GLOBAL PERFORMANCE MANAGEMENT
IN THE MULTINATIONAL ENTERPRISE


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<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>BRICS</td>
<td>Brazil, Russia, India, China and South Africa (today’s leading emerging economies)</td>
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<td>Ed.</td>
<td>Editor</td>
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<tr>
<td>Eds.</td>
<td>Editors</td>
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<tr>
<td>e.g.</td>
<td>Exempli gratia (for example)</td>
</tr>
<tr>
<td>et al.</td>
<td>Et alii (and others)</td>
</tr>
<tr>
<td>GLOBE</td>
<td>Global Leadership and Organizational Behavior Effectiveness Program</td>
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<tr>
<td>GPM</td>
<td>Global performance management</td>
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<tr>
<td>HR</td>
<td>Human resources</td>
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<tr>
<td>HRM</td>
<td>Human resources management</td>
</tr>
<tr>
<td>Hrsg.</td>
<td>Herausgeber (Editor/s)</td>
</tr>
<tr>
<td>i.e.</td>
<td>Id est (that is)</td>
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<tr>
<td>ILO</td>
<td>International Labour Organization</td>
</tr>
<tr>
<td>MANOVA</td>
<td>Multivariate of variance</td>
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<tr>
<td>MNC(s)</td>
<td>Multinational corporation(s)</td>
</tr>
<tr>
<td>MNE(s)</td>
<td>Multinational enterprise(s)</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>p./pp.</td>
<td>Page/s</td>
</tr>
<tr>
<td>PM</td>
<td>Performance management</td>
</tr>
<tr>
<td>SD</td>
<td>Standard deviation</td>
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<td>Vol.</td>
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1 INTRODUCTION

Multinational enterprises (MNEs) play a crucial role in today’s globalized economy, and “These large, global firms dominate the world business setting because they have the capacity to do business across a wide variety of settings” (DeNisi, Varma, & Budhwar, 2008, p. 225). Moreover, MNEs employ large parts of the global workforce and therefore face challenges as a result of transferring human resource management (HRM) systems (Budhwar & Sparrow, 2002; Festing, Dowling, Weber, & Engle, 2011). “One of the key HRM issues facing contemporary organizations” (Boselie, Farndale, & Paauwe, 2012, p. 369) is performance management (PM). Described as “an extension of performance appraisal” (Lindholm, 2000, p. 45), PM links individual objectives to the corporate strategy by defining standards and goals and by applying certain consequences (e.g. rewards, development, etc.) to the evaluation of work (Cascio, 2012a; Fletcher, 2001). Consequently, PM is highly relevant for both the organization and the individual, in that the organization needs PM to ensure the realization of its business strategy, while for employees it determines the distribution of organizational resources and career developments (Alimo-Metcalfe, 1993; Evans, Pucik, & Björkman, 2011).

While the expression ‘PM’ names the management practice itself, the term ‘global performance management’ (GPM) covers this practice in the international context of MNEs and their required decision about standardization and adaptation of the practice (Engle, Dowling, & Festing, 2008; Vance, 2006). As being part of international HRM the targets of GPM research correspond to those in international HRM. These are the identification of country-specific peculiarities, the comparison and explanation of them in the context of respective cultural and institutional influences, and implications for internationally operating organizations (see e.g. Festing et al., 2011). Due to the complexity of different national contexts, global competition, and the broad diversity of the global workforce, GPM is a highly relevant but challenging research field, and Cascio (2012a) emphasizes that “there is much to learn in this evolving area, and it promises to challenge researchers for years to come” (2012a, p. 2). However, in 2008, Varma, Budhwar and De Nisi observed “the absence of reliable literature” (p. 3) concerning GPM. In recent years, though still in its infancy, the terrain of GPM has been charted by several scholars (e.g. Bailey & Fletcher, 2002; Björkman, Barner-Rasmussen, Ehrnrooth, & Mäkelä, 2009; Cascio, 2012a; Claus & Briscoe, 2008; Claus & Hand, 2009; Engle et al., 2008; McKenna, Richardson, & Manroop, 2011). However, empirical investigations based on a systematic conceptualization are still scarce, and the body of literature covering GPM has a patchwork character, referring to different concepts and delivering diverse country-specific data concerning single PM elements (Cascio, 2012a; Engle et al., 2008).
As McKenna et al. (2011) add, most contributions to PM research focus on the managerial and functionalist paradigm and neglect employees’ perspectives, though the workforce’s dissatisfaction with PM and the gap between applied practices and employees’ preferences have been reported previously (e.g. Pulakos, 2009; Von Glinow, Drost, & Teagarden, 2002). The consideration of employees’ preferences is of particular importance in today’s diverse organizations, where the neglect of various needs and values in PM risks discrimination against minorities (Kamenou & Fearful, 2006). Strong support in identifying and emphasizing the need for more research on the variety of perspectives and preferences comes from authors investigating the discriminatory impact of PM practices on women (Alimo-Metcalfe, 1993; Hind & Baruch, 1997). Though women are still highly underrepresented in senior management positions (OECD, 2008; Terjesen & Singh, 2008) and PM systems influence their careers (Alimo-Metcalfe, 1993), research on the discriminatory impact of PM on women is extremely understated.

Targeting these research gaps, the present thesis focuses on the challenges of balancing the standardized solutions and diverse preferences of GPM in MNEs, not only on the country level but also on the level of individual differences and preferences. In four manuscripts, which build the core of this thesis, data on practices and preferences in PM from one MNE’s subsidiaries in China, the USA, and Germany (as well as South Africa and France) are analyzed with respect to the participants’ location and gender. It is important to note here that balancing GPM in the MNE is the focus and starting point of this work, and consequently we have chosen an MNE to act as our sample. However, we approach this topic by analyzing country-specific characteristics, global best practices, and employees’ preferences in PM. Hence, we use the term ‘GPM’ when the international context and the tension between standardization and adaptation is emphasized, while we refer to the unspecified term ‘PM’ in all other cases.1

This thesis seeks to enrich current debates in the international HRM literature by integrating dominant and critical perspectives, cultural and institutional perspectives, and the concepts of divergence and convergence. It contributes further to the growing body of literature on GPM in MNEs by presenting an encompassing literature review on country-specific characteristics on the one hand and a literature-based overview of so-called ‘best practices’ in PM on the other. Furthermore, it delivers a conceptualization of GPM as well as a questionnaire to investigate and compare practices and preferences in this area. This methodological tool allows for the inclusion of employees’ voices in researching PM and designing or evaluating PM systems in practice. Moreover, initial empirical findings on PM practices and preferences in China, Germany, the USA (and South Africa) are provided, and gender-specific preferences in

1 The first manuscript has already been published, so this differentiation cannot be applied there.
PM across five countries (China, Germany, the USA, South Africa, and France) are presented. By including South Africa and China on the one hand and Germany and the USA on the other, we further aim to contribute to the very limited empirical knowledge on GPM in the leading emerging economies, i.e. BRICS (Brazil, Russia, India, China, and South Africa) countries as compared to so-called developed countries (see e.g. Cassiolato & Martins Lastres, 2009).

In order to cover these goals and contributions, each of the four manuscripts follows a particular research focus. While the first seeks a conceptualization of GPM and country-specific profiles for China, Germany, and the USA, the second investigates these propositions empirically. The third manuscript contrasts employees’ preferences from China, Germany, South Africa, and the USA with literature-based PM ‘best practices’, and it also questions the global applicability of the latter. The research question of the fourth paper targets the discriminatory impact of PM and asks if there are gender-specific preferences in GPM.

In the next section an overview of the research traditions, paradigms, and central theses in GPM research will be provided, followed by the differentiation and definition of the PM concept. Next, the theoretical perspectives on GPM in MNEs, reflected by the four manuscripts, are presented on a deeper level than the lengths of the respective papers allow. Based on this, an overview of the four manuscripts will be given, summarizing the respective theoretical perspectives, addressed questions, and contributions, together with their publication status. The methodological approach and common research design underlying the three empirical manuscripts will be explained thereafter. Again, the aspects mentioned here complete the methodological sections of each manuscript by providing background information, connective challenges, and arguments. After presenting the four manuscripts, the conclusion will summarize the results and will seek to leave the reader with an idea of the encompassing contribution of this thesis. In line with this summary, the limitations and implications of this work, as well as perspectives for future research, will be discussed.
Global performance management in the MNE                                               Structuring the field of GPM research

2 STRUCTURING THE FIELD OF GPM RESEARCH

In accordance with the traditions of international HRM research (Brewster, Sparrow, Vernon, & Houldsworth, 2011; Festing et al., 2011; Pinnington & Harzing, 2011), the three dominant fields in GPM research can be traced back to cross-cultural management (e.g. Cascio, 2012a; Varma, Budhwar, & DeNisi, 2008), comparative management (e.g. Boselie et al., 2012; Zhou & Martocchio, 2001), and international management (e.g. Engle et al., 2008; Vance, 2006). While the field of cross-cultural management deals primarily with country-specific cultures and their influence on management practices (e.g. Hofstede, 1980; House, Hanges, Javidan, Dorfman, & Gupta, 2004), comparative management perspectives adopt mainly institutional approaches, such as neo-institutionalism (e.g. DiMaggio & Powell, 1991; Meyer & Rowan, 1991), the varieties of capitalism approach (e.g. Hall & Soskice, 2001), or the business system approach (e.g. Whitley, 1992b), to explain differences and similarities between countries with respect to management policies and practices. The third dominant research tradition, international management perspectives, applies an organizational focus to investigate how organizations manage their human resources globally (e.g. Bartlett & Ghoshal, 1991). Most practical challenges and questions, for which these three research fields seek a response, require more than one perspective to be answered, as these research fields are highly connected and interrelated (Festing et al., 2011). This thesis further integrates a fourth research tradition, namely the critical perspective on PM (e.g. McKenna et al., 2011). Scholars applying critical perspectives emphasize, for example, the need to consider the variety of perspectives of today’s diverse workforce, in order to avoid discrimination against minorities when investigating or implementing (international) HRM practices (e.g. Kamenou & Fearful, 2006; Metcalfe & Woodhams, 2012).

Within each research field an important differentiation goes back to the research paradigm that is applied: The universalist versus the contextualist paradigms. The contextualist paradigm assumes that HRM practices are contextually unique, and it seeks to understand peculiarities of countries as well as the differences and similarities between them. On the contrary, the universalist paradigm aims to improve organizations’ HRM by providing strategic approaches, or so-called ‘best practices’, which are assumed to be universally applicable (Brewster, 1999a). The gap between these two paradigms is emphasized by Brewster et al. (2011): “Universalism and contextualism are paradigms – that is, they are taken-for-granted truths that the proponents of each simply assume must be correct. The fact that there are people who hold fast to each paradigm indicates that they are intellectual constructs capable of being challenged, but for the
proponents of each one, they are ‘obviously’ correct and ‘the only’ way to think about management science and HRM” (p. 72).

The contextualist and universalist paradigms are related to a central debate in GPM research, namely the divergence convergence debate (e.g. Claus & Briscoe, 2008; DeNisi et al., 2008). The contextualist paradigm is associated with the concept of convergence, which is defined as the adaptation of priorities and patterns of management practices across countries as a result of increasing global competition (Festing, 2012; Pudelko & Harzing, 2007). The theoretical approaches offered to explain the idea of convergence are the market-driven perspective and the neo-institutionalist perspective. The market-driven perspective emphasizes the need to find the most effective and most efficient solution in today’s global and highly competitive market, often referring to US-based benchmarks (e.g. Huselid, 1995; Tichy, 1982), whereas the neo-institutionalist perspective assumes a global diffusion of US-shaped practices caused by the dominant role of the USA in the global economy (e.g. DiMaggio & Powell, 1991; Smith & Meiksins, 1995). Conversely, divergence is related to the contextualist paradigm and describes differences in management practices that remain stable over time because of constant country-specific influences (Pudelko, 2006; Pudelko & Harzing, 2007). The theoretical frameworks presented to explain the idea of divergence are cultural perspectives (e.g. House et al., 2004) as well as institutional approaches explaining national differences (Whitley, 1992b).

The debate about convergence and divergence also corresponds to another important discussion in GPM research: The debate about standardization and localization, which is “the oldest debate in the literature on MNCs [Multinational Corporations]” (Pudelko & Harzing, 2007, p. 538). While standardized solutions in GPM practices promise comparable results and a consistent corporate culture, local conditions might require some form of adaptation (Dowling, Festing, & Engle, 2013; Wöcke, Bendixen, & Rijamampianina, 2007). According to Pudelko and Harzing (2007), the strategic challenges of localization and standardization take place on the organizational level, whereas the corresponding phenomena of divergence and convergence can be observed on a contextual level, where similarities and differences in HRM practices occur across countries. Hence, when following the idea of divergence, localization approaches are recommended, whereas “if more credence is attached to the convergence concept, MNCs should strive to standardize their practices throughout the organization” (Pudelko & Harzing, 2007, p. 540). Although the discussion about standardization and localization has its roots in the tradition of international management, the organizational perspective is often amended by the other two research fields (cross-cultural and comparative management) when this decision and its drivers are analyzed (e.g. Farndale & Paauwe, 2007).
An integrative alternative to the convergence and divergence concepts is the idea of crossvergence (for crossvergence in GPM, see e.g. Claus & Briscoe, 2008; Vance, 2006; Varma et al., 2008), which assumes that individual work values are shaped by both national influences and economic ideology, so that new and unique practices and policies emerge (Ralston, Holt, Terpstra, & Yu, 1997). The concept of crossvergence emphasizes transnational learning and flexibility and corresponds to the organizational level as well, in the form of the balance and integration of global standards and local peculiarities (Ralston et al., 1997).

