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Performance Measurement in a Cross-National Context

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9

Performance Measurement in a Cross-National Context

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In today's highly competitive global business environment, organizations need to aggressively compete for new markets, products, services, and human talent within the global arena. This business reality has increased the way in which organizational resources are gained, deployed, and managed *globally*. Of the various resources organizations must manage globally, research has found that the effective management of the global *human resources* (HR) systems can provide organizations with a competitive advantage (Brewster & Harris, 1999; Brewster & Larsen, 2000; Shenkar, 1995; Stroh & Caligiuri, 1998b). Although there are many components in the global HR system, including selection, training and development, rewards, and the like, this chapter focuses on the contribution of performance appraisal and performance measurement in a cross-national context.

This chapter is divided into three major sections. The first section begins with a discussion of fit between a firm's business strategy and its performance measurement systems. The established conceptualization of *transnational* business strategies (based on the global-integration vs. local-responsiveness framework) is used to propose three approaches to organizing performance measurement: centralized, synergistic, or localized (Bartlett & Ghoshal, 1989; Prahalad & Doz, 1987). In the second section, the major challenges in developing criteria and measuring performance for employees with diverse cultural backgrounds are discussed. This section emphasizes the importance of the cross-cultural context with respect to the comparability of performance dimensions, the effect of culture on *method of performance evaluation*, and the effect of culture on the raters and ratings of performance. The last section focuses on the performance measurement and criteria devel-

opment for individuals who work globally, namely global assignees. In this last section, four types of global assignments are discussed, including technical, functional, developmental, and strategic assignments.

CRITERIA DEVELOPMENT AND PERFORMANCE APPRAISAL IN MULTINATIONAL ORGANIZATIONS

Within a multinational organization, developing strategically meaningful criteria that will fit into a larger performance appraisal initiative can be especially challenging. The following section presents diverse multinational business strategies and offers methods for performance appraisal that follow from those strategies.

Business Strategies of Multinational Organizations

Multinational firms' operations differ from the operations of domestic firms in terms of two complex dimensions: *geographic dispersion* and *multiculturalism* (Adler, 2001). Geographic dispersion is the extent to which a firm is operating across borders and must coordinate operations across borders in order to be effective. Multiculturalism is the extent to which the workers, customers, suppliers, and so on, are from diverse cultural backgrounds and must coordinate the activities of people from diverse cultures in order to be effective. In leveraging both geographic dispersion and multiculturalism, transnational organizations must achieve a dynamic balance between the need to be *centralized*, or tightly controlled by headquarters, and the need to be *decentralized*, or operating differently across diverse locations (Bartlett & Ghoshal, 1989). The achievement of this balance between centralization and decentralization can happen in a variety of ways.

As a strategy, extreme centralization can provide an organization with a number of competitive benefits such as economies of scale, improved value chain linkages, product/service standardization, and global branding. Extreme decentralization, however, can also be highly strategic, enabling a firm to modify products or services to fully meet local customer needs, respond to local competition, remain compliant with various governments' regulations in different countries of operation, readily attract local employees, and penetrate local business networks. These two countervailing forces, centralization and decentralization, have also been labeled global integration and local responsiveness (Prahalad & Doz, 1987).

In order to be successful, every multinational firm should adopt a strategy that "fits" the complexity of its environment (Ghoshal & Nohria, 1993). Research by Caligiuri and Stroh (1995) found that each diverse business strategy implies a different approach to managing HR. Three general multinational strat-

egies are discussed, with respect to criteria development and the performance appraisal function: global, multidomestic, and transnational.

Criteria Development and Performance Appraisal Aligned With a Global Strategy

Organizations pursuing a *global* strategy face strong pressure for worldwide integration but face weak pressure for local responsiveness (Ghoshal & Nohria, 1993). These firms organize their operations into worldwide lines of business that are managed and controlled by headquarters. This central control is often critical because, in part, their basis for competition is a systematic delivery of products and services around the world (Bartlett & Ghoshal, 1989). Headquarters-controlled HR practices often follow in these international organizations where subsidiaries are required to comply with decisions from headquarters.

