career. My next roles were managing a global HR enterprise application re-engineering and human capital software upgrade project and then moved into IT to manage HR business applications.

Finally on this first question, in May of 2006, I returned to HR to form a new group; Global Workforce Mobility (GWM). Intel and HR wanted to get serious about improving its service-delivery and improving costs related to moving employees around the globe. As a result, we combined the global relocation, immigration, employee expense reimbursements, and global travel functions into one organization. This is the group I manage today. This is by far the best job I have ever had in my career. I tell people that I have the best job on the planet because I get to work with people from all over the globe and travel extensively, while having a very tangible impact to Intel's business operations.

GLOBAL HR NEWS: What are your top objectives for '08?

DW: Our vision is to deliver value to Intel through our workforce mobility solutions. We do that by moving Intel talent around the globe to get them at the right place, at the right time, at the right cost. In that process, we are also extremely focused on keeping Intel legally compliant while doing business in a global economy across many countries but also keep our employees and their families safe and secure.

Our key objectives for 2008 are to focus on GWM being a key enabler to leadership and talent development for Intel, deliver our services seamlessly with high satisfaction to our customers, and maximize the ROI of Intel's investment in moving people around the globe.

We have a real challenge in balancing the cost of delivering our services with Intel's business group objectives, and, the employee and their families.

Who are my customers? Our customers are really made up of three groups; Intel shareholders, i.e. we must do what is right for the company; Intel business groups; and the employee and their families.

Sometimes the concerns and objectives of these three customer constituencies conflict and we have to balance doing what is right for Intel shareholders and business groups while taking good care of our employees and their families.

GLOBAL HR NEWS: Would you please describe your staff and the organization? What are the key staff responsibilities?

DW: I have a very interesting and diverse staff. I have managers in the US, UK, Israel, India, and China. It makes for interesting time zone challenges for staff meetings.

My staff is made up of operations managers, a group of individual contributors that work on key initiatives and strategic activities, and a technical systems and controls manager.

One of the key elements I am very proud of is that, in addition to my organizational staff, I have a number of functions outside of my direct organization that also are a part of my staff. We view workforce mobility from a holistic approach. My key internal business partners, such as Compensation & Benefits, Expatriate Tax, and Purchasing, all have an equal seat on my staff. These functions are critical to workforce mobility delivery of services from design of our relocation policies, to the tax services, and, to management of our many contracts and suppliers. Each of these functions has a representative that comes to all our staff meetings, either virtual or face-to-face, and fully participates in our decision-making process. It has been a highly effective, holistic approach to managing this business and, while some of the functions come from different business groups, we operate as if we are one single organization.

I am fortunate to have some very talented people to work with through this broader organization.

GLOBAL HR NEWS: Very interesting and actually, your information are inspirational to me and likely will be to our global readership. Now, looking back to the "earlier days", did you have a mentor or coach who you remember today to be particularly influential (one way or another) on you and how you have developed as a leader?

DW: Through my early days at Intel and over my career, I have had several "mentors" and leaders that I really learned from. Many of these people are still with the company today and I still look to them for advice, counsel and input.

GLOBAL HR NEWS: Will you please describe some of those influential "lessons" or elements that you still apply today in your work-life?

DW: The key element I learned was that Leadership is everything when managing to get results. Leadership is about influence and getting results. As a leader, you get work done through other people; often people who are smarter and more creative than you. Most importantly, the keys are to build relationships, communicate, put the right people around you, motivate and harness this capability to move everyone in the right direction. Until I came to Intel, I underestimated the power of leadership and the results it can generate.

GLOBAL HR NEWS: What was pivotal in your career that told you to make a career out of International HR?

DW: Since my university days, I have always had in the back of mind a desire to do a global job that required experiencing cultures, languages, and geography. While my degree is in accounting and I am a CPA by training, I was befriended by a professor that turned me on to Asia and Chinese history. I studied Asian history quite a bit in university to the point where my wife wondered if I would ever graduate with an accounting degree. As I progressed through my career, I kept looking for that opportunity to work globally and finally found it with this workforce mobility role. And I love it.

GLOBAL HR NEWS: Now about your international population today and assignment types: Please describe some of the positions and/or job functions of your population.

DW: Our assignee population roles are made up of technical, manufacturing, leadership and management, sales & marketing, and administrative roles.

GLOBAL HR NEWS: How many expats do you now manage across the world?

DW: Today, we have approximately 1,300 expats currently on 2-way international assignment today. In addition to the international 2-way moves, Intel has approximately 350 assignees on 2-way US domestic moves, generally as part of our technology transfer, training, or factory ramp.

In addition to 2-way international assignment moves, we also manage a large volume of 2-way US domestic moves as well as 1-way moves, largely in the US but also 1-way moves in China.

We managed over 2,400 1-way US domestic moves in 2007 and over 200 1-way moves outside of the US.

Since GWM also does immigration, employee expense reimbursements, and global travel, we also manage significant volumes of Work Permits and Visas, global travelers and business expense reimbursement payments to keep our employees moving globally to be at the right place at the right time to get the work done.

GLOBAL HR NEWS: As a direct follow-up, are they all on a "standard" assignment? If not, what percentage would you say are on a shorter-term assignment, say for 1-year or less?

DW: For 2-way international assignments, we presently have approximately 46% of our assignees on short-term, less than 1-year assignments and 54% on longer than 1-year assignments.

GLOBAL HR NEWS: Are assignments for females different than typically for males?

DW: Assignments for males versus females really do not differ. The assignment is determined by the job or leadership capability needed, overall business group objectives and who might be the best fit for the role. Once a candidate is selected, we have standard policies for our assignees with exception processes so that provisions can be customized to meet the individual and / or family needs of the assignee where possible.

GLOBAL HR NEWS: What are your thoughts about HR Management today and in 08 relative to "Employer Branding" and Assignments, recruitment and retention policy, the issue of Corporate Social Responsibility?

DW: Historically, Intel has used assignments for getting specific talent in the right location, ramping new sites, project management, and technology transfer. Going forward, my group is working closely with Intel business groups to drive a more strategic approach to using international assignments. Employer branding, employee value proposition, recruitment and retention are all important factors and drivers for using international assignments. The benefit is for both the employee and the company in that the employee grows and develops new capabilities to enhance their career and the company benefits by leveraging these new capabilities. It is a win-win.

GLOBAL HR NEWS: About Leadership Development... what are your thoughts? Is an international assignment really vital to career success?

DW: I am a firm believer that international assignments can play a key role in career development. We are in a global economy that requires the ability to do business in many cultures, countries, and social environments. Our business leaders need to have the savvy and skill to successfully operate in these environments. These skills can't be learned in a classroom or by some training. They must be learned on-the-job and actual on-the-ground experience. An international assignment is a very viable and tangible way to gain these types of skills.

CONTINUED — PAGE 43

MANAGEMENT

Career Success: Personal Branding 101

The melding of your name and what you do best builds recognition and demand for your work

SCOTT HAMILTON and RON WOLF
JPA-ALLIGN • 888.857.9722 • scott@allignteam.com

If a shark stops swimming, it sinks. Constant movement is required for these legendary creatures to reign supreme at the top of the marine food chain.

Careers follow a similar pattern. Without movement, it's all too easy for a career to sink into oblivion. That's why smart executives are proactive in managing their careers, keeping a sharp watch for new opportunities that will propel them onward and up.

Developing a personal brand is a key component in keeping careers buoyant. Just as a commercial brand differentiates a product from all similar products in the field and makes it memorable to consumers, a personal brand captures for employers your "motivating difference" – what is it that makes you unique.

Executives who embrace personal branding recognize it as the launch pad that will place them in the path of potential employers. Even if you're satisfied in your current job, consider a personal brand with an eye toward the future. Ideally, you should always be in the position of having to turn down job offers. If the offers aren't coming in, it may be a sign your career is stagnating.

EXPERIENCE IS NO LONGER ENOUGH

A brand is your promise of what makes you different. If you've ever had a burger made your way, nibbled on candy that melts in your mouth and not in your hand, or drank a cup of coffee that was good to the last drop, you've experienced the power of branding. A powerful personal brand can shape not only how others see you, but even how you perceive yourself.

Think about the words or images that pop to mind when you think of a Steve Jobs, Bill Gates, Carly Fiorina, or Jack Welch. Each brings an indelible stamp of recognition to the table. Boards, shareholders, and employers of today want more than a strong resume—they're seeking distinction from those they hire.

Look at the people around you. What do you do better than them? What makes you more capable, a better choice to lead a team or a project? If you don't know the answer, you can guarantee your boss doesn't either.

5 STEPS TO CREATING YOUR PERSONAL BRAND

To create a branding strategy requires that you know who you are, your talents and core values, and the uniqueness of your history and experience that will add value. Use the steps below to begin the process of finding and forming your personal brand.

1. Identify "Moments of Purpose"

Moments of purpose are those times in your career or personal life when you know you're doing exactly what you were meant to do. List up to ten "moments of purpose" when you were at the top of your game. What do the moments have in common? What were you doing, who were you with, and what qualities came forth that made you select these specific events as examples of you at your best? The commonalities will point you toward your dominant strengths to be used in your branding strategy.

2. Practice Courageous Canvassing

Others must see your personal brand as authentic and not something made up just to market yourself. You'll want to interview decision makers and key contacts within your industry and outside it. Solicit input from former employers and co-workers, peers, family, and managers. Prepare a list of questions. Decide ahead of time what insight you're seeking to gain through the answers. Do you want an honest evaluation of your leadership skills? Feedback on how others see and respond to you? Ask others to list words that best characterize you. (You may want to give them a list with both positive and negative words already listed.)

3. Determine Your Unique Value

While it's natural to want to present a laundry list of accomplishments, branding is about being specific. People won't remember a list—they need you to provide them with the one trait or ability that makes you unique. That's what they'll cue in on and that's what they'll remember.

To assist in determining your unique value, define your target market and competition. What branding tacts are others taking? How do your branding promises stand up compared to theirs? Ask yourself, what is the one thought you would like others to hold about you? This is your "unique value" and is what you'll integrate into every aspect of your brand dissemination.

4. Integrate Your Brand Into Your Life

To integrate a personal brand into your life, you first need to know where you're going. What are your career objectives? Where do you see yourself in five years? Ten? Does your personal brand—again, that unique value you bring to the workforce—track with your career goals? If not, what activities can you engage in to realign your brand or are you sure your stated goals are really what you want (and not just what you think you should want)? Once you're

CONTINUED — PAGE 24

GlobalHRNews™

presents

Corporate Citizenship Awards

"The two programs recognized in London are examples of CSR (Corporate Social Responsibility) that have something in common—they educate and develop young people in challenging international settings and in doing so to become more effective and productive adults. While both programs may be looked at as philanthropic, both programs provide significant benefits to their companies, benefits that the company considers to be well worth the investment," said Judson Scruton, Director – Global HR News *Corporate Citizenship Awards.*

"CSR is increasingly drawing the attention of companies and their HR professionals. We are delighted to be exploring and publicizing these trends and providing the global HR industry with best practice examples of international assignment programs and innovative management through our Corporate Citizenship Awards," said Ed Cohen, editor and publisher of Global HR News*."*

Editor's Note*: At the Euro Atlantic Conference in London on 28 November 2007,* Global HR News *was pleased to award Corporate Citizenship Awards to ACS International Schools for their Namibia Project and to Citi for their Microfinance Programme with the Prince's Trust. In this issue we will be describing the Award to ACS International Schools. Previous Award winners have been Pfizer, Inc., PricewaterhouseCoopers LLP, and Caterpillar, Inc. In our March-April edition we will present Citi and their award-winning, UK-based, Microfinance Programme with the Prince's Trust.*

PRESENTATION REMARKS BY JUDSON SCRUTON, DIRECTOR, NEW YORK & LONDON, *GLOBAL HR NEWS*

ACS International Schools Ltd. is a company that runs three international schools in the Greater London area. The schools have a wide variety of outreach and community service programs, several of which are supported by their charitable foundation. Programs such as their International Peace Prize contest, their internship program with the Orbis flying eye hospital, and their British Studies summer study/travel program are among these commendable programs. The specific program being recognized today, however, is the ACS Namibia Project.

Started in 1999 by the ACS Boarding School Heads Ann and Ryn Brandse as a team challenge in conjunction with the World Challenge expeditions, the project has evolved to contain an extensive outreach component. The project now takes a team of students each summer for four weeks in which they not only explore the Namibian countryside but build facilities and bring support to schools in Shituwa, Onangubu, Kutenhoas, and Peumba. For 18 months ACS students plan and raise funds for each expedition. They raise the money, research the destination, plan the itinerary and take turns leading the team when they are in Namibia. ACS students have built and refurbished classrooms, installed a computer with an internet access, taught local children, trained teachers, and done extensive fundraising and gathering of supplies for these Namibian schools. Teachers from

CONTINUED — PAGE 20

Left: On a nature walk on a Namibia sand dune; Right: Our group at a BBQ in Namibia.

