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MULTI-NATIONAL COMPANIES IN
AFRICA: IMPLICATIONS FOR
TRANSFERABILITY OF HUMAN
RESOURCE MANAGEMENT
INNOVATION TO DEVELOPING
COUNTRIES**

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PERFORMANCE MANAGEMENT IN MULTI-NATIONAL COMPANIES IN AFRICA: Implications for Transferability of Human Resource Management Innovation to Developing Countries

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Although some experts have argued that the globalization of management education, and the standardisation of management practices across the globe has contributed to the growing convergence of managerial mindset (Warner 2002), the need for MNCs to contextualise their HRM practices have been increasingly advocated by experts (Adler, 1991; (David, 1989, Hofstede, 1991; 1993; Budhwar, 2001; Budhwar et al. 2006; Starkey 1998). The purpose of this paper is to rekindle debate on the ethnocentricism/convergence versus polycentricism/divergence theses. With the aid of review of literature, the paper will argue that, there is the need for further debate on the relevance of adapting human resource management innovations (HRMI) given that, in line with the *culture fit* model, local managers would adapt HRM practices anyway. The paper presents data on performance management (PM) systems from two MNCs operating in Nigeria. The aim of the data is to further demonstrate that local managers are perceived by host-country nationals (HCNs) to be adapting the PM system in contradiction to the companies' policies. The study is guided by the following research questions: (1) Given that MNC transfer HRMI to developing countries, which policy should guide the transfer (Polycentric or ethnocentric?); (2) Given that HCNs are not passive recipients of HRMI, what is the implications of the policy (Polycentric or ethnocentric) for MNCs? This finding is interpreted within the context of ethnocentric versus polycentric approach to HRM policy.

Literature Review

It has been argued that social, economic and managerial elements are converging due to the growing push for modernisation by pursuing similar technological tools to gain efficiency in production and general operation (Pugh & Hickson, 2002). This school of thought also argues that developing countries are adopting technologies, expertise, and training methods and organizational designs similar to that of developed countries. For example, Lawler et al. (1995) found no significant difference between local firms and MNCs regarding their HRM practices. Similar result was reported by Mamman et al. (2006) in their study of HRM practices of foreign, joint venture and local firms in Sri Lanka. The researchers attributed the similarity to the growing globalisation and standardization of managerial practices. By implication, the convergence of management practices and HRM practices in particular, is towards that of developed countries (Horwitz et al. 2006). It can be argued that, to the extent that rapid convergence is taking place, MNCs need not change their HRM practices when operating in some developing countries. In other words, they can adopt ethnocentric approach to their HRM policy and practices. However, according to Horwitz et al. (2006), "*cultural institutions in different societies, or cultural diversity in societies around the globe tend to retard, and even*

reverse, convergence". Similar views were maintained by Whitley (1994) and Brewster (1995) in explaining the differences in Business and HRM systems across Europe.

Variation Across Countries: Notwithstanding the convergence thesis, given that national culture and institutional environment can influence or determine difference in values systems across societies (Johnson et al. 1995), people in organizations have been found to differ in their attitudes and behaviour in the workplace (Woldu, et al. 2006; Horwitz et al. 2006; Chiang & Birtch 2007 Lawler et al. 1995, Aycan et al. 2007, House et al 2004). For example, cultural and institutional factors were found to influence the adoption of HRM and management practices (Bagchi et al, 2004), the practice for attracting knowledge workers across Singapore and south Africa, (Horwitz et al 2006), preference of Chinese workers for performance-related reward system (Bozionelos & Wang, 2007), the implementation of 360° feedback systems across Argentina, Australia, China, Slovakia, Spain and the UK (Brutus et al, 2006), perception of causes of successful employee performance across Canada, China, Finland and the UK (Chiang & Birtch, 20007), preference for HRM policies and practices in the Kingdom of Oman (Aycan et al, 2007), Egypt (Leat & El-Kot, 2007) and SriLanka (Mamman et al.2006).

In a comparative study of performance appraisal system across cultures (Hong Kong and Great Britain), Snape et al (1998: 841) found that British appraisal system is more participative and place greater emphasis on discussing objectives, development and career plans. On the other hand they found that appraisal system in Hong Kong is more directive. Also Hong Kong employees perceive a higher level of 'negative' appraisers behaviour. However, they found employees in Hong Kong to be slightly more confident in the utility of appraisal system than their counterparts in Britain. *"They show stronger support for appraisal's use for reward and punishment and less support for the objectives-setting and training and development uses than do the British sample. Hong Kong respondents are more likely than their British Counterparts to favour involving a more senior manager in appraisal and they are less likely to prefer more frequent appraisals. There was little evidence that Hong Kong respondents had a stronger preference for group-based appraisal criteria, although they did show more support than the British sample for the use of personality as a basis for appraisal"*.

Cultural explanation: Having found differences in HRM practices, how does contextual factors influence HRM practices? Kanungo & Jaeger (1990) used the concept of *culture fit* to explain how culture affects HRM and management practices. The model is based on the notion that managerial beliefs and assumptions about task and work culture influence their attitudes and behaviour towards HRM. For example using a sample of 2003 managers and employees across ten countries Aycan et al. (2000) found support to the culture-fit model. Their finding indicated that performance-based HRM practice is based on managerial assumption that it is possible to change and improve employee skills and behaviour. This finding and culture-fit model has raised important issue about the relevance of ethnocentric versus polycentric approach to HRM policy by MNCs. The argument that MNCs should adapt their HRM practices to suit local culture is not as strong if the local managers would adapt it anyway. In fact, an objective of this paper is

to explore employees' perception of the extent to which their managers contradict the MNCs' HRM policy.

PM and national culture: Several researchers have explored the cultural imperative of using particular performance system such as 360º feedback (London & Smither, 1995; Bruter et al. 2006; Dunnett, 1992; Tornow, 1998). The argument has been that because some PM systems necessarily requires redistribution of power from managers to co-workers and other stakeholders, such system can contradict high power distance cultures (Leslie et al 1998; Ramamoorthy & Carroll, 1998). Similarly, others argue that some PM systems are based on the western individualistic notion of giving objective feedback (Stone-Romeo, 2003). Fletcher and Perry (2001) also argued that how individuals give and receive feedback on workplace performance vary across cultures. On the whole, researchers have found that the application of PM systems has cultural implications (Brutus et al 2001; Fletcher & Perry 2001, Bailey & Fletcher, 2006; Shipper et al. 2004, Pollitt, 2004; Atwater et al 2005; Bruters et al 2006). For example Brutus et. al. (2001) revealed that while the use of 360 º feedbacks resulted in improvement of performance in Ireland, it contributed to decline in performance in Malaysia. Similarly Pollitt (2004) found that the level of effectiveness of 360 ºfeedback varies across countries. Other researchers who reported differences in practices of PM systems across the world include Milliman et al. (1998) and VonGlinow, (1993). This differences can be attributed to both culture fit thesis as well as employees' reaction to their experience with the PM system. Thus, local managers will apply PM system in a particular way irrespective of the MNC' policy. Similarly, employees will react to the PM system based on their own experience as well as cultural orientation. Where does this leaves us regarding the utility of ethnocentric approach to HRM policy? It seems clear that based on the literature reviewed, even if MNCs adopt an ethnocentric policy, local managers would modify the system anyway? Does that mean MNCs should always use polycentric approach? The answer to these questions are not straight forward. This is because allowing local managers to apply their own approach to HRM could not benefit the MNC or the HCNs. This view is supported by the perception of HCNs regarding their managers' application of PM system.

