Research Article

The Relationships between Contributive HRM and the Value of the Competitive Human Factor in MNCs – The Empirical Research Findings

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Abstract

The conceptual and empirical studies on the relationships between the HRM contributive practices and the company's performance results have been performed in many ways for the last few decades. However, only few of them incorporated the contributive role of HRM in competition for the human factor from the Central European (CE) perspective. Hence, the main goal of the paper is to determine in what way the degree of HRM contribution to the MNC's performance results influences the perceived value of the human factor as a competitive differentiator on the market. Consequently, the identification and analysis of the relationships between the degree of HRM and its subfunctions' contributions to the MNC's performance results (independent variables) and the perceived value of the human factor as a competitive factor (dependent variable) makes a research problem. To solve the problem, the authors have built the empirical research model of relationships between the contributive HRM and the competitive human factor. The research sample covered 200 CE headquarters (HQs) of MNCs and their local subsidiaries. The empirical research findings show that there are clear, identifiable relationships between the variables under study. The relationships are true when considered from the global perspective, as when the MNCs evaluate their worldwide HRM practices and the impact of these practices on the worldwide competitive value of their human factor. There are some exceptions and differences when the overall HRM contribution or its particular HRM subfunctions' contribution are juxtaposed with the overall human factor or with its two subfactors at the local subsidiaries level.

Keywords: HRM, subfunctions, contribution, performance results, multinational company, synergy effect

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Introduction

The effectiveness of human resources management (HRM) on the acquisition of a company's competitive advantage has been a subject of interest in management literature and practice for few decades. In this context, the role of HRM in the competition for the human factor is not a new topic. It may even sound as a *cliché* to say that to maintain a profitable business and gain a competitive advantage, it is essential to identify the effective ways to manage employees and build such HRM systems that contribute to a better business performance.

The publications in which the authors present theoretical conceptions and empirical research findings on the relationship between HRM and the organizational performance results are plentiful. Some of them focus on the overall HRM significance (or contribution) to the company's performance results (Ginevičius, *et al.* 2010), whereas others consider individual contributions of particular HRM subfunctions (Ridder, et al, 2012). Similarly, the role of associations between the Human factor and HRM practices in the organizational performance has been studied in many ways and in different geographical regions. On the whole, the research results supports the positive role of both the quality of the human factor (Chen, 2014) and HRM outcomes towards the organizational performance results (Katou, Budhwar 2010). It becomes obvious that knowledge assets and employees' competencies are becoming significantly important for a firm's performance and competitiveness. Also, since the entirety of the human capital is held by employees, it is the aim of the management to pass on the human capital, in the form of employees' special skills, to a network of many people where it is fertilized and transferred to the ownership of the company (Gomezelj, Antončič, 2015). What is more, the knowledge and experience of senior managers and the workforce are seen as valuable assets which are costly to replace or to rebuild (Brauer, 2013).

However, the contribution to company's performance results through such HRM practices that make the human factor a competitive differentiator on the market, is much more complicated in multinational companies (MNCs) than in home organizations (Arora, et al., 2018). The geographical spread of the MNCs's foreign subsidiaries, their internationalization index, different local environments (economic, legal, political, technological, social, etc.) (Bartelsman, et al., 2019), with comparison to the environment of the headquarter (HQ), are only few examples of how complicated it is for MNCs to operate (Kiselakova, *et al.*2019; Díez-Esteban, 2019). For the MNCs understanding, the local environmental demands are of crucial importance in order to properly evaluate which kind of organizational practices their subsidiaries need to develop into high-performance entities. That is why they can find some of their human factor features and HRM practices remarkably important to their local performance success, and in consequence, impose some different policies (Berchtold, 2010).

