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Editorial: Too many cooks...

There is an old English expression that 'too many cooks spoil the broth' meaning that if there are too many people trying to manage the making of a simple outcome then the quality of the end product will suffer. Unfortunately it appears that it is the British who least heed their maxim.

Latest figures from the European Union (EU)'s Labour Force Survey (LFS) date from Q2 2015. These reveal that the proportion of people claiming to be 'managers' in the EU as a whole was 5.8%. Across the major EU member states this proportion differs from 3.7% in Italy to 4.4% in Germany and 6.9% in France. But in the UK it stands at 11.2% — almost twice the EU average.

Some of this classification could be due to 'slippage' — people who are in professional white-collar jobs defining their role through supervision rather than expertise. But here the evidence also puts that in doubt. The proportion of 'professionals' to total employees across the EU as a whole is 19.1% — ranging from 14.5% in Italy to 25% in the UK.

Of course, these are claims made during a face-to-face survey and are not based on actual job titles — although the figures are remarkably consistent between successive LFS surveys. Thus we either have a cultural pre-occupation in the UK with status, or a genuine difference in the structure of UK companies. The low number of managers in Italy is surprising because of the high number of small companies in the economy. Even so, economic structure may be a factor in the balance of managerial/professional staff to other employees. For instance, just 12% of UK employees work in manufacturing compared to 27% of German employees. However, manufacturing organisations tend to be more hierarchical than service organisations, which further supports the view that there is probably an over-designation of employees into managerial positions in UK businesses as well as a status concern making people perceive their jobs to be managerial — both of which will be serving to undermine the effectiveness of organisations through the 'too many cooks' phenomenon.

Bangladesh: Telecoms giant hit by accumulated profit-sharing claims

A dispute about profit-sharing payments owed by Bangladesh's leading telecoms company, Grameenphone, has remained unresolved since 2010. That was the year in which the company established a Workers' Participation Fund in line with a law applicable to companies with over 100 employees, a paid-up capital of one billion Bangladeshi taka (12.8 million US dollars) and fixed assets worth two billion Bangladeshi taka (25.6 million US dollars).

Payments equal to 5% of company profits were paid into the fund, but the two-thirds of fund receipts that should have been distributed to employees each year were never released. Industrial action began last year, but delays continued. Allegedly payments were made to managers in July of this year, but over 3,000 employees appear to have remained unpaid. Now an individual office employee is taking the case to an employment tribunal. Although the company reported earnings of 51.5 billion taka (663 million US dollars) in the first half of 2015 (up 0.7% from the same period last year), its margins have been under pressure due to increased competition and political turmoil in the country.

Germany: Upcoming gender quota requirements for supervisory boards

From January 1st 2016 many larger companies in Germany will be obliged to ensure that the under-represented gender on their supervisory board accounts for at least 30% of all board members.

The requirement will apply to listed companies that, in accordance with German employee codetermination law, have an equal number of shareholders and employee representatives on their supervisory boards (i.e. companies with more than 2,000 employees).

Furthermore, companies that are either listed, or required to have one-third of their supervisory board made up of employee representatives under the German employee codetermination law (i.e. companies with 500-1,999 employees) are now required to set their own targets for increasing female representation on their supervisory and management boards (or among their managing directors). This also applies to managerial positions in the two management levels below the management board/managing directors. Companies already in existence must fulfil their target quota by June 30th 2017, whilst new companies will have five years to fulfil their target quota from the date they set the target.

These requirements apply only to companies based in Germany which were established under German law and are regulated by German law — foreign companies operating in Germany do not fall within the scope of the relevant law.

South Korea: Tackling gender discrimination in recruitment

The Ministry of Labour in South Korea has announced that it will be issuing recruitment guidelines to larger companies and franchisers in an attempt to tackle the problem of sex discrimination during the recruitment process. Although laws prohibiting gender discrimination already exist in Korea, they are seldom enforced — and few employees challenge discrimination out of fear that it may endanger their employability.

The new guidelines will state that employers may not ask female job candidates 'sensitive' questions during the recruitment process, for example about their marital status or plans to have a family. They will also state that job advertisements may not include requirements relating to physical appearance. 'Positive action' in favour of a particular gender will be permitted

in order to balance out male and female numbers in specific positions.

Taiwan: Guideline on post-termination competition restraints published

Taiwan's Ministry of Labour recently published a new guideline on post-employment non-compete clauses. This is the first guidance of its kind as there is currently no specific legislation in Taiwan governing such clauses and courts normally decide whether or not such clauses should be enforced on a case-by-case basis.

