

State of Origin: Research in Global Performance Management – Progress or a Lost Horizon?

*Allen D. Engle, Sr.
Eastern Kentucky University
USA

and

Peter J. Dowling
Victoria University of Wellington
New Zealand

* Author for correspondence

Professor Allen D. Engle, Sr.
011 Business and Technology Center Building
Eastern Kentucky University
521 Lancaster Avenue
Richmond, Kentucky 40475-3102
USA

allen.engele@eku.edu

+1 859 622 6549

+1 859 622 2359 Fax

State of Origin: Research in Global Performance Management – Progress or a Lost Horizon?

Introduction

Interest in global performance management (GPM) issues, academic and applied, continues to build (Caligiuri, in press; Cascio, in press). Advances in understanding the vertical links between global strategies and the form and content of performance management (Caligiuri, in press; Caligiuri & Stroh, 1995); conceptualizing the unique, horizontal, cross-cultural aspects of performance management (Cascio & Bailey, 1995; Jackson, 2002; Brewster, Mayrhofer & Morley, 2004); and utilizing research designs tying these macro-level strategic issues to person level investigations (Caligiuri & Day, 2000; Wright & Nishii, 2004) have been ongoing and determined. These advances are not yet complete. According to Cascio (in press: 188 and 193) “understanding those local customs, and mapping them across countries is a continuing challenge . . . The terrain of global performance management systems is largely uncharted.”

At the same time, practitioner-based Human Resource Information Systems (HRIS) and systems of increasingly capable, web facilitated, database enabled performance metrics create the promise of “sophisticated but easy to use analytical tools for Human Resource (HR) leaders to unlock the power of the data in their systems for analytical and business metric reporting” (Ryder, 2005: 68). This quote reflects the increased interest in more complex, timely, accurate and complete performance metrics (Kochanski & Sorensen, 2005). It is the promise of higher and higher magnifications – more resolution in the detail of those “pixels of performance”, if you will – that appears to be driving much of these recent developments. Efforts at increased control via these increasingly powerful lenses may be a reaction to the sheer complexity and inherent uncertainty of global performance, the bottom-line orientation increasingly required by a more competitive global environment, or the simple idea that tool capabilities (in this case sophisticated data analysis systems) create an increased interest in applying the tool to define and solve problems.

A central point of this paper is to present a potential irony. Do the empirical, conceptual and technical advances of the last 20 years in the domain of GPM create an unforeseen danger? We see a danger in the use of increasingly sophisticated systems and techniques that lack a sufficiently broad conceptual base. This paper is an attempt to delineate a broad domain in the area of global performance management so that ongoing research does not become so particularized and detailed that major activities of performance management - as globally practiced across firms, industries and cultures - are ignored in the pursuit of increasingly constricted conceptualizations of “performance.” By presenting a more widely defined model of GPM, we hope to insure that increased magnification and detail in performance metrics do not occur at the expense of a shared, globally encompassing and relevant definition of performance. To not take this wider view may mean we are in danger of seeing more detail while losing the entire horizon of global performance management (Hilton, 1933).

Our efforts at understanding performance domains has three sections. First, we review research on the varied purposes and contexts of GPM. Moving beyond the traditional dualities of *developmental vs. reward* purposes of performance management, we focus on research related to the development of global managers as well as the use of performance management systems to build and reinforce a global corporate culture. Second, in the main section of the paper, we outline a systematic domain for GPM, an “organizational geography” comprised of: a) a horizontal dimension operationalizing performance as person-based input, job-based process, and/or performance as outcome; b) a vertical dimension, distinguishing explicit vs. implicit definitions of performance; and c) a third, “depth” dimension, capturing the degree to which performance is conceptualized as a globally standardized or locally customized construct. These three dimensions: *performance as input/process/output*, *explicit vs. implicit performance* and *standardization/customization* comprise a proposed “terrain” (to use Cascio’s term). This terrain is parsimonious and yet sufficient to provide adequate space for the development of GPM beyond the parochial origins of global executives and researchers alike. In the third section, issues related to the perceptions and attendant decisions of “actors” (the organizational assessors and assessed, as well as academics in this area) operating within the aforementioned terrain are discussed. Potential biases and proposed “rules of

engagement” by actors are presented. The paper concludes with a discussion of the implications of these purposes, the terrain, and the activities of actors for the further development of the research domain of GPM. The terrain we attempt to map is complex indeed, and this presentation is an introduction to ongoing discussion and those empirical investigations that will shed light on the entire complex horizon of global performance management.

Particular Purposes: The Complex Content of Global Performance Management

There is a long-standing body of research and theorizing within U.S.-based research outlining two purposes for performance management: Feedback for developmental purposes, and the rationale for decisions with consequences for employees, such as pay, promotion, assignment or termination (Bernardin & Beatty, 1984; Cascio, in press: 178-179; Evans Pucik & Barsoux, 2002: 129). Furthermore, these two purposes are “on the surface” said to be “quite similar for domestic and international operations” and yet the “major difference is that *implementation*” of these purposes is far more complex and problematic in international firms (Cascio, in press: 178). Briscoe and Schuler discuss these two purposes in terms of “developmental goals” and “evaluation goals” (2004: 355). These authors argue that complexities in transferring performance criteria, determining qualified evaluators, and developing appropriate form, frequency and feedback techniques create problems in the process, if not purposes, of GPM.

