

## **PARTICULARITIES OF PROMOTING HUMAN RESOURCES IN MULTINATIONAL ORGANIZATIONS**

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### **Abstract**

*It is increasingly present the understanding of the fact that achieving the objectives of multinational organizations imposes the finding and using of the most appropriate strategies to ensure the optimal valuing framework of human resources potential. Among these, the promotion of human resources becomes a constant and beneficial preoccupation for any other multinational organization.*

*Therefore, the approach of some theoretical issues relating to the promotion of human resources in multinational organizations, and also the presentation of some results of a field investigation carried out in order to identify the peculiarities of promoting human resources in multinational organizations are the main objectives on which we focused in this paper.*

**Keywords:** *human resource, multinational organizations, performance, promotion*

**JEL classification:** *F23, M51, O15*

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### **1. Introduction**

Today, more than ever, in the conditions of the knowledge based society, any activity of multinational organizations knows an increasingly important presence of the human resources management. Given this reality, every multinational organization seeks to build that strategy in the field of human resources management which gives them the possibility of attracting,

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engaging and optimal use of human resources capacity. Understanding that only through a specialized human resources management and adapted to any arise situation, it will be realized the staff potential, each responsible manager aims to create an environment conducive to the performance of each employee through the adoption of the most effective measures to knowledge and recognition of the capacity and effort submitted by him.

Occupying a special place in human resources management activities, the promotion of employees is highly operational, having as main objective the recognizing and rewarding as correctly as possible of them, both those of the operating structure and those of the management structure. The optimal achieving of this components, conditions decide the realization of the others components functionality of human resources management situated upstream (planning, organizing and coordination), and also the effectiveness assessment that follows.

Given the importance of this human resources management activity, it is necessary the adequacy to staff promotion at the performance of characteristics of each of the employees. In exercising its specific role, it is starting from reality established scientifically, according to which the performance of any employee depends on: the professional competence, motivation and image that is having its sole activity in human resources management.

Thus, knowledge and deep understanding of the content and the basic characteristics of the process of promoting the human resources constitutes a major premise in the introduction and use of effective management strategies and scientific practice in this area.

## **2. Promoting as a necessity of perfecting the human resources**

Promoting represents a conditioned factor of the performance of each employee, the resort that causes him to act better in a certain way, an internal mood of this which animates it and determines its behavior. So, the promotion is the process by which the manager, based on performance evaluation of each employee, determines his subordinates to achieve best results, giving them significant grounds in this regard. Only in this way, the promotion becomes staffing support in the race for a great result. On this basis the satisfaction experienced in recognize the quality of work and maintaining achieving the objectives of human resources management becoming a permanent positive

mood with benefic influences on the future of individual performance and at the level of human resources management.

Over the last three decades, the practice of HR has experienced significant transformation. This has included HR moving from being a lower level, administrative and maintenance oriented function to operating in many organizations as a core business function and a strategic business partner (Ulrich, Dulebohn, 2015).

A proposition in the HRM literature is that to survive intensifying competition firms need to more effectively use their human capital by implementing high-performance work practices (Kaufman, 2015).

In this respect, the promotion of human resources has a fundamental place.

A promotion is viewed as desirable by employees because of the impact a promotion has on pay, authority, responsibility, and the ability to influence broader organizational decision making. A promotion raises the status of the employee who receives a promotion which is a visible sign of esteem from the employer (Heathfield, 2015).

In essence, by promoting we understand all the processes through which is assigned to the organization's staff managerial positions located on a higher level and also graduations or higher grades in the same post (Nicolescu, Verboncu, 2008, p. 281).

On the other hand, professional advancement is the process of moving of employees, in ascending order, from one function to another, or from one post to another higher post with more complex activities. Our view is that according that this process is characterized by the following aspects:

- change the function or the level of employment;
- increasing responsibilities;
- increasing the level of remuneration and rewards;
- increasing motivation and job satisfaction.

The promotion is making based on some criteria, the primary being that of professional competence, to which is added the ethical one, the behavioral one, the seniority in work etc.

In most multinational organizations, *individual performance* is analyzed based on the results of a committed group, service or organization as a whole.