As yet, only few studies have focused on the above mentioned phenomena in the MNCs headquartered in economies in transition or just after-the-transition, like those in Central and Eastern Europe (Festing, Sahakiants, 2013; Haromszeki, 2014; Stor and Kupczyk, 2015; Farndale, et al., 2017). In most cases, the research on MNCs has covered the companies deriving from developed countries (Albulescu, et al., 2018; Cieślik, 2019) whose foreign direct investment (FDI) was located in less developed countries (e.g. Brewster, 2007; Morley, et al., 2009; Wilkinson and Wood, 2017). This research is interested in such MNCs, and in this context, the main goal of the paper is to determine in what way the degree of HRM contribution to the MNC's performance results influences the perceived value of the human factor as a competitive differentiator on the market. In this publication, a revised version of the authors' conference paper presented in the IBIMA conference (Stor & Haromszeki, 2020) is provided.

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In consequence, the paper is structured as follows: after this short introduction, the authors discuss the theoretical background of the study based on a literature review. This results in building an empirical research model and a formulation of the research hypotheses. Furthermore, the focus is on the research methodology, sample and measures. The empirical research findings and discussion over them come next. The article ends with a research summary and final conclusions.

The theoretical background of the study

The human factor as a competitive differentiator on the market

There are different factors   for which companies may compete , such as quality of design or manufacturing, features and quality of service, price for each sale, profit margin, technology, reputation, and of course, human resources (Nasab, et al. 2013; Karaszewski, 2013). However, it is the human resources that are of the fundamental importance to any business success that enables it   to gain a competitive advantage (Katou, Budhwar, 2010; Kearns, 2010) and which can be perceived as an extraordinary competitive factor of a company. This view has been developed within the resource-based theory for nearly 30 years (Barney, 1991; Dyer, 1993; Wright, et al., 1993; Becker, et al., 2001, Ingham, 2007; Huselid, Becker, 2011; Mayo, 2012; Juchnowicz, 2014).

The researchers classify human resources into various categories and usually this categorization refers to their owners, meaning employees (Kazlauskaitė, et al, 2010) who possess different abilities, skills, knowledge, needs, professional backgrounds, etc. and thus, may have varying responses to HRM practices. In the research and business practice, human resources as a human competitive factor are usually disaggregated into two subfactors: non-managerial employees and managerial staff (Patel, Hamlin, 2012; Yoon, 2016) because there are different qualifications and competencies required from them (Sienkiewicz, 2014; Stor, 2014; Kupczyk, Stor, 2017; Doornich, 2018), a different range of responsibilities

formulated toward these two groups and a different scale of consequences that could be brought to a company by their behaviors and decisions (Karaszewski, 2013; Haromszeki, 2014; Stor, Suchodolski, 2016; Anzengruber, 2017; Stor, Haromszeki, 2019).   This leads to a conclusion, which is taken for granted in the HRM literature, that the value of the human factor as a competitive factor is a resultant of the HRM practices they have experienced in the organizations. However, the relationship can be reciprocal. A company may invest in HRM depending on how it perceives its contribution to the company's success, So, based on the research on the MNCs' practice, this may be perceived differently depending on which organizational level is considered. So far, some significant differences within this scope have been identified between the HQs of MNCs and their foreign subsidiaries (Andersen, 1993; Stor, 2011; Latusek-Jurczak, D. 2014; Żarnik-Żuławska, 2016; Delery, Roumpi, 2017).

The contribution of HRM to company's performance results

The conceptual and empirical studies on the relationship between the HRM contributive practices and the company's performance results usually fall into one of the following categories: financial, organizational, managerial and behavioral. The researchers use a vast array of various measures within each of them. The financial results can be presented in forms of profits, sales, market share, financial liquidity, company's goodwill, share price and firm value (Richey, Wally, 1998; Pfeffer, Veiga, 1999; Arthur, 1994; MacDuffie, 1995; Huselid, 1995; Becker, Gerhart, 1996; Beatty, et al., 2003; Combs, et al., 2006). The organizational results may cover productivity, quality of products/services, efficiency, innovativeness and competitive advantage (Arthur, 1994; Huselid, 1995; Becker, Gerhart 1996; Huselid, et al., 1997; Pfeffer, Veiga, 1999; Birdi, et al., 2008; Ferguson, Reio 2010; Sparrow, et al., 2016; Paawe, Ferndale, 2017). The managerial results mostly refer to the interrelations and levels of coherence between business strategies

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and particular subfunctions of HRM with company's performance results (Beer, et al., 1984; Schuler, Jackson 1987; Wright, Snell, 1991; Guest, 1997; Chanda, Shen, 2009; Guest, et al., 2011; Stor, Suchodolski, 2016). The behavioral results include employees' attitudes, employees' engagement and satisfaction, employees' and/ or managerial interpersonal relations, employee's competency development and leadership (Nagy, 2002; Rich, et al., 2010; Ferguson, Reio, 2010; Juchnowicz, 2014; Sparrow, et al., 2016; Stor, Haromszeki 2019).

