



EAPM REPORT

March 2012

Contacts:

Filippo Abramo, President, filippo.abramo@tiscali.it

Eileen Pevreall, General Secretary, e.pevreall@cipd.co.uk

www.eapm.org

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A - EAPM Update

The European Association for People Management (EAPM) was founded in 1962 by the national associations and professional institutions of personnel management in France, Germany, Sweden, Switzerland and the United Kingdom.

The Association forms an umbrella body of national organizations which represent HR professionals. It is purely professional and specialist in nature. It is an experience exchange organization without profit-related objectives. It is independent of all employers', trade union, state or political bodies. The Association operates under Swiss Law.

The EAPM is the European representative body for people management and it also maintains relations with non-European countries.

EAPM objectives and missions are:

- **Promote and develop knowledge** of people issues, HR activities, and their importance to industry, commerce and both public and private sector administration.
- **Provide encouragement and support** to personnel experts to set up and develop their own national associations in European countries which do not yet have them.
- **Establish and maintain contacts** with its member organizations and with other national and international organizations active in the same or similar fields.
- **Organize conferences**, congresses and study visits; it will publish information and pursue all other objectives which directly or indirectly correspond to the aims of the Association.

The last EAPM Executive Committee was held in Valencia, Spain on 20 January 2012 and the last Delegate Meeting in Istanbul, Turkey on 29 September 2011.

1) The composition of the EAPM Working Group (EWG):

President: Filippo Abramo (Italy)

Vice-President: Soili Johansson (Finland)

Past President: Pieter Haen (Netherlands)

General Secretary: CIPD (UK) represented by Eileen Pevreall

Treasurer: Max BECKER (Switzerland)

2) The executive committee:

Jorge CAGICAS (Spain), Svetla STOEVA (Bulgaria), Ute GRAF (Germany), Frantisek MIKA (Czech Republic), Lena KRAITSIK (Sweden), Kim Staack NIELSEN (Denmark), Stephanie BIRD (UK), Vanda PECJAK (Slovenia), Piret PUSS (Estonia), Rudolf THURNER (Austria).

3) EAPM Independent Auditor

Even BOLSTAD (Norway)

4) Composition of the members of EAPM:

Austria, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Malta, Netherlands, Norway, Poland, Portugal, Romania, Russia, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, Belgium (corresponding membership), Croatia (observatory status), Greece (Probationary membership), Macedonia (F.Y.R.O.M - Probationary membership), Serbia (observatory status), Montenegro (Probationary membership).

5) Website and blog

CIPD (UK) is managing the website and the blog as from November 2011 and based on feedback from the delegates further changes have been made

General Update by specific website pages

1. <u>About EAPM</u>	<ul style="list-style-type: none">• Amended and expanded introduction• Updated Executive Committee photographs and details• Added candidate profiles for EAPM and WFPMA Presidencies• Added recent EAPM reports (March and September 2011)
2. <u>News, events and meetings</u>	<p><i>News:</i></p> <ul style="list-style-type: none">• Added Process Flow for Presidents elections• Posted messages from new President and Vice President• Included details of two recent published surveys,<p><i>Events and meetings:</i></p><ul style="list-style-type: none">• Added details of events from member associations• Updated details of WFPMA World Congress 2012-02-27
3. <u>Member countries</u>	<ul style="list-style-type: none">• Updated information on member associations
4. <u>Publications</u>	<ul style="list-style-type: none">• Added new Boston Consulting Group report• Added link to WFPMA/BCG survey for 2012
5. <u>WFPMA</u>	<ul style="list-style-type: none">• Created expanded introduction to WFPMA• Updated 2012 Congress details• Created hyperlink to all <i>WorldLink</i> publications
6. <u>Useful Links</u>	<ul style="list-style-type: none">• Renamed <i>member directory</i> as Useful Links• Checked and updated all entries in both <i>European Community</i> and <i>Other People Management</i> subsections (renaming the latter from <i>Personnel Management</i>)• Reordered entries into alphabetical sequence and transferred some from one section to the other

