Exploring cultural dimensions as predictors of performance management preferences: the case of self-initiating expatriate New Zealanders in Belgium

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Despite the large number of New Zealanders working overseas of their own volition, the expatriate management literature has largely ignored their performance management (PM) preferences. The need to consider followers’ preferences has been established by evidence supporting a link between PM practices and national culture, and subsequent performance. This study utilised the semi-structured interview to explore and compare the PM preferences of self-initiating expatriate New Zealanders in Belgium, and Belgians. Content analysis revealed distinct similarities and differences in preferences that can be tentatively linked to elements of national culture, providing general support for related literature. Subgroups also emerged within the Belgian sample and individual differences emerged within both samples, emphasising the importance of cultural subgroups as well as individual variations when considering PM preferences. Findings have academic and practical implications, which may be further explored by the suggested avenues of future research.

Keywords: expatriates; HR practices; international HRM; self-initiated

Introduction and literature review

The ‘brain drain’ from New Zealand in recent years has seen tens of thousands of New Zealanders heading to Australia and Europe (Statistics New Zealand 2009) to live and work. Many of them were self-initiated (Kiwi Expatriate Association 2006), meaning that they chose to emigrate rather than being asked to do so by employers. Despite these volumes, the performance management (PM) preferences of expatriate New Zealanders working in different cultures tend to receive little attention in the literature. Our qualitative study, therefore, attempts to explore these preferences and compare them with those held by Belgians. In this paper, we position our topic within the existing literature, and describe the method used to address our research questions. We then describe our findings and relate our cross-cultural comparison to research that has examined the cultural dimensions of New Zealand and Belgium. Finally, we discuss the implications of our research and offer suggestions for future research.

Expatriate performance management

This topic touches two separate literature streams; expatriate performance management and cross-cultural literature. First, the expatriate PM literature is addressed. PM is ‘a comprehensive, continuous and flexible approach to the management of organisations, teams and individuals which involves the maximum amount of dialogue’ (Armstrong and...
Baron 2005, p. 14). Specific PM activities include goal-setting, feedback, appraisal, training and development. An expatriate can be defined as an employee whose company has temporarily placed him or her in another country (Tahvanainen 2000).

A number of studies have explored the impact of effective expatriate PM, but few have adopted a cross-cultural perspective. One widely cited exception, Newman and Nollen (1996), tested the impacts on financial performance of PM practices in one multinational company across countries, relating their study to Hofstede’s (1980a) cultural dimensions (outlined later) and corresponding management practices. ‘Employee participation’ practices relate to ‘power distance’; ‘clarity about policies and direction’ to ‘uncertainty avoidance’; ‘emphasis on individual contributions’ to ‘individualism’; ‘use of merit-based rewards’ to ‘masculinity’; and ‘long-term problem-solving and employment security’ to ‘long-term orientation’. Newman and Nollen found that performance was best when the PM practices used were in line with the cultural elements present, for example the practice of participation should not be utilised in high power distance countries because this will worsen profitability. Other studies have also supported this finding, for example Schuler and Rogovsky (1998) found that countries high in uncertainty avoidance should provide remuneration systems based on seniority or skills acquisition, rather than a high performance-related component that may be perceived as unpredictable.

While Newman and Nollen (1996) focused on financial performance impacts, others such as Kraimer, Wayne and Jaworski (2001) focused on the impacts of expatriate adjustment on performance, finding that a causal relationship did exist. However, this study does not directly focus on culture, although it is reflective of much of the expatriate adjustment literature. Tahvanainen (2000) did not report a difference in the ways that key PM practices should be conducted in relation to the culture of the manager and subordinate; however, she used role-type variables as opposed to cultural variables. Suurati and Tahvanainen (2002) argued that expatriate PM should include clear goal-setting and evaluation mechanisms, but again cultural dimensions are not addressed. Sergeant and Frenkel (1998) did consider PM in relation to cultural differences, and along with Tung (1987), highlighted the importance of cultural training. In addition, Scullion and Brewster (2001) helped build a case for further Europe-specific research into expatriate PM.

Cross-cultural literature

The second relevant stream of literature is the cross-cultural literature. National culture is ‘commonly experienced language, ideological belief systems… ethnic heritage, and history’ (House and Javidan 2004, p. 15). Hofstede’s (1980a) initial cross-cultural work identified four dimensions of national cultural difference. Hofstede (1980b, p. 42) asserted that:

many of the differences in employee motivation, management styles, and organisational structures of companies throughout the world can be traced to differences in the collective mental programming of people in different national cultures.

Hofstede’s first cultural dimension, power distance, ‘indicates the extent to which a society accepts the fact that power in institutions and organisations is distributed unequally’ (1980b, p. 45). Uncertainty avoidance indicates a level of preference for structure. Individualism–collectivism involves a spectrum of a ‘framework in which people are supposed to take care of themselves and of their immediate families only’ (1980b, p. 45) versus the one in which people expect their ‘in-group to look after them’ (1980b, p. 45). Masculinity involves the ‘extent to which the dominant values in society are masculine’ (1980b, p. 46) including ‘assertiveness, performance, success and competition’ (Hofstede 1993, p. 90). Hofstede
later added a fifth dimension, long-term orientation, indicating the level of future focus (e.g. saving) versus past and present focus (e.g. respect for tradition) (Hofstede 1993, p. 90).

In relation to our target countries, New Zealand achieved low scores for both power distance and uncertainty avoidance (Hofstede 1980a). In contrast, Belgium achieved high power distance and uncertainty avoidance scores. Although both New Zealand and Belgium were high in individualism, New Zealand was high in masculinity compared with Belgium. This indicates significant differences in national culture between New Zealand and Belgium on three of the four dimensions (see Table 1).

