Experiential Exercise

Form groups of six students, divided into two teams, one representing union members from a German company and the other representing union members from a Mexican company. These companies have recently merged in a joint venture, with the subsidiary to be located in Mexico. These union workers, all line supervisors, will be working together in Mexico. You are to negotiate six major points of agreement regarding union representation, bargaining rights, and worker participation in management, as discussed in this chapter. Present your findings to the other groups in the class and discuss. (It may help to read the *Comparative Management in Focus: Motivation in Mexico* feature in Chapter 11.)

CASE STUDY

Expatriate Management at AstraZeneca Plc

Over the years, AstraZeneca Plc (AstraZeneca) has developed a strong reputation for its expatriate management practices. Expatriate management at AstraZeneca went beyond tackling issues such as compensation, housing, issues related to the spouse's career abroad, and so on. It also took care to ensure that employees on international assignment were able to adapt well to the new environment and achieve a work–life balance. With the global economic situation continuing to be grim, AstraZeneca also began placing emphasis on a "more thoughtful planning and selection process" of candidates for international assignments.[1]

Source: Deloitte Services LP

AstraZeneca is the world's fifth-largest pharmaceutical company by global sales.[2] It is headquartered in London, UK, and Södertälje, Sweden. For the year 2013, AstraZeneca's revenues were US$25.7 billion, and it employed around 51,500 employees. As of 2013, AstraZeneca had around 350 employees working on international assignments in 140 countries worldwide. These were employees who were on short-term, long-term, or commuter assignments.[3] According to Ashley Daly (Daly), senior manager of international assignments for AstraZeneca in the United States, the company's employees were mainly concentrated in Belgium, the United States, and the United Kingdom, but they "also have a significant presence in the Asia-Pacific and Latin America regions."[4] AstraZeneca's policy stipulates that for any international assignment, there had to be a business rationale. The company saw to it that the costs involved were acceptable and that the career management of the employee during the assignment was consistent with personal development goals as well as business needs. The contractual arrangements for the assignment were also centrally managed.[5] "From the outset, if there is not a clear sense of how the international assignment experience can be applied at the end of the assignment term—at least in broad terms—the business should strongly consider whether an international assignment should even move forward,"[6] said Daly.

Once an assignment offer was made to a potential expat, AstraZeneca paired the employee up with an international assignment manager (IA manager), who briefed him or her on company policy and opportunities for cultural and language training. Before leaving for the international assignment, the employee was trained in a workshop that focused on relevant issues (such as leaving the destination location and returning to the home country). The expat was given information about the culture of the destination country—particularly differences with the home country—as well as social considerations and do's and don'ts. If necessary, the employee and his or her spouse were given training in the local language. Tessi Romell (Romell), research and development projects and HR effectiveness leader at AstraZeneca, said that the company also helped connect new expats with those who had already served in that location.

Sometimes, follow-up workshops were held in the host country. Once on assignment, expats stayed in touch with their IA manager in addition to the manager they reported to in the home country. AstraZeneca saw to it that expats were given the necessary flexibility to achieve a work–life balance. "AstraZeneca is really good at allowing people to manage their own time and being aware that we are working across different time zones. It's always something that we try to take into consideration so we don't have people [taking care of work matters] in the middle of the night,"[7] said Romell.

With AstraZeneca taking various initiatives on this front, there were few complaints about work–life balance among the company's expat population. Romell attributed this to the mechanisms the company had put in place to prepare the employees for life in a different country. "It's a combination of things that the company is doing and having a culture that is supportive of work–life balance, as well as encouraging individuals themselves to think about their own work–life balance,"[8] she said. Experts, too, felt that the practices AstraZeneca followed, such as preparing the employees for international assignments, providing them with support, and assigning IA managers, were effective. They lauded AstraZeneca's practices, which were in contrast to those of many companies that rushed employees to foreign assignments without adequate support. Chris Buckley, manager of international operations for St. Louis–based Impact Group Inc., pointed out that the expats knew that the organization was spending a lot of money on them and they might be wary about coming up with any complaints regarding their new assignment with their boss. In such a scenario, contact with the IA manager was useful because it could encourage them to open up.

With the economic situation around the globe still gloomy, experts felt that organizations would be forced to take a second look at the costs associated with international staffing. Some felt that organizations would send fewer people on international assignments or allot them to shorter terms abroad. They even predicted that the high compensation and benefits generally associated with foreign assignments could also see cuts. While AstraZeneca had also taken measures to cut costs (specifically tax costs) by sending employees on short-term assignments, Daly noted that this was not always possible. When the expat had a family and was being posted for a longer term, Daly pointed out that some of the elements of AstraZeneca's expat packages, such as comprehensive destination support and educational counseling for expatriate children, played a critical role in ensuring the employee's productivity. These supports ensured that the expatriate family could settle down in the host country. Not providing them might prevent employees from focusing on their new job, putting the company's investment at risk, so the company was not looking at this issue in terms of expenditures alone. The company also did not have any plans to decrease the number of its staff deployed internationally. According to Daly, "Our recent focus has been less on reducing numbers of international assignees and more on making the right decisions about who goes on assignment; why they go; and perhaps most important, how the skills and experience gained abroad will be leveraged in their next role, post assignment."[9]

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Case Questions

10-7. Critically analyze AstraZeneca's expatriate management practices.

10-8. Surveys show that most expats report feeling the strain of managing the demands of work and home while adjusting to the foreign environment, leading to more anxieties at home and at the workplace. What steps can an organization take to mitigate this?

10-9. What decisions related to expatriates can organizations take to maximize the benefits to the company despite the economic downturn? Do you think a company that paid more careful attention to selection could further boost its chances of success?

Endnotes

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