Since it integrates the different theoretical perspectives and offers the alternative concept of crossvergence, the divergence convergence debate is used as a classification criterion when presenting the literature on GPM throughout the first sections of this thesis. Table 1 provides an overview of the convergence divergence debate and its related concepts and approaches.

Table 1. Overview of the convergence divergence debate

<table>
<thead>
<tr>
<th></th>
<th>Divergence</th>
<th>Convergence</th>
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<tr>
<td><strong>Definition</strong></td>
<td>= Context-specific influences lead to different country-specific priorities and patterns of practices</td>
<td>= Global competition and diffusion lead to an adaptation of priorities and patterns of practices</td>
</tr>
<tr>
<td><strong>Paradigm</strong></td>
<td>Mainly contextualistic</td>
<td>Mainly universalistic</td>
</tr>
<tr>
<td><strong>Applied theoretical perspectives</strong></td>
<td>1. Cultural perspective: country-specific culture shapes practices and preferences</td>
<td>1. Market-driven: global competition requires the most effective and efficient solutions</td>
</tr>
<tr>
<td><strong>Influencing factors</strong></td>
<td>Stable institutional and cultural influences</td>
<td>Increasing globalization and growing worldwide competition</td>
</tr>
<tr>
<td><strong>Direction of development</strong></td>
<td>Static</td>
<td>Similar or confluent</td>
</tr>
<tr>
<td><strong>Final endpoint of development</strong></td>
<td>Country-specific management practices</td>
<td>Global 'best practices'</td>
</tr>
<tr>
<td><strong>Normative implication on the organizational level</strong></td>
<td>Localization</td>
<td>Standardization</td>
</tr>
</tbody>
</table>

Source: Adapted from Brewster et al. (2011); Mayrhofer and Brewster (2005), Festing (2012); Pudelko and Harzing (2007).

The four manuscripts that make up the core of this thesis reflect this complex terrain and refer to related traditions, paradigms, and debates. The first and the second papers apply the contextualist paradigm to analyze divergence, i.e. the local characteristics of PM from cultural
and institutional perspectives. The third manuscript targets the universalist paradigm and the idea of convergence from a critical perspective, and the fourth contribution deepens this critical view on standardized solutions, targeting the discriminatory impact of PM on women.

In order to derive an unambiguous definition of the concept, PM is differentiated and defined in the following. Subsequently, we provide an overview of the various influences on GPM in the context of MNEs.
3 DIFFERENTIATION AND DEFINITION OF PERFORMANCE MANAGEMENT

The overall objective of a PM system is to improve the performance of a company, business unit, or individual employee. The link with the company’s strategy and objectives is one fundamental principle of the system, as well as the continuity and the cyclical nature of the PM process (Aguinis, 2013; Armstrong, 2009). Therefore, PM is defined as a spiral process in which performance will be evaluated and improved continuously, based on clearly defined criteria that are aligned to the business strategy (Festing et al., 2011).

However, the application on different levels (e.g. the individual versus the department level) makes the definition of PM dependent on the respective context. For example, on the company level, corporate PM systems target the performance of the entire organization and make use of instruments mostly summarized and known as ‘performance measurement’ or ‘corporate performance management’ (Möller, 2010; Strohmeier, 2008), which refer to the development and application of indicators of different corporate performance dimensions, such as cost, time, quality, innovation, and customer satisfaction, to assess the effectiveness and efficiency of performance and the performance potential of different objects in the enterprise (Möller, 2010). One example that includes several dimensions is the concept of the Balanced Scorecard (Gleich, 2011), which was developed by Kaplan and Norton (1992). Sharing the aim of transferring the company’s strategy on individual objectives, the Balanced Scorecard facilitates the setting, documentation’ and assessment of various key figures. This includes not only financial measures’ but also customers’ perspectives, business processes, and learning measures. HR activities might be considered here within the assessment of the innovative dimension of a company, as for example in terms of organizational learning, commitment, and competencies of employees (De Waal, 2007). However, HR measures in general and PM in particular are not included explicitly in the concept, which is criticized as its central weakness (e.g. by Evans et al., 2011).

Even with a focus on HRM, the concept of PM is applied and defined on different levels. Thus, Claus and Hand (2009) identify three groups of definitions. While the first refers mainly to the core process of performance appraisal, the second group of definitions describes the impact of HR activities on the total performance of the company. The third bundle of definitions, also labeled ‘employee performance management’, covers “individual employee performance linked to the overall strategic goals of the organization” (Claus & Hand, 2009, p. 238) and is also applied in this thesis. In the tradition of this definition, several other scholars (e.g. Aguinis, 2013; Boselie et al., 2012; Cascio, 2012a; Engle et al., 2008; Evans et al., 2011; Festing et al., 2011; Lindholm, 2000; Varma et al., 2008) have formulated similar
conceptualizations, in which the central role of performance appraisal, correspondence between organizational and individual objectives, and the link to consequences as training or career decisions are emphasized. In summary, as Björkman (2002) states, PM systems are “the most sophisticated forms of performance appraisal systems, where the personal objectives of the appraisee are agreed upon, and the outcomes of appraisal are linked to training and development (and sometimes also to financial bonuses)” (Björkman, 2002, p. 45). Therefore, PM can be categorized into performance evaluation criteria (which emerge on the basis of individual objectives), the appraisal itself (characterized by various actors’ roles and different appraisal methods), and the follow-up (shaped by feedback as well as by certain interventions and purposes within the system). At the same time, the latter delivers the starting point for the subsequent cycle. When implementing these PM elements in the global context of today’s MNEs, several challenges arise that need to be addressed by a GPM system (Cascio, 2012a; Claus & Briscoe, 2008; Engle et al., 2008). These issues are analyzed in the following.
4 THEORETICAL PERSPECTIVES ON GLOBAL PERFORMANCE MANAGEMENT IN THE MULTINATIONAL ENTERPRISE

This section provides the conceptual foundations and theoretical perspectives applied in the four manuscripts of this thesis. As mentioned above, the divergence convergence debate is used as the classification criterion when theoretical explanations and approaches concerning the influences of GPM in MNEs are described. Next, the critical perspectives of GPM in MNEs are described, and finally, we present the questions addressed and perspectives applied by this thesis.

As stated in the introduction, the conceptualization and application of PM in the international context of MNEs is referred to as ‘GPM’ and underlies different national contexts, global competition, and a broad diversity of the global workforce. Steering GPM between these various influences is, for many scholars, one of the most important and challenging aspects of HRM. For example, Vance states that “perhaps more than any other human resource activity, performance management resides at the focal point of this duality challenge and convergence/divergence dynamic tension, since it represents the enactment of upstream company strategy and the downstream local, individual level” (Vance, 2006, p. 38). While organizational factors, e.g. organizational culture or a chosen strategy, might require certain measures, external factors (country-specific institutional and cultural influences) might hinder their company-wide transfer or demand other actions (Evans et al., 2011). At the same time, global competition provokes the search for the most efficient and effective solutions, which are promised by ‘best practices’ and globally applicable guidelines (Brewster et al., 2011; Pudelko & Mendenhall, 2009). Figure 1 presents the various influences on the cyclic process of GPM in MNEs.
In the following, each of these contexts and its influences on GPM is described in more detail, with special attention given to the theoretical explanations behind the convergence divergence debate. Moreover, attempts to combine these influences within the concept of crossvergence are explained.

4.1 The influences of the organizational context of PM

Although organizational factors (the inner level of influences in Figure 1) are not the focus of the present thesis, their effects should be mentioned here briefly. Referring to organizational influences, some authors discuss the assumption of company-specific patterns of HRM in general and of PM in particular. With respect to HRM in general, organizational culture (e.g. Gerhart, 2008) or the strategic role of the HRM (e.g. Wächtler & Müller-Camen, 2002), for example, are discussed to shape respective practices, while reports on their effect on PM in particular are very limited (a recent exception is Haines III & St-Onge, 2012). Other scholars analyze the influence of organization size on PM as being part of HRM (e.g. Aycan, 2005; Fee, McGrath-Champ, & Yang, 2011; Shaw, Tang, Fisher, & Kirkbride, 1993). For example, Aycan (2005) assumes that in small firms, feedback might be less formal and periodical than in large corporations. With particular relevance to GPM, another argument within the analyses of organizational influences is the country of origin – that is, the country in which company
headquarters are based (Björkman et al., 2009; Edwards, Colling, & Ferner, 2007; Pudelko & Harzing, 2007). As the so-called ‘country-of-origin effect’ describes the adaptation of subsidiaries’ practices towards the headquarters’ practices, it can also be deemed a form of convergence within MNEs (Pudelko & Harzing, 2007). In this tradition some scholars focus on the transfer of PM practices from MNEs’ headquarters to their subsidiaries (e.g. Björkman et al., 2009). However, as Björkman et al. (2009) point out, subsidiaries asked by headquarters to implement specific PM systems may react through different levels of implementation or the internalization of the requested system. Obstacles to the transfer can be explained by the middle level of influences in Figure 1, i.e. by the contextual peculiarities that require certain adaptations towards the local context. These peculiarities and influences on GPM are described in the following subsection.

4.2 Influences of diverse local contexts and the divergence of GPM

Several scholars have identified the localization requirements for various elements of the GPM system (e.g. Amba-Rao, Petrick, Gupta, & Von der Embse, 2000; Bailey & Fletcher, 2008; Festing & Barzantny, 2008; Fey, Morgulis-Yakushev, Hyeon Jeong, & Björkman, 2009; Horwitz et al., 2006; Lindholm, 2000; Paik, Vance, & Stage, 2000). The majority of these efforts analyzing country-specific peculiarities in PM follow the contextualist paradigm and the idea of divergence, though they rarely include the process-perspective, as the term ‘diverge’ might indicate, but assume stable contextual influences that result in stable, context-specific PM patterns (Pudelko, 2006). The stability of the approaches assuming divergence goes back to their theoretical fundamentals, which are seen in the cultural perspective on the one hand and in the business systems approach on the other. Both theoretical streams, which suppose no or only slight changes to contextual influences, are described in the following.

4.2.1 GPM from the cultural perspective

In this perspective, stable patterns of management practices are shaped by culture, which is defined as the “software of the mind” (Hofstede, 1991, p. 4) shared by people belonging to the same societal group or nationality. Hence, culture becomes manifest through individual behavior formed precisely by this software and respectively by values and attitudes (Adler & Gundersen, 2008). Regarding these conceptualizations of culture, several scholars have compared different cultures and their management practices by contrasting people’s values and practices (Hofstede, 1980; House et al., 2004). Hofstede was the first to posit cultural-dependent
value differences in dimensions such as power distance, that is, “the degree to which the less powerful members of a society accept and expect that power is distributed unequally” (Hofstede, 2013), or individualism versus collectivism, which can be described as the extent of integration in groups (families or organizations) in a society. When investigating the influence of these dimensions on GPM, stable context-specific differences are described. For example, Cascio (2012a) supposes that self-appraisals are applied more frequently in individualistic cultures compared to collectivistic societies. Moreover, he assumes that if these cultural premises are neglected, the validity of the respective measure is affected negatively. Hence, Cascio (2012a) expects the validity of self-appraisals to be lower in collectivistic rather than individualistic cultures. However, demonstrating the danger of clustering countries, and emphasizing the need for cultural sensitivity, Paik et al. (2000) tested the supposed cluster homogeneity for performance appraisals in Indonesia, Malaysia, the Philippines, and Thailand and revealed significant differences in managerial practices related to performance appraisal. The authors concluded that “MNE managers should carefully design the appropriate performance appraisal system for foreign operations, even in a region where countries are generally considered to be culturally similar” (Paik et al., 2000, p. 747).

4.2.2 GPM from the business systems perspective

The other theoretical approach, followed by the contextualist school and supporting the idea of divergence, is the business systems approach, in which business systems are defined as “particular arrangements of hierarchy-market relations which become institutionalized and relatively successful in particular contexts” (Whitley, 1992b, p. 6). Whitley assumes that the characteristics of firms and management practices vary, due to the country-specific institutional framework in which the business is located and working, namely proximate institutions such as “[...] political, financial and labour systems” (Whitley, 1992a, p. 269), as well as background institutions such as trust, loyalty, or the educational system. Historically shaped national institutional frameworks and their tight link to the respective business system lead to a reproduction of management practices within the respective context (Tempel & Walgenbach, 2007).

In this tradition, several scholars have identified the influence of legal aspects as crucial for country-specific variance in PM systems (e.g. Aycan, Al-Hamadi, Davis, & Budhwar, 2007; Milliman, Nason, Zhu, & De Cieri, 2002; Pulakos, Mueller-Hanson, & O’Leary, 2007). For example, Milliman, Nason, et al. (2002) discuss the high relevance of documentation purposes in US-American PM as the “justification for administrative and termination decisions, should they
be challenged later in court” (Milliman, Nason, et al., 2002, p. 89). Furthermore, due to their high relevance to business investments, institutional challenges on GPM have been discussed, especially with regard to transfers to developing countries and emerging markets (Amba-Rao et al., 2000; Leat & El-Kot, 2007; Mamman, Akuratiyagamage, & Rees, 2006; Mamman, Baydoun, & Adeoye, 2009; Mendonca & Kanungo, 1996). For example, in the case of Nigeria, “the industrial and HRM system of the country is largely influenced by its British colonial history” (Mamman et al., 2009, p. 5), while at the same time the fully-liberalized economy and the possibility of 100% foreign-owned direct investments correspond to a growing transfer of HRM practices – and consequently the pursuit of PM systems by company headquarters.

