Introduction

This entry examines issues relevant to how multinational enterprises (MNEs) can build a strategic approach to global work/life issues from a human resource management (HRM) perspective. The difficulties of balancing work and family life are experienced all over the world. Amid unprecedented levels of global mergers, acquisitions and international growth, the challenge for HR professionals working in multinational enterprises is to define a global work/life strategy that establishes shared guidelines while allowing for local differences. Although there are a number of common issues faced by working women and men and their families, a global work-life strategy needs to reflect a course of action that is appropriate to the local environment. Effective management of a global workforce includes strategies, such as a global work/life strategy, that will support both globally mobile employees (those required to move across borders for work) and those employed in the local units of an organization.

Global work/life needs assessments conducted by leading work/life consultants Shapiro and Noble (2001) have identified three surprisingly consistent themes of what employees from around the world identify as being important barriers to reconciling their work and personal lives. The three issues identified included a lack of flexible work policies and practices, the availability and affordability of dependent care, and the negative impact of work overload and long working hours. These three factors could form the core of a global work/life strategy for a multinational organization.

Basic Concepts & Definitions

Developing a global work/life strategy can positively contribute to organizational outcomes. An understanding of the organizational outcomes associated with developing effective work/life strategies in a transnational company is imperative in order to direct the focus of work/life initiatives.

The development of a global work/life strategy will be informed by the MNE’s approach to HRM and particularly to diversity management. Workplace diversity issues in MNEs typically focus on management challenges related to the multi-cultural mix of the organizational population (which may include managers, employees, suppliers, customers, and various other stakeholders) who participate in the activities of the
organization (Barry & Bateman, 1996). Diversity management reflects values of inclusivity, recognizing and valuing the differences between people. Since the early 1990s, the domain of workplace diversity management has emerged to incorporate a broad array of dimensions (Jackson, Joshi & Erhardt, 2003). Dimensions of diversity include gender, race, age, language, ethnicity, cultural background, sexual orientation, religious belief, marital status, family responsibility, educational level, work experience, socio-economic background, and geographic location. These dimensions of workplace diversity should be addressed in work/life management strategies in MNEs.

Vincola (1998) argues that in order to offer benefits and programs that are meaningful to a global workforce, companies must assess work/life issues from the perspective of institutional, social and cultural factors in employees' national contexts. A work/life strategy that serves both global and local purposes requires homogeneity of policy and heterogeneity of practice. Managing these sometimes conflicting demands reflects the convergence/divergence debate that has been noted in the international HRM research literature (Brewster, 1999; Goodeham, Nordhaug & Ringdal, 1999). The convergence thesis argues that differences in national management systems will be overcome by the logic of technology and global markets, leading to universally applicable management practices. This thesis assumes that practices worldwide will converge towards the most efficient model (Kerr, 1983). In contrast, the divergence thesis posits that national institutional frameworks and socio-political contexts will not be overridden by forces for convergence (Whitley, 2000).

The convergence-divergence debate is particularly relevant to HRM, including work/life strategies, because of the connection between national institutional contexts and the practices to be implemented. Brewster (1999) and numerous other scholars have argued for the contextualist approach to HRM. We follow the contextualist approach, which suggests that the institutional factors, including social and cultural factors, in the national context will have specific implications for work/life strategies and require global firms to balance their global co-ordination with local responsiveness in their work/life strategies.

It is critical to acknowledge the uniqueness of multinationality and consequently, to examine the basic structure, organization and legal systems of a country. Systems of accountability, by definition, are different in each country context, and as such, will have an effect on work-family issues. Just as HRM strategies will have local variations depending on laws and customs of different countries, so will work/life strategies. Hence, the building of an effective global work/life strategy requires HR managers to be cognizant of a number of local factors that influence employees' work and personal lives. According to Spinks (2003) these factors include the culture and tradition, the role of key stakeholders, public policies, community resources and infrastructure, and workplace practices and demographics.
Culture and traditions. The differentiation perspective of cultural change identified by Meyerson and Martin (1987) posits that organizations are reflections and amalgamations of surrounding cultures, including national, occupational, and ethnic cultures. In developing a global work/life strategy, there are particular cultural factors that are critical to the development of a culturally sensitive work/life strategy. These include the role of religion and the faith community, traditional family structures and support, and gender roles. Global organizations operate in countries where there are vast variations in cultural characteristics (e.g. social values such as individualism/collectivism, masculinity/femininity, and gender egalitarianism) (Hofstede, 1980; House, Hanges, Javidan, Dorfman, & Gupta, 2004). National cultures are not easily reduced to similarities across a small number of dimensions and differences may be more important than similarities.

The role of key stakeholders. Societies vary in relation to the legitimate role given to key stakeholders such as the state and organized labor. The term ‘stakeholder’ has been defined as “those groups without whose support the organization would cease to exist” and originally included shareowners, employees, customers, lenders and society (Freeman, 1984, 31-32). The stakeholder concept has become widely used in recent years, due to factors such as increased public interest and concern about corporate governance (Metcalfe, 1998; also see Greenwood & De Cieri, 2005). The role of the state in family factors, the role of the state in employment and the role of unions in determining desirable benefits, all influence a society's approach to work/life balance issues. For example, in Singapore, the government has recently developed a more prominent role in promoting family friendly workplaces and established the Singapore Work and Family Unit, which amongst other things has set up grants and tax incentives for workplace child care and also the Family Friendly Firms Award.