• AWARDS – *CONTINUED*

Namibia have also been brought to ACS Cobham school in London to experience their cultures and educational methodologies. The ACS Namibia project is a strong example of the schools' emphasis on creating responsible global citizens, an emphasis that has substantial appeal to its diverse range of international families.

Global HR News is pleased to present a Corporate Citizenship Award to ACS International Schools for their Namibia Project. Accepting for ACS are Ryn Brandse and speaking on behalf of the program is a Namibia Project alum Alex Blom.

ACCEPTANCE REMARKS BY ACS STUDENT ALEXANDRA BLOM

[Trophy was accepted by Ryn Brandse who thanked the Atlantic Relocation Group for transporting supplies to Namibia . He then gave the microphone to an ACS student.]

My name is Alexandra Blom, and I joined my ACS World Challenge Group to Namibia during the summer of 2006.

Like previous ACS Namibia teams, in the months building up to our expedition we participated in a variety of projects in order for us to raise money to fund our trip. We decided that our first main project was raising enough money to bring over wind-up, solar powered radios and torches. This would enable the community to listen and learn about their country. Radios are not only there for entertainment. People in Namibia are now able to learn about new farming methods, ways to clean water, and ways to prevent AIDS. Through some of the technology we brought them, they are learning that an improved quality of life is possible.

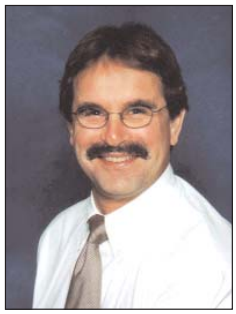
Our main project took place at Kutenhoas Primary School. Unbeknown to us at the time, this would be the poorest school we would visit. The children, the families, the community had nothing. The kindergarten was shut because of insufficient funds to pay the teacher; the boarding house was used by 50 children and two teachers; boys and girls shared rooms. Families had no food. Children had no toys. Our goal was to completely transform the area. Our 40ft container was filled to the very top. We evenly distributed everything we brought over, which included mattresses, books, toys, school supplies, bedding, and clothes. The boarding house was repainted—blue for boys, and pink for girls. Each child was given a bunk bed with a pillow, sheet, and duvet. Warmth at night was something they had never experienced. Toilets and bathrooms were fixed, so there was running water. The kindergarten was repainted, refurbished, and reopened, and the rest of the school received all the supplies brought over. Each family was given a bag filled with clothes for every member. Each child was given a brand new uniform—their very own—and a pencil case with necessary items for school. Each AIDS orphan was given a backpack personalised just for them. The poorest families were given sugar, salt, cooking oil and flour to last them at least 3 months. When we left, not only had we completely transformed the school and its people, they had changed our lives. We now knew what we were capable of and what a bunch of teenagers could do for a community. If we could achieve all this, what else could we do?

The main school where we believed technology would have the greatest impact was that of the Endola/Shituwa School. The goal of the 2006 World Challenge group was to provide computers. When we left, not only had we fulfilled our goal, but we left a sufficient amount of money for teachers to receive the basic training necessary for the computers to be used properly. But it was not until we were back in England that we decided that setting up an internet connection would benefit both schools and bring our two communities together. Hours upon hours in e-mails between Vodafone, Endola/Shituwa, and ACS finally made the connection a success.

Our 2006 group wanted to make our trip personal, but build on what groups before us had completed. Similarly the 2007 group was keen to carry on our projects, but they expanded them as well. They raised enough money to buy another computer for the Endola/Shituwa School and Schlumberger donated another four computers and promised to provide computers each school year from now on. Whilst in Namibia, the 2007 ACS student group spent time teaching the Namibian teachers all about important websites and how to exchange e-mails so that they can learn from and communicate with the world around them.

CONTINUED — PAGE 38

Left: A makeup session; Right: Handing out pencil cases.



MANAGEMENT

Business as an Agent of World Benefit

Going Green @ Maximum Velocity

by DAVID COOPERRIDER, Professor and Chairman of the Department of Organizational Behavior
WEATHERHEAD SCHOOL OF MANAGEMENT, CASE WESTERN RESERVE UNIVERSITY
David.Cooperrider@Case.Edu

Why are 'firms of endearment"—rising industry leading stars that have created huge emotional bonds with the world such as Toyota, Whole Foods, GE, and Green Mountain Coffee Roasters—generating investor returns at a rate of some 1,026 percent over a ten year period compared to 122 percent for the S&P 500; more that a 8-to-1 ratio!

It's because going green is a magic. It's a productivity engine. What happens, in a nutshell, is a leap in human energy. What happens is an eruption of human imagination. What is generated is a culture of innovation, hope, and a powerful sense of purpose, meaning, and value.

The untold story about the companies embracing sustainability is really an HR story. It is all about the kind of supercharged employee engagement—heart, mind, and motivation—that every C.E.O wants. Truth is going green doesn't pay off this way all the time; but new insights and business tools are dramatically raising the odds of success.

How, for example, did Fairmount Minerals do it? Imagine it: you are a loader-operator in the sand pits of this dirty, hard-core mining and manufacturing company, and yet you are on fire with pride, and the company has realized a sizzling 40% annual earnings growth for the past two years, ever since it decided to harness the sustainability advantage to "do good and do well."

Let me tell you Fairmount's remarkable story, and some of the leadership lessons you can take to the bank.

Fairmount Minerals, headquartered in Chardon, Ohio, is one of the largest producers of industrial sand in the United States. Primarily serving the metal casting and fracture sand markets, Fairmount Minerals supports the foundry, oil and gas industries as well as turf and landscaping, water filtration, commercial glass manufacturing, construction, industrial, and filler and extender markets. With two basic operating divisions – Industrial Sand and Manufacturing – the company runs nine mining and mineral processing plants, four manufacturing coating plants, and two toll manufacturing operations in Mexico, Denmark and soon China.

Sound like a place for award winning eco-innovation? Read on.

It so happens that Chuck Fowler, CEO of Fairmount Minerals, received his Executive MBA from the Weatherhead School of Management at Case Western Reserve University, the birthplace of Appreciative Inquiry, something that is creating a positive revolution in the field of change. Following the strengths-based leadership philosophy of Peter Drucker, Appreciative Inquiry says that "the essential task of leadership is to create an alignment of strengths in ways that make a systems' weaknesses irrelevant." It says that managing and leading change is ALL about strengths: elevating strengths, magnifying strengths, and creating new combinations and chemistries of strengths in ways that propel innovation.

Appreciative Inquiry—or "AI" for short--has two radical but exciting premises. First, is says forget everything you learned in change management 101—organizations are not problems-to-be-solved—and that all the deficit based change methods, from gap analysis to organizational diagnosis, are in fact creating an exhausting treadmill and barrier to real innovation. Appreciative inquiry turns the problem-solving habits of the field on their head, and shows that change is more powerful, energizing, and effective when we inquire into the true, the good, the better and the possible—everything that gives life to a system when is most alive and at its exceptional best. Do you really think one more survey into low morale is going to generate the energy and new vision of a company filled with people alive with passion and high commitment? AI theory says no: all the studies in the world of low morale will not tell us one thing about "high commitment work systems." If we want to know how to create a high commitment work system we would be better off doing 100 interviews—a real study—of "high point moments" in people's career in the organization, times when they were most committed and alive in their work and when they were going way beyond their job descriptions. So AI is about the discovery of life-generating strengths and instead of SWOT it is built on an analytic model called SOAR, that is, the systematic study of signature strengths, opportunities, aspirations, and results.

The second idea AI promotes, beyond the idea of strengths-based inquiry and change, is the principle of whole system in the room. There are endless arguments over the relative merits of top down change versus bottom up change. AI theory says both are increasingly obsolete, and so is the idea that the most effective sized group is 6-8 people, for example 6-8 people at the top doing strategy work and then doing the famous "communications rollout." Indeed some of the most exciting AI strategy work happening today is starting to answer the most perplexing and challenging question every CEO faces and that is: "how do we really change at the

scale of the whole?" AI responds and in turn raises its own compelling question: "Could it be that the most effective size group, for significant and major strategic issues, is 500 people or a 1000 people, interactively visioning, designing, and creating vis-a-vis a true alignment of the strengths of the whole?"

This was Chuck Fowler's daring approach to going green. He in fact helped pioneer the next generation AI Summit method. It is called the "Sustainable Design Factory."

What's involved? First, it is based on an innovator's mindset. It insists on a mindset that says "every single global issue of our day is a business opportunity in disguise." Second, the Sustainable Design Factory is multi-stakeholder savvy. It is all about collaborative, high engagement innovation. Fairmount's summit was a model: 300 people from every level of the company—loader operators and truck drivers to the chief financial officer and the head of marketing—together with key external stakeholders including customers, suppliers, community citizens, investors, external sustainability experts, best practice companies, and critics of Fairmount (yes the summit included NGOs and even regulators in Fairmount's strategic planning session!).

Does it sound like a formula for chaos, that is, bringing together 300 of the most diverse stakeholders you can imagine for three days of planning where no-one has a pre-set plan or blueprint ahead of time? The CEO Chuck Fowler put it best: "yes we were nervous to co-create from scratch, with such a large group, but do you know what we discovered…we learned that the very best in human beings comes out when people experience the wholeness and entire sum of strengths of the system they work in."

Using an intense, quick-turnaround, brainstorm-and-prototype process the sustainable design factory was buzzing. Groups were formed to design ways to reduce social and environmental risks; to create models for radical productivity increases in energy use; to invent green products; to open new market opportunities to help eradicate extreme poverty; to build brand strategy around sustainability and a new set of guiding principles; and to use the 3-P's—the people, planet and prosperity mantra-- to help the whole industry shift.

Today the company is off and running with solar power and biodiesel, new packaging, a whole line of green products, new collaborative tools to engage communities and restore old mines into beautiful parkland, and much more. Talk about going green with velocity and early payoff: one of the ideas generated at the summit resulted in a six million dollar savings. And one of the employees' favorites—a source of great pride-- was the design of an ultra low-cost sand water filter to create clean water in parts of the world where billions of people live on less that $2 per day. Working with the Aqua Clara Foundation the project now works in 35 countries providing clean water to over 1 million people while at the same time opening up whole new, unexpected markets for the Fairmount Minerals business.

Just two years after the launch of their sustainability journey Fairmount Minerals was selected by the US Chamber of Commerce as the #1 corporate citizen in America.

CONTINUED — PAGE 49

• PERSONAL BRANDING – *CONTINUED*

clear on your brand and purpose, integrate your brand into every aspect of your life. This means keeping your brand in the forefront of your mind in everything from the way you dress, to what you say, to the words and phrases you use in an executive bio, profile piece, resume, press release, speech, etc.

5. Commit to the Process
Branding isn't a one-time event. As your skills and strengths evolve over time, your brand may change as well. Commit to the process and be willing to update and reevaluate what is and isn't working for you in your brand and in your career.

BRANDING EXAMPLES
One resource to assist you is Why Johnny Can't Brand: Rediscovering the Lost Art of the Big Idea (Portfolio Hardcover, 2005). Authors and international branding experts Bill Schley & Carl Nichols, Jr. advise building your brand around a single, mesmerizing "motivating difference" that comes to mind when someone speaks your name. Ask yourself what it is about your work and character that stands out from the crowd. The job title—"Senior VP of Marketing" reveals nothing about the person behind the title. Employers want specifics: what's unique about you that they should care about?

Let's look at some examples of how a CFO might use a personal brand to position himself/herself in the market:

EXAMPLE 1:
Bill Smith offers over twenty years experience in managing the finances of Fortune 500 companies, including but not limited to, overseeing accounting, budget, tax, and audit activities with a focus on improving cash flow.

Yawn. Bill may be well-qualified, but is there anything there that makes you want to take Bill out to lunch? The text sounds like something lifted off Resumes-R-Us. Now compare with the version below.

EXAMPLE 2:
Sara Jones is the #1 turnaround expert for small to mid-size companies in financial difficulty, specializing in identifying hidden value in assets.

Sara's brand statement is short, memorable, specific and—most important—it shows how she adds value. If a mid-size company is struggling and looking to restructure, both Bill and Sara have the qualifications to lead them. But what will draw a company's attention—ten people touting "twenty years experience," or "the #1 turnaround expert for small to mid-size companies"?

