

Global Factors Influencing Work-Life Policies and Practices: Description and Implications for Multinational Companies



Beth A. Heinen
ICF International



Rebecca R. Harris Mulvaney, Ph.D.
ICF International

Since the mid-1990s, the HR function and the growing prevalence of multinational corporations have created an essential need to understand how national differences impact the need for and success of work-life practices across different countries and cultures. The major factors that influence employees' work and personal lives in any given country are discussed, followed by a discussion of specific directives to aid multinational corporations in understanding which work-life policies and practices will be effective in various cultures. These methods will provide a solid work-life foundation to allow multinational companies to be competitive in an increasing global economy.

While globalization has been growing for centuries, the recent rise in multinational corporations is unprecedented. U.S. companies alone have trillions of dollars invested abroad. In response to the growing number and scope of multinational companies, researchers have begun to examine cross-cultural and national differences in how workers view the organization and the organization's role, what employees value in work and the work-life interface.



The challenge of balancing one's work and personal life is experienced internationally (Bardoel and Cieri 2006). Organizations from all countries must respond to these struggles faced by employees by implementing work-life initiatives. Organizational and individual benefits of these initiatives include a greater percentage of women in the workforce and improved work-related outcomes, such as work-family conflict (Allen 2001; Frye and Breugh 2004; Rosin and Korabik 2002; Thompson, Beauvais and Lyness 1999), perceptions of organizational family support (Allen 2001; Thompson et al. 1999), organizational commitment (Agars 2000; Allen 2001; Bardoel and Cieri, 2006; Thompson et al. 1999), motivation (Bardoel and Cieri 2006), job satisfaction (Allen 2001; Frye and Breugh 2004), and turnover intentions (Agars 2000; Allen 2001; Milazzo 1997; Thompson et al. 1999). This paper reviews cross-national factors that impact work-life and the types of policies that are likely to be effective in different regions of the world.

GLOBAL FACTORS OF INFLUENCE

Five factors influence employees' work and personal lives in any country: (1) culture and tradition; (2) the role of key stakeholders; (3) public policies; (4) community resources and infrastructure; and (5) demographics (Spinks 2003). What follows is a description of each factor, along with examples of how each may impact the work-life interface in different countries.

Culture and Tradition

Culture and tradition influence how an employee interacts with the workplace, including priority given to work, goal setting, giving and receiving feedback, allocating effective rewards, satisfaction received from the job and the work-life interface. (Gelfand, Erez and Aycan presented an excellent overview of most of these influences last year in an article in *Annual Review of Psychology*.) Numerous researchers have created dimensions on which cultures and countries differ. The most well-cited taxonomy of cultural differences is Hofstede's cultural dimensions (Hofstede 1980). Hofstede suggested these differences include power distance, individualism (versus collectivism), masculinity, uncertainty avoidance and long-term orientation, and each of these can play a role in how employees balance their work and personal lives.

Power distance is the extent to which less powerful members of organizations and institutions (like the family) accept and expect power to be distributed unequally. This belief can influence employees' expectations of workplace flexibility (e.g., an employee setting his/her own schedule could seem like an affront to a manager in a high power-distance culture).

Individualism (versus its opposite, collectivism) is the degree to which individuals are integrated into groups. In individualist societies, such as the United States, the ties between individuals are loose; everyone is expected to look after himself/herself and his/her immediate family. In collectivist societies, people are integrated into strong, cohesive in-groups, often extended families with uncles, aunts and grandparents,

which continue protecting them in exchange for loyalty. In a collectivist culture, such as China and most African countries, there would be a greater expectation of ability to care for family members than in a more individualistic society. In fact, Huo and von Glinow (1995) found that Chinese organizations tended to have more flexible benefits plans, workplace child-care practices, maternity-leave programs and career break programs than today's typical American organizations.

Masculinity and its opposite, femininity, refer to the distribution of roles between the genders. In particular, men's values from one country to another contain a dimension from very assertive, competitive and maximally different from women's values on the one side to modest and caring and similar to women's values on the other. The assertive pole has been called "masculine" and the modest, nurturing tendency termed "feminine." Sweden has been found to be one of the most "feminine" countries, while Japan is considered a very "masculine" country. If men in one culture are less likely to engage in more nurturing or "female" behaviors, policies such as paternity leave or the ability to take sick days to care for a child may play out differently than in a more feminine culture. For example, in many feminine cultures, such as Denmark, it is expected that fathers participate greatly in taking care of children, making parental leave for males common and accepted (Fester and Ward 2004), whereas this would be rare in the Middle East.