Hofstede’s (1980a) dimensions became the basis of multiple further studies into cultural identity over the following three decades, ranging from leadership-related work to studies of work ethic (Furnham et al. 1993). Much of this work supported Hofstede’s assertion that leadership appropriateness differs according to national culture. However, Hofstede’s dimensions have not been free of criticism.

McSweeney (2002, p. 89) calls Hofstede’s (1980a) work ‘a triumph of faith, a failure of analysis’, highlighting a number of methodological flaws, including small country-specific samples, which potentially impact generalisability. He also believes that Hofstede did not adequately explore alternative explanations for his findings. Hofstede (1980a) identified issues with generalising the results from a single corporation to all organisations. This is noteworthy because the original sample employees could also have undergone organisational socialisation process that over time could have produced a bias towards cultural similarity. Other academics, for example Smith, Dugan and Trompenaars (1996), have gone as far as redefining Hofstede’s original dimensions.

Some studies have examined how national culture impacts on leadership style preferences and behaviours, but there has been little emphasis on expatriate PM preferences. One example, the Global Leadership and Organizational Behavior Effectiveness (GLOBE) Research Program, aimed at identifying ‘leader behaviours, attributes, and organisational practices that are… accepted and effective’ (House and Javidan 2004, p. 10) across 62 countries. It expanded Hofstede’s (1980a) work to identify nine cultural dimensions: uncertainty avoidance, power distance, institutional collectivism, in-group collectivism, gender egalitarianism, assertiveness, future orientation, performance orientation and humane orientation (House and Javidan 2004). However, the GLOBE study did not include data from Belgium and it did not target expatriates.

**Self-initiating expatriate New Zealanders**

Since many New Zealanders move abroad independently of an internal company transfer (Kiwi Expatriate Association 2006), it is necessary to expand Tahvanainen’s definition of an expatriate. Myers and Pringle (2005, p. 421) define ‘self-initiated’ expatriates as ‘long term individually initiated travel[ler]s to other countries to pursue cultural, personal and career development experiences.’ There is a growing body of knowledge related to

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**Table 1. Hofstede’s (1980a) cultural dimension scores for selected countries.**

<table>
<thead>
<tr>
<th>Dimension</th>
<th>New Zealand</th>
<th>Belgium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power distance</td>
<td>22 – low</td>
<td>65 – high</td>
</tr>
<tr>
<td>Uncertainty avoidance</td>
<td>49 – low</td>
<td>94 – high</td>
</tr>
<tr>
<td>Individualism</td>
<td>79 – high</td>
<td>75 – high</td>
</tr>
<tr>
<td>Masculinity</td>
<td>58 – high</td>
<td>54 – low</td>
</tr>
<tr>
<td>Long-term orientation</td>
<td>30 – low</td>
<td>Not measured</td>
</tr>
</tbody>
</table>

Source: Hofstede (1980a).
self-initiated expatriates (Howe-Walsh and Schyns 2010 is a recent example); however, our literature search revealed little emphasis on self-selecting expatriate New Zealanders’ preferences for particular PM tools.

The literature does however provide information on the motivations of self-initiating expatriate New Zealanders. For many New Zealanders, an ‘overseas experience’ is considered part of early-20s life, so it is undertaken with cultural and social motivation rather than career development, at least initially (Inkson and Myers 2003). Others leave New Zealand because of higher salaries abroad and never return due to the opportunities they discover (Carr, Inkson and Thorn 2005). Thorn’s (2008) study also focused on the reasons New Zealanders move overseas rather than their PM preferences; however, she does note the near absence of prior research into self-initiating expatriate New Zealanders despite the large proportion of New Zealander expatriates that self-initiate. A few New Zealand-specific studies have focused on follower perceptions of leadership (e.g. Ah Chong and Thomas 1997; Pfeifer and Love 2004; Pfeifer 2005); however, they did not incorporate an expatriate dimension and they did not address PM.

In another New Zealand-specific research, Guthrie (2001) found that high-involvement work practices in New Zealand increase retention and productivity. This is logical given New Zealand’s relatively low power distance score in Hofstede’s original (1980a) work and considering Newman and Nollen’s (1996) correlation between a low power distance score and the effectiveness of participative behaviours. The Guthrie study shares a limitation common to many; expatriate New Zealanders are not specifically considered. Questions therefore remain about how the existing body of knowledge relates to self-initiating expatriate New Zealanders.

Belgium is a case in point. Although there are only 211 New Zealanders registered as residents in Belgium (J. Anderson, personal communication, 27 July 2009), an estimated 600,000 New Zealanders are living overseas (Statistics New Zealand 2007). Meanwhile, Belgium has a growing number of expatriate workers and a culture known to be different from the national culture of New Zealand. It is also the location of the headquarters of the European Union and is often considered the geographic centre of Europe. Self-selecting expatriate New Zealanders in Belgium is therefore an interesting and relevant case. Our study attempted to explore the following questions: What are the preferred PM practices of self-initiating expatriate New Zealanders working in Belgium, how do these compare with those held by Belgians, and what link does national culture have to these preferences?

Method

Tentative theory

Although this study adopted an inductive approach, it is important to note any presuppositions (King 2004). It was considered possible that preferred PM practices of expatriate New Zealanders would differ from Belgians on two of the original four (of Hofstede’s five) national cultural dimensions (Belgium did not have a score for long-term orientation), as outlined in Table 2. This was based on the links (Newman and Nollen 1996) highlighted between cultural dimensions and PM practices.