In addition, as mentioned in the introduction, some of the authors focus on the overall HRM contribution to the company's performance results (Ginevičius, *et al.* 2010), whereas, others consider individual contributions of particular HRM subfunctions (Ridder, et al., 2012). Moreover, some researchers are interested in the overall HRM practices directed to the overall human factor, while others consider only the managerial staff. It is because the managerial competencies differ from the competencies of other employees in a significant way (Haromszeki, 2013; Raziq, et al., 2020), and the companies dedicate some of their HRM subfunctions exclusively to their current or potential managers. It's worth emphasizing that the research has revealed that the priority given to managers significantly affects the organizational performance (Mabey, Thomson, 2000; Garavan, Heraty, 2001). Furthermore, due to the linear association between the managerial competencies and the firm performance (Hughes & Rog, 2008), the investment in the managerial competencies is desirable, especially as their role in the company's strategy creation and implementation is invaluable (Zakrzewska-Bielawska, 2019).

The assumption taken in the research model

The literature review and the accompanying theoretical considerations have brought us to the research problem covering the identification and analysis of the relationships between the degree of HRM and its subfunctions' contributions to the MNC's performance results (independent variables) and the perceived value of the human factor as a competitive factor (dependent variable). This paper has also built the empirical research model of the relationships between the contributive HRM and the competitive human factor. The particular components (variables) and their directional connections are presented in Figure 1.
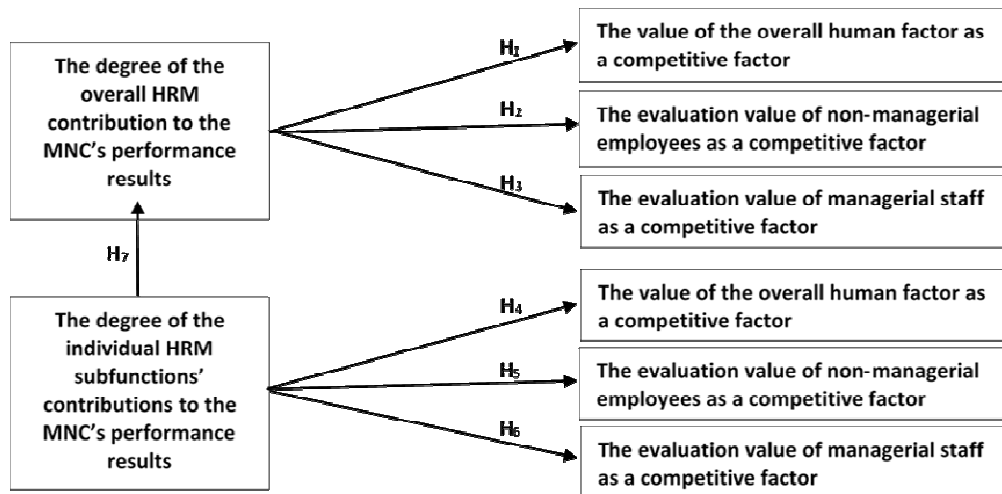

Figure 1: The empirical research model of relationships between the contributive HRM and the competitive human factor

Source: own concept

Dependent and independent variables have been considered in the context of the companies' financial performance results. Based on the literature review, 9 subfunctions of HRM have been selected as the most popular or valuable in business organizations. The appraisal of the human factor as a company's competitive factor was split into two other subfactors: (1) non-managerial employees' skills and knowledge and (2) managerial staff's competencies. This research took a twofold perspective: 1) the global HQ's perspective; in which the MNCs evaluate their worldwide (overall) HRM practices and overall human factor and 2) the perspective of their foreign subsidiaries; in which they evaluate the particular HRM subfunctions and the particular subfactors of the human factor.

