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Alignment and Organization of International Occupational Health and Safety Management

Case: Foreign Subsidiary of an MNC

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<p>Abstract</p> <p>The purpose of this study is to explore the organization and management of Occupational health and safety (OHS) in the international setting as there seems to be a gap in the knowledge there. The study aims were to, firstly, explore how aligned a western headquarter (HQ) is with its foreign subsidiary on the expectations for OHS, secondly, comprehensively analyze the drivers for advanced OHS at the subsidiary, and finally, uncover, what is an efficient way to organize international OHS operations at a multinational corporation (MNC).</p> <p>A case study was conducted using qualitative research methodology at a Finland-based consumer goods company with operations in Thailand. The data was collected through one on one interviews with 11 individuals who were selected from different levels of the HQ and the subsidiary. It was analyzed using deductive content analysis.</p> <p>The key findings were that in the international environment, the MNC handles occupational safety management in an aligned and advanced manner which, according to evidence, is best supported by a having a dedicated OHS organization. However, there is significant unharvested potential to improve occupational health management including effective collaboration with the OHS service provider. The corporate values and culture were the strongest drivers for advanced OHS management, followed by compliance with voluntary accountability standards while business performance effects of OHS were found as weak drivers.</p> <p>In conclusion, studying the topic of OHS from a health business management point of view, might give more clarity on the value-adding factors when organizing international OHS. It also has implications for occupational health service providers and can be used for further studying the scope of their work as well as business potential in international OHS.</p>	
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1 Introduction

According to the World Health Organization (WHO), workplaces are a crucial part of the public healthcare system. On average, adults spend as much as a quarter of their waking life at work (Harter, Schmidt & Keyes 2003) with decisions being made every day at work which not only have an impact on the quality of life and health of the workers but also indirectly on their families and communities, which in turn have consequences for the enterprise (WHO 2002). According to the International Confederation of free trade unions (ICFTU), every year throughout the world, there have been 200,000 fatalities at work (3,300 deaths per day) and as many as 120 million new cases of work-related diseases (ICFTU 2002).

In the global market place and the current information age, more and more companies are setting up operations and supply chains in developing nations and turning into multinational corporations (MNCs). A big part of the consumer goods that we all use every day are manufactured in cheap labor countries, in very labor intensive, manual manufacturing processes and many times by less educated, female dominated workforce. We are living in a global business environment where themes like CSR, employee centricity, wellbeing at work, corporate image and working conditions are emerging to be on top of the agenda and especially big MNCs are subject to increased stakeholder expectations when it comes to occupational health and safety (OHS) aspects of their operations around the world (Marano & Kostova 2015; Chapple & Moon 2005).

Health business management literature comprehensively covers the local occupational health setting, especially, in the Nordic countries, but not much when it comes to the international or global occupational health management. Internationally, occupational health management aspects are covered superficially with a focus on “safety engineering” as complexity of occupational diseases with long latency periods makes it easier to measure safety effects (Frik 2011). This is what makes it interesting, that now we are taking steps towards OHS Management (OHSM) in an MNC setting from health business management point of view.

OHS practices have evolved in developed western countries to advanced level along with legislation and voluntary regulation like ISO standards and MNC’s code-of-conduct initiatives. Consequently, currently companies are seeking return on their OHS invest-

ment in comprehensive way, e.g. in terms of increased productivity and business performance, as well as improved employee engagement and employer image, among other benefits (Gubler, Larkin & Pierce 2018; Parry & Sherman 2015). In emerging markets, however, these MNCs' foreign subsidiaries might operate in less evolved legislative environment and under different local stakeholder expectations, e.g. less employee requirements and lack of local OHS infrastructure as compared to the west (Van Tulder & Van Der Zwark 2006). Thus, it might be vital for an MNC to put effort beyond the local legislature to not only demonstrate voluntary corporate responsibility (Van Tulder & Van Der Zwark 2006) but also ensure uniform OHSM practice across its global operations to truly harness the comprehensive benefits of advanced OHSM (Marano & Kostova 2015).

Literature covers a wide range of perceived benefits of implementing advanced OHS for western companies' in their local setting (list main ref). Companies can have different drivers for implementing advanced OHSM and especially in the case of the MNC, where the complexity of operation increases due to the headquarters (HQ) being geographically apart from its subunits or subsidiary, it would be interesting to see if there is any disconnect between the motivating drivers and perceived benefits for the western HQ with those of its foreign subsidiary and how that affects the implementation and practice of advanced OHSM. This is best done by a qualitative case study on a well- represented case company, however, more research with a bigger sample would be needed to evaluate whether the desired benefits are actually being gained in terms of developing countries.

Hence, studying primarily, the role of OHS, motivators and perceived benefits of advanced OHSM for the company HQ and its subsidiary and secondarily, the organizational and management aspects of OHS in an MNC setting fills a gap in the area of study and is also a relevant topic for health business management research. From that point of view, it would also be relevant to explore the perception and expectation for the role of the occupational healthcare professionals, both internal experts and external service providers and explore how this impacts the alignment of MNC's OHS activity.

At the early stages of this research it was realized that occupational health and employee safety are inseparable as organizational concepts as the aim of those is similar and both are many times taken care of by the same organization. Hence, in this study, while the main focus is on occupational health, safety issues are widely covered as well.

2 Definition and Role of Occupational Health and Safety

2.1 Definition of OHS

In order to understand, what factors lead to effective OHS management, it is important to be clear about what is meant by the key terms. The definition of occupational health as provided by the Joint ILO/WHO Committee on Occupational health in 1950 and revised in 1995 is “Occupational health should aim at the promotion and maintenance of the highest degree of physical, mental and social well-being of workers in all occupations; the prevention amongst workers of departures from health caused by their working conditions; the protection of workers in their employment from risk resulting from factors averse to health; the placing and maintenance of workers in an environment adapted to their physiological and psychological capabilities and, to summarize, the adaptation of work to workers and of each worker to his or her job.” (WHO 2002)

According to WHO (2002), the above definition of OHS can be summarized in the following three categories: 1) maintaining and promoting workers’ health and working capacity; 2) taking steps to make the work environment safer and healthier; 3) developing the work culture and work organization in such a way that they support and enhance health and safety at work.

By approaching occupational health from these 3 perspectives, it is claimed that it would improve employee engagement and lead to smoother operations thus, enhancing the productivity of the company as a whole (WHO 2002). Nevertheless, the main focus in OHS has traditionally been in accident prevention and other safety driven aspects (Frick 2011). However, other scholars like Peltomäki and Husman (2002) concur with and build on WHO’s definition and recognize the importance of a holistic approach to OHS. Frick (2011) emphasized that a lot of OSH research shows that there are much bigger workplace health risks than accident risks and that work-related diseases like cancer, skin conditions, cardiovascular illness, lung disease, depression etc. can result in many more lost workdays than accidents. Also, the international review by Hämäläinen, Saarela and Takala (2009) for ILO, specified that 95% of workplace fatalities in the OECD countries occurred as a result of occupational disease.

However, it has been found to be quite challenging to measure and assess health related problems at the workplace as well as to link the causality between workplace and the

disease which can lead to under-reporting of health risks and less emphasis of health driven aspects of OHS.

Also, Burton (2010) reminds us that the softer approach of health promotion can also be linked to the workplace and is increasingly being seen as an integral part of occupational health now, as previously, health promotion activities and occupational health were seen as two separate issues (Burton 2010). For the purpose of this study, OHS is recognized as per WHO (2002) summarization, as an activity that considers maintenance and promotion health, making work environment safer and healthier as well as organizational and cultural aspects of health and safety.

2.2 Role of OHS in the West vs. in Developing Nations

According to WHO (2002), issues related to health and safety at work have been continuously evolving, going through a lot of development over the last two decades in Europe. Governments have set up occupational health infrastructures and an evolving EU legislation in the areas of health, safety and environmental protection has pushed the development of occupational health services.

Now, in many European countries, occupational health services are considered an essential component of public health and as the nature of work changes, the occupational health services are being continuously restructured to meet emerging challenges. In recent times, there has been a transition to a new model of preventative services and promotion of employee well-being which involves active collaboration by different occupational health professionals in a multidisciplinary team who use their expertise in a comprehensive manner to manage occupational hazards affecting the health and safety and the working capacity of the employees (WHO 2002).

There is, however, a lot of variation in the occupational health and safety practice amongst the developing nations. Over the last couple of decades, with increasing globalization, rapid technological growth and freeing up of the market for many nations, more and more companies are setting up operations and supply chains in developing nations. This has partly contributed to very rapid economic growth in many of these countries e.g. in Asia, which while creating new employment opportunities has also led to an increase in health and safety risks for many workers. (Hay 2002) This mainly stems from limited local awareness and understanding of occupational hazards of these newly introduced

processes and activities and at the same time the inability of governmental regulations to meet the demands of a rapidly growing economy. In many developing nations, occupational health infrastructure and support by governments is negligible and there is lack of awareness not only amongst local workers due to lower education but also amongst the line managers regarding health and safety at work. (Hay 2002)

There is also a large informal economic sector operating in Asian countries which is not regulated, hence, not covered by occupational health and safety laws (Hay 2002). Hence, international organizations such as WHO and the International Labor Organization (ILO) have actively formulated many principles and guidelines such as the UN Universal declaration of human rights to address that (Hay 2002). Failure to comply with local laws, international accountability standards (IAS) like ISO, OHSAS etc. or other stakeholder requirements related to OHS, can lead to significant monetary, image and compliance related losses for MNCs operating in developing markets as consumer awareness is growing and the public holds firms accountable for their social and environmental impact (Marano & Kostova 2015). Thus, it might be valuable for an MNC to manage the OHS agenda across its international organization, keeping in mind the difference between established western markets' and emerging markets' OHS level and take necessary action to lessen the impact of OHS related risks for its international operations as a whole.

In the following section, we will look at the intended outcomes that companies are seeking by incorporating OHS policy in a company, in the context of an MNC.

2.2.1 Value Adding OHS

It is important to think about the drivers and the perceived benefits motivating companies to implement advanced level of OHS as that would influence how the company implements and practices it. According to WHO (2002) report, maintenance and promotion of worker's health and work ability, better work conditions and developing a work culture which supports health and safety at work are value adding to the organization rather than an economic burden.

Recent literature has looked the concept of OHS from many perspectives and found that there are different outcomes that may be valued more by different stakeholder groups. For example:

- For top management, financial performance has been recognized as one of the desired outcomes (Di Fan & Chris 2012; Gubler et al. 2018; Parry et al. 2015), and there is also evidence of ethical motivations, legitimacy through compliance and company credibility being the value adding outcomes (Panapoulos & Booth 2007).
- For operational managers, for example smoother operations and processes with less interruptions related to injury or illness have been found beneficial (Di Fan & Chris 2012).
- For the OH professionals, it may be to balance the needs and expectations of both the company who is their customer and the workers.
- For the workers, OHS may be part of job security or just a cheaper alternative to other health services.

According to Frick (2011), the motivators for companies to implement advanced OHS can be divided into intrinsic and extrinsic motivators or into combination of both in different ways depending on the circumstances. Intrinsic motivators are essentially more proactive in nature, where the managers seek incentives to promote workers health and safety through: considering healthy worker a company resource which would lead to improved productivity, preventing and managing risk at the root of the problem as well as ethical motivation to not put own workers at undue risk while at work. In contrast, the extrinsic motivators may be more reactive in nature where the aim is to avoid non-incentives like the cost of ill-health and accidents, focusing on external image and media, on reported injury and illness levels, compensation claims and sickness absenteeism, fear of factory inspection etc. Hence, based on this as well as findings from other literature (e.g. Di Fan & Chris 2012; Gubler et al. 2018; Parry et al. 2015; Panapoulos & Booth 2007), I will take a broad and balanced view of the concept of OHS and divide the motivators into the following sections under broader classification of intrinsic and extrinsic motivators:

- Business performance (for operative organization)
- Company values and organizational culture
- Compliance with laws and voluntary standards

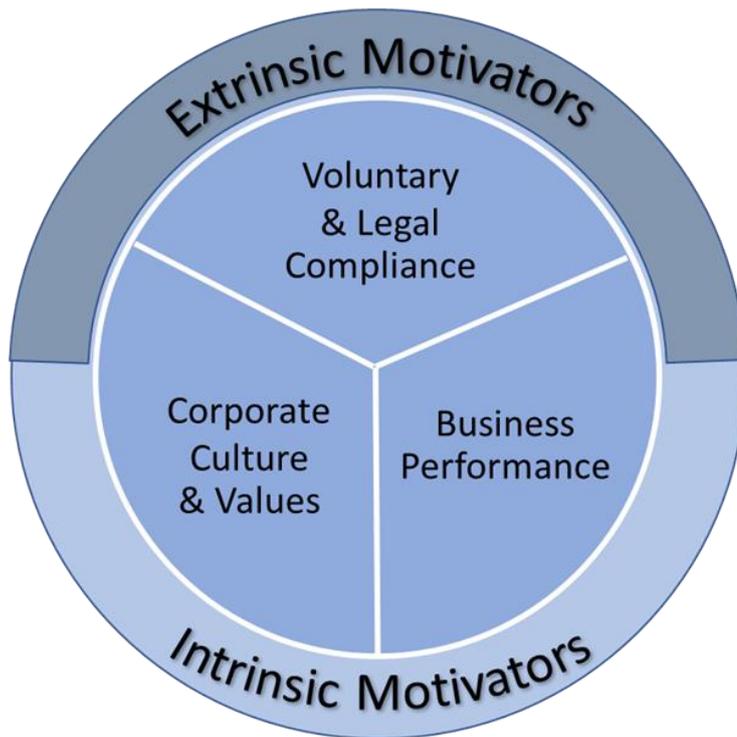


Figure 1. Motivators for advanced OHS.

This classification is done for illustrative purpose and for the purpose of this study. There are interlinkages between these 3 categories as well as between the extrinsic and intrinsic motivators depending on the point of view. This classification is also in line with how earlier literature has studied company motives when it comes to OHSM. This classification looks from company's own point of view rather than individual or societal perspective.

2.2.2 OHS and Business Performance

From the point of view of higher management, one of the main reasons to invest in workforce health and wellbeing is on the basis of better organizational performance (e.g. Gubler et al. 2018; Di Fan & Chris 2012; Parry et al. 2015). More and more studies are linking low employee health and wellbeing with higher healthcare costs, increased absence and lower on-the-job productivity (Grossmeier et al. 2016).

Business performance can be equally driven by intrinsic and extrinsic motivators. When management sees promotion of health of the worker as an investment towards improving company productivity, and hence its overall performance, then it is intrinsically motivated

to gain a competitive edge as opposed to viewing employee ill-health and accidents as a cost to be avoided (Frik 2011; Grossmeier et al. 2016).

Higher company performance is reflected indirectly in the financial performance through better performance of employees, less absenteeism, better work engagement, less turnover etc. (Grossmeier & Hudsmith 2015; Loeppke et al. 2009). A study conducted by Aldana et al. (2005) conducted over a period of two years, concluded that participation in wellness programs led to significant reduction in employee absenteeism which translated to a cost saving of US 15.60 dollars for every dollar spent on the program. Results of the Gallup research scrutinized by Harter, Smidt and Keyes (2002) shows that good employee engagement and morale have a positive impact on the company business performance through better employee retention, customer satisfaction and better profitability. While they acknowledge that although pay may be a prime indicator of intent to stay in a workplace, when it comes to productivity, employee wellbeing is a better indicator (Harter et al. 2002).

According to the business case theory, managers need to be convinced of the economic profit in promoting worker health and, according to Panopoulos and Booth (2007), cost-benefit analysis supports targeted, company-tailored solutions to reduce accidents and ill health. According to them, although accidents and health problems can bear a large cost to not only the employer and insurance companies but also to the worker and society at large, the cost of ineffective OHS management can be considerable as well, even if no accident happens, and must be calculated in terms of wasted precious resources (Panopoulos & Booth 2007). Also, there is very little research measuring the direct financial impact of health and wellness programs on productivity as numerous other practices and policies can impact profit and isolating the effect of OHS amongst them can be very challenging. Although researchers like Gubler et al. (2018) acknowledge the indirect effect of advanced OHS on company performance, the difficulty in measuring and directly linking health with company performance may explain the hesitation of some senior managers in supporting advanced OHS.

All in all, there is strong evidence of direct and indirect positive impact of OHS activity on company's business performance. From this basis it can be implied that in the MNC setting it might be beneficial for a company's top management to gain performance benefit of OHS across its international operations. This might be challenging since as mentioned before, different levels of organization tend to value different OHS outcomes.

Therefore, it would be interesting to study if the foreign subsidiaries are in alignment with the company's top management on this.

2.2.3 OHS and Corporate culture & Values

Many scholars are critical of the business case of health and safety at work that is increasingly being put forward (Barkemeyer 2009). The arguments supporting the business case are normally based on gaining some kind of benefit from voluntary social responsibility. Although it may convince businesses to invest in health and safety of the workers, this instrumental view of OHS may also lead to businesses being unwilling to invest until convinced that it does not negatively affect their profitability or feeling justified to have a minimalist approach to managing OHS (Barkemeyer 2009). However, in recent years, highly publicized scandals such as Nike, Nestle etc., which highlighted the harmful impact of unethical and irresponsible corporate behavior on workers and communities have come to light and has led to the public holding businesses to higher ethical standard of conduct (Burton 2010; Chaudhari 2011). As seen in the study by Wright (1998), amongst UK employers, the strongest motivators for promoting high standards of OHS was the moral belief that it is wrong to put your workers at undue risk whilst at work.

The organizational culture reflects the company values, ethics, philosophy, employee policies, company practices and quality management and is one of the key factors which contribute to OHS (WHO 2002). According to Baird (2005), safety culture can be viewed as a part of organizational culture. There are many definitions of safety culture, and the one I will be using in this study is the one used by the Baird (2005), "The safety culture of an organization is a product of individual and group values, attitudes, perceptions, competencies and patterns of behavior that determine the commitment to and the style and proficiency of an organization's health and safety management." According to Johnson (2007), positive perception of safety culture by workers leads to decrease in issues like injuries, illnesses and near misses. Baird (2005) highlights that organizations with a positive safety culture are characterized by factors like: strong senior management commitment and a participative and holistic leadership style, advanced communication within the organization, shared perception of the importance of safety and finally, mutual trust. More studies like Barling, Loughlin & Kelloway (2002) and De Koster, Stam & Balk (2011), also highlight the importance of leadership style in occupational safety as it can impact the workplace safety awareness, safety climate and safety-related events.