4.2.3 Integrating the cultural perspective and the business systems approach

Based on these theoretical foundations, both the cultural and the institutional perspective allow for structured analysis of the context and its influence on GPM. However, “some people argue that it is unnecessary to look into issues that are so amorphous and difficult to explore as ‘culture’ because there are very obvious and visible institutional differences which explain most of the variance” (Brewster et al., 2011, p. 77). Indeed, institutional influences appear easier to measure and to compare than cultural influences, because the latter targets people’s values that are partly unconscious (Adler & Gundersen, 2008; Schein, 2004). Nevertheless, even the business system approach includes cultural conditions. In particular, background institutions (trust, loyalty, and the education system) are necessarily influenced by culture, thus explaining why Whitley occasionally argues for the cultural dimensions formulated by Hofstede (Whitley, 1992b). This emphasizes that cultural and institutional influences are often hard to differentiate, and since both shape the diverse local contexts of management practices in general and GPM in particular, we refer to Kostova and Roth (2002), who state that “it might be beneficial not to limit research to any one particular approach but to incorporate both issue-specific institutional effects and cultural effects” (p. 231).

An example of this integration is provided by Festing and Barzantny (2008), who compare the French and German institutional as well as cultural environments and their impact on PM. The authors identify legal institutions as well as cultural peculiarities as the main influences in the work setting. For instance, the authors state that in Germany the co-determination right of work councils “has a strong influence on the emergence of performance management systems, while in France legal aspects play only a minor role” (Festing & Barzantny, 2008, p. 220). At the same time, they identify the high power distance in France to influence PM by the prevailing elite system that manifests itself in more favorable expectations and, consequently, more
positive appraisals for individuals with more prestigious backgrounds (in terms of social class). The integration of both explanations allows for a broader picture when analyzing country-specific management practices and preferences, whereas at the same time the sometimes eclectic argumentation has to be acknowledged. However, other scholars add the influences of global competition to the discussion about divergence and convergence in GPM, which are described in the next section.

4.3 The influences of global competition and the convergence of GPM

Besides the adaptation towards headquarters or the local context, subsidiaries are also affected by global competition and consequently might adapt to what is seen as globally most effective and efficient (the outer level of influences in Figure 1). “In this case, management practices of subsidiaries are shaped in accordance to neither the host country (localization) nor the home country (country-of-origin effect), but according to the country that sets the standards for what are perceived as global best practices” (Pudelko & Harzing, 2007, p. 538). This adaptation leads to standardization not only within MNEs but also between companies, so that practices converge on a global level. Contrary to the divergence concept, which assumes stable differences, the process perspective is a crucial aspect of convergence research, because of the assumed developments towards similar or even identical practices (Brewster et al., 2011). Since long-term studies are highly expensive and costly, some scholars identify converging trends in PM by comparing practices with expectations or tendencies, measured at one point in time (e.g. Von Glinow et al., 2002). Other researchers provide data from an actual process perspective, albeit with a focus on European countries (e.g. Boselie et al., 2012). The theoretical foundations of the convergence thesis are seen either in the market-driven perspective or in the neo-institutional perspective (Mayrhofer & Brewster, 2005).

4.3.1 GPM from the market-driven perspective

From a market-driven perspective the process of globalization is seen as the major reason for a convergence of management processes (Mayrhofer, Brewster, Morley, & Ledolter, 2011). ‘Globalization’ refers to “the processes of unification that have taken place in markets and consumer tastes, an increasingly mobile investor capital, and the rapid spread of technology” (Brewster & Mayrhofer, 2011, p. 51). In this highly competitive field, rational-choice, cost efficiency, and productivity are crucial for companies’ survival. Hence, the market-driven perspective regards these principles as the main explanations for human and organizational
behavior (Festing, 2012; Mayrhofer & Brewster, 2005), thus leading to the worldwide dominance of capitalism (Giddens, 1993) and deregulated markets (Mayrhofer & Brewster, 2005). The worldwide emergent orientation towards the capitalist economic system – and the example of the rising Chinese economy in particular – support this view (for contrary and controversially debated perspectives, see Fukuyama, 1992; Klein, 2007). As Ralston (2008) sums up, “Given the time period of the development of the convergence concept, this perspective also implies a convergence to Western capitalism” (p. 4).

One example for the most efficient and effective solutions promised in the HRM literature is the concept of strategic HRM, which is defined by its proponents as “the pattern of planned human resource deployments and activities intended to enable a firm to achieve its goals” (Wright & McMahan, 1992, p. 298). As one implication of strategic HRM, so-called ‘High Performance Work Systems’ promise universal applicability and performance improvement (e.g. Huselid, 1995; Kling, 1995). In this tradition, performance-related pay and information transparency are examples of PM-related best practices (Pfeffer, 1994). The authors of the Best International HRM Practices Project (Geringer, Frayne, & Milliman, 2002; Milliman, Nason, et al., 2002; Von Glinow et al., 2002) take a somewhat different approach and ask employees for their preferences in HRM (and PM, respectively), in order to establish universally embraced ethics. Challenging comparative research and the cultural perspective, they find convergence in Asian and North American countries with respect to developmental purposes in PM. Von Glinow et al. (2002) state that “recognizing subordinates, evaluating their goal achievement, planning their development activities, and (ways to) improving their performance are considered the most important appraisal practices for the future” (p. 134). These results argue for a potential standardization of GPM practices.

4.3.2 GPM from the neo-institutional perspective

Contrary to the assumption of rational choice by the market-driven perspective, the neo-institutional perspective assumes that institutionalized rules and external expectations form organizations and their processes. “Many of the positions, policies, programs, and procedures of modern organizations are enforced by public opinion, by the views of important constituents, by knowledge legitimated through the educational system, by social prestige, by the laws” (Meyer & Rowan, 1991, p. 41). However, contrary to the business system approach which the concept of divergence applies, neo-institutionalism postulates a homogenization of the institutional environment across national borders and therefore feeds the convergence idea (Geppert, Mattern, & Schmidt, 2004). Both the business system approach and the neo-
institutional approach view organizations as social actors and paint a passive portrait of organizations, since they adapt to their institutional environment. However, the business system approach concerns structural-regulative institutions that are influenced by state actions (e.g. legal institutions as described in chapter 4.2.2), while neo-institutionalism refers to normative and cognitive institutions, i.e. assumptions and patterns of thought that are taken for granted and diffuse globally (Tempel & Walgenbach, 2007). Within neo-institutionalism the mechanism of adaptation is called ‘isomorphism’ and can be motivated by three different motives: external pressure to conform by more powerful organizations (coercive isomorphism), imitation by choice (mimetic isomorphism), and professionals’ similar orientations and standards (normative isomorphism) (e.g. DiMaggio & Powell, 1991).

Most empirical studies applying neo-institutionalism focus on MNEs and the US-American context, while the business system approach also suits the study of local organizations, though interest in MNEs as the object of study is increasing here as well (Geppert et al., 2004). With respect to neo-institutionalism an often cited example of global homogenization is the worldwide application of quality management norms by the ISO 9000 standards (Geppert et al., 2004; Walgenbach, 2006). Regarding PM, some scholars identify traditionally Western standards by comparing the practices of companies in the West with those operating in other countries and regions. For example, when comparing Chinese and Western HRM practices, Björkman (2002) assumes the Western evaluation criteria more likely to be driven by result orientation and specific task objectives, while he also proposes these very criteria will be adopted step by step by Chinese firms due to mimetic and normative behavior (for a similar comparison with the region Israel, Palestine, Syria, Jordan, and Lebanon, see Giangreco, Carugati, Pilati, & Sebastiano, 2010; with Japan, see Shadur, Rodwell, & Bamber, 1995; for another comparison with China, see Shen, 2004). These studies emphasize the diffusion of Western principles and show that these principles correspond to what the best practices literature tells us.

4.3.3 Integrating the market-driven and the neo-institutional perspective

Both approaches upon which the idea of convergence relies – the market-oriented as well as the neo-institutional perspective – assume so-called best practices to be the (actual or perceived) ‘one best way’ to channel the process of convergence across companies (Marchington & Grugulis, 2000; Pudelko, 2005). In the case of GPM, the one-to-one appraisal, in which the supervisor evaluates each subordinate individually, and the link to individual rewards are examples of best practices discussed in the literature, since individuals are assumed to be
motivated to perform by esteem and rewards (for this and other examples of guidelines in PM, see e.g. Aguinis, 2013; Armstrong, 2009; Rao, 2006). Several scholars describe these best practices as ‘Americanized’ (e.g. Festing, 2012; Smith & Meiksins, 1995; Brewster et al., 2011), and the market-driven as well as the neo-institutional perspective list several reasons for this orientation towards the US-American model. Some authors see the imbalance of power between economies as a historically shaped hierarchy, in which some societies represent ‘modernity’ or ‘progress’ (Smith & Meiksins, 1995). Others add today’s success and dominance of US-American companies, business schools, and consultancies to the discussion (Festing, 2012). Consequently, best practices in PM and other management functions might be applied without any critical assessment or evaluation, presuming their global applicability (Marchington & Grugulis, 2000).

One example for an empirical approach in HRM research that refers to the market-oriented as well as the neo-institutional perspective is the Cranet Project, which compares developments in PM and other HRM practices by applying a pan-European, long-term design. For example, Mayrhofer et al. (2011) analyzed HRM developments in the private sector of 13 European countries. They found that practices moved in the same direction (directional convergence) between 1992 and 2004, while no evidence was found indicating final convergence, in which practices become more alike. With respect to PM, the Cranet researchers observed convergence concerning the use of PM systems (Boselie et al., 2012). However, country-specific differences, especially regarding self-evaluation and communication styles, were found as well, indicating more complex developments than the concept of convergence alone might cover. Boselie et al. (2012) discuss these findings by referring to the concept of crossvergence, which is described in the next section.

4.4 The interplay of various impacts and crossvergence of GPM

Besides convergence and divergence, a third type of development in management practices is known as crossvergence, which describes the integration of converging and diverging developments that result in new patterns of management practices (Ralston, 2008; Ralston et al., 1997). Research focusing on crossvergence includes the cultural perspective and the business system approach as well as the market-driven perspective and neo-institutionalism when explaining variance in management practices (Witt, 2008). Therefore, the concept of crossvergence allows for the consideration of various influences and might consequently draw a more realistic picture of management practices. Moreover, this view also takes convergence towards new practices into account that have not been described before – not as best practices nor as country-
specificities (Ralston, 2008). The final endpoint or goal of the crossverging process is development itself, since a dynamic understanding of culture and mutual learning are the premises of this approach (Ralston et al., 1997; Vance, 2006). The organizational implications from this perspective target mainly a strategic balance of localization and standardization, as examined by several authors with respect to various HR issues (Farndale & Paauwe, 2007; Festing & Eidems, 2011; Mäkelä, Björkman, & Ehrnrooth, 2009). However, because of its conceptual variety and somewhat eclectic explanations, unambiguous hypotheses from a crossvergence perspective are rare. Though Witt (2008) underlines the relevance of the concept and the important opportunities it offers for theory development and empirical research, he points to the overall verdict of crossvergence: “The implication is that the formal definition of crossvergence is so encompassing, and the implied definitions of convergence and divergence are so exclusive, that even under our stringent assumptions about culture and ideology, it would seem difficult for empirical work not to find evidence supporting the crossvergence perspective” (Witt, 2008, p. 50).

With respect to GPM, a number of authors have mentioned crossvergence as the result of their analyses (Claus & Briscoe, 2008; Entrekin & Chung, 2001; Evans et al., 2011; Mamman et al., 2009; Shen, 2004; Vance, 2006). For example, concluding their edited book on PM in various countries, De Nisi et al. (2008) sum up: “Are countries really so unique that nothing can be learned by examining what has been done somewhere else? Or, on the other hand, are differences between countries disappearing […] so that we can focus on the universals and apply them wherever we need? The answer is, of course, that neither is completely true and perhaps some kind of ‘crossvergence’ […] is taking place” (p. 254).

In his promising concept of balanced GPM systems, Vance (2006) differentiates strategic upstream processes, which reflect organizational or global standards, and downstream processes, which are adapted to local requirements. Furthermore, he assumes the crossvergent development of single GPM elements as an outcome of balancing standardized upstream and localized downstream processes. In order to accomplish this balance, Vance (2006) suggests crossing strict categorization, for example by providing standardized and consistent solutions for the operative downstream level or by integration and appreciation of diverse perspectives during decision processes on the upstream level. Most vital for crossing the levels and reaching the balance are flexibility and the willingness to learn, so that dynamic dialogues and exchanges

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2 Vance differentiates ‘crossvergence’ from ‘transvergence’, describing the first as “hybrids of cross cultural compromise” (Vance, 2006, p. 50) and the latter as “meaningful interactions […] exposure to and adoption of different culturally based ‘best practices’” (Vance, 2006, p. 50), which is in accordance with the ‘crossvergence’ definition proffered by Ralston et al. (1997). To simplify the present analysis we refer to ‘crossvergence’ in the original sense, as stated by Ralston et al. (1997), and indicate deviating definitions, for example in those cases referring to the compromise aspect of the construct.
between the perspectives and levels allow for new solutions (Gupta & Wang, 2004; Vance, 2006). Corresponding with the conceptualization of convergence, in order to understand crossvergence as a dynamic process, the observation of developments and long-term studies would be advisable. As described earlier, those studies targeting GPM are scarce, and the long-term research project by the Cranet researchers seems to be an exception. As mentioned above, its results concerning GPM show both converging and diverging tendencies, leading to assumptions about crossvergence (Boselie et al., 2012; see chapter 4.3.2).

