ADDRESSING THE LACK OF EMPIRICAL DATA ON GLOBAL PERFORMANCE MANAGEMENT: DEVELOPING A RESEARCH STRATEGY AND ASSESSING INITIAL EMPIRICAL EVIDENCE

RESEARCH NOTE

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Global performance management (GPM) has recently become a major topic in international human resource management research (Briscoe & Claus, 2008a, 2008b; Caligiuri, 2006; Cascio 2006; Dowling, Festing & Engle, 2008; Engle, Festing and Dowling, 2008b; Varma, Budhwar & DeNisi, 2008). The extant literature has developed various advanced frameworks for conceptualizing global performance management in the international corporate context (for a literature review see Briscoe & Claus, 2006, 2008b).

Claus (2008) conceptualizes performance management in the global and organizational context. She characterizes the performance management process according to the five following criteria: Purpose of GPM (why), performance criteria (what), method of evaluation and instrument (how), frequency of evaluation (how often), choice of evaluators (who). These GPM process choices are subject to moderating influence during the implementation process and leads to outcomes such as fit, alignment, effectiveness, organizational justice, performance outcomes and rewards. Murphy & DeNisi (2008) differentiate various criteria for describing GPM systems. They focus on five groups of factors: distal, proximal, intervening, judgment and distortion factors. In the context of these factors various norms, strategy and firm performance, legal systems, technology and the acceptance of the appraisal system are thought to critical contingencies and outcomes. Engle, Dowling and Festing (2008b) organize their model around input, process and output factors in global performance management. They suggest a further differentiation between implicit and explicit, subjective and objective dimensions as well as standardization and localization as useful in facilitating the development of an effective framework for GPM research. While each of these models uses a very different wording, they nevertheless address many similar dimensions.

Despite the existing various conceptual and theoretical frameworks, the empirical evidence is still in its infancy (Claus 2008; Engle, Dowling & Festing, 2008b). Reasons for this lack of empirical data are obvious. Investigating the complex environment of global performance management systems requires a single researcher to: 1) master many languages, 2) critically comprehend definitions and factors of performance as defined across a wide range of firms, industries and technologies, as well as 3) have an in-depth knowledge about the different institutional and cultural environments. An effective strategy for research must be able to cope with these challenges.

A first logical step in an effective research process would be to ensure the equivalence of the samples to be compared (Tsui, Nidfdakar & Ou, 2007). This step would be positively supported by developing and maintaining a long term network of cross-national researchers (Baghat & McQuaid, 1982; Tsui et al., 2007). Concurrently, a series of in-depth, single country studies would allow for a better understanding of the performance management system in this specific environment and could deliver invaluable empirical data for advancing our knowledge in this field (Tsui et al., 2007; Barzantny & Festing, 2008; Festing & Barzantny, 2008). By pursuing these two strategies in tandem, researchers will be able to build a detailed mosaic of local (national or regional) practices and yet be able to integrate findings in order to uncover patterns of practices and issues useful in understanding cross cultural GPM and provide insights as to how these processes may impact the operations of multinational enterprises (MNE).

Another important issue in the empirical research process issue is the operationalization of the key variables. This problematic process may gain from an
assessment of the variables outlined in the above-mentioned GPM frameworks presented by Claus (2008) or Murphy & DeNisi (2008). Those factors relevant for analyzing the context in international research (Kostova, 1999) such as culture and institutions should be conceptualized in a way to ensure equivalence across corporate units and country borders and thus to ensure construct validity (Tsui, 2007). For example, it remains to be determined as to whether context serves as an independent variable, or whether it moderates effects between other variables within the performance management system. Researchers must clarify whether investigations are carried out comparing countries or cultures and that the same names are used for the same constructs.

It is the objective of our work to draw detailed implications for the empirical research on global performance management based on the challenges outlined in cross-national and cross-cultural research methodology. We aim at deepening our knowledge for investigating global performance management using the interplay between the above-mentioned frameworks and secondary data from case studies on global performance management systems in European MNCs.

This work is currently in progress. One research team is actively involved in applying a preliminary strategy of testing instrumentation related to performance inputs, processes and outputs, explicit, subjective and objective dimensions as well as standardization and localization in a manner that is robust enough to apply across a number of cultural and institutional settings (Engle, Festing and Dowling, 2008a). The long term goal is to contribute to IHRM research by improving the methodological way of empirical data collection and by providing data to validating global performance management.

References