Public policies. Public policy has been defined as actions which employ government authority to support preferred community values. Public policies involve the exercise of power and are a central way that societies respond to major social, economic, environmental and political issues. In particular, employment legislation that covers conditions related to hours of work, vacation, minimum wages, and maternity and parental leave conditions have specific ramifications for a global work/life strategy. For example, in South Korea, it is a requirement by law that employers with more than 300 female employees must provide a childcare center.

Community infrastructure. Countries also vary in terms of the community resources and infrastructure that are available to support an employed person's ability to manage their work and personal life effectively. Factors such as healthcare, homecare, childcare and parenting supports, eldercare and care giving supports, supports for persons with special needs, education and employment and training will influence the necessity for organizational involvement in some areas (Sheridan & Conway, 2001).
Demography. Finally, issues concerning workplace characteristics such as workplace demographics and practices covering working hours, vacation days, sick days, leaves, and return to work supports will also influence work/life practices for employees in organizations (Eaton, 2003; Patrickson & Hartmann, 2001). Companies operating in South Africa might need to deal with a number of employees who are HIV positive or who have family members who are HIV positive.

As noted earlier, each of these factors are important and, we suggest, are forces for divergence, or a contextualist, approach.

Importance of Topic to Work-Family Studies

To think globally does not preclude attention to local environments and it is important that HR policy makers give attention to identifying and understanding strategic work/life policy development at the national local level as well as within a wider global context and frame. Thompson and Richter (1998) refer to global HR strategies as those that accommodate national cultural differences while preserving work culture principles that encourage people to effectively execute the global strategy. The paradox of “think globally, act locally” is a dilemma facing HR professionals working in MNEs facing unprecedented levels of global mergers, acquisitions and international growth. When a business becomes global it means that the increasingly more complex set of business strategies require new HR strategies to be implemented across a broad range of cultures. The challenge for MNEs when developing a global work/life strategy is to balance global integration and local responsiveness.

In addition, there are specific and unique challenges related to the development of human capital, as part of a strategic approach to HR, for attracting and retaining the human capital required to implement a global strategy which is of critical importance to the organization’s long-term survival (Stroh & Caligiuri, 1998). Haas, Hwang and Russell (2000) have conducted analyses in a broad range of cultural contexts and summarize the broad commonality in arguments supporting the potential benefits that can accrue to organizations who implement work/life practices and policies. Work/life practices can provide an incentive to increase motivation and commitment and thus achieve higher levels of productivity from the current labour pool. Also, these practices can be part of strategy that supports attracting and retaining the best quality people. In addition, an effective work/life strategy can enable the best quality people to advance in the organization. For example, it has been recognized that barriers to women include having to take time out for dependent care responsibilities and a lack of flexibility in career structures. Finally, companies can obtain community recognition by being seen as a ‘good’ corporate citizen or caring organization. Despite the potential benefits associated with global work/life strategies, the specific challenges associated with the development of effective work/life strategies that balance global and local demands need to be identified and understood.
Globalization of business requires managers to face many complex HR issues and sometimes conflicting pressures for global integration and local differentiation (Schuler, Dowling, & De Cieri, 1993). When a business becomes global, it means that the increasingly more complex set of business strategies will require new strategies to be implemented across a broad range of cultures. Consistent with this objective, global work/life efforts need to be strategically connected to diversity, performance management and other business objectives. A challenge for MNEs is to achieve competitive advantage but not at the expense of human health, well-being and personal lives.

State of the Body of Knowledge

Leading scholars in HRM have raised awareness of the constraints and challenges for HRM in a global context [(Brewster & Suutari, 2005; Ferris, Hall, Royle & Martocchio, 2004); also see Dowling & Welch (2004) for a comprehensive overview of the development of the field of international human resource management (IHRM)]. However, there has been little discussion amongst researchers regarding work/life balance as a concern for HRM in a global context. IHRM research has largely focused on expatriate management (e.g. Lazarova & Caligiuri, 2001). Even when expatriate management researchers have adopted a more strategic approach to IHRM, work/life strategies remain noticeably excluded (e.g. Novicevic & Harvey, 2001; Stroh & Caligiuri, 1998).