Alternatively, some scholars emphasize the compromise or hybrid character of crossvergence between opposing diverging and converging forces, which allows for a single measurement. Following this line of argumentation, Pudelko (2006) found German, Japanese, and US-American HR systems (including performance appraisal practices) to be embedded in the respective socio-economic context, while at the same time, the German and the Japanese HRM systems were oriented towards the US-American model. He concludes that best practices might inspire management practices by cross-cultural learning but underlie the constraints of the socio-economic context.

Another example emphasizing the hybrid character of crossvergence between extremes is provided by Shen (2004), who conducted interviews in Chinese MNEs to investigate the balance of global and national influences. He found the use of appraisals in line with Western standards. At the same time, the Chinese MNEs showed different appraisal approaches for diverse groups of employees (e.g. different hierarchical levels), while the Western standard favors more equal approaches for all appraisees. Shen (2004) concludes that “the Chinese international performance appraisals are […] a mix of traditional Chinese personnel management and modern Western HRM concepts” (Shen, 2004, p. 547). These observed PM practices are hard to explain by referring to one theoretical approach within the divergence convergence debate alone, emphasizing the need for an integrative perspective. As Pudelko (2006) sums up, the integration of the ideas of divergence and convergence might be “the most useful approach to overcome the deadlock between proponents of the two concepts” (Pudelko, 2006, p. 125). At the same time, single measuring can only indicate but not confirm the assumptions of the process of crossvergence.

Besides the mainstream of literature, GPM has not been without criticism, which is summed up by the following section.
4.5 Critical perspectives on GPM in MNEs

Critical voices that target directly GPM in MNEs are scarce (an exception is McKenna et al., 2011), but several voices from critical management studies (e.g. Alvesson, 2008), feminist (e.g. Alimo-Metcalfe, 1993) or postcolonial (e.g. Metcalfe & Woodhams, 2012) perspectives contribute to this discussion by delivering critical insights and analyses with respect to HR in general or particular aspects of GPM. In the following, the critique against GPM is structured into those voices questioning the managerial perspective and best practices in PM and those emphasizing the discriminatory risk against women.

4.5.1 PM best practices in question

In line with the general critique against efficiency-focused measures in business (e.g. Alvesson, 2008), McKenna et al. (2011) pinpoint the pressure to perform and achieve continuous improvement that is inherent in the concept of PM. They criticize the “managerial need for control as a central research agenda” (McKenna et al., 2011, p. 151), which provides measures to enhance and control the workforce’s performance, while employees’ perspective is largely neglected. Hence, the authors proclaim the necessity for more approaches to critical research in PM as well as the consideration of employees’ perspectives. The high importance of the employees’ voice has also been emphasized with respect to the challenges of MNEs, as for example from the cross-cultural and institutional approaches, which emphasize required fit with cultural values and the relevance of employees’ internalization when implementing management practices worldwide (House et al., 2004; Kostova & Roth, 2002; Maseland & van Hoorn, 2009).

Underlining the practical importance of the employees’ perspective with respect to GPM, some scholars point out employees’ lack of trust and dissatisfaction with the system and the gap between what is expected and what are actually applied PM practices (Brewster et al., 2011; Furnham, 2004; Price, 2004). As Milliman, Nason, et al. (2002) showed, the actually applied and the expected or preferred intentions of performance appraisals differ significantly. Consequently, it is hardly surprising that only small numbers of employees are satisfied with the PM system and convinced of its use (Pulakos, 2009). Nevertheless, studies, such as those by Milliman, Nason, et al. (2002), which include employees’ preferences in the research design are heavily underrepresented in the literature (McKenna et al., 2011). Furthermore, as for most areas of management and organization research, a dominance of North-American contributions in this field is apparent (Metcalfe & Woodhams, 2012; Özkazanç-Pan, 2008). This leads to a lack of alternative perspectives (McKenna et al., 2011) as well as to potentially ‘Americanized’
guidelines and best practices (Festing, 2012; Smith & Meiksins, 1995). Often these best practices are contrary to the experience and comprehension of good practice for scholars and practitioners outside the USA (Brewster et al., 2011) However, an investigation of the mostly US-rooted best practices in PM with regard to their correspondence to employees’ preferences is still missing. In this context, including a broad variety of perspectives that meet the diversity of today’s organizational memberships is crucial in order to avoid discrimination against minorities and inequalities in practice and research (Kamenou & Fearful, 2006). In the following, this discriminatory risk of PM will be analyzed with respect to gender.

4.5.2 Gender discrimination in PM

The discriminatory risks inherent in PM have been largely neglected, in spite of PM’s impact on the distribution of organizational resources and career developments. In accordance with the ideas put forward Alimo-Metcalfe (1993), it can be assumed that people in power who design the system will design it in a way that suits their values and preferences, which in turn makes the system very likely to discriminate against those individuals who do not share the same values. If PM, as most management practices in leading organizations, is conceptualized by white, Christian, middle-aged, heterosexual men, its application is most likely to match this group’s values, measuring their preferred criteria, in their favored way, and with the consequences they value most. Therefore, people with other values and preferences have to adapt in order to obtain good application results and the respective share of resources and opportunities, which discriminates against them and can be described as bias on the organizational level (Alimo-Metcalfe, 1993; Meyerson & Fletcher, 2000). Discriminating GPM practices against women are of special concern, because the underrepresentation of women in senior management positions is a worldwide phenomenon, with only minor national variations (OECD, 2008; Terjesen & Singh, 2008), and several approaches and ideas can be drawn here from previous feminist research (e.g. Ely & Padavic, 2007).

For example, Meyerson & Fletcher (2000) portray gender-discrimination as “deeply embedded in organizational life” (p. 127) and as being expressed, for example, in biased performance appraisal results, gender pay gaps, or low-visibility jobs for the majority of female workforce. However, these indicators of inequity mostly have been seen as taken-for-granted or even naturally given, so that the authors describe gender discrimination as “virtually indiscernible” (Meyerson & Fletcher, 2000, p. 127). They recommend a small-wins strategy characterized by dialogue, experimentation, and incremental changes. Conversely, Alimo-Metcalfe (1993) assumes that a radical change will be needed to eliminate the current
discrimination against women in organizations. She conceptualizes discrimination within performance appraisal as one crucial barrier that women face with respect to career advancement, since the criteria, techniques, and judgments of performance and potential assessments were found to be oriented towards male principles and values. For example, the characteristics 'personal' and 'emotional', which are traditionally more likely to be associated with women, were found to be devalued traits. Focusing on the relationship between the evaluation of the appraisal procedure and the individual attitudes of men and women, Hind and Baruch (1997) deliver first evidence with respect to gender-related perceptions of PM practices. They found that in contrast to their male colleagues, females’ career expectations are negatively correlated to PM, indicating “an awareness by women that their career development is constrained or determined by factors other than performance” (Hind & Baruch, 1997, p. 285). Still, these results need to be taken one step further, by asking women (and men) for their preferences or ideal models of PM and therefore analyzing a potential gender bias on the organizational level. Besides, an international investigation could provide input with respect to the worldwide underrepresentation of women and GPM.

In the following, the open questions to GPM addressed by the four manuscripts of this thesis are explained. Moreover, the respective publication status is mentioned briefly.
5 APPLIED PERSPECTIVES, ADDRESSED QUESTIONS, AND CONTRIBUTIONS 
BY THIS THESIS – AN OVERVIEW OF THE FOUR MANUSCRIPTS

As shown above, MNEs face the challenge of balancing global standards and diverse preferences concerning their GPM practices. Most research in GPM concentrates on the description of national differences in single PM elements, pointing to the requirements of localization and referring to the concept of divergence (Amba-Rao et al., 2000; Bailey & Fletcher, 2008; Cascio & Bailey, 1995; Festing & Barzantny, 2008; Fey et al., 2009; Horwitz et al., 2006; Lindholm, 2000; Paik et al., 2000). However, as the following examples emphasize, the body of literature on country-specific peculiarities in GPM has a patchwork character, using different concepts and delivering diverse data concerning single PM elements from a broad variety of countries:

- “Indeed, Korean middle-level managers often do not really know exactly how their performance is viewed until roughly five years after joining their companies” (Cascio & Bailey, 1995, p. 28).
- “However, the major purpose of performance appraisal in Chinese MNEs is to decide how much to pay rather than for the organizational development” (Shen, 2004, p. 559).
- “In Britain, appraisal has often been ‘sold’ to employees in terms of its ability to serve their individual needs for development and self-actualization” (Snape, Thompson, Yan, & Redman, 1998, p. 857).
- “What counts is results, not personality. This is even upheld in US law courts to protect employees from being evaluated based on who they are rather than what they do” (Schneider & Barsoux, 2003, p. 163).

Besides valuable insights into the diversity of GPM, the body of country-specific findings lacks a structured overview, an encompassing concept, and a comprehensive empirical investigation. These gaps are addressed by the first and second manuscripts of this thesis. Here, according to Festing and Barzantny (2008), we integrate the cultural and institutional perspectives to investigate the adaptation challenges of GPM in MNEs on the country level (“Global performance management in MNEs – conceptualization and profiles of country-specific characteristics in China, Germany, and the USA” and “Country-specific profiles of performance management in China, Germany, and the USA – an empirical test”). The first manuscript focuses on conceptual alignment and contains a literature
review which includes various elements and room for country-specific or individual differences. This manuscript was rewarded with the Best Paper Award at the International Human Resource Management Conference in Birmingham, UK, in 2010 and was asked to be submitted for the conference’s special issue in the Thunderbird International Business Review, where it has been published recently (Festing et al., 2012).

The second article focuses on the empirical investigation of the propositions presented in the first and provides empirical findings from a quantitative study including 167 managers from MNE subsidiaries in Germany, USA, and China. Therefore, a measurement capturing PM practices is provided, reflecting the suggested conceptualization and meeting the requirements of cross-cultural equivalence. Contrary to what the literature review in the first manuscript suggests about the local peculiarities of PM, the results show significant country-specific differences only in six out of 16 investigated PM features. These findings question previous contextualist assumptions and direct attention towards the idea of convergence in GPM. Furthermore, despite the often cited analytical categorization of Western countries versus China, more similarities between China and Germany than between the USA and Germany have been identified. Since this second article can be seen as the empirical completion of the first, it has been submitted to the Thunderbird International Business Review as well, where it has been conditionally accepted for publication.

In line with the differentiation by Pudelko and Harzing (2007), another stream of literature can be differentiated into those contributions targeting standardization within MNCs (when practices converge towards standards by headquarters, i.e. the country of origin) and those examining standardization across firms and countries, i.e. global convergence. While our knowledge about the transfer and standardization of GPM within MNEs is still extremely limited (exceptions are Mamman et al., 2009; Björkman et al., 2009, Claus & Hand, 2009), some authors (e.g. Armstrong, 2009; Aguinis, 2013; Rao, 2006) provide guidelines and best practices on the design of PM systems that seem to allow for global standardization across countries and organizations. The market-driven as well as the neo-institutional perspective describe those (actual or perceived) best practices, to provide an orientation or model and therefore to “determine the direction of convergence” (Pudelko, 2005, p. 2046). However, these guidelines often remain without a critical assessment (Marchington & Grugulis, 2000). Though best practices in general have often been described as ‘Americanized’ (Festing, 2012; Smith & Meiksins, 1995), the global applicability of PM best practices has not been challenged or evaluated. However, the necessity for such an evaluation becomes clear when taking other contributions into account that examine convergence in PM by comparing the practices of companies in the West with those operating in other countries and regions (e.g. Björkman 2002;
Shen 2004, Giangreco et al., 2010). These studies reveal that most Western principles mirror the guidelines of the best practices literature, while companies in non-Western countries often find other solutions. While the separation of the world into ‘the West and the rest’ is also described as a perspective that fosters Western hegemony, these findings underline the “Western claims of ‘universal’ knowledge” (Özkazanç-Pan, 2008, p. 965). Consequently, literature-based best practices need to be examined with respect to the employees’ perspective in different countries. This investigation is targeted in the third manuscript of this thesis (“Do global ‘best practices’ in performance management meet employees’ preferences? Empirical evidence from China, Germany, South Africa, and the USA”). Focusing on the preferences in PM of a sample of 210 employees from one MNE’s subsidiaries in Germany, USA, South Africa, and China, this study indeed reveals common preferences, which reflect only partly literature-based best practices. At the same time, common preferences for additional PM elements are found that are included in the discussion about global guidelines. These additional commonalities, as for example the preference for teamwork-oriented criteria and developmental purposes, are assumed to focus the more ‘soft’ features of a PM system. At the same time, some country-specific preferences are found that are discussed to be the results of context-specific influences. Hence, crossvergence in GPM is discussed here. Furthermore, this paper includes the critical perspective in order to contrast standardized solutions with employees’ preferences across four countries. The global applicability of best practices is questioned and alternative preferences in PM are revealed. This article was submitted to *International Business Review* and was rejected after review in April 2013.