However, the absence of an expatriate dimension, in Newman and Nollen’s (1996) study, emphasised the need for links to the current study to be considered entirely speculative. In addition, there was a risk that grouping PM practices into pre-defined categories would not provide adequate scope to explore the potential complexity of the topic. Therefore, we considered a qualitative study appropriate.
Table 2. Possible outcomes based on links Newman and Nollen (1996) highlighted between Hofstede’s (1980a) cultural dimensions and PM practices.

<table>
<thead>
<tr>
<th>New Zealanders will prefer (PM practices/behaviours)…</th>
<th>…when compared with Belgians, because New Zealand’s (cultural dimension)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher ‘participation’</td>
<td>Power distance score is lower</td>
</tr>
<tr>
<td>Less ‘clarity of policies and direction’</td>
<td>Uncertainty avoidance score is lower</td>
</tr>
<tr>
<td>A similar ‘emphasis on individual contributions’</td>
<td>Individualism score is similar</td>
</tr>
<tr>
<td>Similar ‘use of merit based rewards’</td>
<td>Masculinity score is similar</td>
</tr>
</tbody>
</table>

Approach

We adopted an inductive approach to theory-building (as identified by Saunders, Lewis and Thornhill 2007). Qualitative approaches offer richness and depth (Alvesson 1996; Denzin and Lincoln 2008) required due to a lack of theory linking national culture to PM preferences in the self-initiating expatriate New Zealander context. Theory development in this topic area can be classified as between ‘nascent’ and ‘intermediate’ according to Edmondson and McManus’s (2007) classifications, indicating a fit with qualitative methodology. In addition, an overuse of quantitative methods in leadership-related research led to a lack of depth in understanding (Conger 1998).

We utilised the semi-structured interview. Interviews help explore meaning (King 2004); however, they are not problem-free (Silverman 1993; Alvesson 2003). In reality, accurate representation and analysis can be problematic (Fossey, Harvey, McDermott and Davidson 2002). The potential disadvantages of the interview method were outweighed by its advantages in this situation. Having some structure to the interview helps to ensure adequate coverage, yet acknowledges the tentative nature of the material (King 2004). In line with King’s approach, we developed an interview guide (see Table 3) with some topic areas, incorporating open questions and possible probes. Contextual issues such as tenure and nature of expatriate assignment were not addressed.

Table 3. Interview topic areas.

<table>
<thead>
<tr>
<th>Topic area</th>
<th>Nature of question</th>
<th>Source</th>
<th>Cultural dimension</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>•Preferred PM activities</td>
<td>Open</td>
<td>Original</td>
<td>All</td>
<td>Use of open questions enables issues to emerge.</td>
</tr>
<tr>
<td>•Preferred level of involvement in goal-setting and day to day activities</td>
<td>Open, followed by probes</td>
<td>Hofstede (1980a) and Newman and Nollen (1996)</td>
<td>Power distance</td>
<td>Use of follow-up probing questions ensures adequate coverage of topics that have not emerged through the use of open questions.</td>
</tr>
</tbody>
</table>
due to their specific relevance to within-company transfers. The interviews were recorded with permission, and had a range in length of 35–110 min, with an average of 55 min.

Belgian participants needed to speak English to avoid the need for a translator; however, as English is compulsory in Belgian schools, this was neither predicted to be, nor transpired as a significant issue. An additional consideration was that language cannot accurately reflect reality (Alvesson 2003), an issue that is amplified when interviewing people whose first language differs from the researchers’. It was also important that Belgians’ and New Zealanders’ understanding of terms used in the interview mirrored each other. We managed these issues by pilot testing the interview on two New Zealanders and two Belgians to check similarity of understanding. In addition, difficult words were defined and the participants were asked to explain any jargon they used (as recommended by Alvesson 2003).

Graneheim and Lundman (2004) identified credibility, dependability and transferability as determinants of quality in qualitative studies. We aimed to maximise credibility through selecting participants with varied experiences and views, and through categorising all of the data and asking some participants to ensure categories reflected their text. This was also predicted to help achieve interpretive rigour (Fossey et al. 2002) and reduce interviewer bias (Burnard 1991). We also recognised the need to balance theme emergence with interview comparability, and managed this by asking more questions when participants did not address key issues raised by others.

Sampling
We recruited initial New Zealander participants through a notice on the ‘New Zealanders in Belgium’ website http://newzealandersinbelgium.blogspot.com/. We then followed Kuzel’s (1992) approach to snowball sampling, which involved asking initial participants to help identify additional participants. This was also the process for the Belgian sample, although initial participants were identified through personal networks.

We sought between-sample similarity in terms of industry, age, gender, etc. although this was not achieved due to practical constraints. Participants were required to have had some full-time work experience to increase the likelihood that they had developed PM preferences. ‘Maximum variation’ samples (i.e. likely to contain differences in opinion) of 12–20 were sought to develop theory (as recommended by Morrow 2005), and sampling ceased when ‘saturation’ (i.e. no new information) – occurred. This occurred at 10 interviews per sample, although it is acknowledged that new information could have arisen had larger samples been identified. Summary tables of the expatriate New Zealander and Belgian samples follow.

Analysis
Our analytical method borrowed elements from the grounded theory approach outlined by Conger (1998), in that data and tentative theory were constantly compared. We summarised the key themes emerging from each interview in a diary, and then transcribed the interviews. The approach to content analysis was to read the transcripts several times and label pieces of text with codes, which were sorted into categories and sub-categories. Following the approach of Graneheim and Lundman (2004), meanings within the content were then grouped into themes, which enabled comparisons within and between the samples. We did not use computer software to assist with data analysis because ‘computers cannot replace the contextual processes required of the researcher’ (Fossey et al. 2002, p. 729).