Evans, Pucik and Barsoux echo potential difficulties in implementing these two purposes. Differing communication styles and contexts may foil successful development efforts. Traditional risk-minimizing pay practices, local legislation outlawing terminations, or the problems global firms share articulating global career options may thwart effective evaluation linkages to consequences (2002: 129). Other authors have assessed the unique nature of global assignments in an effort to focus attention on the unique or particular context for GPM. In other words, what makes international work different in kind than domestic assignments, and how do these differences impact the purpose or context of GPM? Caligiuri distinguishes between “technical performance”,

“contextual performance”, “intercultural performance” and “developmental performance” (in press: 13). Technical performance work dimensions are the traditional “aspect of work in job analytic terms and are represented by the task or duties (Borman & Motowidlo, 1993: Campbell, et al., 1993).” (Caligiuri, in press: 15). Contextual performance dimensions “may include such things as maintaining integrity, organizational commitment, promoting a positive image of the organization, motivation and having a customer focus” (Caligiuri, in press: 15). Intercultural performance dimensions related to “an extensive need for communication with host nationals . . . and may include . . . negotiating . . . conducting training seminars . . . (in the host language) . . . working on a multicultural R&D team . . . presenting to . . . clients in the host language . . . adapting a marketing plan to a local culture . . . [or] . . . replacement planning” (Caligiuri, in press: 16). Finally, some firms envision developmental performance dimensions; expecting “global competence” or a global “mindset” to result from rotational assignments (Caligiuri, in press: 17). This dimension may be associated with leadership development efforts. Subdimensions here may include “learning how to conduct business in a country . . . building a network of professional relationships . . . learning the host country language . . . [or] . . . increasing one’s understanding of the company’s world-wide structure and operations” (Caligiuri, in press: 17).

Combining these four performance definitions across two dimensions – “the significance of intercultural effectiveness” and an “intended developmental component” – Caligiuri distinguishes between “technical assignments” (low on the importance of intercultural effectiveness and low on development and estimated to be 5-10% of the total expatriate population), “developing high potentials” (indeterminate on intercultural effectiveness and high on development and estimated to be 5-10% of the total expatriate population), “strategic or executive assignments” (high on significance of intercultural effectiveness and high on an intended development component and estimated to be 10-15% of the total expatriate population), and “functional” assignments (high on the significance of intercultural effectiveness and yet low on intended development component and estimated to be 55-80% of the total expatriate population) (Caligiuri, in press: 18-20).

Caligiuri's empirically based analysis provides two points of interest. First, intended personal development may comprise no more than 25-35% of all expatriate assignments, with the vast majority of assignments being focused on understanding the local context and getting the immediate task accomplished. These intended developmental purposes may comprise a minority of assignments, but these developmental (or leadership) activities may be critical to implementing sophisticated global strategies (Caligiuri, in press; Evans, Pucik & Barsoux, 2002; Javidan, Stahl & House, 2004).

Stroh et al. present the developmental advantages of enhanced strategic capacity, enhanced coordination and control as well as the more effective dissemination of information and innovation for more sophisticated global firms (2005: 4-11). Ghoshal and Bartlett also emphasize the critical developmental aspect of international human resource management (IHRM) assignments. These authors found empirical evidence to support their contention that careful attention to career management is essential to ensure a proper competency mix of attitudes/traits, knowledge/experience and skills if the transnational strategy is to be implemented (Ghoshal & Bartlett, 1997: 226-241).

A final purpose of context for GPM may be seen as an extension of the above stated purpose of "strategic leadership". One of the central problems facing diverse international firms – diverse as to products, geographic activities and markets, as well as management functional activities and employees – is the danger that all these sources of diversity centrifugally act to pull the firm apart – structurally, socially and politically (Bartlett, Ghoshal & Birkinshaw, 2005; Evans, Pucik & Barsoux, 2002; Galbraith, 2000; Nohria & Ghoshal, 1997). A strongly shared, deeply held corporate culture, what Bartlett and Ghoshal have called the "mind matrix", can be purposely developed to overcome those internal and contextual forces of diversity (Bartlett, Ghoshal & Birkinshaw, 2005; Ghoshal & Bartlett, 1997). Cultural integration, via a strong, shared firm culture, can create the "discipline" to meet global challenges (Ghoshal & Bartlett, 1997: 160-166). This discipline may consist of a network of information flows, an "organizational physiology", as well as those explicit, shared cultural values – an "organizational psychology" - that combine to provide the transnational firm with balanced capabilities

for global standardization, local customization and the diffusion of innovation (Bartlett, Ghoshal & Birkinshaw, 2005: 349-351).

Global performance management has the potential to be used to develop and reinforce these networks and systematically acknowledge, facilitate and reward individuals who share, coordinate and act out the values of the transnational firms (Evans, Pucik & Barsoux, 2002; Galbraith, 2000: 218-220; Nohria & Ghoshal, 1997: Chapter 10). Granted, a limited number of firms may now articulate or emphasize integrative culture building as a primary purpose for GPM. Yet there are aspects of this more sophisticated purpose or context to be found in the previous discussions of “strategic executive assignments” (Caligiuri, in press: 20), the “organizational glue” of GPM (Evans, Pucik & Barsoux, 2002: 306-308) and the “strategic purposes” of “leadership development, “coordination and control” and the dissemination of “technology, innovation” and “information” (Stroh, et al., 2005: 4-12).

Mapping Terrain: The Organizational Geography of Global Performance Management

Given the three purposes of GPM outlined above – namely: 1) providing general developmental feedback and decision consequences; 2) facilitating the development of contextual performance; and 3) building and maintaining a strong, overarching integrative corporate culture – what can we say about performance management as a process? Cascio delineates three elements: defining performance, facilitating performance and encouraging performance (in press: 179-182). Dowling and Welch discuss defining performance “criteria”, ensuring multiple raters or assessors with useful perspectives are part of the process, and process issues – such as the format, frequency and feedback methodology (2004: 245-249). Caligiuri presents a five step process: 1) determine “the broad content domain” of performance – across countries for the same position; 2) determine if these jobs are comparable; 3) if so, create “conceptual equivalence” that can be applied across cultures and countries; 4) determine “how” the evaluations will be organized; and 5) “who” will conduct the appraisal(s) (in press: 8-12). She cites research to support the contention that “objective task-based performance

dimensions” were less influenced by differences in rater-ratee (what we call actor) nationality than “subjective contextual performance dimensions (Caligiuri, in press: 12).

