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Challenges for Tomorrow's Management

The impact of the COVID-19 pandemic on global employees

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Abstract

This impact paper examines the impact of the COVID-19 pandemic on global employees. Based on survey data collected before and in the first intense phase of the pandemic, we find a decline and change in global work roles, interestingly a largely positive effect on job and career satisfaction, however, varying by gender and family situation. Thereby, we identify factors that are important for organisations to consider when managing this crucial group of employees, especially for human resource management and leaders. We also discuss to what extent the crisis can serve as a starting point for future-oriented developments and thus, as a learning opportunity.

Keywords: Global employees, International assignments, Careers, Work role, Gender, COVID-19

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The impact of the COVID-19 pandemic on global employees

The rapidly increasing global interdependence of the world economy has led organisations to strategically use international assignments to manage the demands that come with it (Dowling, Festing, & Engle, 2017). With globalization on the advance, and barriers to travel and remote communication having almost vanished, global careers are no longer limited to traditional expatriates (Caligiuri & Bonache, 2016). On the contrary, global work has become very diverse (McNulty & Brewster, 2019). The large pool of global employees today not only includes different forms of expatriate assignments (for example, long-term, short-term, self-initiated). Other work forms where permanent relocation to another country is not the norm (for example, international commuting, virtual teamwork, global domestic work) are also gaining popularity (Shaffer, Kraimer, Chen, & Bolino, 2012). This development has gone hand in hand with the rising number of global careers (Brookfield, 2015) and is in line with findings - also from alumni of ESCP Business School - showing that international business education and international work experience are important drivers for career success in a global environment (Schworm et al., 2017; Suutari, Brewster, Mäkelä, Dickmann, & Tornikoski, 2018).

The beginning of the COVID-19 pandemic abruptly interrupted this continuous development. All over the world, economies are facing tremendous challenges as global trade has declined, travel is restricted, businesses are struggling to survive and consequently, employees are being furloughed or even dismissed in large numbers, to name just a few of COVID-19's detrimental effects on the world economy. As global employees are a crucial group within internationally operating organisations and are directly affected by the decline in cross-border business activities, especially where global physical mobility and work routines are concerned, it is important to understand their situation, respective changes and challenges when preparing for after the crisis. This makes this target group an interesting subject for our research. Based on a survey conducted among global employees before the start and during the first intense phase of the pandemic, we aim to find out how the COVID-19 crisis has affected global employees and discuss potential implications for leaders and human resource management (HRM) in practice. We would like to acknowledge that this study has been conducted with the support of the Renault Chair of Intercultural Management. It is part of a larger research project on global careers conducted together with Margaret Shaffer and Benjamin Blake (University of Oklahoma/USA).

Methodology

Sample

Based on data we collected from a sample of different types of global employees in January 2020 (n = 524), we surveyed the same sample again in April 2020 (n = 344). According to the data provided by Johns Hopkins University (2020), this is both prior to and after the official outbreak of COVID-19. Both surveys were conducted using a panel provider; respondents were asked to report their current global work role. To account for the variety of global careers, we included corporate and self-initiated expatriates, short-term assignees, international business travellers, international commuters, global virtual team members, and global domestics. Our final sample consists of 126 women and 218 men, 121 respondents reported not having any children. The average age is 47, the average organizational tenure amounts to 10 years. Work experience shows a mean value of 25.5 years. Most respondents indicated their first nationality to be British (n = 287).

Survey

We used established measures and scales to capture the various forms of global work, job satisfaction and subjective career satisfaction in both studies. In the second study, to consider potential effects of the COVID-19 pandemic, we additionally included measures on perceived job stress and perceived job insecurity, as well as on the extent to which respondents experience their role requirements to be different (role novelty) in April compared to January. Besides, an open question invited respondents to state how the COVID-19 pandemic has affected their work role.

Findings, Discussions, and Implications

In the following sections we highlight a few of the very recent results of our study including changes in the role of the global employee, the role of gender and parental status as well as job and career satisfaction in the first phase of the COVID-19 pandemic.

Decline and changes in global work roles

Overall, we find tremendous changes in the global work settings of the investigated global employees. More than two thirds of our respondents (236) stated that they perceive their work role differently than prior to the outbreak of COVID-19. Among these, there are 70 respondents who do not even see their role as being global anymore and three respondents who report being unemployed. In terms of the quality of change they experienced, four aspects seem to be prevalent: working from home (33%), facing uncertainties (financially, and/or regarding the future in general; 25%), changes in interactions (25%), and travel restrictions (20%).

The impact of changes in global work roles

In order to gain a more detailed understanding of global employees' experiences, we focused on the extent to which the perceived changes in work roles are also reflected in changes in work routines and what impact they have on respondents' feelings of job insecurity.

To learn how exactly their work routines have changed (role novelty) in the context of the crisis, we asked respondents to think about different aspects of their work. While for the overall measure of role novelty, results indicated moderate differences, it was reported that interactions changed the most, followed by both tasks and methods and lastly the skills required to do the job. It is plausible that those respondents who perceive having changed their work role reported higher extents of role novelty regarding tasks, skills, and methods than those who do not. Only interactions are reported to have changed equally for all global employees. This can be explained by the huge impact of the social distancing and increased virtual work measures on interactions in general. Thus, changes in work roles are accompanied by changes in work routines. These findings could stipulate actions from leaders and HRM supporting employees in adapting to the new situation (e.g., working from home) and leading and motivating teams with digital means.