Given the emphasis on standards and consistency, global organizations will tend to have centrally developed criteria for use in performance appraisal. For example, a global fast-food restaurant chain is competitive, in part, by delivering consistency to its customers in terms of food, service, cleanliness, and restaurant appearance. It follows that this same fast-food restaurant chain would have criteria, such as *friendliness* to customers, menu knowledge, and personal hygiene, with identical behavioral indicators, *regardless of country*, built into its performance measurement system. Given that consistency for global organizations is a competitive advantage, criteria should be developed centrally and utilized around the world as a part of a broader performance measurement and performance management system.

At lower levels in an organization (e.g., the food servers in a fast-food restaurant) the criteria are more objective—and relatively easy to maintain across cultures. The greater challenge for global organizations is in maintaining consistency with more subjective criteria—generally found in higher level managerial and independent-contributor positions. Subjective criteria may include dimensions such as integrity, teamwork, and results orientation. The interpretation of these subjective criteria can vary greatly depending on the culture of the subsidiary location. Research suggests that criteria development for global organizations can be one of the largest challenges within the global HR function (Caligiuri & Day, 2000). This challenge is discussed later in this chapter.

Criteria Development and Performance Appraisal Aligned With a Multidomestic Strategy

Organizations pursuing a *multidomestic* strategy face strong pressures for local responsiveness and weak pressures for worldwide integration. Their structure resembles a decentralized group of local firms and their HR policies differ across

countries, conforming to local market demands. Multidomestic organizations transfer almost all HR practices, including their performance appraisal activities, to the host national subsidiaries. Decisions are made at the subsidiary level regarding the performance criteria appropriate for assessing the performance of local employees (at all levels), and the type of performance evaluation methods that will be used.

In multidomestic organizations, criteria are developed to align with the subsidiary's strategy and the context of the local HR system. The criteria used for rating jobs will likely vary across subsidiaries, as would the performance appraisal systems employing those criteria in evaluation. Thus, it is possible for two individuals with identical job titles working for the same organization (but living in two different countries) to have their performance assessed on the basis of different criteria—and with a different method of performance appraisal altogether (and even rewarded differentially for different output). From the perspective of equity and fairness, this practice may have negative organizational consequences when incumbents living in different countries have increased interactions with each other. Clearly, this differential performance appraisal practice works most effectively when organizations follow a true multidomestic strategy—but not very well when organizations follow the other strategies.

Criteria Development and Performance Appraisal Aligned With a Transnational Strategy

Organizations pursuing a *transnational strategy* face strong pressures for both worldwide integration and local responsiveness. These organizations attempt to develop an interdependent global network of subsidiaries that combines the benefits of worldwide integration with the benefits of local responsiveness. Subsidiaries are neither satellites of nor independent from headquarters, but rather, are integral parts of a whole system with both global and local objectives. Each subsidiary is believed to make a unique contribution to this synergistic system. Decisions are a result of a collaborative process between headquarters and subsidiaries. As such, performance measurement in transnational organizations seeks consistency around the world—based on strategic necessity—but is also culturally acceptable across the participating countries. Many multinational organizations aspire to (or believe themselves to follow) a transnational business strategy. As such, there is an increased pressure to develop HR systems (and performance measurement systems in particular) which are acceptable and synergistic across cultures. That said, developing methods for performance measurement within this transnational strategic perspective is considered to be the most challenging in practice.

There are three challenges when developing performance measurement systems from a transnational or synergistic perspective. The first challenge is *determining criteria* that would be applicable for incumbents within the same positions across subsidiaries, regardless of country (Davis, 1998; Ployhart, Wiechmann, Schmitt, Sacco, & Rogg, 2002). This is the straightforward first step of making sure the criteria domain is comparable across cultures. Once this is determined, *creating conceptual equivalence* is the next (and far greater) challenge. This may include everything from *language comparability* to developing the *behavioral indices* of various performance dimensions so that raters can make cross-culturally comparable ratings. The formidable challenge embedded within conceptual equivalence is that two raters from different countries, observing the same incumbent, would need to observe the same level of performance on a given dimension. This is especially problematic for positions with more contextual and less technical performance dimensions within the performance domain (Caligiuri & Day, 2000). The third challenge, seemingly less onerous than the second, is determining the *performance measurement method* that can be successfully implemented across cultures.

These three formidable challenges make the transnational strategy very difficult to maintain with respect to criteria development and performance evaluation. In practice, organizations that purport to have HR systems following from a transnational business strategy tend to have a hybrid model in practice. Either they tend to have substantial influence from headquarters in setting and developing a performance evaluation system (acting much like the global organizations), or they allow for a significant amount of cross-national adaptation to a given countrywide system (acting much like a multidomestic system).

