

manager must plan strategy and maximize the productivity of local human resources.

7. Labor unions around the world are becoming increasingly interdependent because of the operations of MNCs worldwide, the outsourcing of jobs around the world, and the "leveling of the playing field" for jobs.

Women represent an underutilized resource in international management. A major reason for this situation is the assumption that culturally based biases may limit the opportunities and success of female managers and employees.

The labor relations environment, system, and processes vary around the world and affect how the international

Discussion Questions

- What steps can the company's HRM department take to maximize the effectiveness of the expatriate's assignment and the long-term benefit to the company?
- Discuss the role of reverse culture shock in the repatriation process. What can companies do to avoid this problem? What kinds of skills do managers learn from a foreign assignment, and how can the company benefit from them? What is the role of repatriation in the company's global competitive situation?
- What are the reasons for the small numbers of female expatriates? What more can companies do to use women as a resource for international management?
- What is a virtual global management team? How do the members interact? Discuss the advantages and the challenges faced by these teams. Give some suggestions as to how to maximize the effectiveness of virtual teams across borders.
- Discuss the reasons behind the growing convergence and interdependence of labor unions around the world.

Application Exercise

Interview one or more managers who have held positions overseas. Try to find a man and a woman. Ask them about their experiences both in the working environment and in the foreign country generally. How did they and their families adapt? How did they find the stage of recently to headquarters, and what were the effects of the assignment on their career progression? What differences do you notice, if any, between the experiences of the male and the female expatriates?

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

Experiential Exercise

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.)

Over the years, 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, etc. 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

CASE STUDY

Expatriate Management at AstraZeneca

Visit the Deresky Companion Website at www.pearsonhighered.com/deresky for this chapter's Internet resources.

Internet Resources



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 2008, AstraZeneca's revenues were US\$31.6 billion and it employed around 66,000 employees. As of 2009, 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 U.S., the company's employees were mainly concentrated in Belgium, the U.S., and the UK, 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 them up with an international assignment manager ("IA manager"), who briefed them on company policy and opportunities for cultural and language training. Before leaving for their international assignment, employees were provided training in a workshop that focused on relevant issues (such as leaving the destination location and returning back to the home country). The expats were 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/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 back to in the home country. AstraZeneca saw to it that expats were given the necessary flexibility required for them 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 followed by AstraZeneca, 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, as it could encourage them to open up.

With the economic situation around the globe continuing to be grim, 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 was able to settle down in the host country. Not providing them could result in employees not being able to focus 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."

Case Questions

1. Critically analyze AstraZeneca's expatriate management practices.
2. According to the 2007 *Expatriate Work/Life Balance Survey*, 65 percent of expats report feeling the strain of managing the demands of work and home, leading to more anxieties at home and at the workplace. What steps can an organization take to mitigate this?
3. What decisions related to expatriates can organizations take to maximize the benefits to the company despite the ongoing economic recession? Do you think a company that paid more careful attention to selection could further boost their chances of success?

References

1. Tanya Mohn, "When U.S. Home Isn't Home Anymore," www.mydigitalitc.com, March 10, 2009.
2. "The Pharm Exec 50," www.pharmexec.com, May 2009.
3. www.ideas.astrazeneca.com.
4. Susan Ainsworth, "Expatriate Programs," <http://pubs.acs.org>, April 6, 2009.
5. "AstraZeneca Global Policy: People," <http://pubs.acs.org>, April 6, 2009.
6. Susan Ainsworth, "Expatriate Programs," <http://pubs.acs.org>, April 6, 2009.
7. Julie Cook Ramirez, "Finding Balance Abroad," www.hreonline.com, August 1, 2009.
8. Julie Cook Ramirez, "Finding Balance Abroad," <http://pubs.acs.org>, April 6, 2009.
9. Susan Ainsworth, "Expatriate Programs," <http://pubs.acs.org>, April 6, 2009.

Suggested Readings

1. Julie Cook Ramirez, "Finding Balance Abroad," www.hreonline.com, August 1, 2009.
2. "The Pharm Exec 50," www.pharmexec.com, May 2009.
3. Susan Ainsworth, "Expatriate Programs," <http://pubs.acs.org>, April 6, 2009.
4. Tanya Mohn, "When U.S. Home Isn't Home Anymore," www.mydigitalitc.com, March 10, 2009.
5. 2007 *Expatriate Work/Life Balance Survey*.
6. "AstraZeneca Global Policy: People," [www.astrazeneca.com](http://pubs.acs.org).
7. www.ideas.astrazeneca.com.
8. www.astrazeneca.com.

This case was written by Debarajam Purkayastha, ICMR Center for Management Research (ICMR). It was compiled from published sources, and is intended to be used as a basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation. © 2010, ICMR. All rights reserved. Used with permission, 2012.