What domain is wide enough to capture these types of processes and yet presents a framework parsimonious enough to facilitate future research? We suggest three dimensions: 1) complex performance criteria, 2) explicit vs. implicit GPM process, and 3) globally standardized vs. locally customized GPM. Each dimension will be presented and then combined to create a proposed domain for GPM research.

Complexity in Performance Criteria

An oft-cited reason for the difficulty of GPM is the acknowledgement that performance management measures and criteria are complex (Evans, Pucik & Barsoux, 2002: 110-111) and all the actors in the GPM process seldom share a common “theory of performance” (Casco, in press: 184). Some time ago, Phatak warned against relying solely on financial outcomes, recommending consideration should also be given to non-financial measures “such as market share, productivity, relations with the host-country government, public image, employee morale, union relations, community involvement, and so on . . . it might be advisable to formalize the process, with scorecard ratings for all subsidiaries based on the same broad range of variables” (1995: 236). A range of process and outcome criteria provide a more accurate sense of individual performance over time as uncertain and unpredictable local contexts will inevitably change (Phatak, 1995: 236-237).

Casico echoes Dowling and Welch’s (2004) warning against standardizing performance criteria, and hypothesizes that more “well established” global firms will assess “factors in addition to technical proficiency and productivity indicators” and incorporate “the behaviors used to generate results” (in press: 192). “Subjective” criteria, such as “leadership style and interpersonal skills” and “contextual criteria” such as “organizational citizenship behaviours (helping and cooperating with others, working with enthusiasm, volunteering for activities, being flexible and open to change) as well as indicators of cross-cultural skill development (for example language, host culture, communication, networking) (Davis, 1998)” are critical for GPM systems (Casico, in

press: 193). Note that these criteria include elements related to the person, the process or context of the tasks and the output of tasks (Perlman, 1980). Also note that the criteria must be diverse and “dense” enough to facilitate the three varied purposes of GPM outlined in section one above. Some performance criteria are more tactical while others are more strategic.

We suggest a three-element model of performance criteria, consisting of person, activities and results (Engle & Mendenhall, 2004; McAdams, 1996). This three-part categorical scheme for performance will focus on performance as personal input, job process and result outcome. Traditional systematic performance management systems in the U.S. started out as production output schemes – readily observable piece-rate or productivity systems (Lytle, 1946; Mahoney, 1979; Milkovich & Newman, 2005). As performance became more complex and interdependent and the costs and accuracy of measuring output became more problematic, job processes and personal skills or certifications became accepted as more readily accessible proxies for performance outcomes (Engle & Mendenhall, 2004; Mahoney, 1989). Personal qualities – the acquisition and application of skills, experience, certifications, or involvement in successful projects or assignments – may be seen as indicators of past performance as well as the promise for ongoing performance (Engle & Mendenhall, 2004). The acquisition of Cascio’s “cross-cultural skill development” is such a person-based performance indicator. Sinangil and Ones (2001) present independent dimensions of expatriate performance that focus on the person – “communication and persuasion” and “effort and initiative” and “personal discipline”.

Job based processes – the context of performance – may be seen as performance as a work-in-process (Engle & Mendenhall, 2004). Cascio’s “contextual criteria” that focus on “helping and cooperating, volunteering for activities (our emphasis)” and the “subjective” criteria of “leadership skills” and “interpersonal skills” appear to emphasize the process aspects of performance (in press: 192-193). Sinangil and Ones (2001) present independent dimensions that appear to focus on process. The “ability to work with others”, “task performance”, “interpersonal relations” and “management and supervision” attend to the contextual process of work. These authors also speak to performance as output in the dimension of “productivity”. Figure 1 presents these three aspects of

performance. This factor makes up the horizontal dimension of the proposed GPM domain construct. This more complex view of performance – presented here on the micro (individual employee) level – is paralleled with observations on the complexity of “organizational performance” on the macro level, and a need for a strategic “combination of financial [output] and nonfinancial measures” of organizational performance (Stavrou, Brewster & Charalambous, 2005).

INSERT FIGURE 1 ABOUT HERE

Explicit and Implicit Approaches to Performance

Cultures may systematically differ in terms of openness in communication, and willingness to share one’s thoughts without self-censoring. Hofstede (1980) refers to “high context cultures” – more covert and implicit in communicating deeply shared values, and “low context” cultures – more explicit and overt in their interactions and communications. Low context cultures and firms value transparency and “standardization” via formalized, documented processes of management activities – particularly processes as central to organizational control as GPM (Jones, 2004: 112; Triandis, 2002). High context cultures and firms value the flexibility, social harmony and cooperative emphasis inherent in “mutual adjustment” – the use of implicit, unspoken social judgment to ensure effective control (Jones, 2004: 111-112). Both forms provide conformity and control (Dowling & Welch, 2004: 47-49; Ouchi, 1981).

At this point it might be useful to distinguish between explicit and implicit forms of GPM and the important terms “objective” and “subjective” performance (as used by Caligiuri, in press: 11). Explicit performance is, by definition, recorded and formalized and the subject of shared externalized communications. Some explicit performance may be objective – that is the degree and precision of shared meaning is high. Industrial or professional principles and processes (e.g. generally accepted accounting principles, U.S. Securities and Exchange Commission regulations, the laws of mathematics) may be so widely shared that precise agreement as to categorization and assessment may be realized. Other explicit dimensions of performance may be more subjective - that is, there

are fuzzy or incomplete agreements across parties in assessing and evaluating these performance criteria (Bernardin & Beatty, 1984: Chapter 6).