Relevance of employee's attitudes to PM: Employees' perception of PM system is extremely important because employees' attitudes to work system influence their behaviour (Chiang & Birtch, 2007). Central to the relevance of employees' attitudes to PM system is the view that employees attribute their performance to personal-internal factors or situational-external factors or both (Ajzen & Fishbein, 1983; Chiang & Birtch, 2007; Kelly, 1973; Weiner, 1990; Ross, 1977). And researchers have found that attribution for the causes of performance tend to vary across cultures and context (Betancourt & Weiner, 1982; Cha & Nam, 1985; Chiange & Birtch 2007; Markus et al. 1996; Morris & Peng, 1994). For example, it has been argued that individualist cultures tend to attribute their performance to personal-internal factors (Staw, 1980 Landrine & Klonoff, 1992) while collectivist cultures tend to attribute their performance to situational-external factors (Markus & Kitayama, 1998; Matsumoto, 1994; Morris & Peng, 1994). Chiang & Birtch (2007) argued that *"managing employees' performance in multinational context necessitates examining differences in employee's cognitive*

processes" (p.233). They further argued that "*understanding cultural differences in attribution has far-reaching implications for MNCs attempting to design and implement performance management systems……….. (p.233)*". Therefore, understanding employees' perception of a PM system is another way of trying to understand their experience with the system as well as exploring the factors that might influence their attitudes to the system. Central to our paper is an attempt to determine the degree to which local managers are perceived by HCNs to be adapting PM system.

Contextual Background of Nigeria: Nigeria has liberalised its economy and has opened its doors to investors and MNCs. As a result, there has been growing transfer of management practices and HRMI into the country by MNCs and intergovernmental organizations such as IMF, World Bank UNDP and other UN affiliates. Considerable tax and fiscal incentives have been given to MNCs and investors. Through the privatisation exercise of the last decades, foreign companies can now own up to 100% shares of privatised state owned firms. Currency control has been removed more than a decade ago. This means that investors can repatriate their profits with no strings attached. Unlike in some Asian countries, the attraction to Nigeria is not the cheap labour supply but the size of the market and the natural resources from petroleum and gas. The industrial and HRM system of the country is largely influenced by its British colonial history and the recent unstable economic condition of the country. In the public and modern private sector, the HRM system remains largely bureaucratic just as it was left by the British. The diversity of the Nigerian ethnic groups is another feature of the Nigerian HRM practices. For example, recruitment and selection as well as promotion are sometimes influenced by the ethnic background of selectors and applicants.

At societal level, there are significant cultural values, beliefs and practices that influence organizational members. These cultural factor have direct influence on attitudes and behaviour in the workplace (Mekonan & Mamman, 2003). It is fairly accurate to say that Nigeria is a masculine society with high collectivism, high power distance and strong uncertainty avoidance (Hofsede, 1983; 1991). These cultural orientations and values impact on PM practices and employees attitudes to them. We therefore expect that employees perception of the PM system to be influenced by these cultural orientations and values (Mbigi, 2000; Horwitz et al. 2006). Other key elements of African culture that can have direct relevance and influence on HRM practices is the issue of family (extended and otherwise) mutual obligations and community network of interrelationships (Kamoche, 200; Nzelibe, 1986). The recent Globe study on culture, leadership and organizations has also revealed important features of Nigerian culture that has direct relevance to PM practices. For example, Nigeria scored the highest in humane orientation score (House et al. 2004). Globe study suggest that high humane orientation societies value altruism benevolence, kindness, love and generosity. Members of such societies are also motivated by need for belonging and affiliation (House et al. 2004). Humane societies also view personal and family relationship as a means of protection. Similarly, in such societies members are responsible for promoting the well-being of others. Within Nigerian multi-ethnic context, society would be defined within the context of ethnicity. This means that evaluation of employees' performance would have ethnic connotation. Indeed, the authors (House et al. 2004) argued that in humane societies

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"*people are expected to promote paternalistic norms and patronage relationships*". The humane orientation partly explains the so-called "nepotism" as a feature of HRM practices in the sub-Saharan African (Kamoche, 2000; Mekonan & Mamman, 2003). We expect elements of *humane orientation* to be reflected in our respondents' perception of PM practices. The implications of Nigerian cultural background within the context of polycentric/ethnocentric theses would suggest that, local managers would adapt PM systems to benefit themselves and their ethnic groups or family members to the detriment of MNCs and other HCNs.

METHODOLOGY

Data Gathering

To achieve the objectives of the study, both secondary and primary data were collected from two multinational organizations operating in Nigeria; namely KG Nigeria and ESN Nigeria. Our secondary data comes from the analyses of the PM policies (KG and ESN) and PM review documents (KG only). The real names of these organizations are disguised to ensure anonymity. Gaining access to organizations (especially multinational companies) to undertake research is extremely difficult. Hence the choice of the two organizations were determined primarily by the question of access. Therefore we are indebted to the two organizations for granting us access to their employees to participate in this exploratory study.

KG Nigeria

KG Professional Services Nigeria is a partnership established under the Nigerian law and member of KG International, an European Consulting firm which operates in 144 countries and has about 97,000 staff worldwide. The firm provides Audit, Tax and Advisory services to its clients in different sectors of the economy. KG prides itself in delivering world-class professional services to its clients. KG Nigeria currently has over 400 personnel. The organisation believes it practices the prescribed 'good practices' of PM. Of the 50 questionnaires sent to the organisation, 32 were filled by employees of KG Nigeria and usable for the purpose of the research.

