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# The Emerging Outline of Selected HRM Business Practices In MNC In Central Europe – The Empirical Research Findings

**Abstract:** The main goal of the article is to present some selected research findings on HRM business practices in local subsidiaries of multinational corporations in Central Eu-

rope in the after-recovery time from the worldwide economic crisis. The main subjects of interest are these kinds of behaviors, activities and opinions which are exhibited by these organizations in association with the business strategies they follow and as a result of their responses to the global economic changes. The article covers such issues as: generic business strategies, competitive factors, centralization and decentralization of HRM at the corporate and local level, responsibility of decisions, critical areas of HRM, competencies of HRM managers and the importance of HRM knowledge flows. The research was conducted in 2016 and the respondents were asked about their HRM practices in a previous year. The presented research findings come from five countries: Hungary, Poland, Romania, Serbia and Slovakia. Although one of the final inferences says that expanding the formulated conclusions on the whole population would not be valid because of the selection, structure and size of the research sample, the conducted research has some cognitive value, especially that this field of knowledge and practice has been poorly recognized so far.

**Key words:** human resources management, multinational company, strategies, competencies, competitive factors, centralization, decentralization

## Introduction

The Central and Eastern European region makes a separate object of research in various kinds of studies, and among them within economic and management sciences to which this article, with its focus on human resources management (HRM), shall be classified. The argument to distinguish such a region is there are significant historical, structural, institutional and configurational differences, along with significant practice differences, in HRM in Central and Eastern Europe (CEE) in contrast to Western Europe. The CEE countries represent a case of a dual transition from centrally planned to market economy and democracy. The dual transition process started with the collapse of the state socialism in the late 1980s and early 1990s, and together with many other macro factors has provided both home and inflowing international companies with very specific external and internal conditions for HRM practices (Listwan et al, 2009).

This part of Europe is now characterized by a rising economic heterogeneity and a rapidly changing socio-cultural context, underscored by

waves of restructuring, privatization, increasing foreign direct investment (FDI) and emerging individualism. However, while there has been a growing interest in the transition economies in the past number of years, including the national profile of HRM practices in home companies (see: Morley et al, 2009; Mayrhofer et al, 2011; Stavrou et al., 2010; Brewster et al., 2010; Brewster et al., 2007), the contemporary nature of HRM in multinational companies (MNCs) in these societies is not well documented.

Hence, the main goal of the article is to present some selected research findings on HRM business practices in local subsidiaries of multinational corporations in Central Europe (CE) in the after-recovery time from the worldwide economic crisis. These selected research findings make a part of a bigger international research project performed within a cooperation between 14 universities from CEE universities, one from Great Britain and one from the USA. The main subjects of interest in this article are these kinds of behaviors, activities and opinions which are exhibited by MNCs in five CE countries in association with the business strategies they follow and as a result of their responses to the global economic changes. The article covers such selected issues as: generic business strategies, competitive factors, centralization and decentralization of HRM at the corporate and local level, responsibility of HRM decisions, critical areas of HRM, key competencies of HRM managers for success and the importance of HRM knowledge flows.

The article is structured as follows. After this short introduction the authors describe the general framework of the international research project. Then a brief literature review is conducted to provide some theoretical background for the empirical study. Next the authors outline the economic standing of CEECs and MNCs to build the context for the business, strategic and personnel decisions practiced in the companies under study. The empirical research methodology and findings make two other sections. The article ends with the final conclusions and summary.

## The General Framework of the International Research Project

CEEIRT is an abbreviation that stands for the Central and Eastern European International Research Team – a team that was set up on the turn of 2008 and 2009 to study HRM in MNCs in the region of Central and Eastern Europe. Its initiator and present coordinator - prof. Jozsef Poor from Hungary – made a huge effort to encourage and involve 14 CEE universities to cooperate within this research project, i.e.: Austria, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Kazakhstan, Lithuania, Romania, Russia, Poland, Serbia, Slovakia, and Slovenia. The research is scientifically counseled by prof. Chris Brewster from Great Britain and prof. Allen Engle from the United States.

The general title of that international research project is *HRM in Transition Practices of MNC-Subsidiaries in Central & Eastern Europe* and its main goal is to identify the trends and tendencies within HRM in MNCs in this geographic region. So far three series of studies have been conducted by the CEEIRT in the following years: 2010, 2013 and 2016. In each of these years the respondents from MNCs were asked about their companies' HRM practices in a previous year in the context of the worldwide economic standing, business strategies, business performance etc.

## The Theoretical Background of the Study

The CEEIRT project covers a broad array of issues but this articles is limited in its content only to a few selected ones. The mainstream of interest is settled on such topics as: generic business strategies, competitive factors, centralization and decentralization of HRM at the corporate and local level, responsibility of HRM decisions, critical areas of HRM, key competencies of HRM managers for success and the importance of HRM knowledge flows.

