

Coming early next year... a new website for ORC London

**just log on...
and you could
win a Palm
hand-held
Computer**



The Palm™ 105 hand-held computer

ORC is pleased to announce that it will launch a London based website www.orcinc.co.uk in January 2002. The website will provide information specifically tailored to European organisations.

Over the next few months, we will continue to add features to the site to make it an even more useful source of information about ORC's services, HR related trends and developments - and international cost of living data.

To celebrate the launch, ORC is running an on-line competition to win a Palm hand-held computer. Simply visit our website and answer a couple of basic questions about the introduction of the Euro and you will be entered into our draw to pick the winner!

Euro Survey now available



ORC is delighted to announce the availability of its survey on *The Implications of the Euro for Expatriate Policies and Practices in Europe*.

This is the third in a series of reports on how those multinationals with expatriates assigned to the twelve countries who have signed up to EMU are responding to the potential impact of the euro on expatriate policies and practices, employee mobility, and the cost of international assignments.

Participants will receive a copy of the results shortly. Non-participants may purchase a copy of the results for £200. For further information, please contact Sherry Walker on 020 7591 5600.

**Who is this
woman...
and where
on earth
can she
be?**



See Back Page for her interesting revelations...



**Season's Greetings and Best Wishes for a Peaceful
and Happy New Year from all the ORC staff in Europe**

HR considerations uppermost in EU Data Protection directive

Attention remains focused on EU data protection rules and its application to company HR practices and processes. With national data protection laws incomplete, many companies remain uncertain as to what the law actually requires. Furthermore, with data protection applying to HR practices as wide-ranging as diversity monitoring, third party contractors such as pension and payroll providers, to the storage and processing of employee data on HR intranets, the picture is indeed complex.

In the past four months, the EU Data Protection directive has been implemented in national legislation in Belgium, Germany and the Netherlands. Three EU Member States — France, Ireland and Luxembourg — are yet to pass privacy measures and implementing measures are also incomplete in some other EU countries. The European Commission has already launched legal proceedings against those countries that are yet to implement the Directive.

The European Commission also signalled that the ball is in the court of national data protection authorities in EU Member States to launch enforcement actions against companies.

With the EU Directive applying to data transfers to non-EU countries, the data protection laws of third countries are critical to companies. However despite agreement of the US's safe harbor principles in 2000, relatively few companies have signed up to them. To date, 102 US-based companies have joined the US-EU Safe Harbor Program but only 35 companies have joined the 'safe harbor' with respect to human resources data. The small number of US companies that have adhered to the principles is expected to generate strong criticism when the European Commission issues its report on Safe Harbor to the European Parliament. In mid-June, the European Commission issued final standard contractual clauses (the so-called "model contract") for the transfer of personal data to countries

lacking an adequate level of data protection, along with a set of frequently asked questions. This contractual approach and the 'safe harbor' are the only real alternatives open to companies wanting to transfer employment data in a legal manner.

Most recently, in a 33-page advisory report issued in September on the processing of personal data in the employment context, a Working Party established under the provisions of the EU Directive, sharply critiqued the value of employee consent as a legal basis for processing personal data of employees and applicants. The Working Party's opinion reiterated the Directive's requirement that employee consent to the processing of sensitive data must be freely given, specific and informed — conditions they feel rarely exist in the workplace — and advised employers wanting to transfer employee data to rely instead upon adequate protection in the country of destination.

Latest salary data...

For many International HR Managers the autumn workload includes the process of planning, recommending and budgeting for salary changes from Executives to 'Blue collar' employees around the world. As always, accurate data is invaluable for this vital and sensitive task.

ORC has recognised this need and for many years has produced an international 'Local National Salary Increase Survey'. Recognised by many as the leading source of comparative data, the survey is published twice a year, with the Autumn 2001 edition now available.

Covering three employee groups (executives, managerial and secretarial), ORC's Autumn survey provides comprehensive information on base pay movement in 2001 and projected increases for 2002.

A total of 111 countries are represented in this report, organised into seven regional divisions:

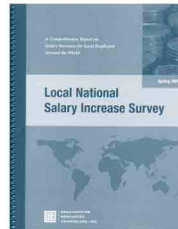
- Western Europe
- Far East and Asia Pacific
- Central and Eastern Europe
- Latin America
- Middle East and Indian Subcontinent
- North America and Caribbean
- Africa

For this report, 105 multinational companies have provided data, typically from US and European headquarters. In addition to overall findings the survey also provides a number of industry specific analyses based on data from many of the world's best-known companies.

The report serves as an invaluable budgeting tool and allows corporate/regional HR professionals to track pay trends across their overseas operations. In addition the survey highlights a number of interesting findings. For example it shows that across Europe pay trends tend to be around 1.5% to 2.5% above the rate of inflation. Whereas, by contrast, in Asia pay trends are 5% or more above the rate of inflation in many locations.

The survey is available from ORC's website (www.orcinc.com) and in hard copy or PDF from ORC's London office.

For further information on participation or to obtain a report please contact Victoria Beck on 020 7591 5600.



