



European Forum on Paradox and Pluralism

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MANAGING PARADOX MINI-CASE SERIES

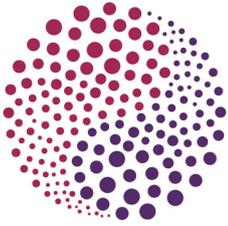
Mondelèz Brazil: Home Office Challenges for the “New Normal”

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THE CASE

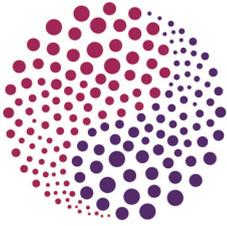
Covid-19 and the new HRM Challenges for the “New Normal”

HRM (Human Resource Management) faced an enormous disruption as an impact of the extended Covid-19 pandemics. One of the challenges that is now present to Organizations and their HR leaders are the decisions to take facing the given the strict social distancing and sanitization protocols implemented by the government’s lockdown policy. “Organizations and mainly HR professionals have had to rethink and reimagine their workspaces” : Should facilities be modified to fit the new upcoming restrictions and keep employees safely distant from each other? Should employees be permanently sent home when the “Return” to the physical offices appears possible? Home office seems to be highly appreciated by some people, others are not so excited by the perspective of “staying indefinitely in-home office”. What should companies do as they face these new challenges and what are the impact of those decisions for employees?

Mondeléz International and Mondeléz Brazil

Mondeléz International (former Kraft Foods) is one of the largest snack companies in the world. It produces snacks, such as biscuits (cookies, crackers and salted snacks), chocolate, bubble gum, candy, cheese and grocery as well as powdered beverage products. These are daily brands on all supermarkets such as Oreo, belVita and LU biscuits, Cadbury Dairy Milk, Milka and Tobelerone chocolate, Sour Patch Kids and Trident gum are amongst its most popular products. Mondeléz is present in more than 150 countries and employs around 80,000 people in its factories, offices, R&D facilities and distribution activities around the world. It is one of the largest companies in the world with a net revenue of \$ 25.9 billion and net earnings of \$3.4 billion in 2018.

Mondeléz Brazil’s offices are located in Curitiba capital of the southern federal state of Parana. It is the 4th biggest branch in the world and the greatest chocolate manufacturer. Brazilian production also happens in factories scattered all over the



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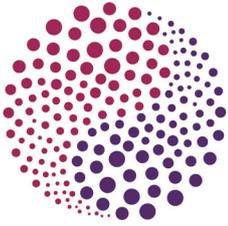
national territory, Sao Paulo, Alagoas and Pernambuco as well as distribution centers and 11 R&D centers. The company employed more than 7000 people in November 2019.

Step 1: The situation

On March 2020, all 150 people working in Mondeléz office building in Curitiba (headquarters of Mondeléz Brazil) were sent in-home office due to the Sanitary conditions and the fast spread of Covid-19 in the area. They have remained in home office since.

In September 2020, the HR department sent an informative mail requesting all employees to come to the garage of the building to recover a card boxes with their personal affairs. The boxes had their names written on. They also had to return their badges which gave access to the building and their offices. The company informed they were returning the building and that there would be no longer physical facilities of Mondeléz. The reason why this decision was taken was never explained to employees.

Julia Gonzalez, Senior Executive Internal Auditor, has worked for Mondeléz for a couple of years. She is part of the Finance team, Internal Auditors who along with Imports & Exports function occupy a building in Curitiba. She is one of home office's detractors: "I don't like it at all: I have a 3-year-old at home and she does not understand mummy has to work and cannot play with her or clean her when she goes to the toilet. I have also noticed that I work much more since we have switched to permanent home office, I start sometimes at 7a.m and can't stop before 11pm. My manager has taken some liberties to call me late at night, and I don't have the feeling this is fair to go on home office for good. Before taking those decisions, we should be consulted and for some of us, this is just hellish. I don't think it was a good decision for the employee. There are absolutely no regulations to prevent any case of extra hour pay, nor private time invasion. I was



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counting days to return to my office, now there is no office anymore... and the way they asked us to come pick up our things in the garage...Oh my God..."

Considering the situation, the decision taken and the impact of the following information, try to discuss the following questions:

- Do you agree with the decision and how it was carried on?
- What are the immediate consequences of this decision?
- How does it influence the future of the employer-employee relationship?

Step 2: The impact of decision

From the perspective of employees:

- What margin of maneuver does the employee have?
- What could be the long-term impacts of the decision?
- How is it possible to gain control of the situation?

Step 3: The Impact of the decision for the company

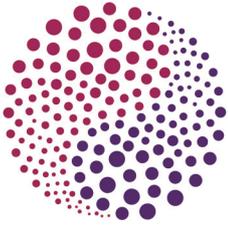
- Why do you think the company took this decision?
- What happens when organizations make this kind of decision without consulting their employees previously?

Useful resources

Mondeléz International Official Home Page: www.mondelezinternational.com

Ruggunan, S. et al. (2020) Human resources management in the age of 'adapt, evolve, or die' : LSE Business Review

<https://blogs.lse.ac.uk/businessreview/2020/08/07/human-resources-management-in-the-age-of-adapt-evolve-or-die/>



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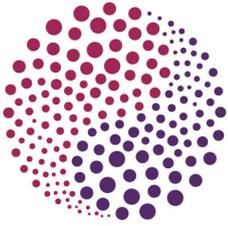
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Milliken, F. Kneekand, M. Flynn, E. “Implications of the COVID-19 Pandemic for Gender Equity Issues at Work”, *Journal of Management Studies*, 57:8
December 2020

Gigauri, I. “Effects of COVID-19 on Human Resource Management from the Perspective of Digitalization and Work-Life Balance”, *International Journal of Innovative Technologies in Economy* vol.4 (31), 2020, pp.1-11.

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TEACHING NOTE

The case raises the issue concerning leaders' decision during crisis and at the edge of the "New Normal". The case can be used to:

- Highlight impacts of strategic decisions in the "return" to the New Normal
- Highlight the paradoxes of a strategic decision: good or bad decision? for whom?
- Shed a light on the upcoming paradoxical challenges of HR as a consequence of the Covid 19 pandemics?

Areas:

Organizational behavior, leadership, HRM, SHRM.

Keywords:

Paradoxes in decisions, HRM, leadership, work-life balance