Our primary assumption in the research is that a business strategy is just one of the most crucial internal factors that affects human resources management (Schuler, 1992, pp. 30–31; Pocztowski, 2007, pp. 52; Stor, 2011, pp. 77). Of course, the qualitative features of human resources, alongside their quantitative ones, need to be taken into account when selecting a proper business strategy (Anthony et al., 1993, p. 20) because there is a reciprocal interdependence between a company's business strategy and HRM strategies, policies, programs or practices (see also: Listwan, 2002, p. 42; Stor, 2008, p. 26; Janowska, 2010, pp. 24–25). Anyway, there are **three types of generic business strategies** considered in the article: **growth**, **stability**, and **retrenchment**. This presents – among many others- a classic conception which is well-known in the literature (see: Hunger, Wheelen, 1984; Hunger, Wheelen, 2011). The characteristics of these strategies and corresponding HRM activities are presented in Table 1.

**Table 1. Generic business and associated HRM activities**

Type of a business strategy	Characteristics of a business strategy	HRM selected activities
Growth strategy	A growth strategy involves expansion of the organization's current operations. This may mean: Developing new markets, Launching new products: drive for innovation, constant environmental analysis,	attracting and retaining people with high qualifications and skills, extensive and continuous training and development of employees that guarantee career advancement, compensation systems that emphasize high quality performance tasks, leadership that triggers initiative, creativity, and autonomy,
Stability strategy	A stability strategy maintains the present course of action. This may cover: maintaining current market position: maintaining high quality of products, striving for market niche, searching for and proposing some extra market offer,	attracting and retaining employees with high qualifications and skills, extensive and continuous training and development of employees that supports company's current market position, compensation systems that promote quality and new ideas, leadership that releases creativity,
Retrenchment (defensive) strategy	A retrenchment strategy involves slowing down, cutting back, and seeking performance improvement through greater efficiencies in operations. This may include: orientation toward cost reduction in each sphere of business activity, internal restructurization, maintain or changing business profile.	keeping the best and core employees, continuous learning and development, creating positive attitudes towards new challenges through proper compensation, promotion and appraisal systems, relatively fixed and explicit job descriptions that allow little room for ambiguity, outplacement or other strategy toward dismissed employees.

Source: Adapted from: Janowska, 2010, pp. 24–25)

The literature review brings also to the conclusion that the aforementioned reciprocal interdependence between business strategies and HRM activities or practices made the researchers interested in the relationships between company's performance and HRM solutions since the 1980s. Briefly, in the empirical research we can identify **four general categories of company's performance results** which the researchers tried to correlate with HRM practices, i.e.:

- **financial results**—e.g. profits, sales, market share, financial liquidity, company's market value (Pfeffer, 1998; Arthur, 1994; MacDuffie, 1995; Huselid, 1995; Beatty et al., 2003; Combs et al., 2006; Boudreau, Cascio, 2013),
- **organizational results** – e.g. productivity, quality, efficiency, rate of innovation (Arthur, 1994; Huselid, 1995; Ostroff, Bowen 2000; Guest et al. 2000; Birdi et al., 2008; Farr, Tran, 2008; Molek-Winiarska, 2009; Haromszeki, 2013; Sparrow et al, 2016),
- **managerial results**—e.g. research on the links and degree of coherence between business strategies and particular HRM subfunctions with company results (Beer et al., 1984; Schuler & Jackson 1987; Wright & Snell, 1991; Guest 1997; Chanda, Shen, 2009, Guest et al, 2011; Stor, 2011),
- **behavioral results**— e.g. employee attitudes, their engagement, satisfaction, interpersonal relations, creativity (Wright et al., 1994; Nagy, 2002; Schneider, 2003; Farr, Tran, 2008; Rich et al., 2010; Juchnowicz, 2010; Suchodolski, 2014; Juchnowicz, 2014; Sparrow et al, 2016).

In this context some other theoretical and empirical research developments consider **human resources as a company's competitive factor** (see: Dyer, 1993; Becker et al., 2001; Huselid, Barnes, 2003; Becker et al., 2009; Huselid, Becker, 2011; Campbell et al, 2012; Stor, 2014a). The main object of interest in those projects is usually a measurable input that is made by HRM to a company as well as correlations between various external and internal HRM configurations that determine value added. All this bases on the assumption that HRM function is unique. It is because

both the outputs (the employee behaviors) of the system and the system itself are potential sources of competence (Taylor et al, 1996, p. 963; Stor, 2014b). In this sense, it is not only technology or financial resources that can make competitive advantage of the company but the competencies of employees and managerial staff together with the **quality of management practices** as well. This goes in line with **centralization** and **decentralization** practices within management at different organizational levels and in different management areas that may support company's success or not. That is also why even the **direction of knowledge flows**, whether it is from the headquarters of MNC to the local subsidiary or in the opposite direction, may play a significant role in business competitive advantage (see e.g. Briscoe et al, 2008; Harzing, Ruysseveldt, 2010).