Organizational culture falls under both intrinsic and extrinsic motivator of OHS but may weight more towards intrinsic motivator. Values like continuous improvement, active employee participation, proactive approach to risk management, a strong drive to improve production quality are features of a good organizational culture (Granerud & Rocha 2011). Whereas, a poor corporate culture may be characterized by lack of support of OHS with a tendency to ignore compliance requirements whenever it suits the purpose, a reactive approach to risk management, concern for external stakeholder requirements for OHS than the needs of company employees, more focus on external communication than within organization, top-down approach to OHS with little to no employee participation (Lund 2004; Pagell, Johnston, Veltri, Klassen & Biehl 2013).

In total, it is well demonstrated in literature, that there are culture and values driven motivators to practice advanced OHS in a company. Culture and values naturally interlink with business performance as the ultimate goal is to add shareholder value through better business for a company as a whole, but towards a subsidiary of an MNC, OHS drivers can be purely culture and values based. Values and culture link to compliance (discussed in next chapter) in terms of value of complying to rules, but again, when looked from MNC's subsidiary's performance point of view, external compliance requirement can be separated from cultural and value aspects.

2.2.4 OHS and Compliance with laws and voluntary standards

While compliance requirements can be internally driven, the requirement for compliance can mostly be seen as external, be it through regulatory bodies or third party non-governmental organizations (NGOs). Most countries have some legislative requirement for employers to protect workers in the workplace from hazards that could cause injury or illness. Legislative requirements are hard laws where the possibility of discovery of non-compliance can lead to different forms of penalty depending on the degree of non-compliance and research shows that this has a positive influence on how organizations approach the management of OHS (Phillip 2006).

However, as more and more companies operate globally, especially in nations where the OHS related legislative infrastructure, voluntary soft laws known as international accountability standards (IAS) have been set up by third parties which require corporations to self-regulate through implementing systems of work to improve workplace operations and fill the gaps in legislative frameworks (Behnam & McLean 2011).

The problem with these voluntary initiatives is that it depends on the organization the degree to which it will comply, based on its motivators or goals. There are many examples of such motivators. At the lowest level, adoption of voluntary standards is only ceremonial and is done merely for image or stakeholder pressure purposes. It can also be only reporting driven with externally oriented focus on e.g. injury and illness statistics or sickness absenteeism. Compliance can also be done only with the structural aspects of a certificate for the purpose the certification itself as it provides legitimacy to the foreign operation. Ideally, however, companies would use voluntary compliance as a guide to improve and implement an advanced OHSM program across the company which actually reduces OHS risks at work. (Behnam & McLean 2011; Frik 2011)

In the following sections I will briefly outline the legislative requirements for OHS in Thailand, Europe and Finland as they are relevant to this study. I will also give a brief overview of the international accountability standards, codes of conduct, guidelines provided by the ILO and WHO as these are the most widespread forms of voluntary measures in use and are most relevant to the case company.

2.2.5 OHS Legislation in Thailand

According to the Thai labor law (Occupational Safety, Health and Environment Act, 2011 (OSHEA)), the employer is responsible for providing safe and hygienic conditions for employees as well as support and promote safe work operations for them. The employer has the duty to inform employees of risks and provide appropriate training to staff as well as provide health check to employees working with risk factors at the beginning of their employment as well as at least once annually. It also mandates the appointment of a “Safety Officer” who would be responsible for all OSH related issues. For companies which fall within certain criterion provided by the Ministry of Labor and have 50 employees or more, the employer must develop and implement an “Occupational Safety and Health Management System” (OSH-MS) (LEGOSH Thailand 2014).

However, Thai OHS regulations are many times enacted after a major disaster and there is a severe lack of trained OHS professionals (Kaufman, Ekalat, Pussayapibul & Davids, 2004). Factory owners may fear rise in costs by investing in facility upgrade or voluntary standards. Also, in midst of global competition, supplier companies may hesitate to further invest in infrastructure without long-term commitment from products’ brand-owners. Another complication is that Thai employees themselves may not support some OHS

policies like regulated work hours as they tend to supplement their income through overtime pay due to regular income being insufficient to cover their living expenses. Moreover, according to Kaufman et al. (2004), Asian countries like Thailand lack independent unions which means that the role of unions in enabling enforcement of rules and management compliance with OHS regulation, is quite weak. Studies of the “union effect” in Britain, Canada and the US, on workplace OHS, highlight that when health and safety committees at work are supported by the union, it leads to substantial reductions in injury rates (Brown 2002).

2.2.6 OHS Legislation in Europe and Finland

In most developed countries, occupational health care evolved as a result of the Industrial Revolution. In Europe, OHS has developed rapidly, mainly driven by the health and safety legislation (WHO 2002). The 89/391/EEC EU Framework Directive provides a set of guidelines for employers within the EEC nations to ensure protection of workers' health and safety and led to better access to occupational health services. However, the coverage of the services can vary from 20%-90% of the entire work force in European countries depending on how well the countries implement the directive (WHO 2002).

In Finland, occupational health services are very evolved and based on the Occupational Health Care Act of 1978 (amended in 1991 and 2002) which states that the employer is obliged by law to organize preventive occupational health services for the employees irrespective of the size or sector of the company. Collaborative work between the employer and the occupational health services is emphasized on and it is a requirement that the healthcare service providers are specialists in occupational healthcare. Experts typically involved in occupational health services, other than the medical staff, are occupational physiotherapists and occupational health psychologist (Savinainen & Oksa 2011). Every company consists of an OHS manager and based on the number of employees, either an occupational safety and health representative may be appointed or an occupational safety and health committee may be set up (Ministry of Social Affairs and Health, 2004).

Since legislative environment is proven to be at a different level of development in emerging markets compared to the west, for example for a Finnish MNC, it might be difficult to align their OHS requirements with their Thai subsidiary. The international company's key stakeholders, like customers in the home market, might assume that the company will operate at the least, according to the home country legislative standards. Partly for this

reason, voluntary standards covered in the next chapter can help company to fulfill stakeholder requirement.

2.2.7 OHS and voluntary standards compliance

The international accountability standards (IAS) are set externally by third parties to better govern the environmental, social and economic impact of corporate activity (Behnam 2011). The ones aimed at achieving the above objectives are ISO 9001, a quality management system, ISO 14001 for environmental management and OHSAS 18001 (Occupational health and safety assessment series) for OHS management. They are compatible with each other and require companies to continuously improve performance based on plan-do-act-check cycle following which they are inspected and certified by third party organizations (Matias & Coelho, 2002).

OHSAS 18001 is a semi-international standard for OHS management and was developed by multiple standard bodies like the British Standard Institute (BSI), Det Norske Veritas etc. (Matias & Coelho, 2002). It is aimed at supporting the management of risk factors and the promotion of good working conditions in a more systematic manner. The OHSAS 18001 certification lasts for three years and is subject to compulsory audits every year.

Corporate codes of conduct are a set of company values and best practices developed by individual organizations, for e.g. supplier code of conduct (SCoC) where firms monitor the supplier's operations and compliance with the company code of conduct (Van Tulder & Van der Zwart 2006; Behnam & McLean 2011). The supplier code of conduct deals with issues regarding supplier operations, worker labor and human rights, child labor etc. and it also sets the number of working hours and rest days as well as the amount of overtime work allowed which has direct connection with OHS (Burton 2010).

The ILO and WHO have been actively advocating OHS principles through conventions and guidelines for many years now. The ILO conventions are "statements of legally binding international treaties related to various issues regarding workers and work" (Burton 2010). The ILO-OSH 2001 provide guidelines on OSH management systems are widely used internationally and provide best practice to protect workers from work-related sickness and injury (ILO-OSH 2001).

All of the above voluntary compliance requirements have been recognized as drivers for OHS actions. Voluntary compliance is seen as a supplementary to legal compliance that might fulfill external stakeholders' requirements and thus lead to benefits for the company as a whole.

3 International Management of Occupational Health and Safety

3.1 International corporate environment and OHS

As a company goes through the change of expansion especially internationally, they might need to think about the structure of the organization for e.g. adopting a matrix organization as well as implementing management practices like management systems or complying with control mechanisms like supplier code of conduct (SCoC) or such. The reasons may vary from controlling and coordinate company activity in a strategic manner to responding appropriately to increasing complexity to ensuring that there is compliance with the various local and international legislature. Since the specifics of MNC's international management of OHS are not extensively covered in literature, the theoretical background this concept is partly supplemented by reflecting recent studies in corporate social responsibility (CSR). This reflection can be found valid since like CSR, OHS policy implementation in an MNC setting, across all units, can be quite complex as the number of functions, internal departments and suppliers grow. In addition, similar to CSR, OHSM not only requires compliance with local legislation which can differ from location to location, but also with the requirements of the various international standards, thus increasing the organizational complexity. This was highlighted for e.g. in McKinsey's UN Global Compact CEO Participant Survey (2007) across 391 MNCs, where "complexity of implementing strategy across various business functions" has been provided as a valid obstacle by 4 out of 10 companies when asked about implementing a strategic, company-wide approach to CSR issues. Thus, to gain an understanding of both enablers and barriers that may influence the decision making and implementation of value adding initiatives when it comes to an aligned and internationally managed OHS policy, studying the organizational structure of OHS in the international setting and management practices related to that in a more in-depth manner is required.

3.1.1 Operating in international environment

An MNC can be seen as a business with operations in at least two countries which are integrated to some extent (Laudal 2011). Companies can set up overseas operations for multiple reasons based on their aims, strategy and the type of company they are. In a typical scenario, a manufacturing unit is set up by a western country in a cheap labor country many times located in Asia. Other types of overseas operations can be entering new consumer markets by launching a western consumer good or retail brand. The reasons for outsourcing business operations or setting up manufacturing units could be to reduce costs through cheaper labor, increase scale, as well as gain certain expertise in business processes in foreign locations with specialized skill or knowledge (Luo, Wang, Zheng & Jayaram 2012).

In this study, the case company is a local subsidiary of a Finnish MNC, located in a developing hence, low cost region where the subsidiary mainly runs manufacturing and logistics operations within the local community with no dealings with consumer markets in the host country. Once the foreign operation is set up, the company may want to control it by organizing the management in a way which is supportive of this. Often, the parent company will have centralized control and set up a higher management team comprising of expats from the parent company and members of the local workforce, in a top-down. (Collings, Scullion & Morley 2007)

According to Hoenen and Kostove (2015), the cross-border nature of MNC increases their complexity and there is inherent tension between the headquarters and subsidiaries. As a company grows with increasingly diverse operations, some amount of decentralization of decision-making is necessary, as it can be costly and slow to move all the relevant information back and forth to the corporate headquarters. Recently MNCs are moving towards more complex organizational models like transnational, heterarchy and meta-national. These models are variations of “the network organization” where the aim is basically to increase subsidiary autonomy on one hand while maintaining a strong central coordination by the headquarters on the other. Hence, aligning of expectations of the headquarters and subsidiaries in terms of goals and capabilities, is crucial for balancing these contrasting requirements. (Hoenen & Kostova 2015)

When it comes to OHSM, effective implementation also requires compliance with the local legislation which can be very different from the host country, thus, further increasing the organizational complexity of international business operations (Sharfman, Shaft &

Tihanyi 2004). The MNC subunits may face diverse rules, cultural norms, behaviors and operations in the host country and would need some flexibility to respond to them (Hoenen & Kostova 2015). On the other hand, companies also want to standardize operations to a certain extent across all branches. Current literature on OHSM is limited when it comes to international organizational aspects, however in CSR literature there is a lot of debate whether the centralized CSR management is more efficient over decentralized subsidiary driven model (Chapple & Moon 2005; Hoenen & Kostova 2015; Sharfman et al. 2004). Results of positive financial performance of a subsidiary in response to centralized coordination of CSR was found for e.g. in a Turkish study by Ilhan-Nas, Koparan and Okan (2015). Sharfman et al. (2004), also found central coordination by the HQ leading to better environmental performance due to implementation of a standardized strategy with little local modifications across all units. However, they do acknowledge that when firms set up operations outside their borders, they face 2 sets of pressures: the need for global integration (homogenization) and the need for responding to local markets. However, Chapple and Moon (2005) claim that, MNCs will need to adapt the CSR approaches to the local context and social issues as, despite globalization and increasing standardization of management processes, the national business systems of the host countries will stay relevant thus, impacting CSR.

Moreover, regardless of central or decentralized control, internationalization of the firm itself has positive impact on CSR (Chapple & Moon 2005, Sharfman et al. 2004). More and more MNCs are choosing to have a global approach to environmental management leading to better environmental performance of firms. When MNCs transfer their best practice models of CSR from the headquarter to the subsidiary, it increases the legitimacy of the MNC and minimizes risk (Ilhan-Nas et al. 2015). Similarly, it is worthwhile to study what is the situation in case of OHSM. We can make early assumption that internationalization of the firm leads to better OHS practice due to the similar nature described above.

3.2 OHS Organization structure

3.2.1 Matrix organization

As we saw in the above section, the organizational structure has an important strategic role in facilitating international management and influencing the way OHS is practiced. It would help to get an insight into matrix organizations as it is how the case company has been structured. Many global organizations have adopted the matrix structure as it helps

in responding fast to the demands of a complex and rapidly changing external environment (Bartlett and Ghoshal 2000; Sy, D'Annunzio & Kearney 2005). Matrix management was developed in early 1960s and can be defined as a “grid-like organizational structure that allows a company to address multiple business dimensions using multiple command structures” (Sy et al 2005). Another way to define it would be “a mixed organizational form in which a traditional hierarchy is overlaid by some form of lateral authority, influence or communication” (Larson & Gobeli 1987 cited in Sy et al. 2005). This leads to overlapping responsibilities and dual reporting structure which is intended to build flexibility into the company functions and may result in one reporting to 2 managers- a functional or project manager and a regional manager. Matrix organizations commonly also have greater autonomy where the project teams are essentially decentralized with a relatively autonomous project manager (Halldorsdottir 2014). While this leads to more efficient execution of the project, it can also lead to a disconnect between the project teams and the organization, making it challenging to implement strategy across various business functions (Global compact 2007). Sy et al. (2005) saw that managers with good communication skills and a “collaborative” style of managing, performed better in matrix organizations.

The benefits of matrix organization seem to outweigh the challenges as it can simultaneously manage multiple business goals, facilitate information flow through multiple communication channels, support parallel reporting structure and enable companies to establish economies of scale. On the other hand, according to Sy et al. (2005) the practical challenges of adopting matrix structure were found to be: misalignment of goals, indistinct authority, unclear roles and responsibilities, silo-focused employees amongst others.

3.2.2 OHS in Matrix - Integration with Quality and Environment

Studies show that in the current management approach, OHS is bundled with Environment and quality under the broader umbrella of Quality, Environment, Health and Safety (QEHS). This is reflected in the decision of more and more companies to use the quality ISO 9001, environment ISO 14001 and OHS OHSAS 18001 certifiable standards together. On one hand, this integration of occupational OHS with quality and environment is desirable as it facilitates better integration of OHS in business processes, leads to a more cross-functional way to approach operational issues and increases the strategic importance of OHS (Cioca, Ivascu & Rus 2014), but on the other, it may lead to it getting

overlooked or inconsistencies in information getting ignored by management in the presence of more urgent environmental or quality issues (Hart 2010). There is also a wide body of literature which is critical of the over-influence of quality thinking in the development of OHS management practices as this may lead to missing the actual requirements for effective management of OHS (Bhattacharya 2009). In addition, elements of OHSM also come under Human Resources organization (HR) as it deals with people, employee engagement and wellbeing, rights, work timings etc. There is not much research on the division of the OHS related roles between QESH and HR and it would be interesting to explore this further.

3.3 Roles in Management in International Company's OHS

3.3.1 Role of Employer and Senior Management

Quite a lot of studies highlight the role of employers and senior management in effective implementation of OHSM through leadership, vision and appropriate resource management (Bhattacharya 2009). Resources include funds, facilities, time for meetings and trainings as well as experts with specialized skills to act as advisors or facilitators (Baird 2005). While senior management commitment to safeguarding OHS of their workers is widely acknowledged, it also depends on their ability and attitude towards managing OHS in their organizations. For e.g. an Australian study on SMEs conducted by Mayhew (1997), showed that while many SME employers wanted to implement advanced OHSM in their workplaces, they were concerned about lack of knowledge and expertise in managing OHS. In terms of attitude, when employers are focused on short term economic gains, it may prevent them from seeing investing in OHS as contributory factor to business success as these benefits usually become visible in the long-term (Bhattacharya 2009).

Role of Production Workers

A large body of literature is available highlighting the role of employee participation in effective implementation and management of OHS (Baird 2005; Bhattacharya 2009; Frik 2011; Lund 2004; Pagell et al 2013). According to the WHO healthy workplace model, the active involvement of workers and their representatives in every step of the process, from planning to implementation and evaluation is key for effective OSH implementation.

The requirement of employee participation is also stated in several guidelines and statutes, for e.g. the EU Framework directive 89/391 article 11, requires employers to discuss OHS matters with workers and/or their representatives (WHO 2002).

While all employees can fall sick or get injured at work, it is the line workers, who produce the organization's goods or service, that have the most risk for suffering majority of occupational injuries and illnesses. Too often, the practice is that the OHS objectives are set by the corporate management in cooperation with external stakeholders who are far away from the day to day work of the employees. Although employee involvement is acknowledged to be important to the successful attainment of the objectives, their participation is limited to supporting management in their execution of these objectives (Lund 2004). According to Walters and Frik (2000), active employee participation can contribute to effective OHS management in two ways, firstly, by utilizing their first-hand, practical knowledge in spotting and controlling workplace hazards and secondly, involving them to contribute to the organization's decision-making, facilitates "buy in" into the management practices for OHS.

Role of OHS service providers

The broad category of OHS experts may include occupational health physicians, nurses, physiotherapists, occupational psychologists, occupational hygienists, safety engineers and many more. Collaborative work between the occupational health service providers and the employers with clear understanding of their respective roles, expectations, employer visions is important for effective OHS management (WHO 2002). According to Halonen, Hakulinen, Pesonen and Uitti (2017), in Europe, OHS service providers are not just expected to have knowledge and experience on health and safety issues of the client organization but also have strategic collaboration with the organization which requires them to understand the economic factors from the employer's point of view. According to them, the quality of OHS services can be affected negatively by poor collaboration between the employer and service providers. In Finland for e.g. collaboration on OHS is very extensive. Typically, OHS service providers conduct workplace investigation where the occupational doctor and nurse familiarize themselves with the conditions in the workplace and in addition to physical risk assessment, they may also be involved in improving workers' psychosocial health. Another example is statutory collaboration between the employee, employer and OHS service providers to discuss the best approach to work

modifications to help the employee to return to work in case of prolonged sickness absence (Halonen et al. 2017). However, the literature on collaborative work has been mainly European, and mainly from the Nordic countries and more studies of collaboration between the various OHS stakeholders from outside Europe are needed to form a clearer picture.