A *BRAND* NEW YOU
Successful brand dissemination comes from buy-in. You may see yourself as a collaborator or visionary but if those around you see if differently, you'll have a hard time making the brand stick. Drilling down to the core of your branding strategy will involve time, self-examination, accountability, and a solicitation of others' opinions. All of which takes a commitment to the branding process and a full acceptance of the need to market a personal brand.

Is creating a personal brand worth your time?
Absolutely. A brand that resonates in the minds of others will do more for your career than any other marketing material ever could. Just as successful executives keep an ear close to the ground, listening for new opportunities to keep their careers on track, so too do employers keep a roving eye out for talent to bring on board.

Sink or swim? For those with a personal brand, it's clear sailing ahead.

Additional questions to ask yourself as you work toward defining your personal brand:

- What does my ideal career look like?
- What accomplishments am I most proud of?
- When am I at my best ("moments of purpose")?
- What do my moments of purpose have in common?
- Is my brand unique?
- Can I claim a niche where I am #1 and be perceived as credible?
- What does my competition do better than me? How do I compensate?
- Do I have any stories that show my brand in action?
- What word(s) do I want people to think of when they hear my name?
- How can I develop ongoing systems for obtaining feedback on my brand?
- How and where can I best disseminate my brand? (i.e., Papers, speeches, web sites, etc.)
- Am I comfortable promoting my brand? (Your brand should be a natural extension of yourself.)

For more information, contact Scott Hamilton, Senior Partner of JPA-ALLIGN, scott@allignteam.com 888.857.9722. ■

WORLD TRADE

Brazil

A terra da diversidade!
A land of diversity!

by ANNE DEAN, Director of Editorial Services
LIVING ABROAD
and DORA SAYEGH, Country Director
LARM BRAZIL

Brazil has a population of over 185 million, of which half are under 30 years old. Brazil's population is a blend of many ethnic backgrounds. The country was colonized by the Portuguese, who intermingled with African slaves and native Indians. Subsequently, a large number of immigrants arrived with German, Italian, Japanese and Polish roots. All of Brazil's ethnic groups have made significant contributions to Brazilian religion; food, and for example, a traditional main course called "Feijoada," comes from early cultures; music and dance and for example, the "Capoeira" is a very beautiful dance from the slave era.

Brazil is the sixth largest country in the world, the largest in South America, and is bigger than the continental United States.

With the exception of Chile and Ecuador, it shares common borders with all South American countries. Stretching over 8,511,965 square kilometers, Brazil covers half of South America and occupies a vast area rich in natural resources and offers many attractions, such as beautiful beaches, lively music and a variety of night spots. Brazil is distinguished from its neighbors by its native language Portuguese.

Brazil is a nation of great diversity, not only with its population, but with its open-air markets and chic boutiques; wide range of housing from lower to very high class as well as sumptuous skyscrapers; even horse carts to high-speed traffic full of luxury cars.

Such differences and complex cultural issues have an enormous impact on the arriving assignee. However, if you realistically appraise the differences in Brazilian life, and accept them as part of the daily existence in Brazil, you should have a very enjoyable stay.

When you are getting ready for your assignment in Brazil, make sure you have a good sense of humor, an open mind, patience and a determination to know, understand and communicate with the people. There are many beautiful things to be learned about the Brazilian culture; find them and thrive on the experiences. The country offers many attractions, such as beautiful beaches, lively music, variety of night spots and generally an enjoyable style of life.

São Paulo is not only Brazil's largest city, it is the cosmopolitan core of the country. It is compared by many to New York, with immigrants from around the globe coming to find success, enjoy the wide variety of cultural offerings and partake of the

vibrant nightlife. Paulistanos, as the natives are called, enjoy a high standard of living that is the result of vigorous industrialization and economic development. The Avenida Paulista is Brazil's main financial district, where banks and other businesses have their main offices.

The climate of Brazil, especially in the northern regions, is tropical and quite humid. The rainy season in the south lasts from December to March. In Amazonia, the rainy season is from March to May. The southeastern region, home to the large cities of São Paulo and Rio de Janeiro, can be cool during the South American winter (June through September). In the south in such places as Curitiba, Florianopolis and Porto Alegre, it can get very cold at times. The average temperature along the coast ranges from 23 degrees Celsius (73 degrees Fahrenheit) to 27 degrees Celsius (80 degrees Fahrenheit). In the highlands, temperatures are slightly lower.

Located directly on the tropic of Capricorn, seasons in São Paulo are the reverse of those in the northern hemisphere. The average summer high in January is 23 degrees Celsius (73 degrees Fahrenheit); in the mild winters of July, the temperature drops to around 15 degrees Celsius (59 degrees Fahrenheit.)

Brazilian culture is a mixture of African, European and indigenous influences. São Paulo still reflects a great deal of Brazil's Portuguese heritage. While a relaxed Latin pace typifies the Brazilian lifestyle, this is less prevalent in the busy metropolis of São Paulo.

The people of Brazil are known for being extremely friendly and passionate. To outsiders, their enlivened discussion about some topic or another may appear as anger, but it usually is not. This is merely the way in Brazilians express themselves. Brazilians enjoy conversation about family life, their country and sports. Soccer is an extremely popular sport and conversation topic.

Throughout most of Brazil, family is one of the most valued aspects of life. Several generations of large families may live together in one home. Brazilians show a deep respect for their elders in general.

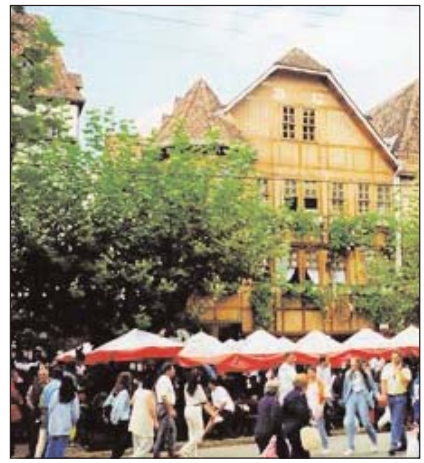
When making introductions, Brazilian men will usually shake hands. Women may offer their hands or a kiss on the cheek, depending on their level of intimacy. In most social situations, you will find that Brazilians position themselves very close to one another, particularly when conversing. Although you may be unaccustomed to this at first, do not step back from someone who is speaking to you, as they may be offended.

When attending a social function or a small party, it is common courtesy to greet everyone in the room (likewise, it is customary to say goodbye to everyone before departing). It is also considered respectful to use formal titles when addressing another. However, first names, rather than last names follow the title. Men may be referred to as "Senhor" or, if they are a doctor, "Doutor." Women are referred to as "Dona."

Brazilians welcome gifts in both business and social settings. A bottle of liquor or wine is an appropriate gift for a potential business associate or client. If you have dined at someone's home, the host or hostess should be sent flowers the following day.

Many Brazilians take advantage of the warm climate and miles of coastline by spending extended hours outdoors and on

CONTINUED — PAGE 38



Top: Picarura section of Sao Paulo; Middle: Carnaval dancers; Bottom: Going up to Sugar Loaf.

WORLD TRADE

About Today's Brazil and Rio de Janeiro

by ANDREA MASSOUD, GMS; Managing Partner,
LIVING IN BRAZIL INTERNATIONAL EXECUTIVE MOBILITY MANAGEMENT
+55 11 4191 8515 ext 211 • amassoud@livinginbrazil.com.br

Brazil is now a nation of around 185 million inhabitants; is ranked to have the 5th largest territory and population; and is the most developed country in Latin America.

In world rankings Brazil is now said to be the 8th largest economy by GDP and the 20th ranked among the largest economies, and has moved up recently to a "Developed Country" status. Brazil has energetically transcended itself from an underdeveloped country to a country-in-development from a very recent past. (Moreover, has just been placed among the 7 World Wonders.)

Brazil is popularly known by foreigners mostly through its Bossa Nova music, Rio de Janeiro, A Cidade Maravilhosa, São Paulo – O Centro Corporativo e Financeiro – Salvador and Recife for the best beaches, and Pantanal for the eco-tourism. And above all, its famous and contagious Carnival.

However, it is wise to know more about what Brazil has to offer the world. Businesswise, here are some facts and figures about the economic concentration. With her 26 states and one federal district, Brazil is economically divided into five regions. Here is a review:

Região NORTE (North), comprised by the states of *Acre, Amapá, Amazonas, Pará, Rondônia, Tocantins and Roraima,* with their natural resources – mineral / vegetal. It is in Manaus where our Silicon Valley equivalent technology industrial complex is - Zona Franca de Manaus, free trade zone.

Area: 3.869.637,9 km^2; Population: 15.023.331 inhab. IBGE/2005; Demographics (inhabitants / sq Km) 3,77 inhab./km^2

Região NORDESTE (Northeast), comprised by the states of *Maranhão, Piauí, Ceará, Rio Grande do Norte, Paraíba, Pernambuco, Alagoas, Sergipe and Bahia*. Heavy industries, oil, agri-business and tourism (at large) make the economy of that region. Governors promote on fiscal incentives to attract companies to move into that region – e.g. FORD in Camaçari, Bahia.

Area: 1.558.196 km^2; Population: 51.609.027 inhab. IBGE/2006; Demographics (inhabitants / sq Km): 32 inhab./km^2

Região CENTRO-OESTE (Midwest), comprised by the states of *Goiás, Mato Grosso, Mato Grosso do Sul and Distrito Federal* of which economy is mostly generated by agri-business.

Area: 1.606.371,505 km^2; Population: 13.269.517 inhab. IBGE/2006; Demographics (inhabitants / sq Km): 8,26 inhab./km^2

Região SUL (South), comprised by the states of *Paraná (PR), Santa Catarina (SC) and Rio Grande do Sul (RS)*. Economy there is promoted by services, heavy industries and agri-business. Porto Alegre, capital of RS and Curitiba, capital of PR, have the highest literacy rate in Brazil.

Area: 576.409,569 km^2; Population: 27.107.011 inhab. IBGE/2005; Demographics (inhabitants / sq Km): 47,02 hab./km^2

Região SUDESTE (Southeast), comprised by the states of *Espírito Santo (ES), Minas Gerais (MG), Rio de Janeiro (RJ) and São Paulo(SP)* of which economy is mostly generated by diversified and sophisticated goods and services as well as gas & oil.

Close-up on São Paulo, Rio de Janeiro and Belo Horizonte metropolis as the largest economical centers of Brazil. The region has the highest GDP (more than R$ 1.300

CONTINUED — PAGE 30

Left: Rio de Janeiro, Ipanema Beach; Right: Above Rio from Sugar Loaf looking toward Copacabana Beach.

Our mission is to help multi-national organizations realize the greatest value from working global. We support companies and people at origin and destination by:

- *serving their corporate values and policies*
- *speaking their native and business languages, and*
- *showing empathy for different ways of life and work, wherever that can be.*

BR Headquarters
Al. Rio Negro, 1084 Átrium A31
Centro Alphaville Empresarial - Barueri
06454 000 SP BRASIL
Tel: 55 11 4191 8515 / Fax: 55 11 4191 8516

US Field Office
163 South Main Street
New City - New York 10956
UNITED STATES OF AMERICA
Tel: 1 845 7329779

www.livinginbrazil.com.br

• TODAY'S BRAZIL – *CONTINUED*

millions – IBGE 2005), the largest city (São Paulo), highest GDP per capita (average US$ 6.400) and it is the most populated region per Sq K.

Area: 924.511,292 km²; Population: 78.472.017 hab. IBGE/2005; Demographics (inhabitants / sq Km): 84,88 hab./km²

Social problems are cultural, and they do not change overnight. While Brazil has been sustaining her development for years now, her poorest population is upgrading, moving to a poor status instead, and the figures of inhabitants living under the minimum line of poverty has been at reduction.

However, Brazil still has social problems, and one can see the little co-relation when looking into the two charts below. Around half of the Brazilian territory is jungle and desert and has the lowest population whereas the smallest region in territory – Southeast (SP, RJ, MG and ES) – concentrates most riches, the highest population, GDP and GDP per capita.

Addressing specific concerns on international assignments for expats on special assignments to Brazil, the SOUTHEAST region is still the one that is more international, better prepared and has more infrastructures to accommodate them. One can find all international/bilingual schools, expats communities and clubs, international products and multi brands, all kinds of housing – furnished, semi-furnished, gated communities of houses and apartments, corporate / serviced accommodations, etc.

For international readers who would like to learn more about our beautiful country, here are some tips. I invite you to inquire for more info and guidance.