The results regarding role novelty also give reason to assume differences in respondents' feelings of job insecurity since it is well known that changes at work can cause uncertainties on the side of the employees (Cullen, Edwards, Casper, & Gue, 2014). Indeed, while, overall, we find a medium level of job insecurity, the perceptions are significantly higher for those respondents who assess their global work role as different from prior to the pandemic.

Although these findings are only an indicator of the impact that changes induced by COVID-19 may have and do not allow for causal interpretation, they may again have implications for leaders and HRM. Both could make an effort to buffer COVID-19's crisis effects through intense communication. Being aware of and addressing potential uncertainties of global employees in these times may help them to better concentrate on their actual work and to stay motivated. This is in line with findings from the literature on international assignments which point to the need for support for assignees, especially in transition states before the assignment, at the beginning of a stay abroad, and upon repatriation to the home country (for a summary see Dowling et al., 2017).

The impact of gender and parental status on the perceptions of global employees.

Another interesting aspect in times of COVID-19 is global employees' perceptions of job stress. While the stress level across all investigated global employees reaches a medium level, those with children report higher levels of job stress than those without children. It also seems that they cannot benefit from positive developments in the same way as persons without children can, e.g., in terms of increases in job and career satisfaction.

When looking at the overall results we found a significant interaction between gender and parental status. Men without children reported a lower level of overall role novelty than both men and women with children. With schools and childcare facilities being closed in most countries, these findings indicating that having children makes a difference do not come as a surprise. In fact, this is probably not even specific for the group of global employees. However, these results can lead to the suggestion that leaders and HRM are well advised to pay attention to the struggles of working parents. Supporting them to manage these challenges can not only increase commitment and identification with organisations. It can also help to retain job performance under these difficult circumstances (Lam, Liu, & Loi, 2016).

Job and career satisfaction of global employees

For job and career satisfaction we compared results from prior to and after the outbreak of the pandemic. Interestingly, for the overall sample, both job satisfaction and career satisfaction increased after the outbreak of COVID-19. Therefore it seems that despite the important implications of the crisis, most of the investigated global employees still see positive effects on a personal level. However, the analysis of the interaction between gender and parental status shows that job satisfaction only increased for women without children but not for women with children. Interestingly, this is not the case for the male respondents, possibly indicating that females, even as global employees, might still take on a larger share of the burden of childcare. Another somewhat surprising effect is that career satisfaction only increases for men without children but not for men with children.

We can further note that role novelty is significantly associated with job satisfaction. This is a sign that the role change – despite being most probably caused by the crisis and for some being a source of uncertainty – has been positively interpreted by the respondents. However, job insecurity is negatively related to both job and career satisfaction. As mentioned above, this requires listening, a reassuring communication and support from the employing organisation in order to avoid negative performance effects (Cullen et al., 2014).

Conclusion and Outlook

The COVID-19 pandemic has unexpectedly hit our globally interconnected and interdependent (business) world. While we cannot reverse time, we can focus our attention on how to constructively manage the associated challenges and what we can learn from it.

Global employees in times of COVID-19

While the results of our study leave no doubt that the pandemic poses challenges to individuals and organisations in the global context, the situation for global employees could be worse. Only three of them indicated being now unemployed and 83 respondents even indicated that COVID-19 did not affect them at all. Uncertainties were mentioned only by 67 of the 344 global employees in our sample. Without neglecting that for some individuals the situation surely is extremely challenging, or even threatening their existence, most global employees seem to be rather privileged in that their jobs are relatively safe. Similarly, even before COVID-19 they were confronted with requirements that may have prepared them well for the crisis, e.g., in terms of digital maturity or the ability to react flexibly to new situations maybe making them more resilient than other types of employees. In this sense, being a global employee, maybe even having gone through international education as offered by ESCP Business School (for an analysis, see Schworm et al., 2017), may pay off, not only financially.

The impact of COVID-19 on organisations, leaders and HRM

For organisations and leaders or HRM in particular, the pandemic can be used as a starting point for positive and future-oriented developments. The somewhat surprising fact that, at least for global employees without children, job and career satisfaction were significantly higher after the start of the crisis suggests that organisations can learn from this situation. For example, the higher job satisfaction could in part be due to the implications for employees of using digital means instead of traveling and working from the office. It creates more flexibility to combine work and private life and opens the opportunity to stay longer in one place. Using the digital infrastructure and new work routines that are currently being built to meet the challenges of COVID-19 could enable companies to create more flexible workplaces, in line with the trend towards New Work. In this context, asking their global employees about the positive lessons learned from the crisis could represent a fruitful starting point for organisations and their (global) employees to find some benefits in the COVID-19 pandemic.

With our findings, we hope to contribute to the discussion on a constructive and future-oriented approach to the COVID-19 pandemic, both for practices around the management of global employees as well as for future research.

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