ESN Nigeria

ESN Nigeria is a subsidiary of ESN, a telecommunications equipment manufacturer. It has over 420 staff in various divisions and locations in the country. ESN HRM practices is based on the policies set by the head office. The PM in ESN is aimed at aligning the performance of employees to the organisation's goals and targets through personal goal setting and competence development of every employee in the organisation. The implementation of the PM process in the organisation is the responsibility of the heads of units and divisions; while the HR departments are responsible for ensuring that the global process is followed with local adaptation where necessary. 50 questionnaires were sent to the organisation of which only 25 were filled and returned in usable condition.

Instrument

Data was collected through self-administered questionnaire which was adapted from the IPD survey of 1997 of PM in the UK (Armstrong and Baron, 1998). The 25 questions covered the employees' meaning of PM, nature of PM practices, the role of the

performance manager and problems encountered in the PM practice. The Likert five point scale - 1 'strongly disagree' to 5 'strongly agree' - was used to measure the extent to which respondents agreed or disagreed to the 25 statements in the questionnaire. Total sample from both organisations is 57.

The respondents were randomly selected by the personnel managers of the two organizations. The questionnaires were distributed anonymously. The questionnaires were distributed through the HR unit of the two companies. Most of the respondents are Male (65%). All have a minimum of bachelor's degree.

Secondary Data

Performance Management System in the two organizations.
ESN Performance Management policy states that: *"All Units and Companies shall set a clear direction for the future through an annual planning and follow-up process to manage the organization's objectives, targets and goals in such a way that a common understanding is built throughout the organization. To align the performance of each employee to the annual targets"*. Each Unit and Company is expected to have a PM process that is understood by all employees in the organization (ESN performance Management policy).

ESN policy is implemented through individualised performance management framework. Each head of unit is charged with the responsibility for implementing the PM system. Line managers are responsible for performance management within their own unit. Human resource units are responsible for ensuring the global application of the framework. All employees should be active in goal setting and be responsible for their own competence development. The ESN PM framework is to be applied to all employees globally with local adaptation. This process should involve Setting of goals, follow-up and feedback meetings, and an annual review summary. ESN Performance Management is an annual ongoing process, that includes at least three discussion reviews in a year. *"The discussions will include the setting of individual goals, consideration and review of goals achievements, values & behaviours expected of all employees, leadership behaviours for managers, short-term and long term development planning and, an annual performance summary. The main purposes of the discussions are to follow-up and give feedback in all these areas with the view of supporting every employee to achieve the set goals and develop professionally and personally "* (ESN Performance Management policy).

ESN believes that regular reviews will contribute to employee motivation and growth. ESN company policy states that: *"We want all employees to feel as though they are ambassadors for the company and adjust to culture change that will support our ways of working"*. As a matter of policy ESN believes that the PM system should treat employees fairly and with respect. It considers the privacy and integrity of employees sacrosanct. The PM policy states that a manager *"represents the employer and will assess and give feedback to employees in an open manner. Feedback shall be directed to the person who is assessed and it is important that the employee is informed of the purpose and the*

content of any documentation, both for legal reasons and because we request it as internal policy".

ESN line managers are responsible for clarifying individual goals in relation to the achievement of the unit targets. Managers are supposed to coach and provide feedback to employees. Unit targets are based on the principle of balance-scorecard. Employees' goals are set based on their current role/position and their day-to-day activities and responsibilities. ESN employees "*are responsible for being active in setting goals and ensuring your performance towards achievement of the goals. They are expected to live up to the company values and expected behaviours as well as planning and accomplishing their competence and development plan*". The role of Human Resources department is to facilitate "*the local deployment of the individual Performance management process. They are also responsible for providing coaching and training to help managers and employees to conduct effective Individual Performance Management discussions*".

KG Performance Management policy rests on the believe that because of the ever-changing business environment, employees should be given the opportunity to learn and grow with the organization. The policy is implemented through a framework based on goal-setting, monitoring, recognition and rewarding performance. It is also aimed at enabling the organization to identify and deploy talents effectively to achieve KG's and employees' career aspirations. The PM system in the company is supposed to encourage the development of career aspirations and talent of employees vis-a-vis business needs. It is also supposed to develop an environment of ongoing dialogue and communication between employees and line managers. KG performance management system states that the system "*encourages development and matches the career aspirations and talent of our people with our business needs. It fosters an environment of ongoing communication between individuals and performance managers, helping to ensure everyone meets their goals and maximizes our potential as individuals and as a firm*".

The PM process in KG starts with business planning and culminates with end of year review of employees' performances. In collaboration with their line managers, employees are required to set their business goals, personal development goals, which is in line with business unit objectives and career aspirations. Business goals can be client related or people related or both. The following are example of business goals from employees:

> "*In line with the firm's core values, I hereby set the following goals which I think are realisable and achievable:*
>
> *To see work done to a conclusion, and seek feedback from supervisors on work done. Relate to colleagues with respect and adapt to superiors' behaviour and style to enhance a cordial work environment*
>
> *Within the financial year. I hope to maintain the working relationship earlier established with clients and officials of various regulatory authorities, and also*

develop good working relationships with new clients and appropriate regulatory authorities.

I hope to improve on my written communication and technology skills within the year so as to enhance quality service delivery to clients

To be able to disseminate and /or share knowledge and information that I have gathered in the course of my job" (KG employee approved business goals).

Employees goals are not restricted to business goals. They include: financial goals (e.g. *To ensure that clients are billed as and when due by computing bills and reminding colleagues responsible for billing*), personal development goals (e.g. *I have commenced process to become a member of the Nigerian Institute of Management, and have sat for one of the prerequisite examinations to become a member of the Nigerian Institute of Public Relations*), career aspirations goals (e.g. *Within the year, I hope to be seen as a professional within and outside the Firm by having information at my disposal to disseminate when requested*), mobility goals (e.g. *I would like an international assignment*).

During the course of the year, employees are supposed to have completed an assignment project in which they receive feedback to enable them "*identify both progress in your development, and the areas in which you want to focus your future development*". At the mid-year, performance review is undertaken formally where the line manager focuses on employees' progress towards the business and personal development goals. Finally, at the end of the year, the employee and the line manager review performance and results against "*the goals set at the beginning of the year incorporating feedback from your engagement/project reviews. In addition, you and your performance manager will review how you achieved the results by noting the values you demonstrated during the year as well as your development in each of the firm's core competencies*".

