GLOBAL POLICIES: HOW THEY HELP BUILD A GLOBAL COMPANY CULTURE AND COMMUNITY

GREEN GLOBAL RESOURCES

INTRODUCTION OF GREEN GLOBAL RESOURCES AND SPEAKERS

- Green Global Resources is a boutique organizational development professional services consultancy with Fortune 50 – 100 Corporate expertise and "A player" capability focused on developing strategic talent solutions for clients who want organizational effectiveness _and_ efficiency.

- Jennifer Green, Principal, has extensive experience establishing policies and organizational development programs for global high –tech and companies both as a Corporate HR executive and as a consultant. Companies include Seagate, KLA, Logitech, Synopsys, and Magellan Navigation, as well as global clients with as few as 4 employees and as many as 50,000.

- Jill Springer, Senior Consultant, is an esteemed HR executive with expertise in organizational development, mergers and acquisitions, and leadership coaching for high-tech companies including KLA, TSMC, Infineon, Applied Materials, and with clients of diverse size and global presence.

PURPOSE OF TODAY'S SESSION

- **How global policies help to build a global culture and community**

- **Examples of policies and the global/local interrelationship**
    - Employment at will
    - Social media
    - Workplace harassment

- **Companies consider global policies when they compete globally – size doesn't matter**
    - Development and implementation best practices

HOW GLOBAL POLICIES SUPPORT THE DEVELOPMENT OF A GLOBAL CULTURE AND COMMUNITY

- **Global Policies can support these key elements of culture and community creation**
  - Mission – "At Microsoft, we work to help people and businesses throughout the world realize their full potential. This is our mission. Everything we do reflects this mission and the values that make it possible."
  - Vision – "We intend to provide our customers with the best online shopping experience from beginning to end, with a smart, searchable website, easy-to-follow instructions, clear and secure payment methods, and fast, quality delivery."
  - Values – innovation, collaboration, flawless execution
  - Philosophy – open – door, wellness, recognition, team-work

HOW GLOBAL POLICIES SUPPORT THE DEVELOPMENT OF A GLOBAL CULTURE AND COMMUNITY

- **Global Policies can help create a shared belief that the Company is a global community culture that treats employees consistently and equitably, and sets expectations for employees**

  - Performance evaluation criteria – factors, timing, and scale

  - Salary review – annual eligibility (not increase amount)

  - Opportunities for learning and development

  - Job hierarchy –dual ladder, levels

  - Opportunities for promotion, transfer, relocation

HOW GLOBAL POLICIES SUPPORT THE DEVELOPMENT OF A GLOBAL CULTURE AND COMMUNITY (CONT.)

- **Global Policies can communicate the culture's behavioral expectations and standards, for example:**
  - Ethics, Code of Conduct
  - Confidentiality of Company Information
  - Health, safety, security
  - Harassment – free workplace
  - Drug policy
  - Use of Social Media

GLOBAL AND LOCAL POLICIES ARE INTERRELATED – BOTH ARE NECESSARY

- **Local policies ensure compliance and best practices** and are not intended to be replaced by global policies

- Many are triggered when employers reach a certain number of employees in a country.
    - U.K. - health and safety, risk assessment, changes to pension schemes;
    - Belgium – when employers must employ a prevention adviser specializing in psychosocial aspects of work;
    - Denmark -companies must inform and consult elected employee representatives on material matters;
    - South Korea - working hours, and Labor Management Councils.

A sample list is provided by the law firm of White & Case (a copy can be made available to you).

THE INTERRELATIONSHIP OF GLOBAL AND LOCAL POLICIES – AN INTEGRATION CHALLENGE

- **The challenge is to integrate local and global policies so that there aren't conflicts or compliance issues created, while retaining "the values that the Company values"* .**

- **By using three examples we will demonstrate:**

1) how using a U.S. -centric employment at will policy for a global policy can create a compliance issue in some other countries and;

2) how a global policy may be necessary to regulate the use of social media, with the caveat that as technology transforms our work and personal lives, these policies need to be flexible and reviewed regularly (Helen Joseph, White and Case), and;

3) how a global harassment-free policy can be written that holds a higher standard than if it were written from a U.S. centric point of view.