In this direction, performance evaluation consists in assessing the extent to which employees meet their responsibilities in relation to the position held, given a set of features, including ([www.manager.ro](http://www.manager.ro)):

- personal features (skills, behavior and personality);
- competence (knowledge for post exercise);
- professional features (vigilance, availability, self);
- concern for the general interest of the organization;
- adaptability to the post;
- decision-making capacity;
- the capacity for innovation;
- team spirit;
- communication (reception and transmission of information).

These features are compared with standards which represents the desired level of performance.

Performance standards, as benchmarks in assessing the results, allow highlighting the degree to which activities have been completed. Performance standards set out what a person must do.

These standards are defined by the following indicators:

- quantity (how much or how many);
- quality (how well or completely);
- cost (which will be the expense involved);
- time (when the objective will be achieved);
- use of resources (what equipment / materials will be used);
- way to achieve the activities.

In their turn, depending on how are addressed the promotion criteria in contemporary multinational organizations, we appreciate that are manifesting three main trends:

- Promoting based on age and of length of service, trend that absolutizes the experience role, considering that passing the years, will automatically determine an increase of professional potential of employees. This approach is specific to the organizations where the conservative tendencies are strong. In general, in recent years there has been a decrease in the number of multinational organizations that gives absolute priority to the process of promotion and seniority age, due to its unstimulated character and the tensions they generate, directly or indirectly, in particular among young staff.

• The promotion based on the obtained results, it is the most widespread trend. The strength of this trend is the use of verifiable criteria for promotion based on measuring the results of previous work, a very important element to avoid the appearance of conflict situations. The promotion based on the results is stimulating for the staff towards achieving a higher level of the tasks assigned, that has important positive implications on achieving current targets.

The main disadvantage of promotion based on results, as well as promotion based on seniority in work, is that it favors the manifestation of "Peter principle", according to which each person tends to rise on the corporate ladder until his level of incompetence. That is, an employee will be promoted, given proper fulfillment of current tasks, until it reaches a position of which outweighs its potential of professional requirements.

Achieving promotion in multinational organizations is based, designed and made by the management of organization by using several techniques of promotion, such as:

• Promoting based on professional potential, is the tendency manifested in human resources management of modern national and multinational organizations. This criterion takes into account the skills, knowledge, abilities and abilities of the employee, addressed in the evolution in its perspective. It is priority promoting those employees who, given their level of basic training, receptivity to new, effort capacity, the capacity to adapt, sense of forecast shows the current and future potential of nature to meet the requirements of some posts more complex. Promoting based on professional potential has many advantages: ensures the operative valorization of special talents, creates an atmosphere of competition among staff, especially to the young one.

But it is necessary that the professional advancement be accomplished either in the same field or in different fields. The current trend is that from a certain hierarchical level, to provide a professional development by moving from one domain of activity to another one, because it provides a higher motivation and also is effective for the organization, given the polyvalence of employees.

Organized professional promoting based on "career plans".

This type of promotion is within the context of forecasting human resource management and involves several steps:

- analysis of past professional employee promotion susceptible;
- analysis aspirations, motivation and aptitude of the employee;
- choice of appropriate professional domain for the employee;

- employee orientation for the appropriate professional domain;
- elaboration of the promotion strategy and action plan.

Occasional promoting for a newly established post for which there is no possibility to analyze the career prospects of employees. For the post to be filled (either inside or outside the organization) must be determined in advance the specific characteristics of the job.

Moreover, identifying and retaining talent in a multinational organization, particularly by promoting them, can be a starting point to achieve its performance.

In order to involve and keep the top talents, organizations must have an efficient reward system, based on performance. The most complicated problem shall probably be satisfying the psychic needs of its employees as well as the self-determination desire, opportunities to lead and to be promoted, the satisfaction of the performed work (Brutu, 2009).

There is also a strong push to focus on talent located in subsidiaries, in other words, to develop and promote local talent (Mellahi, Collings, 2010; Tarique, Schuler, 2012).

In its turn, we consider that the efficiency and professionalism of their activities within a multinational organization depend equally on the quality of recruitment and selection of personnel, the general framework of its development and improvement, but also to the design of a set of initiatives to maintain and promote on each item of the most proficient of employees.

