

HUMAN RESOURCES MANAGEMENT IN GLOBAL ENTREPRENEURIAL ENVIRONMENT

Ladislav Mura

Abstract

Operation of companies in international and intercultural environment differs from each other from many points of view, in many aspects. Academic workers, researchers and specialists employed in practice focus their attention on human resources that have become the key capital in companies. The knowledge of human capital has been transformed into the day-to-day practice of companies. Human resources management is characterised as a system of controlling and leading people so that their activities contribute to achieving goals of groups and companies. Leadership forms a part of management as it supports creativity and charisma of people. Some levels of management and their corporate environment in global companies determine significantly the nature of managerial activities. To achieve the goals of a company it is necessary to take into account its individual, corporate, social and global qualities. The paper investigates the issue of human resources employed in global companies. The paper analyses current trends in international human resources management, identifies the style employed in control and leadership. It offers some suggestions supporting the effectiveness and the effect of leading and managing employees.

Key words: human resources, international and global management of human resources, international enterprise, global entrepreneurial environment

JEL Code: M12, M16, O15,

Introduction

Current dynamic development in businesses aided by a deepening process of globalization and advancing internationalisation exaggerate the pressure on company managers to make and implement effective decisions in various business fields including the area of human resources management. Processes of integration and economy restructuring, the period after the crisis (Schwarcz – Kováčik, 2012) characterised by an attempt to accelerate the activity of company resources and increasing economic growth (Spirková – Zúbková – Stehlíková, 2015) constantly offer new challenges for businesses and push business activities forward

into new qualitative dimensions. The share of family businesses in Slovak national businesses is significant thus Slovak companies enter global market. From the point of view of making higher profit the global market offer some challenges for Slovak companies although the business risk taken by them is significant. The imbalance between the demand and supply at the current market creates a new possibility to make and implement some necessary management decisions in the operation and administration, to manage the operation of a company effectively. Diverse businesses cooperating internationally and producing diverse commodities for diverse territories form the basis for economic activities, foundation for economy and for the business philosophy. Making business internationally represents a part of economic growth in regions, in a country or all over the world, it represents a move along the curve of a business life cycle upwards so that the goals of companies can be achieved. In international business the business environment, the entrepreneurial environment is formed by individual enterprises and businesses and also by international economic organizations as basic regulatory institutions supporting and aiding a healthy development of the environment and strategic alliances of businesses, enterprises with different forms of business cooperation.

Entering global markets needs knowing the preconditions for entering the aimed market (Poór et al., 2015) or the aimed market in a given region. It represents a significant financial and entrepreneurial risk taken by businessmen (Belás et al., 2015; Dobrovič – Korauš – Dančíšínová, 2016). The companies that are able to manage their entrepreneurial activities in an international environment, in the environment of global markets can rely on permanent global competitiveness and can beat other competitive companies (Tonzali, 2005).

Except for basic economic requirements a company management has to meet also the requirement for understanding intercultural condition within entrepreneurial environment where the way, techniques and tools of negotiations and doing business on the global market are modified according to a national culture and its organization and corporation elements. The ability to foresee the needs of potential customers, the ability to respond to market demands successfully and the ability to adapt the business to market changes quicker than the other competitors offer companies the chance to become more successful at the market. Building its own position at the market and aiming at achieving a maximum success needs a right option taken up by managers on the business strategy in the field of business, marketing, finance including human resources management. Human resources are considered to be an asset that plays a key role in company operation and management. Selection procedure, hiring employees, their adaptation, training and development of human resources have to form an inseparable and integral part of human resources management (Jeřábek, 2016; Čemez, 2013).

Bencsik – Juhász – Machová (2015) emphasize the importance of human contact with employees at different stages of a company life cycle. The authors especially draw the attention to working with company personnel focusing on the importance of mentoring and mentor's performance leading and instructing newly hired personnel in their workplaces. Mura (2014) emphasizes an inevitable need for employing new pro-active forms of leadership comprising also offering suitable incentives. The author states, that besides incentives as bonus payments, there must be also some other types of motivation such as social benefits newly implemented, continuous development and promotion.