Uncertainty avoidance deals with a society's tolerance for uncertainty and ambiguity; it indicates to what extent a culture programs its members to feel either uncomfortable or comfortable in unstructured situations. This may mean flexible work hours may be more acceptable in low uncertainty-avoidance cultures, such as Singapore, as compared with high uncertainty-avoidance cultures, such as Japan and Mediterranean cultures.

Finally, *long-term orientation versus short-term orientation describes a society's "time horizon," or the importance attached to the future versus the past and present.* In long term-oriented societies (i.e., those with an eye toward the future, such as China and Japan), a greater respect exists for tradition and long-term commitments. There tends to be a high work ethic, where long-term rewards are expected for hard work. In more short term-oriented societies, such as Pakistan, Russia and the United States, value is placed in meeting social obligations regardless of the costs, individuals operate with quick-result expectations and social pressures exist to keep pace with peers. While the effect of this dimension on work-life is less clear, organizations would be wise to consider, for example, the effect of certain traditional practices (such as religious holidays or practices) in countries with a longer-term orientation.

Other factors may play a role in the work-life interface as well. For example, the role of religion (or specific religious edicts) may impact aspects of work. Gender equality in the workplace will be more challenging in regions where the predominant religion discourages women from working. In addition, work-life needs are affected by family structures and support, as well as gender roles. In countries where extended families play a large role in day-to-day life and women often stay home,

child care may be less likely to be needed, but flexibility around issues that arise with other relatives may be more important.

While it is known that culture affects work-life, a dearth of knowledge is available about how these factors impact different work-life strategies. It is critical that work-life managers and academics begin to build a knowledge bank about practices that are most needed and effective in different cultures to better equip HR managers faced with developing global work-life strategies for their organizations.

Role of Key Stakeholders

The role assumed by key stakeholders (e.g., the government and organized labor) can be an important determinant in employees' work-life balance. The academic literature often treats work-life issues as something that is between the employer and the employee, but outside groups can also be vital in shaping the work-life landscape. For example, in heavily unionized areas, labor unions may negotiate minimum and maximum hours or particular benefits. In some cases, governments choose to take a proactive role. The Singaporean government, for example, created a Work-Life Unit that's been tasked with promoting work-life strategy, building local expertise and facilitating funding. Specifically, this unit organizes seminars, sponsors awards, conducts training on work-life strategy, produces resource material and facilitates funding (Wee 2004).

Public Policies

The role of stakeholders is closely related to another important country-specific difference: public policies. Bardoel and De Cieri (2006) argue that public policies are a central way that nations respond to major social, economic, environmental and political issues, and these legalities are one of the most important driving forces guiding organizations (Still and Williams 2005). Employment laws govern working conditions, work hours and wages. An individual working in France, where the standard work week is 35 hours, will likely have a different set of work-life experiences and needs than an individual in India, where many employees (especially in the private-sector) work six eight-hour days with every second Saturday off.

Public policies across various countries also mandate diverse levels of work-life benefits that employers must offer their employees. The benefits that are most often legally addressed are maternity and paternity leave, which greatly vary from country to country in length and amount of pay. Nordic countries, such as Sweden, Norway, Denmark and Finland, require the most extensive amounts of leave and pay compared with other industrialized countries (Kelly 2006). For example, Sweden gives 50 days off during pregnancy, paid at 80 percent of earnings, and up to 16 months per child of parental leave after the child is born (i.e., 13 months paid at 80 percent of earnings and three months at a flat-rate payment; (den Dulk 2005)). Norway, Denmark and Finland require a minimum of 52, 30 and 44 weeks paid at 80 percent, 100 percent and 66 percent, respectively (Kelly 2006). Public policies in Western European

countries call for mid levels of parental leave. For example, Italy mandates that new mothers receive 26 weeks of parental leave paid at 80 percent of earnings, France requires 18 weeks of fully paid leave and the Netherlands, Luxembourg and Austria provide 16 weeks of fully paid parental leave (den Dulk 2005; Kelly 2006). Asian countries recently expanded their family leave policies to increase women's participation in the labor force. These revised policies resulted in Japan offering 14 weeks of maternity leave paid at 60 percent in the public sector and 80 percent to 100 percent in the private sector, South Korea requiring 90 days of leave with the level of pay depending on the employer's insurance and Singapore providing eight weeks of fully paid leave (Kelly 2006). Almost all aforementioned countries require the option of additional unpaid or low benefit leave weeks (Kelly 2006). The United States, however, only requires 12 weeks of unpaid leave for larger companies under the Family and Medical Leave Act (FMLA), with no national regulation requiring any paid leave (Kelly 2006). While the United States is regulated under the FMLA, some states have more robust family leave regulations providing more leave time and, in a few cases, some of this leave time is paid at various percentages.