## The Economic Standing of CEECS and MNCS in the Past and Present

Summarizing what we found in our previous series of research we can say in short that analyzed before the worldwide crisis (up to 2006), most of the CEE countries – with the possible exception of Hungary – grew at a pace exceeding the developed countries. Moreover, these countries kept up with the pace of emerging countries. But the global economic crisis of banking and financial markets in the period of 2007-2010 exerted a smaller or bigger influence on the business activities of almost all companies worldwide. The crisis also had a dramatic impact on the CEE countries. Everywhere, except in Poland, an overall economic downturn occurred. GDP decreased and high unemployment became the typical trend in the region (Stor, 2013). In our research conducted in 2010 nearly 35% of the respondents indicated that they were seeking growth and the same percentage indicated that their companies followed the stabilization strategies. And as many as 23 % of companies implemented the retrenchment strategies whereas 7% re-

alized other strategies like outsourcing (*Human Resource...*, 2011, p. 38). Three years later our research conducted in 2013 brought some more optimistic results. In this period, called **recovery after the crisis**, 60% of MNCs implemented the market growth strategies, 37% - stability strategies, and 3% - the retrenchment strategies. Since that time both global and national economies have been existing in so-called **after-recovery time**. Hence the setting for our research conducted in 2016 and referring to the business and HRM standing in MNCs in 2015 was different. Despite the strong cyclical rebound, robust growth continued in most CEE economies at the level around 3 to 4 percent (*Regional Economic...*, 2016). At the same time recovery in FDI alone was strong in 2015. Global FDI flows rose by 40% to \$1.8 trillion in that year, their highest level since the crisis. However, this growth did not translate into an equivalent expansion in productive capacity in all countries. But the volume of world trade in goods and services failed to keep pace with real GDP growth, expanding just 2.6 % as compared with an average rate of 7.2% between 2000 and 2007, before the financial crisis. At the same time MNCs reduced or stated reviewing their capital expenditure needs and trade in light of slowing global growth and weakening aggregate demand. FDI flows to Europe were up sharply (65%, to \$504 billion) as a result of a 50% increase in FDI to the European Union and a large upturn in Switzerland. In the 11 CEE countries of the EU, combined inflows almost halved, to \$19 billion (*World Investment...*, 2016, p. 10). Different sources expect the CEE region to continue their growth in 2016 and next years.

## The Empirical Research Methodics

As mentioned before, the research findings presented in this article make a part of some bigger international research project performed by the CEE-IRT. The data were collected from February to June 2016 with the aid of paper and electronic survey questionnaires and respondents were asked

about their business and HRM results and developments recorded in 2015. The population of the subject under research made the companies of different size and business profiles according to the European Classification of Business Activity. Although there are 14 CEE countries participating in the research, the article covers the data only from 5 of them as the data from other countries are still being processed. The overview of the country structure of the current sample is shown in table 1.

**Table 2. Number of MNCs participating in the research**

Year	Country					
	Hungary	Poland	Romania	Serbia	Slovakia	Altogether
2009	75	88	17	20	23	223
2013	118	102	34	19	30	303
2015	97	57	47	59	17	277

**Source: own research data**

The main research goal for the analysis is to identify the business practices of MNCs in Central Europe in the scope of HRM in after-recovery time from the worldwide economic crisis. Thus, the **main research problem** in this paper is covered in the following research question: *What is the current standing of HRM in business practice of MNCs in Central Europe and what are, if any, the main differences between the countries in this scope?*

The **main research problem was disaggregated** into the following research problems and **questions** of more detail character:

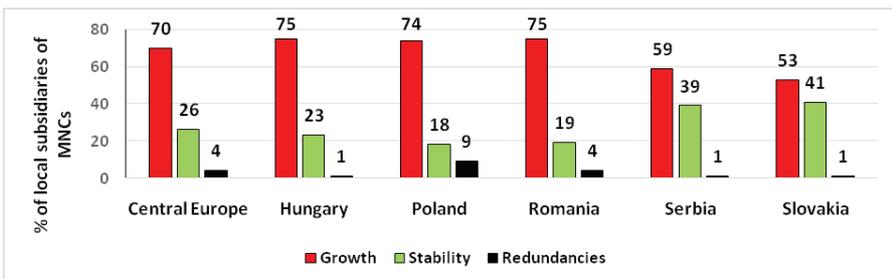
- 1) What are the generic business strategies of MNCs?
- 2) What do they consider to be their competitive factors (competitive advantage)?
- 3) How do the companies evaluate their performance?
- 4) What, if any, are the centralization and decentralization patterns of HRM at the corporate and local level?
- 5) What do they identify as their critical areas of HRM?

- 6) What are the competencies of HR manager for success in their business context?
- 7) What modes of HRM competency development do they value the most?
- 8) How do they value the directions of HRM knowledge flows?