Tackling the pay gap

Equal Pay Legislation has been in place in the UK since 1975, in which year the Equal Pay Act 1970 was implemented. Despite this, very significant disparities remain between men's and women's pay. The pay gap between men's and women's hourly wages is just over 18%, at a time when women make up almost half of the workforce.

In October 1999 the Equal Opportunities Commission (EOC), the commission responsible for gender issues in the UK, set up an Equal Pay Task Force to explore the pay gap and make recommendations on how to close it.

The Task Force was made up of twelve independent senior figures from the private and public sector,

the pay structure and promoting the role of women in business. As part of the review she interviewed over 100 employers in the private and public sector and is calling on them to implement voluntary equal pay audits, as well as work life balance initiatives, gender databases and targets.

A number of 'Fair Pay' Champions have been appointed to build support for voluntary pay reviews. In addition the review will look at ways of increasing opportunities and of reversing the situation where women face discrimination at every level of the labour market.

Denise Kingsmill will report her findings to the Secretary of State for Trade and Industry,

arranged two workshops for its network members on how to carry out an equal pay audit. The aim of the workshops was to give our members an understanding of the issues underpinning the pay gap and guidance on how to review its policies and practices in relation to gender and pay. The workshops were held on 13th and 20th of September and were open to our diversity members and their Compensation and Benefits colleagues.

Lorraine Paddison, who was a member of the Equal Pay Task Force and her colleague, Kerry Hawkins, both experienced practitioners in the field of equal pay, ran the workshops on behalf of ORC.



The pay gap between men and women's hourly wages is just over 18%, at a time when women make up almost half of the workforce.

and reported its recommendations in February 2001.

The Task Force set an aim of halving the gender pay gap in five years. Amongst its recommendations was for compulsory pay reviews/audits, which was not well received by businesses.

As a result of the issues raised, the Government announced a number of reforms to the Equal Pay legislation (specifically around how equal pay and equal value claims are processed in employment tribunals) and set up an Employment and Pay Review headed by Denise Kingsmill, Deputy Chair of the Competition Commission. She was appointed to develop best practice guidelines on equalising

The workshops were designed to be very practical and to enable participants to share their experiences and issues of equal pay. Participants were also encouraged to bring samples of their data to be considered, in confidence at the workshop.

The workshop comprised gaining an overview of the Equal Pay legislation and the general principles underpinning pay audits. How to get started in an audit and identifying some of the challenges. Reviewing aspects of the pay system and undertaking spot checks.

Further information on the workshops or Equal Pay issues can be obtained from Deirdre Golden: Tel: 020 7591 5600, Email: Deirdre.golden@orc-lon.co.uk

In response to the huge interest in the issues around pay inequality and to the findings of the Equal Pay Task Force, ORC

Catherine Williams

Catherine joined ORC's London office as an Economic Research Analyst in the International Compensation Services group in October. Catherine graduated from Royal Holloway University in the UK with a degree in Economics in June 2000. She has worked at Cisco Systems in the Recruitment Division and at BskyB in the Finance Department. She holds both British and French citizenship and grew up speaking both languages. Catherine has also lived in Latin America



which gave her the chance to learn Spanish.

Introducing the new European based Research Team

ORC prides itself on the quality of its research teams. One of the things that make ORC unique is its reliance on data collection agents who actually live in the assignment location rather than on headquarters based employees who travel out to the location to collect goods and services prices.

Our National Expenditure Profile (NEP) team, however, has historically been based in New York (although its members have always been drawn from an internationally diverse background) because of the need to interact with staff and computer systems. The NEP team uses survey and tax data and economic modelling techniques to determine how nationals of different countries split their income between taxes, goods and services, housing and how much is left over for other items (known by ORC as the employee's reserve). This important function is the building block for the entire cost-of-living calculation.

Technology has now made centralisation of this team in New York less important and in keeping with our philosophy of locally conducted research, ORC London is pleased to announce the creation of a European based NEP team. Andrew Leverton and Catherine Williams (see above) are economic researchers who are based in London and work closely with their colleagues in New York. They work primarily on research into European consumption patterns. According to Andrew there are several advantages of conducting research locally. "We are in a better position to build a relationship with government statistical agencies and to track changes in tax legislation and other factors which affect consumption patterns".

Slobhan Cummins adds that having research conducted locally will allow ORC to be more responsive and provide a higher level of

service to European clients. She also points out that the London NEP group are also available to answer any questions you have on the transition to Euro spendables.



"We are in a better position to build a relationship with government statistical agencies and to track changes in tax legislation and other factors which affect consumption patterns" — said Andrew Leverton

Equality Networks Celebration!

The Equal Employment Opportunity Network Groups (EEOG) recently celebrated their 10th anniversary, with a special event held at the Royal Overseas League, in London.

The event brought together members from the three networks: The Vanguard, Headway and Breakthrough networks, as well as past speakers from ORC events, members of the equality commissions and other personalities from the equality and diversity field.