Given that many multinational organizations desire to be in a synergistic state with respect to their HR systems (i.e., following a transnational strategy), it is useful to discuss each of the three challenges in greater detail. They are: (a) selecting constructs applicable across countries (for a given position), (b) creating conceptual equivalence for those constructs, and (c) developing cross-culturally acceptable methods for evaluating those constructs.

CHALLENGES OF CROSS-NATIONAL PERFORMANCE MEASUREMENT

The previous section outlines three challenges when developing performance measurement methods in a cross-national context. Though a thorough review of all of the measurement, methodological, and cultural issues embedded in these challenges is beyond the scope of this chapter, the goal for this section is to highlight some of the key issues applied psychologists and HR practitioners

should consider when conducting performance measurement in a cross-national context.

Selecting Performance Constructs in a Cross-National Context

As with domestic criteria development, the first step is to determine the broad content domain for a given position—repeating this step across countries for the same position. Without delving into the issue of conceptual equivalence, at minimum, use logic to determine whether positions are comparable enough to continue. For example, Asian managers may emphasize cooperation and teamwork when rating the performance dimension “leadership,” whereas, American managers may emphasize assertiveness and independence when evaluating “leadership.” Thus, the same manager may be rated as highly effective on a leadership dimension in one country, but highly ineffective in another. In this example, “leadership” may be the common construct although, as the next section suggests, it is not conceptually equivalent across cultures.

At this stage, the goal is to generate a list of broad (but meaningful) and comparable dimensions. In many cases, multinational firms have some driving corporate cultural values that appear on performance evaluations for all employees around the world. These corporate values may include dimensions such as (a) managing with integrity, (b) appropriate risk taking, (c) being customer focused, and (d) being results oriented. Generating a combined list of these broad dimensions, along with the position-specific dimensions, is the best starting point for developing a cross-culturally acceptable performance measurement system. After these broad performance dimensions are named, the challenge turns to creating conceptual equivalence for each dimension across cultures.

Creating Conceptual Equivalence for Performance Constructs in a Cross-National Context

It is assumed that individuals within one country will have more values in common compared to individuals from different countries (Hofstede, 1980). This foundation of individuals' culture can influence the sphere of work. Thus, individuals' work-related values are formed when their overarching cultural values are applied to the work situation (England & Harpaz, 1983; Hofstede, 1980). In the context of this chapter, culturally laden work values can affect the weight that one places on a particular dimension or the actual interpretation of the performance dimension, creating a challenge for measuring work performance from

a single cultural lens. Applied psychologists and HR practitioners working internationally have been grappling with the challenge of developing measures that are conceptually comparable across cultures—beyond a mere translation of words (e.g., Davis, 1998; Erez, 1994; Harpaz, 1996; Ployhart et al., 2002; Riordan & Vandenberg, 1994; Ryan, Chan, Ployhart, & Slade, 1999; Ryan, Horvath, Ployhart, Schmitt, & Slade, 2000; Vandenberg, 2002; Vandenberg & Lance, 2000). In this context, the goal is to create enough conceptual equivalence in performance measures for comparisons of incumbents across cultures to be meaningful.¹

Many researchers have examined methods to assess cross-cultural conceptual equivalence (e.g., Harpaz, 1996; Riordan & Vandenberg, 1994; Vandenberg, 2002; Vandenberg & Lance, 2000). By definition, conceptual equivalence occurs when constructs have similar meanings across cultures (Harpaz, 1996; Ryan et al., 1999). Organizational commitment, for example, may translate into “years of service” in Japan—where a subset of employees are highly dedicated to their companies for life. In Singapore, however, organizational commitment may mean “expending effort at work”—where long hours are valued, but the average tenure of a manager is less than 3 years. In this example, “organizational commitment” lacks conceptual equivalence. However, in both Singapore and Japan, the construct “hardworking” may be defined as coming in 1 hour before you are expected—and staying 2 hours past the time you are scheduled. In this example, “hardworking” does possess conceptual equivalence.