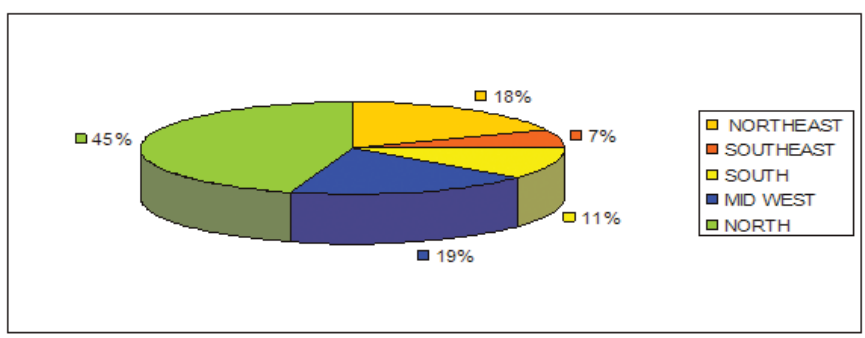
- Inquire with your local Brazilian Consulate about a need for visa as some nationalities do not require any
- The local currency is R$ (Real). The Real rate to US$ = R$ 1,80 and to Euro = R$ 2,60 (varying every day)
- Official language is Portuguese, though English is spoken in corporate hotels. If you are to train to learn Portuguese, buy material on Brazilian Portuguese not on Portuguese from Portugal
- February is the month of the hottest seasons in Brazil – in tourism, temperature and vacations and expect lots of rain as it is THE rainy season
- Temperature in Rio may range between 33o and 37o C
- Do not expect an air conditioner in all places you go or cabs you take
- No restrictions on food or liquid in restaurants and hotels, but try not to buy food or juices from stands on the street
- Rio has one of the best international cuisines, so enjoy dishes and exotic drinks – Caipirinha with aguardente (cachaça) and Caipiroska – with Vodka. For the ones that like lighter drinks, ask for Caipirinha with SAKE and frutas vermelhas (berries)
- During the day, buy one of those cold coconut water, sit on one of those benches along the shore and enjoy the best view of the ocean
- Either seated or jogging along the beach, enjoy watching different fashions and meeting diversified and exotic beauties passing along
- Unfortunately Rio does have safety issue (as well known), however the Copacabana, Leblon and Ipanema beaches should have reinforced police patrols, cameras and booths
- Do not wear or have open your I.D.s, passports, credit cards, watches, cameras
- Do not wear jewels when walking on the street
- Never walk alone at night, especially on street than have not enough illumination
- If going to the beach, only carry the necessary money you will need
- Do NOT miss those tours to Corcovado, Tijuca, Pão de Açúcar and Jardim Botânico and never miss the beach and the sun rise and set. Those are unique beauties you only see in Rio, a Cidade Maravilhosa.

Brazil has been a country with a fast ROI both for companies and expats – to live and work in Brazil certainly brings maturity and evolution in one's carrier and life. And, as a unique travel experience, Rio is and unforgettable memoire to carry.

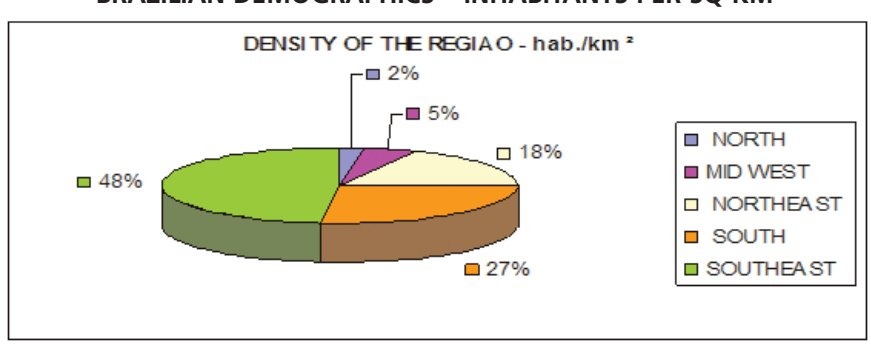
Have a safe and pleasant trip to Brazil!

Andrea Massoud – GMS - is managing partner for Living in Brazil International Executive Mobility Management and active speaker at international forums and chambers of commerce worldwide. ■

EXTENSION OF BRAZILIAN TERRITORY - 8.514.876, 599 SQ KMS



BRAZILIAN DEMOGRAPHICS – INHABITANTS PER SQ KM



WORLD TRADE

Investing in Brazil?

Investors Need a Permanent Visa

by CAROLINA GARUTTI and DANIELA LIMA
EMDOC MRS

Brazil has been reinforcing its role in the world as a great attractor of investments in different areas, from industry to tourism. Its outstanding role among the emerging countries is due to some reasons: we have a market of 170 million people, the most developed industry in Latin America, inflation control, and there is in-place a large infra-structure.

This beneficial scenario is the reason of the high number of Investor Visa issuance. Through September 30th 2007, a total of 976 visas were approved by the General Immigration Coordination. The graphic illustrates the evolution of approbation of this type of visa:

According to the Ministry of Labor – Brazilian Government – in 2007 the 3 states that attracted most investments were Rio Grande do Norte, Ceará, and Bahia, all are located in the North East region. This is due to its great tourism potential as one of the most beautiful landscapes in Brazil and due to its industrial potential attracting companies interested in the tax reduction. São Paulo and Rio de Janeiro are in the third and fourth place, respectively. Interestingly, three countries lead the way investing in Brazil: Italy, Spain, and Portugal.

The Investor Visa is regulated by Normative Resolution Number 60 of October 6th 2004; this allows foreign individuals who wish to start-up a business in Brazil to obtain a permanent visa.

The main requirement to obtain this type of visa is the investment of an amount equivalent to at least US$ 50,000 duly registered in the electronic system of the Central Bank of Brazil. In order to comply with this requirement, the establishment of a Brazilian company – or the acquisition of a pre-existing one – is necessary.

In order to obtain an Investor Visa to Brazil, the following steps must be accomplished:

1) Obtainment of a CPF card (Individual Taxpayer registry card);
2) Power-of-Attorney to a Brazilian citizen who will act on behalf of the foreign investor;
3) Set-up of the Brazilian company/registration with the Commercial Registry;
4) Enrollment of the company with the relevant authorities: Internal Revenue Service, city hall, INSS (social security system), FGTS, employers´ union;
5) Request authorization for the company to operate;
6) Investment of US$50,000 per permanent visa;
7) Obtainment of a work permit from the Ministry of Labor;
8) Issuance of the visa by the Brazilian Consulate abroad;
9) Registration with the Federal Police within 30 days from the arrival in Brazil;
10) Finally, run the company.

After setting up the company, the investor will have to transfer the money from his/her personal bank account to the company bank account in Brazil. This transference will need to be registered in the Brazilian Central Bank as a long-term investment. After that, an amendment in the articles of association of the new Brazilian company will have to be made in order to attest that the capital is paid-up and also to indicate the investor as a director of the company after the approval of the permanent visa.

It is important to emphasize that in order to establish the company it will be necessary, first of all, to have an address for it. The investor will need to have at least one partner (that could be a foreign or Brazilian company or an individual) and a temporary legal representative (a Brazilian individual or a foreign citizen with permanent residence in Brazil). After the permanent visa is issued and the investor is registered in Brazil with the Federal Police, he/she can finally assume the position of director in replacement of the temporary legal representative.

The visa will be granted for up to five years and its renewal will be granted upon evidence that the foreign national is still the owner of the company and that the company is active by means of corporate documents, corporate income tax return and mandatory yearly employee reports ("RAIS").

Regarding taxation, the foreigner is considered a resident in Brazil, for tax purposes, from the date of arrival in the country with the working visa. The investor is, therefore, subject to the payment of income tax in Brazil as per the tax rates table established by the Brazilian law (it is necessary to offer to taxation not only the amounts paid by Brazilians sources, but also the income received abroad). The form of taxation can be modified if there is reciprocity of treatment or international treaty to prevent double taxation between Brazil and the country where the source of the income is located.

Carolina Garutti and Daniela Lima are lawyers and partners of EMDOC MRS, a 20-years company, specialized in rendering services in the immigration market, transferring employees to Brazil and from Brazil to other countries. ■

Above Rio from the Corcovado looking toward Ipanema Beach.

MANAGEMENT

Strategically Outsourcing Expatriate Management

by ANA MARIA GIESBRECHT, GMS, Managing Partner
ana.giesbrecht@focalpoint.com.br
FOCAL POINT GLOBAL MOBILITY SERVICES, Sao Paulo, Brazil

Adding expertise and customized solutions to a very specialized area is a challenge that most companies are facing with globalization. An outsourced expatriation service can provide improvement of the performance in this area and give additional support to the HR team by developing and implementing effective policies that would address all issues related to an expatriation – compensation packages, allowances, cultural aspects, language training, tax issues, household goods, family issues and so on – in compliance with both origin and destination country's legislations.

The question of the substantial investment in expatriate support resources that are completely unrelated to the company's core businesses must be analyzed while taking into consideration that the quality of this support cannot be compromised at any point or the final result of the expatriation(s) could turn out to be a disaster that could directly affect the company's desired results. Direct costs; such as training, technology and personnel; are important to be analyzed but the result of an expatriation is an indirect cost that must not be overlooked and that can be directly linked to the quality of expatriation support offered by the company. A structured expatriate support program obtained by the use of an outsourced firm can also reflect on the retention of the repatriated employee(s) so the return on this investment(s) is something that must be factored into the equation.

Accepting a position in another country is very challenging and is certainly more than just another transfer process. The employees that are sent abroad have high expectations and need a high quality support service. Using a specialized outsourced firm with the capability to manage the expatriation process as a whole and that is used to orient and support both – the company and the expatriate family – to prepare for the expatriation, during the assignment and on the repatriation process is becoming a common procedure nowadays. Outsourcing the expatriation management should not only be considered as an option for companies that have a global culture but also for the ones that are expanding their business abroad and that have no or very little knowledge in the expatriation area. This would facilitate the processes of expatriation minimizing risks and investments in training their personnel on the subject while maximizing performance in their core business.

The understanding of the specific operational needs of the area and the knowledge on the issues that might generate compliance are important facts to take into consideration when choosing an outsourced firm. The capabilities to elaborate adequate procedures and process flows that must be customized to the company's needs are also key factors to be analyzed.

The provider has the knowledge regarding expatriation and managing capabilities to support the client's expatriated population. They could coordinate all services related to expatriation. Their staff would perform some of these services and some of them would be delivered by experienced partners abroad but always under the supervision of the outsourced firm. Service quality should improve as well as customer satisfaction and employee's productivity. The service delivered would be seamless to the client's and the expatriate's perception and the expatriation would not interfere on the result of the service to be performed.

Availability of updated records, information on the many different aspects of an expatriation process and expiration dates control is crucial to any good expatriate support. The process control tools have to be available to the client at all times and a constant flow of information between the client and the outsourced firm is mandatory in order to keep the services adequate to the client's needs. The provider must be the advisor on the best practices in the market that might be applicable to the client's needs. With the knowledge acquired by managing expatriations in different companies the provider is capable to keep the client abreast of the most important changes in this market.

By using outsourced expatriate support company's HR, professionals can better use their time in strategic issues that would directly affect the company's result. They will no longer have to spend time in keeping up with the expatriation best practices; no more investments would have to be done on staff and technology that have no relation with the company's core business. And, most of all, the expatriate's productivity would not be affected knowing that they can count on specialized professionals to assist them and their families before, during and after the assignment in all important matters.

Our corporate clients in Brazil have pointed out to us that during the years we have been working together they were able to notice a significant improvement on the process control, better deals with different providers were obtained and policy improvements were constantly made. One of our clients, a major producer of consumer products, was more specific saying the knowledge added by our team made their expatriation processes more efficient, always consistent and less costly. The results of the expatriation could be achieved in shorter time and expatriation became an easier process to be managed. Of course there were, and there will always be, noises in expatriation processes but they had to be adjusted and for that they could always count with our team work to solve them in a timely effective manner.

In a challenging location such as Brazil, the knowledge of the local legislation – without bypassing the understanding of the international assignment needs and procedures – as a whole is mandatory to achieve the goals any business requires. Globalization is a reality, and international procedures will have to be respected but they cannot go against local legislation. Compliance to it is still a key subject for any successful expatriation process. ■

MANAGEMENT

Demographic Change: The Aging Workforce

Challenges, Issues, and Operational Impact

How far ahead of the graying curve are HR leaders, C-Suite executives and corporate boards of directors?

In Ernst & Young's 2007 Aging US Workforce Survey: Challenges and Responses – An Ongoing Review, the firm looked at this issue through the eyes of HR professionals who responded to their survey. It was clear from the results of the 2007 survey that HR executives are doing a good job of dealing with the more immediate problems that arise, primarily operational or HR risk related, but the longer-term, more strategic issues are being put on the back burner.