Community Infrastructure

The community resources available to the general population represent a constraint or enhancement to any work-life program. The United States, for example, has basic child-care health and safety requirements for licensure (National Resource Center for Health and Safety in Child Care and Early Education 2007), so if a company offers on-site child care or a referral service for child care, parents can be fairly certain that the providers adhere to minimal standards. These standards (or even the existence of standards) are different in every country, however. Access to and funding for child care also varies country to country. Similar to family leave, Nordic countries offer the most extensive child care. An average of 45 percent to 50 percent of children aged 1-2 years and approximately 80 percent of children aged 3-5 years are enrolled in publicly supported child care in Nordic countries. Most Western European countries offer child care as a public service to children ages 3 and older, though care for younger children is often not granted because of the long parental-leave policies (Kelly 2006). The percentage of children aged 1-2 years in publicly supported child care ranges from 3 percent to 42 percent in Luxembourg/Austria and Belgium, respectively, which is significantly lower than the percentage of older children in similar arrangements. Specifically, an average of 85 percent of children aged 3-5 years are enrolled in publicly supported child care in Western European countries. Similarly, Asian countries often offer child care as a public service. For example, about 20 percent of children aged 1-2 years and 85 percent of children aged 3-5 years participated in publicly supported child care in Japan, and Singapore offers a 25-percent subsidy of full-time child-care costs to employed parents (Kelly 2006). In the United States, many families rely on members of their family (i.e., grandparents or older children) to care for children or are forced to pay for out-of-home, nonfamilial care (Kelly

2006). Most child care is not paid for or subsidized by the U.S. government, though some low-income families have access to subsidized child care, and other families benefit from lower-cost child care resulting from tax breaks from the U.S. government (Kelly 2006). Similarly, local health care, education systems and support systems for those with special needs will influence the work-life needs of employees from different regions (Sheridan and Conway 2001).

Demography

The population's profile can profoundly affect what types of work-life policies and practices are most relevant and needed. For example, the United States is facing an unprecedented

exodus of its workforce due to the impending Baby Boomer retirements. This situation has led to development and implementation of previously unheard-of practices, such as phased retirement and keeping retirees "on-call" (Harris Mulvaney, Barua and Cronin, 2006; Healy 2006).

Singapore's state-sponsored Work-Life Unit was briefly described previously. This unit came about, at least in part, because Singapore has been facing a falling fertility rate, an increase in dual-income couples, a fast-growing "sandwich generation" and an aging population. Singapore's total fertility rate dropped to a historic low of 1.26 in 2003, which was far below the replacement level. A key contributing factor to the low birth rates, based on survey findings, was the lack of work-life balance. Many respondents, particularly the women, indicated a preference for flexible work arrangements, like part-time work, and flexible work hours to help them cope with work and family commitments (Wee 2004). This type of finding is a valuable indicator of what type of approach will be valuable to employees in that region.

Preference for Boundaries

It is also important to note that individuals in different countries tend to construct different types of boundaries between their personal and work roles (Poster and Prasad 2005). Boundary preference is likely a function of most, if not all, of the considerations previously described, but is a qualitatively different factor. Given the home and the workplace are separate spheres of activities and interests, individuals must "manage" competing demands by constructing some type of boundary between

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the two. Some individuals create highly permeable boundaries where their work and personal lives are highly integrated, while others construct solid dividers to maintain separate work and home lives. While there is certainly within-country variation in preference for segmentation/integration of work and family boundaries (Nippert-Eng 1996), there is also preliminary evidence of between-country differences in employee preference for an integrated versus a separate work and home life (Poster and Prasad 2005). This difference profoundly affects the success of work-life policies that tend to encourage integration of work and home (such as telework or flex time). For example, Poster and Prasad studied these differences between the United States and India, finding that U.S. employees prefer an integration of realms through permeable boundaries, while Indian employees prefer segmentation of realms through solid boundaries.

