**Expatriate Performance Management System**

Elizabeth Umanzor

Strayer University

Global Human Resource Management

Dr. Sue Golabek

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**Describe the five variables that should be addressed in an expatriate performance management system.**

1. Performance expectation

This variable defines what is expected of the employee in terms of work results, behavior and actions. Performance expectations must be documented in company policies, job descriptions, contracts, as well as in performance management documentation (Martin & Bartol, 2003).

1. Performance Evaluation

Formal procedures used to measure the work and results of an employee based on job responsibilities must be developed and put in place (Martin & Bartol, 2003). In addition to serving as an indicator of an employee’s productivity, performance evaluation plays an important role in providing feedback to the employee, thereby allowing employees to be self-aware as regards to the company’s performance metrics (Martin & Bartol, 2003).

1. Environmental Consideration

This variable relates to the norms at the workplace that determine employee behavior at work. As noted by Shih et al. (2005), expatriate performance management (EPM) is context related. As such, context factors (environmental factors) should be strictly considered in EPM system.

1. Fairness

Fairness is a critically important variable in assessing the effectiveness of expatriate performance management. In particular, procedural fairness should be central to the EPM system, to the extent that all the elements of the EPM are designed well and function in a fair manner (Martin & Bartol, 2003).

1. Career Development

EPM should also take into strict consideration an employee’s skill improvement and advancement along their career path (Martin & Bartol, 2003). In particular, the EPM system should be designed such that it promotes professional development of employees.

**Analyze the elements within each of the five variables that should be considered in the performance management system.**

1. Elements in Performance Expectation

The elements within performance expectation include planning and goal setting, management and employee involvement, monitoring and feedback development and improvement, as well as reward and compensation (Martin & Bartol, 2003). The approach for planning and goal setting is usually role dependent. However, the fundamentals remain constant across roles. For instance, while a surgeon and a production operative are different in terms of their roles, they share the same ultimate goal. With regards to management and employee involvement, the management should obtain buy-in from all employees in order for the EPM system to be effective (Martin & Bartol, 2003). The process of implementing the EPM system should be monitored and feedback given at individual, team and department level. Regarding development and improvement, the EPM system should be able highlight performance improvement and opportunities for improvement. The EPM system should incorporate rewards and compensation for employees that exceed performance expectations

1. Elements in Environmental Consideration

The important elements of environmental consideration include screening, scoping, assessment and evaluation of impacts and development of alternatives, reporting of the environmental impact statement (EIS) or EIA, review of the EIS, decision-making on whether or not to approve the project, and under what conditions (Martin & Bartol, 2003). Monitoring is also an important element of environmental consideration.

1. Elements in Performance Evaluation

The elements in performance evaluation include a clear appraisal process, objective and equally applied standards, an employee review, appraisal as a tool for development, appraisal that allows for feedback, as well as an action plan. The performance appraisal process must be as transparent as possible. Also, performance standards must be the same for all levels of employees (Martin & Bartol, 2003). The appraisal must also be a review to the extent that nothing in the appraisal is new to the employees. The appraisal should also be designed such that it acts as a tool for development. The appraisal must also include an action plan.

1. Elements in Fairness

The elements in fairness include providing time and space, increasing dialogue, documenting the process, being consistent and ensuring that managers are accountable (Martin & Bartol, 2003).

1. Elements in Career Development

The EPM system must consider all the elements of professional development that include training, education, experience and self-development (Martin & Bartol, 2003).

**Evaluate the challenges with conducting performance evaluations for expatriates that differ from a traditional performance management system.**

The first challenge is environmental variations. In most cases, performance management systems do not work in the same way at the domestic and international level (Cascio, 2012). Examples of environmental variations include different growth rates and differences in performance between regions. The second challenge is time and distance. Although technology has reduced this challenge, time differences and local infrastructure continue to exert significant impact on performance and appraisals, particularly in underdeveloped countries (Cascio, 2012). The third challenge is cultural adjustment. The ability of an employee to adjust to the organizational culture of the foreign subsidiary as well as the wider culture of the foreign country, is likely to impact performance (Cascio, 2012). Therefore, a lack of understanding of the local culture can impede the creation of a measurable EPM system. The fourth challenge is inconsistency in implementation. Oversight of consistent implementation of EPM system across subsidiaries can be a daunting challenge when most human resource functions are centralized to headquarters (Cascio, 2012). Other challenges include complex or volatile foreign environments, unreliable data across boundaries, lack of standard or customized appraisal forms, as well as maturity levels and volatility of the global environments (Briscoe & Claus, 2008).

References

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