

# Work/Life Strategies in Multinational Enterprises: Evidence from Case Studies

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# Objectives

- Develop a framework for global work/life management in MNEs
- Examine whether the MNEs' HQ establishes work/life policies and how these policies are implemented in regional businesses
- Understand how national culture, public policy and availability of community infrastructure influence the implementation of organisational policy



# Literature Review

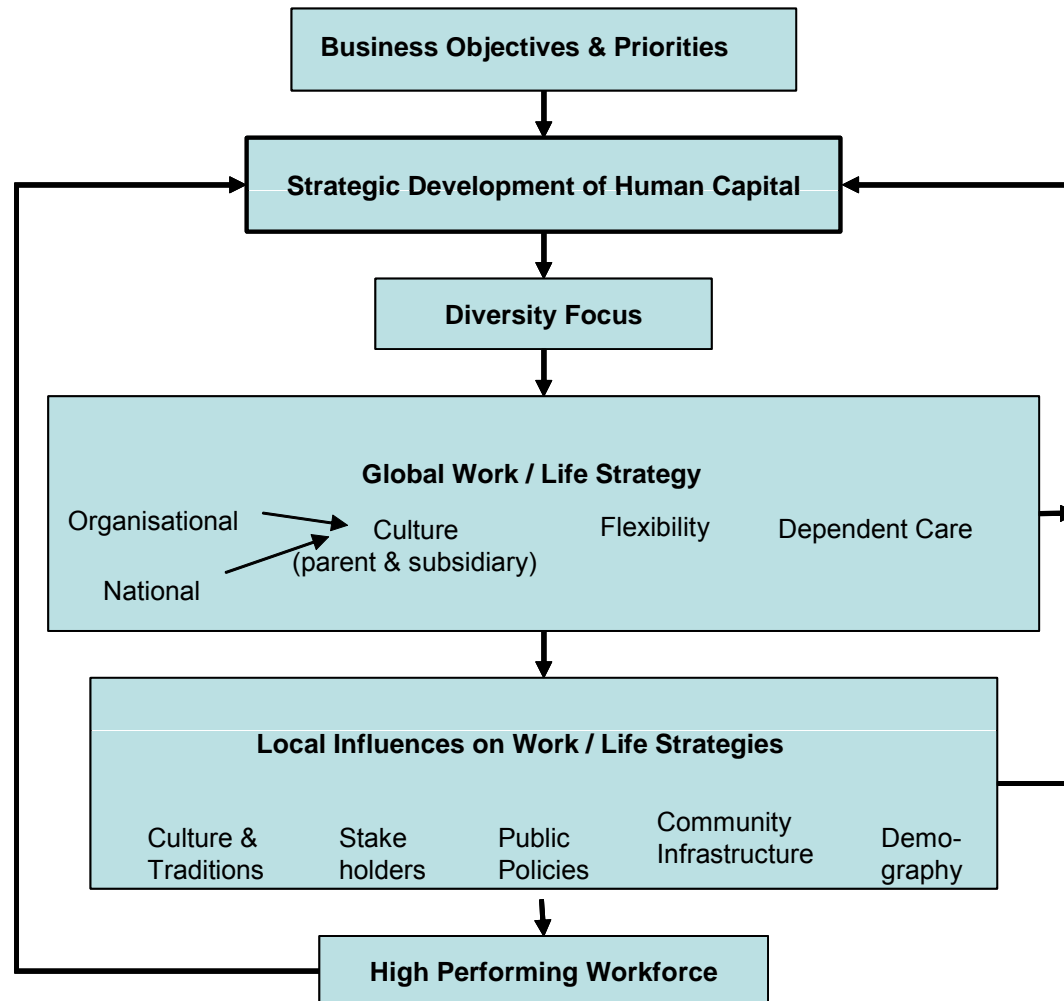
- Approaches to work/family research:
  - Micro – Focus on workplaces and management strategies to reduce work/family conflict
  - Macro – Focus on the role of public and employment supportive policies in work/life
- Work/life policies and practices can (Haas, Hwang & Russell, 2000):
  - Increase motivation and commitment
  - Be part of a strategy that supports attracting and retaining the best people
  - Enable the best people to advance in the organisation
  - Help organizations in obtaining recognition by been seen as a caring organisation
- Little research has addressed:
  - The integration of the micro- and macro-level approaches; and
  - The strategic role of work/life issues as part of HRM in a global context



# Research Question

- Global organisations are presented with multiple choices as to how to structure and organise their HR.
- “Duality” – they have to be good both at standardising and at respecting the local environment.
  - Who has the responsibility to set work/life policies, and at what level?
  - Who is responsible for carrying out the policies into practice?
  - How are the different levels of line management involved in the process?