Burnard (1991) recommended making notes immediately after each interview about possible categories. He also emphasises the importance of accounting for all interview
data (i.e. not leaving any data uncoded), and re-reading transcripts after categorising to determine appropriateness. We followed these recommendations, along with another involving returning to some of the participants after coding to check that the meaning of their original text was accurately captured. Only minor changes were made as a result of this check with two participants from each sample.

Findings

Expatriate New Zealanders

As shown in Table 4, the self-initiating expatriate New Zealander sample had 10 participants. Of these, six were female, and four were in the 26–30 age group. Participants had spent on average 3.5 years working in Belgium, with the shortest time being one year (four participants) and the longest being 12 years. As noted, details on participants’ roles and industries are not reported due to the anonymity issue of reporting demographic data from within a small population.

Preferred PM practices

New Zealanders reported a high level of comfort with and an exposure to a wide range of PM practices. Nine participants reported a preference for structured performance appraisals, and they tended to emphasise the importance of setting objectives that were within their control. Participants generally expected to be kept informed of their progress throughout the performance cycle, with the appraisal meeting therefore comprising a summary of previously discussed results. The ‘informal catch-up’, most commonly on a monthly basis, was generally the preferred method of discussing progress. NZ23 articulated the general sentiment succinctly:

I would never expect my annual appraisal to have any shocks. I would expect to receive continual feedback and if both positive and negative issues came up, that they were addressed at the time and were able to be dealt with. So that is my expectation, although it is not necessarily what my experience is.

NZ22 echoed the ‘no surprises’ message:

I had a manager who would pull stuff out of thin air from six months ago at my appraisal, and I got to the point where I was so fed up with it, I asked, listen I understand what you’re saying but why didn’t you tell me about it? All I wanted was a chance to do better. She just looked at me blank-faced. I really don’t think she got it.

Table 4. Expatriate New Zealander sample.

<table>
<thead>
<tr>
<th>Identifier</th>
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<th>NZ13</th>
<th>NZ17</th>
<th>NZ10</th>
<th>NZ11</th>
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<th>NZ14</th>
<th>NZ15</th>
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<td>M</td>
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<td>F</td>
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<td>Role</td>
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<td>*</td>
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<td>*</td>
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<td></td>
</tr>
<tr>
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<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
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<tr>
<td>Years worked in NZ</td>
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<td>4</td>
<td>8</td>
<td>5</td>
<td>0</td>
<td>2</td>
<td>20</td>
<td>3</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Years worked in BE</td>
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<td>1</td>
<td>12</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>7</td>
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<td>0</td>
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<td>1</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>13</td>
</tr>
</tbody>
</table>

Note: *Due to the small number of New Zealanders in Belgium, there is a risk that reporting this data would breach the participants’ right to anonymity.
Involvement in PM processes

Eight New Zealander participants were expected to be involved in setting their individual performance goals. The preferred level of involvement tended to increase with each participant’s role seniority, with the two most senior New Zealander participants expecting to set their own goals and ask their manager to approve them. Participants in the early career stage also expected involvement, but this tended to be by way of consultation rather than proposing specific goals themselves. Interestingly, six participants also accepted that some goals (e.g. company-wide or departmental) needed to be imposed because they cascaded from senior managers’ goals. In situations where goals had to be imposed, the New Zealanders generally preferred to understand the bigger picture. They reported a preference for seeing how their goals contributed to wider company or departmental objectives.

Clarity

In general, the New Zealanders neither expected nor preferred clarity in terms of company policy and procedure. This appeared to be industry- or role-dependent, for example, participants involved in highly regulated or technical roles preferred to understand the policies relating to their tasks before attempting them. In addition, there was generally no preference for clear direction from management; seven New Zealander participants reported a preference for working things out for themselves.

This lack of preference for clarity was also evident in terms of the level of training expected by the New Zealander participants. Only three participants expected to receive formal training before attempting a new role or task. This appeared related to highly technical or regulated tasks; however, the same three participants were the ones who had spent the shortest time in the workforce, suggesting that experience may also be a factor. The remaining seven participants preferred either to receive on-the-job coaching or to consult colleagues as required.

Performance-based pay and other rewards

Half of the New Zealander participants reported a preference for performance-based pay programmes, and this preference increased with work experience. All five cited system fairness are important; however, four were unable to identify the elements that would contribute to their perception of fairness. Of the New Zealanders who did not prefer performance-based pay, participants in general reported that they did not believe their roles were well suited to achievement-based remuneration. There was a broad range of preferences for other rewards, from a simple ‘thank you’ to social rewards, such as team functions or games. Interestingly, five participants reported feeling rewarded through a sense of pride in the company’s brand, while four participants enjoyed the perception of status provided by benefits. This range of views is evident in this response from NZ23:

The reality is that I’m quite driven by ego, so what that means is the fact that my organisation is successful, the fact that it’s a good brand, it’s well-known and is at the top of its game is very important to me. The fact that I can go to the office and it’s a beautiful office, it’s a reward. Also, the fact that I work with people I respect and who share my values and approach to the workplace is extremely important as well.

Individual and team-based rewards

Participants’ views on the attractiveness of individual versus team-based rewards varied with five participants preferring individual rewards, three (all women) preferring team-based rewards and two finding both options equally attractive. In general, participants
reported the level of collaborative activity within their role as the key factor contributing to their preference. Three of the 10 New Zealander participants reported no exposure to team-based rewards.

**Belgians**

As shown in Table 5, the Belgian sample had 10 participants. Participants were on an average slightly older than the New Zealander participants, and seven were male. Seven participants had spent either no time or less than one year working outside Belgium, and the range of work experience varied between two and 30 years. Roles and levels of seniority varied; however, six Belgian participants worked in the pharmaceutical industry.

