

EXISTS A RELATIONSHIP BETWEEN STRATEGIC HUMAN RESOURCES MANAGEMENT, INNOVATION AND COMPETITIVE ADVANTAGE?

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Abstract

This paper is purely theoretical, having as starting points both existing information in the literature and their correlations. The text does not have a generalized, but represent personal opinions and conclusions.

Critically analyzing the definitions given in the literature the term "strategic human resource management ", we found that most of them referred to the involvement he has it in obtaining competitive advantage of an organization.

Also, starting from the study of different approaches to strategic management of human resources, we can see that besides the role that obtain competitive advantage, it supports innovative activity of a company. So we can talk about a link between strategic management of human resources, innovation and achieving competitive advantage.

By presenting how strategic human resource management can be implemented in an organization, its high performance practices for human resources, it demonstrates that they support employee creativity through free expression of ideas, involvement in decision making, resulting in the way to innovation and thus to obtain competitive advantage.

This work, theoretical, was completed by a presentation that show the interdependencies that exist between the three think elements: strategic human resources management, innovation, competitive advantage.

Key words: *competitive advantage, creativity, innovation, motivation, strategic human resources management.*

JEL Classification: *M12, O15, O31*

I. INTRODUCTION

Currently, organizations should consider becoming more customer requirements that are becoming more diverse and changing at a rapid pace. Under these conditions, organizations need to keep pace with their needs, their adaptability is an essential criterion in the fight to obtain competitive advantage. Innovation has become an essential process in this regard.

To face the future, it should be anticipated long before appearing.

But to keep up with others, especially to the industry surpassed competitors, organizations must put a special emphasis on its human resources. They are the only sources of creativity in organizations, only able to find viable solutions at the right time.

There are key size companies, technological resources available or the existence of a research and development department in the companies, although all contribute to the innovation process.

The biggest challenge for managers became stimulate creativity of employees, their motivation, maintaining the best in the organization. It is already proven that no extrinsically factors, money, are those who have great power to motivate the employees. People are more motivated to work by intrinsically factors, such as their involvement in decision-making, open communication with subordinates chiefs, the importance given to employees, reward based on performance. They must feel that the organization appreciates that their work is important, as are part of that organization.

We have the natural ability to be creative, but how to put into practice and how to harness this does not necessarily come naturally. An intrinsic motivation is absolutely necessary in this regard.

We started with the idea that we have reached a moment in which organizations survive in the market only by obtaining competitive advantage, if possible, one focusing on sustainable and human resources.

Specialists mentions in their specialized works that innovation has become an essential source for obtaining competitive advantage.

To create an environment conducive to innovation, it is absolutely necessary to have a strategic human resources management in organizations.

Human resource management at the micro level is necessary, but not sufficient conditions provides support creativity and innovation in an organization.

Surely it can establish a successful relationship between the existence of strategic human resource management in the organization, its innovative activity and obtaining competitive advantage.

II. INTERDEPENDENCE BETWEEN STRATEGIC HUMAN RESOURCES MANAGEMENT, INNOVATION AND COMPETITIVE ADVANTAGE

According to Kotler and Caslione (2009), nowadays there are many more risks and uncertainties than at any time in the past. This is the new normal, an era of constant turmoil and chaos emphasized.

Competitive advantage is a particularly important role in the survival of organizations in such an environment, strongly supported by the Human Resources Management.

It is an organization's position relative to direct competitors, providing information on the organization's position compared to others in the same area or in the same region. It can be reflected in better financial performance (higher sales, profits increased), but also by non- financial performance (organizational reputation with clients and potential employees).

Also, the competitive advantage means "realization by a firm of superior products or services from a consumer point of view significantly compared to similar offer of most competitors". (Nicolescu and Verboncu, 1998, pp. 107).

M. Porter (1986) believes that in any business there are potential sources for achieving competitive advantage. It comes from the ability of firms to master better than its rivals competition forces. Any subdivision of the organizational structure and any employee of the organization, no matter how far ranges strategy development process, contribute to gaining and maintaining competitive advantage.

Competitive advantage is now based on investment in advanced production factors, of which I retain the following:

- Special abilities of human resources;
- Technology itself;
- Information technology;
- Advanced management systems;
- Efficient transport systems and telecommunications.

According to some authors, competitive advantage remains invisible component of the strategy, which are subordinate to other components visible. The company's success is due to a high tenacity and a large dose of creativity, manifested in the management, but also the performers, the troubleshooting and overall strategy formulation.

The imagination of many people, implicitly innovation was inhibited due to colleagues, subordinates who have judged in a critical and have not capitalized.

According to experts, there is every employee creative potential, being able to make good ideas, but they should be encouraged to do so. She does not like them from others, leads to their cap.

A lot of large companies have realized the potential of people with imagination and created their own think tanks, examples being Apple, Xerox, Google, etc. using imagination and ideas that come from these groups of smart people to solve various problems of the company.

Many of us have good ideas or even a very good vision of what will happen in the future. The dilemma is how we put into practice and the role of human resources in building structures to accommodate innovation.

This is where the relationship between strategic human resources management and competitive advantage.

Surely, the strategic human resources management has a special role in obtaining competitive advantage of an organization by stimulating the creativity of employees, involving them in decisions, in finding solutions.

In literature, the notion of obtaining competitive advantage is found in most definitions provided strategic human resources management.