The guideline states that post-termination non-compete agreements may only be entered into for the purposes of protecting a company's trade secrets, intellectual property or protected superior techniques. It states that a period of restriction may last no longer than two years and that the restriction must be limited to competitors operating in the same geographical area as the former employer. In addition, the guideline states that individuals subject to such restrictions should be compensated during the period of restriction by at least 50% of their former monthly salary. Uncompensated restrictions will be deemed invalid.

Although administrative guidelines are not legally binding on employers they can be used as a guide by judges. Furthermore, the Ministry of Labour has now received preliminary approval from the legislature for amending the Labour Standards Law to include these restrictions on non-compete agreements.

UK: Tough new controls on trade union activities

The UK's Trade Union Bill is now well on its way to becoming law having passed a third reading in the lower house of parliament and a first reading in the House of Lords (upper house of parliament).

Under the Bill, trade unions would only be able to call members to strike where at least 50% of members turned out to vote and, in the case of important public services, at least 40% of members voted in favour of striking. The mandate for taking industrial action would also be limited to just four months from the date of the vote. Furthermore the Bill would require unions to give employers two weeks' notice of any intended strike action and would permit employers to use agency workers to replace striking employees. It would also set a requirement for ballot papers to explain the matters at issue and the type of industrial action envisaged and would oblige picket line supervisors to carry trade union authorisation letters and to wear an arm band for identification purposes.

The government has dropped initial plans to require unions to give comprehensive advance notice of intended pickets and social media campaigns and for all pickets to wear some form of visible identification. They have also dropped clauses that would have created a new criminal offence of 'intimidation on the picket line'.

A second reading in the House of Lords, that will include a general debate on all aspects of the Bill, has yet to be scheduled. Opposition to the Bill remains strong, particularly in Scotland, but nevertheless it is likely that this measure will remain virtually unchanged and gain Royal assent by early Spring next year.

UK: New sentencing guideline for health and safety offences

From February 2016 large companies in England and Wales could face fines of up to 20 million pounds (30 million US dollars) for corporate manslaughter and up to 10 million pounds (15 million US dollars) for other serious breaches of health and safety law, according to a new sentencing guideline published last week.

The aim of the guideline is to introduce consistency in the sentencing of such offences and to deter non-compliance by ensuring that the penalties are sufficiently high.

The guideline uses a company's turnover as a starting point for determining the appropriate fine for breach of health and safety regulations. The size of penalty will also depend on the company's level of culpability and the harm caused. A number of other factors that may increase or decrease the seriousness of the offence — for example any previous convictions or a good past health and safety record — must then be taken into account before the final penalty is imposed.

The guideline also deals with sentencing of individuals found guilty of health and safety breaches and suggests a starting point of 18 months' custody for individuals with a very high level of culpability and harm.

Courts will begin to use the guideline for sentencing from February 1st 2016, irrespective of when individual offences occurred.

Ukraine: Draft Labour Code finally approved in full

The Verkhovna Rada, Ukraine's national parliament, has approved at first reading a new draft Labour Code. The new text includes a requirement for employment contracts to be in written form. It also seeks to bring the law in line with the European Union's 'Social Charter' and other international instruments such as the UN's Universal Declaration of Human Rights and the conventions and recommendations of the International Labour Organization.

Initially, lawmakers rejected amendments introducing new anti-discrimination safeguards relating to race, politics, religion, gender, sexual orientation, marital or

property status, strike participation and AIDS. However, these have now been passed. Such amendments were necessary in order for Ukraine to meet the conditions set by the European Union to be eligible for visa-free travel in the EU. The law is expected to be adopted by the end of 2015.

USA: Legal amendment to reduce claims for breaches of itemised pay statement laws

California recently amended the Private Attorneys General Act (PAGA) with immediate effect in an attempt to reduce the number of class actions being brought against employers for minor, technical violations of the law on itemised wage statements.

The amendments allow employers a period of 33 days to rectify any wage-statement errors concerning pay periods or the legal name of the employer, once they have been reported by an employee. Only if the employer fails to rectify the errors within this time may the employee bring a civil action against the employer under PAGA.

The relief offered to employers by these amendments is limited, however, by the fact that it only applies to these two specific types of technical violations and only to claims made under PAGA. Furthermore, under the new law a violation will only be considered rectified after the employer has provided a fully compliant, itemised wage statement to each aggrieved employee for each pay period during the previous three years.

Pay, Tax and Benefit Trends

AUSTRIA: In Austria, average wages increased by 2.6% in the trade sector and by 2.2% in the service sector in the first half of 2015 as compared with the first half of 2014, according to the country's national

statistical office, Statistics Austria. During the same period the average number of hours worked per employee decreased by 0.3% in trade and by 1.7% in services.