The aging workforce is a critical business risk issue – not just an HR risk issue – that over the long-term may affect productivity, profitability and global competitiveness. Ultimately all key business areas – strategic, financial, compliance and operational – will require a coordinated effort from HR, the C-Suite and the Board of Directors to address these complex challenges and develop a strategic plan.

When Ernst & Young surveyed HR executives from Fortune 1000 companies on this issue in 2006, 38 percent said that retaining key employees to maintain intellectual capital was the human capital issue of most concern. That number increased to 68 percent in 2007, which reveals that more HR executives are paying attention to this issue, understand its importance, and are feeling its impact in growing numbers.

The 2007 survey provides insight into how the aging workforce is changing the corporate landscape, with findings falling into the general categories of talent and succession planning, retirement plans, health care, executive compensation and HR risk and compliance.

TALENT AND SUCCESSION PLANNING

As the number of boomers reaching retirement age grows, employers are seeing their costs around health care, retirement and training and development grow exponentially.

Those employers who have not conducted a comprehensive review of their employee demographics, needs and issues will miss opportunities to identify and implement strategic programs that will minimize the financial impact.

For example:

- Fifty-two percent of respondents said they are continually hiring from outside to fill key positions;
- Forty-three percent acknowledged more significant training and development investments; and,
- Forty-one percent are dealing with unexpected turnovers in key positions.

These statistics can, in part, be explained by the disconnect between the perceived needs within an organization and where the company focus really is. Forty-one

CONTINUED — PAGE 39

LEGAL: EMPLOYMENT LAW

Inside Latin America: Terminating Employees and Understanding the Legal Requirements and Challenges

by JOHAN LUBBE, Partner
JACKSON LEWIS LLP - New York • lubbej@jacksonlewis.com

American human resource professionals are often called on to advise and guide senior management when an expatriate employee is performing poorly while on international assignment.

Under the American employment at-will doctrine, it is fairly easy to terminate the expatriate employee; in particular, the employer has no obligation to carefully articulate the reasons for the termination, follow any specific pre-termination process, or pay any statutory termination payments.

However, American employment law will not govern the employment relationship in the host Latin American country. (See the previous article in Global HR Newsmagazine on "Cross-border Employment Law – Terminating U.S. Expatriate Employees: Which Country's Law Applies?").

Unlike the U.S., most Latin American countries extensively regulate the employment relationship, even of managers. As a result, if the expatriate employee is on assignment in one of the Latin American countries, the company must carefully evaluate its statutory obligations and the costs of the planned termination. This article reviews the basic legal requirements to terminate an expatriate employee while on international assignment in Latin America.

NO EMPLOYMENT AT-WILL – CONTRACT GOVERNS EMPLOYMENT RELATIONSHIPS

As in the United Kingdom and other European countries, Latin American countries do not recognize the concept of employment at-will. (See a previously published article in Global HR Newsmagazine on "Terminating Employees in the UK for Poor Performance"). The only exception is that during the probationary period (frequently capped by law at 90 days), the employee may be terminated without any reason or payment of termination indemnities, but with notice. The legal relationship between employer and employee is always contractual, whether or not there is a written contract, heavily regulated by statute, and employees cannot contract out of their statutory protections.

WORKPLACE DISCRIMINATION CLAIMS

Employees in Latin American countries are protected against workplace discrimination either pursuant to anti-discrimination provisions in the country's Constitution (e.g., Brazil and Chile), the basic Labor Code (e.g., Chile), or free-standing legislation (e.g., the Anti-Discrimination Act and HIV Act in Argentina). Employees in Latin America are usually protected against discrimination on grounds similar than the protected categories in Title VII of the U.S. Civil Rights Act (sex, race, national origin, and religion). But, Latin American employees also enjoy protection against discrimination on grounds that are unfamiliar to U.S. human resource managers, such employees' financial or social status (Argentina and Venezuela), political opinion or political views (Argentina and Chile), ideology (Argentina), familial status (Brazil) or criminal record (Venezuela).

Accordingly, before terminating an employee working in a Latin American country, U.S. human resource professionals should assess the risk of a discrimination claim. In doing so, determine what additional grounds of discrimination the employee may have in the particular Latin American country and how local courts have interpreted the scope of that protected category.

PROHIBITED GROUNDS FOR TERMINATION OF EMPLOYMENT IN LATIN AMERICA

In many Latin American countries, certain employees are protected by statute against termination. This statutory prohibition has the effect of special job protection for these categories of employees. The special protected employees include pregnant employees (Argentina, Brazil, Chile, and Venezuela), new mothers (Chile), and older employees close to their retirement (Brazil). If the company terminates an employee in one of these special categories, the termination will be presumed to have been for unlawful discriminatory grounds, and the company will have to show that the termination was for non-discriminatory reasons related to the employee's conduct (e.g., gross misconduct). If the company fails to adequately show the non-discriminatory workplace-conduct related reason, the terminated employee is usually entitled to reinstatement.

NOTICE OF TERMINATION

In most Latin American countries, employees must receive notice of termination (or be paid in lieu of notice), unless the termination is for cause. The minimum notice period depends on the employee's years of service. For example, in Chile employees with more than one year's service must receive 30 days notice. In Argentina, the notice period is as follows:

- During the probationary period – 15 days' notice;
- During the first 5 years of employment -- one month's notice; and
- After completing 5 years of employment – two months' notice.

TERMINATION INDEMNITIES ARE PAYABLE UNLESS EMPLOYEE IS TERMINATED FOR JUST CAUSE

Unlike the UK's unfair dismissal law (See the previous article in Global HR Newsmagazine on "Terminating Employees in the UK for Poor Performance"), employees working in most Latin American countries are not protected against "unfair dismissal" or "wrongful termination." Instead, by law employees are entitled to statutory termination payments, typically called "termination indemnities" upon termination of employment, unless the termination is for "just cause." In some countries, such as Chile, employees are eligible for termination indemnities only after completing one year of service. Further, the local Labor Code will typically list the grounds of termination that would disqualify the employee from receiving the termination indemnities. For exam-

ple, the Brazilian Consolidation of Labor Laws list 13 grounds of "just cause", including an "act of improbity" (which is defined as employee conduct that "tend to cause material damage clearly demonstrating dishonesty"), insubordination, habitual intoxication, and unauthorized disclosure of confidential business information. Unsatisfactory work performance is not listed as a permissible ground of just cause termination. Generally, labor courts in Latin American countries interpret the permissible grounds of just cause narrowly and will uphold a termination for cause only if the evidence clearly supports the termination. Also, in Venezuela, for example, an employer may terminate an employee for cause only after obtaining the authorization of the local Labor Inspector.

CALCULATION OF THE TERMINATION INDEMNITIES

When the employment relationship is terminated for a reason other than just cause, by law the terminated employee is entitled to payment of termination indemnities (or called "severance indemnities" in Chile). The aggregate amount of termination indemnities can be substantial and increases the costs of termination. There are several components to the termination indemnities, which, depending on the country, include most or all of the following:

- 13th pay check or prorated 13th salary (in many Latin American countries employees are by law entitled to a 13th check or Christmas payment);
- Earned but unused vacation time, and usually also plus an "additional payment " of about one third of the vacation pay amount;
- Prorated vacation (for the remainder of the year), and usually also plus an "additional payment " of about one third of the vacation pay amount;
- Salary for the days the employee worked in the month of termination;
- Salary for the remainder of the days in the month in which the termination occurs;
- Termination indemnity for seniority, usually calculated as one month's salary (typically the employee's highest monthly salary n the past 12 months) for each year of service or a fraction thereof. Local law may impose a minimum indemnity amount, for example, in Argentina it is a minimum one month's actual salary. For purposes of this indemnity pay formula, the amount of the employee's "monthly salary" may be capped by law; in Argentina, for example, the amount may no exceed three times the average earnings set forth in the applicable collective bargaining agreement. Further, in Chile, the total amount of severance indemnity is capped at 11 months' actual pay; and
- In Brazil, the company must also pay an amount (currently 8.5% of the employee's salary) and a fine (and additional 50% of the amount paid) into the employee's Guaranteed Fund for Length of Service.

TERMINATION AGREEMENTS IN LATIN AMERICA

Terminating an employee for mere unsatisfactory performance has significant risk that it will not constitute "just cause" to avoid the payment of the termination indemnities. For these reasons, it is common practice for employers in Latin America to offer a poorly performing employee a severance package which includes most, if not all, the elements of the statutory termination indemnities and structure the termination as "by mutual agreement." Typically, to best protect the company, the termination agreement should be in writing, be in Spanish (or Portuguese in Brazil), and be signed before an official of the local Labor Department or Inspectorate. In Chile, the agreement is called the finiquito. Such a certified termination agreement would (similarly to a general release in the U.S.) protect the employer against subsequent claims by the former employee for unjust termination and additional payments.

IMPORTANT POST-TERMINATION OBLIGATIONS ON EMPLOYERS IN LATIN AMERICA

In some Latin American countries, employers must notify a government agency of the employee's termination and/or issue certain certificates. If an employer fails to comply with these post-employment notice and documentation requirements, the employer may incur fines that are expressed in multiples of the employee's salary (and thereby increase the termination costs). In Argentina, for example, the employer must within 30 days of the termination date issue the former employee with the following two certificates: a Work Certificate (setting forth the nature of job duties and length of service) and a Certificate of Service and Remuneration (certifying the employee's compensation and the social security contributions paid).

AVOIDING THE PITFALLS

When considering terminating an expatriate employee while on international assignment, the American human resource professional, therefore, should understand and appreciate the requirements and challenges under the host country's employment law. In Latin American countries, it is generally difficult to terminate employees without paying termination or severance indemnities. The termination indemnities can be substantial and makes termination, unless for limited just cause reasons, very expensive. Also, the termination usually requires the involvement of the local Labor Department or Inspectorate, either to obtain prior approval of the termination (if termination is "for cause") or to have an official notarize or certify the termination agreement. The termination must, therefore, be carefully considered and implemented to ensure it complies with local law.

In the upcoming 2008 series of articles in Global HR Newsmagazine, we will keep the readership informed on new developments and trends in cross-border employment issues. ■

• **SCHOOLS –** *CONTINUED*

1. *Style* – is the school progressive or traditional?
2. *Emphasis* – focus on academics, sports, arts, drama etc.
3. *Data* – class sizes, gender balance, student:teacher ratios etc. (When presenting data, it is always important to discuss how data can be offered to support any point, e.g., student: teacher ratios may include specialist teachers who are not actually in the classroom with the child.)

Some ideas of things to look for:

- Is the head of school a visionary?
- How do the children respond to administrators and teachers?
- Is artwork done by children or mechanically produced by copying adult work?
- Are teachers and administrators more concerned with superficial matters – rank, reputation, college acceptances – or with transfer of knowledge, development of global citizens, self-esteem?
- What is the philosophy of reading and writing and arithmetic?
- What is the purpose of homework?
- What is the attitude towards risk taking for students?
- What is the experience of the international or transferring child?

WHAT ARE THE PROS AND CONS OF NEW SCHOOLS?
The pros of new schools may be:

- Enthusiasm
- Class sizes are small/teacher: student ratios are excellent
- Often up-to-date with the latest educational trends
- Keen to earn their reputations, as they don't have reputations to rely upon
- Facilities often are brand news and may be lavish

The cons:

- Sometimes educationally under-resourced
- May not have a unity of purpose
- Curriculum may lack cogency
- Staff turnover can be high while teething problems are ironed out
- School policies may be fine in theory but need to be fine tuned in practice
- More children with behavioral difficulties may be admitted to fill places
- Children may not have an adequate peer group

It is easy to identify a school with a visionary leader and a clear mission. You will encounter passion among anyone you speak with from the parents to administrators to cleaning personnel. Everyone will be united behind a sense of purpose. The curriculum may or may not be trendy, but it will be consistent and clear, and everyone will know what they have signed on for. Educational materials and resources will support the curriculum. I always feel comfortable pointing out that a school stands for certain principles, and that by joining the school community, parents are choosing to align themselves with these.

In contrast, other new schools may not know what they stand for. They may arise in response to a market opportunity, and may have a lovely site, and excellent teachers and administrators. But the sense of purpose or clarity of vision often will be lacking.

AND ESTABLISHED SCHOOLS?
The advantages in terms of an existing track record, a stable management structure, a clear well executed curriculum, longstanding staff members, a large student body and ample activities and resources are clear. The disadvantages are that they may rest on former reputation and may not be doing as much to earn it as new schools; they may have faculty who have been around too long; their facilities may be overcrowded or dated.

Just because a school has been around for many years does not suggest it is a better choice. I have worked in schools with outstanding reputations, where hundreds of thousands of dollars were spent on technology that the teachers refused to learn to use, or where teachers would not spend ten minutes of a lunch hour to assist a child because it was not in their union contract. I have worked in other schools with low test scores where teachers routinely gave up their evenings and weekends to attend children's music recitals and sporting events.