Accordingly, seven research hypotheses, that describe the relationships between the variables in the model, have been developed. They are as follows:

H1: The higher the degree of the overall HRM contribution to the MNC's performance results, the higher the value of the overall human factor as a competitive factor.

H2: The higher the degree of the overall HRM contribution to the MNC's performance results, the higher the evaluation value of the non-managerial employees as a competitive factor.

H3: The higher the degree of the overall HRM contribution to the MNC's performance results, the higher the evaluation value of the managerial staff as a competitive factor.

H4: The higher the degree of the individual HRM subfunctions' contributions to the MNC's performance results, the higher the value of the overall human factor as a competitive factor.

H5: The higher the degree of the individual HRM subfunctions' contributions to the MNC's performance results, the higher the evaluation value of the non-managerial employees as a competitive factor.

H6: The higher the degree of the individual HRM subfunctions' contributions to the MNC's performance results, the higher the evaluation value of the managerial staff as a competitive factor.

H7: The higher the degree of the individual HRM subfunctions' contributions to the MNC's performance, the higher the degree of the overall HRM contribution to the MNC's performance results.

The subfunctions, subfactors, measures and scales used in the particular variables incorporated in the tested hypotheses are presented in Table 1 in a later part of the article.

The Empirical Method and Sample

To collect the research data, two methods have been used: CATI (computer aided telephone interview) and CAWI (computer aided Web interview). The questions were resided in the context of the last two fiscal years and the interviewer reminded the respondents of this context several times during the interview survey. The goal of this procedure was to ensure that the respondents were referring to a precisely outlined period of time in which they were able to logically assess the interconnections between HRM and the business phenomena under study. The survey was conducted in January 2018. All calculations were made with the aid of Statistica v. 12.5 - an advanced analytics software package with the level of significance set to alpha = 0.05. To determine the normality of data distribution, Kolmogorov–Smirnow test was used. To analyze the collected data, both descriptive and correlational statistical methods were used. The relationships between the quantitative variables were tested by the means of Pearson correlation coefficient (referred i.e. Pearson's r).

The research sample consisted of 200 headquarters of MNCs originating from a Central European country (Poland). They were nonfinancial economic entities, existing in the market for no less than two

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years, with a dominant share of the Polish capital, which possessed at least one foreign subsidiary, and this subsidiary was an effect of a foreign direct investment (FDI). The reference base for the number of such organizations was the last report elaborated by the Polish Central Statistical Office. The report said that there were 1760 Polish companies which registered 4086 business entities in 150 countries in 2015 (*Activities of Enterprises…,* 2017). In consequence, it was assumed that the size of the sample mentioned above is sufficient to conduct the research because when the confidence coefficient stays at the level of 0.95, the maximum measurement error amounts to 0.065.

The sampling was of the purposive type to meet the specified requirements. The structure of the research sample was diverse in terms of the companies' business profiles - according to the European Classification of Business Activity (ECBA) - although not all of the economy sectors were represented; length of operation in years; size of organizations (as measured by the number of employees); type of FDI investment; and the ownership share of the HQs in their foreign subsidiaries. Furthermore, the MNCs under research differed in the number of total and foreign entities they controlled, the number of host countries in which their subsidiaries were located, and the level of country's development in which their most representative subsidiary operated. An average MNC operated in the market for more than 11 years, was rather a large organization, had about 13 entities, about 8 of them were foreign subsidiaries, located in 4 countries, was established as a greenfield investment with a majority ownership share belonging to the Polish HQ.

The authors of this paper assumed that some specific parameters, for example, an industrial area, the size of the company, its legal form or country's economic development could influence the performance of the businesses in the sample. However, the results of the statistical testing did not demonstrate the impact of these parameters on business performance.

The Empirical Research Findings

Descriptive statistics

The empirical data analysis starts with the basic descriptive statistics for the variables connected with the main research problem (see Table 1). On average, the financial performance results of MNCs, when compared to their main competitors, are somewhere between "similar to others" and "above average" ($\bar{x} = 3,74$). So, their financial standing on average is good.