IMPLICATIONS FOR INTERNATIONAL AND MULTINATIONAL COMPANIES

With the growing prevalence of multinational corporations, it is essential to understand how country differences affect the need for and success of work-life practices across different countries and cultures. Multinational corporations have a unique predicament when trying to balance how to create and apply organizationwide policies while still accounting for specific country legal, social and demographic differences. To cope with the variation in national culture, multinational companies should implement global work-life strategies that establish shared guidelines, but allow for local differences (Bardoel and Cieri 2006). For example, a corporation may have a common work-life philosophy or set of standards, but execute that philosophy depending on more “local” needs.

Shapiro and Noble (2001) found evidence of three themes across cultures in factors that employees identify as being important barriers to reconciling work and personal life: a lack of flexible work policies and practices, the availability and affordability of dependent care and the negative effect of work overload and long working hours. Addressing these types of broad issues can form a foundation for a work-life philosophy or strategy; however, room exists for tremendous variation in how these barriers are addressed in different locations.

Dow Corning, for example, administers a survey to sites across the globe. The survey’s results identify unique needs and inform specific programming in individual countries (Ganss, Sher and Roundtree 2007). In addition to conducting survey studies of employees at various international work sites, benchmarking is another beneficial method for multinational companies trying to identify country work-life norms and needs. Benchmarking in this context involves identifying and evaluating the work-life policies and practices offered by other companies within each target country (and usually within the company’s industry, if possible). This allows organizations to identify and develop plans on how to adopt the practice(s) that would be best suited in each cultural environment. For example, benchmarking may reveal diversity in prevalence of nonrequired flexible work arrangements, such as part-

time work, flex time, telework and compressed workweek practices (den Dulk 2005). A study by den Dulk (2005) revealed that 94 percent to 100 percent of employers in the Netherlands, Italy and the United Kingdom offer part-time work to their employees, but only 67 percent of employers in Sweden offer the same benefit. Conversely, 92 percent of Swedish employers offer employees flexible work hours (e.g., flex time), while 64 percent to 70 percent of employers in the Netherlands, Italy and the United Kingdom offer the same benefit (den Dulk 2005). This study found that telework and compressed workweeks are generally offered by fewer employers. Telework is offered by 39 percent of Swedish employers, 25 percent of British employers, 20 percent of Dutch employers and 5 percent of Italian employers. Similar prevalence trends occur for compressed workweeks, with 47 percent of Swedish employers, 40 percent of British employers, 30 percent of Dutch employers and 5 percent of Italian employers offering this schedule benefit (den Dulk 2005). Companies can use information like this to construct work-life benefits that match each country's norms and needs, ultimately resulting in improved recruitment and retention, satisfaction and employee well-being.

In sum, multinational organizations may start developing a work-life strategy by addressing global concerns such as flexible work arrangements, dependent care and work hours (Shapiro and Noble 2001), while keeping the implementation of these practices flexible to individual-country variation. To tailor the specific policies and/or practices, companies must consider the role that individual culture and traditions, key stakeholders, public policies, community resources and infrastructure, and demographics play in the development and success of a work-life strategy across several countries. Once these factors are taken into consideration, companies should further investigate specific country norms and needs through surveying a diverse representation of employees and/or benchmarking similar organizations in target nations to identify the specific policies and practices that will work with employees' cultural desires and needs. These methods will provide a solid work-life foundation to allow multinational companies to be competitive in an increasing global economy. ■

AUTHORS

Beth A. Heinen, an associate at ICF International, has experience and expertise researching issues that impede or facilitate work-life balance, developing and administering surveys, analyzing data, developing and evaluating training, and addressing other workforce issues such as recruitment, retention, motivation and leadership development. Heinen has presented research at national conferences (e.g., Society for Industrial and Organizational Psychology, Academy of Management) and published articles in peer-reviewed journals (e.g., *Journal of Applied Psychology*) and book chapters on work-life balance and other related topics. Heinen earned a master's degree in industrial-organizational psychology from George Mason University and is working to complete her doctorate.

Rebecca R. Harri Mulvaney, Ph.D., a senior associate at ICF International, has experience managing and conducting organizational research and consulting projects with public and private-sector organizations. Her primary areas of expertise include work-life issues, workforce development, human and organizational performance measurement and assessment. Mulvaney's work on work-life issues and other topics has been published in peer-reviewed journals and magazines and presented at national professional conferences. Mulvaney earned a Ph.D. in industrial/organizational psychology from The Pennsylvania State University.

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