## The Empirical Research Findings

In the total sample of CE countries 70 % of the respondents indicated that they were seeking growth and nearly 30 % indicated that their companies followed the stabilization strategies (see Graph 1), whereas only 4 % of companies implemented the retrenchment strategies. Comparing these practices to those that were declared in 2010 and 2013 the picture looks much more promising – the growth is visible both at the national economic level and at the business level of MNCs as well. Anyway, what is noticeable is that more MNCs in Hungary, Poland and Romania than in Serbia and Slovakia realized their growth strategies.

**Graph 1. Generic business strategies in MNCs in Central Europe by countries (multiple answers possible)**

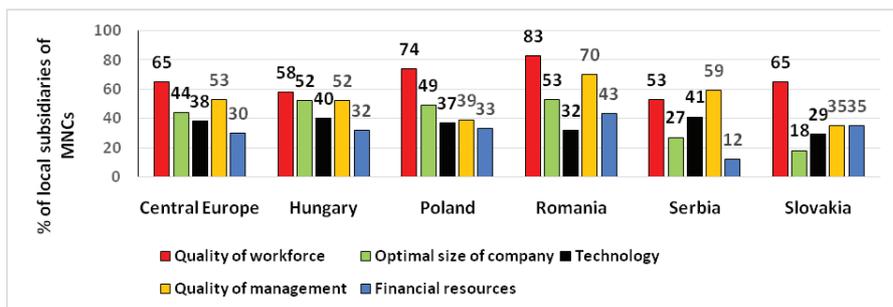


Source: own research data.

As about the competitive factors, it is the quality of workforce that makes number one in the whole CE sample – 65% of companies indicat-

ed this issue. Next quality of management comes on the second position with more than 50% of indications, and the optimal size of company comes third with 44%. What appears to be less important is production technology which was reported as a competitive factor by 38% of respondents and financial resources with the score of 30% (see Graph 2). Analyzed by countries, the pattern looks a little differently in Hungary, Poland and Slovakia. In Hungary the optimal size of company and quality of management are of equal rank and both are placed on the second position. In Poland these two factors are in reverse order - optimal size of company has 6 percentage points of indications more than quality of management, and thus optimal size of company appears on the second position just after quality of workforce, and quality of management on the third. And in Slovakia two qual factors are on the second place after the quality of workforce - that is quality of management and financial resources. Next technology comes third and optimal size of company fourth.

**Graph 2. Self-evaluation of competitive advantages of MNCs in Central Europe by countries**

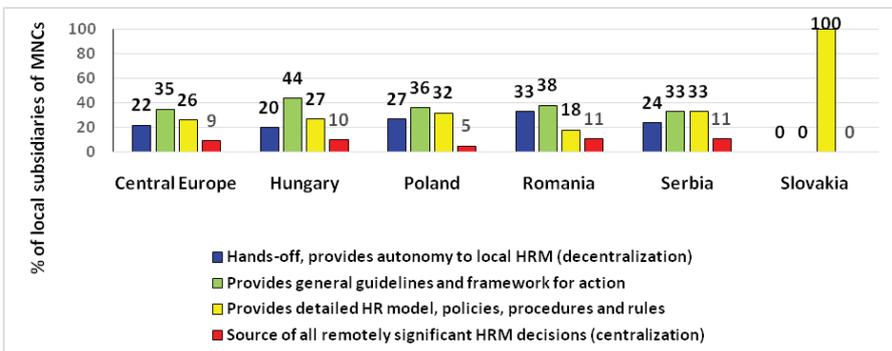


Source: own research data.

In the research process an attempt was also made to determine the influence of HRM formulated at the MNC's HQ (headquarters) on local subsidiary's HRM practices. To diagnose this research problem a four-degree descriptive scale was developed: from centralization to decentralization

as shown in Graph 3. What we have found is that a prevailing approach in the whole CE sample is the one in which HQ provides only general guidelines and framework for action. This appeared in 35% of CE subsidiaries of MNCs. The second preferable approach (26%) relies on providing detailed HR models, policies, procedures, rules etc. And rather full decentralization with nearly total autonomy is practiced in 22% of companies, whereas centralization in which all significant decisions are made by the HQ are experienced by around 9%. This emerging pattern looks a little different when the whole sample is broken down into the particular countries. When the percentage structures of choices in Hungary, Poland, and Romania reflect the parentage structure of the whole CE sample, in Slovakia both general and detailed HRM guidelines and policies are of the same highest frequency (33%), and in Slovakia only one practice was reported which is providing detailed HR models, policies, procedures and rules.