BELGIUM: Employers' organisations and trade unions in Belgium have come to an agreement over a new guaranteed minimum return on workplace pensions. Currently the guaranteed return is 3.25% per year on employer contributions and 3.75% on employee contributions. However, it has been apparent for some time that these rates could not be maintained given the general decline in interest rates. It has now been agreed that from 2016 the guaranteed minimum return will be variable within a range of 1.75% and 3.75% and the same rate will apply to both employer and employee contributions. To begin with the rate will be set at 65% of the average return on 10-year linear bonds over a 24-month period, although this may be adjusted in 2018 and 2020.

INDIA: India's Revenue Secretary, Hasmukh Adhia, has indicated that the government may reduce the country's corporate tax earlier than previously planned. In February 2015 the government set a four-year deadline for gradually reducing corporate tax from 30% to 25% and repealing certain corporate tax exemptions. The latest timetable for the changes is expected to be released before the end of the year.

ISRAEL: The Israeli government has agreed to increase the national minimum wage to 5,300 Israeli new sheqel (1,350 US dollars) per month from December 1st 2017. The national monthly minimum wage was already due to increase from the current 4,650 new sheqel (1,185 US dollars) to 4,825 new sheqel (1,230 US dollars) in July 2016 and 5,000 new sheqel (1,275 US dollars) in January 2017.

ITALY: According to data from Italy's national statistical office, Istat, at the end of September 2015 62% of employees were covered by wage setting

provisions in national collective agreements. This coverage amounted to 59% of the total value of wages paid.

SINGAPORE: In an attempt to encourage lifelong learning, all economically active residents of Singapore aged 25 years and over will start receiving training credits from the government as of January 1st 2016. The initial credit offered under the SkillsFuture credit scheme will be for 500 Singaporean dollars (352 US dollars) and can be used to pay for over 10,000 approved courses in a range of tertiary education institutions. The government has indicated that further credits will be issued at a later date.

SLOVAK REPUBLIC: The national minimum wage in the Slovak Republic is to increase to 405 euros (approximately 435 US dollars) per month as of January 1st 2016. This is just over a 6.5% increase on the current minimum wage rate of 380 euros (408 US dollars) per month.

TURKEY: Nihat Zeybekci, the interim Economics Minister for the new Turkish government, has announced that the country's national minimum wage will increase on January 1st 2016 from 1,000 Turkish lira (343 US dollars) to 1,300 lira (446 US dollars) per month. This will benefit over five million workers. Although this minimum wage hike was an election pledge by the Justice and Development Party (AK Party) that won 49.35% of the vote in the recent parliamentary elections, the change will still depend on backing from a newly constituted Minimum Wage Determination Commission, which has yet to be formed. It was also not included in the 2016 budget passed by the previous government and is likely to be subject to legal challenge by local employers' organisations.

USA: Following wage deals at Fiat Chrysler and General Motors (yet to be fully approved) the Ford Motor Company has now concluded a tentative

agreement with the UAW covering its US plants. This changes the classification of second tier workers into 'in-progression' workers and removes the current 25% cap on the proportion of such workers in exchange for a transition in labour rates to tier one status over eight years. New flexible working arrangements are to be introduced for temporary and part-time workers and annual lump sum payments of 1,500 US dollars will replace cost-of living index payments. Workers will also receive a 10,000 US dollar signing bonus (1,500 US dollars of which will be an advance on profit sharing). The deal will now be put to all UAW Ford members for a final vote.

Other Global HR News in Brief

AUSTRALIA: Over the last two decades trade union membership in Australia has fallen from 40% of the working population to just 15% today. In the private sector unionisation currently stands at just 11%. According to data published this month by the Australian Bureau of Statistics, from August 2013 to August 2014 alone membership declined by 140,000.

CARIBBEAN: The Caribbean Employers' Confederation and the Caribbean Congress of Labour have agreed to establish formal bipartite forums in fifteen Caribbean states. The agreement was reached during a meeting that took place earlier this month under a project funded by the European Union and carried out by the International Labour Organization. During the meeting it was recognised that both employers and employee representatives need to be more involved in the curriculum and development of national vocational and technical training institutions and that tackling youth unemployment in the region is a priority.

CHINA: The government of China's Guangdong province has proposed a regulation requiring employers to give one day off on full pay to female

employees who suffer from painful menstruation. Employees would need to obtain a valid doctor's note stating that they are unfit for work each month because of this condition. The proposal is now subject to public consultation until December 3rd 2015.

DENMARK: The Danish parliament is currently considering a Bill to amend the Working Environment Act. The Bill would give the labour inspectorate the power to carry out more inspections on companies with high health and safety risks and would allow the names of companies who breach the rules of the Working Environment Act to be published on the labour inspectorate's website. The Bill would also amend the criminal code to increase the fines that would apply when there are aggravating circumstances.