Interestingly, some researchers in the area of IHRM have noted that the lack of a common, shared “decision science for talent” in HRM may be responsible for a lack of theory development and the diminished impact of HRM in executive corporate circles, when compared to business fields such as finance and accounting (Boudreau, Ramstad & Dowling, 2003). Leadership is a common explicit yet subjective performance dimension that is vague enough to be framed as specific to a person (as in the US) or as a generalized social process (as in Japan and much of the Asian Pacific region) (Zinzius, 2004). Recent calls for increased “frame of reference” training to “provide trainees with a ‘theory of performance’” (Cascio, in press: 184-185) and developing measures with “conceptual equivalence” (Caligiuri, in press: 9-11) may be seen as efforts to decrease subjectivity in explicit performance criteria.

It may be more difficult to speak the unspeakable, and create GPM processes and systems to make explicit the implicit. This is a particular problem when doing business in cultures that have long-held traditions of familial control, recognize the importance of “face”, and practice passive, diffuse values (Jackson, 2002: 122; Triandis, 2001, 2002; Zinzius, 2004:138-140). These understudied processes may relate to Caligiuri’s first and second steps of developing performance criteria: namely determining a shared “broad content domain.” Figure 2 represents these proposed relationships and the explicit/implicit dimension makes up the vertical dimension of our proposed GPM domain construct.

INSERT FIGURE 2 ABOUT HERE

This explicit-implicit dimension is not new. U.S.-based research and positivist statements by practitioners and academics have – for over 50 years – asserted the superiority of “cultivated” ratings (Lytle, 1946: 232) and the legal and socio-political advantages of the more explicit methods of behaviorally anchored ratings scales, mixed standard scales, graphic ratings scales and critical incident checklists over more implicit methods of paired comparisons, rank ordering, trait ratings and weighted checklists

(Bernardin & Beatty, 1984: Chapter 4; Latham & Wexley, 1981). Within this tradition, implicit assessment is presumed to be biased assessment. Global performance management practices may be more or less explicit in terms of the criteria of performance, the frequency and timing of assessment, the legitimacy of actors in the process, the nature of feedback and institutionalized form for rebuttal or reconsideration of assessment results (Cascio & Bailey, 1995). Cross-cultural research on these issues is largely absent.

Global Standardization and Local Customization in Global Performance Management

The third and final dimension of performance is common to much research on multinational firms in general, strategies of globalization and, more recently, issues of IHRM. This is the issue of dealing with the inherent tensions between the efficiencies of globally standardized organizational activities (in this case GPM) and the effectiveness of locally customized activities (Bartlett, Ghoshal & Birkinshaw, 2005; Brewster, Mayrhofer & Morley, 2004; Dowling & Welch, 2004: 248; Evans, Pucik & Barsoux, 2002).

Caligiuri deals with this issue by contrasting the strategic purposes of multidomestic firms (emphasizing local customization) with the strategic purposes of global firms (emphasizing worldwide integration and standardization) (in press: 4-7). As strategic purpose drives GPM decision-making in criteria selection, determining relevant actors and setting up methods and processes, these decision streams should tilt toward standardization or customization as a matter of strategic implementation. Stavrou, Brewster and Charalambous (2005) provide empirical evidence on three sub-regions within the European Union (pre-May 2004 expansion) that suggests “bundles” of HR practices (such as merit pay and group bonuses) may be common across these three regions. They go on to state “the HRM-performance link is moderated by geography” (2005: 25). More empirical research along these lines is called for.

Cascio reiterates the need to be “sensitive to local conditions” yet presents process models that emphasize universals. “Formal systems should be implemented” (Cascio, in press: 187) and a “common set” of “three features” - defining performance, facilitating

performance, and encouraging performance, are called for (179-182). The notion of training employees in a shared theory of performance also intimates an ultimate reliance on some level of standardization. Caligiuri presents this issue in terms of standardizing “comparable dimensions” of performance and then possibly providing customization via “conceptual equivalence”. Real customization may only occur through the local perspective of “who” is assessing, and the “how” of performance is assessed in the local context (Caligiuri, in press: 9-12). Figure 3 presents this standardized-customized dimension that makes up the third, “depth” dimension in our proposed GPM domain.

INSERT FIGURE 3 ABOUT HERE

These three dimensions: the horizontal dimension of performance criteria, the vertical dimension of explicit vs. implicit performance, and the third “breadth” dimension of standardization and customization are combined in Figure 4 to create a research domain, an organizational geography, for GPM.

INSERT FIGURE 4 ABOUT HERE

Taken literally, this domain comprises a “lost horizon” critical to progress in GPM. Imagery and metaphor are long-standing devices for sharing and exploring personal and social perspectives. Research in IHRM has much to gain from presenting and exploring these metaphors as a primary step in understanding cross-cultural issues (Engle & Mendenhall, 2003; Gelfand & McClusker, 2002; Lawler, 1985; Mitroff, 1985). The imagery presented here is the vast panorama of an uncharted mountain range, with areas of lowlands blanketed in the mist of low-lying clouds.

How researchers and practitioners focus their attentions on the domain of GPM is important. It is equally important to consider the probability that individuals coming from different cultural, industrial and institutional backgrounds will be prone to focus on divergent regions of this vast and complex domain. A conceptually limited, overly focused perspective on the topic of GPM, coupled with increasingly sophisticated HRIS capabilities operating at high levels of “magnification” may provide a false sense of

precision in capturing performance, at the expense of a more complete understanding of the critical topic of GPM.