Our analyses of the secondary data and informal discussions with the managers suggest that the PM frameworks of the two organizations as described above largely guide the application of the PM systems. However the perception and experience of the employees differ. For example, while ESN emphasise objectivity and fairness in the PM policy, it is interesting to note that the employees do not think so. Also our analyses of the policies seem to suggest inadequate sensitivity to the cultural context of Nigeria. In other words, the original PM policy appears not to be adapted to the Nigeria context. For example, the goal-setting and feedback system assumes employees' willingness and managers' objectivity to undertake such actions. Cross-cultural management literature indicates that people from *collectivist, high power distance* and *fatalistic* cultures find it uncomfortable to undertake such activities in a formal workplace situation (Aycan et al. 2007; Brutus, et al. 2006; Snape et al, 1998). Although ESN has encouraged subsidiaries to adapt the policy, we did not find guidance on what and how it can be adapted. In the absence of such explicit guidance, local managers appear to adapt it to suit the traditional HRM practices in Nigeria which has *humane* orientation rather than organizational focus. For example, a significant number of our respondents suggest that the PM system does to

contribute to individual and organizational productivity. The following section presents primary data focusing on employees' attitudes to the two PM systems. The aim of the primary data is to provide employees' perspectives on their experience with the PM systems. The data will also throw light on the extent to which local managers adapt the PM policies as perceived by the employees.

Primary Data
What does performance management mean to employees?
On the surface at least, Nigerians working in the cities and in the modern sector of the economy would appear to be materialistic. Ostentatious consumption is a key feature of modern Nigeria. Success in life is demonstrated by the acquisition and display of material wealth. Whether this has its origin in African culture is a matter of debate. It is therefore, expected that Nigerian employees' attitudes to PM systems will be influenced by these features of the Nigerian society. In fact, it has been reported that in a more materialistic societies such as Hong Kong (Furhnam et al. 1994), employees tend to attach higher importance to monetary reward (Leung & Graham, 1987) which has been found to influence their attitudes to specific aspects of performance appraisal system (Snape et al. 1998).

One of the main of objectives of this study is to investigate what performance management means to employees. The answer to this question is important because it provide us the means to understand if what the organizations wish to achieve is in line with what employees perceive. Understanding the perception of PM from employees' point of view is also important because evidence indicates that employees' perception influence their behaviour towards work and the organization (Browning, 2006; Daft & Noe, 2001). For example, Browning (2006) found that perception of HRM practices influenced the service behaviour of employees in the South African service organizations. Employees' perception can be influenced by socio-cultural factors as well. For example, Aycan et al (2006) found that cultural orientations influence preference for HRM policies and practices. They found that group-oriented HRM practices are preferred by those high on *collectivism* and *being* orientation and those low on *thinking* and *doing* orientation. Therefore, we assume that the perception of our respondents will be influenced by the socio-cultural situation of the country as well as by their organizational experience. To determine the meaning of performance management from employees' point of view, the respondents were asked to respond to a set of five items statements. They were asked to indicate the extent to which they agree or disagree with the five items on a Likert-type 5 points scale. Their responses are shown in Table 1. Below.

Table 1. Meaning Performance Management

Meaning of PM	Strongly Disagree %	Disagree %	Undecided %	Agree %	Strongly Agree %
1) Performance management has contributed to my overall personal and career	0	15.8	5.3	64.9	14

development					
2) An important aspect of performance management is the setting of goals	0	0	0	40.4	59.6
3) Performance management is a bureaucratic task	3.5	36.8	33.3	26.3	0
4) Performance management should be related to pay	0	3.5	5.3	42.1	49.1
5) Performance management should be focused on development of employees	0	0	0	31.6	68.4

As can be seen from the data in table 1, the majority (78.9%) believe that PM has contributed to their overall personal and career development. This supports the view by Debrah (2004) that many African countries are moving towards linking PM with career development. Another significant finding from table 1 is the perception of goal-setting as an important element of PM. All the respondents (100%) seem to view goal-setting as the most important component of PM system. This seems to contradict the view that the act of setting goals can stifle innovation and creativity (de Bruijn, 2000). Despite the fact that PM process can involve paperwork, only a small number of the respondents (26.3%) felt that the PM system is bureaucratic. Perhaps, given that the respondents come from "being" as opposed to "doing" culture, (Adler, 1991; Hofstede, 1980) might have contributed to their attitudes to the process.

One of the reasons for the failure of many HRMI has been the lack of linkage between expected change in behaviour of employees and the reward system (Armstrong, & Brown, 2006; Armstrong, & Murlins, 2004; Lawler, 1990; 2000; 2002). In a country where the basic needs of workers are the main concern, management ideas that fail to be linked with pay is likely to be ineffective. This view appears to be supported by our respondents. As can be seen in table 1, almost all (91.2%) the respondents believe that PM should be related to pay. In fact, research evidence has shown that where employees are paid very high salaries, personal growth, autonomy and task achievement is more valued (Bogdanowicz & Bailey, 2002). On the other hand, regardless of the level of salary, evidence has shown that workers sometimes rank money at the top of their career objectives (Cappelli, 2002; Kubo & Saka, 2002). This suggests that external factors can influence employees' attitudes to reward and the system that determines it.

Although PM is a broad concept that focused on organizational objectives (Armstrong, 2000), all our respondents (100%) believe that PM should focus on employee development. This is not to suggest that the employees do not believe that PM should focus on organizational objectives as well, but rather, it implies that PM regime that ignores employees personal and career aspirations would be ineffective.In a nutshell, to

this sample of employees, PM primarily means goal-setting, employee development and performance-related pay (PRP). Unfortunately, while goal-setting and employee development are key the features of the two companies' policies, PRP is not made prominent in the policies. The extent to which employees experience the implementation of the policies is an issue we wish to explore in the following sections.

What is the experience of employees with PM?

Another objective of this study is to investigate performance management practices of the two companies as perceived by their employees. It has been argued that when employees view management ideas favourably they are more likely to commit to its success (Mamman, 1998). To investigate the practices of PM from employees' point of view, the respondents were asked to respond to a set of 10 items statements. They were asked to indicate the extent to which they agree or disagree with the statements on a Likert-type 5 points scale. Their responses are shown in Table 2. Below.