Table 1: Basic descriptive statistics for the main variables under study: The contribution of HRM subfunctions to companies' performance results and human factor

VARIABLES		Valid N	Mean	Median	Min	Max	SD
Financial performance results		200,00	3,74	4,00	2,00	5,00	0,51
The overall human factor		200,00	3,56	3,61	2,78	4,44	0,35
Competitive factors	**1. Non-managerial employees**	200,00	3,38	3,00	2,00	5,00	0,67
	2. Managerial staff	200,00	3,39	3,00	2,00	5,00	0,62
The overall HRM contribution		200,00	3,56	3,56	2,78	4,78	0,36
significance of HRM subfunc	**1. Employee resourcing**	200,00	3,90	4,00	2,00	5,00	0,52
	2. Employee retention	200,00	3,53	3,00	3,00	5,00	0,6

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3. Engagement & satisfaction	200,00	3,32	3,00	2,00	5,00	0,61
4. Performance appraisal	200,00	3,43	3,00	2,00	5,00	0,61
5. Career development	200,00	3,55	4,00	2,00	5,00	0,57
6. Talent management	200,00	3,53	4,00	1,00	5,00	0,62
7. Competency management	200,00	3,57	4,00	2,00	5,00	0,61
8. Development of leadership	200,00	3,45	3,00	1,00	5,00	0,61
9. Employer branding	200,00	3,80	4,00	2,00	5,00	0,67

Scales:
- Performance results: comparison to the main competitors: 1 - poor, 2 – below average, 3 – similar to others, 4 – above average, 5 – very good;
- Competitive factor: with comparison to the main competitors: 1 - strongly lower, 2—rather lower, 3—similar to an average, 4—rather higher, 5—strongly higher;
- Significance (contribution) of HRM to performance results: 1 - not important, 2 – slightly important, 3 – moderately important, 4 – important, and 5 – very important;
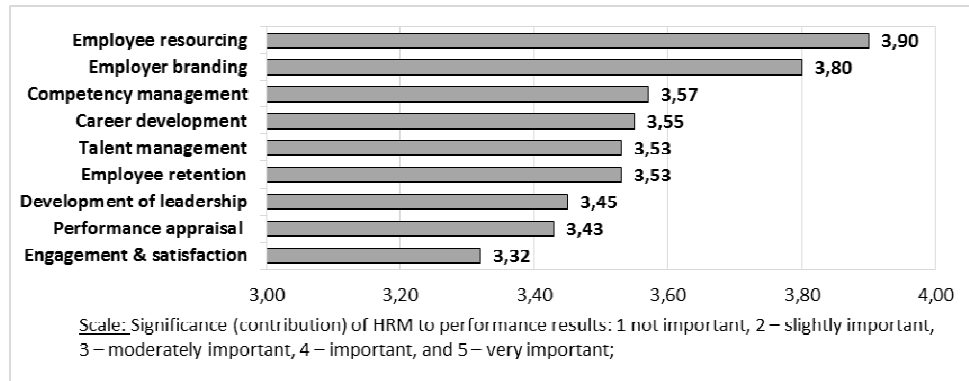
Source: own research data

The mean value of the overall human factor as a competitive factor is between "similar to an average" and "rather high" ($\bar{x} = 3,56$) with a $\bar{x}\,min = 2,74$ and $\bar{x}\,max = 4,44$. When this factor is analyzed by its two components, their mean values are lower. The evaluation value of the non-managerial employees is $\bar{x} = 3,38$ and of the managerial staff is $\bar{x} = 3,39$. It's necessary to mention that the value of the overall human factor is not calculated as a mean of its two subfactors but with regard to the assumed perspective: global vs local subsidiaries. Anyway, the means calculated for each of them range from $\bar{x}\,min = 2,00$ to $\bar{x}\,max = 5,00$.