Maximizing conceptual equivalence may be especially problematic when criteria are more subjective and less objective. That said, performance measurement systems relying predominantly on “objective” measures are not completely free of cross-national measurement differences. Black, Gregersen, and Mendenhall (1992) suggest that even objective financially based performance criteria, such as return on investment, profit and loss, maintaining budgets, and so on, may be affected by exchange rate fluctuations, price controls, and the like. Therefore, a performance evaluation based solely on these financially objective measures would not be completely comparable across cultures (granted, the method for normalizing these criteria would be much easier, compared to subjective criteria.). Whether considering objective or subjective performance dimensions, HR professionals have the onerous task of trying to maximize conceptual equivalence in their organizations’ performance management systems.

¹The methodological issues involved in assessing cross-cultural measurement equivalence (e.g., covariance structure analysis, differential item functioning) are well beyond the scope of this chapter. Researchers and practitioners are encouraged to read the rapidly growing literature on assessing measurement invariance. Vandenberg and Lance’s (2000) article in *Organizational Research Methods*, “A Review and Synthesis of the Measurement Invariance Literature,” and Vandenberg’s (2002) article also in *Organizational Research Methods*, “Toward a Further Understanding of an Improvement in Measurement Invariance Methods and Procedures,” are both suggested readings to start.

Developing Methods for Assessing Performance Constructs in a Cross-National Context

Once the performance dimensions have been established, the next cross-cultural concern would be the appropriateness of the performance evaluation method in a given cross-cultural context. Schneider and Barsoux (1997) have suggested that many cultural factors will influence the appropriateness of various methods of performance assessment. *How* performance is assessed will depend on culture difference. For example, the extent to which management by objectives is used may differ depending on the hierarchical culture of the employees—and how comfortable employees are discussing their goals with their managers (Schneider & Barsoux, 1997). Whether performance appraisal involves a dialogue (or a feedback session) with a manager will also vary depending on the cultural context.

Performance evaluation will also vary culturally based on *who* is conducting the appraisal. In a sample of Hong Kong Chinese and American managers, Entekin and Chung (2001) found that supervisor appraisals were more consistent with Chinese values—and more accepted by Hong Kong Chinese managers. Peer and subordinate evaluations (typically found with 360-degree assessment) were considered more acceptable to American managers, consistent with America's egalitarian culture. Thus, in the context of cross-cultural acceptability, it is important to consider both *how* the evaluation is being made and *who* is conducting the evaluation.

It is most often the case that performance measurement is conducted, at minimum, through supervisor ratings. Supervisor ratings are especially challenging when supervisors from one culture are rating subordinates from another culture. In these cross-cultural rater–ratee dyads, performance ratings could be biased by the degree of rater–ratee similarity measured in terms of demographic similarity (e.g., Judge & Ferris, 1993; Tsui & O'Reilly, 1989). The degree of similarity between members of a dyad—also referred to as relational demography—has been shown to be positively related to perceived similarity and supervisors' reported liking of a ratee (Wayne & Liden, 1995). Both of these effects have the potential to favorably bias ratings of performance. In the context of performance evaluation in cross-national work settings, national similarity is a type of relational demography that could affect ratings. Similarity of managers and their supervisors in terms of national background has been shown to influence performance ratings (Caligiuri & Day, 2000).

Caligiuri and Day (2000) found that the bias of nationality may affect the performance dimensions differently—depending on the type of dimension. They tested both task and contextual performance dimensions and found that rater nationality influenced the ratings of the more subjective contextual performance dimensions, but not the objective task-based performance dimensions. This finding is consistent with research indicating that less ambiguous performance stan-

dards increases rater-ratee agreement regarding performance ratings (Schrader & Steiner, 1996). Given that the raters' cultural lens is a potential for bias, supervisors should be trained on behavioral indicators for assessing employees' performance. A training intervention, such as frame-of-reference rater training (Bernardin & Buckley, 1981), could be highly effective at reducing the idiosyncratic standards of performance raters (Day & Sulsky, 1995). Frame-of-reference rater training would clarify performance standards across dimensions and across cultures—especially for the more ambiguous subjective dimensions.

PERFORMANCE EVALUATION FOR GLOBAL ASSIGNEES

Thus far, this chapter has focused on performance evaluation systems and the challenges present in multinational organizations—namely in developing worldwide performance evaluation systems to be consistent with business strategy and the cultural context. This chapter now shifts from examining culture's influence on performance measurement systems to culture's influence on the performance context itself. This last section examines employees within a multinational organization who, by definition, are living and working in a cross-national context, namely global assignees.