Considering the opinions of specialists, but also our own choices on this topical issue, we conducted a field investigation to identify the views of human resources managers regarding the particularities of promoting human resources in multinational organizations, of which some observations are summarized below.

### **3. The research methodology**

The organization, development and finishing of the field research were based on the studied theoretical aspects related to the communication process and its influence on the performance of multinational organizations, as well as on the requirements of scientific research methodology in social and humanities sciences. This study, correlated with the issue of nowadays multinational organizations, we consider it as having a special significance regarding obtaining relevant information of the work theme.

### **3.1. Purpose, objectives and hypotheses**

*The study purpose is to investigate the necessity and particularities of promoting human resources in multinational organizations*

*Specific objectives*

- a. Knowledge of the main features of human resources that contributes to promoting them in multinational organizations;
- b. Identify to what extent promotion of human resources contributes to achieving performance of multinational organizations;
- c. Analysis of the factors that may contribute to the promotion of human resources.

The hypothesis from which we leave into investigation is suggested by the theoretical part of the paper where it was emphasized that promoting human resources is a very important process in any multinational organization.

Thus, *the general hypothesis is:*

Promoting human resources is a very important activity in multinational organizations, which contributes substantially to achieving their performance.

This hypothesis can be operationalized, yielding the following statements:

- a. Both personal characteristics as well as the professional ones of the human resources contributes to promoting them in multinational organizations.
- b. The higher the promotion activity of human resources is better known and done, the decisions made and actions taken to multinational organizations level will ensure the achievement of their performance.
- c. If it is done properly the promotion of employees, then increases the diversification and quality of factors that ensures performance of multinational organizations.

### **3.2. Materials and methods**

We chose as research method the survey and the questionnaire as a tool for opinion investigation. Of course, in selecting the sample and applying the questionnaire were considered compliance with the requirements of the methodology of scientific research, and the adoption of an ethical behavior.

The research was conducted on a representative sample consisting of 116 medium and large multinational organizations of which 11 from Sibiu and 105 from Bucharest. The respondents were human resource managers in these multinational organizations.

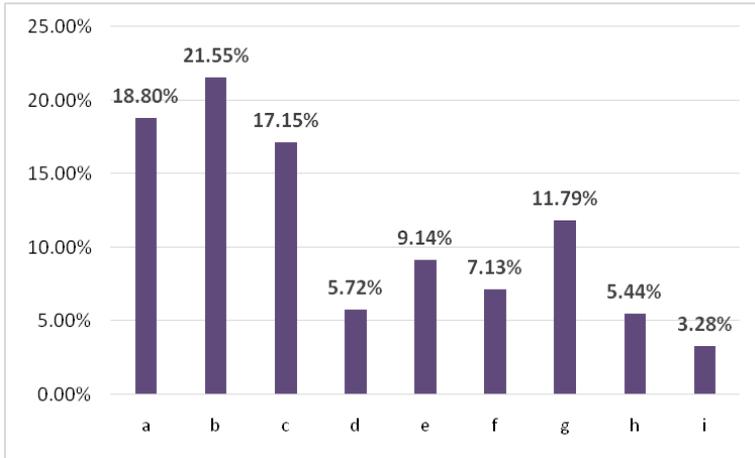
#### **4. Results and discussions**

After applying the questionnaire with its specific questions were obtained a series of responses, and some of which are presented below:

The first question in the survey was: *Which one of the following characteristics of employees, contributes significantly to the promotion of human resources of the organization in which you work?*

- a) personal features (skills, behavior and personality);
- b) competence (knowledge for post exercise);
- c) professional features (vigilance, availability, self);
- d) concern for the general interest of the organization;
- e) adaptability to the post;
- f) decision-making capacity;
- g) the capacity for innovation;
- h) team spirit;
- i) communication (reception and transmission of information).