The final manuscript also applies a critical approach and compares gender-specific preferences in GPM to actually applied practices. While the strategic relevance of HRM proposes a view of human resources as one key factor in an organization’s competitive advantage, diversity in the needs and preferences of employees has been considered only marginally (Kamenou & Fearful, 2006). Hence, “HRM needs to be reconsidered to take account more fully of diversity in order to enhance success in dealing effectively with the nature of contemporary organisational memberships” (Kamenou & Fearful, 2006, p. 155). This is especially true in the field of GPM, which is very strategy-oriented on the one hand and has been identified as a major discriminatory risk for minorities on the other.

Some contributions (Alimo-Metcalfe, 1993; Meyerson & Fletcher, 2000; Hind & Baruch, 1997) discuss gender-discrimination in PM, revealing that performance appraisal is one major barrier to the career advancement of women and that females’ career expectations are correlated negatively to PM. Since the design and features of performance appraisals are discussed as being oriented towards male values and principles, these results need to be taken one step further, by asking women (and men) for their values and preferences in PM in order to identify differences...
Global performance management in the MNE

Overview on the four manuscripts

and potential discrimination. This focus is provided in the fourth manuscript of this thesis, which applies the critical perspective in order to analyze gender-specific preferences in GPM (“Gender-specific preferences in global performance management – an empirical study of male and female managers in a multinational context”). Here, the methodological tool employed to investigate and compare practices and preferences in PM is presented. To account for the underrepresentation of female managers as a global issue, empirical data from China, France, Germany, South Africa, and the USA, and therefore from five differing cultural clusters, were included in this analysis. This manuscript reveals that, across all countries, preferences vary significantly between male and female managers for crucial parts of the GPM system (actors’ roles, evaluation methods, feedback procedures, purposes), while the applied practices match male preferences more so. Hence, it is discussed that female managers might be less satisfied with existing GPM systems. These findings add to explanations on the often limited career advancement of women, and the discriminatory impact of the system against women is discussed, also contributing to the very limited knowledge on gendered practices in international HRM (Hearn, Metcalfe, & Piekkari, 2012). As such, we again provide evidence for the necessity to apply critical perspectives and include employees’ perspectives when investigating GPM (McKenna et al., 2011). A revised version of this article is currently under review at Human Resource Management.

Table 2 provides an overview of the manuscripts in terms of their focus and contribution, as well as with respect to their publication status. Thereafter, their epistemological and methodological foundations are explained.
### Table 2. The manuscripts included in this thesis

<table>
<thead>
<tr>
<th>No.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-authors</td>
<td>Marion Festing, Peter J. Dowling, Allen D. Engle</td>
<td>Marion Festing</td>
<td>Marion Festing</td>
<td>Marion Festing, Angela Kornau</td>
</tr>
<tr>
<td>ABS Ranking Position</td>
<td>C</td>
<td>C</td>
<td>B</td>
<td>A</td>
</tr>
<tr>
<td>Publication state</td>
<td>Published (December 2012)</td>
<td>Conditionally accepted (March 2013)</td>
<td>Rejected after review (April 2013)</td>
<td>Revised version under review</td>
</tr>
<tr>
<td>Approach</td>
<td>Conceptual</td>
<td>Empirical</td>
<td>Empirical</td>
<td>Empirical</td>
</tr>
<tr>
<td>Focus</td>
<td>Conceptualization and the localization challenges of GPM</td>
<td>Contextual particularities and localization challenges in GPM</td>
<td>Comparison of literature-based best practices with employees’ preferences in PM</td>
<td>Gender-specific preferences in GPM</td>
</tr>
<tr>
<td>Major contributions</td>
<td>• Conceptualization of GPM • Literature review • Country-specific profiles</td>
<td>• Scales measuring similarities and differences in GPM systems • Initial empirical findings on GPM in China, Germany, and the USA</td>
<td>• Overview of global PM best practices in the literature • Initial empirical evidence on employees’ preferences concerning PM</td>
<td>• Methodological tool to investigate and compare practices and preferences in PM • Identification of gender-specific preferences in PM</td>
</tr>
</tbody>
</table>
6 Methodological Framework

As made clear in the descriptions above, the first manuscript is a conceptual contribution, based on a literature-review, while the other three share an empirical approach and a methodological basis. The detailed development and application of the methodology are explained and described in manuscripts No. 2 and No. 4. This section, however, summarizes general methodological foundations in terms of the design and the cross-cultural requirements of this empirical approach and presents a description of the target company, i.e. the sample.

6.1 The research design

For the epistemological basis of this research design we refer to Karl Popper’s measures in terms of falsification, but we also acknowledge the idea of different paradigms, by Thomas Kuhn, at the same time. The existing literature concerning GPM allows for assumptions and hypotheses. However, according to Popper, scientific hypotheses can be tested only by falsification, because every proposition could be disproved by a single exception, in which case no hypothesis would ever be verified. For Popper, no theory is completely true, but if not falsified, it can be stated within the scientific discussion (Andersson, 1988). Hence, this thesis applies the measures of falsification. However, by integrating more than one paradigm into the present analyses (in our case, e.g., the contextualist versus universalist and dominant versus critical perspectives), the relativity of each paradigm, and consequently the respective tendencies in scholarly work, are postulated. Without referring to the scientific revolution suggested by Kuhn (1996), we nevertheless assume scientific paradigms and their shifts to impact heavily on researchers’ questions and their findings. We therefore developed the design of this research project on this epistemological basis. In general, a research design seeks to give an overview of relevant constructs, their operationalization, and relations within the analysis stage of a research work (Töpfer, 2009).

Though each manuscript of this present work has its own particular research question and approach, the common issue of this research project is the investigation of GPM in an MNE with respect to the challenges of balancing standardized solutions and diverse preferences. Therefore, the previous literature on GPM in MNEs has been reviewed and propositions with respect to country- and gender-specificities have been derived. Hence, the overall goal of this research is to test whether the propositions derived from the previous literature hold in the reality, i.e. we apply a confirmatory design (Töpfer, 2009). The purposes of our testing are
Global performance management in the MNE

Methodological framework

descriptive and evaluative – descriptive concerning the encompassing picture of PM practices in
different countries, and evaluative with respect to the measurement of preferences, their
comparison with literature-based best practices, and the investigation of gender-specific
preferences and gendered PM practices. The evaluative research purpose is also called ‘policy-
oriented’, since the results deliver direct practical implications (Kromrey, 2002). However, it is
important to note that we provide data and the respective implications from the case of one
MNE. Consequently, further studies in other companies, industries, and countries are required
before general implications can be derived. Therefore, as an additional purpose of the present
study, a measurement tool that operationalizes practices and preferences in PM is provided.

Here, differentiation of the level of analysis comes into play. According to Tsui, Nifadkar,
and Ou (2007), the level of analysis can be defined “by the unit of measurement and the level at
which the hypotheses are tested” (p. 455), meaning that if the operationalization and the analysis
target the individual level, this can be considered as individual-level research. However, the
differentiation of levels as they appear in practice, and their integration in a research design, has
been identified as a challenge for many researchers because “the organization may be an
integrated system, but the science is not” (Kozlowski & Klein, 2000, p. 3). According to the
sophisticated research models in the cross-cultural field (e.g. the GLOBE study by House et al.,
2004), and following the advice given by Fischer (2009), this research project integrates two
models of operationalization: The referent-shift consensus model and the direct consensus model.
In the referent-shift consensus model, the data are measured on the individual level, while the
questions target explicitly a higher level, for example society or the organization. Hence, items
that follow the scheme ‘At my current workplace, PM is …’ (‘as is’ items) target practices and
norms in PM on the level of the organizational unit. On the contrary, the direct consensus
model measures constructs on the individual level by following the scheme ‘I think PM should
be like …’ (‘should be’ items). This data delivers information about the preferences and values of
the participants and can be aggregated on the group level, as long as agreement within the
groups (Fischer, 2009), as well as the equivalence of data between the groups, is ensured
(Harkness, Mohler, & Van de Vijver, 2003). With respect to GPM, some previous empirical
work includes similar differentiations of practices and preferences (e.g. Milliman, Nason, et al.,
2002; Von Glinow et al., 2002) or expectations (e.g. Pudelko, 2005), delivering cautious
descriptions of future developments. It is important to note here that it has been argued that
‘should be’ items measure the mere reaction towards the status quo and might therefore
demonstrate just the opposite direction compared to ‘as is’ items (Maseland & van Hoorn,
2010). If this was the case, negative correlations between ‘as is’ and ‘should be’ scores should
identify this relation. However, this discussion (Brewer & Venaik, 2010; Maseland & van Hoorn, 2010) makes clear that ‘should be’ items measure at least preferences, so that we can focus on the analyses of preferences in this work.

Furthermore, in order to include the above described diversity of employees’ perspectives, our analyses of practices and preferences of GPM in MNEs are carried out from two sides: From a cross-contextual point of view and with respect to employee gender. While manuscripts No.1, No. 2, and No. 3 target the contextual level, manuscript No. 4 uses the individual variable ‘gender’ as its category of analysis. Hence, the overall research design includes the contextual construct ‘location’ and the individual construct ‘gender’ as independent variables. The single elements of ‘PM practices’ and ‘PM preferences’ are the dependent variables, while several other constructs need to be included as control variables (Bortz & Döring, 2006). In line with previous research (e.g. Tsui et al., 2007; Geringer et al., 2002), these are the ‘age’ as well as the ‘cultural identity’ of participants, their experience with the GPM system, and their international experience in general. Finally, these constructs (as indicated in Table 3) are measured within an online questionnaire.

This research medium was chosen in line with a large body of research, since this instrument allows for a very focused measurement of many business-related, sociological, or psychological issues within empirical social research (Kromrey, 2002). Especially concerning cross-cultural management and international HRM matters, questionnaires are by far the most applied instrument for measurement (Geringer et al., 2002), which might be also the result of the challenges of cross-cultural equivalence which are easier to address by questionnaires – compared to, for example, interviews (Harkness, Van de Vijver, & Johnson, 2003). Moreover, an online version of a questionnaire has the advantage of distribution time and cost savings, while the responses can be assumed to show less social desirability due to higher anonymity (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003).

This questionnaire was designed to target male and female employees on the middle management level of one MNE. The context of one MNE was chosen in order to control for further potential confounding variables, for example different industries or sizes of other companies. Middle managers were targeted, since it is assumed that these employees are familiar with the GPM system from the perspective of the assessed as well as from the assessing perspective. Table 3 summarizes the applied design of our research project.
Table 3. Overview of the research design

<table>
<thead>
<tr>
<th>Design categories</th>
<th>Applied design features in this research project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal</td>
<td>Confirmatory</td>
</tr>
<tr>
<td>Research purpose</td>
<td>Descriptive and evaluative (policy-oriented)</td>
</tr>
<tr>
<td>Operationalization model</td>
<td>Referent shift</td>
</tr>
<tr>
<td></td>
<td>Direct consensus model</td>
</tr>
<tr>
<td>Research medium</td>
<td>Online questionnaire</td>
</tr>
<tr>
<td>Analysis perspective</td>
<td>Cross-contextual</td>
</tr>
<tr>
<td></td>
<td>Gender</td>
</tr>
<tr>
<td>Constructs</td>
<td></td>
</tr>
<tr>
<td>Independent Variables</td>
<td>Location</td>
</tr>
<tr>
<td></td>
<td>Gender</td>
</tr>
<tr>
<td>Dependent Variables</td>
<td>PM practices</td>
</tr>
<tr>
<td></td>
<td>PM preferences</td>
</tr>
<tr>
<td>Control variables</td>
<td>Age</td>
</tr>
<tr>
<td></td>
<td>Cultural identity</td>
</tr>
<tr>
<td></td>
<td>International experience</td>
</tr>
<tr>
<td></td>
<td>Experience with the GPM system at location</td>
</tr>
<tr>
<td>Target sample</td>
<td>Middle management employees in one MNE</td>
</tr>
</tbody>
</table>

As mentioned earlier, equivalence has to be ensured when aggregating and comparing data on the group level. The requirements of cross-cultural equivalence relevant for our study are briefly explained in the following.

6.2 The requirements of cross-cultural equivalence

As Cascio (2012b) summarizes, “methodological issues can be particularly thorny considerations in international HR management research. If not addressed properly, they can severely undermine valid inferences” (p. 2532). The point here is the challenge of the equivalence of data in international research settings (see also Tsui et al., 2007). In this context, equivalence describes the comparability of the measurement and the results, meaning that these are free of errors and biases that might result from cross-cultural differences. If errors occur, results and conclusions are not drawn on the basis of actual differences between cultures, but on the basis of cultural biases; hence, their validity is questionable (Byrne & van de Vijver, 2010).

Different levels of equivalence are distinguished by most contributions in this field; however, the definitions of these levels are not uniform. An overlap within the relevant literature (Byrne & van de Vijver, 2010; Cascio, 2012b; Van de Vijver, 2003a) might be the
differentiation of equivalence into the three levels of construct-, structural-, and measurement unit equivalence. While construct equivalence refers to a comparable comprehension of the measured constructs in different groups of the analysis, structural equivalence describes the same understanding of structures and relations between these constructs. Finally, measurement unit equivalence ensures the comparability of data points for each item.