Changes of external company environment represent important determinants of company activities control. Besides application of qualitatively new and innovative forms of company management (especially computer aided forms) there has been an urgent requirement for effective leadership in work teams so that companies can achieve their goals in global business environment. Strategies for human resources management in global companies are expected to be directed to effectively managed parts such as communication, leading, motivating personnel and building up teams having a good corporation culture. The authors such as Hitka – Balážová (2015), Závadský – Hitka – Potkány (2015) focus their attention on the issue of incentives, outsourcing and controlling human resources and their performance Vetráková – Potkány – Hitka (2013) or Šatanová – Potkány (2004).

1 Material and Methods

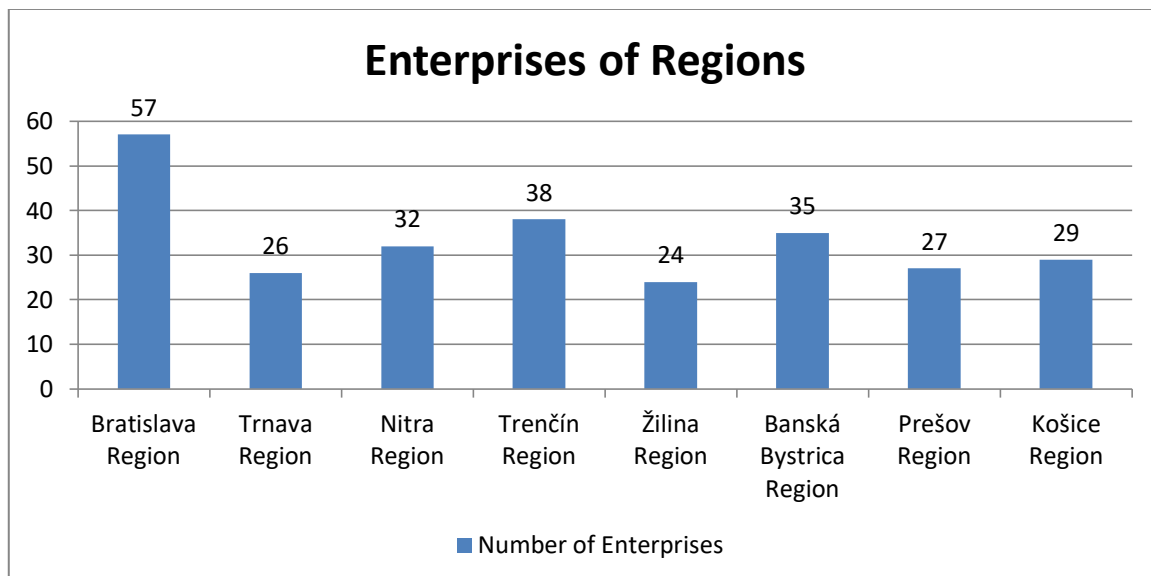
The paper investigates human resources management in companies operating in global entrepreneurial environment. Our goal is to analyse current trends in international management of human resources and to identify styles of leadership employed in companies and to design some improvements in the field of effectiveness and affectivity of human resources control. To reach our goal some facts and data published in national and international journals have been gathered. The information represent secondary resources complemented by primary information gained in the work on the projects KEGA 001UCM-4/2016 and the research project VEGA 1/0381/13. Primary data have been gathered in the primary research carried out in global companies. Global companies based in Slovakia have been stratified and selected for our research. All Slovak self-governing regions are represented by two hundred and sixty-eight companies creating the basis for our research. A questionnaire is employed as a technique and is completed by personnel managers or some other top managers responsible for human resources control. The methodology employed is

subdued to our goal and comprises new methods of descriptive and inductive statistics and hypothesis testing. The hypotheses are tested at the level of significance $\alpha = 0,05$. A statistic software has verified the dependences and tested hypotheses.

2 Results and Discussion

Doing business is conditioned by knowing the situation at the market, the company wants to enter, being acquainted with the cultural diversity and effective managerial communication while employing the tools of management and knowing a specific situation at the real market. Accepting the diversity and employing tools and methods of management in globally active companies is a challenge and difficult task also for professional managers. Next part of the paper focuses on selected results gained in the primary research carried out in companies active globally. Five hundred companies based in Slovakia and selected randomly, have been addressed. The selection is based on the fact that companies run their businesses internationally. Three hundred and forty-one companies in five hundred responded to our request to take part in the research and two hundred and sixty-eight questionnaires are completed correctly.