3.4 Management practices: How is OHS managed in an MNC?

With increasing need for self-regulation, more and more companies are implementing advanced OHSM through Management Systems (MS) concept with the aim to take it towards Integrated Management Systems (IMS) where the OHS-MS will be integrated with quality and environmental MSs. It mainly involves detection and management of risk along with measuring and self-monitoring in order to continuously improve performance (Pagell et al. 2013).

3.4.1 Management systems

In order to understand the management practices of international OHS in MNCs, it is important to briefly outline what is meant by management systems (MS) as it is one of the most common management practices used by companies. "A management system is a planned, documented and verifiable method of managing workplace priorities and issues" (Gardner 2000).

OHS management systems (OHSMS) differ from traditional OHS programs by being better integrated and more proactive (Robson et al. 2007). OHSMS claim to manage all aspects of employee health care including physical, mental and social well-being as well as safety at work (Montero, Araque & Rey 2009). They not only facilitate employers to systematically manage OHS in their organization, but as certifiable standards, also act as legitimate tools for legislators to check if employers are carrying out their duties to safeguard OHS (Bhattacharya 2009). Presently OHSAS 18001 is the most widespread certified, voluntary OHSMS in use but is already in the process of being replaced by the ISO 45001 which was released in March, 2018. Although more and more countries are applying for the OHSAS certificate for e.g. in 2004 there were approximately 11,000 OHSAS-certificates in 70 countries, it is not an indication of practice of advanced OHSM as researchers warn that certification does not guarantee safeguarding of OHS or compliance with the requirements of the certificate (Baird 2005; Frik 2011). However, many studies show that the adoption of the standard in itself is perceived as proof of practicing

advanced OHS, thus, becoming a prerequisite for getting new business, especially for suppliers dealing with international companies. For e.g. the study by Di Fan and Chris (2012) showed that the adoption OHSAS 18001 by self-operated factories led to an increase in sales, as on the basis of having the required certification, the factories were able to pass the factory inspection by the client and get orders.

In an OHSMS, the targets and the key performance indicators (KPIs) are developed based on risk assessment, the local legal requirements, the company's core objectives and external environmental demands. The KPIs are metrics that indicate how effective a company's OHSM policies are and they drive the implementation of programs for improving occupational health, subject to appropriate resource allocation (Robson et al. 2007). According to Frik (2011), many studies conducted in the US, Canada and Australia measure the effectiveness of company OHS policies (KPIs) through measuring reported injuries and claims. It was found that reported lost time injuries, worker compensation claims, sickness absenteeism etc. are in fact, poor indicators of OHS conditions as they are more of an indication of a worker's behavior to report rather than an actual measure of health and safety risks at work (Frik 2011). In extreme cases, emphasis on these kinds of KPIs could lead to suppressing the workers' behaviors to report injuries. For e.g. Wokutch and VanSandt (2000), saw that a top-down oriented MS in Toyota and DuPont while being quite effective in reducing accidents, encouraged under-reporting and gave less priority to health risks. This ties in with my next point of leadership style and work culture supportive of cooperation between management and employees. A comprehensive review by Frick (2011) on studies on OHSMS found that effective implementation of the MS requires commitment from senior management as well as active employee participation, a systematic approach to OHS management rather than strictly adhering to an OHSMS, integration of OHS into the broader organizational decision-making, proactive risk management at the source and a broad-based monitoring system based on open communication with employees (Baird 2005; Frick 2011; Lund 2004; WHO 2002).

In conclusion, we can see that nowadays OHS is seen as a part of integrated management systems (IMS) where it is combined with quality and environment. MSs are basically international standards which provide a structure for practical management of OHS. This is one approach and it is necessary to study how it works in the international environment from HQ and subsidiary perspectives. CSR studies indicate that many times

very heavily HQ led management may leave out the subsidiary needs (Sharfman et al. 2004).

4 Purpose, Aims and Objectives of the study and the Research Setting

4.1 Purpose, Aims and Objectives

The purpose of this study was to expand the understanding on international occupational health and safety management (OHSM) and uncover an efficient way to align and organize international OHS operations at an MNC.

The objectives of this study are:

- To explore the alignment of expectations for the role and level of OHSM required by the headquarters (HQ) and by individuals at different levels of the subsidiary organization.
- To compare and contrast the key drivers for and expected benefits of advanced OHSM as perceived by the western HQ and by the subsidiary.
- To uncover how the role segregation of OHS function and structure of MNC's overall OHS organization enable or hinder advanced OHSM at the subsidiary.

Literature shows that there is difference in the level OHS between western countries as compared to emerging markets. Also, there lots of evidence for the many benefits of advanced OHS for the corporations. Hence, it is relevant to explore if MNCs can align their OHS activity and harness the benefits of advanced western OHSM across their units, globally, by studying one very well represented case organization of a subsidiary of Finnish MNC located in Thailand.

4.2 Research setting

The case company is consumer goods company which manufactures tableware and interior decoration products. the company is part of large Finnish consumer goods conglomerate which we shall call The Group. Its Thai production unit was established in 2004 and is responsible for manufacturing and distribution of its products. The production

facility is modern with ISO 9001, ISO 14001 and OHSAS 18001 certificates and aims at continuous development, improvement and control of the manufacturing processes. The total number of employees are 600-700 with majority being female workers.

In 2017, the Group made several organizational changes towards globalization of operations due to rapid expansion through acquiring several brands. The company shifted from a region-based organization to a new organizational structure, which features two Strategic Business Units (SBU): one focusing on tableware and interior products and one on the rest of the product categories. In addition, a unified supply chain across global operations was formed. The two business areas are managed under two geographical segments: EMEA (Europe, middle east and Africa) and Americas. (Group of companies webpage 2019)

The Group leadership team is responsible for the group strategy and priorities, providing direction and common platforms for all the brands owned by the company and is involved in building a strong organizational culture and collaboration within the group. (Group of companies webpage 2019) The Group Leadership team also approves and implements Groups OHS and Sustainability policy (OHS Policy Document 2019)

In 2017, the Group made the most recent review of its safety organization and arrangements and launched an updated Safety Policy for their supply chain. They established a global reporting platform with new KPIs in order to promote a culture of zero harm, shared responsibility and a proactive approach to prevent accidents and work-related illnesses. Their safety target for 2027 is to have zero lost time incidents not only for own employees but also for the contractors and key suppliers. (Group of companies Annual Report 2017)

The Group has also implemented compliance requirements for their internal and external suppliers of product, raw material and service. This supplier code of conduct (SCoC) requirement covers topics like OHS, human and labor rights and environmental protection. In 2017, an assessment of “substances of concern” was conducted, based on which, a Chemical Policy is being prepared for the Group. They are also setting targets to support their long-term goal of finding new solutions to replace the “substances of concern”, and to reduce their use by 30% by 2027.

On business area level, the presidents of the business areas run the day-to-day operations and develop their own business areas, ensuring that their businesses comply with

the local regulations and the Groups' Code of Conduct requirements. They are also responsible for ensuring that the subsidiaries associated with their businesses have the appropriate resources needed for their businesses. (Group of companies Annual Report 2017)

Business areas also organize their global OHS organizations that support and manage subsidiaries' respective local OHS organizations. Tabletop and interior business area's OHS operations are organized under global director who is responsible for coordinating and supporting the work of multiple manufacturing units located mostly in Northern Europe and South-East Asia. In this study, this organization is named as "HQ" whereas local organization in Thailand is called "Subsidiary".

Following Figure 2 illustrates case organization's structure in simplified way:

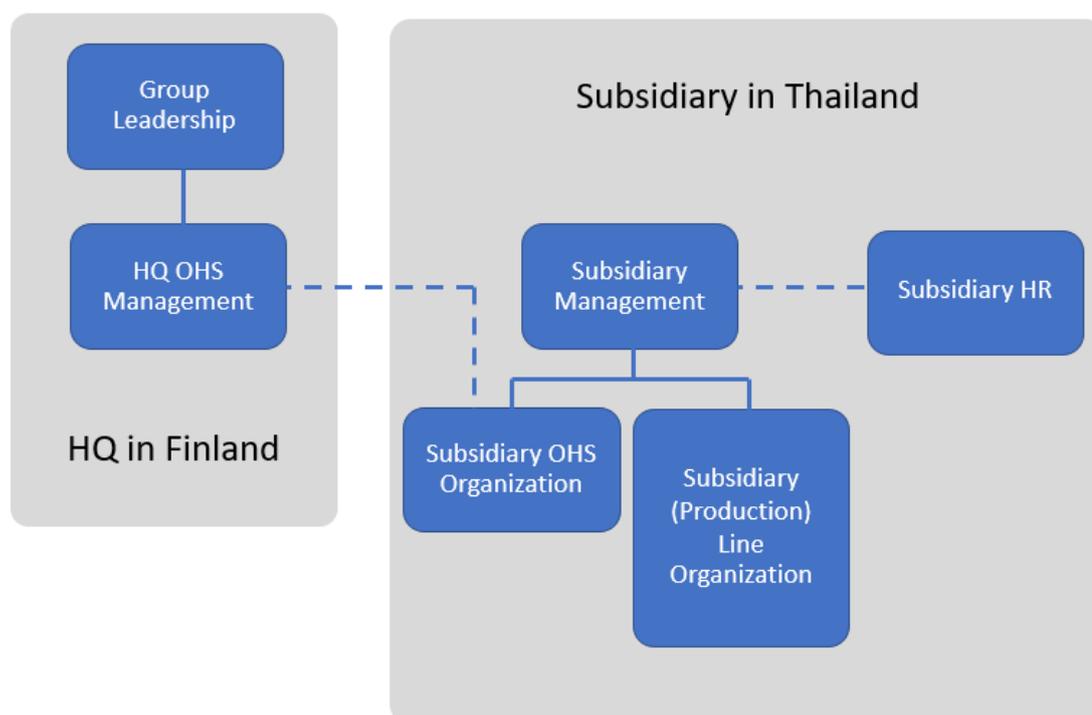


Figure 2. Case Organization structure (simplified)

Case organization's different units covered in this study are presented as blue rectangles and management's reporting lines with blue solid or dotted lines. Solid line refers to direct reporting from subordinate to manager whereas dotted line refers to reporting line to manager in matrix. Grey area refers to geographic location of different units.

5 Methodology

5.1 Research Design

After deciding on the research topic of international OHSM, a short literature search on it revealed limited research which meant that this topic could benefit from further development. More specific research objectives were developed after thinking about the purpose of the study i.e. what is it that I am trying to achieve, as well as, based on issues related to international OHSM that I was interested in exploring. Qualitative method through semi-structured one-on-one interviews was chosen as the research design for collecting data. As the study was based on exploring perceptions about OHSM of different individuals in the company it was deemed to be more appropriate than using quantitative questionnaires to its inherent flexibility. In their study, Lin and Mills (2001) compared data collected from two qualitative and quantitative studies in the construction sector in Australia, concluding that studies using quantitative questionnaires have the risk of receiving exaggerated reports on OHS performance from participants. The semi-structured interviews were based on pre-selected central themes and questions related to these themes in a topic guide. An example of the topic guide can be found in Appendix 1. The questions covered the themes to be explored, providing a frame of reference. The topic guide was developed from literature review and by carefully studying the study objectives and was used to ensure that relevant answers according to the study purpose and objectives were pursued and that the same general areas were covered in each interview, thus, increasing the transferability and confirmability of results. The questions under the topic guide were in a state of continuous development and enrichment throughout the process of recording and transcribing as certain themes started emerging and ideas got more clarity.

5.2 Participants

Purposive sampling techniques was used in this study. The aim and the research questions guided the sampling and the participants were chosen on predetermined criteria that they must be able to provide relevant information in the area of the theme being researched based on the knowledge and experience they have (Ritchie, Lewis, McNaughton & Ormston 2013).

Following individuals were interviewed during February and March 2019:

Table 1. List of Interviewees

	Interviewee's Organization	Code	Timing	Length
1.	HQ	HQ1	Feb 27	68 min
2.	HQ	HQ2	Mar 6	63 min
3.	Subsidiary Management	SM1	Feb 14	59 min
4.	Subsidiary Management	SM2	Feb 18	63 min
5.	Subsidiary Management	SM3	Feb 22	70 min
6.	Subsidiary OHS Organization	SO1	Feb 18	61 min
7.	Subsidiary OHS Organization	SO2	Feb 22	71 min
8.	Subsidiary OHS Organization	SO3	Mar 4	38 min
9.	Subsidiary Line Organization	SL1	Feb 28	64 min
10.	Subsidiary Line Organization	SL2	Mar 4	35 min
11.	Subsidiary Line Organization	SL3	Mar 4	38 min

The individuals selected for interviews ranged from strategic to operative levels of the organization as the aim was to get a broad range of perceptions of OHSM practices in the company from HQ point of view as well as from the different levels of the subsidiary.

The sample size was 11, with 2 representatives from corporate headquarters, 3 from senior management in the host country, 3 from the QESH management organization, and 3-line organization employees of the company in question. The sample size was mainly determined by the number of participants who fit the criteria stated above as well as when saturation of information was reached i.e. when the data starts to repeat itself and does not add anything new to the research question (Denscombe 2014). Since there is a limited number of possible interviewees, to maintain participant anonymity, they have been assigned codes and limited background information has been provided.

5.3 Data collection

Data was collected from both primary and secondary sources in the form of semi-structured face to face interviews and company documents respectively. The total number of interviews held were eleven out of which nine were conducted face to face, two were conducted via skype and for 4 of the interviews I had to use an interpreter to translate from Thai to English. The interviews were organized between February and April 2019.

The review of the company documents helped in acquiring an outline of the company business, its OHS policy, its SCoC policy, etc. Before this, the Managing Director and HR Manager of the Thai factory was contacted and on gaining their approval for the study, potential participants were contacted via email by the researcher with their help. The emails consisted of an information sheet comprising of a brief description of the background and the study objectives as well as the consent form (Appendix 2 and Appendix 3). All the interviewees invited responded positively to the invitation. Again, before starting the interview, the study purposes were briefly discussed, and the consent form reviewed with the participant after which verbal consent provided by the participant was recorded. The participant was explained that the interviews will be recorded, and the recording would be saved until the research work is finalized. Participant anonymity and privacy was emphasized upon, they were encouraged to ask further questions if needed and reminded that they did not have to answer all of the questions and could stop the interview at any stage. The interview timings were confirmed based on the participant's availability and were held in a quiet meeting room at the factory site by the researcher with each discussion lasting for approximately an hour. The interviews were recorded on the phone and then transcribed verbatim and in full. In order to practice interviewing skills and review the topic guide, a mock interview was conducted on a friend. The data was collected and analyzed simultaneously throughout the study.

5.4 Data Analysis:

Qualitative content analysis can be defined as “a research method for the subjective interpretation of the context of the content of text data through the systematic classification process of coding and identifying themes or patterns” (Hsieh & Shannon 2005). I have used directed content analysis or deductive content analysis which is an approach used when a theory or prior research about a phenomenon exists but may have gaps to fill. This existing theory or research is used to focus the research question and once the study objectives have been defined, it helps in identifying key concepts as initial coding categories as well as build a topic guide for the interviews (Hsieh & Shannon 2005). These initial categories were then used to as a categorizing matrix which provided a framework for coding the empirical data according to categories (Elo & Kyngäs 2017). After transcribing the recordings verbatim and in full, the material was read several times to become completely familiar with it. After the data was reviewed, all the phrases which fulfilled my study objectives were identified and highlighted. This was followed by collecting the highlighted phrases in a new document under the predetermined codes. From

this document, using inductive content analysis, I started grouping the phrases into thematic subcategories under the main categories. This was done in the form of a table using Microsoft excel. The original transcripts were revisited and rechecked constantly for appropriate selection of phrases and the subcategories were revised and updated as required.

6 Results

In this chapter, I present the analysis and interpretation of the data collected in the interviews with the representatives of the MNC about their expectation of management of OHS internationally. The presentation of the results is according to the study objectives.

6.1 Expectations of the role and level of OHSM required, by HQ and by different levels of the subsidiary organization

To determine how the HQ and the local subsidiary’s organizations see OHS and exploring to what extent they are aligned on the purpose of OHS, empirical evidence was gathered under perspectives derived from literature and from WHO’s (2002) Good Practice in occupational health services (see Chapter 2.1.), which look at OHS from the following main themes:

- maintain and promote worker’s health and work ability;
- make the work environment safer and healthier;
- developing the work culture and work organization such that they support and enhance health and safety at work.

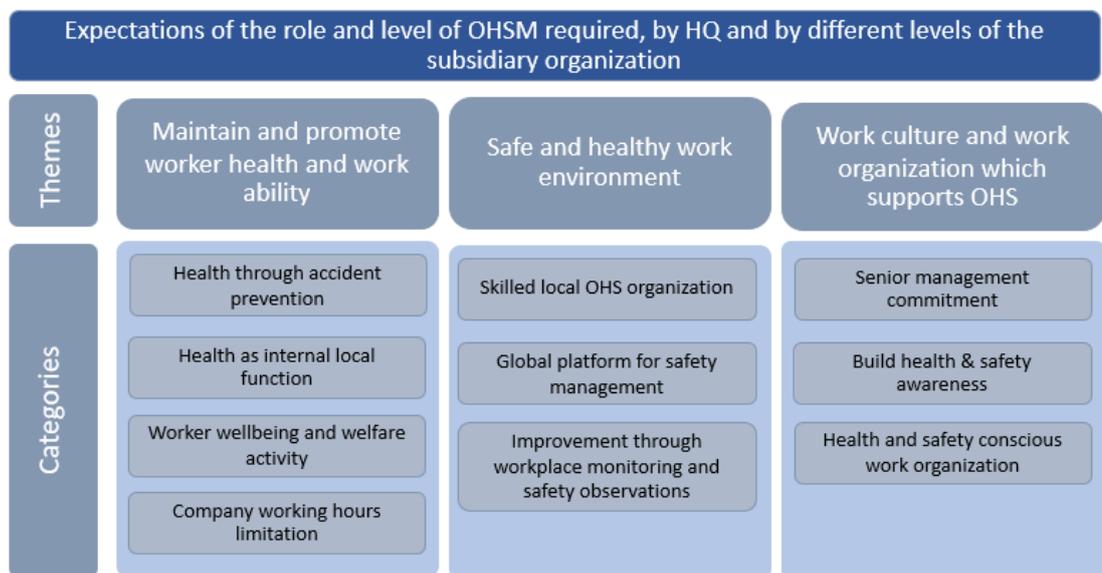


Figure 3. Summary of results on expectations of the role and level of OHSM

Multiple generic categories were recognized from the empirical data and summarized under these themes. A summary of the themes and generic categories are presented in Figure 3. above. In following chapters, each theme and generic categories related to it, are scrutinized by comparing and contrasting findings from the HQ and different levels of the subsidiary’s organization.