IS THE SCHOOL FOR PROFIT OR NOT FOR PROFIT?
The impact of the profit status of the school on the way it operates cannot be overlooked in both new and old schools. For-profit schools naturally have to maximize profitability and they may do so by offering a quality education or they may do so by offering a substandard, under-funded education.

In not-for-profit schools all the money raised goes towards the children's education but in some countries, parents may be expected to contribute to the school far in excess of their school fees. In today's market, not-for-profit schools have less motivation to be concerned with efficiency. On the other hand, without a profit incentive, they only exist to serve children.

Parents should be aware of the financial status of the school and how this manifests in terms of the children's education. Neither status is superior to the other, but parents should examine all schools for related red flags that suggest values inconsistent with their own.

There are also governing authorities that provide checks and balances on health and safety as well as curriculum. However, effectiveness of rules and regulations, in reality, are culturally dependent and, for a newcomer, can be particularly difficult to discern.

CONCLUSION
In the end, school quality is not a matter of scores or age or reputation. Education is a "people business" and school quality changes as its people do. Schools that inspire children to love learning, and deliver a curriculum with a purpose in a way that makes sense, particularly in a global setting, can be thrilling places for children and for adults. Relationships with teachers can change children's lives - for better or for worse. The ethos of a school and the way it is carried out, and by whom, is what really matters.

New schools will become less new over time. Some will succeed and others will fail. They all will develop reputations, statistics and track records from which parents will be able to make selection decisions that they feel are informed. But for now, it is incumbent on us, in the relocation community, to make it easier for assignees to move by giving them the tools to evaluate the range of new educational options that have suddenly become available. ■

• AWARDS – *CONTINUED*

The 2006 and 2007 ACS Namibia groups jointly sponsored a building project. We raised money for three builders to travel to Namibia and train five people in basic building skills. They were taught how to frame, plaster, sand, paint, and build ceilings. The result was a completely refurbished classroom and a desire to do more.

One of the Namibians I have developed a close pen-pal relationship with is Antoinette—a girl from the Kutenhaos Primary School. It was trilling to meet her in person, see where she lived, and have a better understanding of her living situation. I was pleased to be able to send her a personalized backpack with the 2007 ACS Namibia group. I still can't forget, however, what one of our drivers told me when we were in Kutenhoas. He said that it was very likely that 70% of the children we were playing with would not make it to the age of 20 because of HIV/AIDS. The evidence was all around us. Elderly grandmothers looking after their orphaned grandchildren….the freshly dug graves at every village we passed through. Being told something like this so personally and so bluntly cannot be replicated in a classroom. We learned to live out of a backpack for a month and realized that we don't need all the luxury items that one accepts and expects here in the west. It is a reality check to see and come to appreciate the simplicity of the Himba people who are content and happy with their simple nomadic lifestyle and actively shun urban life. As a group we learned to respect them and I believe that we wouldn't have learned that from a textbook.

On another level, you cannot appreciate the rugged beauty of such a far away country from pictures…the splendour of the fish river canyon or the majesty of the largest free standing sand dunes in the world…. if you haven't actually walked or climbed them. You have not played football until you have run after a ball on a seemingly flat pitch, which is made up of sharp, hard rocks with animal tracks running straight through them. A trip like this has changed my life completely. I see everything from a completely different perspective now, and I hope it has made me a better person. I know for a fact that we have changed the lives of all the children at Endola, Shituwa, Kutenhoas, JB Brandt—but what they don't know is that they have completely transformed our lives as well.

We are thrilled to accept the award, and would like to thank the judging panel. This award will further our Namibia project. This Award is not for me but for all the ACS Namibia group, as well as previous groups, and groups to follow.

***GLOBAL HR NEWS* CORPORATE CITIZENSHIP AWARD JUDGES**

The judges for the *Global HR News* Corporate Citizenship Awards are Philip Berry, VP Global Workplace Initiatives and Corporate Officer, Colgate-Palmolive Company; Austin Fragomen, Partner and Chairman of the Executive Committee, Fragomen Del Rey Bernsen & Loewy LLP; Dean Foster, President, Dean Foster Associates, Intercultural Consulting & Training; Andrew Kittell, Director of Corporate Relations, ACS International Schools, Ltd; Judson Scruton, Director, New York & London, *Global HR News*; and Ed Cohen, Editor & Publisher, *Global HR News*.

UPCOMING AWARDS

Companies wishing to nominate one of their CSR programs for recognition can query Judson Scruton at judsonscruton@globalhrnews.com. The next *Global HR News* Corporate Citizenship Awards will be awarded in New York City on 30 April 2008. ■

• BRAZIL – *CONTINUED*

the beach. A variety of people can be seen on the beach at any point in time, from the smallest of children to business executives in suits.

Brazilians are extremely fashion conscious, and the most recent European styles can be found in urban areas. Regardless of wealth, they project an image of caring about their appearance; always being neatly and cleanly dressed. Although casual dress is preferred, it is important to never appear slovenly.

The national language of Brazil is Portuguese, and English is its second language. Although understood by many of the population, Spanish should not be used, as it may injure national pride. German and French may also be spoken by some portions of the population.

The majority of Brazilians follow the Roman Catholic religion, but Brazil is open to new religious influences. Religious freedom is written into the constitution and the country has a wide diversity of religious followers. In fact, Indian animism represents the first form of spiritual practice in the country. Global religions, such as Judaism and Islam, have representative groups in Brazil and major cities all have appropriate places of worship.

São Paulo's diversity and affluence have given rise to a plethora of upscale shopping centers and freewheeling markets (mercados). The most spectacular shopping experiences are to be found in the south-western suburbs of Cerqueira César and the Jardins, both accessible by bus. These centers feature high quality and designer goods at similarly up market prices in opulent surroundings. All of the centers are open Monday to Friday, from 9:00 a.m. to 10:00 p.m., and on Saturdays until 6:00 p.m.

At the other end of the shopping spectrum are the mercados. These bazaar/flea market shopping experiences are ideal for finding souvenirs, local produce and handicrafts. Located at the Rua da Cantareia 306, Centro, the Mercado Municipal features what is said to be the most extensive variety of fresh produce in the country. It is open Monday to Saturday from 5:00 a.m. to 4:00 p.m. Other mercados, such as the Feria de Arte e Artesanato (Parça da República, Centro), offer art and handicrafts, as well as jewellery and Brazilian food. The Feria de Arte e Artesanato is open only on Sunday, from 8:00 a.m. to 1:00 p.m. ■

• AGING WORKFORCE – *CONTINUED*

percent of companies say that middle management will be the level most affected by the talent gap, yet 75 percent are focused on monitoring succession at the senior management level.

RETIREMENT PLANS

Retirement in many workers' eyes is no longer the main event – it is a process and it is in the employers' best interests to help their employees bridge that gap between their final years on the job and the start of their retirement. A shift is occurring towards placing more responsibility onto employees when it comes to decisions on their retirement – by moving from defined benefit plans to defined contribution plans – employers do not appear to be implementing programs that will help employees transition into this next phase of their life.

Phased retirement is one example of an available, yet underused, option for retaining talent and managing the brain drain from both cost and resource perspectives. Only 9 percent of respondents say they currently use a phased retirement plan, while 29 percent say they are considering phased retirement programs to attract and retain an aging workforce.

Unfortunately, organizations do not have a clear sense of how they would define phased retirement for themselves. Because of complex rules and administrative requirements, many organizations do not view phased retirement as a viable option.

HEALTH CARE

Health care benefits are particularly important when trying to keep key groups of aging workers from leaving an organization. Ernst & Young's 2007 survey showed that 39 percent of companies believe that health care is the top feature in a compensation and benefits program that influences an employee's decision to retire. Unfortunately, many companies appear to be shifting these costs onto employees without a complete analysis of employee needs or usage. Fifty-four percent of respondents say they have changed or are considering increasing the co-pays for their existing medical programs.

Shifting medical costs to employees may be a quick fix response to manage costs, but it is not an element of a long-range strategic plan. When the aging professional finally retires, they may not have a guaranteed health care plan. Twenty-nine percent of responding companies are reducing and/or eliminating post retirement benefits. That number increases to 50 percent in smaller companies with 5,000 to 9,999 employees.

EXECUTIVE COMPENSATION

One-quarter of all respondents said that they are trying to determine how to adjust benefits for a specific group of key employees that they do not want to retire right away. However, modifications to broad-based retirement and benefits plans may not be an effective way to reach certain subsets of an employee population. Adjusting targeted compensation programs may be an especially effective way of retaining these key groups of employees. While retention incentives are a common feature in key employee compensation programs, more targeted focus on retention programs in light of the aging workforce should be considered.

Corporations need more coordination and accountability from their HR executives, the C-Suite executives and the Boards of Directors in order to structure compensation programs that support the overall strategy of the organization.

HR RISK AND COMPLIANCE

The assumption that, once a benefit plan is compliant, it is always compliant, is not necessarily accurate. Many variables, including the changing demographics of the aging workforce, must continually be addressed. In light of the newest compliance requirements of the Pension Protection Act and FAS 158, companies are even more focused on being technically compliant. The missing ingredient may be an understanding of what that means through the lens of an aging workforce. The result is an apparent disconnect between what's being done to address compliance, on one hand, and what management and stakeholders want, on the other. Nevertheless, however, compliance with labor and discrimination laws has received more attention, with 69 percent of respondents having analyzed their plans to make sure they're compliant.

Members of the aging workforce are increasingly opting for continued flexible employment, and Ernst & Young's survey indicates that 25 percent of respondents are trying to adjust benefits accordingly.

While adopting policies and plan changes designed to benefit and retain experienced workforce members may seem like the right move, such changes many not be compliant with pension and benefits regulations.

An employer's good intention may undermine the tax-qualified status of the retirement plan or exposure to plan fiduciaries.

WHAT TO DO NEXT

The window of opportunity may be closing to put long-term strategic plans in place in time to avoid material profitability and productivity issues. Taking steps now on a broad strategic level will give employers more choices on how they can manage this growing demographic and the challenges that come with an aging workforce.

1. Perform a diagnostic study of the company's current demographics and how the aging trend will affect its workforce.
2. Evaluate and analyze the results to uncover future implications, as well as to understand the financial implications of an aging workforce based upon its utilization of health care and other corporate HR programs.
3. Define an aging workforce strategy aligned with the organization's strategic plan that addresses the needs and demands of that workforce, and provides a foundation for the future workforce.
4. Execute components of the aging workforce strategic plan – specifically the design and redesign of compensation, benefits and retention programs, making sure that any changes are considered in the broader context of governance, cost, and risk for active employees, retirees and the company at large.
5. Provide employee financial education and counseling, both as a pre-retirement planning tool and a general benefit to help retain older workers.

Now, more than ever, HR executives, along with input and support from C-Suite executives and the Board of Directors, need to be able to make informed choices and form clear objectives around retention/retirement/replacement issues

CONTINUED — PAGE 49

MANAGEMENT

Pre-empting Potential Issues in Staff Relocation

by SARAH LANGMEAD, COO
ENTERPRISES GROUP • sarah.langmead@enterprisesgroup.com

Numerous challenges can and do present themselves when relocating staff on international assignments, yet with foresight and careful planning, as well as the assistance of qualified professionals, many of these challenges can be pre-empted and circumnavigated. Here are some aspects to consider.

CANDIDATE PROFILE / PARTNER PROFILE / FAMILY

Some people are more adaptable than others, more open minded, more open to change. When considering potential candidates for a foreign assignment, it is not only work experience and qualifications that have to be taken into consideration. Not only the candidate themselves but also their spouse/partner and family will have to be able to cope with the challenges a foreign move and all the changes this presents.

CROSS-CULTURAL TRAINING; WHEN IS BEST ?

Cross-cultural input provides the Transferee insight into the way of thinking of the local people, their way of communicating, both verbal and non verbal, their values system and how this impacts outlook and beliefs be these religious or political. Cross-cultural input has proved to be a great advantage to those being relocated across country borders and continents. Simply put, the earlier this service is provided the better all will be. Know that experience has proven that the best programs are delivered both pre and post-move and ones that concentrate on different aspects of the cross-cultural adjustment process.

LANGUAGE TRAINING

Most Transferees are assigned a certain number of hours of language training. With learning a new language the best motto is 'the sooner the better'. It is highly advised that language lessons are started well before the actual relocation to the new country because if the worker and family can understand at least the basics of the destination language upon arrival, settling-in will prove a lot easier and the all-important aspect of independence will be gained far sooner. Intra-personal relationships with local colleagues in the workplace will also be facilitated, for sure.