**Graph 3. The influence of HQ HRM on local subsidiary's HRM practices**

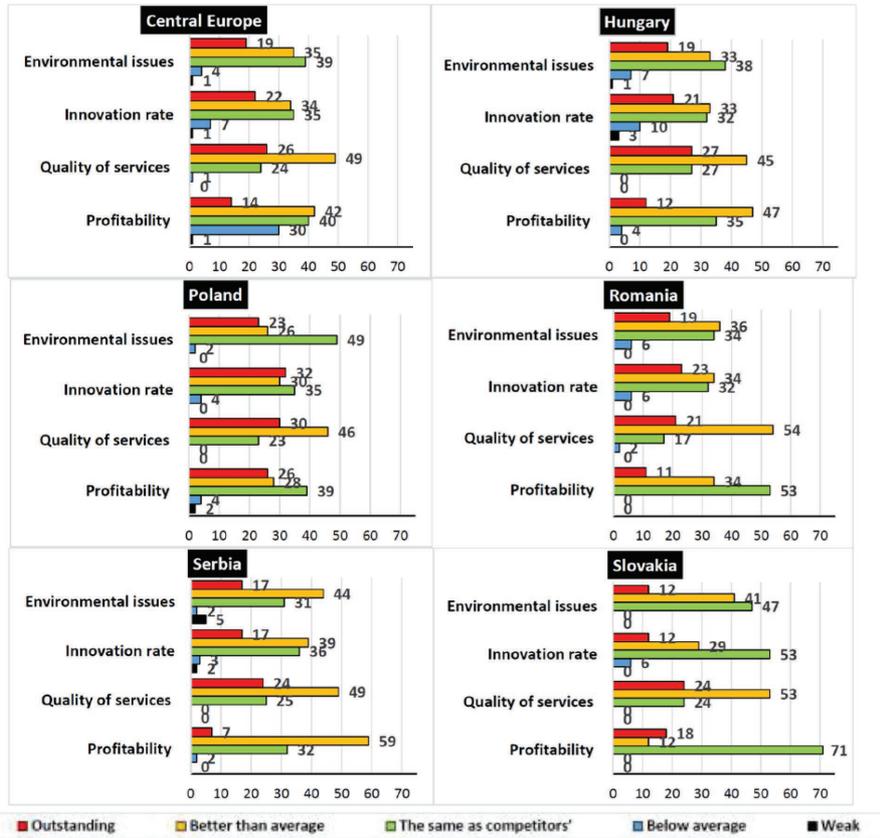


Source: own research data.

Furthermore, we asked the respondents to evaluate the performance of their company by comparison to other companies in the same sector. Four areas of performance were rated, that is profitability, quality of service, innovation rate, and environmental issues. As shown in Graph 4 we applied

a five-degree descriptive scale: from weak to outstanding. It seems that in CE the quality of service is the area of business performance that gains the highest scores. And even more – it is the only one with no “weak” scores. Innovation rate looks promising as well, although 7% of subsidiaries evaluated their results in this field as below average. Similarly, not too many companies think that their results within environmental issues are either weak or below average. Generally, these three areas are mostly perceived as the same as competitors’, better than average or even as outstanding. In this context the evaluation of profitability of companies is more heterogeneous. The main reason is the highest percentage of indications is split up not only into these three evaluation grades but four – it covers below average grade as well. Going beyond an average for the whole CE sample the data bring to some other conclusions: only in Slovakia environmental issues get neither weak nor below average score, innovation rate is appraised the highest in Poland, and profitability is evaluated no lower than the same as competitors in Slovakia and Romania.

**Graph 4. Performance evaluation of subsidiaries of MNCs in CE countries (in %)**



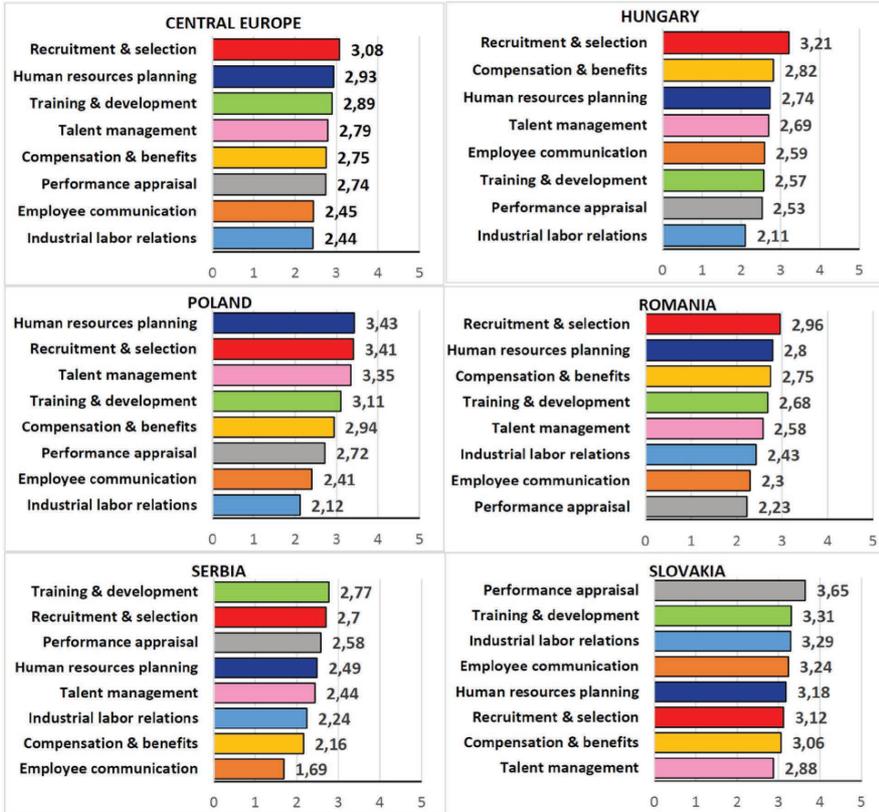
Source: own research data.