Despite the dearth of research explicitly examining work/life strategies, they are implicit in the areas that are being investigated by IHRM researchers. Early research on HRM in MNEs was principally concerned with expatriate selection and training, usually for expatriate management assignments (Dowling & Welch, 2004). Expatriates remain an important aspect of transnational staffing strategies but recent research has broadened the span of attention, to reflect the broader concerns of HR practitioners in MNEs. Current research investigating the increasing diversity of international work assignments shows evidence of a trend towards flexible forms of international work, such as transnational project teams, short-term assignments, and virtual assignments. Such assignments are increasingly being undertaken by employees outside the senior levels of management (Harris & Brewster, 2003). Other recent IHRM research explores issues such as HRM initiatives for host country nationals (Bartlett, Lawler, Bae, Chen & Wan, 2002) and the extent to which transnational firms may seek to localize their HRM practices (Aycan, 2005). Although recent IHRM research has moved beyond expatriates to examine the context and composition of the MNE workforce, work/life strategies continue to be neglected (e.g. Geppert & Williams, 2006; Tarique, Schuler & Gong, 2006). Researchers discussing the transferability of HR practices across national borders have not included work/life strategies (Aycan, 2005), and researchers focusing on diversity initiatives in MNEs have not included work/life issues (Egan & Bendick, 2003).
Despite the apparent neglect amongst researchers, in MNEs worldwide, global work/life initiatives are increasingly recognized as vital elements of a strategic approach to HRM (Spinks, 2003). For example, in 2001 IBM created a $50 Million Global Work/Life Fund which has been extended to 2005. As Ted Childs, IBM'S Global Diversity Manager states the fund sponsors projects that support the work/life needs of IBM employees globally, including child care and elder care needs of employees and the community (Childs, 2005). While large Western MNEs have led many of the developments in international business, there is growing activity amongst organizations operating in non-Western regions, and in emerging and transition economies (Ramamurti, 2004). There is also increasing activity amongst firms that are headquartered in developing economies, such as China, and expanding into operations across global markets (Deng, 2004). Little is known about the IHRM strategies being utilized by these emerging MNEs (De Cieri & Dowling, 2005 in press) and a critical issue for future research is the impact on that globalization has on work-family practices in multiple socioeconomic contexts. Such developments in international business present many important challenges, demands and opportunities for HR practitioners in MNEs (Losey, Meisinger & Ulrich, 2005; Roehling et al., 2005); several of these challenges, demands and opportunities are directly related to global work/life strategies. Based on these developments, we propose that global work/life strategies must form an integral part of future of IHRM research and practice.

In a thorough review of current work/family research and directions for future research (Bowes, 2005) concludes that most of the research that appears in the literature derives from the United States and recommends that investigation of work/family issues in different countries is likely to identify issues that are not currently on the research agenda. In addition, Poelmans, O'Driscoll and Beham (2005) state that from a methodological perspective a salient criticism of the extant work/family research is the 'almost total reliance on quantitative, cross sectional research designs'(p. 29) and they recommend additional qualitative research that focuses on different sociocultural contexts.

Implications for Research and Practice

Overall, understanding global work/life strategies is an example of research activity currently lagging behind the recognition by practitioners of the importance of the topic (Wasti & Robert, 2004). However, recently work/life researchers have called for future research to incorporate a focus on how global organizations can be inclusive of work/life issues in multiple cultural contexts (Gelfand & Knight, 2005; Poelmans, 2005; Poster & Prasad, 2005). In a comprehensive set of recommendations for future organizational research on work and family, Poelmans (2005) concludes there is a need for more qualitative research that involves case studies of international companies to explore the impact of globalization on work-family policy development in companies. Similarly, Gelfand and Knight (2005) state that a key challenge for future work and family research is to understand the dynamics of change brought
about by globalization and to understand how global organizations operating across national boundaries 'contend with satisfying the work-family needs of a heterogeneous workforce?' (p. 411).

Managers in MNEs need to balance the often conflicting needs of global efficiencies and co-ordination (integration) with responsiveness to factors such as political pressures in each local market (differentiation) (Doz & Prahalad, 1991; Edwards & Kuruvilla, 2005). To manage this global/local dilemma, there are several important areas for HR managers’ attention, including work/life initiatives. In the globalized economy, organizations increasingly derive value from human resources, or ‘human capital’. Mehra, Kilduff, and Brass (1998) refer to human capital as the knowledge and skills of the workforce. Human capital is the broad term that includes all resources contained within the workforce. For MNEs, there are specific and unique challenges related to the development of human capital, as part of a strategic approach to HR, as attracting and retaining the human capital required to implement a global strategy is of critical importance to the organization’s long-term survival (Stroh & Caligiuri, 1998).

Research needs to focus on creating a model for the development of work/life strategy in multinational organizations. Global HR Directors and HR Managers from regional organizations need to be interviewed to ascertain how they developed their work/life strategy and how the global organization and the local culture, public policies, stakeholders, community infrastructure and demography influenced their strategy. Based on these responses a model can be developed to reflect integration of macro and micro influences with a strategic approach to work/life policy.

Human resource practitioners in MNEs face a complex challenge as work/life policies need to be applied across a global context and be responsive to local conditions. HR managers have a key communication role in securing executive/senior manager support. It is important to develop the case for why this should be of a concern to the company in terms of the linkage between organizational and business objectives in a global context (Kelleher & Cobe, 2003). It is also vital to provide relevant data to get buy-in from the executive team and other stakeholders, and offer practical solutions to facilitate action plans and effectively implement a strategy. An effective motivator for many senior managers is to clearly outline what are the costs and benefits of action and non-action.

References