Table 2. Perception of Performance Management Practices

Practice of PM	Strongly Disagree %	Disagree %	Undecided %	Agree %	Strongly Agree %
1) There is a formal performance management process in my organization	0	10.5	0	52.6	36.8
2) I was made aware of the purpose and objectives of the performance management system	0	7.0	8.8	43.9	35.1
3) I set objectives at the beginning of the year in alignment to my organisation's strategy	1.8	1.8	15.8	43.9	36.8
4) I have performance management meetings at least twice a year	7.0	14.0	5.3	43.9	29.8
5) There is continuous monitoring and feedback of my performance	7.0	14.0	5.3	63.2	10.5
6) Feedback for my performance is obtained from more than one source	1.8	10.5	14.0	43.9	29.8
7) My organization provides me with tools and resources to	3.5	19.3	8.8	45.6	22.8

ensure achievement of tasks and responsibilities on the job					
8) My pay is tied to my performance	8.8	19.3	21.1	31.6	19.3
9) The performance management system in this organisation is related to my development	1.8	8.8	33.3	45.6	10.5
10) The productivity of the workforce in this organization has been improving as a result of the performance management system	5.3	21.1	24.6	40.4	8.8

Table 2 above provides details of employees' perception of PM practices in the two organizations under investigation. It is interesting to note that, in spite of the significant amount of formalisation of PM practice in the two organizations, a significant minority (10%) felt that the PM is not formal. On the surface this appears surprising, but further observation of the data reveals that even more significant minority reported the informality of the PM systems. For example, about 19.4% do not feel that they set performance objective at the beginning of the year; 26.3% did not agree that they have two PM meetings in a year. Equally, about a quarter (26.3%) did not agree that their performance is monitored and feedback given. This contradicts the PM policies of the two organizations. This is also an indication of managers' informal adaptation of the policy to suit their own orientation and traditional HRM practices. This informalisation enables managers to particularised the application of PM system.

One of the aims of PM is to identify areas of improvements and provides the means to address them (Armstrong 2004). However, a significant number of our respondents do not feel that they have the tools and resources to perform their tasks (31.6%). This figure is reflected in their belief that PM has not improved the productivity of the workforce (51%). A further interesting revelation from the data is the view that their pay is not tied to performance. Only about half (50.9%) of the respondents believe that their pay is tied to performance. This contradicts the view that a good PM system should be linked to the reward system. Similarly, it has been argued that any reward system that fails to take performance into account is bound to be ineffective (Lawler, 1990; 2000; 2002). In a nutshell, it appears that the experience of the employees is not in line with the stated policy. In other words, it appears that local managers have informally modified the PM policy through practice. This again will enable managers to particularise the application of the policy in line with traditional HRM practices. The following section should provide further information on the extent to which local managers adapt and particularised the policy to suit the societal context.

What is the experience of employees with PM managers?

PM system and PRP rests on the notion that people should be managed and rewarded based on performance on their roles (Harris, 1999; Kessler, 1993). This principle assumes that rewarding people differently based on performance will motivate employees towards more effort to achieve organizaional objectives (Armstrong & Murlins, 1988; Baruch et al. 2004). In fact, some experts argued that performance-related management system is pivotal to the achievement of organizational objectives (Belfield & Marsden, 2003; Sturman et al. 2003). However, this principle rests on the assumption that the implementers of the policy (i.e. managers) share the principle. However, the meaning of performance can vary between the performer and the person evaluating it. This differences is further magnified if the PM system was conceptualised and transferred to another cultural setting. For example, in a high context culture, assessment of performance can be influenced by the relationship between the employee and the manager (Bozionelos & Wang, 2007; Chiang & Birtch, 2007; Snape, et al. 1998). In other words, the criteria for evaluating performance can be very broad. Indeed, one of the major issues regarding PM is the relationship between performance assessors and the employees (Cole, 2002; Martin & Jackson, 2002). Related to this is the question of fairness (perceived or otherwise) and ability of PM managers to effectively carry out the tasks (Armstrong, 2000; Martin & Jackson, 2002). These issues are of particular importance especially for multinational companies operating in unfamiliar environment like Nigeria. Similarly these issues are important in a culture where personal relationship significantly impinge on the effectiveness of HRM practices (Debra, 2001; Mekonan & Mamman, 2003). Hence this study sought to investigate perceived experience of employees with their PM managers. To investigate theses issues, the respondents were asked to respond to a set of five items statements. They were asked to indicate the extent to which they agree or disagree with the five items on a Likert-type 5 points scale. Their responses are shown in Table 3 Below.

Table 3. Experience of Employees with PM Managers

Experience with Managers	Strongly Disagree %	Disagree %	Undecided %	Agree %	Strongly Agree %
1) My performance manager carries out his/her role as duties, not a favour to me	7.0	5.3	14.0	42.1	31.6
2) My performance manager encourages me to express my views during performance reviews	10.5	19.3	3.5	38.6	28.1
3) My views are taken into account during performance evaluation	8.8	26.3	17.5	29.8	17.5
4) My performance manager	22.8	45.6	15.8	15.8	0

is bias against me					
5) I have to patronise my performance manager in order to get good ratings	29.8	45.6	8.8	12.3	3.5

The data in Table 3 revealed that the respondents believe that their line managers are objective in carrying out their function (73.3%). However, about a quarter of the respondents could not categorically subscribe to their line managers' objectivity (26.3%). This data is further supported by the fact that a significant minority of the respondents (31.6%) could not disagree with the statement "My PM manager is bias against me". This figure should be a matter of concern because perception of fairness is a key determinant of the success of any PM and reward system (Lawler, 2000; 2002). If a significant number of employees feel that their performance is not fairly or objectively assessed, the system is likely to be ineffective. However, one cannot discount the influence of culture on the respondents' attitudes. African culture is partly oriented towards the notion of *fatalism*. This means that people are prone to attributing the causes of their performance to external forces rather than to their own making (Chiang & Bitrch, 2007; Kamoche, 2000; Mekonen & Mamman, 2002). In such situations people are more likely to attribute assessment and outcome of their performance to their managers' objectivity or lack of it rather than take responsibility of their own performance. Although we do not have evidence to suggest that this is the case, it is a contextual issue that the theorists and practitioners of PM need to consider. The other explanation might be that the managers used non-performance factors to assess performance. Again this has cultural foundation because collectivist cultures tend to use personal relationships in the process of performance evaluation (Bozionelos & Wang; 2007; Chiang & Birtch, 2007). This appears to be a case adaptation of the policy to suit societal tradition.

Decades of research on employee involvement in decision-making and participation has revealed that when employees are involved in decisions that affects their work-life, they are more likely to have positive attitudes to work, higher job satisfaction and higher commitment (Connor, 1992; Locke, Latham, & Erez, 1988; Locke & Scheweiger, 1979; Sagie, 1994; Scully, Kirkpatrick & Locke, 1995). Similarly, research has revealed that involvement of stakeholders in evaluation process leads to positive outcomes (Lafleur, 1995; Roberts, 1994; Wholey, 1999; 2000). Yet, one of the most discouraging revelations from the data is the perception that the managers do not encourage employees to express their views during performance review meetings. In other words, only two thirds of the respondents (66.7%) agree with the statement "*My PM manager encourages me to express my views during performance reviews*". This view is followed by even more disappointing revelation that less than half (47.3%) of the respondents believe that their views are taken into account during performance review.

