
Introduction

Lisbeth Claus*

Willamette University, 900 State Street, Salem, OR 97301, USA

Fax: 503-370-3111 E-mail: lclaus@willamette.edu

*Corresponding author

Dennis Briscoe

University of San Diego, 5998 Alcala Park, San Diego,

CA 92110, USA

Fax: 619-260-4891 E-mail: dbriscoe@sandiego.edu

Biographical notes: Lisbeth Claus, PhD, SPHR, GPHR, is Professor of Global HR at the Atkinson Graduate School of Management of Willamette University in Salem, Oregon (USA). Prior to joining Willamette University, she held faculty and administrative positions at the Monterey Institute of International Studies and managerial positions at Safeway Inc. and Maritz Inc. She has published in academic and professional journals on subject matters related to international/global HR management issues, and is a frequent keynote speaker at national and international HR conferences. She is co-author of *International Human Resource Management* (Routledge, 3rd edn) with Dennis Briscoe and Randall Schuler.

Dennis R. Briscoe is Professor of International Human Resource Management (retired) and former associate director of the Ahlers Center for International Business at the University of San Diego. His PhD is in Management from Michigan State University and his BBA and MBA are from Washington State University. He has authored six books, including (with Lisbeth Claus and Randall Schuler) *International Human Resource Management*, 3rd edn, and *Industrial Relations Around the World*, and over 60 articles. He has about 20 years experience as a manager and a human resource manager, has worked and lived in 15 countries, and travelled fairly extensively in about 70. He writes and speaks on IHRM, organisational learning and knowledge management, global executive development, cross-cultural communication and management, and project leadership.

Performance management (PM) is the organisational system that manages all aspects of employee performance, including setting performance standards and objectives, measuring actual performance against those standards and objectives and providing feedback to employees about any gaps between actual performance and set objectives (through some form of performance appraisal), and the provision of counselling for addressing those gaps through training and development and of rewards and compensation for achievement of set objectives and standards (Cascio and Aguinis, 2005; Redman, 2006). Global performance (the focus of this special edition) has a dual focus: PM of employees in multinational enterprises (MNEs), including those

who have international assignments, plus attention to how PM is practised in individual countries.

The basic philosophy and practice of PM has been developed primarily in firms of the West (North America and Western Europe), with their focus on a short-term linkage of individual performance to annual business objectives (Briscoe and Claus, 2008; Cascio, 2006; Gratton et al., 1999). Our recent review of the research literature on global PM (Claus and Briscoe, 2006, 2008) shows that the concept of PM is now being transferred to the management of foreign acquisitions, subsidiaries, and joint ventures by Western MNEs. Yet little research or literature focuses on PM practices in non-Western (meaning primarily non-US) enterprises or in countries other than the USA, Canada, or the UK.

The purpose of this special issue of the *European Journal of International Management* was to encourage examination of global PM policy and practice in the European context. We have selected the following five papers from fairly limited submissions, all of which provide new knowledge or models about global PM applied to various aspects of the European context. The relatively few submissions suggest to us support for one of our conclusions about characteristics of research on global PM: this is a subject that still suffers from limited academic attention. Therefore, it is hoped that our goal for this special edition – to increase the base of knowledge about global PM in the European context – is achieved.

In our first paper, 'Employee performance management in MNCs: reconciling the need for global integration and local responsiveness', Claus examines one of the central issues that influences the design of PM systems in MNEs: determining the balance between centralised standardisation and localised responsiveness. Most large (at least Western) MNEs seek standardisation of many of their management and HR practices, including PM, and yet national cultural differences influence these same enterprises to make cultural adaptations to their management and HR practices. Given this reality, Claus then looks at ways in which seemingly opposing dimensions of standardisation and localisation can be reconciled in the design, implementation, and evaluation of effective global PM systems.

Our second paper, 'State of origin: research in global performance management, a proposed research domain and emerging implications from the European context', by Engle, Dowling, and Festing, builds on the first paper by Claus and proposes the use of better HR information systems, capable of pursuing more timely and complete performance metrics, that can then help to focus global PM on a broader performance domain, including operational performance of individuals and teams (within-country and cross-border), explicit and implicit performance definitions, both standardised and localised performance, and using the global PM system to help develop and fortify a global organisational culture.