7. <u>European Laws</u>	<ul style="list-style-type: none"> • Have made contact with IUNO who are happy to provide new content • Have temporarily removed Ius Laboris page
8. <u>Membership</u>	<ul style="list-style-type: none"> • Have temporarily removed this page

Work in progress

- Looking at changing news feed to be more relevant to Europe.
- We are trying to make amendments to the home page eg. Remove visitor counter; delete link to Eurostat; reduce size of home page background photograph. However certain parts of site are hard coded which prevents us from making changes at present.
- IUNO to supply new updated content for European Laws section – BS in contact with IUNO to discuss this

Blog Status

- Blog to be reviewed when the newsletter starts and new content is available

There are plans to put in place a quarterly newsletter in Mid 2012

The editorial group for the new EAPM Newsletter includes:

- France: Sandrine Weisz
- UK: EP, Barbara Salmon, Vanessa Robinson
- Switzerland: Michaela Geiger, editor-in-chief of "Persorama"
- Germany: Ute Graf and Dorothee Ellerbrake
- Italy: Stefania Bertoglio

6) The President's Words

In the first quarter 2012 the overall European situation is gloomy, although it can be different from one country to another. Generally speaking, Northern countries are doing much better than Southern ones. We can find the most critical situations, at different scales, in Greece, Spain, Portugal, Italy and Ireland. It must be said that tough measures have been taken in most of these countries in order to face financial crisis and to cut public expenditure. See, for instance, the new Italian pension scheme where age for retirement has been drastically increased from 62 to 67, effective immediately.

At European Union level financial measures have been taken by Commission, Governments and European Central Bank. We can, therefore, say that it looks we are on the right track to save the Euro.

But, in the same time, we must say that financial measures are necessary but are not enough. Europe needs to recreate growth in order to produce new jobs and to reduce

unemployment rate, it is now about 10% as average but it reaches 19% in Spain! For achieving that, we need investments in ReD and in education. Quality of human capital is essential because Europe cannot compete with other areas of the world on labour costs but on technology, high quality products and services. To this respect, high quality people are essential.

Finally, we think that the new Lisbon program 2020 can be a good framework, provided it is implemented in real life and not only on paper.

7) Message from the Past President

Creating People Advantage - EAPM/BCG Survey

Again EAPM is participating in the global bi-annual survey and research done in a good collaboration with the Boston Consulting Group. After the last worldwide report *Creating People Advantage 2010—How Companies Can Adapt Their HR Practices for Volatile Times* and the current European report *Creating People Advantage 2011—Time to Act: HR Certainties in Uncertain Times*, the WFPMA and The Boston Consulting Group (BCG), will again prepare a report on "The Future of HR" in 2012. The objective of the study is to identify key HR priorities and understand the current challenges and opportunities that companies around the world are facing.

As in previous years, the report will be based on a comprehensive online survey and numerous interviews with senior executives. We are looking forward to another year of successful cooperation and a fantastic 2012 report. The survey has been launched in February 2012 and the results will be published during the next global WFPMA congress in Melbourne, Australia end of September 2012.

How European smaller businesses prepare for future success.

In autumn 2011 a new initiative and research was started by EAPM.

In good collaboration with the consultancy firm Capitalent, EAPM launched a European survey on the European talent management agenda with a highlight on smaller businesses, the heart piece of Europe's economic strength and innovativeness.

The theme is 'How European smaller businesses prepare for future success'.

Regardless of volatile times, Europe will require more than 45 million qualified employees in the next decades. Having the right talent in the right place will become business critical more than ever.

Smaller businesses are the key to driving Europe's economic agenda. To catch their competitive edge, smaller businesses have to understand and leverage their talent strengths pragmatically.

The EAPM /Capitalent team is co-chaired by Pieter Haen (EAPM) and Dr. Philipp Zimmermann (Capitalent). The project team has designed and tested a compact, focused web-survey (no further deep-dives or subsections). The survey comprises 25 short questions on talent management and evaluates 15 practices on how to realize talent impact.

The survey offers an individual benchmark for participants (at the choice of the participant).