We believe this figures are significant for two reasons. Firstly, the respondents are highly educated and experienced members of the organizations that undertake professional tasks (e.g. in the case of KG Nigeria). Therefore one would expect such categories of employees to be listened to and their views taken into account. Secondly, as a

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multinational company and a learning/knowledge organization (e.g. in the case of KG Nigeria), one would expect higher perception of good practice being applied in the organizations. Even though this finding is a matter of perception, we still believe that the companies should have done a better job in the implementation to ensure a better perception from its employees. What could be the possible explanation for this results. Perhaps, the issue of high power distance and low trust in the African culture is responsible for managers' unwillingness to seek and use the opinions of their employees (Kamoche, 2000; Mekonan & Mamman, 2002). Given that all the managers are Nigerians not expatriates, their cultural background could influence their reluctance to seek and use their subordinates' views. The other possible reason might be that PM was introduced into the organizations for symbolic reasons. Evidence has shown that when management ideas are introduced for symbolic reasons, their applications will be half-hearted (Westphal & Zajac, 1994; 2001; Zajac & Westphal, 1995). In any case, this a clear case of adaptation of PM influenced partly by cultural factor.

Another revelation from table 3 which is of interest is the issue of relationship between the *rater* and *ratee* in PM system. In a society where nepotism can be a feature of employment relations, the relationship between line mangers and their subordinates would be critical to the effectiveness of PM (Ovadje & Ankomah, 2001). In-spite of the perceived objectivity of line managers, about a quarter of the respondents (24.6%) do not disagree with the statement "*I have to patronise my PM manager in order to get good ratings*". This result is a reflection on two issues we have discussed earlier. Firstly, perhaps the respondents do not trust their managers to behave objectively, therefore they felt the need to patronise them in order to get better rating. Secondly it might be a reflection of the respondents' tendency for *fatalism*. Thus, they do not trust their own ability hence the need to take extra action to ensure better or objective rating through patronising their managers. The final explanation could be the influence of power distance (Mekonan & Mamman, 2002). In other words, good performance is not good enough to guarantee high rating. Instead the manager might demand or expect the patronage and ingratiation from the employees as recognition of his/her exalted position. Again this is further indication of the possible adaptation of PM system to suit traditional HRM practices or societal tradition.

In a nutshell, the findings in this section points to the potential influence of culture on managers and employees vis-a-vis the PM system. For example, the concept of relationship (Guanxi) in Chiense society, which is not radically different from the African strong "clan" affiliation, has been found to carry more weight than laws and regulations (Luo, 1997; Gabrenyu & Hwang, 1996). Similarly, Luo (1999) & Tung (1996) argued that Guanxi can play more powerful role than merit in the allocation of rewards. These cultural orientations which are deeply embedded in the psyche of local managers, ensures that they adapt ethnocentric polices to fit their beliefs and assumptions. Another cultural orientation that has impact on PM system in a collectivistic society such as African society, is the fear of loosing face. In Chinese society for example, maintaining face means sustaining achievement and/or not displaying under-achievement (Bond, 1996; Bond & Hwang, 1986; Gabrenya & Hwang, 1996). These cultural orientations can deny managers the access to vital information to evaluate employees' performance. It can also

stop mangers from giving objective feedback in fear of hurting the self-esteem of employees (Bozionelos & Wang 2007). The findings also raises the issue of whether ethnocentric approach to the transfer of HRMI will necessarily achieve its objectives given that HCN are not passive recipients of HRMI.

What are the perceived problems of PM?

The benefits and potential benefits of PM has been well documented in the literature (Armstrong, 2000; Armstrong & Baron, 2006; De Bruijn, 2001). However, not all organizations that implement or attempt to implement PM reap its benefits. The failure to benefit from PM has been attributed to several factors. They include; lack of skills to implement and operate with PM, real and perceived discrimination by the *rater*; pressure to set and meet goals (Martin & Jackson, 2002; Chiang & Birtch, 2007). In our investigation we attempt to determine what the employees consider the problems inherent in their PM system. The respondents were asked to respond to a set of seven items statements. They were asked to indicate the extent to which they agree or disagree with the statements on a Likert-type 5 points scale. Their responses are shown in Table 4 Below.

Table 4. Perceived Problems in Performance Management

Perceived Problems in PM	Strongly Disagree %	Disagree %	Undecided %	Agree %	Strongly Agree %
1) My performance management is left till the last minute	22.8	21.1	10.5	33.3	12.3
2) I feel discriminated against by the performance management system because of my gender	50.9	33.3	10.5	1.8	3.5
3) I feel discriminated against by the performance management system because of my religion	45.9	24.9	3.5	15.8	10.5
4) I have been trained on how to use the performance management tools	8.8	21.1	15.8	33.3	21.1
5) The tools used for my performance management is sufficient	1.8	28.1	31.6	29.8	8.8
6) Performance related pay enables me to meet my targets	7.0	21.1	19.3	33.3	19.3

7) Performance management puts me under pressure to meet goals	1.8	29.8	19.3	31.6	17.5

The data presented in Table 4 suggest that the respondents perceive a lot of problems. For example, 45.6% of the respondents felt that their PM is left till the last minute. More than a quarter of the respondents felt that the system have let them down because of their religion (26.3%). As a tool for good practice, there are skills and knowledge required to operate with PM system. Failure to provide such skills and knowledge could render the system ineffective. A significant percentage of the respondents do not believe that they have been trained on how to use PM system (29.9%). This figure goes much higher (45.7%) when the undecided are included. To the extent that this result is true, this is similar to symbolic adoption of HRMI. This is further reflected by the fact that a significant number (29.9%) do not feel that the tools used in the PM system are sufficient. This finding is further indication of adaptation of PM policy by the local managers. For example, the perceived discrimination based on religion is a reflection of how the multi-ethnic feature of the Nigeria workplace could be used to the detriment of other HCNs and the MNCs.

One of the criticisms of performance appraisal (especially in the public sector) has been that it puts pressure on organizations, managers and employees to go through the process as an end rather than a means to improving individual and organizational performance (de Bruijn, 2002). This view is reflected in the respondents' perception that PM put them under pressure to meet goals (48.1%). We have also reported in the previous section that a significant minority do not believe that the PM system has contributed to employees' productivity. Similarly, some respondents do not believe that performance related pay enable them to meet their targets (22.1%). This figure increases to 41.3% when the undecided is taken into account. Given that in some situations, perception is more significant than the reality, the influence on employees' negative perception of the PM systems should be investigated and addressed if the system is to deliver desirable outcomes. This is particularly the case in a society characterised by lack of trust (Fukuyama, 1995).