IRISH REPUBLIC: Last month, in its 2016 Budget, the Irish government announced that statutory paternity leave will be introduced next year. From September 2016, employers will be obliged to grant male employees two weeks of paternity leave following the birth of their child — but only on the employee's request. State paternity benefit will be payable during this leave period to employees who have made the required minimum social security contributions.

NEW ZEALAND: New Zealand's Ministry of Business, Innovation and Employment has reminded employers of their obligations to produce and maintain accurate time, wage and leave records in relation to their employees and produce them when requested by a Labour Inspector. The Labour Inspectorate has investigated a number of cases recently which demonstrated that some employers continue to fail to fulfil these basic obligations required under the Employment Relations and Holidays Acts. Individuals can face fines of up to 10,000 NZ dollars (6,600 US dollars) and companies up to 20,000 NZ dollars (13,200 US dollars) for breach of these obligations.

PHILIPPINES: A proposed law that would extend paid maternity leave from 60 to 100 days has been approved by the Philippines House of Representatives Women and Gender Equality Committee and four senate committees. The Bill guarantees women two-

thirds of their regular pay whilst on leave and also gives an option for a further 30 days extended leave without pay. The Bill will now go back to the Senate for further readings.

Dates for your diary:

November 30th 2015: First of a new annual non-working public holiday in **UAE** for Martyrs Day.

December 31st 2015: By this date all individual contracts in **Denmark** should be amended to remove any clause stating that the agreement will automatically terminate when the employee reaches the age of 70. Members should seek appropriate legal advice.

January 1st 2016: The national monthly minimum wage in the **Czech Republic** increases to 9,900 koruna.

January 1st 2016: **Poland's** national minimum wage increases to 1,850 zloty per month.

January 1st 2016: Stricter rules on the payment of wages come into force in the **Netherlands**.

Latest news for business travellers:

There remains significant disruption to rail and road transport around the borders of a number of countries in **Europe** as a result of an influx of asylum seekers seeking transit to other European countries. Travellers should monitor local media and check with transport service providers for updates.

Many countries around the **world** have increased security following the terrorist attacks in Paris, France last week. Some measures may increase the time required to pass through security at airports.

Disruption to rail services is expected in and around London, **UK** over the Christmas period. Paddington station will be closed for four days from December 25th until December 28th (inclusive). There will be no Heathrow Express service from the evening of December 24th until December 29th and from December 29th to January 3rd there will be changes to Great Western services.

Staff at seven airports in the **USA** are currently striking over pay levels. The strikes at John F. Kennedy and LaGuardia airports in New York, Boston Logan, Chicago O'Hare, Philadelphia, Fort Lauderdale-Hollywood in Florida and Newark Liberty in New Jersey are expected to continue at least through Thursday November 19th 2015.

FedEE news:

ONE-DAY CONFERENCE ON EMPLOYMENT CONTRACTS AND HR POLICIES: On January 28th 2016 FedEE will be holding a one-day conference in London, UK, during which an impressive group of experts

from around the world will be sharing their vast knowledge and expertise in the field of employment contracts and HR policies. More information on the agenda and speakers is available in our [conference brochure](#). We have kept conference fees as low as possible for FedEE Members and Fellows and places are limited, so [sign up](#) today to avoid disappointment!

WEBSITE IMPROVEMENTS: Please note that we will be updating our website over the coming months to introduce a number of exciting new features. Members will be kept informed of the changes as they progress, through email communications and notices in our newswire.

CHRISTMAS OFFICE CLOSURE AND NEWSWIRE SCHEDULE: FedEE will be closed over the Christmas period from December 24th 2015 to January 3rd 2016. The last 2015 edition of the newswire will be published on December 17th and the first edition of 2016 will be issued on January 21st.

PROFESSIONAL DEVELOPMENT: Following requests made by several FedEE Fellows, we have been considering how individuals could be better prepared for the role of International HR practitioner and given appropriate professional recognition. We have had initial talks with a University and recently been in discussions with the Institute of Paralegals (IOP). In the next few weeks we will be forming a working group to explore various options open to us — including the possibility of working with the IOP and/or a continental University. If you would like to join the professional development working group please let us know by contacting us on admin@fedee.com. Meetings will take place in London.

LATEST ECONOMIC PROJECTIONS PUBLISHED: Our [2016 projections for prices, salaries and employment prospects](#) have now been published. This data can be found in our HR Knowledgebase under the category of '[Pay, tax and economic data](#)'.

NETWORK WITH OTHER FEDEE PROFESSIONALS: Don't forget to sign up to FedEE's face-to-face networking community, butN. Join for free today at <http://www.but-n.com>.

FOLLOW US: Follow us on [Twitter](#), [Facebook](#) and [LinkedIn](#) for news on upcoming events and discussions on global employment law and HR issues.

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