A final report in June 2012 will share survey insights, successful practices and offer pragmatic advice on how to create business impact.

The survey can be very useful and attractive for our member associations with greater numbers of small and medium sized companies in their memberships.

8) Major EAPM events

EAPM Congress

The next EAPM congress organized by CIPD (UK) will take place in Manchester, UK on 5-7 November 2013.

Elections (to be held at Delegates Assembly)

Election of the WFPMA President (EAPM Representative) for 2012-2014

Election of the EAPM President for 2013-2015

9) Next EAPM Executive committee meeting and Delegate Assembly

14 June in Oslo: Executive Committee meeting and HR Norge meeting

15 June in Oslo: Delegate meeting

10) EAPM's Financial Policy

Max Becker, Treasurer EAPM (HR Swiss)

EAPM is a not for profit (and not for loss!) professional association which is fully basing its financial commitments on the membership fees of all associated members - these amounts being differentiated according to the size of the country member organisation. Expenses for delegates as well as other members are carried by their respective home organisation. Also, function holders of EAPM (President, Vice President, Past President, Treasurer, Auditor) are not financially compensated by EAPM. If EAPM delegates one of its officers to the WFPMA assembly or congress, a respective amount for travelling expenses can be budgeted.

EAPM does, with its funds, support projects such as HRM development projects in selected regions

of Europe or enhancing the communication with and between its members - the website is continuously improved. Furthermore, we support country organisations which are contributing to the EAPM agenda (e.g. organizing Exco meetings or Delegates Assemblies). The bulk of our expenses is being used for compensation of the Secretary General function which is rotating every 3 years: in 2011, it has been transferred from France (ANDRH) to the UK (CIPD). All planning and coordination activities go via the General Secretary. EAPM is also a member of the World Federation of Personnel Management Associations (WFPMA), contributing to the financial stability of the latter. In 2012, EAPM will be asked to chair the WFPMA board.

In the past 2 years, EAPM was able to present a well-balanced P/L statement to its members. Funds which were accumulated in the past are conservatively invested in assets in both EUR and CHF (the latter showing light gains in value towards the EUR which made it possible to strengthen the balance sheet). The responsibility for the EAPM Treasury Function is with Max Becker (board member of HR Swiss) who had been elected into this function at the Delegates Assembly in 2011, the Auditing Function is with Even Bolstad (MD of HR Norge).

B - EUROPE OVERVIEW - European Commission - Press release

Interim forecast: euro area in mild recession with signs of stabilisation

Brussels, 23 February 2012 - The unexpected stalling of the recovery in late 2011 is set to extend into the first two quarters of 2012. However, modest growth is predicted to return in the second half of the year. On an annual basis, real GDP in 2012 is now forecast to remain unchanged in the EU (0.0%) and to contract by 0.3% in the euro area. Uncertainty remains high and developments across countries are uneven. The inflation forecast for 2012 has been revised slightly upwards compared with the autumn, due to persistently high energy prices and increases in indirect taxes. It now stands at 2.3% in the EU and 2.1% in the euro area.

Commission Vice-President for Economic and Monetary Affairs Olli Rehn said: "Although growth has stalled, we are seeing signs of stabilisation in the European economy. Economic sentiment is still at low levels, but stress in financial markets is easing. Many of the steps that were essential to deliver financial stability and to establish the conditions for more sustainable growth and job creation have now been taken. With decisive action, we can turn the corner and move from stabilisation to boosting growth and jobs."

Growth forecast for the EU and euro area revised down

Against the backdrop of a waning growth momentum and continued low confidence, real GDP is expected to remain unchanged in the EU (0.0%) and to shrink by 0.3% in the euro area in 2012. This constitutes a downward revision of 0.6 pp in the EU and 0.8 percentage points in the euro area compared to the autumn forecast of 10 November 2011. Looking at individual Member States, growth divergence remains pronounced. In 2012, GDP growth is forecast to be negative in nine countries, stagnant in one and positive in seventeen. Growth will be highest in Latvia, Lithuania and Poland and lowest in Greece and in Portugal.