While several statistical procedures are mentioned for testing equivalence after the measurement has taken place (post hoc), some techniques can also be applied in advance (a priori). For example, in order to enhance construct and structural equivalence a priori, Van de Vijver (2003b) cites the consideration and inclusion of additional perspectives from scholars and practitioners in other cultures, when designing the questionnaire and the items. On the other hand, post hoc techniques aim to identify items or even scales that might be biased, in order to eliminate them from the questionnaire. The most frequently mentioned post hoc procedure, targeting structural and measurement unit equivalence, involves the application of structural equation modeling (SEM) with multiple group comparisons. This statistical program enables “the testing of complex causal or path models and the examination of measurement or model equivalence across cultural groups” (Tsui et al., 2007, p. 457). The minimum number of participants for a valid conduction of SEM is $N = 100$ per group (Hox & Maas, 2001). Alternative approaches include confirmatory factor analyses (Van de Vijver, 2003b).

A priori as well as post hoc measures have been applied in the present work. In particular, interviews with HR managers from Germany, the USA, Japan, and China are included in the overall conception of the questionnaire, and US-American, French, and German researchers reviewed the questionnaire critically, in order to enhance the construct and structural equivalence. Furthermore, all items were developed in English, in order to provide equal labels for the constructs across all settings. Factor and reliability analyses challenged the construct and structural equivalence post hoc, indicating which items needed to be deleted and which scales had to be reworked. With respect to measurement equivalence, the distribution of online questionnaires to the middle management of one MNE was chosen, while an assessment of correlations and scatter plots was used as statistical remedies in this context. According to Van de Vijver (2003b), scatter plots of item means (as depicted for the pretest in Figure 2) are suitable techniques for assessing and improving measurement equivalence in small samples.
Figure 2. Scatter plot of the item mean scores for the French and German sample (pretest)

The idea is that as long as all values remain along one line – as in the case above – no unexpectedly high differences between the countries occur. However, the graphical diagram can only catch and relate the scores of two countries, so the use of this technique was limited to the pretest data. Table 4 provides a summary of the techniques applied.
Table 4. A priori and post hoc techniques applied in the present work, in order to ensure and test for equivalence

<table>
<thead>
<tr>
<th>Level of equivalence</th>
<th>Design techniques to ensure equivalence (a priori)</th>
<th>Statistical techniques for testing equivalence (post hoc)</th>
</tr>
</thead>
</table>
| Construct equivalence| • The results of interviews with HR managers from Germany, the USA, Japan, and China are included in the development of items.  
• Review and adaptation of items by US-American, French, and German researchers.  
• All items are in English. | • Cronbach's alpha values |
| Structural equivalence| • The results of interviews with HR managers from Germany, the USA, Japan, and China are included in the overall conception of the questionnaire.  
• Review and adaptation of the questionnaire by US-American, French, and German researchers. | • Explorative factor analysis (pretest)  
• Confirmative factor analysis (main study) |
| Measurement unit equivalence| • Control of organizational variables by focusing on one MNE.  
• Sample equivalence (similar positions, similar educational background).  
• Online questionnaire spares discussion about experimenter effects. | • Scatter plot of country means (pretest)  
• Correlations (main study) |

Source: Referring to Byrne and van de Vijver (2010); Kostova and Roth (2002); Van de Vijver (2003b).

In spite of the strong argument for ensuring equivalence, post hoc techniques are not without criticism, as Fischer (2009) emphasizes: “Paradoxically, emerging item and construct bias may indicate important cultural differences, such as the meaning and structure of specific items and constructs […] for this reason, I argue that non-isomorphism should not be the end, but the beginning of further cross-cultural research” (p. 34-35). However, this thesis follows the required steps to address equivalence in accordance with the broadly shared opinion in the literature.

In the following section, the sample of the main study is described, thus providing additional background information on the chosen MNE.
6.3 The sample: the case of an MNE

Based on the requirements of the research design, the following criteria guided the search for and acquisition of an appropriate sample for this research project. First, as mentioned above, in order to avoid an uncontrolled impact caused by organizational differences (e.g. different sizes or industries), the survey was planned to be conducted within one company. Second, the comparative approach inherent in some of the leading research questions requires comparable data from China, Germany, and the USA (and optional, additional culturally- and institutionally-spread countries). Hence, the target company should operate in at least these countries. Third, we looked for a company by applying a localized approach with respect to GPM, since we expected a standardized GPM system to create bias in the comparative results. Furthermore, as noted earlier, we controlled for individual variance in terms of educational background and experience with the GPM system by targeting only one level within the company, and we chose the middle management level to ensure that the survey participants knew the GPM system from both perspectives, namely assessing others and being assessed themselves.

During the acquisition of a cooperating MNE, a number of obstacles appeared. As a major issue, several companies reported their keen interest in this topic and in cooperation but finally refused to participate because of various problems concerning the GPM system in the past and the resulting insecurities they feared would come to the fore with another survey. Furthermore, aiming to approach middle management was an issue for some companies, since the working time for this level is seen as particularly limited and costly. Besides, some companies, willing to cooperate, were too small for the empirical purpose of the survey and could not provide an appropriate sample at the respective management level in the three (or more) countries.

Finally, one company was found that fulfilled all required criteria and was willing to cooperate. It is a French company that operates in over 130 countries, in the energy sector, and has about 96,000 employees, out of which about 30% are women. Table 5 provides an overview of the company’s details based on the annual report 2011 and additional interview data.
Table 5. Company data (for 2011) of the MNE cooperating in this survey

<table>
<thead>
<tr>
<th>Industry</th>
<th>Energy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products</td>
<td>Mainly oil and gas exploration and production, refining, and chemicals</td>
</tr>
<tr>
<td>Internationality</td>
<td>Operates in over 130 countries</td>
</tr>
<tr>
<td>Headquarters' location</td>
<td>France</td>
</tr>
<tr>
<td>Sales</td>
<td>~185 Billion Euro</td>
</tr>
<tr>
<td>Profit</td>
<td>~ 12 Billion Euro</td>
</tr>
<tr>
<td>Total number of employees</td>
<td>~ 96,000</td>
</tr>
<tr>
<td>Women in management positions</td>
<td>22%</td>
</tr>
<tr>
<td>Total number of female employees</td>
<td>29.7%</td>
</tr>
</tbody>
</table>

Source: Adapted from the company’s annual report 2011 and additional interview data.

A link referring to the online questionnaire was sent out by the respective HR department to employees on the middle management level in China, Germany, the USA, South Africa, and the French headquarters. The latter two locations were chosen due to the company’s interests, and they were also included in the third and fourth manuscripts of the present work. The text of the cover letter that was sent with the link can be found in Appendix A. The managers had four weeks to answer the questionnaire and were reminded by the HR department four days before the deadline (for the reminder, see Appendix B).

In total, 508 managers were asked to participate in the survey, and 210 questionnaires were answered. Table 6 gives an overview of the distribution and responses for the whole sample as well as for single countries.

Table 6. Distribution and responses of the online questionnaire for the whole sample as well as for the single locations

<table>
<thead>
<tr>
<th></th>
<th>Overall</th>
<th>China</th>
<th>Germany</th>
<th>France</th>
<th>South Africa</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of questionnaires sent out</td>
<td>582</td>
<td>102</td>
<td>110</td>
<td>98</td>
<td>118</td>
<td>154</td>
</tr>
<tr>
<td>Number of answered questionnaires</td>
<td>241</td>
<td>49</td>
<td>44</td>
<td>31</td>
<td>43</td>
<td>74</td>
</tr>
<tr>
<td>Female participants</td>
<td>39%</td>
<td>55%</td>
<td>17%</td>
<td>44%</td>
<td>40%</td>
<td>37%</td>
</tr>
<tr>
<td>Response rate</td>
<td>39%</td>
<td>43%</td>
<td>37%</td>
<td>32%</td>
<td>36%</td>
<td>48%</td>
</tr>
<tr>
<td>Expatriates</td>
<td>11</td>
<td>5</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

As the theoretical and methodological foundations have been clarified in detail, the four manuscripts that build the core of this thesis are presented in the following.
7 RESEARCH MANUSCRIPTS

7.1 Global performance management in MNEs – conceptualization and profiles of country-specific characteristics in China, Germany, and the USA

Manuscript No. 1


7.2 Country-specific profiles of performance management in China, Germany, and the USA – an empirical test

Manuscript No. 2

This revised manuscript is accepted for publication as: Festing, M. & Knappert, L. (2014). Global performance management in MNEs – an empirical test of country-specificities in China, Germany, and the USA. Thunderbird International Business Review, 56 (4).

Available from the author upon request.
7.3 Do global ‘best practices’ in performance management meet employees’ preferences? Empirical evidence from China, Germany, South Africa, and the USA

Manuscript No. 3

This manuscript is under review as: Knappert, L. & Festing, M.. Do global ‘best practices’ in performance management meet employees’ preferences? Empirical evidence from China, Germany, South Africa, and the USA.

Available from the author upon request.

7.4 Gender-specific preferences in global performance management – an empirical study of male and female managers in a multinational context

Manuscript No. 4

This manuscript is accepted for publication in Human Resources Management as: Festing, M., Knappert, L. & Kornau, A. Gender-specific preferences in global performance management – an empirical study of male and female managers in a multinational context.

Available from the author upon request.
8 CONCLUSION

After presenting the four manuscripts at the core of this thesis, the following final sections aim to provide an encompassing idea of the overall contributions, implications, and limitations of this research. After a summary of the major contributions and findings is given, the practical implications and limitations of this thesis are discussed. This work ends by deriving perspectives for future research. For all conclusions and implications it is important to emphasize once again that this research project uses the unique organizational context of one single MNE to answer its research questions. Consequently, we cannot exclude company-specific explanations for variance, which is a clear restriction of this work. Nonetheless, this project provides findings which question some of the existing research results and may inspire the reader to think about new research approaches.

8.1 Summary

As stated initially, MNEs dominate today's globalized economy and employ large parts of the global workforce. As one central management tool for managing their people, PM links corporate strategy to individual objectives. However, when implemented in the global context of an MNE, several challenges of balancing standardized solutions and diverse preferences occur. While this issue has rarely been addressed before, during the past years several scholars have emphasized its practical relevance and its importance for research to come (e.g. Varma et al., 2008; Engel et al., 2008; Cascio, 2012a). It is the goal of this thesis to contribute to this growing body of knowledge by analyzing practices and preferences in GPM on a country-level, as well as with respect to gender. Therefore, cultural and institutional perspectives (referring to e.g. Festing & Barzantny, 2008), the convergence and divergence debate (referring to e.g. Pudelko & Harzing, 2007), and the dominant and critical perspectives on GPM (according to McKenna et al., 2011) have been integrated into the analyses. Since GPM is a global phenomenon, several countries are included in this thesis’s sample, consisting mainly of Chinese, German, US-American, and South African participants. By focusing on these countries, the economically most relevant countries in their respective regions have been chosen (Collier & Venables, 2008; World Trade Organization, 2011), and South Africa and China are two out of five of the world’s leading emerging economies, i.e. the BRICS countries (Cassiolato & Martins Lastres, 2009). Thus, we further aim to contribute to the scarce empirical knowledge on GPM in BRICS countries as compared to developed countries. Moreover, we deliver data from four different continents and four different cultural clusters, by which we do not aim to
provide representative findings for the clusters (as criticized as assumed cluster homogeneity by Paik et al., 2000; see chapter 4.2.1) but to contribute results from maximally spread contexts.

Four manuscripts build the core of this thesis. The first provides a literature review summarizing the various elements of GPM from a contextualist perspective. Based on this review, PM is categorized into criteria, actors and appraisal methods, as well as the way in which feedback is provided and the purposes of the appraisal. Analyzing these elements in the three major and culturally institutionally spread economies China, Germany, and the USA, country-specific PM profiles are derived and tested later, in the second manuscript. Contrary to these country-specific peculiarities, and applying a critical perspective to the universalist paradigm and the idea of convergence, the third manuscript delivers an overview of the so-called best practices in PM that promise to be the most efficient and effective as well as globally valid solutions. However, this global applicability is questioned and the relevance of including employees’ perspectives from various countries in the research and guidelines on GPM is emphasized. To examine not only the contextual variety of GPM but also the different perceptions of PM due to individual characteristics, the fourth manuscript includes an analysis of gender-specific preferences. Again, a critical perspective is applied and the potential impact of GPM on discrimination against women is described. In order to test the various propositions and hypotheses of this thesis, a measurement tool is developed, thus reflecting the above mentioned conceptualization of PM and meeting the requirements of cross-cultural equivalence at the same time. In order to analyze employees’ perspectives, the tool is built to target both perceived practices and employees’ preferences.

The results of this thesis reveal some crucial country-specific practices as indicated by the previous literature. In particular, network-oriented criteria, appraisals by actors other than the supervisor, and the purpose of the appraisal vary across China, Germany, and the USA. However, it was highly surprising that overall only six out of 16 investigated GPM elements showed significant country-specific differences, and the categorization of the Western approach in the USA and Germany versus the Chinese approach could not be confirmed. Instead, more similarities concerning PM practices between China and Germany than between Germany and the USA were identified. These findings question the propositions of stable cultural and institutional influences as supposed by the large body of divergence literature in this field. Furthermore, these findings underline the relevance of discussions about the impact of contextual influences (Gerhart & Fang, 2005; Weller & Gerhart, 2012) and the possibility of global best practices (Pudelko & Harzing, 2007; Pudelko & Harzing, 2008; Von Glinow et al., 2002). With respect to the latter, this thesis indeed identifies common preferences in PM across countries. However, out of six global best practices identified in the literature, only the elements
‘appraisal by a supervisor’ and ‘direct and participatory feedback’ meet the preferences of Chinese, German, South African, and US-American employees. Contrary to what current best practices let us assume, the other common preferences we found indicate a priority for the rather ‘soft’ PM elements: teamwork-oriented criteria, interactive and direct feedback, and motivation and development purposes of the appraisal.