The degree of the overall HRM contribution to the company's performance results reaches the mean of $\bar{x}\,min = 3,56$. It means that it's closer to "important" than to "moderately important". The means calculated for each of the individual HRM subfunctions' contributions range from $\bar{x}\,min = 3,32$ to $\bar{x}\,max = 3,90$. The *max scale value* is reached by all of them ($max = 5,00$), whereas the lowest value is reached by two of them, i.e. talent management and development of leadership ($min = 1,00$).

The research findings show that among 9 HRM subfunctions being analyzed, the highest degree of contribution is ascribed to employee resourcing ($\bar{x} = 3,90$). The second position is occupied by employer branding ($\bar{x} = 3,80$) and the third is held by competency management ($\bar{x} = 3,55$). The full ranking list is depicted in Graph 1.

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Scale: Significance (contribution) of HRM to performance results: 1 not important, 2 – slightly important, 3 – moderately important, 4 – important, and 5 – very important;

Graph 1: The ranking of the mean values of the contribution of HRM subfunctions to companies' performance results

Source: own research data

Correlation Analysis

After the descriptive statistics, the research will focus on the correlation analysis. The results of the correlation tests (at $p<.05$) for the main research variables are presented in Table 2 and 3 respectively. The analysis proves that the degree of the overall HRM contribution is positively correlated with the value of the overall human factor as a competitive factor ($r=.71$), and with the evaluation values both of the non-managerial employees ($r=.22$) and the managerial staff ($r=.35$) as competitive factors. All this confirms three of the hypotheses, i.e. **H₁, H₂** and **H₃.**

Considering the degrees of the individual HRM subfunctions' contributions to the MNC's performance results, apart from employee resourcing, all the other degrees of particular HRM subfunctions are positively correlated with the value of the overall human factor as a competitive factor. The range of values for the correlation coefficient of these variables is in the interval between $r=.24$ and $r=.50$, where the lowest value is gained by employee retention and the highest by development of leadership. So, hypothesis **H₄** can be partially accepted.

As for the degrees of the individual HRM subfunctions' contributions to the MNC's performance results and their associations with the evaluation value of the non-managerial employees as a competitive factor, five subfunctions reveal such statistically significant correlations, whereas four don't. Those correlated subfunctions are: employee retention ($r=.15$), engagement & satisfaction ($r=.24$), performance appraisal ($r=.22$), career development ($r=.14$), and employer branding ($r=.29$). Interestingly, within those uncorrelated, there is employee resourcing again. Hence, hypothesis **H₅** can't be fully accepted. The range of its confirmation is even smaller than in hypothesis **H₄.**

Analyzing the relationships within hypothesis **H₆**, it is observed that similarly to the relationships within hypothesis **H₄**, apart from employee resourcing, all other degrees of particular HRM subfunctions are positively correlated with the evaluation values of the managerial staff as a competitive factor. Here, the range of values for the correlation coefficient of these variables is in the interval between $r=.18$ and $r=.37$, where the lowest value belongs to development of leadership and the highest to employer branding. Then, hypothesis **H₆** can be accepted only to some extent as well.

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Table 2: The results of a correlation test for the contribution of HRM subfunctions to companies' performance results and human factor

VARIABLES		The overall human factor	Competitive factors	
			1. Non-managerial employees	2. Managerial staff
The overall HRM contribution		0,71*	0,22*	0,35*
The significance of HRM subfunctions	1. Employee resourcing	0,09	-0,05	-0,07
	2. Employee retention	0,24*	0,15*	0,26*
	3. Engagement & satisfaction	0,37*	0,24*	0,31*
	4. Performance appraisal	0,48*	0,22*	0,15*
	5. Career development	0,47*	0,14*	0,20*
	6. Talent management	0,46*	0,14	0,25*
	7. Competency management	0,40*	0,07	0,18*
	8. Development of leadership	0,50*	0,06	0,18*
	9. Employer branding	0,47*	0,29*	0,37*
* Pearson's r significant at p < ,05000;				

Source: own research data

Finally, the correlation test conducted for the degree of the individual HRM subfunctions' contributions to the MNC's performance and the degree of such contributions of particular HRM subfunctions (see Table 3) shows all the correlations being statistically significant. The weakest association at $r=.24$ concerns employee resourcing, and the range of values for the correlation coefficient of the other subfunctions is in the interval between $r=.51$ and $r=.64$, where the lowest value is gained by employee retention and the highest by performance appraisal. Hence, the last analysis leads to the confirmation of hypothesis **H7**.