Actors and Rules of Engagement for Global Performance Management

In this third and final section, we investigate different actors (the assessors and the assessed) and processes (i.e. Cascio's stages of defining performance, facilitating performance and encouraging performance) as these actors and processes operate across the panoramic terrain presented in the previous section. We will discuss those actions and issues in GPM that make implementation "much more difficult in the international arena" as these actions and issues relate to our mapped terrain (Cascio, in press: 178). These widely noted actions and issues may comprise the "rules of engagement" commonly operating in GPM.

Parent Country Nationals (PCNs) may create GPM systems (that is select criteria, operationalize criteria, determine the method and timing of the evaluation) and operate that system via long distance remote control, systematically assessing host country nationals (HCNs), or third country nationals (TCNs). What if the PCNs have created and incompletely applied a standardized, explicit, outcome based construction of GPM while HCNs and TCNs are operating from a customized, implicit, input or person perspective? Potential differences in perspective could be insurmountable (Dowling & Welch: 238-241). In an investigation of 78 expatriate managers, Caligiuri and Day (2000) found national differences in GPM assessment dyads had a greater effect – that is a greater cultural distance between assessed and assessor was associated with lower performance outcomes - for contextual as opposed to technical dimensions of performance. Is the performance actually lower, or are these two culturally diverse actors simply looking for evidence of performance in very different locations in the wide-ranging terrain of GPM? We describe this issue as "divergence in foci."

According to Cascio, "while local management tends to appraise the expatriate's performance from its own cultural frame of reference, such an evaluation is usually perceived [by executives at corporate headquarters] as more accurate than that from the home office" (in press: 192-193). In this engagement situation, local assessor

perspectives may dominate the focus of attention and the mental models of the expatriate's home culture and the corporate headquarters' frame of reference are secondary. We describe this difficulty as "proximity focus."

As discussed earlier in the paper on performance as person, process and output, performance metrics for global situations can be complex. Some performance criteria may be "hard", some "soft" and some "contextual" (Dowling & Welch, 2004: 246). Caligiuri's research suggests that differences in cultural perspective on the part of GPM actors (the assessed and the potentially multiple assessors) may impact decisions differently for hard as opposed to soft or contextual performance criteria (in press: 12). As the "psychological distance" of cultural differences: 1) varies idiosyncratically by individual actor, 2) varies again by the nature of the performance criteria (hard, soft or contextual), then actors may more or less implicitly weigh different categories of criteria idiosyncratically. Therefore, mapping and predicting overall patterns of performance assessment becomes difficult. We describe this issue as "interactive segmentation."

We would predict that firms pursuing globalization strategies would shift their emphasis from a reliance on local HRM processes and systems – including local performance management processes and systems – to more standardized processes and systems (Caligiuri, in press; Dowling & Welch, 2004; Evans, Pucik & Barsoux, 2002). The failure to successfully implement this shift from locally customized to globally standardized GPM may lead to miscommunication in the administrative acceptability of explicit vs. implicit definitions of performance, as well as disagreements as to what are legitimate performance criteria, and the legitimacy of personal inputs vs. job process vs. task outcomes. We describe this issue as "depth of field." In a narrow depth of field GPM actors either focus solely on foreground (local customization) or on background (global standardization). In a wider depth of field actors involved in GPM can conceptually incorporate and balance – in terms of relevant concepts, models and processes – both global standardization and local customization. This "depth of field" issue relates to Caligiuri's presentation on "conceptual equivalence" in designing GPM processes (in press: 9).

Finally, the purpose or context of GPM may create unique cognitive patterns or differing "panoramas" for actors operating in global firms. Consequence-based GPM

activities may emphasize the criteria of task outputs, relying on explicit models in a globally standardized manner. For purposes of developmental assessment, these same actors may shift their emphasis (for the same individual being assessed) and widen their selection of performance criteria to include personal (input) and process (context) criteria. They may also expand their analysis to include – consciously or unconsciously – more implicit dimensions of performance, as well as take local models of assessment into consideration. We describe this potential issue as “form follows function.”

Implications of Our “State of Origin”

We have entitled this paper “State of Origin: Research in Global Performance Management – Progress or a Lost Horizon?” Our model reflects a “state of origin” in three senses of the phrase. First, for researchers, this presentation is intended to be a first step in mapping uncharted “terrain” (Cascio, in press: 193) and as such our efforts are incomplete at best. Factoring this terrain into grids, applying robust metaphors to systematically assess the elements of the proposed domain, and empirically investigating – surveying in the engineering sense of the term – this terrain are logical additional steps.

Second, all interested parties (researcher and practitioners alike) have their own personal states of origin, those disciplinary and cultural perspectives that by necessity create focus, foreground and background. U.S.- based researchers tend to have an output-explicit-global standardization perspective (bias?) that may have become more and more contracted in focus over time. The awareness of a broader domain for GPM and a willingness to systematically evaluate these differing perspectives may be beneficial at this time in order to facilitate efficient theoretical development. One individual’s “uncultivated variety of employee ratings” may be another’s essential system in practice (Lytle, 1946: 232).

For example, as Zinzius (2004: 183) notes, is “quanxi” – literally “relations” – those “connections defined by reciprocity and mutual obligations . . . [that] . . . network of family, friends and acquaintances . . . built up, who can provide material or immaterial support of any means, based on personal favors “ a personal, implicit, locally customized form of performance management that has worked for hundreds of millions of people for

centuries? As we investigate business practices in Asia, Africa and South America are we to ignore or dismiss out of hand long-standing business practices as “uncultivated”, or should we try to understand them and assess their usefulness? Put another way, do U.S. models and perspectives have a “bias for summits”? What is the impact of a stubborn focus on explicit, standardized, output criteria models for the investigation of GPM?