Fig. 1: Enterprises in Regions



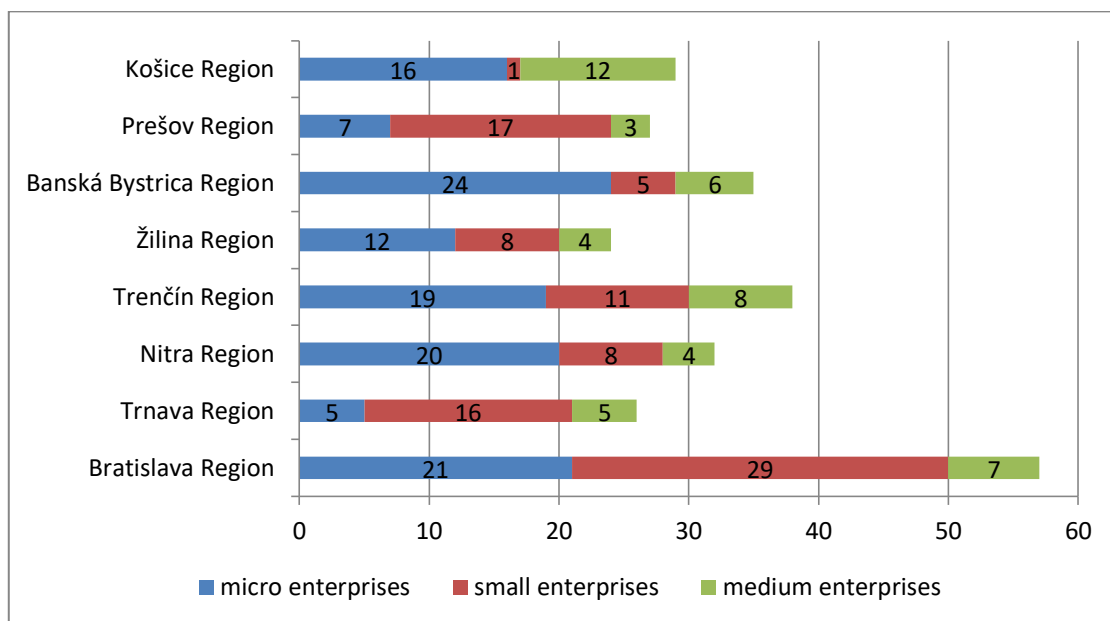
Source: own research and processing

Figure No.1 depicts the location of companies in Slovak self-governing regions. Most companies are based in the Bratislava self-governing region (altogether fifty-seven

companies), followed by Trenčín self-governing region (shirty-eight companies), next position is taken by Banská Bystrica self-governing region (thirty-five companies) and Nitra self-governing region (thirty-two) companies). Less than thirty companies that participate in our research are based in the Kosice self-governing region (twenty-nine companies), the Prešov self-governing region with twenty-seven companies is followed by the Trnava self-governing region (twenty-six) companies and the least number of companies participating in the research are located in the Žilina self-governing region (twenty-four companies).

Regarding to our long-term goal of observing the development of small and medium-sized enterprises and their enter into the market, our attention has been focused on the size of the companies participating in the research.

Fig. 2: Distribution of Enterprises



Source: own research and processing

Figure No. 2 illustrates the size of the companies, how they are divided and distributed in the Slovak regions. Most companies belong to the group „micro-sized enterprise“ with the number of one hundred and twenty-four companies, the group „small-sized enterprise“ is represented by ninety-six companies and the „middle-sized enterprise“ group comprises forty-nine companies. Most micro-sized enterprises participating in the research belong to the Banská Bystrica self-governing region (twenty-four companies) and reversely least number of micro-sized companies are based in the Trnava self-governing region (five companies). The group of small-sized enterprises has the largest number of companies in Bratislava self-

governing region (twenty-nine companies) and the least number of small-sized enterprises is in the Kosice self-governing region (one enterprise). Most companies belonging to the group of middle-sized enterprises and participating in the research are based in the Kosice region (twelve companies) and the least number of companies participating in the research is based in the Prešov self-governing region (three companies).

The questionnaire forwarded to the companies is designed to gather the information on human resources management. The questions offered in the questionnaire aim at: the managers' age, gender, the number of years they have been working in the position of a personnel manager, courses or in-service training the personnel manager underwent in some other global companies, the type of incentives applied in the human work, styles of leadership, the empowerment and strategies in making decisions in the field of personnel management. Our paper focuses only on some results that have been gained within the primary research.

