



Global Health & Benefits Update

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MULTINATIONALS INCREASINGLY SHIFTING TO CENTRALIZED BENEFITS STRUCTURES

A growing number of companies with global operations are shifting to more centralized compensation and benefits structures to help ensure that their employees and executives around the world share the same incentives, according to a recent survey. More and more multi-nationals are letting their headquarters decide on employees' benefits and entitlements as a way to improve consistency, transparency and management of global risk. A big driver is the push towards greater corporate governance. While this trend shows an increasing commitment among multinationals to rationalize their global benefits structure, HR consultants also point out that businesses should be aware of the downsides and take a balanced approach to their compensation structures. Benefits and non-cash incentives would tend to be done at the local level, because they are often driven by local regulations, tax codes and pay practices. The key is balancing Home Office and local objectives to ensure the most effective overall benefits package.

BULGARIA: LOCAL COMPANIES IN 'SALARY WAR' WITH MULTINATIONALS FOR BEST TALENT

Local companies are shortening the intervals between salary rises to even the playing field with international corporations operating in Bulgaria in a bid to compete more successfully for new hires, according to four recent labor compensation studies. The studies found that nationwide salaries rose around 10% in 2006, with the private sector outpacing the public sector. Another survey, which takes into account the outlook for 2007, forecasts a 9.6% average salary rise next year with senior management earning the biggest pay increases. The shortage of skilled workers in particular sectors like IT and telecommunications is boosting the salary packages earned by some professionals. In the IT industry, salaries have jumped by 60% over the past two years. Generous raises are also being handed out in the pharmaceutical, banking and financial sectors.

INDIA: EMPLOYMENT SET TO DOUBLE IN TECHNOLOGY SECTORS

Experts on the Indian economy are predicting substantial growth in the telecom, IT services and software industries. Employment in India's fast growing telecom sector is set to double in the next five years from the present level of 1.5 million people. The Indian IT services and software sector is likely to generate revenue of USD 80 billion in the near future, employing four million people. In the telecom industry, the largest chunk of jobs will be created for marketing experts, network engineers, planners and customers relations managers, adding jobs would be created right from the operator level to technical experts and marketing professionals. With so much focus on the supply side, human resources issues are often taken for granted. A major upcoming challenge will be attracting and retaining qualified workers to fulfill these growing requirements.



1600 S. Main Street, Suite 215
Phone (800) 654-6600
Fax (925) 932-6030
www.HannaGlobal.com