Table 3: The results of a correlation test for the overall HRM contribution and its individual subfunctions to companies' performance results

| VARIABLES	Subfunctions of HRM								
	1.	2.	3.	4.	5.	6.	7.	8.	9.
	Employee resourcing	Employee retention	Engagement & satisfaction	Performance appraisal	Career development	Talent management	Competency management	Development of leadership	Employer branding
The overall HRM contribution	0,24*	0,51*	0,63*	0,64*	0,65*	0,52*	0,62*	0,57*	0,62*
* Pearson's r significant at p < ,05000;									

Source: own research data

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Research Summary

In this research problem, the authors were particularly interested in the identification and analysis of the relationships between the degree of HRM and its subfunctions' contributions to the MNC's performance results (independent variables) and the perceived value of the human factor as a competitive factor (dependent variable). The visual juxtaposition of these two variable is depicted in graph 2.
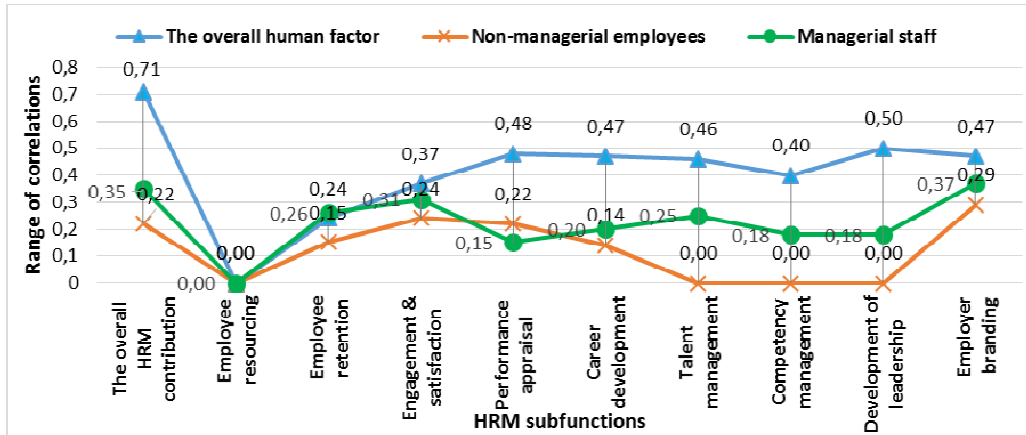
Graph 2: The juxtaposition of the human factor with relation to HRM and its subfunctions' contributions to company's performance results

Source: own research data

In summary, it can be said that this research has successfully identified some regularities within the scope of the selected variables and the analysis of the empirical research findings, concluding that the higher the degree of the overall HRM contribution to the MNC's performance results, the higher the value of the overall human factor as a competitive factor and the higher the evaluation values of its both subfactors, i.e. non-managerial employees and managerial staff. Additionally, it was found that the higher the degree of the individual HRM subfunctions' contributions to the MNC's performance, the higher the degree of the overall HRM contribution to the MNC's performance results. These relationships are true when considered from the global perspective, i.e. when the MNCs evaluate their worldwide HRM practices and the impact of these practices on the worldwide competitive value of their human factor as a differentiator on the market.

However, when the associations are considered from the perspective of particular local subsidiaries and when HRM is disaggregated into its individual subfunctions, some different phenomena are observable. Firstly, employee resourcing is a subfunction that has no statistically significant correlations either with the overall human factor or with its two subfactors: non-managerial and managerial. The probable reason is that it is difficult to indicate simple direct relationships between this subfunction's contributive role in the company's performance results and its impact on the competitiveness of the human factor. Even though the best people with the best qualifications and competencies are employed through a highly advanced selection process, it takes time to evaluate their exhibit competitive attributes in the business practice. Moreover, the value of their competitive attributes, if any at all, may be the resultant of other HRM subfunctions, not the selection itself. This raises the question whether employees' selection should be evaluated for their contribution to the company's performance at all, and if so, it seems to be questionable

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to evaluate it in the same way other HRM subfunctions are evaluated.