6.1.1 Maintain and promote worker health and work ability

In the following section I present corresponding coded data derived from the empirical data, which were grouped under 4 generic categories under the theme of “maintain and promote worker health and work ability”, which are: 1) health through accident prevention, 2) health is an internal, local responsibility, 3) worker wellbeing and welfare activity, 4) company working hours limitation. These generic categories were then examined by comparing and contrasting findings across the organizational levels. These findings have been summarized in Figure 4. below where the color coding refers to the degree of alignment between the organizations.

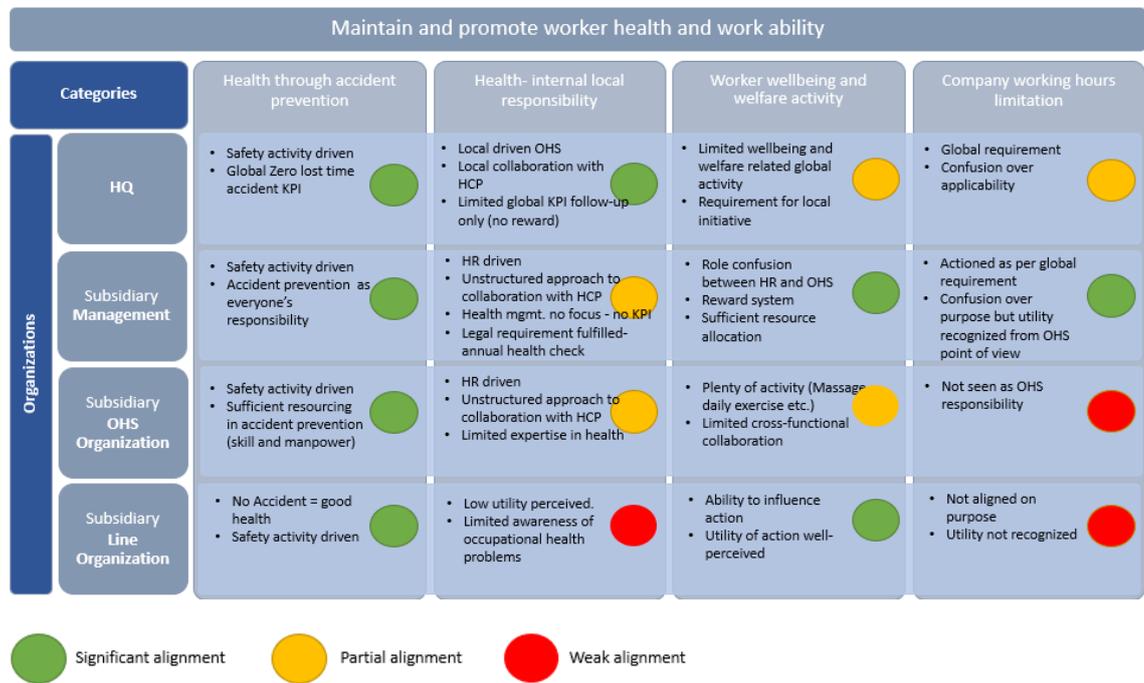


Figure 4. Comparison of maintain and promote worker health and work ability

Category 1: Health through accident prevention

Company HQ considers OHS as an extremely important topic for the global organization at large. In general, however, safety seems to be more of a priority. Health is mainly seen from the perspective of accident prevention as the main KPI used to measure both is zero lost time accidents. Actions taken to improve this KPI aim to minimize accidents at work which could lead to lost working time and hence, a decrease in productivity.

"OHS is one of our priorities. It's very much, I would say particularly for the last 2 years in my experience, company has pushed this really up there into one of their top few issues, or not issues, let's say challenges and they are taking it very seriously particularly into our manufacturing units globally." (HQ1)

"if we are only talking about health and safety then the goal is zero lost time accident. We of course expect that all of the sites are aiming for that, to reach the zero-lost time accident level by 2027." (HQ2)

At the local management level as well, OHS is driven by safety activity and targets and accident prevention is seen as everyone's responsibility in the form of reporting "near misses". The local management and OHS organization feel that they have sufficient approach to accident prevention in terms of skill and manpower. The local line organization are also aligned in prioritizing safety and equate no accidents with good OHS.

"Every time when we see some near miss we have some like Microsoft program or application they can use to report for the near miss." (SM3)

"Safety is most important... coz we want no accident in the factory and we want to save themselves so it's important for work." (SL3)

In total, accident prevention is seen as a key health related activity for the global organization, communicated and acted upon efficiently to lower levels, leading to significant alignment throughout the organization.

Category 2: Health is an internal, local responsibility

When it comes to occupational health, while it is seen as a global priority and is on the radar of the global organization, it is primarily seen as a local responsibility and even there it is seen as much an HR responsibility as OHS. Hardly any directives have been provided by the HQ on the role of the health service provider and their expectation for expertise in OHS related management extends only to the OHS organization and fails to reach the health care provider on value adding level.

“Despite the fact that we do have a global element to health and safety, local management is ultimately responsible for health and safety in that factory.” (HQ1)

“Ya, in our area it’s been more about safety. So, we are looking at health in our audits and so on, but we have not defined very detailed guidelines but that’s also an area which kind of goes into HR topics also.” (HQ2)

At the local subsidiary level as well, while OHS is again, as a whole, a priority and it is important to meet the legal requirements for it, occupational health does not seem to be prioritized as much as safety. There are no separate KPIs for health, and while the company keeps a track of sickness absenteeism which may be used as an indicator for health, there are no rewards or incentives set for achieving health-related targets. According to local management, it is difficult to separate OHS and HR areas especially when it comes to health.

“Good health...? for the health we have the check... by the company, they check for the absentees... absentee rate...” (SO1)

“So, we have the safety talk. The safety talk we don’t only talk about the accident, but it includes the occupational health maybe your health and your risk from your work... And for the HR they have another program such as the health check that we start with the doctor outside, expert doctor for the assessment for the risk for the occupational health for each working position...” (SO1)

Although the actions being taken by the local organization to maintain and promote worker health and work ability are numerous and as per the legal requirement - annual health check, on site part-time doctor and full-time nurse, hospital card - the expertise and understanding is limited when it comes to occupational health. For this, they expect support from the HQ.

“We are good in engineering driven projects like energy efficiency, performance improvement, waste management, these kinds of things where you have a practical solution, but do we have more than pure gut feeling for the occupational health area?” (SM1)

Their approach towards collaboration with the on-site health care provider is almost non-existent. The healthcare professional’s role at the factory is limited to first point of contact for medical issues and maintenance of worker’s health. There is some amount of collaborative work with external experts like an external occupational health expert, however their approach and scope of collaboration is still under development.

“No, because in our factory, the doctor is a general doctor, not for occupational health in the factory so we need the expert to support this” (SO1)

In the data set, employment-based health services like hospital card, conventional illness and conventional preventative health care like annual health check are not seen as very valuable by the line organization who seem to have limited awareness of occupational health and hence, do not expect much from the employer for occupational health related services.

“The annual checkup is only check for basic things, they cannot like investigate the bigger health problems, the more severe disease, then they would have to go check for themselves.” (SL1)

“Q: ok so according to you what is the most important thing that the company should be providing to you when it comes to health and safety?

A: Ummm, I don't know...” (SL2)

In conclusion, health is not prioritized as much as safety at the HQ and similar views resonate at all levels of the subsidiary as well. Health is considered local responsibility by HQ while the local organization seems to need more support in form of expertise and formal processes for effective management. While the legal requirements of maintaining worker health and workability at subsidiary level are fulfilled, there is little involvement of the on-site medical professional in collaborative health-related activity with the OHS team as well as unstructured collaboration with external occupational health experts.

Category 3: Worker wellbeing and welfare activity

Under the global scope, there is limited focus on worker wellbeing and welfare activity with the expectation for the local subsidiary to show initiative and lead in this area. At the local OHS management level, the activities being arranged are for e.g. group exercise for the line workers, nursing room for young mothers, massage service. The HR organization is also involved in training related to OHS and initiates various health and wellbeing projects. Even though there is a lot of overlap in the roles of OHS and HR, there is limited cross-functional work between them.

“For the occupational health in factory, I think maybe better cooperation between the departments. Because currently it's like... if you need to action about the occupational health, sometimes we may have a grey area between the QEHS and the HR. because some part is concerned with HR and some part with QEHS and sometimes it's like oh your scope, no its your scope...” (SO1)

Also, since, there are no formal directives from HQ or rewardable target setting, many of these actions don't seem to be formally followed-up or measured. While some projects may be based on findings from the nurse's records and on the annual health check,

which for e.g. showed that musculoskeletal issues are the biggest problem area, many are thought up spontaneously without careful consideration of existing evidence. Because of these factors, projects usually lack focus, are changed on a yearly basis, are subject to budget availability and are not developed into formal practices.

“Q: Ok and are your projects directed by the global targets?”

A: No no, not really... it just pops up in our mind that oh this could be of interest for our employee.” (SM2)

“Yes, we evaluate results but no follow-up I would say, just end when the project ends.” (SM2)

The line organization recognize the value of these initiatives and can influence the projects which are taken up by local HR or OHS, however, it is not clear how much they really contributes to the decision-making. The fact that OHS is practiced, makes them feel safe and cared for as it proves to them that they are in a good workplace.

“It might be seen as a little thing, but it is very important because for e.g. sometimes you get a headache, and then you can go there and let them massage your head...And it helps the employee get relaxed and if they are relaxed then they can work better.” (SL1)

“We have suggestion box and we ask them what kind of exercise or interest to just put in the suggestion box but then I would say we don't success on the suggestion box.” (SM2)

All in all, worker well-being activity is seen as value adding from line organization's point of view. Management also seems to take sufficient action in this area, thus being well aligned with lower levels' needs. Global organization is only as a supporting role and thus alignment with subsidiary's activity is limited. Slight role confusion in the subsidiary's organization can be observed between HR management and OHS teams and thus certain activities lack consistency and impact.

Category 4: Company working hours limitation

Supplier code of conduct or SCoC is a global directive requiring compliance by the local subsidiary and provides a limit on working hours amongst others. Hence, we can say that the HQ plays a big role when it comes protecting work capacity in the form of requiring compliance with SCoC. However, there is a lack of clarity over its application at global level as HQ is unable to explain the purpose for its use at the Thai factory in the context of it being part of the company and not an external supplier. While the overall intent of

this requirement is perceived positively by the local subsidiary, it is actioned more as a compliance requirement and its positive impact gets lost as employees struggle to understand its role, as working hour rules are already provided by the Thai labor law. When it comes to the local OHS organization, implementing and monitoring company working hours is not seen as OHS responsibility, but as something that HR deals with.

“Subsidiaries are our own factories so I see that as different. They are part of Group so... but of course what we kind of expect of others we should expect from ourselves.” (HQ2)

“In the SCoC there are 4 categories maybe 5, the first one is for the contracting process or the supplier management, I think this is under purchasing. The second one is about the OT, labor, labor law, labor regulation, this part is under HR and another 3 is quality, environment, health and safety and this is under my team.” (SO1)

The local line organization is not aligned with HQ and local management on the purpose of the working hour limitations and does not recognize the value add of it.

“At first no one was ok because people usually do like 6 days but it’s the regulation of the company then everyone have to accept it.” (SL2)

In total, it can be interpreted that working hour limitation is seen as a significant health factor from subsidiary management’s point of view, misalignment with other levels of organizations may suggest that this item is not actually widely seen as strong health related activity or the impact of it is perceived to be limited.

6.1.2 Safe and healthy work environment

In the following section I present the data derived from scrutinizing and coding the empirical data under 3 generic categories under the main theme of “safe and healthy work environment”. The generic categories are: skilled and proactive local OHS management, global platform for safety management and improvement through workplace monitoring and safety observations. Key findings are summarized in figure 5. below.

Safe and healthy work environment				
Categories		Skilled and proactive local OHS management	Global platform for safety management (under qehs)	Improvement through workplace monitoring and safety observations
Organizations	HQ	<ul style="list-style-type: none"> Ability to do proactive initiatives by local Mgmt. and OHS organization Informal global OHS network for support 	<ul style="list-style-type: none"> Safety heavily prioritized in global goal setting Set structure and templates for improvement planning Communication and best practice sharing for alignment 	<ul style="list-style-type: none"> Global follow-up on safety observations Structured approach including risk assessment and management
	Subsidiary Management	<ul style="list-style-type: none"> Local management has resourcing challenge Responsibility is under local mgmt. but action is focused under OHS mgmt. 	<ul style="list-style-type: none"> Safety is prioritized in mgmt. action Misalignment in reasoning of goals Partial misalignment towards global goals and local resources 	<ul style="list-style-type: none"> Local target setting on safety observations Reward system for safety observations Monitoring needs to be improved
	Subsidiary OHS Organization	<ul style="list-style-type: none"> More expertise and support needed unstructured approach to external expert collaboration 	<ul style="list-style-type: none"> Safety is prioritized over health OHS is smaller priority under Q and E 	<ul style="list-style-type: none"> Ergonomic checks Safety observations through safety walks
	Subsidiary Line Organization	<ul style="list-style-type: none"> The OHS org is seen as the safety authority by the line organization 	<ul style="list-style-type: none"> Safety is prioritized Ability to influence action through safety committee 	<ul style="list-style-type: none"> Safety observations encouraged through rewards Safe work environment is valued

Significant alignment
 Partial alignment
 Weak alignment

Figure 5. Comparison of safe and healthy work environment

Category 1: Skilled and proactive local OHS organization

HQ expects the local organization of the subsidiary to have the required expertise and ability to carry out the actions needed for effective OHS management in a proactive manner. These actions are e.g. effective risk assessment and management, safety observations, ergonomic evaluation of different work stations, ability to critically assess the underlying problem. The HQ tries to provide support and consultation to the local subsidiary OHS manager through informal global OHS network.

“At the level of health and safety management directly, the expectation is that they are very skilled at finding the opportunities for improvements and using information that they have effectively and that is kind of the difference between a factory that is just kind of doing okay with health and safety and one that is being progressive. A good progressive health and safety manager would be somebody who is able to not just promote health and safety and make it sort of an active campaign in the factory, that’s key, but in addition to that very good at like using the data, using the information and coming up with not just fixing the machine that caused the accident but looking at it from the bigger picture...” (HQ1)

“We have a QEHS network which is quite new because we are kind of in the process of aligning the roles of QEHS in all the factories. And in that network the teams are starting to share what they are doing and what the issues are and what the challenges are and what their current improvement plans are.” (HQ1)

When it comes to supporting the global expectation for skilled local OHS organization by the HQ, the local senior management at the subsidiary admit to resourcing challenges and needs more sharing of information and expertise from the HQ for effective OHSM. Also, while the responsibility for OHS may be on the local management, they may not feel as involved in the decision-making.

“I think it would be much more beneficial to have evidence and you have expert organization running these kinds of global programs. I would like to see also from the targets to the priority projects to the process of running them, a template of doing so. But that falls under the responsibility of the local organization. Do we have sufficient organization for that? Do we have enough expertise? Should we acquire the expertise for this kind of projects? Do we have money for that? And are we supported by global to have enough of reserved budget for this?” (SM1)

While safety is seen as everyone’s business, still the actions and the accountability are focused mainly under the local OHS management who seem to require more support in the form of expertise. Some collaborative work at the lower management level i.e. between the safety officer and the line supervisors is observed for ergonomic evaluation of workstations as well as for implementing some health initiatives.

“If I not achieve the target, because I’m directly responsible for the OHS target, so it affects my performance.” (SO1)

“Foremen and I will do the evaluation because they have to observe when the workers are working and they have to evaluate and they will take those evaluation and analyze it to see what activities should be done...” (SO2)

The local line organization expects hygienic and safe work environment above all and sees the OHS organization at the subsidiary as the safety authority for any OHS related concerns or suggestions instead of the line organization.

“in my department, there is not much concern on safety because there is not much risk. But the focus is more on the air... like the fresh air and the surrounding, if it’s nice then they will get relaxed and like refreshing and then the working, because its artistic, the work will be better.” (SL1)

“Like for simple things, I can take care of them for e.g. if they are coughing or something, I can provide them with masks but if there is a bigger problem, for e.g. with the aircon or the pipe, I has to report it to my supervisor and then the supervisor will report it to the safety officer.” (SL1)

In summary, the HQ has high expectations from the subsidiary OHS organization for proactive and skilled OHSM and is finding ways to provide more support. The local management at the subsidiary are limited due to lack of resources and expertise in OHSM and significant amount of responsibility lies with the local OHS team for carrying out advanced OHSM. Even at the lower levels of the organization the OHS organization is seen as the authority on safety matters. Safety as responsibility for all, is not yet institutionalized.

Category 2: Global platform for safety management

Since OHS is a global priority, the aim is to build a global platform for common processes across the units. Again, safety is heavily prioritized as exemplified by the global goal setting. The HQ sets up the structures and provides templates for all the subunits but gives authority to the local organization come up with their own projects, which are regularly followed up in the global process. Communication is considered key for alignment and for sharing best practice. Formal audits are carried out on regular basis and are considered as key integration factors.

“We have put quite a lot of effort to make sure that the definitions of the KPIs are understood correctly, defined well enough so that they can be understood well enough so meeting the reporting system... we don't give so detailed direction that it wouldn't leave room for the local applications. So of course, every location is expected to have the improvement program in place and that means that in that program they need to really look that what are their specifics where they should really focus.” (HQ2)

“So, we have the ISO multisite certification and the OHSAS 18001 is one of the three legs of that and so that in itself underpins the whole thing... You know we ask all our factories to keep all their key quality and health and safety and environmental processes, audit results etc. and their accident reporting there so from a corporate level we do drive the central systems- a common set of systems through all the factories” (HQ1)

The local subsidiary management while prioritizing safety in the management actions, feels that there is partial misalignment between the global goals and the local resources.