Our third paper, 'Organisational knowledge transfer through human resource management: international diffusion of managerial performance management', by Martin-Rios and Erhardt, provides an exploratory analysis of the differences between the purposes and practices of PM systems (particularly as applied to managers) in the USA and Europe. One of the significant findings suggests that the degree to which PM systems are used as instruments of intra-organisational cross-border knowledge flows has a major impact on the selection of a managerial PM system.

The fourth paper, 'Employee performance management systems in Belgian organisations: purpose, contextual dependence and effectiveness', by Dewettinck, applies global PM issues to a specific European context – Belgium. Dewettinck examines the effectiveness of PM systems in Belgian organisations from two perspectives, depending on the organisational purpose for PM: managing performance improvement or individual development. The research showed that PM systems with a stronger development-oriented purpose are more effective in fostering employee development and motivation. In contrast, the research found that the strength of a PM system's performance-oriented purpose did not relate to higher effectiveness in terms of increasing performance at various levels, yet seemed to be more common in highly competitive industries. Because the research looked only at Belgian organisations, it is difficult to extrapolate the results to other kinds of firm or to firms in other countries, but the nature of the research was such that one might conclude broader applicability.

The fifth and final paper, 'A comparative approach to performance management in France and Germany: the impact of the European and the country-specific environment', by Festing and Barzantny, describes and discusses the different approaches to PM in two of the largest European economies: France and Germany. Their specific focus is on the impact of the European context, particularly the impact of the European Union and these two countries' varying histories and economic evolutions, on their differing approaches to PM.

Taken together, these five papers do indeed extend our understanding of global PM in the European context. And they help us to understand the many limitations to that understanding. Although these papers represent considerable diversity in their foci and approaches, they share several important commonalities that may have implications for both management scholars and practitioners.

- Country culture makes a difference. Development and use of effective global PM systems requires adaptation to local cultural values. It is difficult – maybe impossible – to transfer PM practices from the parent country of an MNE to the countries of its global operations without adaptation to local situations.
- Local HR managers as well as headquarters' HR managers in MNEs need to develop new competencies in order to develop effective global PM systems. These include knowledge related to the impact of the global context on various components of PM systems, knowledge of local culture and how it impacts PM, as well as change management competencies for designing and realigning global PM systems.
- There is an ongoing need for further research into the development and practice of GPM in the European context. Research into international aspects of PM is still very much in its infancy. This need for more research extends both to foreign MNEs that wish to transfer the PM practices of the parent firm to their European operations and to local European enterprises that wish to develop PM systems.

References

- Briscoe, D.R. and Claus, L. (2008) 'Employee performance policies and practices in multinational enterprises', in A. Varma, P.S. Budhwar and A. DeNisi (Eds) *Performance Management Systems Around the Globe*, London/New York: Routledge (in press).
- Cascio, W.F. (2006) 'Global performance management systems', in G.K. Stahl and I. Bjorkman (Eds) *Handbook of Research in International Human Resource Management*, Cheltenham, UK/Northampton, MA: Edward Elgar Publishing.
- Cascio, W.F. and Aguinis, H. (2005) *Applied Psychology in Human Resource Management* (6th edn), Upper Saddle River, NJ: Prentice-Hall.
- Claus, L. and Briscoe, D.R. (2006) 'What we know and don't know about performance management from an international/global perspective: a review and analysis of empirical research', Paper presented at the Academy of Management Meeting, Atlanta, GA.
- Claus, L. and Briscoe, D.R. (2008) 'Employee performance management across borders: a review of relevant academic literature', *International Journal of Management Reviews* (in press).
- Gratton, L., Hope-Hailey, V., Stiles, P. and Truss, C. (1999) 'Linking individual performance to business strategy: the people process model', *Human Resource Management*, Vol. 38, pp.17–31.
- Redman, T. (2006) 'Performance appraisal', in T. Redman and A. Wilkinson (Eds) *Contemporary Human Resource Management* (2nd edn), Harlow, England: Prentice-Hall Financial Times.