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**CORRELATION BETWEEN THE WAY OF MANAGING
HUMAN RESOURCES AND STRATEGY TO COMPETE IN
THE INTERNATIONAL MARKET**

Abstract

The quality of the performance of multinational corporations in the international market depends on the strategy the corporation will choose for that purpose. Strategic management has a tremendous role in the management of organizations.

The analysis derived from empirical research conducted for the purposes of this paper in terms of patterns of HR Management confirm the thesis that there are no uniform strategies that will yield the same results in other developed countries. Therefore, modern management attention turns to the question: which HR Management strategies provide the best results in different cultures?

Conducted research attention has turned to the analysis of:

- HR Management practices that are best for use in branches outside of their home countries in terms of their degree of global “integration” or “standardization” of MNC practices against local “responsibility” or “local adaptation.”

- Which approach is used in comparative studies to analyze the practices of HR Management in different countries.

From an empirical point of view, they drew attention to evidence which argue that MNCs from different countries systematically differ in their operations abroad. For example, MNCs from the US tend to be more formal and centralized in management in terms of management in other countries. It refers to issues related to HR Management, as pay systems, to collective bargaining and union recognition. MNC in the US tend to find import and application of leading-edge practices from other countries. Japanese MNCs, on the other hand, are distinguished in the implementation of innovation through lean manufacturing, and expect their subsidiaries abroad to work in line with this approach. Although standards in world politics and formal systems are not as obvious as they are in the US, MNCs in Japan have stronger centralized direction and ethnocentric attitudes in the management of MNCs.

Keywords: Multinational Corporations, Strategies, International Market, International HR Management.

INTRODUCTION

Strategic management is equated with strategic planning that is complemented by the process of execution of the strategy. Strategic management is the process of identifying, selecting and executing the most effective way of working that will ensure long-term compatibility between internal ability and resources of the organization and competition, the society, and the economic environment in which the organization works. In order to be successful on the international quoted market, it is necessary that managers are trained and ready to carry out more activities. Managers of multinational corporations must recognize the specificities that characterize their organization to identify, select and use in order to carry out important strategic objectives of the organization. Each organization is an entity in itself. It is a unit that functions in a system of differences that surround you. For any organization there is no special strategy for performance. Successful managers must recognize and successfully combine the specifics of their organization to effectively use their resources strategically for competitive performance in the international market.

Can the same strategies for managing human resources in developed Western countries be applied in different cultures?

Which strategy of HR Management can be effective for different cultures?

The analysis conducted by researchers of comparative HR Management traditionally includes comparing the perspectives of the countries and asking questions such as: how is HR Management structured in individual countries? What strategies show best results? What should actually be put into practice? What are the main differences and similarities in the structuring of human resources? What is the extent to which national factors such as culture, government policy and the education system affect structuring and practices of human resources? (Brewster, C., Tregaskis, O., Hegewisch, A., Mayne, L., 1996)

Not only does institutional theory explain the role and comparative differences in HR Management systems globally, but she also explains the key role of human resources at the global level aimed at facilitating the transfer of key processes and management practices. Institutional theory puts its emphasis on the question whether that transfer is easy to implement and can actually be applied.

Further theoretical development focuses on the nature and differentiation of the various institutional processes within organizations. (DiMaggio, P. J., Powell, W. W., 1983) The basic assumption is that the organizational structures of most HR Management practices appear to reflect rational institutional rules and the “myths” of their institutional environments. (Meyer, J. W., Rowan, B., 1977) In this sense, the institutional theory again promotes organizational perspective in which

decision-making is not seen as a result of strategic choices, but efforts are being made to choose a strategic behavior that organizations will be able to use as a direct response to institutional processes. (Oliver, C., 1991)

Institutional theory turns its attention to the role of agencies within an organization. Supporters of the theory point out that “beliefs, norms, rules and understanding not just” out there “but further” is here.” (Scott, W. R., Meyer, J. W., 1989) The environment should join the organization through the process of “imposing”, “acquisition” and “authorization”. (Scott, W. R., 1987)

Global strategies are characterized by significant levels of intense uncertainty. (Weick, K. E., Van Orden, P., 1990) Globally, daily, within organizations efforts are made such as: preventing the problems that cause interference with the flow of information, finding new efficient solutions to deal with conflicts and dealing with differences in national culture. Managers in branches outside of their home countries face the challenge of requirements to implement new programs and tasks dictated by the headquarters of MNCs on a daily basis.