**Preferred PM practices**

In general, Belgians did not express a preference for structured PM practices. In addition, the Walloon participants generally had a low preference for performance appraisal, while the Flemish participants had a low preference against performance appraisal. BE12 articulated this opinion of performance appraisals:

> To me it’s just bull****. It's false. They set goals for you but then you can reach your goals but still not be well-appraised, you know. It’s all just air to me. It’s not true. I mean, it never works. It has never helped me to grow. It's fiction for me.

Only three out of 10 participants thought structured PM helped them perform, and only one expressed a preference for results to be measured. All these were employees of multinational companies. However, the Belgian participants generally did like to receive feedback, with eight saying they liked to receive it frequently.

**Involvement in PM processes**

Five Belgian participants said they liked to be involved in setting any performance goals that were needed. However, four of the six Flemish participants said they did not like goals to be set at all, while three of the four Walloons felt that setting goals helped them perform. The Walloons almost universally expressed a preference for the majority of goals to be imposed, while two of the less experienced Flemish participants preferred some goals to be imposed to provide direction.

**Clarity**

There was generally at least an acceptance, and usually also a preference for clear policies and training on critical elements of participants’ roles. Most participants also preferred to have the freedom to act within predefined boundaries. However, BE14 expressed this opinion:

> I accept that you need some policies and procedures, and that is acceptable and human and I have no problem with that. But if the company says, you have to be there between eight and nine and four (sic) I feel trapped and then that’s not a good feeling for me... So I guess I cannot work in that system. I would be a very bad soldier.

BE22 placed more emphasis on clarity:

> I think to be able to work, we need to have a clear structure. It must be written somewhere that this is the procedure of the company, so we know, ok if there’s a problem we can refer to it. Otherwise, if something wrong happens (sic), who can say that it is because of this or that? So it’s important so everyone has the same understanding of the work and environment.
Table 5. Belgian sample.

<table>
<thead>
<tr>
<th>Identifier</th>
<th>BE10</th>
<th>BE12</th>
<th>BE13</th>
<th>BE14</th>
<th>BE15</th>
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<tr>
<td>Gender</td>
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<td>F</td>
<td>M</td>
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<td>M</td>
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<tr>
<td>Role</td>
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<td>Director</td>
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<td>Marketing</td>
<td>M</td>
<td>Historian</td>
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<td>Trainer</td>
<td>M</td>
<td>Director</td>
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<td>Pharmaceuticals</td>
<td>Tyres</td>
<td>Museum</td>
<td>Pharmaceuticals</td>
<td>Pharmaceuticals</td>
<td>Pharmaceuticals</td>
<td>Research</td>
<td>Pharmaceuticals</td>
</tr>
<tr>
<td>Years worked out of BE</td>
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<td>5</td>
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<td>0</td>
<td>0</td>
<td>0.5</td>
<td>3</td>
</tr>
<tr>
<td>Years worked in BE</td>
<td>4</td>
<td>18</td>
<td>30</td>
<td>7</td>
<td>3</td>
<td>9</td>
<td>17</td>
<td>5</td>
<td>2</td>
<td>25</td>
</tr>
</tbody>
</table>

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Performance-based pay and other rewards

While six Belgian participants said they valued pay for performance, four said they did not want this to be based on achievement, so there appeared to be some confusion about the performance-based pay concept. To clarify this, we asked participants how they would ideally like performance-based pay to operate. Participants generally preferred an arbitrary bonus scheme where management decided to whom bonuses should be given. Therefore, we did not infer this as a preference for performance-based pay.

In addition, participants working in larger organisations and those with less work experience tended to feel that they did not have sufficient direct impact for their actions to be linked to remuneration, for example BE22:

For the moment I think being a junior, it would be inappropriate to have that kind of system because I don’t have that much capacity to change things by myself, and I don’t make any decisions. I always have to refer to my manager for decisions.

BE15 continued to express his suspicion of PM with his views on performance-based pay:

This is just a system to make you do more and more. So I would be very careful about it. Like, if I got more money to improve my quality, that would give me more stress because I wouldn’t be able to live up to their expectations.

When asked their view of fixed or tenure-based pay systems, five of the six Flemish participants preferred little or no at-risk component. BE14 offered some rationale for this:

Don’t forget that I’m a Belgian. Belgians are not risk-takers. We like to play it safe. I have a mortgage to pay, I’ve got costs.

The Walloon participants reported a lower preference for tenure-based pay systems than the Flemish.

Out of 10, nine participants went on to say they preferred non-monetary incentives to monetary incentives. BE13 said:

Honestly I don’t think we work that much on pay. We work on integrity, feedback, relationships. Those are much more important than the financial. And I’ve never seen it work properly because things take away the opportunity to evaluate the individual.

Four of the six Flemish participants preferred social incentives, such as team events, while the Walloon participants did not state any specific reward preference. The above quote from BE13 also highlights the perceived importance of system fairness expressed by seven of the Belgian participants.

In addition, BE23 was highly critical of human resources employees in devising reward systems that genuinely improve performance:

Quite frankly, I have not seen any innovative solutions. My analysis is that human resources have not been very creative in order to stimulate people. They refer to the fact that Belgian law is restrictive and therefore there is no innovation. But my feeling is that most of the HR managers... have no creativity.