Third, is this limited focus being facilitated by the technological advances of increasingly complex, global decision support systems (GDSSs)? Is the focal field increasingly microscopic – filled with details and yet without a complete context? If our state of origin is characterized by more depth of information and finer and finer detail, how can we alter the design of these systems to take a more encompassing, panoramic view of GPM? This new technological capability will be critical for global firms that have those advanced developmental purposes outlined in the first section of this paper. Building a coordinated, integrated transnational capability will require GDSSs that scan and encompass cultures, functions and processes (Engle, McGlone & McGlone, 2003).

We conclude with a series of observations. There is much more to the difficult complexity of GPM than metrics (Bates, 2003; Becker and Huselid, 2003). Performance metrics stand at the pinnacle of processes, systems, purposes, strategies, values and assumptions. Unless we can encompass this complexity we will never meet the practical requirements of global firms. Simply training employees to apply one shared frame of reference is problematic. By standardizing process do we lose the reality of performance as understood in context? Should we rather train employees in the complexity of the issues outlined above and undertake unique, culturally relevant, interactive two-way conversations on these issues? Our collective ability to encompass and appreciate the panorama of GPM is a critical first step in building a “theory of performance” that is truly shared (Cascio, in press: 184; Sulsky & Day, 1992).

REFERENCES

- Bartlett, C., Ghoshal, S. and Birkinshaw, J. (2005). *Transnational management: Text, cases, and readings in cross-border management*, 4th ed. Boston: McGraw-Hill/Irwin.
- Bates, S. (2003). The metrics maze: Measuring human capital is a tricky, evolving discipline. *HR Magazine*, 48 (12), 51-55.
- Becker, B. and Huselid, M. (2003). Measuring HR? Benchmarking is not the answer. *HR Magazine*, 48 (12), 57-61.
- Bernardin, H.J. and Beatty, R. (1984). *Performance appraisal: Assessing human behavior at work*. Boston: Kent Publishing.
- Borman, W.C. and Motowidlo, S.J. (1993). Expanding the criteria domain to include elements of contextual performance. In N. Schmitt, W.C. Borman and Associates (eds.), *Personnel selection in organizations*, (pp. 71-98). San Francisco: Jossey-Bass.
- Boudreau, J., Ramstad, P. and Dowling, P., (2003): Global talentship: Toward a decision science connecting talent to global strategic success. *Advances in global leadership*, vol. 3, pp. 63-99. Amsterdam: JAI- Elsevier Science.
- Brewster, C., Mayrhofer, W. and Morley, M. (Eds.). *Human resource management in Europe: Evidence of convergence?* Oxford: Elsevier Butterworth-Heinemann.
- Briscoe, D. and Schuler, R. (2004). *International human resource management*, 2nd ed. New York: Routledge.
- Campbell, J.P., McCloy, R.A., Oppler, S. and Sager, C. (1993). A theory of performance. In N. Schmitt, W.C. Borman and Associates (eds.), *Personnel selection in organizations*, (pp. 37-70). San Francisco: Jossey-Bass.
- Caligiuri, P. M. (in press). Performance measurements in a cross-cultural context. In W. Bennett, C.E. Lance and D.J. Woehr (eds.), *Performance measurement: Current perspectives and future challenges*. Mahwah, N.J.: Lawrence Erlbaum.

- Caligiuri, P.M. and Day, D.V. (2000). Effects of self-monitoring on technical, contextual, and assignment-specific performance: A study of cross-national work performance ratings. *Group and Organizational Management*, 25 (2), 154-175.
- Caligiuri, P.M. & Stroh, L.K. (1995). Multinational corporation management strategies and international human resource practices: Bringing IHRM to the bottom line. *International Journal of Human Resource Management*, 6 (3), 494-507.
- Cascio, W. F. (In press). Global performance management systems. In I. Bjorkman & G. Stahl (eds.), *Handbook of research in international human resource management*, (pp. 176-196). London: Edward Elgar Ltd.
- Cascio, W. F., & Bailey, E. (1995). International HRM: The state of research and practice. In O. Shenkar (ed.), *Global perspectives of human resource management*, (p. 15-36). Englewood Cliffs, NJ: Prentice-Hall.
- Davis, D. D. (1998). International performance measurement and management. In J.W. Smither (ed.), *Performance appraisal: State of the art in practice*, (pp. 95-131). San Francisco: Jossey-Bass.
- Dowling, P. and Welch, D. (2004). *International human resource management: Managing people in a multinational context*, 4th ed. London: Thomson Publishing.
- Engle, A.D., Sr. and Mendenhall, M.E. (2003). Transnational ergonomics: Imagery supporting a school of transnational human resource management, or, ‘An selig aonadharaigh croga.’ *Conference Proceedings of the 7th Conference on International Human Resource Management* at Limerick University, Limerick, Ireland, June, 2003, CD- ROM Reference no. 501.
- Engle, A.D., Sr. and Mendenhall, M.E. (2004). Transnational Roles, Transnational Rewards: Global Integration in Compensation. *Employee Relations*, 26 (6), 613-625.
- Engle, A.D., Sr., McGlone, T. and McGlone, V. (2003). Scaling the global competency cube: “Mind matrix” measures and emergent issues. *Conference Proceedings of the 7th Conference on International Human Resource Management* at Limerick University, Limerick, Ireland, June, 2003, CD- ROM Reference no. 97.
- Evans, P., Pucik, V. and Barsoux, J. (2002) *The Global Challenge: Frameworks for International Human Resource Management*. Boston: McGraw-Hill/Irwin Pub.
- Galbraith, J. (2000) *Designing the Global Corporation*. San Francisco: Jossey-Bass Pub.