*from the HBR article, 2014, on "how Netflix reinvented HR" .

EXAMPLE #1: HOW A U.S. CENTRIC "EMPLOYMENT AT WILL" POLICY WON'T WASH IN SOME COUNTRIES

- **"Dismissal factors" that show the trouble a U.S. company would have in making a global policy of "employment at will" if it has operations of a certain size in these countries:**
  - UK
    - National Works Councils – employers with 50 or more employees in the UK must set up information and consultation arrangements.
  - South Korea
    - Procedural requirements for dismissal – An employer with five or more employees cannot dismiss, suspend, transfer or take any other adverse employment action without establishing just cause for its action.
  - Turkey
    - If a dismissed employee who is working in a company employing less than 30 people believes his dismissal to be wrongful or unfair, he can claim bad faith compensation before the labor courts – but not reinstatement.
    - A dismissed employee who is working in a company employing more than 30 people can file a lawsuit to claim re-employment before the labor court within one month from receipt of the termination notice, if he believes that the valid reason indicated at the dismissal is wrong or unfair.

From White & Case summary on "headcount laws"

EXAMPLE #2: A GLOBAL SOCIAL MEDIA POLICY MAY BE NECESSARY

- **There are only two aspects of social media policies we will have time to discuss – relating to the use of social media in recruitment and/or disciplinary action in the U.S. and elsewhere.**

- **First, let's discuss the trend <u>outside</u> of the U.S.:**

   "Broadly speaking, there is little legislation directly governing the use of social media in the workplace and it is seen as an area which employers should regulate through the use of policies. However, the increasing volume of case law in this area illustrates the way in which human rights, data privacy, whistleblowing and discrimination legislation impacts upon this issue" Helen Joseph, White & Case, "To blog or not to blog: social media in the workplace"

http://news.whitecase.com/88/3205/downloads/lon1213018-employment-and-benefits-newsletter-4-2.pdf

EXAMPLE #2: A GLOBAL SOCIAL MEDIA POLICY MAY BE NECESSARY (CONT.)

- **In countries outside of the U.S, case law has been relying**

on existing privacy/human rights laws, according to Helen Joseph:

  - "The growing use of social media has transformed the way multi-national businesses operate and has raised important questions as to the boundaries of the employer-employee relationship".

EXAMPLE #2: A GLOBAL SOCIAL MEDIA POLICY MAY BE NECESSARY (CONT.)

- "**Recruitment** – there are generally no prohibitions on an employer using social media to conduct pre-employment or other checks, ….at the very least, employers…will need to have regard to data privacy principles and must not discriminate against individuals on the basis of information obtained.
- **Disciplinary action** –
  - UK - whether or not the comments made using social media caused damage to employment relationship and/or employer's reputation , the severity of the damage,
  - Sweden - whether they are made in a private or public context ,whether they are made between employees of public bodies or of private businesses and whether they are made with the intention of harming the employer or;
  - Slovakia, Tokyo - whether or not the breach of duty by the employee occurs inside or outside of the workplace, and whether the acts are connected to the employee's work and breach specific rules of conduct set by statute, the employment contract, or the employer's internal regulations."

EXAMPLE #2: A GLOBAL SOCIAL MEDIA POLICY MAY BE NECESSARY (CONT.)

