



Case 2: Work-Life Balance in an MNE Context

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Global work-life initiatives present unique challenges for HR departments in multinational enterprises (MNEs) because of the complexity of implementing policies that require sensitivity to local issues such as cultural traditions and legislation (e.g., Bardoel and De Cieri 2007; Scullion et al. 2007; Sumelius et al. 2008). However, discussion specific to work-life management in a global context is limited (e.g., Allen et al. 2010; Lewis et al. 2007). 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. According to Spinks (2003) an effective family friendly strategy requires managers to be cognizant of a number of local factors that influence employees' work and personal lives. These factors include the culture and tradition, the role of key stake-holders, public policies, community resources and infrastructure, and workplace practices and demo-graphics (Bardoel and De Cieri 2007).

Work-life management practices refer to those practices in organizations introduced to facilitate the integration of employees' work and non-work demands (McCarthy et al. 2010). Work-life policies include flexible working conditions, leave options (e.g. parental, adult care, bereavement etc.), and child and dependant care (e.g. childcare centers, afterschool care support etc.) (Smeaton et al. 2014). Various studies have also linked work-life practices to improved employee

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commitment (Muse et al. 2008; Richman et al. 2008), employee performance and organizational citizenship behavior (Lambert 2000; Muse et al. 2008), enhanced recruitment efforts (Christensen and Schneider 2010) better employee health and well-being (Grzywacz et al. 2008) and, increased job satisfaction (Grandey et al. 2007; Muse et al. 2008).

Corporate promotion of work-life balance (WLB) has attracted interest globally because of the potential role of these efforts in fostering effective recruitment, retention and productivity among employees (Christensen and Schneider 2010). From a strategic HRM perspective, WLB promotion among multi-national enterprises (MNEs) can be understood using the tensions theoretical framework provided in Bardoel (2016). This case study provides an example of WLB efforts around lesbian, gay, bi-sexual and transexual (LGBT) employees, and uses the tensions framework to understand likely complexities and resolutions to those difficulties around LGBT issues. The tensions framework, as the name suggests, is designed to surface and respond to sources of conflict and contradiction. Applying that approach, LGBT issues provide an ideal topic given they have been and remain controversial. In the U.S., major corporations moved from having a strong aversion to so much as discussing the topic to a strong public embrace of marriage equality for gays and lesbians in only two decades (Socarides 2015). Indeed, 199 of the Fortune 500 corporations in the U.S. achieved a perfect equity index rating from the Human Rights Campaign by 2017, with strong majorities of the Fortune 500 including “sexual orientation” and “gender identity” anti-discrimination policies, and half providing transgender health care benefits, such as surgical procedures (Human Rights Campaign 2017). This movement stands in stark contrast to the absence of housing or employment protections for LGBT employees in the U.S. (Ibid.), suggesting that tensions remain. Many of the Fortune 500 are also MNEs, and IBM stands out as one that has diffused its WLB policies across its global operations (Hill et al. 2006), including its LGBT policies (Mahtani and Vernon 2010). Bardoel located relevant difficulties in an interview with a diversity manager working in Singapore for an anonymous IT MNE:

... [T]he gay, lesbian, bi-sexual and transgender constituency ... is also a group where we look into ensuring that the workplace is conducive for employees. So yes we have these challenges ... trying to introduce the same kind of initiatives that we have in the US... International Women’s Day is celebrated 8 March every year ... in all the countries we have posters put up, communication notes going out to employees But LGBT is not celebrated in the same way. In fact the posters are not put up in all locations, it’s definitely not in Malaysia or Indonesia because they’re Muslim countries ... (Bardoel 2016, p. 1697).

Bardoel (2016) places organizational tensions along three axes: strategic or policy vs. operational concerns, centralization vs. decentralization, and contextual or institutional vs. organizational objectives and constraints. The quote above highlights each of these. As a strategic or policy objective, the MNE seeks to make the workplace inclusive of LGBT employees, but doing so explicitly with posters may interfere with day-to-day operations. Similarly, the MNE acted in a centralized fashion with the provision of the posters and expectation that they will appear in the

workplace, while the manager acted in a decentralized fashion. Finally, the reason for the manager ignoring corporate policy lay in the Muslim context of employees living in Malaysia and Indonesia, and interference with religious beliefs and practices may be unwise. Indeed, the manager implies that the appearance of the posters would create conflict, and perhaps reduce productivity and make the recruitment and retention of talented employees more difficult, which is counter to the overarching objective of WLB and LGBT programs and policies.

Behind the issue of the posters per se lie several related issues which are sources of organizational tensions. In the Asian operations, managers undoubtedly have LGBT employees, but if posters are not put up, the likelihood of LGBT employees feeling comfortable about coming out, much less using same-sex partner benefits in terms of health or retirement benefits, or benefits supporting sex-change procedures, is very low. And if those policies cannot be accessed, then any prospective benefits from these policies in terms of recruitment, retention or productivity are lost (Eaton 2003). It might even be the case that operations would suffer if MNE LGBT policies, such as same-sex partner benefits, were known at all, again highlighting the tension between strategy or policies and operations. Further, this conflict calls up questions of centralization vs. decentralization, and particularly whether the manager feels comfortable informing higher-ups of the decision to keep the posters hidden or not put up at all, or ask that exceptions be included in corporate policy. Again, institutions and context come into play because the manager requires close knowledge of those in order to accurately assess the consequences of putting up the posters, or informing employees of LGBT policies. Conflicts need not be limited to overseas operations. If the home nation of the MNE is the U.S., there is likely to be conflict stemming from strong corporate support for LGBT employees in the U.S. opposing practices in overseas operations. For example, if the MNE has a practice of rotating promising young managers through various overseas assignments, should it place LGBT employees from the U.S. or Australia in a location where their sexual orientation or gender identity would undercut their authority and ability to function effectively? Again, the three axes of conflict are relevant (application is left to the reader).