DESTINATION PREVIEW TRIPS; INCLUDE THE DECISION MAKERS

Preview Trips or 'Look – See Trips' are usually what will enable the candidate to decide finally to accept or reject the assignment, having been able to see what the destination offers in terms of accommodation options as well as facilities for expatriates. It is highly advisable that the accompanying spouse/partner be included on any visit to the destination city as well as on the actual Homefinding trip because choice is usually heavily influenced by the non-working party in the partnership.

SETTING REALISTIC EXPECTATIONS

Education regarding the destination country and city and facilities it offers for its expatriate community will equip the worker to set his/her expectations realistically, thus facilitating adjustment to their new environment. Sourcing a qualified DSP (Destination Service Provider) to provide such service is essential. A good DSP will start candidate preparation well before the move, support the family during the relocation experience as well as providing after- support in the form of a help-line or other on-going support. It is essential to discuss specific requirements for staff when commissioning relocation services, so that tailor made packages can be created to meet needs.

BUDGET-SETTING; AVOID TRIAL AND ERROR

Get the facts, fast! Using up-to-date Bread Basket cost figures, COLA (cost of living estimates) and Housing Surveys are essential for proper and actually realistic assignment budget-setting. These can be obtained by a qualified DSP who regularly works in the target destination, obtained thru a specialized Survey company.

Experience has shown that when the Home Finding process is conducted with an unrealistic or insufficient budget there is much frustration generated all-around, most of all it falls to the Transferee, the one who is relocating to the new city. Expatriate-suitable housing can in no way be compared to the 'average' housing locally, therefore budget-setting should be with an international assignment in mind, and securing key input from foreign as well as local H.R is essential.

Certain geographic areas experience rapid inflation in the rental market section, even 6 months can make a great difference. A case in point is the city of Riga in Latvia, whilst the predicted 10 % annual increase remained steady for the first 6 months of 2006, the last 2 quarters saw an unexpected boom in prices and as an example, what was available three years ago for under 1000 cannot be touched now without laying out around 2500 euro monthly!

SETTLING-IN ASSISTANCE: PRACTICAL AND EMPOWERING

Learning how to get things done in the new destination is essential for independent living. A qualified DSP (Destination Service Provider) will equip a Transferee with this knowledge; providing material both online and written that can be referred to long after the actual relocation assistance has ceased.

SPOUSAL ASSISTANCE

This should go way beyond the basic settling-in assistance that comes with most relocation packages. Many spouses, be they male or female, leave their own career to accompany the worker on their international assignment; but they also leave their own social network and contacts. It is essential that the spouse be given the input required

CONTINUED — PAGE 42

• **STAFF ISSUES** – *CONTINUED*

to establish themselves in the new country, in cases where work is not an option due to immigration issues educational possibilities as well as volunteer opportunities should be investigated and presented.

POLICY AND EXCEPTIONS

When relocating staff for a 'Set up' in a country new to the corporation concerned, it is essential that standard relocation policy is reviewed and exceptions be made for local country specifics. A relocation into West Africa for example, will entail totally different parameters than one into a Northern European country. Sourcing good legal advice is essential as well as DSP input.

SELECTION OF SUPPLIERS RE OUTSOURCING

Essential also is the selection of qualified companies to whom to outsource various aspects of the relocation, be these destination services, moving of household goods and effects, immigration services, tax advice or language training. Various factors should be taken into consideration during the selection process: track record and demonstrable experience of the company in question, positive client referrals, clearly outlined process flows as well as escalation process, tracking procedures and updating procedures. Find out what quality control measures the company has in place and if certification has been obtained in ISO, Six-Sigma or other industry relevant qualifications.

CONCLUSION

Bearing in mind all of the above factors when planning international staff relocation will do much to pre-empt many possible issues and ensure success. There will always be numerous challenges when relocating staff internationally yet much of the stress can be taken out of this by pre planning and consideration of the aspects outlined in this article. ■

• **FRAGOMEN** – *CONTINUED*

New York and Massachusetts, and is a member of the Massachusetts State Bar Association and the American Immigration Lawyers Association. Ms. Ellison is also an Adjunct Faculty member at Boston College LawSchool, where she teaches a course on Business Immigration Law.

Howard W. Gordon (Washington, D.C. and New York): Mr. Gordon is a graduate of the University of Maryland (B.A.) and the Cornell Law School (J.D.) He serves as the managing attorney of the firm's Legal Practice and Government Relations Team. Mr. Gordon is admitted to the bar in the District of Columbia and Pennsylvania, and is a member of the American Immigration Lawyers Association.

Janet L. Henner (New York): Ms. Henner received her B.A. from Brandeis University and is a cum laude graduate of Tulane University School of Law (J.D). She currently serves on the executive committee of the New York Chapter of the American Immigration Lawyers Association (AILA). Janet is admitted to practice in New York, Connecticut, Illinois (inactive) and Washington, D.C.

Julie Muniz (New York): Ms. Muniz attended Boston College (B.A.) and is a cum laude graduate of New York Law School (J.D.). She is admitted to the New York Bar, and she is a member of the American Immigration Lawyers Association and the Association of the Bar of the City of New York.

Jeffrey W. Pitts (New Jersey): Mr. Pitts received a B.A. with honors from the University of Cincinnati and a J.D. cum laude from New YorkLaw School. He is admitted to the bar in the states of New Jersey and New York and is a member of the Federal Bar Association and the Association of the Bar of the City of New York.

ABOUT FRAGOMEN, DEL REY, BERNSEN & LOEWY, LLP

"Fragomen" is the largest law firm in the United States dedicated to corporate immigration, and is recognized internationally as the leading global immigration services provider. The firm employs over 150 immigration attorneys, and more than 1,000 professionals and support staff located in 31 offices throughout the Americas, Asia Pacific, and Europe. For more than 50 years, Fragomen has represented a broad range of companies, organizations and emerging businesses, working in partnership with clients to facilitate the hiring and transfer of employees worldwide. Fragomen is a member of the AmLaw200 and was named global "Corporate Immigration Law Firm of the Year" in 2005, 2006 and 2007 by the International Who's Who of Business Lawyers. For more information, please visit www.fragomen.com. ■

• **DALE WELCOME –** *CONTINUED*

GLOBAL HR NEWS: Is there a "magic formula" re International Policy and Practices and ROI for the company? And would you please tell our readers about your approach to "Achieving Business Objectives" via policy development, implementation, and ongoing communications?

DW: ROI for international assignments is the elusive holy grail of demonstrating a value proposition for international assignments. ROI implies that there is some numeric calculation one can make to value international assignments, policy and practices.

While it is difficult to evaluate and impossible to completely quantify (although some economists probably would argue with me that you can quantify anything), we have come up with a basic formula, both quantifiable and qualitative, to evaluate our programs, policies, decisions, service-levels, etc.

The formula is: Cost (administrative and assignment) + Assignee and family experience + business group objectives = Value to Intel.

Ultimately, we want to influence everything we do to have a positive impact on value to Intel. Our primary customers are the corporation's shareholders and we must deliver value to the company.

Here is a definition of the formula and how we use it:

Cost = cost represents both the administrative and assignment costs. This is the cost we either pay to keep someone on assignment, i.e. schooling, housing, transportation, or our internal administrative costs such as customer support, systems, relocation/destination consultants, etc...

Assignee and family experience = part of this is the customer service delivery experience of the assignee and their family as well as the assignee career value of being on assignment or the assignee's future career potential to Intel.

Business group objectives = this represents meeting certain business objectives, enhanced leadership development, or talent development for the business group / company.

We might make a decision to enrich a policy provision or provide additional services to an assignee, which raises cost, but this increased cost or investment must have a believed or perceived payback in enhancing the assignee experience and / or better meeting business group objectives such that the total value to Intel is increased.

Another example is that we may provide better candidate assessment, selection and preparation tools for the business group for international assignments that allows them to improve success with assignees. If, for example, that an improved process or tool is used to assess, select, and prepare an assignee and their family for the international assignment, the employee may be more productive quicker, the family settles-in faster, and the overall stress for the assignee is less resulting in better business results for the business group. The end result is improved value to Intel.

Of course, in these examples there is a balance to where the cost or the service may be too high resulting in a negative return to Intel. Also, each variable in the formula is not always quantifiable and thus qualitative evaluation and judgment must be used.

However, all of this does provide a framework to make decisions, evaluate programs, and get a better understanding of the "ROI" of an assignment.

GLOBAL HR NEWS: Could you please tell us more about yourself? Can we begin with…Where were you born?

DW: Montague, MA USA; a small rural town in western Massachusetts

GLOBAL HR NEWS: Where did you go to high school?

DW: Turners Falls High School in Montague, MA.

GLOBAL HR NEWS: When in high school, what were your dreams or thoughts about a career? Anything specific you want to share?

DW: In high school, my passion was photography. I went on to start my career as a professional photographer. This was back in the days of film and darkrooms. As I moved on in life, I drifted away from photography, went to university and began a career in finance.

Now that I travel, I have re-ignited my passion for photography and take my camera wherever I go. While on a temporary assignment in China and India for 3 months this past summer, I took over 4,000 photographs. However, with everything digital and editing done on computers, I have to learn all the new technology. Thankfully, many of the concepts are the same from the old film and darkroom days.

GLOBAL HR NEWS: Where did you go to college? What was your major? Were you active in sports and on-campus clubs?

DW: I graduated from the University of Washington with an accounting degree from the school of business. By the time I went to university, I was married and raising our first child, so my activities were focused on my family.

GLOBAL HR NEWS: OK, what book are you now reading, or recently finished?

DW: I love to read and normally have a number of books going at one time. A recent read was *China Road* by Rob Gifford. Rob is an NPR (National Public Radio in the US) correspondent who wrote a documentary of his journey on Route 312 (the old Silk Road) from Shanghai, completely across China. It was a fascinating read. Also, among a number of photography magazines and books I have going, I am also reading *In Spite of the Gods – A Strange Rise of Modern India* by Edward Luce, a journalistic read on modern Indian history; and *China, Inc.*, a documentary on business and culture in today's China.

GLOBAL HR NEWS: Very interesting mix. What about "leisure"…do you have time for off-work activities?

DW: Skiing (Utah has the greatest snow on earth!), photography, RV'ing, running, swimming, and cycling

CONTINUED — PAGE 50

MANAGEMENT

Personal Insurance for Expatriates:

Out of sight out of mind... only until a problem occurs?

by MATTHEW MCKINLEY
MCKINLEY INTERNATIONAL
RISK MANAGEMENT
info@mckinleyinternational.com

In an era where we are all trying to develop international risk management and employee benefits "best practices" there are a few lines of insurance that are not being addressed properly by both the expatiate assignee and by the employer.

We are talking about international personal property for all the "stuff" the expat and family has shipped abroad.

The second piece is international personal liability in case the expat (or family member) is sued abroad, or is found negligent and "damages" are awarded.

The final piece does not affect most expats, but losses can be catastrophic. It's called vacant homeowners coverage for an expat in an assignment trying to keep a house in the home country that's not being lived in full-time.

We have found that both the expatriates and the employers don't take these risks as seriously as they should.

In many countries it's impossible for expats to insure their personal property (watches, rings, clothing, the kid's toy's etc.) and to protect their personal next worth with liability coverage using the local insurance market. Also, many expats have a false sense of security that the employer "must have something for me if I have an uncovered loss." It's the fallacy of, "my company is so internationally sophisticated, they must have thought this through."

There's a tremendous amount of confusion and inconsistency around these risks from the employer's perspective. Two multinational employers may both be using the same vendor for international medical, but you will find few to no similarities regarding international personal property and liability ...even in the same industry.

In some instances employers are providing personal property and liability coverage as a standard part of the expat package. Coverage is very inexpensive related to the overall cost of the assignment. Some employers make a solution available to expats before the assignment that is 100% paid by the expat. However, many global organizations do not address these lines at all. There is no consistency in the marketplace whatsoever.

Even if the employer is not sponsoring this coverage, a large amount of potential liability can be removed from the employer by clearly outlining to the expatriate before the assignment that it's the expatriates personal responsibility to secure the proper personal insurance, and the company has

CONTINUED — NEXT PAGE

Worldwide Networking

• **EXPAT INSURANCE** – *CONTINUED*

no commercial policies that would cover personal claims.

It's amazing how many companies are not addressing this and shielding liabilities which can be solved with a very simple communication effort before and during the assignment.

Let's look at vacant home insurance for example (our third coverage). Almost no one realizes that you need to secure special coverage if your home is not being lived in for over 30 to 60 days (depending on the insurer and home State). An expat that goes overseas for 5 months on a short term assignment and believes there is nothing to worry about because the "homeowners invoice was just paid" is risking everything. An expat going overseas for 2 years may have the foresight to investigate the policy language on their homeowner's coverage suspecting a problem, but short-term expats simply don't do it. Having your sister stop by every week to "check in on things" does NOT satisfy the terms of the homeowners (HO3 or HO5) policy in almost all cases.