- Gelfand, M. and McCusker, C. (2002) Metaphor and the cultural construction of negotiation: A paradigm for research and practice. In M. Gannon and K. Newman, (eds.), *The Blackwell handbook of cross-cultural management*, (pp. 292-314). Oxford: Blackwell Publishers.
- Ghoshal, S. and Bartlett, C. (1997) *The Individualized Corporation*. New York: Harper-Collins Publishers.
- Hilton, J. (1933). *Lost horizon*. New York: William Morrow and Company.
- Hofstede, G. (1980). *Culture's consequences*. Beverly Hills, Cal.: SAGE Publications.
- Jackson, T. (2002). *International HRM: A cross-cultural approach*. London: SAGE Publications.
- Javidan, M., Stahl, G.K., and House, R.J. (2004). Leadership in global organization: A cross-cultural perspective. In H. Gatignon, J.K. Kimberly and R. Gunther, (eds.), *The INSEAD-Wharton alliance on globalizing: Strategies for building successful global businesses*, (pp. 78-103). Cambridge: Cambridge University Press.
- Jones, G.R. (2004). *Organizational theory design, and change, 4th ed.* Upper Saddle River, N.J.: Pearson/Prentice-Hall.
- Kochanski, J. and Sorensen, A. (2005). Managing performance management. *Workspan*, 48 (9), 20-27.
- Latham, G.P. and Wexley, K. (1981). *Increasing productivity through performance appraisal*. Reading, Mass.: Addison-Wesley Publishing.
- Lawler, E.E. III (1985) Challenging traditional research assumptions. In E.E. Lawler,III, A. Mohrman, Jr., S. Mohrman, G. Ledford, and T. Cummings, (eds.) *Doing research that is useful for theory and practice*, (pp. 1-17). San Francisco: Jossey-Bass.
- Lytle, C.W. (1946). *Job evaluation methods*. New York: The Ronald Press Company.
- Mahoney, T.A. (1979) *Compensation and reward perspectives*. Homewood, Ill: Richard D. Irwin, Inc.
- Mahoney, T.A. (1989) Employment compensation planning and strategy. In Gomez-Mejia, L. (ed.), *Compensation and benefits*, (pp.1-28). Washington, D.C.: Bureau of National Affairs.
- McAdams, J. (1996) *The reward plan advantage*. San Francisco: Jossey-Bass.

- Milkovich, G.T. and Newman, J. (2005) *Compensation*, 8th ed. Boston: McGraw-Hill/Irwin Publishing.
- Mitroff, I. (1985) Why our old pictures of the world do not work any more. In E.E. Lawler, III, A. Mohrman, Jr., S. Mohrman, G. Ledford, and T Cummings, (eds.) *Doing research that is useful for theory and practice*, (18-44). San Francisco: Jossey-Bass Pub.
- Nohria, N. and Ghoshal, S. (1997) *The Differentiated network*. San Francisco: Jossey-Bass.
- Ouchi, W. (1981). *Theory Z*. New York: Addison-Wesley.
- Perlman, P. (1980). Job families: A review and discussion of their implications for personnel selection. *Psychological Bulletin*, 78 (1) 1-28.
- Phatak, A.V. (1995). *International dimensions of management*, 4th ed. Cincinnati, Oh.: South-Western College Publishing.
- Ryder, J.A. (2005). The future of HR technology. *HR Magazine*, 50 (13), 67-69.
- Sinangil, H. K., & Ones, D. S. (2001). Expatriate management. In N. Anderson, D. S. Ones, H. K. Sinangil, and C. Viswesvaran (eds.), *Handbook of industrial, work, and organizational psychology: Vol. 1, Personnel Psychology* (pp. 425-443). London, UK: Sage.
- Stavrou, E.T., Brewster, C. and Charalmbous, C. (2005). Human resource management and organizational performance in Europe: Best fit, best practice or both? Working paper, University of Cyprus, Department of Public and Business Administration.
- Stroh, L.K., Black, J.S., Mendenhall, M.E. and Gregersen, H.B. (2005). *International assignments: An integration of strategy, research and practice*. Mahawah, N.J.: Lawrence Erlbaum.
- Sulsky, L.M. and Day, D.V. (1992). Frame-of-reference training and cognitive categorization: An empirical investigation of rater memory issues. *Journal of Applied Psychology*, 77, 501-510.
- Triandis, H.C. (2001). The study of cross cultural management and organization: The future. *International Journal of Cross Cultural Management*, 1 (1), 17-21.
- Triandis, H. C. (2002). Generic individualism and collectivism. In M. Gannon and K. Newman (eds.) *The Blackwell handbook of cross-cultural management*, (pp. 16-45). Oxford: Blackwell Business Publishing.

Wright, P. and Nishii, L. (2004). Strategic HRM and organizational behavior: Integrating multiple levels of analysis. Presented at the conference “HRM: What’s Next?” sponsored by Erasmus University, Rotterdam School of Economics.

Zinzius, B. (2004). *Doing business in the new China: A handbook and guide*. London: Praeger Publishers.