# Theoretical Framework





# Definitions

- Work/life balance policies

- Policies and practices that assist people to manage the integration of their work and personal lives.

- Global organisations

- “any enterprise that carries out transactions in or b/w two sovereign entities, operating under a system of decision making that permits influence over resources & capabilities, where the transactions are subject to influence by factors exogenous to the home country of the enterprise” (Sunadram & Black, 1992).



# Method

## ■ Participants

- Select group of MNEs who have a global HRM focus
- Key informants were chosen within the organization based on their formal position and their knowledge (Gupta, Shaw & Delery, 2000)
- Formal positions include global managers or directors responsible for HR at a national or regional level

## ■ Procedure

- Interviews were conducted in 6 countries - Australia, Brazil, England, Hong Kong, Malaysia & USA
- 9 interviews were in English and 1 in Portuguese
- Interviews were recorded and transcribed (interview in Portuguese was transcribed and then translated into English)



# Participants

<b>Companies</b>	<b># Interviews</b>	<b>Revenue (in USD)</b>	<b>Employees</b>	<b>Countries</b>	<b>Headquarters</b>	<b>Founded</b>
<b>ComputerA</b>	2	\$91.4 billion	355,766	170	New York, USA	1889
<b>FinanceA</b>	3	\$39 billion	78,140	50	Basel & Zürich, Switzerland	1998 (merger of two existing banks)
<b>HealthcareA</b>	1	\$7 billion (2004)	40,000	190	London, UK	1947
<b>OilA</b>	1	\$274.3 billion	96,200	100	London, UK	1908
<b>OilB</b>	1	\$318.845 billion	107,000	140	The Hague, Netherlands	1907
<b>PortsA</b>	2	\$4.7 billion (2004) (revenue for the group of companies)	25,061	19	London, UK	1837



# Interview Questions

- Does your organization have business objectives and priorities related to the strategic development of human capital?
- How important is it to develop a high performing workforce? How is this related to work/life issues?
- How are the global work/life policies determined?
- What impact does local culture have on global work/life policies?
- Are there times when the organizational and the national culture come into conflict concerning work/life issues?
- Are there national policies that are different from the organizational policies?
- Does the community have the infrastructure to support the global corporate work/life policies?



# Strategic Goals

- Case organisations shared the following objectives:

- Global diversity –

“the strategy of global diversity... guides all our work”

- ComputerA

- Work/life policies and practices –

“one of the key for ways to retain and attract people”

- ComputerA

- How are these measured?

- Internal surveys
- HR scorecard
- Workforce demographics



# Common Categories of Work/Family Policies

- Child and Dependent Care Benefits

- Onsite facilities
- Referral systems
- Negotiated rates

- Leave Options

- Maternity/paternity
- Family emergencies
- Bereavement
- Study

- Flexible Working

- Flextime
- Work at home programs
- Part-time work
- Compressed work week



# More on Flexible Working

- Informal arrangements that depend on:
  - Job/function (whether there is interaction with client)
  - Negotiation with supervisor
  
- There is a recognised need for additional training as there is much confusion and uncertainty, especially around work at home programs:
  - “People usually have low levels of confidence because it is quite new”
    - FinanceA
    - Workers are concerned with the effects on their careers, especially with regards to promotion opportunities
  
  - “It’s a lot tougher to manage someone on a flex schedule”
    - ComputerA
    - Training should involve potential users, managers and colleagues



# Factors that influence global work/life policies

- Organizational culture

- “diversity has been a huge part of our culture for many years and if you take a look back in the 1930s and our global CEO then was adjusting for equal pay irrelevant of gender”

- ComputerA

- Local legislation

- “In the UK, you have to give time off for people to care for people in emergency situations”

- HealthcareA



# Factors that influence global work/life policies

## ■ Client base

- “from a business perspective our clients are changing... we need to make sure that we meet the needs of those clients (but there are also pressures from clients that go against the policies and the objectives that we set)”

- FinanceA

## ■ Access new markets

- “We know that [diversity] gives us access to new markets. I like to use the example of people with a disability. In Australia, 20% of the population has a disability so they’re a huge huge client. ”

- ComputerA



# Factors that influence global work/life policies

## ■ Labour market changes

- “in the near future we’re going to have skill shortages, it’s going to be a lot more competitive”

- ComputerA

## ■ Employee attraction


- “it comes up as part of the interview process, people want to know what the policies and the practices are.”