Individual and team-based rewards

The Belgians tended to prefer a combination of individual and team-based rewards. Eight participants said they valued being rewarded as individuals. In addition, four Flemish and only one Walloon participant also said they valued team-based rewards; either company-wide acknowledgment (e.g. on an intranet site or at a company function) or social rewards such as team dinners.
Key findings

Table 6 summarises the key findings of the study. Differences between Flemish Belgians and Walloon Belgians are included, were evident. We determined the level of preference (either no preference, or low, medium or strong preference for or against) from the themes that emerged from the coded transcripts. We had identified these themes by determining the number of times an issue was mentioned by each individual, and overall by each sample.

However, qualitative research ‘goes beyond how much there is of something to tell us about its . . . qualities’ (Miles and Huberman 1994, p. 253). For this reason, we also took into account the language and tone that participants used to describe each preference. The impact of individual variation within each sample was also considered; for example, an otherwise strong group preference for a particular element would be reduced to a medium preference if six participants indicated strong preference yet four participants indicated a neutral preference.

New Zealander perceptions of workplace differences

Although we did not specifically ask participants to comment on their perceptions of the differences in PM practices in New Zealand and Belgium, six New Zealanders chose to do so. Five of these six had spent longer time working in Belgium than the other five participants. The New Zealanders generally perceived Belgium as a paternalistic country, which had direct consequences for employees, as reported by NZ23:

Belgium is more of a nanny-state kind of concept. Legislated into law is that if the cost of living goes to a certain level, employees get an automatic pay increase. I come from a relatively free market, and to come here and see that is kind of bizarre.

When asked to elaborate, the New Zealanders seemed to perceive Belgians as living and working in a culture of mediocrity. This is summarised by NZ12:

It’s a Belgian company with [an] ‘I don’t need to do a lot’ mentality. So I don’t have to do anything at work really. If I wanted to, I would just sit here every day for the next 28 years. Nobody would notice. So you have complacency. Once you’re in a job you’re in it for life. With Belgian law, once you’ve got them you’ve really got them.

NZ22 supported this view:

I’m not saying appraisals were perfect in New Zealand, but at least they had something. Here it’s more airy-fairy and it’s almost like no-one wants to step on anyone’s toes or encourage them to do more. And I think most of them are suspicious about HR stuff anyway. It’s so different to at home.

Discussion

Key similarities in PM preferences

Our study found both similarities and differences in the PM preferences of self-initiating expatriate New Zealanders in Belgium and Belgians. The similarities across the New Zealander and Belgian samples are shown in Table 7. We found more differences than similarities. It is also noteworthy that in the case of three of the five PM practices shown in the table, the similarities are limited to either Flemish or Walloon Belgians rather than the Belgian sample in general.

Similarities in PM preferences are also evident within two subgroups of the Belgian sample, as highlighted in Table 8. We found more similarities between the Flemish and Walloon subgroups than between the New Zealander and Belgian samples.
Table 6. Key findings.

<table>
<thead>
<tr>
<th>PM element</th>
<th>Expatriate New Zealander</th>
<th>Flemish</th>
<th>Walloon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structured</td>
<td>Strong preference for</td>
<td>No preference</td>
<td>Low preference against</td>
</tr>
<tr>
<td>Results measured</td>
<td>Medium preference for</td>
<td>No preference</td>
<td>Strong preference for</td>
</tr>
<tr>
<td>Performance appraisals</td>
<td>Strong preference for</td>
<td>Low preference against</td>
<td>Low preference for</td>
</tr>
<tr>
<td>Informal catch-ups</td>
<td>Strong preference for</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goal setting</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goals</td>
<td>Medium preference for</td>
<td>Strong preference against</td>
<td>Medium preference for</td>
</tr>
<tr>
<td>Involvement in goal setting</td>
<td>Strong preference for</td>
<td>Low preference for</td>
<td>Strong preference for</td>
</tr>
<tr>
<td>Some goals imposed</td>
<td>Accepted</td>
<td>Medium preference for</td>
<td>Medium preference for</td>
</tr>
<tr>
<td>Listens to follower</td>
<td>Strong preference for</td>
<td>Strong preference for</td>
<td>Medium preference for</td>
</tr>
<tr>
<td>Clarity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organisational policy</td>
<td>No preference</td>
<td>Medium preference for</td>
<td>Medium preference for</td>
</tr>
<tr>
<td>Training for new role</td>
<td>Low preference for</td>
<td>Medium preference for</td>
<td>Medium preference for</td>
</tr>
<tr>
<td>Performance-based pay and other rewards</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pay for performance</td>
<td>Medium preference for</td>
<td>Medium preference against</td>
<td>High</td>
</tr>
<tr>
<td>Importance of fairness and clarity</td>
<td>Medium</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed/tenure-based pay</td>
<td>No preference</td>
<td>Strong preference for</td>
<td>Low preference for</td>
</tr>
<tr>
<td>Other incentives: social</td>
<td>Low preference for</td>
<td>Medium preference for</td>
<td>No preference</td>
</tr>
<tr>
<td>Other incentives: praise</td>
<td>Medium preference for</td>
<td>Low preference for</td>
<td>No preference</td>
</tr>
<tr>
<td>Individual and team-based rewards</td>
<td>Medium</td>
<td></td>
<td>Medium</td>
</tr>
<tr>
<td>Attractiveness: individual reward</td>
<td>Low</td>
<td></td>
<td>Low</td>
</tr>
<tr>
<td>Attractiveness: team reward</td>
<td>Medium</td>
<td></td>
<td>Low</td>
</tr>
</tbody>
</table>
Key differences in PM preferences

A number of differences were also evident in the PM preferences between the New Zealander and Belgian samples, and at times at an individual level within each sample. There were more differences between the preferences of the expatriate New Zealanders and Belgians than there were similarities. The differences are shown in Table 9. These included the specific PM tools used to structure, measure and reward performance. Of particular note are the ‘goals’ element (New Zealanders’ medium preference for versus the Flemish strong preference against) and the ‘pay for performance’ element (New Zealanders’ medium preference for versus the Belgians’ medium preference against).