“So, I think if we have more specific organization and resource, we can more effective to improve our job and improve our factory.” (SM2)

When it comes to global safety management, the local OSH management has more aligned understanding with HQ as they have more knowledge and work closely together. The line organization again prioritizes safety and has been provided with a channel to

influence action through electing members of the safety committee and raising OHS issues there.

“So, if they feel safe then they are happy to come to work, no need to worry about that if I come to work here, what happens to me, so no stress.” (SM3)

“we have the representative from each department to join in the safety committee and we have drive by this committee... This committee has 2 parts one is appointment by the committee and the other one is election by the employees. So, we can get like 2-way communication. Not only from top-down but also bottom up.” (SO1)

In summary, there is alignment in the expectation for managing OHS with a global, integrated approach, the local management at the subsidiary have some limitations regarding resourcing, as the requirement level is seen as high and comprehensive. Local OHS organization seems to need more support from HQ in terms of expertise, but there are systems and procedures in place to facilitate improvements. The line organization has been provided with a channel for more active participation in OHSM through setting up the safety committee. This improves intra-organizational alignment at subsidiary’s line organization.

Category 3: Improvement through workplace monitoring and safety observations

At the HQ level, there is a structured approach to follow-ups on safety observations, risk assessment and risk management.

“our responsibility is to define the KPIs...Then it’s setting up the processes, also setting up the monitoring systems that we are doing quite a lot of internal auditing globally so, both, kind of set the expectations, set the processes and measurement systems but make sure also that we are monitoring those.” (HQ2)

At the local management level in the subsidiary, there is local target setting for safety observations or “near miss” with a reward system in place. However, they feel that for more effective OHSM, the monitoring should focus more on the content of the targets in the factory context rather than on just measuring them.

“maybe also like instead of considering that how do we measure certain KPIs at the factory, the audit would actually or the cooperation with the global expert organization could focus on following these kinds of issues where we actually need help rather than controlling...” (SM1)

“Last time we were only concerned about lost time accident. But right now, we have a new one- near miss.” (SM3)

At the local OHS management level at the subsidiary, monitoring and safety observations are done through ergonomic checks, Gemba walks etc.

“Normally we have like report system in the group so that they can see our current situations and results...” (SO1)

“We have the management meeting weekly. And we have like Gemba walk which is like a work place inspection by the management- the manager and supervisor.” (SO1)

For the line organization, safety observations are encouraged through incentives and rewards. They recognize the value of a safe work environment.

“workers can report what is not safe and also umm like there is a competition where they see who has given out the most reports.....depends on the problem you report like if its practical and things like that then you might get rewarded.” (SO2)

All in all, it can be inferred that all levels of the organization are more or less aligned when it comes to workplace monitoring and ensuring high level of safety observations which are aimed at prevention of lost time accidents and safety and hygienic working environment. There is focus and structure in this effort, but local management at the subsidiary seems to hope for more content driven approach as HQ and other levels of the organization focus on quantity observations and volume of action.

6.1.3 Work culture and work organization which supports OHS

The final aspect of OHS management is about work culture and work organization which supports OHS. Findings on this theme are summarized in Figure 6. under three generic categories: Management commitment to OHS; Building health and safety awareness and Health and safety conscious work organization.

		Work culture and work organization which supports OHS		
Categories		Management commitment to OHS	Build health and safety awareness	Health and safety conscious work organization
Organizations	HQ	<ul style="list-style-type: none"> Follow global directive Define roles and responsibilities Accountable unit management for OHS Lead by example 	<ul style="list-style-type: none"> Global Safety Day Share through company intranet Main message: Safety is everyone's responsibility 	<ul style="list-style-type: none"> Global platform approach to safety in the subsidiary Subsidiary level intimacy limited on day to day level and especially in health 
	Subsidiary Management	<ul style="list-style-type: none"> OHS high priority Sufficient resources provided Need more involvement by HQ 	<ul style="list-style-type: none"> Health awareness through projects Communication: Safety talks in meetings, Newsletter- health promotion, Gemba walk etc. 	<ul style="list-style-type: none"> Safety committee / employee reps and OHS management Actioned mainly for compliance Attendance based incentives 
	Subsidiary OHS Organization	<ul style="list-style-type: none"> OHS initiative taken beyond mandate Follow the global directives and systems put in place by HQ 	<ul style="list-style-type: none"> Actioning is more in safety Visual signs on info boards etc. Safety training drills 	<ul style="list-style-type: none"> Lot's of ad hoc local communication and activity 
	Subsidiary Line Organization	<ul style="list-style-type: none"> Line organization feels mgmt. responds well to their OHS related problems 	<ul style="list-style-type: none"> Limited health awareness Basic understanding of accident prevention 	<ul style="list-style-type: none"> Use of PPE not fully institutionalized Organising workload not conscious of health impact 

 Significant alignment
  Partial alignment
  Weak alignment

Figure 6. Comparison of work culture and work organization which supports OHS

Category 1: Management commitment to OHS

HQ expects visible commitment from the local management and for the factory leader to lead by example in upholding the workers' OHS. They expect them to follow the global directives and use the management systems provided and be compliant with legal requirements. They are realizing the importance of involving the factory heads along with the local OHS teams to better implement new processes involving OHS.

"We have the basic systems to use and so on so that's I would say is the core for that one. Really, it's about how we are leading...hmm how we are leading health and safety. We can have thousands of papers but if we are not leading the right way it doesn't go very well." (HQ2)

"So, what we did this year, the end of 2018, start of 2019 was we decided to schedule one to one calls and interactions with each of the factories and we involved the factory managers as well which was a learning for us from the first time around that we needed to involve them along with their QEHS teams." (HQ1)

For the local management at the subsidiary, OHS is high priority and they demonstrate their commitment through providing available resources and by being accountable. However, they need more involvement and visibility on the decision-making behind target setting in order to support the local OHS organization better in terms of resources. The

local OHS organization agrees and also wants more involvement of the local management for more effective OHSM.

“not only in the QEHS organization, I think they should provide knowledge and understanding to other organizations. If they provide to me and I provide to another one maybe not more effective... if they provide together to all- to MD, production, engineering, to anyone I think it's more effective.” (SO1)

The local OHS management though are fully committed and take OHS initiatives beyond local management mandate and prioritize the global directives and systems put in place by HQ. For e.g. An ergonomic project using a new ergonomic evaluation criterion was successfully completed and implemented as an ongoing improvement project.

“we have the ergonomic project where we have the assessment made by the technique- Lula, Losa and I can't remember we have another one... we set this project because it is a new program for the company. And after we have conducted and complete this project, then we need to set it up as a standard for our company to run in the normal operations, that means it continues, not end in the project.” (SO1)

The line organization feel that if their suggestions regarding OHS are valid and in case of reported OHS related problems, their request is actioned efficiently.

“if the employee wants any changes, they can report and they can come to fix it.” (SL1)

Hence, we can say that there is alignment at all levels of the organization in terms of commitment to OHS, there is alignment as global directives are understood and followed to the best of their abilities. The local management could improve their commitment to the global directive for OHS if more involved in the decision-making of policy implementation.

Category 2: Build health and safety awareness

At HQ level, the activities done to increase awareness of health and safety are global safety day, sharing information on the company intranet and propagating and building on the message that safety is everybody's business so as to make people more aware and accountable for their actions.

In terms of health and safety culture specifically what the business has started to do is for the last year, is to have a global health and safety day which was seen as a really strong tool to raise the awareness of health and safety. It was to give

a message I suppose out to, on a number of levels, give a message to the factories that you know at corporate level, headquarters, health and safety is a priority.” (HQ1)

“I think culturally there are also other ways where health and safety is made kind of prominent within the business and is becoming very much part of the culture and is that- it is our KPI, it is spoken about in all the management meetings, it’s part of every management meeting discussion now, there is a real drive that it’s there front and foremost.” (HQ1)

The local management at the subsidiary tries to build safety culture through visible acts to modify safety behavior like Gemba walks which is a weekly a factory floor safety observation by management and by putting up an info board with details of near-miss results. They also communicate with employees on the topic of health and safety through the company newsletter and safety talks in company meetings as well as, encourage employees to report near-miss incidents. The HR organization is also involved in training related to OHS through various health and well-being projects and workshops. All this is done in collaboration with the local OHS management. In addition, they also carry out safety orientation for new employees and periodic safety training drills.

“So, when they come in they will get the orientation from the safety officer and the HR department... the overall picture of safety and health. but then they will get trained again by me at the work station...” (SL1)

In spite of the efforts mentioned above, the line organization while having a basic understanding of safety and accident prevention, they have quite limited amount of health awareness. They expect the employer to provide safe work environment, but health seems to be own responsibility.

“She thinks its safety like wearing shoes, when blowing the dust wear mask and glasses and earplugs when it is too loud.
Q: ok so that is safety, and what about health?
A: hmmm its ok...” (SL2)

“. But mostly the sickness absence is about back pain and like coughing, little colds, but mostly back problems. But that is sometimes because of their age as well as some people are old already.” (SL1)

In total, expectation for actions on building health and safety awareness are fairly aligned between the HQ and the subsidiary. Again, the actions are more focused on safety awareness over health. The subsidiary management tries to modify local line organization behavior through visual signs and communication. The line organization while

demonstrating awareness of importance of safety at work, have limited awareness of health-related implications.

Category 3: Health and safety conscious work organization

This category is about the organization of work in a manner that takes health and safety of the workers into consideration. At a global level, while the HQ keeps track of what is going on in the subsidiary through reporting and audits, they don't have intimacy on day to day level at the subsidiary especially when it comes to health.

"The factory has a very strong performance when we look at the metrics. They have a very strong health and safety performance looking at the output... We are always looking at what tools we can use for risk management, sharpen our auditing tools or maybe our IMS tools should evolve further, but where they are now they are very strong, very strong health and safety wise." (HQ1)

While the local subsidiary management realizes the importance of safety conscious organization and the benefit of work-life balance on principal, and has provided a safe and healthy work environment, organization of work which could impact production, like limited working hours etc. are actioned only for compliance reasons.

"So, we all are aware of working hours, and we try to encourage and be aware especially the manager who needs to control their team for the working hours. But there are still some problems with some departments that the working hours are exceeded quite a lot but of course it does not exceed the Thai labor law, but it exceeds according to the company policy." (SM2)

One example of this is the provision of attendance bonus to the employees. According to it, the employees receive a bonus every month for not taking sick leave and miss out on it in case of sickness or emergency leave. According to the local management this is to control mechanism to prevent unnecessary unplanned leaves and it does not stop the people who are actually sick from taking sickness leaves. However, it does raise the question of whether it might make a percentage of people feel pressured to not take sick leave even when they need to and how much coming in sick to work, would impact their work performance. The attendance bonus may be a bit counterproductive measure when it comes to actual measurement and reward of health-related activity.

"Some people are afraid to lose the bonus so when they are sick they still come to work. Only when they have like really important things or really have to take sick leave then they will do it.." (SL3)

On a positive note, employees have been provided with a channel to participate in decisions and raise issues regarding all aspects of OHS as a safety committee has been set up which meets once a month and is composed of members of the OHS management and employee representatives.

“This committee has 2 parts one is appointment by the committee and the other one is election by the employees. So, we can get like 2-way communication. Not only from top-down but also bottom up.. And can discuss in the meetings and we can communicate in the common organization of the company. And the other feature of this committee I think is like a parallel working.” (SO1)

Even at the line management level as well, the organization of resources in case of sick leaves is not optimal from the perspective of health. In the example below, workers work in teams of 4 and in case of sickness absenteeism in the team, they have to make do with less members till the supervisor can arrange extra people, however in the below scenario, the temporary situation extended over a prolonged period thus, putting the worker’s health and safety at risk.

“So, I used to go for the massage because there was one time when one of my team members had a broken leg so the rest of us had to stay only 3 people for 8 months.” (SL2)

While the local OHS organization promotes the use of PPE (personal protective equipment) like eyeglasses, protective boots, gloves etc. the line organization still finds complying to use them difficult. In addition, despite the attempts to create OHS awareness, the communication to the workers in terms of limiting the number working hours has not been adequate as the line workers continue to want to work more hours.

“Yes for e.g. before this people don’t really wear the safety shoes, sometimes they wear it, sometimes not. So, the supervisor or the safety officer they see then they will come and have a meeting and tell them to wear it.” (SL3)

“The supervisor told us in the meeting, she said that it might be because of cost cutting or something like that but mainly they inform us that it will be decreased.” (SL2)

Hence, to summarize, while HQ is reorganizing OHS on a global platform, and the local management understands and supports it, the reorganization of work resources e.g. hours, people etc. at the subsidiary is done only as far as it complies with the regulations. This is exemplified in provision of attendance bonus as well as by the resourcing issues in the lower line organization. The line organization continues to be a little careless with

safety equipment in spite of being provided with the information. This shows lack of sense of self responsibility when it comes to OHS.

6.2 Perceived benefits and drivers of advanced OSHM for the HQ and the subsidiary

In the following section, perceptions on benefits OHS and drivers to practice advanced OSHM are presented. Results are scrutinized under three themes that have been derived from extensive literature review as seen in section 2.2. These are: 1) business performance, 2) corporate culture and values and 3) Legal & voluntary compliance. The generic categories that have arisen from the empirical data under these themes are listed in in figure 7. below.

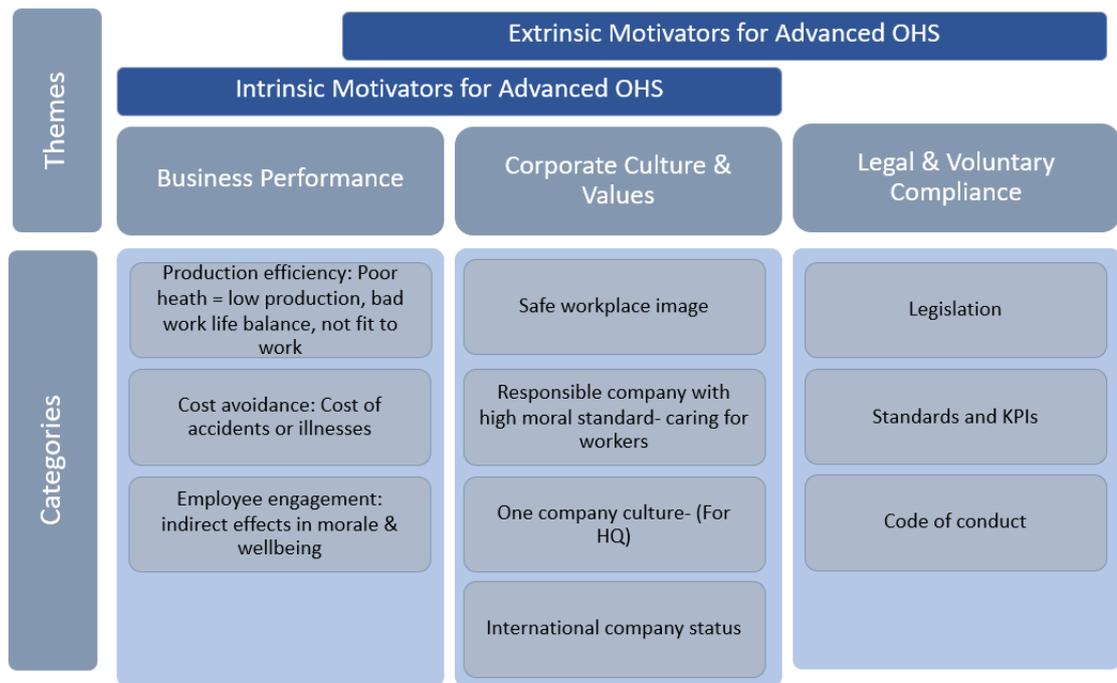


Figure 7. Drivers for and benefits of advanced OHS

Through the process of inductive analysis, these 10 generic categories are uncovered in detail in the following sections and scrutinized through comparing findings between the HQ and the subsidiary.

6.2.1 Business performance

Based on the empirical data, 3 generic categories emerged under the theme business performance, namely: production efficiency, cost avoidance and employee engagement. Results are summarized under these categories in Figure 8.

OHS Driver: Business performance				
Categories	Production efficiency	Cost avoidance	Employee engagement	
Organizations	HQ	<ul style="list-style-type: none"> Indirect effect through morale, good work environment, wellbeing etc. Cannot prove direct link between profitability and health 	<ul style="list-style-type: none"> Accidents recognized as costly Cost avoidance not considered as main driver Cost of OHS is local responsibility- cost of bad health not well valued Cost of accident is understood better. Global org wants to avoid major risks like big accidents 	<ul style="list-style-type: none"> Strong belief that OHS indirectly contributes to employee engagement through better morale, well being, feeling cared for. But not actioned in the group's global employee engagement approach.
	Subsidiary	<ul style="list-style-type: none"> Recognize role of OHS to improve productivity through improved work capability, and better work life balance. Importance of employees feeling looked after by company 	<ul style="list-style-type: none"> Poor health considered costly by subsidiary in terms of using extra manpower and paid sick leaves. No appetite for increasing OHS investment due to cost. 	<ul style="list-style-type: none"> OHS is not proactively actioned as part of employee engagement approach
Intensity of driver	 Medium driver / medium benefit	 Weak driver / low benefit	 Weak driver / low benefit	

Figure 8. Business performance as OHS driver

Category 1: Production efficiency

At the HQ level, there was strong recognition of significant indirect impact of OHS on company performance through improved morale and positive work environment.

"If factory workers feel that management don't care about their well-being you have a morale issue and productivity is impacted negatively..." (HQ1)

At the subsidiary level, everyone recognized that "good health leads to work better" when discussing about the importance of OHS at the workplace. The local management at the subsidiary also recognizes the value of wellbeing and feeling looked after on employee morale further impacting productivity.

"Because if people happy to come to work definitely it causes good efficiency and good willing to work. Because the company do very good things for the employees, employee also happy to do for the company. I think then both benefit." (SM3)

However, both HQ and subsidiary level doesn't have the approach to link OHSM with profitability or improved business performance as according to them, isolating the effect

of OHS amongst several other functions and linking the causality to business performance is very difficult.