Bardoel (2016) provides five types of organizational responses to tensions. These involve: no recognition, opposition, spatial separation, temporal separation, and synthesis. The first, no recognition, is not strategic and may lead to contradictions surfacing in unexpected and unproductive ways. For example, if the manager does not feel comfortable informing headquarters that the LGBT posters are hidden in some workplaces, then headquarters cannot recognize that a problem exists. If a promising and out LGBT manager were to rotate through one of these operations, he or she might be unpleasantly surprised by the likely negative reception he or she would receive. The second, opposition approach, is indeed strategic, as it involves explicit recognition of the tensions, and a strategic decision to let sleeping dogs lie; in other words, sometimes the costs would outweigh the benefits of explicitly resolving a tension. In this case, the local manager would have informed headquarters that the posters are not consistently utilized, and headquarters might leave corporate policies in place while recognizing that they are not uniformly applied.

Managers at headquarters might further either not rotate LGBT employees through operations where they would not be welcome, or at least inform them ahead of time of the local context. The third, spatial separation, involves strategically applying different policies to different locations depending upon context and institutions or, relatedly, separating local from corporate policies. In this case, corporate LGBT policy could either be written to include exceptions for local conditions, or policy development and metrics to measure success could be pushed down to the regional or local level; in the latter case, corporate policy might include support for LGBT employees as an objective, with methods for doing so determined at the local level, pressing regional managers to use their contextual and institutional knowledge to move forward where and in ways such that the benefits outweigh the costs. The fourth, temporal separation, involves taking time into account. For example, LGBT policies might be trialed in nations that are relatively less discriminatory, such as the U.S., with evaluation and further policy development prior to global implementation. By extension, the policies might be implemented over time as local conditions warrant. In this case, headquarters might have made use of the posters optional, and similarly spread LGBT policies only gradually across operations in diverse locations. The fifth, synthesis, refers to the development of new terms or concepts to resolve tensions. One well-known case of synthesis appeared in the mid-1990s, when HRM practitioners and researchers shifted from the relatively exclusionary term, “work-family,” to the more inclusive term, “work-life” (Harrington 2007). Not incidentally, it seems unlikely that LGBT issues would have entered WLB policy discussions absent this shift. A related example of synthesis, pioneered by IBM, involved casting WLB initiatives as part-and-parcel of broader diversity initiatives (Childs 2005). In the present case, applying the approach might have involved communications targeting diversity across many lines, including, gender, ethnicity or race, age, and religion, with LGBT diversity as only one part.

As Bardoel (2016) notes, responses to tensions are not necessarily mutually exclusive. For example, the examples of temporal and spatial separation regarding LGBT policies provided above, could both be utilized while the MNE works both at headquarters and globally towards an effective synthesis approach.

More concretely, Mahtani and Vernon (2010) analyze LGBT issues for employers in Hong Kong, and particularly for MNEs, and expand upon many of the tensions surfaced here. They provide a list of eight types of recommended policies and practices, including: equal opportunity policies, diversity training, diversity structure, benefits, corporate culture, market positioning, monitoring, and community and advocacy. Without detailing specific policies, it is important to note that these policies are designed for a community where LGBT acceptance if not rights has expanded markedly in recent years, and case studies are provided where each type of policy or practice has already been implemented in Hong Kong (Ibid.). Note further that implementation of these policies might use the tensions resolution approach outlined here. Opposition might involve MNE policies and practices along the lines of the eight types suggested that are only implemented in part or not at all depending upon the specific workforce involved. Spatial separation might involve applying different sets of policies in, e.g., manufacturing and financial services or

communications operations. By extension, temporal separation might involve starting with one or several of the eight policy and practice recommendations, evaluating the results, and proceeding to implement further recommendations depending upon the results achieved. Finally, given the cultural baggage around LGBT people carried by many employees in Hong Kong and elsewhere (including the U.S.), the development of a synthesis approach, perhaps via the active involvement of front-line employees (Rapoport et al. 2002) might be valuable.

Case Study Questions

Following the above case study and relying on the key resource stated below, your task is to:

1. Analyse three generic sources of tensions are identified in the management of global work-life issues.
2. Evaluate various resolutions that could apply to MNEs in relation LGBT employees.
3. Decide which strategy do you think would be most effective in the case study MNE?
4. Comment should this MNE have a global LGBT policy? Why/ why not?

Key Resource Bardoel, E.A. (2016). *Work-life management tensions in multinational enterprises (MNEs)*. *International Journal of Human Resource Management*, 27, 1681–1709.

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