In the research process another attempt was also made to determine what kind of critical issues within HRM the subsidiaries had to cope with. To diagnose this research problem a five-degree scale was developed (from 1 to 5) to measure the intensity of the issues selected by the respondents from the multiple choice answers, where 5 meant the highest intensity of a given issues (utmost or critical importance) and 1 meant an absence or very low intensity (little or no importance). The collected data in this scope

are presented in Graph 5. Making some synthesis we can say that in the whole CE research sample three issues with regard to the highest level of their significance are: recruitment & selection (3,08), human resources planning (2,93), and training & development (2,89). It means that only one subfunctional area of HRM was evaluated higher than 3.0. At the same time the lowest mean in the CE sample was reached by industrial labor relations (2,44) and employee communication (2,45). Analyzed by countries, the mean above 3.0 was gained:

- in Hungary only within recruitment & selection (3,21),
- in Poland within four such subfunctions as human resources planning (3,43), recruitment & selection (3,41), talent management (3,35), and training & development (3,11),
- neither in Romania nor in Serbia by none of the HRM subfunctions,
- in Slovakia by all HRM subfunctions except talent management (2,88).

**Graph 5. The average values of critical areas of HRM in MNCs in Central Europe**  
(scale: 1-5; 5- critical, 1 – not at all critical)



Source: own research data.

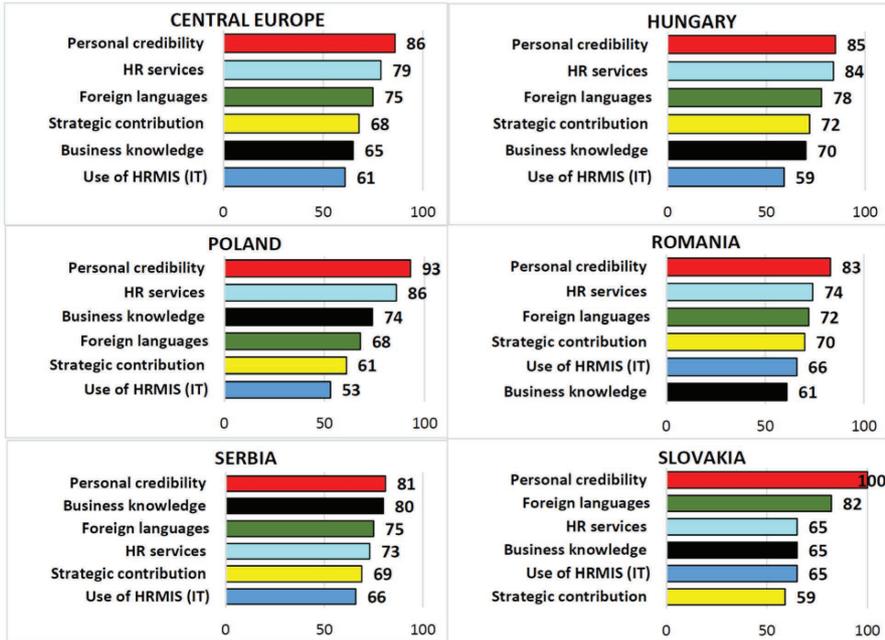
Another problem that we were interested in referred to the competencies of HR manager for success. The respondents were asked to consider these competencies in their business context. Multiple answers were allowed and the following competencies make the palette of choices:

- personal credibility (effectiveness, efficient connections, communication skills),
- strategic contribution (culture management, quick changes, strategic decision making),

- use of HRMIS (human resources management information system) (IT),
- business knowledge (value chain, values creation),
- HR services (recruitment & selection, training, performance evaluation, HR measurement),
- communication in foreign languages.

Graph 6 presents the data gathered in this scope and arranged in a descending order. As about the whole CE sample it is personal credibility that appears to be the most important. Nearly 90 % of the foreign subsidiaries chose this competency. The second most important competency is connected with providing HR services (79%), and the third one with communication in foreign services (75%). Strategic contribution, business knowledge and use of HRMIS come next (with 68%, 65%, 61% respectively). While the order of competencies is different in each particular country, it is personal credibility that makes number one everywhere.