"There are many as you know, contributory factors towards efficiency, but that is an interesting thought you know... it would be hard to come to a conclusion that it was just the health and safety that has contributed." (HQ1)

According to them, one aspect of increasing production efficiency is reducing overtime which would improve work-life balance, thus, leading to better production efficiency.

"If, let's say the people that are working want that they have no holiday, working overtime every day. I think not so good I think both for themselves and the company also. I think they don't get good efficiency for working." (SM3)

The line organization also recognized that being sick at work reduces productivity.

"The amount of product will be reduced because they are not working, their body is not ready, and they go beyond..." (SL1)

To summarize, according to both HQ and the subsidiary, improved production efficiency is the perceived benefit of good health at work, but it is difficult to objectively link OHS effects and business performance, hence, it is a moderate driver for implementing advanced OHS.

Category 2: Cost avoidance

In this category, cost avoidance means two things, firstly, avoiding the cost of bad health and safety and secondly, the cost vs. benefit of effective OHSM activity. Although the cost of accidents is understood better, avoiding costs is not considered a main motivator for OHS activity and it can be inferred that the aim of global is to avoid major risks like big accidents which could have disastrous consequences for the company in terms of image costs.

"It's not cheap to have the accidents, it causes lost time from work, it causes losses and so on but really the people is the driver.". I don't think the other causes are so high in their... and to avoid really the serious ones. They always can happen, so we try to aim for the situation where we don't have any. (HQ2)

There is more follow-up and structures provided for the link between OHS and the cost of absenteeism both at HQ and subsidiary. However, it is still a weak driver for investing in effective OHS.

At the local subsidiary level, accidents and poor health are considered costly in terms of using extra manpower and paid sick leaves. The local management doesn't seem to have an appetite for increasing OHS investment due to the costs. Although they perceive a link between health and productivity and see it as a driver for OHS activity, it is still weak and unstructured.

“In terms of safety they have to spend money, but there isn't an actual outcome to see, but actually its worth a lot because when somebody take leaves and they cannot come to work then it would take cost.” (SO2)

Hence to summarize, while the link between good health and productivity in terms of cost avoidance is recognized, it is weak and unstructured at both levels of the organization as it is considered to be difficult to prove this causality link. Hence cost avoidance is seen as a weak driver for improving OHS activity.

Category 3: Employee engagement

While HQ strongly believes in the indirect but significant role of OHS in employee morale and wellbeing at work. OHS is not actioned in the group's global employee engagement approach. It can be inferred that the role of engagement driven business performance is not recognized as a driver for OHS activity. Employee health was not recognized as impacting employee engagement and other factors such is pay, incentives and bonuses were considered as the main contributors to employee engagement.

“It doesn't really slant particularly with health and safety... the employee engagement survey is quite general...” (HQ1)

At the local subsidiary level as well, OHS is not proactively actioned as part of the employee engagement approach. It is acted upon reactively, only on receiving feedback related to employee health and safety. Other factors such is pay, incentives and bonuses were considered as the main contributors to employee engagement.

“A: ok so would you include that in health and safety? Employee engagement?

O: Only if that's in the comment because the survey will have an open comment section for the employee... mostly wage, salary, bonus and benefits and some of may be collaboration.” (SM2)

Hence, it can be inferred that while OHS is seen to improve productivity through positively affecting employee morale. Employee engagement is not seen as one of the main drivers for implementing advanced OHSM.

6.2.2 Corporate Culture and Values

From the empirical data, three generic categories emerged under corporate culture and values as driver for OHS activity. These are: safe workplace image, high moral standards, one company culture and international company status. Findings under these categories are summarized in Figure 9.



Figure 9. Corporate culture and values as OHS driver

Category 1: Safe and Responsible Workplace Image

At HQ level, company image is very important as a safe and responsible work place and they want it to be communicated effectively outside as well. This is demonstrated through transparent incidence reporting and setting up targets like the zero accident KPI. The HQ wants to make sure that every aspect of OHS management from maintaining high standard of OHS, to reporting, to conditions of the subsidiaries and factories are up to the mark.

“It is a public listed company and from the shareholder, stakeholder perspective as well and investor perspective its really critical that we have the image that fits our brand as well, that there are no negative connotations associated with that as well...” (HQ1)

“We aim for improving the level of health and safety, improving us on being a more responsible company in that area, we also, as we have to report the figures also outside, so we also want to make certain that we are reporting correctly and we have transparency in this area and we can share the information about the accidents and incidents to the other units as well. There are many aspects, of course we also have to many times explain to the external partners or customers

how are we doing in this area so it's better to have these conditions both in our factories and suppliers." (HQ2)

At the subsidiary level, the Thai managers emphasize that OHS activity and worker well-being is important as it shows them that the company cares for them. The term "image" is perceived negatively amongst Thai managers as it may imply insincerity.

"First thing, I think we are not thinking about the image, I think they are thinking about how we do better..." (SM3)

In summary, safe and responsible workplace image is a very important driver especially to the HQ for advanced OHSM.

Category 2: High moral standards

There are strong commonalities between the HQ and local management's concept as in both agree that safety should be everyone's responsibility and that it is their moral duty to not put their employees at undue risk at work.

"We want to have the group of companies as a safe place to work for everybody. We should be able to go home from work in a good condition. Not causing any damage to anybody." (HQ2)

For the Thai management and the line organization, doing advanced OHS is more in the capacity of providing a benefit or welfare to the employees to demonstrate care for the employees, so that they feel secure and looked after.

"I think this seems to be that production is not the only concern, we are concerned about the people also. Meaning that the people working here, not only the productivity wise, not only the yield in the pieces, it should be their health also." (SM3)

Hence, it can be inferred that high ethical standards of health and safety at work is a strong driver for advanced OHSM.

Category 3: Common safety culture across the MNC

There is a strong strategic motive behind prioritizing health and safety at the global level, which is for the purpose of transformation of the organizational culture to a common, recognizable safety culture across the subunits. This will help to unify or align all the branches under one global company. This is due to rapid growth and internationalization

of the company. As a listed global company, there are more expectations for advanced OHSM which is seen as an industry standard.

"We have many units that have been individual units or different companies and so on so there hasn't been really one Group culture. We really want that from health and safety point of view, we have one Group making it a safe location to work." (HQ2)

"I think the business has expanded significantly in 3 years ago, they bought [New Business] which I don't think almost doubled, but it was certainly a huge increase in the size of the business. Umm... with 4 additional manufacturing units globally on that as well and I think it's probably a part of a realization that hey we are now an enormous organization and we need to start to structure accordingly..." (HQ1)

The local management at the subsidiary perceive the mindset for OHS in international companies as better than local thus, have higher expectation of international company doing more in terms of safeguarding employee health and wellbeing, environmental conservation etc. than a local company.

"Because international company they think about this resource and they invest to improve the resource and development to the long term. But for Thai company need only productivity not development in the long term. This is a different mindset of the local and international company." (SO1)

"Last time when we do the factory in Thailand, we follow the Thai law. We no need to concern for the environment, for the landfill, for the waste. I think one good thing, when we cooperate with let's say European company, the first thing that they do is safety." (SM3)

Hence, we can say that internationalization of the company has been a strong driver for advanced OHSM as it has motivated the HQ to build a common safety culture as a strategic alignment method.

6.2.3 Legal and voluntary compliance

In this section, 3 generic categories emerged as drivers for OHS activity, namely: Legislation, international accountability standards (IAS) and management KPIs and code of conduct. Summary of findings under these categories are presented in Figure 10.

OHS Driver: Legal and voluntary compliance				
Categories		Legislation	International Accountability Standards & Management KPIs	Code of Conduct
Organizations	HQ	<ul style="list-style-type: none"> Strict compliance with all local laws Considered as minimal requirement Responsibility to be informed on them lies with subsidiary 	<ul style="list-style-type: none"> For HQ, OHSAS is a process driven requirement and basis for global platform Compliance requirement enforced strongly towards subsidiaries Provides adaptable structure and guideline for subsidiaries 	<ul style="list-style-type: none"> Role overlap between OHS, sourcing and HR- Lack of clarity over e.g. application of SCoC overtime limitations to subsidiary Process still under development for subsidiaries
	Subsidiary	<ul style="list-style-type: none"> Strict regulation- all local law Must-do requirement for local management 	<ul style="list-style-type: none"> OHSAS is seen as "must do"- compliance is the main driver Seen as a beneficial but strict structure Practical application of the standard is still centralized Seen as more comprehensive than local legislation 	<ul style="list-style-type: none"> SCoC is applied heavily locally, implemented forcefully Role overlap between OHS and HR
Intensity of driver		 Medium driver / medium benefit	 Strong driver / high benefit	 Weak driver / low benefit

Figure 10. Legal and voluntary compliance as OHS driver

Category 1: Legislation

What is common for all levels of the organization is the Thai labor law i.e. there is a non-negotiable legal requirement that must be complied with. According to the HQ, the local subsidiary is responsible for informing themselves on the local legislature. At the subsidiary level all local laws are seen as “must do” and examples of fulfillment of the requirement are- appointment of a safety officer, provision of work timings, on site medical professional and annual health check amongst others.

“from global perspective, if we talk about the laws, that is slight challenge because the laws are so different in very many countries so we don’t always know the local legislation so well. But when we are doing for e.g. internal audits, we make certain that the location is aware of the local legislation and is following on those. Of course, in most of the cases I think our internal expectations are higher than the local laws but there are also specifics that needs to be handled...” (HQ2)

“It’s the regulation of the company and the law that the company has to provide the annual check to every employee.” (SL1)

Both HQ and the subsidiary consider compliance to the local legislation in case of OHS as the minimal requirement and see it as very strong driver for OHS. However, due to lower level of requirements in local law, advancement of OHSM is not seen as important from legal compliance point of view. Hence, legislation is seen as medium driver for advanced OHSM.

Category 2: International accountability standards (IAS) and Management KPIs

On a global level, an important reason for using IAS is the provision of a common, manageable platform to align processes and to standardize practices across all their operations.

“We have multi-site certification which means that we have all of the locations under one certification... it helps to make certain that the processes are in place and the roles and responsibilities are locally defined and so on. It’s one way of assuring that we are going in the right direction.” (HQ2)

The requirement to comply with IASs like ISO, OHSAS 18001 as well as the Management KPIs like zero lost time accident, are driven centrally and enforced quite strongly towards the subsidiary.

“We would definitely not approve if somebody does not aim for zero lost time accident so...(laughs)” (HQ2)

While the HQ requires compliance with the above standards and KPIs, the process of using them is meant to be more flexible and adaptable, providing a base or a guideline for subsidiaries to implement OHSM in a systematic way. The HQ sets up the structures and provides templates for all the subunits but gives enough authority to the local organization to analyze their situation and provide their own improvement plans.

“So, both of the OHSAS and the new one that is coming and the ISO standards, they are actually based on good management practices so if you do implement it well it makes certain that you are on good unit doing the things right. If you implement it the right way so it’s really basic thing. It gives the framework to look... it’s easy to use those as a backbone coz they have really been created based on the good practices.” (HQ2)

“Every location is expected to have the improvement program in place and that means that in that program they need to really look that what are their specifics where they should really focus. Where do they have risks and challenges and improvements potential. Coz they are not the same for all of the sites definitely.” (HQ2)

While the local OHS management at the subsidiary seems to have a more aligned understanding with the HQ regarding the role of IAS in guiding systematic management of OHS, as you go to the local management outside OSH, due to less content understanding, compliance is seen as a main driver for OHS action. The IASs and KPIs are perceived as beneficial but strict and unyielding. The practical application of the IASs and KPIs is still centralized. The local line organization perceives the IASs as better or more comprehensive than what is provided by the Thai legislature.

"I think it cannot make benefit or not benefit, because normally when we do this one they have some requirement, we need to fit in with their requirement." (SM3)

"In general, there is law that you have to follow but for the company they see that if they can have better standards, like fill the gap in the regulations then they will do it that way." (SO2)

In summary, the IAS and the management KPIs are strong drivers for advanced OSHM as compliance with them, by the subsidiary, is a requirement by HQ. HQ aims to standardize OSHM quality through using these IASs to provide a structure and a unified platform to systematically manage OHS across all the branches.

Category 3: Code of conduct

The supplier code of conduct or SCoC is an externally driven HQ compliance requirement which outlines the local working hours amongst others, thus, is linked with employee well-being, safety and work-life balance making it relevant to OSHM. At the HQ level, SCoC is not perceived completely as the OSH organization's responsibility with some role overlapping with HR and sourcing. According to them, the process for implementation of SCoC at the subsidiary sites is still under development and it can be implied that as a result of these 2 points, there is lack of clarity in HQ over for e.g. the application of the overtime limitation at the subsidiary.

"The process for our own manufacturing sites for compliance of supplier code of conduct is in its... it is being developed currently.....So, that is kind of evolving as we speak. We have a process with our own suppliers which is quite embedded, but the next phase is how we roll that out to our own factories, in a systematic sense." (HQ1)

"It needs to be signed to do business with us. But subsidiaries are our own factories so I see that as different. They are part of the Group so... but of course, what we kind of expect of others we should expect from ourselves." (HQ2)

At the subsidiary level, there seems to be similar role confusion regarding SCoC as well and lack of clarity over its application. However, it is still being actioned quite heavily in the local subsidiary in terms of the working hours requirement. Again, compliance with HQ requirements seems to be the main driver for local management here as the working hours would not have been changed if SCoC wasn't there.

"SCoC is something like a requirement also. If you want to work with the Group or sell... like do some business with them, you need to have some requirements, 1,2,3,4 like that. So, we need to follow that one." (SM3)

“There is quite a huge increase in cost- it will be closing this kind of zero tolerance for the working hours but then it will increase for us a lot of costs, ya because we have to provide allowance, transportation, food and so many things. So, it’s quite a huge increase also in administrative work.” (SM2)

To summarize, at the subsidiary level, SCoC is actioned heavily due to compliance requirement by HQ rather than as a means to improve OHS activity. While SCoC is heavily driven by HQ, there is role overlap with HR and sourcing, leading to confusion in its applicability to the subsidiary. Hence, as a driver for advanced OHS per se, code of conduct seems to be quite weak.

6.3 To uncover how the role segregation of OHS function and structure of MNC’s overall OHS organization enable or hinder advanced OHSM at the subsidiary

In the following section, I present 2 themes derived based on extensive literature review as seen in section 3 under the main research question of “organizing international OHS”. These are: 1) organizational structure and 2) role segregation. The empirical data gathered under these themes was coded and multiple generic categories were summarized from them as presented in Figure 11.

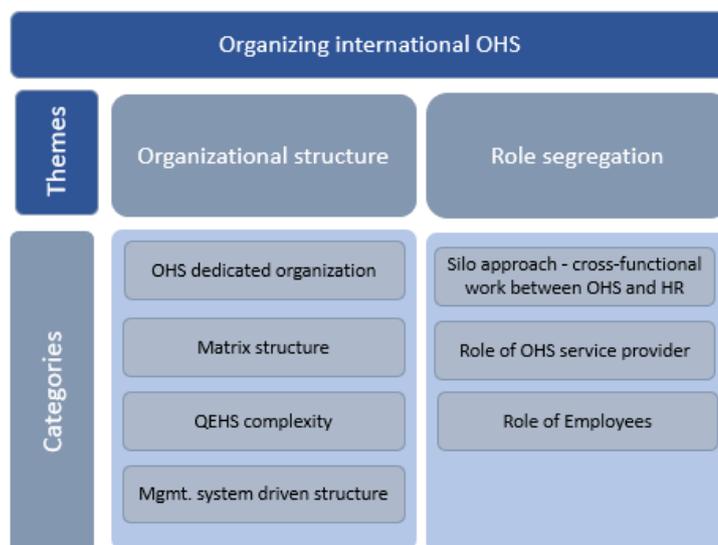


Figure 11. Organizing International OHS: Themes and categories

I will be scrutinizing the themes and 7 generic categories under them from the point of view of whether they enable or challenge implementation of advanced OHSM at HQ and subsidiary level.

6.3.1 Organizational structure

Organizational structure was widely covered in the empirical evidence as a factor that both enables and hinders advanced OHSM. Benefits and issues of having dedicated OHS organization was recognized as well as it was realized that OHS being part of broader scope QEHS has also implications to the advancement of OHS. Also, pros and cons of managing OHS in a matrix was discussed in detail. Finally, it was pointed out that management systems actually have mechanisms that influence the way OHS is organized. Key finding under these categories are listed in Figure 12.

Organizational Structure					
Categories		OHS dedicated organization	QEHS complexity	Matrix organization	Management system support (IMS)
Organizations	Enablers	<ul style="list-style-type: none"> The subsidiary finds it more beneficial for effective OHSM Will lead to more resource and expertise for comprehensive OSHM 	<ul style="list-style-type: none"> Helps in implementing OHS related management system in an integrated manner with quality and environment. Raises the OHS profile 	<ul style="list-style-type: none"> Current matrix structure of OHS is preferred by HQ and subsidiary. Makes local subsidiary head accountable for implementation of advanced OHSM. HQ more as support function to local OHS organization, driving the global OHSM requirement. 	<ul style="list-style-type: none"> Main mechanism for implementing advanced OHSM
	Barriers	<ul style="list-style-type: none"> OHS might not be prioritised globally as much as quality and environment 	<ul style="list-style-type: none"> Health part especially is neglected due to global focus on safety and too less scale 	<ul style="list-style-type: none"> Factory head not involved much in the global OHS organization Top down requirement with compliance to global targets related to OHSM. 	<ul style="list-style-type: none"> More emphasis on structure than on content

Figure 12. Organizational Structure and OHS

Category 1: OHS dedicated organization

At the HQ level it has been a strategic decision to have a dedicated OHS organization, that also has quality and environment combined under one organization (QEHS) as the management systems for them have several elements in common.

“Also, there is a different model in terms of organization that has been put in there for QEHS, we have merged with quality, environment and health and safety management into one because we see that the systems underpinning them and the mindset approach of cause-analysis and correction and improvement, continuous improvement is very much in that one camp anyway.” (HQ1)

At the subsidiary level, although they understand the inclusion of OHS responsibilities as part of the operational line organization members work, there is a realization that a

dedicated OHS organization at the subsidiary is highly value adding as it enables effective OHSM by allowing it to be addressed in a more comprehensive and specialized manner.