Excluding employee resourcing from the analysis, the other interesting phenomena appears in the juxtaposition of the correlations between the particular HRM subfunctions' contributions and the two subfactors of the human factor. The positive relationships between the degree of the subfunctions' contributions and both the value of the overall human factor as well as the evaluation values of the managerial staff are visible. Whereas, in the case of non-managerial employees, not all of their evaluation values correspond with HRM subfunctions. Since this refers to talent management, competency management and development of leadership, the possible reason may come from the fact that in business reality, these three subfunctions may be dedicated rather to the managerial staff than to other employees. Although in their nature and assumptions they should cover not only current but also potential managers, meaning ordinary employees, they may not be adjusted enough to the real employees' needs. It means that at the intentional level, which is formulated at the HQ of MNC, it looks much better than when considered at the implementative and resultative levels of local subsidiaries. Hence, the effectiveness of these three HRM subfunctions in competition on the non-managerial employees on the market is doubtful. It seems that intentions deviate from the practice. But, it also suggests that there may be a mediating variable or even few variables that intermediate the casual relationship between the dependent and independent variables. This study has applied some simplified statistical correlational analysis which are not dedicated to such type of investigation. As for the future research, some mediating variable(s) that may explain in details or discover new ties between the variables under study are recommended.

Final Conclusions

The final conclusion, based on the analysis of the empirical research findings, suggests that there is a clear, identifiable relationship between the degree of HRM contribution to the MNC's performance results and the perceived value of the human factor as a competitive differentiator on the market. Indeed, there are some exceptions or differences when the overall HRM contribution or its particular HRM subfunctions' contributions are juxtaposed with the overall human factor or its two subfactors, but it leads to another important conclusion; namely, the organizational level of measurement, whether it is the HQ's or local subsidiary's – changes both the degree of HRM and its subfunctions' contributions as well as the perception of the value of the human factor and its two main components. All of this state that the goal of this paper has been achieved. It has been successfully determined in what way the degree of HRM contribution to the MNC's performance results influences the perceived value of the human factor as a competitive differentiator on the market.

These results are a considered an accomplishment but it is not devoid of some limits. Primarily, the final conclusions can't be extended to the whole population of MNCs worldwide because the research sample, even though deliberatively selected, consisted only of those MNCs that were headquartered in one Central European country. Furthermore, although the sample was diverse in terms of the companies' business profiles, not all the economy sectors were represented. Some other imperfections are also noticeable in the measurement scales or the calculations which were based exclusively on the mean values. In addition, the other reservations may concern asking the informants general questions about the HRM contribution to the company's performance results or about the competitive value of the human factor instead of using hard performance indicators. This practice is not at odd within this type of research, however, it may undermine the subjectivity of the evaluation.

Neverthless, this study contributes to the scientific discipline of management. On one side, as mentioned above, MNCs headquartered only in Central Europe

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limit the generalizations, but on the other side, they provide a unique perspective. To our best knowledge, it has been the first research of this type. The phenomena has also been confirmed - identified by other researchers as mentioned in the introductory part of the paper - that there is a positive relationship between the dependent and independent variables under study.

As for the practical implications of the research results, they mostly rely on indicating that if there is a strong positive relationship between the HRM contribution (including its subfunctions) to company's performance and the value ascribed to the human factor (including both managerial and non-managerial employees), then the effectiveness of HRM practices is expected to be high and they bring desired results. Hence, there is a huge potential and opportunity in using HRM subfunctions in a more effective and efficient way that will lead to better company's outcomes, bearing in mind that HRM is only one of the factors that determine such outcomes. The presented research findings may help the managers of MNCs and their local subsidiaries uncover some hidden opportunities existing in the management practices at different organizational levels and inspire them to create such subfunctional ties between HRM and company's performance which can successfully impact their managerial and non-managerial employees' competitive advantage. The point is to understand what the contributive role of HRM relies on and how it may increase the value of the competitive human factor.

Funding

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