- **Second, for the U.S., Cal. Labor Code Section 980 bans employers from requesting or requiring an employee or applicant to*:**
  - Disclose a username or password to access personal social media;
  - Access personal social media in the presence of the employer;
  - Divulge personal social media, unless relevant to investigation of misconduct or violation of laws:
    - Employer may request an employee to divulge personal social media content if the employer "reasonably believes the information is relevant to an investigation of alleged employee misconduct or employee violation of laws or regulations (but the social media must be used solely for purposes of the investigation or proceeding)
    - Employer may require or request an employee to disclose username, password or other security setting needed to access an employer-issued electronic devise (laptop, cell phone, IPad)
  - Other states with similar laws within the U.S.: Arkansas, Colorado, Illinois, Maryland, Michigan, New Jersey, New Mexico, Nevada, Oregon, Utah, and Washington.
  - **And, In the U.S. certain online activities are protected**. For example, the National Labor Relations Act provides employees with a right to "engage in concerted activity" depending on the context and so any social media policies that could inhibit such discussions are illegal.

*Hixson, Nagatani on Social Media Employment Law Update, October 30, 2013, Santa Clara

EXAMPLE #2: A GLOBAL SOCIAL MEDIA POLICY MAY BE NECESSARY (CONT.)

- "Therefore, a global social media policy that defines what social media is considered to be, whether it is employer property or private property, under what general conditions the information can be accessed by the employer for recruitment and/or disciplinary action, and how other policies such as standards of conduct (misconduct, harassment), non-discrimination, and company confidential information, as well as local regulation applies may be in order."*

Helen Joseph, White & Case

EXAMPLE 3: A GLOBAL HARASSMENT – FREE WORKPLACE POLICY

- Lastly, an example of how a higher standard may be appropriate may be found in the global harassment-free workplace policy.

  - In the U.S. harassment policies are governed by the EEOC. It is out of anti-discrimination legislation that harassment policies are derived. Therefore, there is no harassment if a protected class is not involved.

  - Outside of the U.S. where there is harassment legislation, it is in a broader context (http://www.whitecase.com/hrhottopic-0313/). The case may be made that a broader "harassment-free" global policy may be appropriate as the right thing to do.*

  - **Policy drafting.** In drafting a multinational's cross-border anti-harassment policy (or code of conduct provision), be sure the policy mandates actually work overseas. Reject Americanstyle prohibitions that are unworkable abroad. To do this, define key terms cross-culturally and ensure the policy's explicit prohibitions are enforceable in each affected jurisdiction.

    *(If you would like to read more about creating a policy, go to the White & Case website and search by topic)

SUMMARY: GLOBAL POLICIES

- **In sum, global policies can integrate with local policies by:**
  - indicating "where prohibited by law", or;
  - Identifying where there are exceptions, or;
  - Choosing highest standard

WHEN DO COMPANIES TYPICALLY DEVELOP GLOBAL POLICIES?

- **Companies develop global policies when:**
  - There is a need to build a global culture and community (as the result of merger/acquisition and/or organic growth)
  - Current structures and processes are insufficient to manage a global workforce (particularly in a multi-national approach to policies)
  - Non-compliance with local regulations (in the case of headquarters-centric policies) creates avoidable risk
  - A desire for integration, alignment, and collaboration outweighs local autonomy and independence

Size doesn't matter!

3 BEST PRACTICES FOR DEVELOPING AND IMPLEMENTING GLOBAL POLICIES

1. **Have a structured global team approach**
    - Sponsor - executive
    - Project Leader
    - SME – HR
    - Project Team
    - Legal Review

2.   **Allow sufficient time**

3.   **Incorporate change management best practices into the process (7 critical questions to address – next slide)**

DEVELOPING AND IMPLEMENTING GLOBAL POLICIES (CONT.) - 7 CHANGE MANAGEMENT QUESTIONS TO ADDRESS

1. What are desired outcomes? What is success criteria?

2. Who and what is impacted and how- people, process, technology?

3. Who are stakeholders (executives, managers, employees, HR) and what is their resistance to the change?

4. How will the policies be communicated and what training will be required to overcome resistance and achieve adoption of the policies?

5. Can "ambassadors" or "evangelists" help to overcome any barriers to change?

6. How will you measure successful stakeholder adoption of the new policies?

7. How will you ensure policies are updated?

QUESTIONS? COMMENTS?

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