“Currently we start from the small factory and expand to the bigger size of the factory. So, our resource is not that specialized in each job I mean such as currently, health and safety take over environmental. Like in my previous workplace we have quality is one part, the environmental is one part and industrial hygiene is one part and safety is one part. So, I think if we have more specific organization and resource, we can more effective to improve our job and improve our factory.” (SO1)

Even though Group of companies has organized its OHS under broader scope QEHS, it is still seen as very beneficial to have an organization that is separate from the operational line organization with a clear status of being an expert organization as well as with a mandate to operate. However, larger QESH organization increases complexity and the implications of that are discussed next.

Category 2: Complexity of QEHS Organization

Combination of multiple disciplines under the umbrella of QEHS enables advanced international management of OHS by raising the profile of OHS both at the subsidiary level where it is now a separate organization as well as at global level by making it a part of the global organization. Earlier it had been part only of the safety organization.

“Ya, but we had for some global person for health and safety as my colleague, but then we ended up combining it with environment and quality.” (HQ2)

Despite the good intentions of this integration, this may also prove to be a barrier or challenge at the same time especially to occupational health management by diluting the focus on occupational health if quality, environment and safety are seen as higher priority. It can be seen from the empirical data that safety is indeed very much HQ driven and health is largely considered as a local initiative. And since this operation is under the global QEHS organization due to the matrix, it leaves little room for the occupational health part.

“Ya, in our area it’s been more about safety. So, we are looking at health in our audits and so on but we have not defined very detailed guidelines, we are looking at certain KPIs and such but that’s also an area which kind of goes into HR topics also... so its handled by them also...” (HQ2)

The local QEHS organization seems to struggle with sufficient allocation of their time and effort for comprehensive OHSM.

“In this company because I head the quality, environment, health and safety, that means I think this is maybe 15-20% of my job.” (SO1)

To summarize, the broader scope of QEHS setting for the dedicated OHS organization seems to overall enable advanced OHSM, since it ensures sufficient resourcing for the work. However, it makes the organization as well as peoples’ roles and responsibilities more complex and time and effort allocated to OHS work is somewhat limited.

Category 3: Matrix organization

In case of this company, the local OHS organization formally reports to the head of the factory and the global OHS organization is the informal functional organization. Both HQ and the subsidiary agree that the current matrix structure of the organization suits implementation of advanced OHS. Sustainability development plan is a good example of the matrix organization in practice, where the directive comes from the QEHS functional network and the whole local organization is subject to it. Still, the local QEHS is organized under the local subsidiary organization and not under the HQ and the role of the local management emerges to be imperative in implementing globally aligned OHS agenda in subsidiary’s organization. Also, the local OHS organization support this, since the budgetary control and much of the local knowledge is under the local management.

“At a local level what we are working towards is having one QEHS kind of point of contact or manager in each factory. They report solid line to the local factory manager which ultimately says that the factory manager is responsible for his own quality, environment, health and safety but the dotted line goes into me, through the matrix, through the network.” (HQ1)

“I think currently it’s for me effective organization because when you need the resource you should discuss with the MD, they control the budget of the company. For the global level is like a support function so like consultant...” (SO1)

The inherent complexity of the matrix structure and multiple reporting lines makes effective communication and involvement of relevant personnel challenging. For example, the global OHS organization communicates with the subsidiaries through an informal OSH network and the head of the subsidiary is not a part of it. This exclusion of a key player who controls the resourcing may have a negative impact on effective OHSM.

“We are a complex organization this is a matrix so it is a challenge to keep everyone up-to-date on what’s going on, on what the plans are, what the initiatives are.” (HQ1)

“In addition to communicate to me and I communicate internal to factory they should have another way to communicate maybe to the global supply chain and the supply chain to the MD, MD communicate to another one, that way we can have more powerful communication to internal factory.” (SO1)

To summarize, the matrix structure enables advanced OHSM at the subsidiary by giving more control to the HQ to drive advanced OHSM while ensuring that the local lead of the subsidiary is accountable for the state of the local OHSM, thus, making sure that it stays a priority locally. However, the role of the local subsidiary management seems to key in the operative OHSM but, mainly due to complexity of global matrix structure, it is challenging to ensure inclusion at a strategic level on global OHS agenda.

Category 4: Management system support (IMS)

At the HQ level, it appears that international management of OHS is heavily based on implementation of management systems based on certified standards like OHSAS 18001, ISO or multisite certificates. While on one hand, this enables the global organization to implement a platform approach for all the subunits and gives an easy to control structure to follow for the subsidiaries, and while the subsidiary management and OHS organization recognize this as beneficial to some extent, on the other, the focus may shift from managing occupational health and safety in a comprehensive way to just implementing the management systems.

“What me and my team are responsible for is this kind of driving and rolling out common processes across the network of manufacturing units and in terms of making sure that not only are those processes in place there is continuous improvement and that people get to the level of multisite certification...” (HQ1)

“Like last time when I do the ISO system, I do one certificate for 9001, one certificate for 18001 but now we combine together in one system. This is the time for change otherwise you need to have 3 certificates and individual audits but right now they combine. I think that’s better, easier because one topic, it’s not related only to safety, maybe it relates to environment, to quality also.” (SM3)

The implementation of an integrated management system (IMS) for environment, quality and OHS is driven strongly by HQ, and the organizational structure of the matrix facilitates this implementation by connecting the global QEHS matrix organization and the local.

6.3.2 Role Segregation

The roles and responsibilities are decided as a part of organization of the work. In OHSM, various individuals have different roles and in the following section we will see how the organizational structure enables or challenges effective definition of the roles and responsibilities in OHSM. The role of senior management has not been included here as it has been mentioned in an earlier section as key in creating a safety culture at work. Key findings on the role segregation are summarized under 3 generic categories presented in Figure 13.

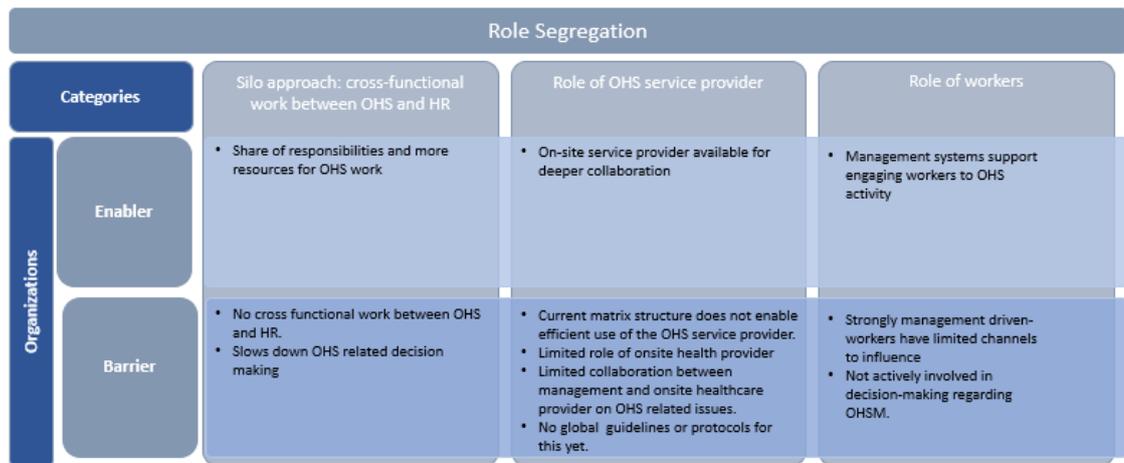


Figure 13. Role segregation and OHS

Category 1: Silo approach: cross-functional work between OHS and HR

While there is a dedicated QESH organization responsible for the subsidiary OHSM, there are certain aspects of OHSM which fall under HR for e.g. the recruitment and management of the onsite medical staff, the annual health check, organization of various health promotional activities and the implementation of the SCoC overtime limitation. While the HQ expects active cross functional work between HR and QEHS organizations at a global level, there seems to be hardly any collaborative work between the two organizations at the subsidiary level. This may lead to delays and inefficiencies in making key decisions about the subsidiary OHSM.

“If you need to action about the occupational health, sometimes we may have a grey area between the QEHS and the HR. because some part is concerned with HR and some part with QEHS and sometimes oh your scope, oh your scope. I

think if we have more good cooperation or the HR's job description is more defined for QEHS that means we can have more efficiency of the occupational health system in the factory." (SO1)

"It's a part of HR budget to initiate projects like this so it's in the plan that we should have one or two activities or projects for our employees regarding occupational health." (SM2)

For efficient international management of OHS, it would be beneficial to segregate the roles of HR and OHS more effectively. Either HR should not play a role in company OHSM or there needs to be active cross-functional work between the two organizations.

Category 2: Role of OHS service provider

Since occupational health is considered a local responsibility, the HQ did not really have much to say about collaboration and role of the occupational health service provider. At the subsidiary management level, the on-site doctor does not have sufficient expertise when it comes to occupational health. In addition, it appears to be out of scope for the local OHS organization to collaborate with the service provider as coordination of the service provider is under HR even though the management of OHS in total, is under the QEHS organization. It can be inferred that the organizational structure is hindering optimal use of the OH role.

"And here I think we need to little bit improve the structure that it would support better the cooperation with the service provider, because to my understanding, HR is the entity that purchases and handles the vendor relationship with the occupational health service provider, which is basically a doctor and a nurse." (SM1)

Any health promotional activity is carried out by HR or the safety officer with limited involvement of the on-site doctor or nurse. Information from service provider has sometimes been used to develop some health-related projects by OHS-organization, but this work has been unstructured. The local OHS organization is also dealing with workplace ergonomic evaluation, bringing in an external occupational health expert to do the initial work-task and work-space evaluation for potential health and safety risks based on which, the annual health check parameters are decided. However, the onsite health professionals, who have several years of experience with the factory are not involved in this.

"Q: ok and what role do the Dr and nurse play in occupational health of the company? A: Ummm, I would say not much..." (SM2)

There is limited communication of expectations for specific actions or sharing of targets between the local management and the onsite doctor as the perception of his role by the management is quite narrow. The local doctor also perceives his role as purely clinical and not as part of OHSM.

“Q: ok, why don't you use your own doctor for occupational health service?

A: no because in our factory the Dr is a general Dr., not for occupational health.

So, we need the expert to support this. But in this year end and next year we will use a Dr from the hospital that support our annual health check.” (SO1)

“So, as a Dr, of this company my role is to take care of the health aspect of the employees. I cannot interfere with the administrative work like the management and things like that.” (SO3)

Hence, it can be inferred that the current organizational structure does not support efficient use of the onsite health care service provider leading to limited scope of their activity as well as very limited collaborative work with the management.

Category 3: Role of employees

Participation of workers was not touched upon by HQ, and from the local subsidiary organization perception, it was more about increasing employee education and aware about safety and making them more safety oriented by encouraging them to report near-misses. Employees have the option to approach their line supervisors or safety officer if they have any concerns related to OHS. Apart from that they have access to a suggestion box and employee survey to give feedback. A safety committee has also been set up recently composed of members of management and employee representatives.

“the first one is the suggestion box. They are free to suggest anything, not only occupational health, they can input to this suggestion box. And then we have the responsible person they will take these to discuss in the committee and how to respond as the employee suggestion. And the other one we call the near miss program, but this for RCTH also includes safety observations. And another one we have the employee survey, that they can input not only the questions we ask them, they can provide other comments to us. The other one is from the safety committee, they can tell to the representative of the employee in the committee and get it to be discussed in the meeting.” (SO1)

Top down management and centralized control are characteristics of the matrix organization structure leading to imposition of targets from above rather than ground level needs analysis facilitated by active participation of the workers. Active employee participation is especially critical in terms of worker OHS and its absence could lead to a more superficial buy in of company OHS policy by the employees.

“the long-term sustainability objectives where the zero lost time accidents comes from...that has been set by the board. But the yearly objectives...they are going to be approved actually by the supply chain leadership team” (HQ2)

“I think we have the correct way but it will take time like making like a habit. Some workers are already but not everybody yet understands...” (SM3)

Hence, the top down structure to OHSM goal setting may pose a challenge to implementation of value adding OHSM as OHS issues can be largely local. Consideration of the local environment and active worker participation at every step of OHSM beyond taking feedback and increasing worker awareness may be key for successful implementation of advanced OHSM.

7 Discussion

Firstly, the aim of this study was to find out the level of alignment of expectations for OHS management and perception of its role across the MNC’s international operations, from global management at the HQ to different levels of the subsidiary organization. The expectations were mapped from 3 main perspectives provided by WHO (2002) which were to maintain and promote worker’s health and work ability; make the work environment safer and healthier; developing the work culture and work organization such that they support and enhance health and safety at work. After analyzing the empirical data, in the area of maintaining and promoting worker’s health and work ability, quite a lot of alignment was found between the HQ and the subsidiary when it came to occupational safety but less in the area of occupational health. This seemed to be mainly because it is not driven by the global organization but considered more of a local agenda. In general, health was looked at from an accident prevention point of view and monitored using the global KPI of zero lost time accidents, as well as, through tracking sickness absenteeism which was done in a rather unstructured manner. However, there is significant alignment in accident prevention throughout the organization. This is largely as Friik (2011) recognized a traditional OHS focus. In opposition to this approach he emphasizes that reported number of injuries, diseases, sickness absences etc. are not actual measures of health and safety risks at work but more of an indication of a worker’s behavior to report. While this is considered by the subsidiary level, the global directive is still strictly followed.

The subsidiary organization also puts considerable effort into health and wellbeing related activity, but it seems to be unstructured and perceived as doing “extra”. This may be due to lack of directive or incentive from the HQ and while the line workers appreciate

these initiatives, they demonstrate a lack of awareness of occupational health related problems. This is somewhat in line with Burton's (2010) findings, where health and well-being related activity is becoming increasingly an integral part of company OHS activity. It seems that in the international setting, this development is still in its infancy. Another initiative by the management for improving worker wellbeing and work-life balance, was to limit overtime work through the application of SCoC. While this was recognized by the local management as contributive to worker wellbeing, its implementation was mainly compliance driven as it was considered a compulsory requirement by the HQ. The line organization was not aligned to this restriction in overtime work as they prioritized earning money over work life balance. Burton (2010) recognizes that for successful health and wellbeing improvement activity there needs to be strong alignment between the workers and the management and in case of subsidiary's working hour limitation efforts, there is confusion inside the subsidiary organization as well as in the HQ.

In the area of safe and healthy work environment, there is in general good alignment between HQ and the subsidiary across all aspects, as both want to provide a safe and healthy work environment to the employees. There is high expectation from HQ for the subsidiary to have skilled and proactive OHS managers but the local management is somewhat limited due to insufficient resources and expertise in OHSM thus, want more support from HQ. HQ aims to build a global platform for safety management with effective workplace monitoring and safety observations. Part of the subsidiary management is on one hand, aligned with the agenda to monitor the workplace through the global approach but, on the other hand, struggles with the reasoning behind the set goals that are fully accident prevention focused and wish to seek benefits from health driven agenda as well. According to Hämäläinen et al. (2009), this could be a beneficial approach since despite the difficulties to measure and assess health related problems, their impact can be greater than accidents. The difficulty to measure is the main concern of the HQ and hence why, less emphasized.

In the area of "OHS supportive work culture and work organization", the HQ and the subsidiary are pretty well aligned in terms of management commitment to OHS and in building awareness about health and safety. However, when it comes to organizing work and resources in a health and safety conscious way, there is partial misalignment. The HQ perceives this more as a local role and excludes themselves from the practical application on how OHS is being integrated into daily work. The subsidiary while realizes the value of a safety conscious organization, when it comes to making real changes to

work organization, it is done mostly to maximize business performance rather than health and safety. One example of this is the management practice of rewarding low levels of sick leaves. While this may reduce unnecessary sick leaves, it could lead to problems like presenteeism or working while ill which would still impact negatively on productivity. Literature shows that attendance is not a measure of productivity as according to Parry et al (2015), presenteeism leads to significant costs through reduced employee performance at work. Also, for the subsidiary organization this seems to increase misalignment in building a work organization which supports OHS. In summary, alignment on expectations and role of OHSM is on high level throughout the HQ and subsidiary organizations when it comes to measurable and concrete safety management and accident prevention as well as soft approach to health and wellbeing promotional activities. The alignment reduces both between HQ and subsidiary, as well as, inside subsidiary as OHS activity approaches the more indistinct occupational health-driven activity that starts to impact the organization's work at a practical level.

My second objective was to explore the perceived benefits and drivers for practicing advanced OHSM from HQ and from subsidiary point of view. This was studied under 3 main categories of drivers, namely: business performance, corporate culture & values and voluntary & legal compliance. Since the work at the manufacturing unit is quite labor intensive, one would assume that improving the labor productivity and thus, the business performance would be a big driver. This has been highlighted by numerous scholars like Di Fan & Chris (2012); Gubler et al. (2018) and Parry et al. (2015) according to whom, a healthy and safe workforce is more productive, thus enhancing a company's future prospects for generating profit. While both HQ and subsidiary agree that effective OHSM impacts productivity and company performance positively, it still seems to be mostly a weak driver for advanced OHSM as there is no concrete way to link them directly. While HQ is concerned about the cost of accidents and subsidiary is concerned about the cost of absenteeism, the impact of these on business performance is considered as not important enough driver to justify further substantial investment in advanced OHSM. Also, from the drivers of OHS indirectly improving business performance point of view, both organizations fail to recognize factors like employee engagement which was highlighted in e.g. the study by Harter et al (2002) as having a positive influence on business performance.

The biggest driver for advanced OHSM for HQ seems to fall under the culture and values category. The company is expanding rapidly with increasing global exposure which

drives HQ to prioritize and implement advanced OHSM as a global, standardized approach across all units and for signaling a responsible company image to the external stakeholders. Both HQ and subsidiary organizations considered it unethical to put employee health and safety at risk while at work which is also the finding in the study by Wright et al (1998) who found out that the moral beliefs were also the strongest motivators for improving OHS amongst UK employers. In addition, the international status and exposure of the company is also perceived by the local management as a strong driver for advanced OHSM, as in their view, international standards have higher requirements than Thai OHS law. This agrees with the study by Chapple and Moon (2007), who found that international exposure in a company is related to higher levels of CSR adoption.