**Graph 6. The key competencies of HR managers for success (multiple answers; in %)**



Source: own research data.

In contemporary companies HRM is not exclusive to managers or specialists working in personnel departments. Since the 90s it has been emphasized it is line management that needs to be trusted more responsibility of decisions in key function of HRM. That is why in our questionnaire survey we asked respondents who had primary responsibility for major policy decisions in selected HRM subfunctions. The choice of provided responses resembled the scale used to evaluate centralization-decentralization practices, that is:

- local line management (decentralization),
- primarily local line management but in consultation with HRM department,
- primarily local HRM department but in consultation with local management,
- local HRM department (centralization).

This centralization-decentralization continuum within the scope of HRM decisions is considered at the organizational level of local subsidiary of a MNC. In comparison to the data presented in Graph 3 and discussed earlier, it is not about the hierarchical relationships between HRM developed at the HQ of a MNC and HRM developed at the local subsidiary but it covers the division of responsibility between the local HRM department and the local line management.

As the highest percentages of responses show in Graph 7, in the whole sample of CE subsidiaries of MNCs local line management is mostly and exclusively responsible for performance appraisal (37%) and primarily responsible with an obligation to consult decisions with HRM department for HR planning (39%). At the same time HRM department is primarily responsible with an obligation to consult decisions with the line management for selection and training & development (both indicated by 32% of respondents), and mostly and exclusively responsible for recruitment (28%). In general, responsibility of decisions in key functions of HRM in all CE MNCs is not much centralized, it is rather equally distributed between the first three categories of responses. In practice this means that most of the decisions is delegated to line management or relies on cooperation between line management and local HRM department.

When analyzed by the particular countries the pattern of responsibility split not always looks the same. In Hungary and Serbia the preferable practices correspond with two categories of responses: primary local line management but in consultation with HRM department and primarily local HRM department but in consultation with local line management. In Poland the preferable practices are divided between the following categories of responses: local line management and primary local line management but in consultation with HRM department. In Romania the practices look the same as in the whole sample of CE subsidiaries of MNCs and in Slovakia most of the responsibilities of decisions in key functions of HRM is delegated to the local line management. Then,

Slovakia seems to be the country in which HRM decisions are relatively strongly decentralized.

Graph 7. Responsibility of decisions in key functions of HRM in MNCs in Central Europe



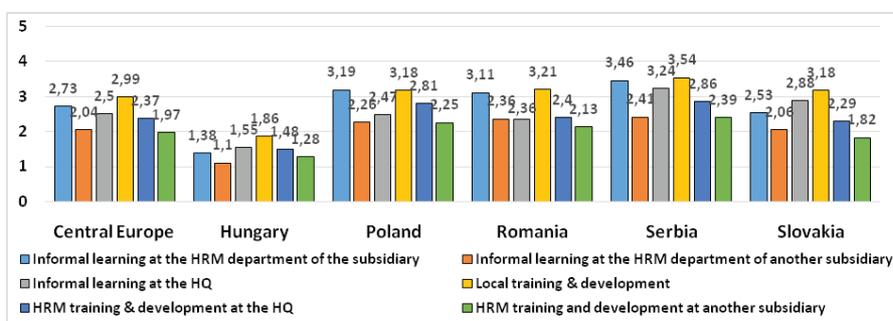
Source: own research data.

In the research another attempt was made to answer the question of how the organizations evaluate the modes they use in their business practice to acquire individual competences within HRM. As formerly, in the case of critical areas of HRM, a five-degree scale was used to evaluate the modes selected by the respondents from the multiple choice answers. The details are presented in Graph 8 but the general conclusion that can be drawn from the analysis of the collected research material is that in the whole CE research sample the hierarchy of modes used by companies to acquire individual HRM competences with regard to the high level of their significance is as follows:

- 1) local training & development (2,99),
- 2) informal learning at the HRM department of the subsidiary (2,73),
- 3) informal learning at the HQ (2,5),
- 4) HRM training & development at the HQ (2,37),
- 5) informal learning at the HRM department of another subsidiary (2,04),
- 6) HRM training and development at another subsidiary (1,97).

Excluding Hungary, in which all calculated averages are much lower, the order of preferable modes of HRM competency development is pretty much the same.