Domestic and global demand prospects

The outlook is conditioned by a less supportive global economy, with the ongoing weakening of global demand weighing on net exports. EU business and consumer confidence are still at low levels, although a recent slight improvement has been noted as the financial sector has shown signs of stabilisation. Credible policies in vulnerable countries and the increasing recognition of the steady progress in tackling the sovereign-debt crisis have helped to stabilise the markets. Sovereign risk perceptions have recently abated somewhat for certain countries, but spreads remain at elevated levels and credit conditions for the private sector have been tightening. While the broad financial-market situation in the EU remains fragile, and uncertainty is still weighing strongly on private investment and consumption, the risk of a credit crunch has been reduced, largely due to the liquidity measures taken by the ECB. Also, in the light of subdued demand, credit conditions are not expected to constrain investment and consumption over the forecast horizon. Overall, a gradual return of confidence and a recovery of investment and consumption in the second half of 2012 are expected.

Inflation easing only gradually

On the back of persistently high energy prices, inflation has remained higher than forecast in the autumn. With core inflation stabilising at about 2% and recent increases in indirect taxes preventing a faster decline in price pressures, headline HICP¹ inflation has decreased more gradually than expected. Reflecting the predicted weakening of economic activity, inflation is expected to continue its slow decrease over the forecast horizon. For 2012 as a whole, the HICP inflation rate is now projected at 2.3% in the EU and 2.1% in the euro area.

Risk assessment

Amid lingering uncertainty, risks to the EU growth outlook for 2012 are tilted to the downside. If an aggravation of the sovereign-debt crisis were to result ultimately in a credit crunch and a collapse in domestic demand, this would probably entail a deep and prolonged recession. Upside risks to GDP include a stronger-than-expected rebound of confidence and more resilient global demand, stemming from e.g. a stabilisation of housing markets in the US. As regards inflation, risks appear broadly balanced, with major downside risks relating to a sharper-than-expected contraction in GDP, which would also depress underlying price dynamics. On the upside, disruptions of oil supply due to geopolitical tensions and stronger than expected demand from emerging markets might fuel commodity price inflation.

Source:

EUROPEAN COMMISSION. (2012) *Interim forecast: euro area in mild recession with signs of stabilisation [online]*. Press release 23rd February 2012. Brussels: European Commission. Available at: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/163>

The full document can be found at:

EUROPEAN COMMISSION: Directorate-General for Economic and Financial Affairs. (2012) *Interim forecast: February 2012 [online]*. Brussels: Directorate-General for Economic and Financial Affairs.

Available at : http://ec.europa.eu/economy_finance/articles/eu_economic_situation/2012-02-23-interim-forecast_en.htm

TABLE 1 : Gross domestic product, volume (percentage change on preceding year, 2006-12)