The last ten years has seen enormous changes in how equal opportunities and diversity are perceived and treated in



Some of the many guests attending the celebrations... (from left to right) Deirdre Golden - ORC, Andrea Cork - Ionan, Jennifer Douglas - Home Office, Christine Timbrell - The Gender Trust.

organisations. When the networks first started, the key emphasis was on equal opportunities, heightening general awareness and addressing inequality in policy and the management of processes. Whilst awareness training is still a very important component it is now part of a broader strategy which is more closely in tune with individual business objectives. The emphasis has shifted to understanding and valuing difference and embracing the broader concept of diversity as a key driver and integral part of the business.

ORC played a leading role in developing awareness amongst

employers of the business case for diversity, and equipping them to deal with the complex range of issues that this involves. We hope to build on the work that has gone before, and take the Equal Employment Opportunity Group networks forward through the next phase. ORC would like to thank all our members for their commitment and support - and we look forward to working with you all over the next ten years!

If you would like to hear more about the Equal Employment Opportunity Groups, please contact Deirdre Golden on 020 7591 5600, or visit our website: www.orcinc.co.uk

'Mission Impossible'

Nancy Haynes, our intrepid consultant, reports...

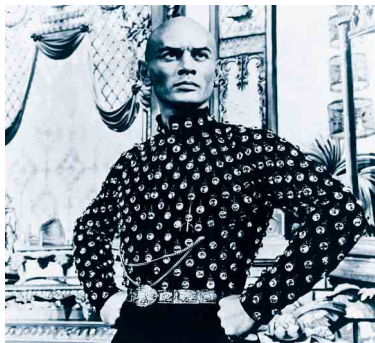
At ORC, we always stress the importance of flexibility and commitment to servicing our clients. But sitting in an airport stranded in Siberia earlier this year I began to wonder if this time I was taking things too far! I'm normally based in the London office of ORC and help clients understand the data we produce, discuss policy issues, clarify movements in ORC indices, etc. From time to time however, when we need to get host location prices quickly and no locally resident agent is available, I am asked to leave my desk and venture out on special pricings.

In the past 12 months I have been to Nigeria three times, Angola, Qatar and the United Arab Emirates. In early March of this year I attempted to go to Sakhalin Island (perhaps most famous for being the birthplace of Taidje Khan otherwise known as Yul Brynner). To get there I had to fly to Moscow then onto Khabarovsk and finally to Yuzhno-Sakhalinsk. The flight from Moscow was on a domestic AeroFlot flight which was an experience in itself (and this from a person who has flown AirBelarus!). One of the highlights of the flight was listening to the in-flight safety instructions and learning that while the right-hand side of the plane had access to emergency evacuation slides, those of us on the left-hand side had ropes!

As we were landing in Khabarovsk, one of the worse blizzards in twenty years was occurring on Sakhalin Island and northern Japan – two metres of snow fell in an afternoon. As a result I ended up being stranded in Khabarovsk for three days. Fortunately I was with 12 other people, Khabarovsk is actually a much nicer town than Yuzhno-Sakhalinsk and it ended up being quite a fun three days!

I never did get to Sakhalin Island on that trip and a month later when I did finally successfully arrive (this time via KLM) they were still digging out from under the snow. Meeting with an appreciative client however, made it all worthwhile in the end.

Travelling to weird and wonderful places is all in the line of duty for ORC's pricing agents and sometimes the consultants — and you end up with some great stories too!



Yul Brynner, most famous son of Sakhalin Island, a location Nancy managed to get to in the end.

Diary Dates for 2002

31st January	UK Expatriate Forum	London Lanesborough Hotel
14th/15th March	European Expatriate Policy Forum	TBA
21st March	Vanguard and Headway Groups (Equality & Diversity)	London
11th April	Breakthrough Group (Equality & Diversity – public sector)	London
11th/12th April	Eastern European Meeting Group	Prague
24th April	International Social and Labour Affairs Forum (ISLAF)	Brussels
13th June	Headway Group (Equality & Diversity)	London
20th/21st June	Eastern European Meeting Group	Warsaw
27th June	Vanguard Group (Equality & Diversity)	London
4th July	UK Expatriate Forum	London
19th September	Breakthrough Group (Equality & Diversity)	London
3rd/4th October	Eastern European Meeting Group	Budapest
3rd October	UK Expatriate Forum	London
10th /11th October	European Expatriate Policy Forum	TBA
17th October	Vanguard Group (Equality & Diversity)	London
7th November	International Social and Labour Affairs Forum (ISLAF)	Brussels
14th November	Headway Group (Equality & Diversity)	London

Seminar: 'Solving the Expatriate Compensation Puzzle'

February 8	Brussels	June 25	London
February 27	Madrid	September 12	Paris
March 5	London	October 18	Munich
March 15	Munich	November 5	London
March 28	Paris	November 14	Paris
June 6	Paris		

For seminar details and registration form, please contact Sherry Walker on 020 7591 5615

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Montreal and India home locations

We are pleased to announce that Montreal is now available as an ORC home location. We are also developing an India home base, which will be available shortly.

Bishkek (Kyrgyzstan) has also been added as an assignment location.