- FinanceA

## ■ Employee retention

- “Some of the very talented people will identify certain types of our businesses and say we don’t want to be part of that.”

- FinanceA



# Global → Local

- Organizational policies often have to be adapted for local conditions
  - “some [policies] we adapt, tropicalize, to align with the culture and consider the infrastructure and other local conditions”

- ComputerA (Brazilian office)
  - “Parameters are set globally, there are global guidelines and support, but they leave it to us to make it work ... we have a regional policy but it then needs to be adapted...and we need to ensure we’re in line with any local labour law or employment law, regulations.”

- FinanceA
  - “flexibility is managed at the local level, it is what’s best for the business”

- HealthcareA



# Work/Life Global Concerns


## ■ Time Zones

- “A mid to senior-level manager may be taking two to three global calls a night. That is a very serious issue and I’m quite concerned about it.... It’s not unique to [our organization], all the other global firms have to deal with the same thing”

- FinanceA

## ■ Joint Ventures

- If organisation is in a joint venture it may not be able to apply global policies



# Local → Global

Local initiatives can also become global or be used in other regions – “no need to reinvent the wheel”

- “Regionally we may have got more insights into what competition are doing, or somebody’s got some new ideas... unless it has a major knock on effect or financial effect... we have the authority to make that change here. So we would take it to the regional management committee if they thought it was the right thing to do... keeping our global colleagues in the loop.”

- FinanceA



# The impact of culture

- “All our benefits and all our policies are by definition totally sensitive to local cultures.”

- FinanceA
- “In Japan – issue is not about flexible work arrangements, but attracting and retaining women. Singapore and Hong Kong for example, more about flexible work arrangements. They have a large number of domestic helpers.”

- FinanceA
- Some countries had more holidays so company had to add personal time off to workers in countries with fewer holidays.

- HealthA



# Organisational vs National Culture

## ■ The role of women

- If the organisational is traditional, male dominated, and depending on the industry, it may be difficult to increase number of women workers (even if national country is one of equality)  
- PortsA

- [there are] part-time workers in Asia, but much more in Australia due to legislation. In Japan – issue is not about flexible work arrangements, but attracting and retaining women [as they often stop working after having children]

- FinanceA

## ■ Working long hours

- “Our Asian colleagues are very diligent, they want to be seen to be participating so they will always attend the [conference] calls [which occur during the night due to different time zones]. We could have one person represent the region and ensure that key messages [are distributed]”.

- FinanceA

## ■ Impact of industry culture

- In some cases, industry culture can supersede the organizational and national cultures. The banking industry is an example of one with no work/life balance, according to one participant.



# Organizational vs National Policies

- Organizational policies often go beyond national policies
  - “[our] company goes beyond national policies. One example it’s the written adoption leave policy. They get time off to visit children before they adopt, get a bonus too, mirroring the maternity leave policy.”

- HealthcareA
  - “The government policy we would regard as the minimum. We may position ourselves - we want to do more, but we don’t go to the highest denominator.”

- FinanceA
  
- When this is not possible...
  - “we are involved in a joint venture company and we don’t hold the majority shareholding and it’s extremely difficult.”

- PortsA



# Community Infrastructure

- Flexibility (i.e., work from home)
  - Not a good idea in Hong Kong, houses are very small and with large families
    - FinanceA
  
- Availability of domestic helpers can contribute to work/life balance
  - Ex: Malaysia and Singapore