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	2006	2007	2008	2009	2010	February 2012 forecast	
						2011	2012
Belgium	2.7	2.9	1.0	-2.8	2.3	1.9	-0.1
Germany	3.7	3.3	1.1	-5.1	3.7	3.0	0.6
Estonia	10.1	7.5	-3.7	-14.3	2.3	7.5	1.2
Ireland	5.3	5.2	-3.0	-7.0	-0.4	0.9	0.5
Greece	5.5	3.0	-0.2	-3.2	-3.5	-6.8	-4.4
Spain	4.1	3.5	0.9	-3.7	-0.1	0.7	-1.0
France	2.5	2.3	-0.1	-2.7	1.5	1.7	0.4
Italy	2.2	1.7	-1.2	-5.1	1.5	0.2	-1.3
Cyprus	4.1	5.1	3.6	-1.9	1.1	0.5	-0.5
Luxembourg	5.0	6.6	0.8	-5.3	2.7	1.1	0.7
Malta	2.8	4.3	4.3	-2.6	2.9	2.1	1.0
Netherlands	3.4	3.9	1.8	-3.5	1.7	1.2	-0.9
Austria	3.7	3.7	1.4	-3.8	2.3	3.1	0.7
Portugal	1.4	2.4	0.0	-2.9	1.4	-1.5	-3.3
Slovenia	5.8	6.9	3.6	-8.0	1.4	0.3	-0.1
Slovakia	8.3	10.5	5.9	-4.9	4.2	3.3	1.2
Finland	4.4	5.3	0.3	-8.4	3.7	2.7	0.8
Euro area	3.3	3.0	0.4	-4.3	1.9	1.4	-0.3
Bulgaria	6.5	6.4	6.2	-5.5	0.2	1.8	1.4
Czech Republic	7.0	5.7	3.1	-4.7	2.7	1.7	0.0
Denmark	3.4	1.6	-0.8	-5.8	1.3	1.0	1.1
Latvia	11.2	9.6	-3.3	-17.7	-0.3	5.3	2.1
Lithuania	7.8	9.8	2.9	-14.8	1.4	5.8	2.3
Hungary	3.9	0.1	0.9	-6.8	1.3	1.7	-0.1
Poland	6.2	6.8	5.1	1.6	3.9	4.3	2.5
Romania	7.9	6.3	7.3	-6.6	-1.6	2.5	1.6
Sweden	4.3	3.3	-0.6	-5.2	5.6	4.2	0.7
United Kingdom	2.6	3.5	-1.1	-4.4	2.1	0.9	0.6
EU	3.3	3.2	0.3	-4.3	2.0	1.5	0.0

TABLE 2 : Harmonised index of consumer prices, (percentage change on preceding year 2006-12**TABLE 2: Harmonised index of consumer prices, (percentage change on preceding year, 2006-12)**

	2006	2007	2008	2009	2010	February 2012 forecast	
						2011	2012
Belgium	2.3	1.8	4.5	0.0	2.3	3.5	2.7
Germany	1.8	2.3	2.8	0.2	1.2	2.5	1.9
Estonia	4.4	6.7	10.6	0.2	2.7	5.1	3.1
Ireland	2.7	2.9	3.1	-1.7	-1.6	1.2	1.6
Greece	3.3	3.0	4.2	1.3	4.7	3.1	-0.5
Spain	3.6	2.8	4.1	-0.2	2.0	3.1	1.3
France	1.9	1.6	3.2	0.1	1.7	2.3	2.2
Italy	2.2	2.0	3.5	0.8	1.6	2.9	2.9
Cyprus	2.2	2.2	4.4	0.2	2.6	3.5	2.8
Luxembourg	3.0	2.7	4.1	0.0	2.8	3.7	2.7
Malta	2.6	0.7	4.7	1.8	2.0	2.4	2.1
Netherlands	1.7	1.6	2.2	1.0	0.9	2.5	2.0
Austria	1.7	2.2	3.2	0.4	1.7	3.6	2.4
Portugal	3.0	2.4	2.7	-0.9	1.4	3.6	3.3
Slovenia	2.5	3.8	5.5	0.9	2.1	2.1	1.6
Slovakia	4.3	1.9	3.9	0.9	0.7	4.1	1.9
Finland	1.3	1.6	3.9	1.6	1.7	3.3	3.0
Euro area	2.2	2.1	3.3	0.3	1.6	2.7	2.1
Bulgaria	7.4	7.6	12.0	2.5	3.0	3.4	3.0
Czech Republic	2.1	3.0	6.3	0.6	1.2	2.1	3.0
Denmark	1.9	1.7	3.6	1.1	2.2	2.7	1.8
Latvia	6.6	10.1	15.3	3.3	-1.2	4.2	2.5
Lithuania	3.8	5.8	11.1	4.2	1.2	4.1	2.6
Hungary	4.0	7.9	6.0	4.0	4.7	3.9	5.1
Poland	1.3	2.6	4.2	4.0	2.7	3.9	3.5
Romania	6.6	4.9	7.9	5.6	6.1	5.8	3.0
Sweden	1.5	1.7	3.3	1.9	1.9	1.4	0.9
United Kingdom	2.3	2.3	3.6	2.2	3.3	4.5	2.7
EU	2.3	2.4	3.7	1.0	2.1	3.1	2.3