Figure 1: Complexity in Performance Criteria

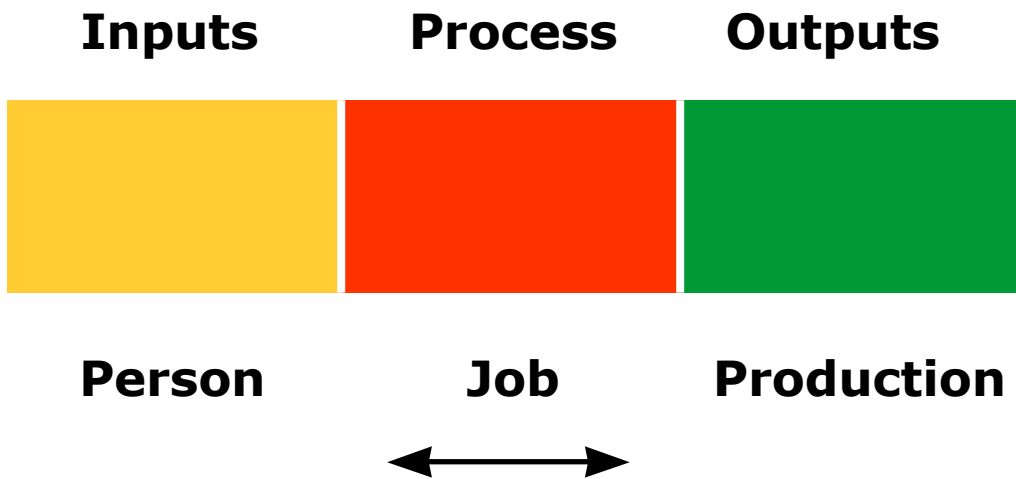


Figure 2: Explicit-Implicit Performance Approaches

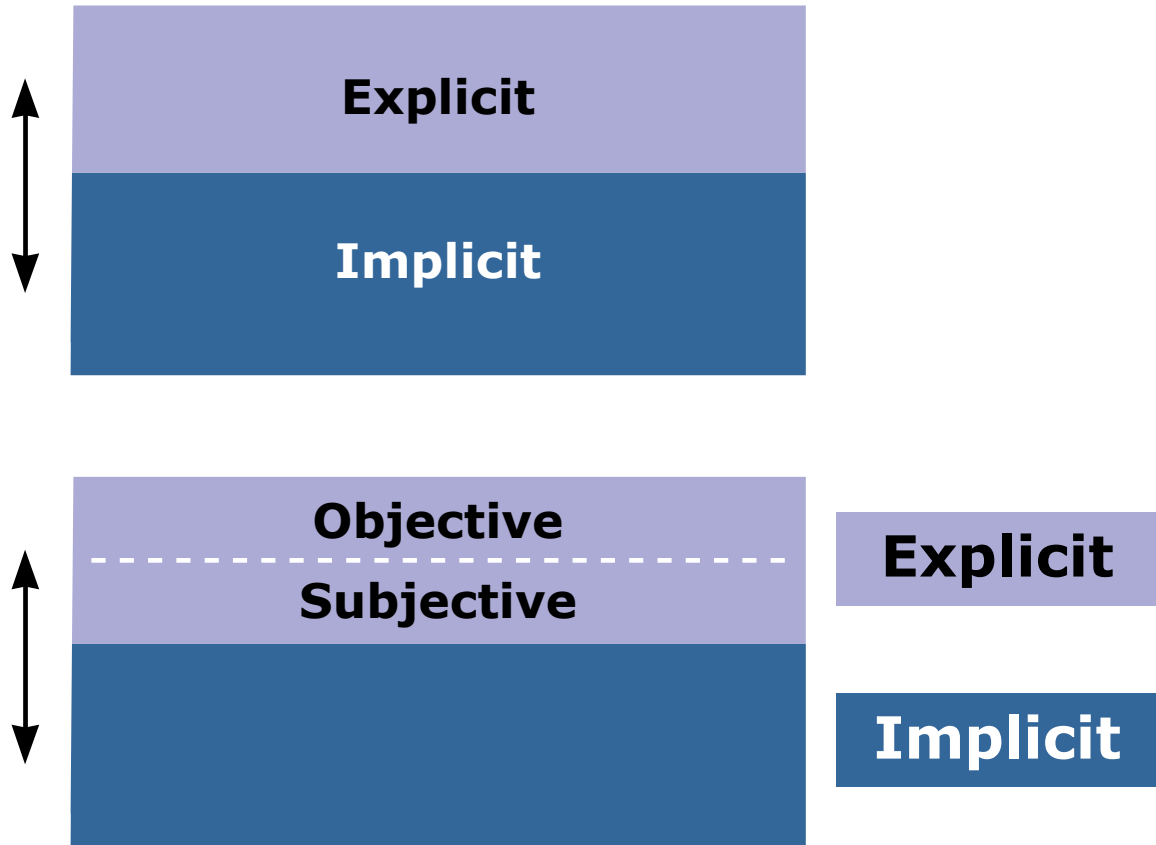


Figure 3: Global Standardization and Local Customization in Global Performance Management

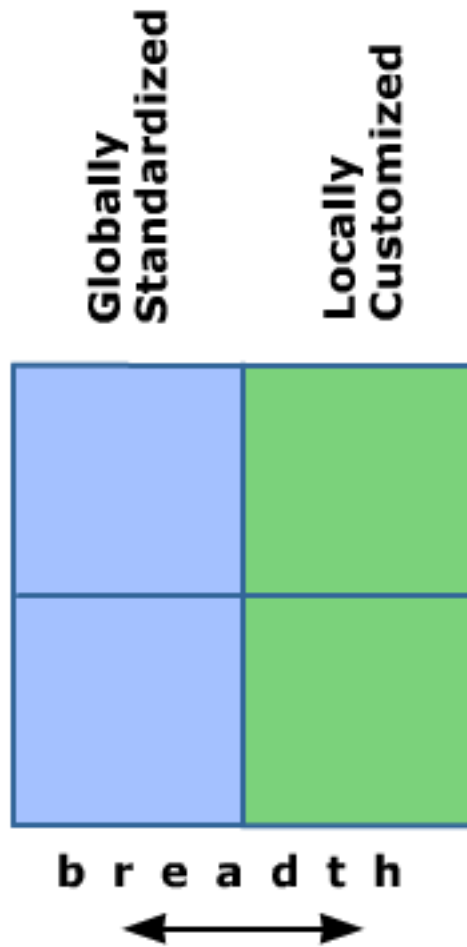


Figure 4: A Proposed Research Domain for Global Performance Management