There are many challenges when considering the performance evaluation of global assignees living and working outside of their own national borders. Unlike domestic employees within a multinational organization who work in their own countries, these global assignees are nationals of one country who are sent to live and to work in another country by a parent organization. The definition of global assignees, for the purpose of this chapter, is limited to those who are sent for an assignment (rather than a self-initiated relocation) to another country for at least 1 year. This section accomplishes two things. First, it outlines the framework for the performance dimensions of global assignees using four sets of performance dimensions (task, contextual, intercultural, and developmental dimensions). Using a variation on these performance dimensions, this chapter then proposes a classification of all global assignments (technical, developmental, strategic, and functional assignments).

Because global assignments are becoming more important for both individuals' careers and organizations' global success, having a systematic means to measure expatriate performance, likewise, is increasing in importance. Past research indicates considerable variation in the types of criteria used to evaluate the success of global assignments. To date, the three most common criteria for evaluating global assignee success have been (a) completion of the global assignment, (b) cross-cultural adjustment, and (c) performance on the global assignment (Arthur & Bennett, 1997; Caligiuri, 1997; Ones & Viswesvaran, 1997). Past research has used these criteria almost interchangeably as measures

of "success" when, in fact, research has found these three criteria to be related, but conceptually different, constructs (Caligiuri, 1997). This chapter focuses on the latter criterion for successful global assignee performance.

Individuals are sent abroad for a variety of reasons and for different durations of time, are expected to complete different tasks, and interact with different employee groups. Arthur and Bennett (1997) suggested that research on global assignment job performance should attempt to differentiate among the various job types of global assignees. With respect to criteria development, this is especially important given that a global assignment is a *job context* (i.e., a global assignee working in a host country), as opposed to a *job description*. Thus, an American global assignee who is a vice president of operations in Brussels and a Venezuelan global assignee who is a systems engineer in Singapore are both on global assignments—their job descriptions, however, are very different. Therefore, the same performance dimensions for both employees, despite the fact that they are both global assignees, may be inappropriate.

To facilitate the discussion of performance dimensions of global assignees, the author conducted job analyses of several hundred global assignments across dozens of multinational organizations. These job analyses found that two types of performance dimensions are present in all categories of global assignments: *technical* dimensions and *contextual* dimensions. This finding is consistent with the previous performance literature suggesting that all jobs contain both task specific components and contextual (or even organizational citizenship) components (see Borman & Brush, 1994; Borman & Motowidlo, 1993; Campbell, McCloy, Oppler, & Sager, 1993; Smith, Organ, & Near, 1983). These dimensions are discussed in the following sections.

Technical and Contextual Performance Dimensions for Global Assignments

In the context of global assignments, the *technical performance dimensions* represent the aspect of work performance in job analytic terms and are represented by the tasks or duties incumbents perform (Borman & Motowidlo, 1993; Campbell et al., 1993). At a minimum, all jobs, both domestic and global, have position performance dimensions (Borman & Motowidlo, 1993). Thus, a systems engineer located in Italy should have comparable responsibilities to the systems engineer located in India. Both the position title and the fundamental aspects of the job are likely to be similar. These performance dimensions will be the same regardless of location. The way in which these jobs are conducted, however, may be different as a result of the country context.

In addition to technical performance dimensions, all global assignments will include *contextual* performance dimensions (Borman & Motowidlo, 1993). These performance dimensions are those aspects of work performance that are not directly related to the technical tasks or duties of the job (Borman &

Motowidlo, 1993). These contextual performance dimensions may include such things as maintaining integrity, organizational commitment, promoting a positive image of the organization, motivation, and having a customer focus. In many organizations, these contextual dimensions are derived from the core values that the company desires in all employees, and as such, are found on the performance evaluations of employees from the lowest level in the organization to the executive suite.

Intercultural and Developmental Performance Dimensions for Global Assignments

Though technical and contextual performance dimensions are inherent in all global assignments, there are two sets of performance dimensions that will vary depending on the type of the global assignment. These two dimensions are *intercultural*, or the extent to which cultural interaction is required in order for global assignees to be deemed to have successful job performance, and *developmental*, or the extent to which the development of global competence is an expected outcome of the global assignment.