Moreover, when comparing the number of significant differences between the countries, we found more differences on the level of practices compared to those on the level of preferences. According to the conceptualization posited by Von Glinow et al. (2002), this may indicate common trends or tendencies for future GPM systems. Hence, with respect to the convergence divergence debate, this observation indicates a converging tendency in GPM. However, contrary to the assumption that ‘hard’ GPM best practices lead the process of convergence (see chapter 4.3.3), our data suggest a convergence towards ‘soft’ features. The data question, for example, the trend towards results focus, as stated by Pulakos (2009), by emphasizing teamwork-oriented criteria. This common tendency towards soft GPM features is in line with descriptions of crossvergence, conceptualized as “a unique value system that is different from the value set supported by either national culture or economic ideology” (Ralston et al., 1997, p. 183). Concerning GPM, Vance (2006) suggests female values to be of high relevance in this new value system. For example, with respect to the USA, he says that the growing importance of the supervisor’s role as a coach and mentor underlines the relevance of the “dimension of femininity to what has often been considered as an overpowering results-focused masculine cultural orientation of global convergence” (Vance, 2006, p. 50). Indeed, in our sample, common preferences correspond to female priorities, compared to their male colleagues’ answers. Women prefer, for example, a stronger group focus in an appraisal, the higher relevance of soft interventions, and more directness and involvement in feedback communication. Given the optimistic outlook presented by Goodman et al. (2003), assuming that sex segregation in management will give way to the growing presence of women in management roles, these gender-specific findings underline the assumption of this crossverging trend towards ‘soft’ GPM systems.

Besides possible future trends, these results also underline the mismatch between currently applied practices and preferences. These discrepancies seem to be even greater for minorities, whose interests and values are not consulted when PM systems are designed and implemented (Alimo-Metcalfe, 1993; Metcalfe & Woodhams, 2012). Applying the example of women as a minority in management (OECD, 2008), we found that PM practices meet male preferences better. Since this effect was found in the USA, China, Germany, France, and South Africa, this finding highlights unequal opportunities for women on a global level and establishes
the discriminatory impact of GPM systems, because the most crucial decisions about the
distribution of resources and careers are made within this system (Alimo-Metcalfe, 1993).
Moreover, these results contribute to the very limited knowledge on gendered practices in
international HRM (Hearn et al., 2012).

Furthermore, we found that employees’ preferences are neglected, not only in the actually
applied PM practices in our sample but also in the best practice literature. This correspondence
between applied practices and the best practices literature is not surprising, since best practices
tend to reflect mainly the male and managerial perspectives (Maier, 1999; McKenna et al., 2011),
and these guidelines are in turn used as an orientation when setting up PM systems. Hence,
major stakeholders’ perspectives (employees’ voices in general and minorities’ perspectives in
particular) are missing in this circle. Furthermore, features such as competitiveness and
efficiency have been described previously as stereotypical masculine values (Loden, 1985; Maier,
1999) and as the characteristics of best practices (e.g. Festing, 2012). Therefore, PM practices are
in danger of discriminating against those individuals who do not share these principles as
priorities, be it due to their culture, their gender, or other variables.

Of course, preferences for the softer features in PM in our data could also be a reaction
towards the poor management of soft control mechanisms in MNEs (Fee et al., 2011).
However, the need to consider employees’ expectations has been made clear before. Several
scholars report a lack of trust in the PM system, a mismatch between applied practices and
expectations, and significant dissatisfaction with PM (Brewster et al., 2011; Pulakos, 2009;
Service & Loudon, 2010; Von Glinow et al., 2002). Though US dominance in the business
environment and in academia (Festing, 2012; Smith & Meiksins, 1995) could have led to the
assumption that US-American participants’ priorities would be closer to best practices, this
preference for soft PM elements also holds for the US sample. This supports those
contributions showing that, even in the USA, the majority of employees are dissatisfied with
their company’s PM system (for an overview, see Brewster et al., 2011).

8.2 Practical implications

Due to the already mentioned restriction on company-specific data, the practical implications of
this project are limited. However, the findings at least indicate that several general assumptions
about GPM in previous literature do not meet all cases in practice. With respect to the case of
our sample, the following summarizes where local variations can be expected, which practices
might be considered as globally applicable, and which best practices should not be adopted
uncritically. Moreover, several implications can be drawn in order to overcome the discriminatory danger of PM.

In particular, local variations can be expected with respect to the actors in (other than the supervisor) and purposes of the appraisal. For example, in our sample the relevance of the appraisal by subordinates and peers is rated significantly higher in China and Germany compared to the USA. Additionally, US-American and South African employees prioritize individually focused appraisals, while their German and Chinese counterparts are found to prefer a group focus in an appraisal. Companies operating in these countries should consider local customs and preferences in order to meet any cultural requirements (House et al., 2004) and take a chance on local employees’ internalization (Kostova & Roth, 2002) of the GPM system.

At the same time, several practices and preferences were found to be of similar high priority across the investigated countries. On the level of practices, these are appraisal by a superior, output criteria, individual focus, and direct and participative feedback. These features reflect four out of five best practices that have been identified in the literature and underline the assumption that best practices are used by practitioners as an orientation (Pudelko, 2005). However, on the level of preferences, these rather ‘hard’ elements no longer hold, which places emphasis on the suggestions made by Fee et al. (2011), stating that highly international MNEs “would be wise to direct attention to the soft control mechanisms” (p. 380). Furthermore, these results express the need to consider employees’ perspectives when establishing and managing a PM system and, moreover, to foster – not to adopt – best practices uncritically (McKenna et al., 2011). From our sample, this seems to be especially true for output-oriented criteria, the individual focus of the appraisal, and for salary purposes. These latter elements can be found in several guidelines on PM (e.g. Armstrong, 2009; Pulakos, 2009), though they do not meet all employees’ preferences, as identified in this survey.

This seems to be particularly relevant for female employees, who prefer ‘softer’ PM elements than their male counterparts. Therefore, the discrepancy between practices and preferences is even higher for women than for men, indicating a gender bias on the organizational level that might be part of the glass ceiling (Morrison et al., 1987), thus hindering women from advancing to top management. Consequently, the practical relevance of overcoming this discriminatory effect of PM is as big as its challenges. Similar to the general implication to consider employees’ preferences, a major step might be to include female expectations and priorities in the design of PM systems, although their ideas might not seem to fit into existing standards in business settings at first glance. Therefore, a first and courageous step could be the systematic identification of discriminatory PM practices in a company. As
Meyerson and Fletcher (2000) emphasize, “it is time to start searching for causes. Such diagnosis involves senior managers probing an organization’s practices and beliefs to uncover its deeply embedded sources of inequity” (p. 132). This diagnosis could be used also to broaden the awareness of discriminations other than sexism, for example racism or religious discrimination, and could also be transferred to other HR practices besides PM.

Hence, another practical implication can be drawn from a methodological point of view, since this thesis provides a measurement that might be applied not only by future research projects but also by practitioners, who aim to determine and include other stakeholders’ perspectives or who want to evaluate existing practices. For many practitioners – as for most researchers in this field – PM is “known as the ‘Achilles’ Heel’ of human capital management, and it is the most difficult HR system to implement in organizations” (Pulakos, 2009, p. 3). In reported employee surveys, only 30% said that the respective PM system actually helps to improve their performance (Pulakos, 2009), while other scholars state that “over 80% of the respondents’ experience with appraisals is perceived as ‘a joke’” (Service & Loudon, 2010, p. 63). These findings as well as the results of this survey urge the questioning and evaluation of the practices applied by organizations and the guidelines used as an orientation. The measurement developed in this thesis might provide a first tool achieve this aim.

As with all scholarly work, this study has its limitations, which are now discussed in detail in the following.

### 8.3 Limitations

This section provides an overview of the limitations of this thesis and is structured into methodological and conceptual limitations.

#### 8.3.1 Methodological limitations

As indicated earlier, this project provides data from one single MNE, which has the advantage of controlling for organizational variables, but also conveys the disadvantage of company-specific data, while confounding effects by industry, global policy, and nature of the firm cannot be controlled and remain potentially influential (Budhwar & Sparrow, 2002). Since the sector in which this company operates (the energy sector) can be characterized as male-dominated (Carlsson-Kanyama et al., 2010), gender-specific data especially has to be interpreted against the background of the male-oriented culture of this industry. At the same time, our findings might be influenced by the organizational culture of this particular MNE. Though we chose a
company with a localized approach, in order to avoid bias towards standardization efforts, a potential influence by the country of origin and the French cultural heritage of the firm’s culture cannot be excluded completely. In this context, it can be assumed that certain organizations attract individuals with certain values, since the choice of the employer also underlies an estimation of the person-organization fit and a self-selection by employees (Weinert, 2004). Consequently, our survey might show different results when conducted in another company of another industry, size, structure, or country of origin.

Besides this main design restriction, some other methodological issues limit the generalizability of our findings. First of all, the pretest sample’s composition did not match the main study sample in terms of its internationality – while German and French participants’ data were compared in the pretest, the target countries in the main study were Germany, China, and the USA, as well as South Africa and France. However, the pretest possessed an international composition, and therefore it provided a first indication of cross-cultural equivalence (Harkness, Van de Vijver, et al., 2003), which was essential in order to assess the constructs in terms of their intercultural equivalence (Byrne & van de Vijver, 2010; Hinkin, 1995). Furthermore, we found conforming factor structures and acceptable Cronbach’s alpha values (DeVellis, 1991) in the pretest groups as well as in the group samples of the main study, hence supporting the conceptual equivalence of the scales (Byrne & van de Vijver, 2010). According to the majority of literature on cross-cultural research, the most sophisticated assessment of equivalence is the application of SEM with multiple group comparisons (see chapter 6.2). Since the group sizes of both our pretest and our main study sample were smaller than the required minimum for a valid conduction of SEM \( N = 100 \) per group, see Hox & Mass, 2004), we applied confirmatory factor analysis and reliability analyses instead (Van de Vijver, 2003b). Whenever possible, future research should ensure the possibility of SEM when developing a cross-cultural survey, in order to meet the highest standards in equivalence assessments. We have to acknowledge that sample sizes were small, in particular with respect to the sample-to-variable ratio, which was lower than 3:1 on the group level. In future research, larger sample sizes are needed, to rely on even more valid findings.

Since all survey participants use English in their daily work, the survey was conducted in one language only. Our limited time for conducting the survey, and the case of South Africa alone, in which eleven different but equivalent official languages exist, convinced us to deliver the questionnaire in English only. Therefore, we did not meet the cross-cultural research suggestions, as suggested by Harkness, Van de Vijver, et al. (2003) for example, to distribute the questionnaire in the participants’ respective mother tongue.
Moreover, as with most surveys, ours potentially underlies the influence of social desirability, meaning that some items and constructs might be more or less biased towards “the tendency of some people to respond to items more as a result of their social acceptability than their true feelings” (Podsakoff et al., 2003, p. 882). This is of particular relevance when data are compared with respect to gender (since women have been cited as providing more socially desirable responses, see e.g. Dalton & Ortegren, 2011) or across different cultures with diverse social values and norms (Johnson & Van de Vijver, 2003). Hence, one could argue that the priority for the soft PM elements, such as team-based assessment or motivational purposes, is more socially desirable, which would then provide an alternative explanation for the higher scores of soft PM elements on the level of preferences in general and in the female sample in particular. We addressed this challenge by employing ex-ante procedural remedies and ex-post statistical evaluations. According to Podsakoff et al. (2003), we followed the recommended ex-ante remedies of a careful item development on the one hand (avoiding moral dilemmas) and the confirmation of the participants’ anonymity and confidentiality on the other, in order to avoid the apprehension of an evaluation. As for statistical remedies, factor analyses were conducted and revealed several factors, excluding the possibility of one underlying factor of social desirability. Furthermore, the correlation matrixes (e.g. in manuscript No. 4) show that correlations between soft PM elements are not higher than for those between soft and hard features. Therefore, we propose the impact of social desirability as an alternative explanation of the found effects to be indecisive. However, future research should consider further ex-ante measures, for example by including an extra scale to control for social desirability response (for a review of existing scales and potential problems, see Thompson & Phua, 2005).

Besides, some limitations on the conceptual level need to be discussed as well, as presented in the following.

8.3.2 Conceptual limitations

Firstly, a structured categorization of the local (cultural and institutional) context was missing in the previous literature on GPM, forcing us to echo the sometimes broad and eclectic foundations of the propositions and hypotheses in the first and second manuscripts. In seeking a complete understanding of GPM, we argued that both the cultural and institutional aspects of a context are important. However, at this point, our analysis allows us to answer how PM features differ on the level of the artifacts, but not necessarily why these differences occur, since some of our hypotheses were supported and others rejected. These findings question the previous theoretical categorizations in the literature and urge more consideration in the future.
Furthermore, issues resulting from contextual differences are inherent in a cross-contextual research project like this, namely differences between groups of participants, between authors and considered countries, and between cited sources and considered countries. While we could include practitioners and scholars’ voices from other countries in the design of the survey (see chapter 6.2), in order to foster equivalence from the very outset, we also sought to include a broad variety of literature in the review, thus providing the basis for the following efforts. However, as most top rank journals are North American (Festing, 2012; Metcalfe & Woodhams, 2012) and academic quality standards, for example journal rankings, are discussed as “yet another form of discriminatory practice in the higher education sector” (Özbilgin, 2009, p. 113), articles from other parts of the world or from scholars with more diverse backgrounds and perspectives are scarce. This, in turn, means that we cannot exclude a general tendency of our work towards the North American or European standards in terms of conceptualizations and research questions, though these standards are the very research object of manuscript No. 3.