Kostova argues that successful practices will be transferred on international soil only if they are embedded in three contexts (social, organizational and relational). (Kostova, T., Roth, K., 2002)

Kostova and Roth do an analysis of the transfer of the practices of a MNC at 104 locations in 10 countries through questionnaires intended for 534 managers and 3238 other employees. The analysis puts emphasis on purely formal and substantial adoption practices of human RSURSI. According to the analysis by Kostova and Roth, model of factors determines the transfer of best practices in HR management according to two important theoretical perspectives. Firstly, it fits in the strategic process of perspectives of management of change which indicates that international HR Management professionals must make socio-cultural, organizational and relational contexts for “receptive to change.” Secondly, it shows the need for international managers the ability to implement and adapt new practices of HR Management so local practice as a complex set of relationships between the structures of the national market, ways of organizing companies, and their own systems.

In terms of Kostova’s model, Björkman is defending the institutional theory emphasizing that organizations resemble one another when they are in a situation of uncertainty. (Björkman, I., 2006) He argues that researchers should focus their attention on the study of micro and macro level of the processes of institutionalization of organizations.

According to Martin and Beaumont, any model of human resources to be applied in MNC, it is necessary to involve understanding of the ways in which he created the model managers. (Martin, G., Beaumont, P., 2001) International HR Management

professionals should be directed to the implementation of new strategies to make changes that will be more objective and that will be accepted by employees more easily, and ensure easier identification of employees with the strategy of the organization. In addition, Martin Beaumont emphasizes the idea that attention should be turned to “the impact of design practices” imposed by the country of origin on the practices of local human resources. These practices have been made or given as a direct source of innovation or with the tacit structuring of the organization to implement one that can be considered acceptable within the branch.

Recently, there is a process of increased interest to theoretical ideas IHR Management seen through different perspectives in order to better understand organizational behavior. It occurs synthesis of ideas combined in various combinations of theories.

Another group of theorists turn their attention to the creation and integration of practices beyond the borders of their home country. They face unique challenges that should be supported in the global efficiency and local accountability. These challenges turn their attention to two competitive strengths: knowledge creation and integration of knowledge at the local level. They are closely relate to institutional theory. Youndt, Subramaniam, and Snell raise the question of organizational capital, which they consider the knowledge and experiences that become institutionalized and codified within an organization. (Youndt, M. A., Subramaniam, M., Snell, S. A., 2004) They also note that the trust provides motivation for working in the system of MNCs and creates identification with the organization that provides understanding of what is important and valuable to share.

RESEARCH

Bivariate correlation and linkage, regression analysis

Research has shown that quality international strategy of organizations to compete in the international market is one of the basic conditions for successfully implemented organizational goals and running a successful international business. For this purpose, the research has put special emphasis to practices that organizations apply towards successful planning and implementation of a strategy that will yield the expected results internationally.

Bivariate correlation showed a strong correlation between factors: implementation of modern international human resource management and strategy for entering the international market.

Following the analysis coefficients of determination (R Square) proved that there is a high correlation between the way of managing human resources to compete in

the international market (C) and the strategy that the organization uses to successful performance in the international market (B).