Although clear themes emerged, there were at times significant levels of variation in participants’ views within each sample. The existence of variations in individuals’ preferences supports the view of Stone-Romero, Stone and Salas (2003) that individuals belonging to certain national cultural groups should not be assumed to share the dominant characteristics of those groups. Indeed Chao (2000) argued that cultural elements considered at the individual level do not always conform to culture measured at the national level.

The Belgian subgroups

We found a number of differences between the preferences of Flemish and Walloon subgroups of the Belgian sample, as shown in Table 10. For example, the Flemish subgroup reported a much lower preference for elements of structured PM including goal-setting and performance appraisals than the Walloons. The number of differing elements in PM practices was slightly higher than the number of similarities in PM practices, although in many cases the degree of difference is small (e.g. a strong preference for versus a medium preference for).

Comparisons with prior research

As a qualitative study, this research did not specifically set out to test the concrete findings of prior studies. However, it is interesting to relate the findings of this study with key studies
that preceded it. First, we address Hofstede’s (1980a) cultural dimensions. We found support for three of Hofstede’s four cultural dimension scores for New Zealand and Belgium. This suggests that national culture can help explain the similarities and differences in PM preferences between self-initiating expatriate New Zealanders in Belgium, and Belgians in Belgium. The exception is the uncertainty avoidance dimension, where our participants’ PM preferences did not support Hofstede’s original cultural dimension scores.

However, the extent to which this study’s findings support Hofstede’s (1980a) findings is dependent on the elements used to indicate each dimension. Uncertainty avoidance is a case in point. We used ‘structured PM’ as an indicator of uncertainty avoidance (due to Hofstede’s claim that ‘more structuring of activities’ is a consequence of countries scoring high in uncertainty avoidance) and found a lack of support for this dimension. However, had ‘fixed/tenure-based’ pay systems been used to indicate uncertainty avoidance (as a mechanism of controlling uncertainty) then Hofstede’s findings would have been supported because the Belgians reported a stronger preference for this than the New Zealanders.
Another interesting point concerns the within-sample differences identified in the case of the Belgians. As noted, when the Flemish and Walloon Belgians are grouped to form sub-samples, specific similarities and differences are evident. Although Hofstede’s original work acknowledged that Flemish and Walloon Belgians have distinct characteristics, the proportion of each within his Belgian sample is unclear. In fact, he implied that the cultural differences between the two groups were insignificant. It is accepted that his work focused on national cultures, but this study’s findings suggest that sub-cultures should not be ignored.

The emergence of these patterns within Flemish and Walloon subgroups highlights the importance of considering the role of subcultures in predicting PM preferences. This message echoes that of Pfeifer’s (2005) New Zealand study. We also suspect that personality and the level of exposure to PM tools may impact the development of PM preferences, however our study focused on the preferences themselves rather than the processes through which they are formed.

Our study also partially supports the links highlighted by Newman and Nollen between Hofstede’s cultural dimensions and PM practice groupings, with the exception of ‘masculinity’. Again it is evident that how the elements are grouped as indicators of each cultural dimension is critical in determining the ability of those dimensions to explain PM preferences. In addition, the topic areas used in the interviews in this study as well as the subjective coding and interpretive processes we used will no doubt have influenced our findings.

Our study supports the overarching findings of the GLOBE study (House, Hanges, Javidan, Dorfman and Gupta 2004), which predicted that some management activities would be accepted and effective across multiple cultures. In particular, GLOBE’s participative behaviour grouping emerged as important to both samples in this study, with preferences for frequent informal catch-ups and being listened to by management emerging as important. This also stresses the desire for a continuous approach towards PM in both cultures. However, the GLOBE study classified leadership and PM practices differently than that by both Hofstede (1980a) and Newman and Nollen (1996), which makes drawing further meaningful comparisons difficult.

Some gender differences in PM preferences emerged in this study, and it is interesting to view these in the context of prior research into gender differences in reward preferences and team functioning. In our study, women tended to have a stronger preference for team-based rewards than men. Wagner (1995) suggested that studies conducted prior to his paper found that women tended to have a higher preference for equality of rewards among team members than men. More recently, Croson and Gneezy (2009) concluded that women exhibit lower preferences for competition than men. Indeed, the participants in our study generally reported the level of collaborative activity within their role as the key factor contributing to their individual/team reward preference.

Schuler and Rogovsky’s (1998) view that the PM practices used should align with the cultural elements present was supported by this study. As Belgium is high in uncertainty avoidance, remuneration systems should not incorporate a high performance-related component. The passion with which many of the Belgian participants expressed their suspicion, fear or general dislike of performance-based pay suggests that their rejection of any such system might negatively impact their performance. Finally, Pfeifer’s (2005) findings of distinct differences in the leadership preferences of Maori and Pakeha are noteworthy. Although this study’s expatriate New Zealander sample did not include any Maori, differences were identified between the preferences of Flemish and Walloon Belgians. As noted, the members of these subcultures can have strong views about their differences, and tend to prefer not to be combined into a single national culture.
As discussed in relation to Hofstede’s original (1980a) work, subcultures should not be ignored because they can expose additional trends and themes.

**Alternative explanations**

Although this study generally supports a link between national culture and PM preferences, alternative explanations for the preferences reported by participants are possible. First, the samples may contain bias, which could constitute another reason for the findings that emerged. Four out of the ten New Zealander participants were in the 26–30 age group. In addition, six of the Belgian participants work in large multinational companies in the pharmaceutical industry. This means the participants may have had more exposure to internationally utilised PM practices than they would have had the sample not contained this bias. This in turn may have impacted on the development of participants’ preferences and may help explain some of the similarities between the views of the New Zealanders and Belgians.