**Figure no. 1: Data interpretation of the question no. 1 from the questionnaire**



From the analysis of respondents' opinions (figure no. 1) results that promoting human resources in multinational organizations is dependent on a number of features among which some of them stand out significantly. Thus, 21.55% of respondents placed on the first place the response option b - competence (knowledge for post exercising), followed by option a - the personal characteristics (skills, behavior and personality) - 18.80%. On the 3rd place is placed the option c - professional characteristics (vigilance, availability, self control) - with a percentage of 17.15%, thus validating our first hypothesis of the study.

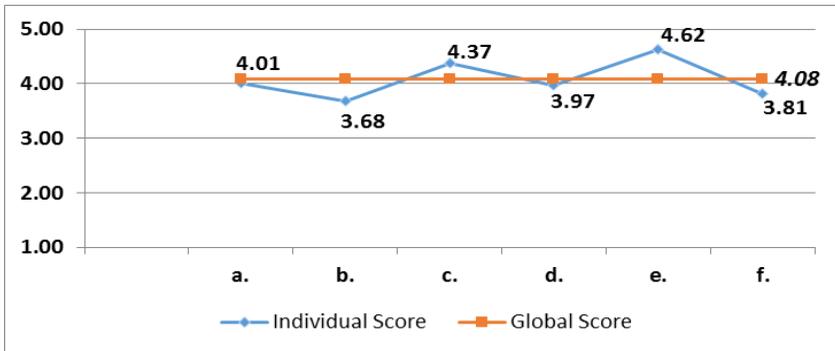
It thus appears that human resources managers from multinational organizations understand the importance of human resources skills and recognize these outstanding features of employees. This is visible by promoting employees with special skills.

Further, data processing on respondents' assessments regarding *the extent to which certain activities of human resources management (presented in table no. 1) is carried out efficiently within the organization to which they belong, in order to increase its performance*, showed the following results presented in figure no. 2:

**Table no. 1 – The variables of question no. 2 of the questionnaire**

Variables
a. Human Resources planning
b. Human Resources recruitment and selection
c. Human Resources training and improvement
d. Human Resources performance evaluation
e. Human Resources motivation
f. Human Resources promotion

**Figure no. 2: Data interpretation of the question no. 2 from the questionnaire**



From Figure no. 2 is observed that *the motivation of human resources* (variant e, with individual score 4.62) is considered by the respondents the most important human resource management activity that can contribute to achieving the multinational organization's performance. On the 2nd place, as human resource management activity which contributes to achieving the multinational organization's performance is considered to be variant (a) - *Human resource planning*, while variant (f) - *Promotion of human resources* is the last but one, with a score of 3.81, indicating a potential failure in this regard.

We consider that these opinions that actually express a certain concept and attitude towards activities through which one can achieve effectiveness of human resources management, but also performance of multinational organizations, bring in front of organization's management and especially of human resources management from these organizations, maintaining the

understanding level of assessment in current initiatives and through further attention to identify new measures to achieve it. In this respect, the promotion of human resources requires great care from managers. The analysis of opinions on the possible future measures will make the object of interpreting the following question.

Thus, according to human resource managers from multinational organizations, *the most important activity undertaken in order to improve human resources management*, which contributes significantly to increasing the performance of multinational organizations to which they belong is *to optimize the employment rate of layoffs* (29.8%) - table no. 2, followed by *increasing employees' motivation for qualitative fulfillment of tasks* (21.7%). The answer variant *promoting human resource on the performance criteria is on the 4th position* (11.2%), indicating a moderate concern of managers on this activity (table no. 2).

**Table no. 2. The most important activity undertaken in order to improve human resource management in relation to the capital origin of organizations**

		Multinational organizations
In your opinion, what is the most important activity undertaken in order to improve human resources management which contributes significantly	Cohesion within and between teams	12 7,5%
	Increasing employees' motivation for achieving qualitative tasks	35 21,7%
	Optimizing the employment rate with the one of the layoffs	48 29,8%
	Increasing economic efficiency of the organization	33 20,5%
	Making an objective assessment of each employee	15 9,3%
	Promoting human resources	18

to increasing the performance of your organization?	according to performance criteria	11,2%
Total investigated organizations		161 100,0%

In fact, the measure that, currently, the respondents feel valued, motivated and supported in order to improve professional skills and evaluation results and, on this basis, providing career development, is given by the analysis of responses to the following question.