With respect to *intercultural* performance dimensions, some assignments will have an extensive need for communication with host nationals in order for the assignment to be deemed successful. Job analyses have found that tasks requiring *intercultural effectiveness* vary, depending on the position. Some sample tasks requiring intercultural effectiveness may include: (a) negotiating an international joint venture, (b) conducting training seminars in another country (in the host national language), (c) working on a multicultural research and development team, (d) presenting to internal or external clients in the host national language, (e) adapting a marketing plan to a local culture, and (f) replacement planning (in cases when a global assignee is training a host national to be his or her replacement). It is also the case that in some highly technical assignments, there is little (if any) need for intercultural effectiveness. Clearly, global assignments will vary on the extent to which intercultural effectiveness is needed.

In addition to variation on intercultural dimensions, job analyses have also found a variation across global assignments on *developmental* dimensions. Many multinational organizations send managers on global assignments to *develop* global competence or a global "mind-set" (Adler & Bartholomew, 1992; Caligiuri & DiSanto, 2001; Stroh & Caligiuri, 1998a). In general, many expatriates find global assignments to be developmental experiences and report having gained tangible skills that are value-added for their organizations (Oddou & Mendenhall, 1991). It is interesting to note that the extent to which developmental dimensions are formally recognized as an *expected outcome* of a global assignment will vary greatly depending on type of assignment. Some global assignments are highly functional, with no developmental component. Other global assignments are highly developmental—and may even be a part of a

global leadership development program (Black et al., 1992; Caligiuri & Di-Santo, 2001). At one end of this continuum are the participants in a typical global leadership development program from a large multinational organization. In global leadership development programs, rotational assignments have been designed to give participants exposure to working various host country subsidiaries and across various functional units. The primary focus for these programs is professional and technical development. At the other end of this continuum are technical or functional global assignments where individuals are sent solely to accomplish something tangible, usually to fill in a skill gap in the local country. In these cases, whether the assignees develop any new skills is incidental to the purpose of these assignments. Across the range of global assignments, sample tasks with developmental components include: (a) learning how to conduct business in a host country, (b) building a network of professional relationships in the host country, (c) learning the host country language, and (d) increasing one's understanding of the company's worldwide structure. The proposed classification of global assignments follows from the placement of all global assignments on these two continua, intercultural (high vs. low) and developmental (high vs. low). Based on placement on these two continua, this chapter proposes four categories of global assignments. Within each global assignment category, the performance dimensions described in the previous section become differentially relevant. In the section that follows, the four categories of global assignments are described in terms of their relevant performance dimensions.

Categories of Global Assignments

As the previous section suggests, it is important to note that all global assignments vary along two continua. The first continuum is *the amount of intercultural effectiveness needed in order to be successful on the assignment*. The second continuum is *the presence or absence of a developmental component of the global assignment*. Based on these two performance continua (intercultural and developmental), this chapter categorizes four types of global assignments: (a) technical assignments, (b) developmental or high-potential assignments, (c) strategic or executive assignments, and (d) functional assignments. Each category of global assignment is described briefly in the subsections that follow.

Technical Assignments. Technical assignees have little (although appreciated) need for intercultural sensitivity in order to be effective on their global assignments. They are also not sent on global assignments for their own career development. In fact, they are often sent because their technical skill does not exist in the location of the assignment. Technical assignees typically comprise between 5% and 10% of the total expatriate population in a typical large multinational organization. This type of assignment is becoming increasingly

more common as organizations are expanding their technical expertise worldwide.

The typical technical assignment is similar in content to the assignee's domestic position. Specifically, these technical assignees are in an organizational setting similar to the setting of the home country. Many of the global assignees on technical assignments will describe their work experience as "quite similar" to what they were doing back home. It is not expected that these global assignees will have significant interactions with the host nationals working at the subsidiary location—and those interactions that inevitably will occur will not greatly affect the outcome of the assignment. In other words, the person is being sent because of his or her technical skills. It is those technical skills that will determine the outcome of the assignment. These assignments include, for example, technicians on an oil refinery, systems engineers on a continuation client site, and systems analysts interfacing with a computer system. As such, the only performance dimensions that will be relevant will be the same ones relevant in the domestic context: technical and contextual performance dimensions.

Developmental or High-Potential Assignments. For some multinational companies, sending expatriates abroad for 2 or more years to develop global competencies is consistent with their overall strategic HR plan. Most organizations that utilize this type of global assignment do so within the context of their managerial-development program. These programs are often rotational—with one of the rotations being in another country. While on this type of assignment, the goal is individual professional and technical development. These rotational assignments often have a very structured series of developmental experiences. The high-potential/developmental assignees typical comprise between 5% and 10% of the total expatriate population in a typical large multinational organization.