Conversely, the four non-pharmaceutical employee Belgian participants had not been exposed to a wide range of PM practices. Many had not participated in a performance appraisal process, and still more had not been exposed to performance-based pay. Their lack of familiarity with these tools could help explain their lower preference for them than the New Zealander sample reported. Language is an additional issue, as all the Belgian participants were required to speak English. Despite our efforts to explain the terms used, it cannot be ignored that the Belgians’ interviews all took part in the participants’ second or third language. It must be acknowledged that this has in some way affected the findings, especially in terms of the interpretation of messages during both the interview and analysis phases.

**Conclusion, limitations and recommendations**

Our study introduced a self-initiating expatriate New Zealander dimension to what has become a large body of cultural management literature on PM preferences. It did so by exploring the PM preferences of self-initiating expatriate New Zealanders in Belgium and Belgians, through the content analysis of semi-structured interviews. In terms of the expatriate New Zealanders, it found preferences for structured PM practices including goal-setting, performance measurement and appraisal, and a performance-based pay component. In terms of the Belgian participants, the study found preferences incorporating a professional, distant relationship. In addition, it reported general preferences against structured PM tools. In particular, preferences for certainty around pay and an absence of performance appraisal and performance-based pay components were identified.

These findings generally align with New Zealand’s and Belgium’s scores for three of the four of Hofstede’s (1980a) cultural dimensions. The lack of support for the ‘uncertainty avoidance’ dimension could be explained by the codes used to indicate this dimension. The differing groupings of PM elements within the literature limit the extent to which this study can be related to other prior research. However, the Newman and Nollen (1996) study had highlighted groups of specific PM practices that relate each of Hofstede’s original (1980a) cultural dimensions, and this study provides partial support for them. The exception was the ‘masculinity’ dimension, where common preferences for the use of merit-based rewards were tentatively expected but not supported.

We also view the practical implications of our study as an important contribution. First, Belgian leaders of expatriate New Zealanders may learn from the differences identified between the preferences of expatriate New Zealanders and Belgians. However,
this study does not suggest that all expatriate New Zealander followers have the same PM preferences. The level of variation between individuals emphasises the need to view each follower as an individual with unique needs and preferences. One practical way to achieve this could be to ask individual followers what their PM preferences are. In addition, this study’s findings may also be relevant for the New Zealand geographical context; specifically, for New Zealander managers of Belgians. They may also be relevant for New Zealander managers in Belgium. In both cases, similar caveats apply.

The key limitation of our study relates to sampling. As noted, the New Zealander sample has a young bias and the Belgian sample has a significant male bias. In addition, the fact that six of the ten Belgian participants work in the pharmaceutical industry suggests that while these findings may transfer to the pharmaceutical industry, further research would need to confirm whether they can be transferred beyond that. In addition, this study did not achieve cross-sample equivalence in terms of age, gender, role or industry. Therefore, this study’s findings must be considered tentative. If cross-cultural samples are not equivalent, accurate cross-cultural comparability is impossible (Mullen 1995); the differences found can be due to demographic rather than cultural elements (Triandis, Malpass and Davidson 1973). However, the emergence of strong within-sample themes despite these individual variations could also be seen to strengthen those themes (Triandis, Malpass and Davidson 1973).

It is also necessary to consider the limitations of this study when determining transferability to other contexts. Miles and Huberman (1994) identified several tests of transferability. We attempted to fulfil many of these, including providing thorough descriptions of the samples and the connections we have made with prior research. We also followed Morrow’s (2005) recommendations around describing how the questions were formulated. Transparent descriptions enable the reader to identify alternative explanations (Graneheim and Lundman 2004).

Finally, we must also emphasise that as New Zealanders, we view the world through New Zealanders’ eyes. Despite our efforts to remain objective, qualitative research remains a subjective process. While Belgians were involved in developing the interview topics and approach and checking some of the inferences made from the interview transcripts, the angle taken by this study remains a New Zealander one. Additional (especially Belgian) peer review at each major step in this study would have further improved its quality in this regard.

**Future research**

As a qualitative study, this research has resulted in suggestions of key issues rather than proof. Its findings should therefore be tested quantitatively on a larger scale. It could also be replicated in other geographic locations using different cultures. As identified in terms of limitations, future research could also address questions that arose regarding the role of industry and gender where these forms of sampling bias were identified.

In relation to prior research, replicating Hofstede’s (1980a) original cultural dimension work with (especially self-initiating) expatriate samples would be a relevant step to take. In addition, neither the Newman and Nollen (1996) nor the GLOBE (House et al. 2004) studies specifically targeted expatriates, and an opportunity exists to do so. Including self-initiating expatriate samples in cross-cultural leadership research would help identify whether they develop PM preferences that are significantly different than those held by the members of national cultures resident in their own countries. An exploratory study
identifying New Zealanders’ preferences before they become expatriates and exploring these again after time spent abroad may also yield interesting results.

This study indicates the existence of a strong national cultural influence in the PM preferences of self-initiating expatriate New Zealanders and Belgians, with both differences and similarities being identified, generally supporting prior research. However, the findings suggest that the picture is complex; cultural subgroups should not be ignored when seeking to understand PM preferences. In addition, the unique experiences, circumstances and perspectives of each follower appear to help explain their individual preferences. While cultural considerations are therefore evident and useful, this study also supports the notion that PM preferences are developed by – and held by – the individual.

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References