The data on the age of managers: The average age of managers employed in all the companies is 38.6 years. The youngest personnel managers work in companies based in the Bratislava region (31.5 years) and the oldest personnel managers are employed by companies based in the Banská Bystrica region (40.2 years).

The data on gender: Mostly men work in the position of managers; 88.3 per cent of managers employed in all companies in all regions are men. There is one interesting issue learnt in the research that mostly women work in the position of a personnel manager in companies based in the Žilina region, although the highest share of industrial production is represented by mechanical engineering.

Carrying out the research the attention has been focused on styles of leadership applied in the companies participating in our research. Referring to this partial scientific issue the hypothesis No. H1 is tested and is based on the current development in the field of human resources management and some data gained by other scholars and specialists.

H1: The assumption is, that a directive style of leadership prevails in companies participating in the research.

Personnel managers or some other top manager responsible for human resources are expected to answer the question on styles of leadership. They could tick two of the options for the styles of leadership that are mostly applied in the company. Table No.1 offers the data on styles of leadership gathered in companies.

The hypothesis is tested statistically and is proved to be true. The sample of all companies has proved that the style of leadership applied most often is the directive style of leadership. The hypothesis has been tested also in separate size-groups and it has been proved that the directive style of leadership in micro-sized companies in the Nitra region and Banská Bystrica region does not prevail. The prevailing leadership style is democratic style (a very small distinction between democratic and directive styles). Such a tendency in leadership should be appraised in a very positive way and can be reasoned by quite a high number of family businesses operating in the group of micro-sized enterprises, where trust and loyalty play a key role in leadership.

Tab. 1: Styles of Leadership

	Microenterprises	Small enterprises	Medium enterprises
Democratic style	2.	4.	3.
Authoritarian style	3.	2.	2.
Directive style	1.	1.	1.
Participative style	4.	3.	4.

Source: own research and processing

Results given in Table No.1 show that in each size-group of companies a directive style of leadership prevails. The second most applied style of leadership in the Slovak companies that run their businesses internationally is an authoritarian style. The position of authoritarian and democratic styles in companies belonging to different size-groups of companies is different. The results gained in the research prove that the participative style of leadership is applied in companies at least.

Another area of our investigation is incentive, how are people encouraged to work harder, whether bonus payments are still the most traditional way of motivating employees. Hypothesis No.2 is tested.

H2: The assumption is that employees are motivated by means of extra payments and the financial incentive is a motivating factor that occurs most frequently.

Table No.2 shows a summary on incentives and their occurrence. The results gained in companies have proved that the bonus payments as a sort of incentive are considered by employees to be the best motivating factor in the work with human resources.

Tab. 2: Incentives

	Microenterprises	Small enterprises	Medium enterprises
Financial Incentive	1.	1.	1.
Non-financial Incentive	2.	2.	2.

Source: own research and processing

Some other forms of incentives such as promotion, holiday pay, subsidised rent that are employed in countries with a highly developed economy as a very strong motivating factor have not still been successful in Slovakia. The situation may be reasoned by the fact that employees are usually underpaid.

Conclusion

Managing human resources in companies presents a challenge in a complex company management. The task of human resources in companies and enterprises is to perform effectively so that the goals set up by the company management are achieved. Running a business successfully means to strengthen strategic and conceptual approaches to personnel management. The results gained in the primary research can be concluded as it follows:

- The sample of tested companies consists of two hundred and sixty-eight companies, the largest number of companies participating in the research is based in the Bratislava self-governing region (fifty-seven companies altogether). The least number of companies (twenty-four) is located in the Žilina self-governing region.
- The largest group of companies is the group consisting of “micro-sized” companies with one hundred and twenty four companies.
- The average age of a personnel manager is 38.6 years.
- The results on gender gained within the companies creating the research sample and in individual regions have proved the leading position of men. 88.3 per cent of managers are men.
- The style of leadership: a directive style of leadership has the highest occurrence in companies creating the research sample. Testing the hypothesis separately for individual “size-based” groups of companies has proved that in the group of „micro-sized“ companies based in the Nitra and Banská Bystrica regions democratic style of leadership prevails. Such a tendency can be appraised positively.