A related question that remains open is whether or not the country context and culture in particular can be taken into account as an independent variable at all. Scholars’ own cultures and positions are assumed to influence their work in the form of a lens that cannot be taken away or changed. With regard to the related language issues, Tsui et al. (2007) state that “the best example of context-specific research is the work by local scholars using local language” (p. 468). Of course, this requirement is hard to fulfill in comparative and cross-cultural research, and as such it could not be met within this thesis. However, for future research, teams of scholars from the considered countries would be advisable.

A final important matter on the conceptual level goes back to the ongoing discussion about the relationship between practices and values measured in organizational research. Here, it has been supposed that ‘should be’ data are “shaped, in part, by existing practices” (Brewer & Venaik, 2010, p. 1316) or are even contrary to ‘as is’ data. The underlying assumption is that the status quo might provoke participants to answer in the opposite direction when asked for their preferences (Brewer & Venaik, 2010). Consequently, it has been questioned whether ‘should be’ items that originally have been developed in order to measure values (House et al., 2004) indeed operationalize the targeted values (Maseland & van Hoorn, 2010). However, from this discussion it can be deduced that these items measure at least preferences, which is why we focused on the analyses of preferences in this work. From an empirical viewpoint, the above described nature of ‘should be’ data as the mere reaction to existing practices would imply negative correlations between ‘as is’ and ‘should be’ scores. This negative correlation was found neither in the pretest nor in the main study data, so we can suppose that ‘should be’ data stand for
what the items seek to measure, namely participants’ preferences in PM. Nevertheless, the current discussion about the measurement of (cultural) values and preferences (JIBS, 2010, special issue, No. 8) requires further fruitful outcomes and suggestions in future research.

8.4 Perspectives for future research

As mentioned earlier, research in GPM is in its early stages and there are several topics that should be examined further. Firstly, several pragmatic implications for future research evolve from this thesis’s limitations. Consequently, for a more general picture of GPM in MNEs, more countries, more companies, and more industries should be included in prospective projects. Moreover, as concluded earlier, with special relevance to cross-cultural equivalence, larger sample sizes and cross-cultural research teams would be advisable (Byrne & van de Vijver, 2010). On a conceptual level, the results of this research project underline the need for a stronger integration of approaches and research streams when studying GPM, as explained in the following sections.

8.4.1 Integrating institutional and cultural approaches

With respect to the contextualist paradigm, the combination of cultural and institutional approaches is a largely accepted and promoted step, in order to obtain an all-encompassing picture of country-specific peculiarities in HRM practices (e.g. Aycan, 2005; Farndale & Paauwe, 2007; Festing & Barzantny, 2008). However, as the results in manuscript No. 2 contradict several previous contributions, further analyses are required to determine and structure contextual factors and their respective impact on GPM practices. In order to do so, we suggest the consideration of mixed methods approaches, delivering country-specific data that reflect the complexity of influences by in-depth information and draw a comparable picture of GPM practices with quantitative data. We expect this approach to be particularly fruitful regarding GPM in emerging markets (e.g. the BRICS countries), as these are expected to draw the increasing attention of scholars and practitioners in the years to come (Cassiolato & Martins Lastres, 2009). On the one hand, this growing interest is explained by the rising relevance of foreign MNEs’ subsidiaries in these countries, while our understanding of local HRM challenges is still very limited. The requirement of further knowledge is underlined by the escalating degree of expatriations to emerging markets (Collings & Scullion, 2012), while at the same time Russia, China, and India remain the most challenging locations for expatriates (Brookfield GMAC, 2012). On the other hand, developing countries bear a growing number of MNCs that enter and
position themselves successfully into the global market (Dicken, 2011). We suggest that the analysis of both sides of the coin – the peculiarities of GPM in MNEs originating from emerging markets on the one side, and GPM practices applied by foreign MNEs’ subsidiaries in those countries on the other – would deliver highly valuable knowledge. Moreover, a focus on emerging markets and so-called ‘developing’ countries from a native perspective (Tsui et al., 2007) has the potential to relieve the traditional comparison of Western versus ‘other’ HR practices (Björkman, 2002; Giangreco et al., 2010; Leat & El-Kot, 2007; Shen, 2004) that could not be confirmed in our data.

8.4.2 Integrating the convergence divergence debate and the standardization localization discussion

Another approach that could be employed to bundle together knowledge from different research streams is to link the arguments of the convergence and divergence debate to the discussion about standardization and localization (referring to Pudelko & Harzing, 2007). For example, by doing so in our manuscript No. 3, we identified preferences that are shared by employees in China, South Africa, the USA, and Germany which might indicate a converging trend on the one hand and point toward the potential for standardization on the other. We propose this integration to be an important step towards a comprehensive understanding of GPM in future research. In this line of research, a valuable orientation might be Vance’s (2006) differentiation into the standardized upstream elements (e.g. coordination and organizational learning) and the more localized downstream features of GPM (e.g. the choice of actors), which have been supported empirically by Claus and Hand (2009). In accordance with Vance (2006), Claus and Briscoe (2008) describe the link between balancing standardization and localization and crossvergence and emphasize its relevance for future research: “Although the limited research indicates that PA [performance appraisal] practices may be converging, there is still a great deal of divergence (in the few countries studied). Within an MNC [Multinational Corporation], the notion of crossvergence may be more applicable when it comes to PA practices. The use of standardized PA principles with local cultural and contextual adaptation is worthy of further research” (Claus & Briscoe, 2008, p. 192). Therefore, MNEs following a fully standardized approach should be targeted by future research efforts. Here, academics can examine where the boundaries of standardization lie and where a local adaptation inevitably occurs. The differentiation of subsidiaries and their degrees of implementation and internalization by Björkman et al. (2009), as well as the empirical evidence presented by Mamman et al. (2009), might provide additional inspiration to apply this approach. Furthermore, an investigation of MNEs seeking a balanced approach could facilitate a better
comprehension of the strategic process of balancing the various influences shaping the GPM system on the organizational level (Engle et al., 2008), while on a broader, contextual level, such an analysis could reveal potential future trends and describe how crossvergence in GPM might appear (Vance, 2006). With concern for the developmental aspect inherent in the concepts, “obviously, researching convergence [as well as divergence and crossvergence] seriously would require a longitudinal comparative research programme – but these are expensive and rare” (Brewster et al., 2011, p. 90). According to previous contributions (Von Glinow et al., 2002; Milliman, Nason, et al., 2002; Pudelko, 2005), we differentiated practices and preferences to derive cautious statements about potential future trends. In order to capture and validate these developments, prospective projects should apply long-term research designs, if feasible. Especially in the field of GPM, these approaches are scarce and focus on comparisons within Europe (Boselie et al., 2012), while the global perspective is missing altogether.

8.4.3 Integrating critical and dominant perspectives

Moreover, the integration of critical perspectives into mainstream discussions is an important step within this thesis and points to the relevance of this integration into future research efforts. Firstly, the gap between practices and preferences, which has been reported by others and was confirmed in our study, underlines the need to include employees’ perspectives in future research agendas and guidelines. Therefore, digressing from the managerial and functionalist perspective and applying a rather employee-oriented lens, academics can help to overcome the currently missing perceived justice of PM systems (McKenna et al., 2011), the lack of trust therein, and a great deal of dissatisfaction (Brewster et al., 2011; Pulakos, 2009). In the long run, these efforts could help to increase the acceptance of the PM system, and they might fulfill their intended goal: Facilitating and improving performance (Von Glinow et al., 2002). In this context, integration of the concepts of employees’ engagement and PM, undertaken by Gruman and Saks (2011), might provide fruitful ideas for combining the economic relevance of managing performance with the room and leeway for employees to express and apply their authentic and holistic self.

One basic aspect of several HRM practices that has been criticized is the control of employees and inequalities of power (e.g. Alvesson, 2008; Kamenou & Fearfull, 2006). The connection between control and inequalities seems to be extremely obvious in PM systems, since they evaluate and control performance to regulate the distribution of organizational resources and career developments (Alimo-Metcalfe, 1993). With respect to gender differences, our results are in line with previous assumptions (Alimo-Metcalfe, 1993; Meyerson & Fletcher,
and show that PM systems carry the discriminatory risk of applying those standards adapted to the needs of the male-dominated mainstream, while female values and preferences are neglected. This discrimination on the organizational level of HR practices requires more critical research, especially when it comes to international HRM (Hearn et al., 2012). Moreover, other categories of discrimination, for example racist or religious discrimination, should be addressed by future research in (international) HRM. As Kamenou and Fearfull (2006) point out, “the rhetoric of equality within HRM has been challenged but these discussions have typically focused on gender issues, ignoring ethnicity, culture and religion” (p. 154).

In terms of guidelines and best practices for GPM, future research should also consider cross-cultural research methods, in order to enhance the equivalence and fairness of suggested approaches. As our manuscript No. 3 has shown, several so-called ‘best practices’ do not meet employees’ preferences in China, Germany, the USA, and South Africa. We see several points of intersection between applied GPM systems and cross-contextual research (see e.g. Byrne & van de Vijver, 2010; Harkness, Mohler, et al., 2003) that would be useful regarding future approaches and guidelines for the global application of PM systems. According to Caligiuri (2006), three key issues of performance measurement can be identified which might be answered through the concepts and techniques found in cross-cultural survey methods: Selecting performance constructs that generate meaningful criteria and comparable assessment dimensions, creating the ‘conceptual equivalence’ of selected performance constructs, and developing appraisal methods that are able to capture these constructs. Hence, cross-cultural research methods should be considered not only when measuring PM on a global level but also when new guidelines or best practices in GPM are developed.

It was the aim of this research project to shed some light on GPM in MNEs by analyzing the challenges of balancing global standards and adaptations towards country-specific and individual preferences. Therefore, an integrative approach was chosen, referring to cultural and institutional perspectives, the convergence and divergence debate, and the dominant and critical perspectives on GPM. The results reveal some country-specific practices and simultaneously common preferences with a priority for much ‘softer’ GPM elements than current best practices might let us assume. Moreover, the discriminatory impact of GPM was confirmed, since gender-specific preferences were identified and practices still reflect male preferences on a global level. We very much hope that our work might inspire future projects seeking to delve even deeper into these issues and the related fields mentioned above.
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Global performance management in the MNE

References


Dear Sir or Madam,

The Chair of Human Resource Management & Intercultural Leadership at the Berlin Campus of the ESCP Europe is currently working on an international research project concerning “Global Performance Management”. Together with colleagues in Australia, France and the USA we investigate the cross-cultural issues of performance management. We appreciate very much the willingness of the XXX Group to support our survey.

Therefore we kindly ask you to take approximately 20 minutes of your valuable time to answer our online questionnaire referring to culture and performance management at your current workplace. Your input is most important to us!

Please access the online questionnaire via the following link:

http://www.umfragecampus.de/rogator/ESCP-Berlin/Festing_GPMatXXX/

Please answer our online questionnaire by Friday 18th March, 2011.

If you are interested in the design of the project or the results of this survey, please do not hesitate to write a short email to lena.knappert@escpeurope.de.

Thank you in advance for helping us with developing research in the Global Performance Management field.

Sincerely yours,

Prof. Dr. Marion Festing
Chair of Human Resource Management & Intercultural Leadership

Lena Knappert
Research Assistant
**APPENDIX B**

**Reminder main study**

<table>
<thead>
<tr>
<th>Dear Sir or Madam,</th>
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<tr>
<td>Two weeks ago an online-questionnaire seeking your experiences and opinions about “Global Performance Management” was mailed to you.</td>
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<tr>
<td>If you have already completed the questionnaire, please accept our sincere thanks. We are especially grateful for your valuable time and your support because it is only by asking people like you to share your experiences that we can investigate the cross-cultural issues of performance management and find answers to our research questions.</td>
</tr>
<tr>
<td><strong>If you have not completed the online-questionnaire yet, please do so by Friday 18th March, 2011.</strong></td>
</tr>
<tr>
<td>We kindly ask you to take approximately 20 minutes of your valuable time to answer our questionnaire. Your input is most important to us!</td>
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<tr>
<td>Please access the questionnaire via the following link:</td>
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<td>[<a href="http://www.umfragecampus.de/rogator/ESCP-Berlin/_Festing_GPMat">http://www.umfragecampus.de/rogator/ESCP-Berlin/_Festing_GPMat</a> XXX](<a href="http://www.umfragecampus.de/rogator/ESCP-Berlin/_Festing_GPMat">http://www.umfragecampus.de/rogator/ESCP-Berlin/_Festing_GPMat</a> XXX)</td>
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<tr>
<td>If you are interested in the design of the project or the results of this survey, please do not hesitate to write a short email to <a href="mailto:lena.knappert@escpeurope.de">lena.knappert@escpeurope.de</a>.</td>
</tr>
<tr>
<td>Thank you in advance for helping us with developing research in the Global Performance Management field.</td>
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<tr>
<td>Sincerely yours,</td>
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<td><strong>Prof. Dr. Marion Festing</strong></td>
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<tr>
<td>Chair of Human Resource Management &amp; Intercultural Leadership</td>
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<td><strong>Lena Knappert</strong></td>
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<td>Research Assistant</td>
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