Why should employers care?

An computer programmer that goes overseas for 90 days to complete a project, and returns home to a $700,000 uncovered fire loss will probably not be very accepting of this, and accept personal responsibility. An employer that has not addressed this risk in writing will be much worse off than an employer that has this clearly documented. An employer that has advised of the risk

CONTINUED — PAGE 48

• **EXPAT INSURANCE** – *CONTINUED*

AND presented a solution that the employee did not pursue would of course, be in a much better position. Loyalties go away quickly when this size loss presents itself.

Would an employer have a strong case in this instance if an employee filed suit against the employer, perhaps, but think of the potential ugliness of this situation?

All this can go away with a few paragraphs of documentation, and making it clear certain risks are the employee's responsibility.

In other countries the employer's case may not be as strong without offering a solution; take U.K. "duty of care laws" as an example that would work against the employer.

In summary, one of the easiest things an employer can do to shield liabilities is document to anyone leaving for an overseas assignment the risks associated with these three lines, and exactly what the employer provides or does not provide. Our experience has shown that these lines are simply not addressed in most cases.

ABOUT MCKINLEY INTERNATIONAL RISK MANAGEMENT

Matthew McKinley has worked in the international insurance industry since 1993 and is licensed in both employee benefits and property & casualty. Mr. McKinley works with both individual expats and global organizations on international lines and special risk coverage. ■

• BUSINESS AS AGENT – *CONTINUED*

Today Fairmount's people are being asked to speak everywhere—most recently on a world stage at the United Nations Global Compact. At one of the forums the CFO of the company, Jenniffer Deckard pounds the podium with excitement: "We can do good and do well."

This is what going green at maximum velocity is really all about.

To read more on the Fairmount Minerals story see Chris Lazslo's new book on Sustainable Value; and to see a the video of the Sustainable Design Factory in Action go to the Fairmount Minerals website at www.fairmountminerals.com. ■

• AGING WORKFORCE – *CONTINUED*

relating to this group of employees, then build and execute a plan that can meet those objectives.

The Ernst & Young 2007 Aging US Workforce Survey: Challenges and Responses an Ongoing Review was written by the following authors:

- *William J. Arnone, Principal, Employee Financial Services, Ernst & Young LLP. He can be reached at William.arnone@ey.com*
- *William B. Leisy, Americas Markets and Services Leader, Performance & Rewards Practice, Ernst & Young LLP. William authored the white paper on Talent and Succession Planning and can be reached at William.leisy@ey.com*
- *Arthur L. Conat, Executive Director, Resource Actuary, Performance & Rewards Practice, Ernst & Young LLP. Arthur authored the white paper on Retirement Plans and can be reached at art.conat@ey.com*
- *David G. Johnson, National Service Line Leader – Executive Compensation Strategy & Design, Performance & Rewards Practice, Ernst & Young LLP. David authored the white paper on Executive Compensation and can be reached at david.johnson2@ey.com*
- *Edward Pudlowski, ASA, MAAA, Principal, Performance & Rewards Practice, Ernst & Young LLP. Edward authored the white paper on Health Care and can be reached at Edward.pudlowski@ey.com*
- *Christopher Lipski, Principal, HR Risk Service Line Leader, Performance & Rewards Practice, Ernst & Young LLP. Christopher authored the white paper on HR Risk and Compliance and can be reached at chris.lipski@ey.com*

The views expressed herein are those of the authors and do not necessarily reflect the views of Ernst & Young LLP. ■

• **DALE WELCOME –** *CONTINUED*

GLOBAL HR NEWS: At what age did you get your first passport?

DW: I didn't get my first passport until I was in my 40's.

GLOBAL HR NEWS: What and where was your first trip outside the US? When? Did you love it?

DW: My first trip out of the US was in 2002. I had 3 international trips planned prior to this that got canceled for a variety of reasons, much to my disappointment. However, in 2002 I finally made my first trip and loved it. I traveled to Malaysia, Hong Kong and Singapore and have been hooked ever since.

GLOBAL HR NEWS: Because we have a large readership of people under 40, would you please discuss career development...any tips?

DW: Yes, I am happy to discuss this and thanks for asking me. There are three key areas of career development that have helped me tremendously. First, 70% of what you learn and grow in your job and career you learn on the job. Seek assignments that stretch you and challenge you. I also believe in a concept called "having peripheral vision". What I mean by this is not only learning your direct job but look around you all the time, learn your environment, learn about the things around you, and be naturally curious about everything. The more you learn, you more you can apply in the future.

Find mentors, not just one but several. Find people you can talk with and who you can have open-dialogue about your career and professional development. The second largest area of career development is "effective networking" and mentors can play a key role in helping with career development.

Lastly, seek to move your career laterally as well as upward. I have had many jobs across HR as well as in Finance and IT. Not all were steps upward but rather lateral. In each assignment, I sought to perform, learn as much as I could and expand my network. I believe this has given me a broader career base, made my assignments challenging and interesting, and helped me in the long run.

GLOBAL HR NEWS: Excellent info and guidance; thanks very much. Now, regarding international assignments and candidate assessment and selection; hypothetically, if you were to have a dialog with a group of company employees (not families) - people who would be in a "pool" of possible international assignees - what things would you tell them?

DW: I would tell them two things. First, if they are not looking at this assignment for them and their families as an adventure, then they should consider not going on assignment. Second, they need to consider that what have made them successful to this point may not be the things that will make them successful on assignment.

People who go on assignment either have the "DNA" for international assignment or they don't.

Much of it may have to do with their attitude going-into the assignment but what I mean by "having the DNA" is to be open to the people, culture, and differences of where they will be.

Particularly for those leaving from the US to a foreign assignment, their experience will not be like living in the US. If that is what they expect, they will struggle and fail. However, if the assignee is open to learning the culture, adapting, and seeing everything as an adventure rather than a frustration, they will be far more enriched by the experience.

My second point really takes off from the first. In the assignee's job as well as dealing with their home-life in an international location, things that made them successful at home or at work may not work on assignment. The assignee must really learn the culture, understand how work gets done, how to communicate effectively, and adapt to these differences.

For example, when I was in India I learned that when someone says they can do something for you it may not mean they really can get done what you asked for. As I was moving into my apartment in Bangalore for a month assignment, the phone and a few other things didn't work. I called the building management to get them fixed. They said "yes" they could fix it. Nothing happened. I called again. Still nothing. I ended up calling four times and still no action despite that each time I called I was told someone would be right up to help me.

The next day I went into the office and expressed my frustration to my Indian colleagues. They told me that "yes" doesn't always mean "yes" in India. The culture is that people do not want to say "no" and disappoint you, even though they know they can't help you. They advised me that when I ask for something to be done, I need to be sure to ask directly whether they can really help me or is there someone else I need to talk to. A little probing will go a long way.

Some of the changes that we are making in how we administer assignments at Intel is to do a better job of making pre-assessments of both the assignee and their "significant other"; be more effective in providing cultural training, language training; and providing more "on the ground" guidance that allows them to adapt and adjust more quickly and effectively.

GLOBAL HR NEWS: Wonderful and instructive insight and guidance, thank you on behalf of our global readership. Now, will you please name 4 or 5 "things" they should be aware of... such as the role of an assignment in the firm, what's expected by the firm, and also relate what they should expect... from themselves and from their family...while on the assignment.

DW: I believe there are several key areas about which an assignee should focus in preparation for their assignment once they decide to accept the role:

1 Clearly define the assignment objective with their manager. Is the assignment for business group leadership and development? Is this a strategic assignment into new business segments? Is the assignment for knowledge-transfer and technology transfer? Also, find out if the role to be filled is a talent gap or lead a project.

CONTINUED — PAGE 52

• **DALE WELCOME –** *CONTINUED*

2 Define the assignment deliverables and expectations. Find out what success looks like and how will it be measured or evaluated.
3 The assignee should discuss with family why they are going on assignment and what does the family hope to get out of it as well as what success will look like to them!
4 It is important to begin planning for repatriation right up-front. The assignee and manager should discuss what that might look like and define how they are going to keep this discussion going, rather than waiting until the assignee returns with no clear role back in their home location.

The above are all very key areas that we are trying to improve on at Intel with our assignee populations. My team plays a key role, along with our HR partners, to provide tools, training, and support to the assignees to make sure these things are considered and happen over the course of the assignment so that Intel, the employee and their family can make the most of the experience.

GLOBAL HR NEWS: Imagine if you will for a moment, being a Professor at Harvard Business School, conducting a class discussion... would you please name 3 to 5 things that you would tell students are really the most practical things they should understand about the world of international business ?

DW: I think what I would tell them is really simple.

Learn and embrace the culture. This would include learning a little history of where you will be to help understand why things are the way they are

Learn the language, even if it is just basic.

Learn that you will need to do things differently, i.e. what made you successful may not work in a different culture

GLOBAL HR NEWS: Now, looking ahead for yourself, say in 5 years (2013), would you please describe the type of job or business responsibilities you would like to be doing by that time ?

DW: At Intel, predicting what your job or the business will look like in five years is extremely difficult. The technology business changes so rapidly. However, as I have said, workforce mobility is by far the most exciting job in my entire career. In the future, I would like to transform the business of moving Intel employees around the globe in such a way that we build talent and leadership to drive the business growth of the future. Global markets, business growth opportunities and the demand for talent will be even more challenging five years from now and I would like to be continuing to play a role that effectively moves and develops that talent and leadership around the globe for Intel's future success.

GLOBAL HR NEWS: Dale, on behalf of our global readership, thanks you for a very informative dialog. I have learned much and you have given me a lot to think about. ■

NEWS

G2nd, ETS Launch Speaking & Writing Tests

PRINCETON, NJ — ETS and its Preferred Vendor, G2nd Systems, jointly launched the Internet-based TOEIC® Speaking and Writing tests for the first time in the United States on Dec. 6 at the G2nd Systems, GSL® Workplace Center in Bishop Ranch, San Ramon, California. TOEIC® is the acronym for Test of English for International Communication.™ This version of the TOEIC® test allows experts to measure a test taker's ability to use spoken and written English in the workplace, providing a four-skill assessment — listening, reading, speaking and writing.

Since 1979, the TOEIC test has been recognized for the highest levels of score reliability and fairness. Developed by ETS, the TOEIC test has set a worldwide standard for workplace English-language proficiency testing. Today, over 5,000 corporations in more than 60 countries use the TOEIC test, and 4.5 million people take the test every year. Leveraging this history and the benefits of technology, the TOEIC Speaking and Writing tests continue the ETS tradition of establishing a worldwide standard for communication competency in today's global business environments.

The TOEIC Speaking and Writing tests measure a test taker's ability to use spoken and written English in the workplace testing listening, reading, speaking and writing and providing score users with relevant information to make more informed decisions about validating English proficiency and/or improving test-taker skills.

"ETS and G2nd Systems recognize the business imperative related to effective communication across multiple cultures at the same time," says Lorelei Carobolante, CEO of G2nd Systems. "As an ETS Preferred Vendor, using the TOEIC test allows us to help organizations and consulting professionals benchmark communication capabilities, identify process improvement areas, and customize results-oriented training and development for a multicultural workforce."

"We are pleased to announce the launch of the TOEIC Speaking and Writing tests in the United States," says Paul A. Ramsey, Senior Vice President of ETS's Global Division. "The TOEIC test provides a definitive assessment of an individual's ability for effective English communication in today's globally diverse workplace."

English has expanded from a culture-specific or national language to a tool for communicating across multiple cultures and countries, and the TOEIC test scores indicate how well people can communicate in English in today's globally diverse workplace. Measuring proficiency in English speaking and writing capabilities allows business professionals, teams and organizations to implement focused language strategies that will improve organizational effectiveness, customer satisfaction and employee productivity. ■

MAKING A WORLD OF DIFFERENCE TOGETHER

Colgate-Palmolive is an $11 billion global company serving people in more than 200 countries and territories with consumer products that make lives healthier and more enjoyable. We take pride in our globally recognized brand names including Colgate, Palmolive, Ajax, Speed Stick, Softsoap, Irish Spring, Hill's Science Diet and Hill's Prescription Diet.

Colgate people use their individual strengths to achieve business results by working together as a worldwide team. This strong global teamwork requires a company culture in which everyone truly values one another. At Colgate, we make a world of difference together, every day.

If you would like to learn more about the world of Colgate-Palmolive, please visit our website at www.colgate.com.

COLGATE-PALMOLIVE COMPANY