The third driver for advanced OHSM was voluntary & legal compliance. Compliance with legislation was estimated to be one of the key drivers for OHS activity for a subsidiary in an emerging market. However, it was found that fulfilling the legislation requires rather rudimentary level of OHS and is perceived as a minimum requirement by the MNC. Thus, legislation can be seen as a medium or weak driver for advanced OHSM. Voluntary compliance however, with IASs like OHSAS 18001 and OHS targets set under HQ directive seem to be the main driver for the subsidiary as they are perceived as a compulsory requirement. Similar findings were presented in studies by e.g. Frik (2011) and Behnam (2011) where strict compliance needs while succeed in completion of requirements, it increases the risk for doing them superficially to just tick the box. In addition, the HQ wants to use these voluntary certifications as more of an adaptable tool for standardization of processes and for guiding high quality, systematic OHS management, but the adoption is perceived by the subsidiary as not so flexible. Voluntary standards like code of conduct were found as more conflicting and not as a significant driver. This might be due to infancy of the approach or lack of focus to fulfill multiple compliance requirements.

Finally, I wanted to find out about the organizational factors which could hinder or enable advanced OHSM. I looked at it from the perspective of organizational structure and role segregation. The main findings under organizational structure were that having a dedicated OHS organization which is separate from the operational line organization is perceived as very beneficial for advanced OHSM as it provides and enables further building of specialized expertise and resources. Secondly, the current matrix organization where the local OHS organization reports formally to the local subsidiary head and in matrix to the central OSH organization is considered effective by both HQ and the subsidiary for

implementation of advanced OHSM. This means that while the local subsidiary head is in charge of operational management and ultimately accountable for the local OHSM practice, still, the local OHSM operation on tactical and strategic level, is driven quite by HQ. This role of centralized control is supported by the findings of e.g. Hoenen and Kostova (2015), Sharfman et al (2004) where the advantages of centralized CSR organization were highlighted over local control. Interestingly however, this study found the role of local subsidiary management as a key contributor in operational advanced OHSM. Thirdly, bundling OHS with quality and environment under the broader scope of QEHS was a move driven by the HQ to manage OHS, environment and quality through the management systems (MS) approach called integrated management system (IMS). IMS provides a common platform and was recognized as a very important factor underpinning implementation and practice of advanced OHSM. Although this organizational structure and management practice may elevate OHS to a strategic priority and integrate it better with other business processes, the problem seems to be that it may suppress the OHM part and especially the health part and shift the focus from managing OHS in a comprehensive way to just implementing the systems and evaluating how the systems are performing. According to the research by Lund (2004) the risk of using management systems may be more focus on the documentation for the system's sake rather than actual improvements in OHS.

The other aspect that emerged under organizing international OHS was segregating the roles and responsibilities of the related individuals in the organization. The most significant findings were, firstly, that the occupational health service provider who is typically an external resource for the company could be vital for advanced OHSM. In this setting however, the current organizational structure doesn't really allow the OHS professional to have an influential role, nor are the role requirements managed by HQ. Coordination of the service provider is under HR while management of OHS as a total, is under the QEHS organization. Also, the perception of the role of the OHS service provider by management is limited to treating sick employees without much involvement in any health promotional or collaborative activity with the management. The benefits of a deeper, more strategic collaboration between management and the OHS service provider has been recognized in the study by e.g. Halonen et al (2017), however harvesting these benefits at the case company seem to be hindered by insufficient role segregation between OHS and HR. This role segregation dilemma is also visible in other areas. For example, while a lot of the OHS related activity is being done by the OHS organization, the HR organization is also involved in it, more, from the perspective of health promotion

and psychosocial work environment aspect, amongst others. Even though both organizations are directly dealing with issues related to employee health, they are quite siloed in their approach with there being very little cross-functional work between them. This can lead to delays in policy implementation. This resembles the siloed approach which was highlighted by the study by Sy et al (2005) on matrix organizations. The role of workers is limited to providing feedback on the OHS activity, reporting OHS related issues and improving their awareness of health and safety. In terms of their active participation, there is not much mention of it in the data beyond supporting the management in fulfilling their objectives. According to WHO (2002), and several other papers like Bhattacharya (2009), Frik (2011), Baird (2005), Lund (2004) etc. workers should be actively involved in every step of the process of decision-making for successful implementation of OHSM. However, despite of both global and local effort in communication and involvement activity, it seems that the globally driven approach to OHS doesn't efficiently engage the worker level of the subsidiary organization. This might be partly due to the characteristics of emerging markets, like worker education level and cultural differences, but may also be due to lack of a "common language and understanding" on the true meaning of health and safety.

7.1 Ethical Considerations

According to the Finnish National Board on Research Integrity (TENK) guidelines on responsible conduct of research (2012) and the Arene Ethical guidelines for thesis work (2018, I provided my thesis mentor with my research proposal in January 2019. It consisted of an outline of the research question, study objectives and study methodology including the persons I proposed to involve in my study. A consent form detailing how I planned on obtaining participant consent and protect their identities and a topic guide for the interview questions were also submitted. After getting approval to go ahead, I contacted the case company and provided the details of my study. On receiving the permission from them to proceed, we signed an agreement to conduct the study. The data collection through interviews was based on voluntary participation and informed consent where a consent form was provided by email prior to the interview and then again discussed briefly at the beginning of the interview. I assured them that maintaining their privacy and confidentiality was a priority and explained that they could refrain from answering questions or stop the interview if they wanted to. Participants were informed that the interviews will be recorded and that the data would be destroyed once the study was over.

The identities of the participants were concealed by allocating random alphabets to their transcripts. For the purpose of analyzing the data I abbreviated the positions of the interviewees as can be seen in table 1 (list of interviewees) concealing the identity of the organization was also important and I have referred to them in this text as “the group”. So that the case company is not easily recognized, I have been a little vague when providing details about the company in the case description chapter.

7.2 Limitations and Strengths

One of the strengths of this study is that even though it is a case study and the results may not be generalizable to a larger segment, it can be used to provide a basis for future research with quantitative methodologies and larger sample as the study setting is very relevant for studying international OHS. Additionally, the study has been conducted in an organized and timely manner and the empirical evidence has been gathered in an efficient way. The advantage of using an interpreter in 4 of the interviews was that I was able to access and explore the perceptions of OHS from all levels of the organization and it allowed the line workers to express their views in their own language which would not have been possible without an interpreter.

The disadvantage of using an interpreter was that I was dependent on the interpreter’s skills and may have missed some nuances and subtle indications which are connected with knowing the language. Even though the line workers were reassured about confidentiality of the study and that participation was completely voluntary, some of them still seemed a little cautious and possibly spending more time on the factory floor familiarizing myself with the activity there would have helped to gain their confidence. Kahveci et al. (2003), highlighted the importance of giving some time for building rapport before participants feel comfortable with the interviewer and start talking freely. However, that was out of the scope of this study. Another weakness was that this study could have included a wider perspective like representatives from regulatory authorities, trade union organization or other relevant stakeholder which might have helped in providing a deeper understanding of the research question. However, since qualitative study methods can be quite time consuming and labor intensive and it was important to complete the thesis in the given time period, I deemed it more suitable to scope it.

7.3 Trustworthiness

According to Hsieh and Shannon (2005), using deductive analysis based on a pre-existing theory can have some disadvantages in that the researcher approaches the data with a strong bias and might end up giving cues unconsciously to the interview participants to answer a certain way to the researcher. Also, when there is a lot of focus on the theory or background literature, it can lead to the researcher to look for patterns or answers that confirm pre-existing hypothesis thus, blinding the researcher to the context of the study. These factors could reduce the trustworthiness of the data. The trustworthiness of the data in this study may have been affected by the use of an interpreter for data collection in some of the interviews. As this would require some amount of experience and skill for both the researcher and the interpreter as well as the ability to adapt to this form of questioning by the interviewee, it could have led to some confusion or loss of some part of the information in the act of translation from Thai to English.

The concept of trustworthiness, was a concept provided by Lincoln and Guba (1985), as a parallel concept to objectivity and consists of 4 aspects: dependability, transferability, credibility, and confirmability (Eriksson & Kovalainen 2008). To reduce bias and increase dependability, Hsieh & Shannon (2005) suggest maintaining an audit trail i.e. documenting the research process, using proper resources and storing documents showing the data analysis process which can be reviewed if needed. Transferability is about making meaningful connection between your own research and existing research. In case of this study, the results are supported by previous research in a similar context as shown in the discussion section.

Credibility is about familiarity of the researcher with the research topic and the process of the data analysis i.e. the ability of the researcher to interpret the data to arrive at the categories. A thorough and in-depth literature review was done not just at the start of the study but also, as the data collection proceeded and new relevant information came to light, in order to gain a deeper understanding and inform the topic guide for the following interviews. Credibility can also be increased through activities like peer debriefing, member checks etc. where a colleague is asked to analyze a part of the data using the same material to see if they arrived to similar interpretations as the researcher. Confirmability is about linking the findings and the interpretations to the empirical data in a way that is visible and understandable. This was done when presenting the findings through presenting relevant examples from the data to show how it has been interpreted.

8 Conclusions

In today's globalizing business environment, it becomes increasingly important to understand the appropriate role of the OHS organization in an MNC setting. In this study, I explored what is the level of alignment on OHS expectations between different levels of the organization, what drives the implementation of advanced OHS and finally, how international OHS is organized and to some extent managed in the context of an MNC. The most important findings were that the alignment between HQ and subsidiary is high when it comes to measurable, concrete occupational safety management and softer health promotional activity. However, as we move towards more integrated and evidence based occupational health management with high impact on daily operations, the alignment weakens. This might be due to lack of international coordination and healthcare expertise as well as limited buy-in in the subsidiary organization. The main drivers for advanced OHSM are culture and value related as the HQ wants a global, common, standardized approach to OHSM across all units. Although there are a lot of studies like Gubler et al. (2018) and Parry et al. (2015) highlighting business performance as a key driver for advanced OHSM, in this study, while its implications were recognized, it was still perceived as a weaker driver due to the difficult to objectively establish connection between advanced OHSM and business performance. While local legislation sets the minimum requirement, certifiable management systems like the IASs drive the structure and content for OHS for all levels of the organization. This seems to lead to a situation where the global OHS approach is too generic from subsidiary's point of view, and, despite a lot of OHS related activity being done, the purpose and relevance of OHS agenda not understood fully.

When it comes to the organizational factors hindering or enabling advanced OHSM, having a dedicated organization for OHS which is separate from the line of work is considered very beneficial. However, when bundled under the broader context of QEHS, while it creates more meaning and context overall for the organization, it could lead to suppression specifically of the occupational health aspect. While the matrix structure and centrally driven OHSM are considered beneficial, there is significant indication to ensure that the local subsidiary management is involved and has sufficient understanding on comprehensive OHSM agenda. One important factor for advanced OHSM would be the role of the occupational healthcare provider and collaboration with them which the current organizational structure does not support well as it is not driven as a global function by the HQ. It was realized that other organizations like HR, also have a role in OHS

management, but inefficient role segregation in OHS-related tasks results in inefficient cross-functional work with the OHS organization. This also leads to insufficient involvement of the workers. It was clear that the OHS objectives are set by the HQ as a part of the general business strategy in cooperation with external stakeholders who don't really have a connection with the day to day activities of the employees and then implemented in a top down manner with limited involvement of the workers in any of the decision-making.

Hence, it can be inferred that, from a culture and values point of view, the company wants a healthy and safe workplace for its employees, and the subsidiary is trying to implement advanced OHSM within the resources and skill available. The focus has been on and they have succeeded in creating a safe working environment. However, since hard laws are insufficient in the international setting and while MNCs are to some extent going beyond the business agenda to self-regulate their OHS activity, they are still viewing it from the business perspective which is not broad enough to make substantial changes which would actually safeguard the health and safety of the workers, especially the occupational health part. Practicing high quality, advanced OHSM is perceived by both by HQ and subsidiary as complying with the requirements of the IAS and implementing the MSs. Companies need to be careful of that as there is a lot of research which shows that adoption an MS and obtaining certification is not a guarantee on effective safeguarding of OHS (Baird 2005; Frik 2011). This study suggests that the business management could benefit from less strict central control and more collaborative work between the management and workers. It also has implications for occupational health service providers and can be used for further studying the scope of their work as well as business potential in international OHS.

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Example of Topic Guide for Participant from Subsidiary Senior Management

Common background information

- Job title,
- What is your role in the company?
- How long have you worked in this role/position?
- Overall how long have you worked for this company?

THEME 1: OHS as a concept

Q1. What does Occupational health and safety mean to you? How do you perceive its role in the company?

Q2. What is your role in the company OHS? Are occupational health issues given as much weight-age as safety, environmental and quality issues?

THEME 2: OHS Benefits and drivers

Q1. Can you mention actions or KPIs or projects that would be done to improve occupational health? where do these KPIs you just mentioned come from (reasoning behind using them)?

Q2. What are according to you are the main drivers for the OHS policy? (personal, external- ISO, company- global?) (how much is driven locally, how much globally and how much by, for e.g. ISO requirements?)

Q3. What benefits do you perceive? For employees and for the company?

THEME 3: OHS Expectations

Q1. What are your expectations from the headquarters on OHS practice in the subsidiary?

Q2. What are your expectations for the OHS management in the company?

Q3. What is the role of organizational culture in implementing international level of OHSM in a company operating in a different or foreign country? How do you balance the global directives with the local needs?

Q4. What do you think is not currently being done when it comes to OHS that you would ideally like them to do?

THEME 4: OHS Organization

Q1. How is OHS organized in this factory?

Q2. What barriers/difficulties do you perceive regarding successful practice of OHS at the factory? (follow up- Do you agree with the targets set by the group? If it were not there would the local actions taken be different? Is the current organization of work enabling or hindering local actions?)

Q4. Do you think if this was a Thai company these practices would be different? If yes then why? Do you perceive it as a barrier or enabler?

Q5. What is your impression of the current OHS performance?

THEME 6: OHS Management systems

Q1. Can you give me an overview of how you manage occupational health and safety in the company? What kind of systems do you have in place to address OHS at the subsidiary? Do you see ISO or OHSAS or SCoC as a part of this?

Q2. How do you perceive the role of management systems? (Is it used to coordinate efforts towards company-wide common goals or to tick a box/ get cert)? Does it fulfill or go beyond the local legislative requirement?

Q4. What is the benefit of using SCOC? When the directive came to comply with SCOC, did you see any changes? (for e.g. in the occupational health part, safety, employee conditions, working hours etc.)

Do you see that this has benefited the company somehow? Has it raised your attention to topics that might benefit the company? Has The group helped the subsidiary to see these benefits and quantify them?

Have they made compliance to SCoC value adding? i.e. do they tell you that by doing this according to SCoC, this is how it will improve these and these aspects like productivity, image etc.?

Q5. What do you think of ISO systems and OHSAS? Why do you think these standards have been implemented?

(Follow up: Do you think these benefit the OHS practice from a local perspective?)

Q6. Why move from OHSAS to ISO45001? (strong group requirement, less local expectation). Perceived benefits or a nuisance?

THEME 5: Decision-making

Q1. How is the decision-making process in taking up OHS projects? What are the most important factors to consider?

Q2. How do you set your targets? Is the process of setting projects under targets controlled and supported by the global organization? How?

Q3. Who makes the decisions? At global and subsidiary level?

Q4. Is there involvement of OHS service providers or OHS experts in decision-making? Collaborative work? Is there any collaboration between departments for health and safety?

Q5. How do you communicate on OHS in the company? Are the company OH goals communicated to all employees? (Newsletter, intranet, report etc). do they know about the sustainability development plan of Fiskars?

THEME 7: OHS in practice

Q1. What is the role of the occupational health care service provider?

Q2. Once the project is a success, what then? What is the impact? How do you follow it up further?

Q3. Do you have channels for employees to point out practices which might be unhealthy or unsafe and do you receive feedback on OHSM from employees?

Q4. Are employees' good health efforts measured in any way?

Q5. Are these efforts rewarded in any way?

Q6. From H&S point of view, how do you see this attendance bonus system impact H&S?

Q7. What happens when someone gets an occupational illness- e.g. back pain, neck pain etc.?

Information Sheet

I am working on a Master's thesis at Metropolia University of Applied Sciences, Health Business management under the supervision of professor Marianne Pitkääjärvi.

The topic of my thesis is "Management and organization of Occupational health in International business environment- case: Foreign subsidiary of a Finnish Multi-national corporation (MNC)". The certificate of approval for data collection at xx was signed by xx on 06/02/2019. I will be conducting a case study through semi-structured interviews with individuals at different levels of the subsidiary organization based in Thailand as well as with representatives from the headquarters of the Finnish MNC.

The main objectives of the study are:

- To explore (the alignment of) the expectations of the role of OHSM by the headquarters (HQ) and by individuals at different levels of the subsidiary organization.
- To compare and contrast the key drivers for and expected benefits of advanced OHSM as perceived by the western HQ and by the subsidiary in the emerging market.
- To uncover how the role segregation of OHS function and structure of MNC's overall OHS organization enable or hinder advanced OHSM at the subsidiary.
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Although there is substantial research available on occupational health and safety practices in the west, there is limited research when it comes to the MNC setting given the inherent complexity of these organizations, especially when the subsidiary is operating in the emerging market. As more and more companies set up cross-border operations, it becomes relevant to study appropriate ways to organize and manage the employee health and safety.

If you have any questions about the interview or my research project, please feel free to contact me.

Sincerely,

Astha Majumdar,

Masters Student, HBM, Metropolia University of Applied Sciences,

astha.majumdar@metropolia.fi

tel: 0918030402

Interview Consent Form

Research project title: Management and organization of Occupational health in International business environment- case: Foreign subsidiary of a Finnish Multi-national corporation (MNC)

Research investigator: Astha Majumdar

Research Participants name:

Thank you for agreeing to be interviewed as part of the above research project.

This consent form is necessary for us to ensure that you understand the purpose of your involvement and that you agree to the conditions of your participation. Would you therefore familiarize yourself with the accompanying **information sheet** and then sign this form or state your consent on the recording, to certify that you approve of the following:

- interview will be tape-recorded, and a transcript will be produced
- access to the interview transcript will be limited to Astha Majumdar
- any summary interview content, or direct quotations from the interview, that are made available through published Master's Thesis will be anonymized so that you cannot be identified,
- care will be taken to ensure that other information in the interview that could identify yourself or the company is not revealed
- the actual recording will be kept until research is approved to be published by Metropolia UAS and then destroyed

By signing this form/stating my consent, I agree that;

1. I am voluntarily taking part in this project. I understand that I don't have to take part, and I can stop the interview at any time;
2. The transcribed interview or extracts from it may be used as described above;
3. I am familiar with the content of the Information sheet;
4. I have been able to ask any questions I might have, and I understand that I am free to contact the researcher with any questions I may have in the future.

Participants Signature

Date