To what extent do organizational factors explain the differences in employees' attitudes to PM?
It is reasonable to expect that the experience of employees with management practices across organizations would differ. The reasons for the expected differences could range from organizational culture, managerial style, organizational strategy, organizational structure, to human resource management systems (Hickson, 1997; Hickson & Pugh, 1995; Hofstede, 1993; 2001; Koen, 2005; Whitley, 1999). These factors have been found to influence employees attitudes and behaviour in the workplace (Adler, 1991). Also, evidence indicates that consulting firms have unique method of managing their workforce (Horwitz, et al. 2006). For example, consulting firms are more prone to evaluating the contribution of their knowledge workers, and encouraging knowledge sharing and feedback (Hansen et al. 1999; Robertson & Hammersley, 2000). To the extent that there are no differences in employees' attitudes to performance management across the two

multinational companies, we would attribute the findings partly to the similarity of organizational and management practices. To test this proposition, we conducted *t-test* across the responses to all the 25 items in the questionnaire. The *t-test* should enable us to determine differences in employees' attitudes across the two organizations. Table 5 below provides the results of the *t-test*.

Table 5. *t-test* OF Perception of Employees in KG and ESN

Meaning of PM	Organisation	Mean	Std deviation	t	Sig.
1) Performance management has contributed to my overall personal and career development	KG ESN	3.69 3.88	.965 .781	-.811	.421
2) An important aspect of performance management is the setting of goals	KG ESN	4.56 4.64	.504 .490	-.583	.562
3) Performance management is a bureaucratic task	KG ESN	2.91 2.72	.856 .891	.801	.427
4) Performance management should be related to pay	KG ESN	4.38 4.36	.793 .700	.075	.941
5) Performance management should be focused on development of employees	KG ESN	4.78 4.56	.420 .507	1.083	.077
PM Practices	Organisation	Mean	Std deviation	t	Sig.
1) There is a formal performance management process in my organization	KG ESN	4.50 3.72	.508 1.061	3.661	.001
2) I was made aware of the purpose and objectives of the performance management system	KG ESN	3.84 4.00	1.394 .866	-.491	.625
3) I set objectives at the beginning of the year in alignment to my organisation's strategy	KG ESN	4.41 3.76	.615 1.012	2.981	.004
4) I have performance management meetings at least	KG	4.13	1.070	2.719	.009

twice a year	ESN	3.28	1.275		
5) There is continuous monitoring and feedback of my performance	KG ESN	3.28 3.92	1.326 .493	-2.285	.026
6) Feedback for my performance is obtained from more than one source	KG ESN	3.84 3.96	1.051 .978	-.427	.671
7) My organization provides me with tools and resources to ensure achievement of tasks and responsibilities on the job	KG ESN	4.00 3.20	.803 1.354	2.778	.007
8) My pay is tied to my performance	KG ESN	3.53 3.08	1.414 .954	1.369	.176
9) The performance management system in this organisation is related to my development	KG ESN	3.59 3.48	.875 .872	.488	.628
10) The productivity of the workforce in this organization has been improving as a result of the performance management system	KG ESN	3.22 3.32	1.157 .945	-.355	.724
Experience with PM managers	**Organisation**	**Mean**	**Std deviation**	**t**	**Sig.**
1) My performance manager carries out his/her role as duties, not a favour to me	KG ESN	4.09 3.56	.963 1.294	1.787	.079
2) My performance manager encourages me to express my views during performance reviews	KG ESN	3.22 3.96	1.408 1.207	-2.097	.041
3) My views are taken into account during performance evaluation	KG ESN	3.00 3.48	1.078 1.447	-1.436	.157
4) My performance manager is	KG	2.25	.950	.038	.970

bias against me	ESN	2.24	1.052		
5) I have to patronise my performance manager in order to get good ratings	KG ESN	2.50 1.68	1.191 .748	3.006	.004
Perceived Problems in PM	**Organisation**	**Mean**	**Std deviation**	**t**	**Sig.**
1) My performance management is left till the last minute	KG ESN	2.81 3.04	1.424 1.399	-.603	.549
2) I feel discriminated against by the performance management system because of my gender	KG ESN	1.56 1.96	.759 1.172	-1.549	.127
3) I feel discriminated against by the performance management system because of my religion	KG ESN	2.44 1.92	1.605 1.152	1.360	.179
4) I have been trained on how to use the performance management tools	KG ESN	3.81 2.80	.998 1.384	3.208	.002
5) The tools used for my performance management is sufficient	KG ESN	3.50 2.72	.984 .843	3.160	.003
6) Performance related pay enables me to meet my targets	KG ESN	3.78 2.84	1.128 1.143	3.107	.003
7) Performance management puts me under pressure to meet goals	KG ESN	3.72 2.84	1.054 1.068	3.105	.003

Experience of employees do vary across organizations. Therefore, we expect our respondents' attitudes to PM to differ because experience is known to influence attitudes in the workplace. The data in Table 5 provide interesting findings. The data revealed that there is no difference across the two categories of employees regarding the meaning of PM. This seems to suggest that regardless of the organization they are working for, employees do expect a PM system to deliver similar things.

The perception of PM practice across the two organizations differ in many respects. For example, there is a significant difference in the perception of whether there is a formal

PM process (t=3.66, $p \geq .001$). KG employees are more likely to perceive formality (X = 4.50) than ESN employees (X = 3.72). Similarly, there are significant differences across the two categories of employees regarding setting performance objectives (t = 2.981; $p \geq$ 004); performance management meetings (t = 2.719; $p \geq .009$); monitoring and feedback (t= -2.285; $p \geq .026$) and provision of tools and resources (t = 2.778; $p \geq .007$). In all the areas, KG employees are more likely to report higher positive perception than ESN employees. This result is not entirely unexpected given that KG is a consultancy firm with vast experience in applying and exporting management processes and ideas across the globe. Therefore, it is not surprising that KG employees appear to have better experience of good PM practices. In fact, research has revealed that financial firms are more likely to apply PM system (IRS, 1992; 1994). On the whole, it appears ESN managers are more likely to modify the company's PM policy than KG managers. In other words, although local managers can adapt HRMI, MNCs can influence the extent of the modification.