## Importance of developing a high performing workforce – The role of work-life balance

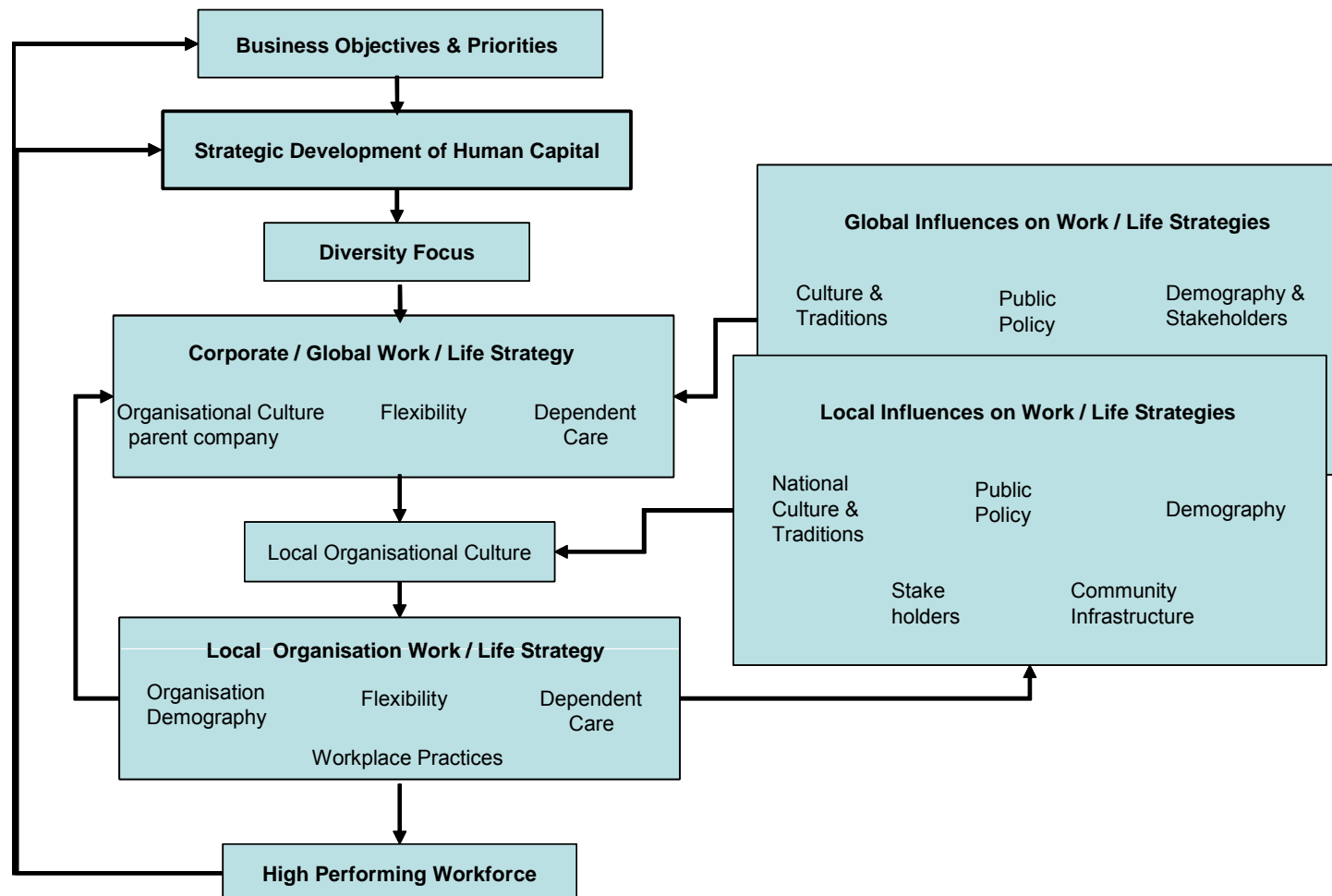
- “Absolutely critical. It’s a very competitive industry. Work life balance means something to absolutely everybody... I think if we’re dismissive of it in any way then it’s just going to be to our detriment”

- FinanceA

- “Our UK membership branch has got into the top 100 employers in England. HR director sits on the board of directors for the overall company.”

- HealthA


# Modified Model





# Conclusion

- MNE's are beginning to recognise the strategic role of global work/life policies and practices
- Organisations are interested in learning about their employees work/life needs
- Employees are becoming increasingly vocal about their work/life needs, including during job interviews
- Organisational policies are impacted by local culture and national policies, and they often are adapted to local conditions



# Conclusion (Continued)

- No reinventing the wheel - successful local initiatives are used by organization or by another region
- Implementation of flexibility policies is frequently at the discretion of direct supervisors and depend on the employee's function.
- Training is needed in conjunction with the development of work/life policies and programs.



# Questions?