- Financial incentives as bonus payments are considered by the research sample respondents to be the strongest motivating factor in personnel management.
- Setting up a friendly environment in workplaces is recommended as it leads to better employees' motivation than a directive approach in leading people to fulfil their tasks.
- Adjusting styles of leadership to situations and to employees in a company. Knowing personalities and qualities of employees can result in finding the style of leadership that suits them best.

Acknowledgment

This article is a part of the research projects KEGA No. 001UCM-4/2016 and VEGA No. 1/0381/13 and it was supported by the Science and Education Grant Agency of the Ministry of Education, Science, Research and Sport of the Slovak Republic.

References

- Belas, J., Kljucnikov, A., Vojtovic, S., Sobekova-Majkova, M. 2015. Approach of the SME Entrepreneurs to financial risk management in relation to gender and level of education. In: Economics & Sociology, Vol. 8, No. 4, pp. 32-42, 2015. ISSN 2071-789X
- Bencsik, A., Juhász, T., Machová, R. 2015. Mentoring practice on behalf of knowledge sharing in the light of education. In: Acta Polytechnica Hungarica, Vol. 11, No. 9, pp. 95-114. ISSN 1785-8860
- Čemez, A. 2013. Personálny manažment v politickom manažmente. In: Prístupy k manažmentu v novej ekonomike. Trenčín: TnUAD, 2013, pp. 20-24. ISBN 978-80-8075-626-0
- Dobrovič, J., Korauš, A., Dančišinová, L. 2016. Sustainable economic development of Slovakia: Factors determining optimal tax collection. In: Journal of Security and Sustainability Issues, Vol. 5, No. 4, pp. 533-544. ISSN 2029-7017
- Hitka, M., Balážová, Ž. 2015. Comparison of motivation level of service sector employees in the regions of Slovakia and Austria. 2nd GLOBAL CONFERENCE on BUSINESS, ECONOMICS, MANAGEMENT and TOURISM, 30-31 October 2014, Prague, Czech Republic. doi: 10.1016/S2212-5671(15)00393-7.
- Jeřábek, Z. 2016. Předpoklady uchazeče pro práci - výhoda pro přijetí i délku pracovního poměru. In: Acta Oeconomica Univesitatis Selye. Vol. 5., No., pp. 73-84 ISSN 1338-6581

- Mura, L. 2014. Riadenie vs. vedenie ľudí. Management vs. Leadership. In: Acta Oeconomica Universitatis Selye. Vol. 3, No 2, 2014, pp. 109-116. ISSN 1338-6581
- Poór, J. et al. 2015. HR Management at Subsidiaries of Multinational Companies in CEE in Light of Two Surveys of Empirical Research in 2008 and 2013. In: Acta Polytechnica Hungarica Vol. 12, No. 3, 2015, pp. 229-249
- Spirková, D., Zúbková, M., Stehlíková, B. 2015. Regional Disparities in the context of Economic Growth. Znalosti pro tržní praxi 2015: Ženy - Podnikatelky v minulosti a současnosti, pp. 934-941, 2015. ISBN 978-80-87533-12-3
- Schwarcz, P., Kováčik, M. 2012. Vplyv vybraných indikátorov na mieru rizika chudoby v EÚ a SR. In: Acta Oeconomica universitatis Selye. Vol. 1, No. 1., 2012, pp. 155-162. ISSN 1338-6581
- Šatanová, A., Potkány, M. 2004. Controlling - Modern tool of company control. In: Ekonomický časopis, Volume: 52, Issue: 2, 2004, ISSN 0013-3035.
- Tonzali, S. 2005. The rise of global enterprises in the World's food chain. In: Rama, R. Multinational agribusiness. Haworth Press: New York, p. 3-4. ISBN 1-56022-937-3
- Vetráková, M., Potkány, M., Hitka, M. 2013. Outsourcing of Facility management. E+M. Univerzita Liberec. 1/2013. s. 80-92. ISSN 1212-3609.
- Závadský, J., Hitka, M., Potkány, M. 2015. Changes of employee motivation of slovak enterprises due to global economic crisis. In E+M Economics and Management, Vol. 18, Issue: 1, 2015, pp. 56-66. ISSN 1212-3609.

Contact

doc. Mgr. Ing. Ladislav Mura, PhD.

Pan-European University, Faculty of Economics and Business, Tematínska 10,

851 05 Bratislava

ladislav.mura@gmail.com