Thus, the analysis of respondents assessments on *the level of personal satisfaction on a number of key issues* for they shows that a majority opted for a high level for most variants, namely:

- participation at training courses organized by the management (58.40% of organizations);
- appreciation from management (57.10% of organizations);
- training level of team in which they operate (70.80% of organizations);
- obtaining moral rewards (56.50% of organizations);
- obtaining material rewards (40.40% of organizations);
- promoting in the function (53.40% of organizations).

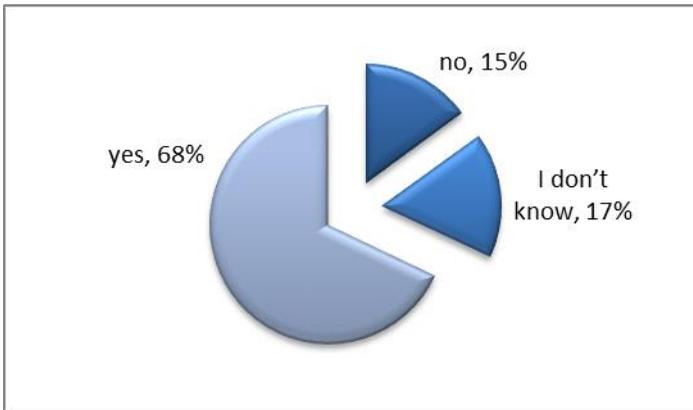
Also, is expressed a greater appreciation for the quality of personal and collective training they belong, namely that realized by the management of multinational organizations. The other variables present in human resources manager options on moral and material rewards respectively the function promotion , reveals some failures at the level of management activities of multinational organizations, which should be known and understood more in the future.

We appreciate that the respondents options of multinational organizations to this question are similar both in terms of designated variables as well as of the level of intensity with which they are manifested.

With a special significance in multinational organizations, promoting human resources is characterized by a set of activities with different impact on achieving multinational organization's performance. The development of

opinions on this reality we realized the following formulation of the contents of the 4th question: *Do you believe that a greater focus on talent management can lead to the maintenance and promoting highly skilled human resources in your organization?*

**Figure no. 3 – Findings of the influence of talent management on promoting human resources**



After viewing the figure above we can say that most human resources managers believe that promoting of employees leads the organization to success and performance. Moreover, 68% of them believe that talent management is a support element for promoting human resources and thus is leading the organization towards achieving performance. It is shown that talent management is increasingly clearly understood as a necessity in human resources management, and the promotion of human resources in multinational organizations.

## 5. Conclusions

Increasingly more human resources management contributes to the achievement of the organization's activity performance through permanent employment of each activity from its composition and all alike, always placing at the center of its concernings the adoption of the most appropriate measures to enhance the potential and functioning of human resources for increasing the performance of the organization.

Thus, promoting of human resources has become a very important process in any multinational organization, having as fundamental objective the recognizing and rewarding of employees as correct, of both those from the operating structure as well as those of the management. In this sense, knowledge and application of specific criteria to promote, especially of the professional competence, to which is added the ethical one, behavioral, seniority etc. becomes necessary in order to successfully conduct the promotion of human resources.

These issues have emerged from the field study conducted, whereas the majority of respondents believes that the promotion of human resources in multinational organizations is dependent on a number of characteristics of employees, including competence (knowledge for post exercising) and personal characteristics which are fundamental. Respondents also believe that promoting employees is leading the organization to success and performance, and in this respect that 68% of them should be paid more attention to talent management on. Therefore, human resource management plays an important role through its activities, particularly through the promotion of human resources, in ensuring and increasing performance of multinational organizations.

#### **4. Conclusions**

The literature reveals rightly importance rating in any field whether it is medicine, psychology, banking, sports, human resources or business.

The aggregate rating is based on a model developed its own built on financial ratios, on an aggregate model of aggregate banking and credit scoring model based on financial ratios in turn be selected based on relevant practices of banks, either through research MDA and logit statistical. We believe that such a multi-criteria rating system multiptocedural and can lead to identifying the causes affecting liquidity, performance and ultimately financial stability of the company.

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