On the issue of employees' experience with line managers, the results in Table 5 is quite remarkable and significant (t = 2.097; $p \geq .041$). The data indicates that KG employees have less chance (X = 3.22) to express their views during PM review than ESN employees (X = 3.96). This finding is significant because as a consulting firm, one would expect KG employees to have greater opportunity to participate in PM review than their counterparts in the telecommunication sector. This result is further buttressed by KG employees' perceptions that they have to patronise their managers in order to get good rating (X = 1.68). In their study of knowledge workers, Horwitz et. al. (2006) found that organizations can retain and motivate knowledge workers through stimulating and challenging environment. The "*mechanism to achieve this include participative organizational culture, reflecting relative autonomy in the working environment, promoting a more collective work culture including both teamwork and individual opportunities, and allowing knowledge workers access to leading edge technologies and products*" *(*pp. 806*)*. These are not managerial characteristics normally associated with Nigerian managers. The question then is how can MNC implement such managerial practices? It appears that the KG managers have contradicted their company 's PM policies as far as the employees' perceptions are concerned. It also demonstrates that regardless of professionalism and formalisation, local practices and tradition will limit MNCs' ability to apply ethnocentric approach in its entirety.

Turning to the perception of problems in PM, KG employees are more likely to report: being trained in PM (X = 3.81), having sufficient tools for PM (X = 3.50), positive impact of performance-related-pay on targets (X = 3.78) and, being pressured by PM system (X = 3.72), than their counterparts in ESN (X = 2.80; X = 2.72; X = 2.84; X = 2.84, respectively). The results regarding employees' perception is in line with our expectation given that KG is a consulting firm that should apply good PM practice. On the surface, the results between perception of PM practice and perception of problems in the PM system might appear contradictory because KG employees reported higher positive perception of good PM practice but reported higher perception of problems with the PM system. However, we do not see contradiction between the results because, employees can report positive perception of good practice but report higher perception of

problems due to their own interpretation of what is good practice or what is a problem or both. On the whole, *t-test* across the two organizations suggests that while local managers can and do adapt HRMI, the degree of adaptation can be influenced by organizational circumstances.

Conclusion

The paper set out to investigate the following questions: (1) Given that MNC transfer HRMI to developing countries, which policy should guide the transfer (Polycentric or ethnocentric?); (2) Given that HCNs are not passive recipients of HRMI, what is the implications of the policy (Polycentric or ethnocentric) for MNCs? The result of our investigation and the review of literature suggest that the MNCs' PM policies are ethnocentric, but the practice as perceived by some HCNs, is polycentric. For, example, some HCNs perceive some degree of nepotism and patronage in the system. Also many felt that their line managers were bias against them. Similarly, a significant number of HCNs felt that their views are not taken into account during PM review and they do not receive feedback from their managers. We describe these as informal (unauthorised) adaptation by local managers to suit Nigerian context. This raises the question about the utility of ethnocentric approach given that local managers will adapt HRM policies anyway. The following sections draw implications for research and debate on transferability of HRMI across cultures.

Practical implications

The findings from this study not only found that HCNs believe that line managers do not implement PM policies as prescribed, but also there are variations across organizations regarding the degree of adaptation of PM practices. What does the variation across the organizations tells us vis-à-vis convergence/ethnocentric or divergence/polycentricism? In a nutshell, the findings from this study suggest that MNCs cannot transfer ethnocentric HRM policy in its entirety even if they want to. This is because the local managers would adapt it to suit their traditional HRM practices. However, MNCs can improve their chances of transferring ethnocentric HRM policy if they use parent-country nationals (PCNs) instead of HCNs as managers. The variation across organizations seem to suggest that, cultural influence not withstanding, MNCs can have some leverage in influencing the attitudes and behaviours of their workers. This leverage can be exercised through recruitment, selection, training and cultural reorientation. The practical implications are:

- MNCs can use ethnocentric approach successfully if they are to choose employees and managers based on their ability to operate within ethnocentric policy.
- On the other hand, MNCs can adopt polycentric policy by letting the local managers develop HR policy to suit the local environment. We suggest this strategy is equally risky because, in a multi-ethnic society, the approach will create conflict given that the policy might be developed and applied to favour certain groups.
- The third option is cross-vergence/adaptation. Here the MNC can take a proactive approach to provide guidance for adaptation, rather than leave it to the local managers to adapt. Local managers should collaborate with PCNs to develop a suitable policy that would benefit the MNCs and the HCNs.

Critical to the issue of adaptation is the understanding of the role of objective versus subjective criteria in the evaluation of performance. Within a cultural context, the more subjective the criteria are, the more likely it is that they will be subjected to 'cultural interference' (Bozionelos & Wang 2007). Therefore, guidelines for adaptation from MNCs should take into account that local managers are more likely to "interfere" with subjective criteria than with objective ones. Also, HCNs are more likely to have negative attitudes to PM system if the criteria are perceived to be subjective (Bozionelos & Wang, 2007). This is not withstanding that HCNs would also take advantage of cultural context to gain higher rating of their performance.

Theoretical and Research Implications for Transferability of HRMI by MNCs:
Several years ago experts have called for more research on the transferability of HRMI by MNCs across countries (Lawler et al. 1995; Cappelli & McElarath, 1992). It is fair to say that this call has been heeded by researchers on comparative management. However, the more we know about cross-cultural differences in HRM and their implications, the more issues are raised about how MNCs can transfer HRMI. The transfer of HRMI by MNCs is largely generated by the growing globalisation of the world economy. As to be expected, MNCs take along with them tried and tested HRM practices with few and sometimes with no adaptation. While others cautioned the transfer of management practices without adaptation (e.g. Hofstede, 1993; Shenkar & vonGlinow 1994), there is still room for debate regarding whether and how HRMI can be transferred. The following are sample of questions that can guide research and theorising on the topic:

- As a part of their social responsibility, should MNCs transfer HRMI that proved successful in changing the life's of employees in developed countries?
- Should MNCs consider *culture distance* in deciding whether to transfer a particular HRMI?
- What about undesirable local HRM practices that are detrimental to HCNs and the MNCs? For example, how can MNCs address nepotism and discrimination in their recruitment and selection policy and practices?
- What about research evidence indicating that local managers would adapt HRMI anyway?
- What about the growing convergenace of HRM practices? Should MNCs rely on *converged practices* or insist on transferring ethnocentric policies*?*
- Should MNCs strategically avoid culturally sensitive HRMIs? (Lawler, 1995). These are questions that need to be addressed in the current research about the transferability of HRMI. Indeed, evidence has shown that the transfer of HRMI by MNCs can vary from firm to firm and over time (Cappelli & McElrath 1992; Milliman & vonGlinow, 1990).

Horwitz et al. (2006) have argued that "the debate regarding convergence/divergence perspectives in the cross-cultural diffusion of HRM practices is a somewhat simplistic one (p.807). The authors are of the view that because convergent similarity of HRM practice exists at nominal level, the notions of hybridization and crossvergence are better in explaining HRM practices and their diffusion across countries. While the authors focused on exploring explanations to the differences in HRM practices, our paper

provocatively challenge researchers and experts to explore the question of whether MNCs should adapt HRMI and if so, why? And how?

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