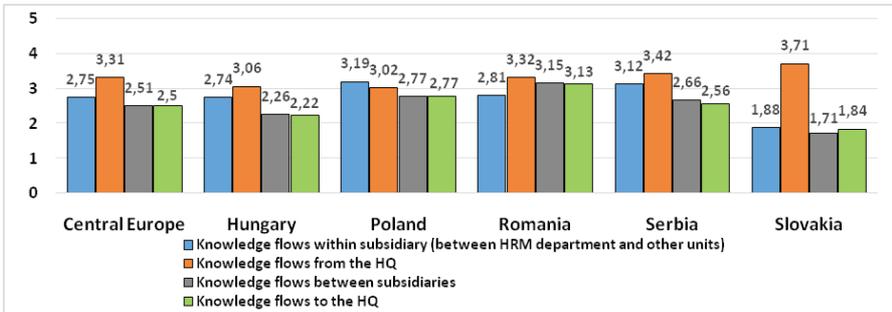
**Graph 8. Personal competency development in HRM (scale: 1-5; 1 – unimportant, 5 – very important)**



Source: own research data

The last research question we want to answer in our article refers to how the companies under study value the directions of HRM knowledge flows. The analysis of data presented in Graph 9 suggests that taken on average in the whole CE sample the most important flow of HRM knowledge runs from the HQ to the local subsidiary. Using the scale from 1 – unimportant to 5 – very important this direction of flow reached the highest value of 3,31. Knowledge flows within subsidiary (between local HRM department and other local subsidiary units) with the value of 2,75 occupy the second position. Knowledge flows between subsidiaries come third with the score of 2,51, and knowledge flows from the local subsidiary to the HQ fourth with a very similar result, meaning 2,50.

**Graph 9. The importance of HRM knowledge flows (scale: 1-5; 1 – unimportant, 5 – very important)**



Source: own research data.

The same order of importance appears in the subsidiaries located in Hungary, Romania, and Serbia. In Poland knowledge flows within subsidiary (3,19) appear on the first positions and are more important than knowledge flows from the HQ to local subsidiary (3,02), whereas knowledge flows between subsidiaries (2,77) and from the local subsidiary to the HQ (2,77) are simultaneously placed on the third place. In Slovakia the order of importance presents yet another picture. The most important is direction from

the HQ to the local subsidiary (3,71), then circulation of knowledge within subsidiary (1,88), next knowledge flows from the subsidiary to the HQ (1,84), and lastly the exchange of knowledge between subsidiaries (1,71) that is of the lowest importance.

## Summary and Final Conclusions

To recapitulate the research data presented in the paper the following brief conclusions seems to be valid. As the global economic conditions and FDI in Europe created much more positive environment for companies in CE in 2015, the majority of MNCs and their local subsidiaries in CE countries were implementing growth strategies and this was based on the assumption that the quality of workforce makes the best competitive advantage of the business and thus it may help the MNCs to succeed. To properly respond to local employees' needs and expectations the HQs of MNCs did not centralize their HRM decisions much. The prevailing approach was the one in which HQ provides only general guidelines and framework for action. It is worth emphasizing that even at the local level most of the decisions were delegated to line management or relies on cooperation between line management and local HRM department. And although the most important flow of HRM knowledge run from the HQ to the local subsidiary, the preferable mode used by the companies to acquire individual HRM competences was local training & development.

All this probably resulted in higher engagement of employees and consequently in relatively high evaluation of business performance in such areas as quality of service and innovation rate. Anyway, the critical issues that the MNCs had to face at that time were recruitment & selection, human resources planning, and training & development. Moreover, personal credibility, providing HR services, and communication in foreign services were the most important competencies of HR manager for success. These com-

petencies were built up by other competencies such as business knowledge, strategic contribution and IT fluency.

In the context of the presented research data and their brief analysis the main goal of the article seems to be realized. We hope that our identification of the business practices of MNCs in Central Europe in the scope of HRM in after-recovery time from the worldwide economic crisis deserves positive appraisal. We also believe we successfully solved the main research problem and outlined the current standing of HRM in business practice of MNCs in Central Europe and found some differences between the countries in this scope. But we do understand that these differences should be approached very carefully since the number of companies from each country was rather small and all in all does not make a representative sample.

In sum, expanding the formulated conclusions on the whole population would not be justified because of the selection, structure and size of the research sample. The primary limitations of this study are mostly connected with the last feature. Hence, some further research on much bigger and comparable samples is necessary.

Certain imperfections are also visible in the context of measurement scales that were used, adopted terminology or identification of particular issues in the countries under study. Despite all these deficiencies mentioned above the conducted research has some cognitive value, especially that this field of knowledge and practice has been poorly recognized so far and this was confirmed in the literature review. Our research findings and formulated conclusions can make a linchpin for the future research. Anyway, they should be treated exclusively as a starting point to determine the directions of the future research. But they may also support MNCs in their HRM improvement and development.

Apart from all the above limitations the final conclusion is that we cannot exclude the business practices of MNCs in Central Europe in the scope of HRM from the research. The significance of this issue will increase in the future in the context of high internalization of companies and their human

resources as well as global dimension of economy. Therefore future theoretical and empirical exploration in this scope is indispensable. It would facilitate monitoring the situation, formulating the views and improving the research methodology.

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