Managers of multinational corporations make constant analysis of uncertain dynamic and complex environment in which we find ourselves with R Square = 0,584 which means the joint variability of 58%, a significant level of regression $r = .002$ (Sig = .002). Multiple correlation coefficient has a value of 0.764, which emphasizes the strong correlation between the observed variables that determine the coefficient of 76.4% correlation. The significant F indicates that the error rate is 5,150, which signals the importance of the derived correlation of variables. Residual deviation is 0.413, which means that the regression variable is undervalued compared to 2,128 in the independent variable.

Table 1. *Modern international human resource management and global strategy ANOVA*

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	12,770	6	2,128	5,150	,002
Residual	9,092	22	,413		
Total	21,862	28			

Previous analyses have confirmed the following hypothesis

Regression coefficients obtained and assessed

The resulting estimates of regression coefficients highlight the importance of statistical research. The table shows that the standard error for all independent variables is low, significantly slight deviation is noted with respect to the dependent variable C.

The system shows the connection that is statistically significant in relation to R = .764. Individually high statistical impact that is important for analysis occurs at B2 (beta 0,286; p-level = 0,205), and B4 (beta 0,200; p-level 0,295) and B5 (beta -0,031; p-level = 0,908).

Constant variable:

B1. The new information – communicational technologies are used for training and professional development of the managers.
B2. The organizational behavior in the organization is oriented towards acquiring bigger efficiency and organization efficiency.
B3. The organization takes unconditional care for attracting and keeping the high-qualified managing staff for working on the international market.
B4. The organization applies specific and unique management strategies for each surrounding separately.
B5. The organization implements easily acceptable changes that guarantee identification of the employees with the organization strategy.
B6. The organization which I currently work in, is characterized as a learning organization, i.e. takes care for the professionalism of their employees – learns from all cultures, all the time and in different ways.

Dependent Variable: C The managers of multinational corporations make consistent analysis of the uncertain, dynamic and complex surrounding where they are at present.

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	,833	,703		1,185	,249
B1.	-,057	,268	-,054	-,213	,833
B2.	,310	,237	,286	1,306	,205
B3.	,157	,242	,180	,648	,524
B4.	,163	,152	,200	1,072	,295
B5.	-,026	,225	-,031	-,117	,908
B6.	,258	,100	,439	2,590	,017

a . Dependent Variable: C The managers of multinational corporations make consistent analysis of the uncertain, dynamic and complex surrounding where they are at present.

CONCLUSION

Resources that are available to the organization whether it is human, technical or financial, it is necessary to be subjected to detailed analysis before making a decision on the selection of strategy for market. This analysis will contribute to the realization of main characteristics of strategic management and its role in international human resource management. The main strategic role in the international management of human resources is the efficiency and effectiveness of the organization. The term efficiency means how successfully an activity of the organization is completed: the methods, procedures, analyses that have been made and whether the organization realizes organizational goals and plans. Effective is the organization that organizational goals pandemic properly in line with the requirements of the environment. In order for the organization to be effective and efficient it is necessary to set up long-term strategic plans to deliver the long-term to organizational goals. The duration of the planning is more than a year, and the role of management is to find creative solutions to organizational realization of the set goals. Strategic management is a long-term oriented process of functioning of the organization whose important decisions for the organization's operations managers adopt the highest level. Their decisions should be implemented at all levels of the organization, the strategy according to the purpose can be: strategy level of corporation - kind of business within the organization will choose a strategy at the level of competition - how the organization solves competition as activity and operational strategy - as pursuing strategic decisions. Successfully installed operating strategy of the organization implies quality strategy adopted by managers who fully know the work of the organization have a comprehensive understanding of the tasks and their execution by sector and know how to find a solution for each new situation inside and outside the organization.

By placing quality strategy, managers improve the efficiency and effectiveness of the organization, create quality teams to implement organizational goals, timely remove irregularities, effectively utilize the available resources and there is a greater motivation of employees resulting in finding new creative ideas and solutions for work. The adoption of an integrated set of HR Management practices globally is a prerequisite for a competitive edge in the international market. Modern management puts more and more emphasis on finding quality practices that will be the basis for the implementation of organizational strategy.

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