Whereas their point on the developmental continuum is clear, it is unclear where they belong on the intercultural sensitivity continuum. Given that the most important reason for the participants' rotation is their professional development, one cannot be certain that intercultural sensitivity is needed for this to occur—suggesting a lower level on the second continuum. That said, recent research as found that developmental assignees now know what they do not know to be effective in another culture after the global development programs are completed (Caligiuri & DiSanto, 2001). This suggests that global assignments have helped individuals develop an understanding of the limits of their knowledge in a cross-national context—but also suggests that intercultural sensitivity may be a component of the assignment in the first place.

Strategic or Executive Assignments. Many multinational companies, when asked to analyze their ideal staffing strategy for global assignments, will identify "the strategic/executive assignment" as the ideal. Individuals who are

being developed for high-level management positions in the future usually fill these strategic assignments. Strategic/executive assignees typically comprise between 10% and 15% of the total expatriate population in a typical large multinational organization. The purpose for these assignments tends to be high profile (e.g., general managers, vice presidents) and the experience is viewed as both developmental and strategic. Thus, these individuals are not sent solely for developmental assignments; rather, they are there to fill a specific need in the organization. These global assignees are the core "critical" group of assignees. They may have the task of entering a new market, developing a country base in a new area, or being the general manager of a joint venture, among other tasks. An in-patriate assignment, where high-profile managers from other countries take a global assignment in the headquarters country, is an example of a strategic assignment (Black et al., 1992; Kobrin, 1988). Given that they are in such high-profile positions, these individuals often need a high level of intercultural sensitivity in order to be successful on the global assignment. Clearly, there will be aspects from each of the performance dimensions that will be critical for their successful performance on the assignment.

Functional Assignments. Functional or tactical assignees generally comprise between 55% and 80% of the total expatriate population and are the most common global assignees in a typical multinational organization. The functional assignment is similar to the technical assignment with one distinct difference—significant interactions with host nationals are necessary in order for the assignment to be deemed successful. This category of assignee will have many intercultural dimensions. As with the technical assignment category, global assignees in this category are sent to another country to fill a skill gap or to transfer information. Unlike technical assignees, however, functional assignees will need to interact with host nationals while on assignment in order for the assignment to be deemed successful.

Functional assignees need a high level of intercultural sensitivity to be effective on the global assignment. However, given that these assignees are sent to fill a technical need, from a performance dimension perspective, they are low on the developmental continuum. In fact, the global assignees within this category are the ones most likely to turn over upon repatriation because they are the ones who have developed new international skills and competencies that were not needed (or intended in the first place). As such, the global assignees within this category are the ones most likely to feel unfulfilled upon repatriation (Caliguri & Lazarova, 2001).

Global assignments, across all categories, are growing increasingly more common today. Years ago, the purpose of global assignments was to send managers to "run things" in another country. Today, global assignments are becoming increasingly more diverse and the management of these assignments more complex. The typology proposed in this chapter is helping to manage this com-

plexity. Researchers are also starting to differentiate among the various types of global assignees when conducting studies on the topics of global assignee selection, training, and compensation. In the context of performance measurement, the proposed typology could be used for selecting appropriate performance criteria and developing expatriate performance appraisals.

CONCLUSIONS

This chapter covered the most basic issues of performance management in the cross-national context: multinational strategies affecting performance measurement systems, performance measurement systems with cross-cultural comparability, and performance management systems for those on global assignments. As the need for strategic, synergistic, and conceptually equivalent performance measurement systems continues to grow, so do the demands on HR professionals and applied psychologists to respond to this complex need.

The many changes in today's global marketplace have certain implications for the future of performance measurement. The virtual dimensions of global work are becoming increasingly more common. For example, people are becoming more involved with cross-border work without ever leaving their offices. Many employees work with customers and suppliers located in other countries. Other employees are members of international teams and are required to maintain contact with colleagues and collaborators around the world. All of these virtual aspects of global work will influence performance management in some significant ways, and raise some interesting questions for the future: Can performance be evaluated without ever meeting someone in person? Will new performance dimensions, such as effective electronic communication and virtual teaming, become more common? Will global competencies be critical for all employees to possess—even employees who never leave their home countries? These and many other questions are open for cross-national performance measurement scholars and HR practitioners in the future.

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