In this respect, I believe that these approaches are representative:

- Strategic Human Resources Management is focused on aligning human resource management overall business strategy, creating high performance work systems and adding value through better management of people in order to support getting competitive advantage. (Delery and Doty, 1996)

• Strategic Human Resources Management involves a collection of practices, programs and policies that facilitate the strategic objectives of the organization. (Mello, 2006)

• Traditional functions of human resource management practices involve several, including recruitment, selection, performance evaluation, professional development, compensation and benefits. Combining traditional functions of human resources management with business strategy, strategic human resource management reflects a fit and use more flexible human resources to achieve organizational objectives and also helps the organization to achieve competitive advantage. (Wei, 2006)

• Strategic Human Resources Management has developed rapidly in recent years especially due to the impact that human resources have had on the competitiveness of organizations. (Lefter, Marincas , et al, 2007)

• The fundamental objective of strategic human resource management is to generate strategic capability to ensure that the organization has highly qualified, highly motivated employees to gain competitive advantage. (Lefter, Marincas, et al, 2007)

Its practices are capable of sustaining human resources of an organization in achieving competitive advantage by:

- Decentralization of power;
- Involving and consulting employees in making strategic decisions;
- Recruitment, selection and hiring the best, given the organization's strategy in the short, medium and long term;

- Assessment of performance through effective performance appraisal;
- Investing in human resources development programs;
- Enhancing creativity employees;
- Enriching permanent positions;
- Emphasis on knowledge and increase employee satisfaction;
- Engaging and rewarding employees based on performances;
- Retention of the best employees in the organization;
- Employee loyalty loyalty;
- Provide an organizational culture interest.

If we present schematic relationship between strategic human resources management, innovation and competitive advantage, it could be represented as follows:

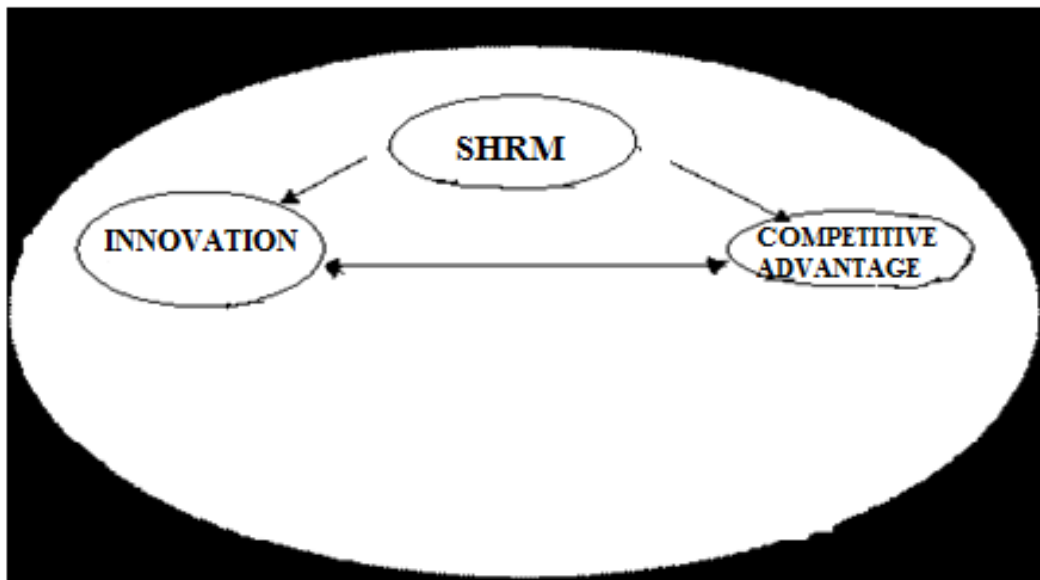


Figure 1- The relationship between SHRM, innovation and competitive advantage

Therefore, we believe that there is a relationship of interdependence between the implementation of strategic human resource management in an organization, innovative activity and obtaining competitive advantage, resulting relationship even by critical analysis of the theory of literature.

Strategic human resource management practices are those that support the innovation process in the organization, action leading to obtain competitive advantage.

III. STRATEGIC HUMAN RESOURCES MANAGEMENT AND INNOVATION IN ROMANIA

It is true that we see a shift over time the role of human resources management in organizations but, at the moment we cannot talk about the existence of a clear strategic human resource management in companies from Romania. It is found mainly in the multinationals in Romania, but not in those with domestic capital. National culture can be considered an inhibitory factor in this case.

Although since the early 2000s when the first signs of the need for transformation of the HR function into a "strategic partner" in the development of the organization, in Romania there are still many companies that do not have a strategy in terms of its resources human. This can be explained by the fact that the vast majority of cases, the definition of human resources strategies, companies have stopped to enunciate their only form of "aspirations" - such as "employees are our most valuable resource", "position ourselves as an employer of choice", "encourage accountability" - without accompany them some concrete plans and processes specific to the Human Resources Department to implement them.

In this age of chaos, simple human resources practices are necessary but not sufficient to achieve record performance capable of supporting a sustainable competitive advantage. Simply recruitment and training of human resources is not sufficient to create a high performance organization. You have to move to another level since firms cannot afford to lose valuable people.

Therefore, special emphasis should be placed on motivating employees and their opportunities.

However, most problems were recorded over time, just in terms of motivating employees and various opportunities provided to them:

- Lack of involvement of employees in decision- making ;
- Employees loyalty is not rewarded;
- Employees are not payed according to their performances ;
- Training activities and teambuilding and training frequency is at a fairly low percentage level.

All this has led to a series of dissatisfaction among employees in Romania.

Regarding the innovative process in Romania, it is among the weakest innovators, ranking third in the bottom of the table. It seems that the factors behind Romania's position on this place were very poor performance in terms of non- EU doctoral students and research and development expenditures in the business sector.

Therefore, as shown in the report Innovation Union Scoreboard 2014, with Bulgaria and Latvia, Romania are considered "modest innovators" with innovation performance significantly lower than the EU average, while, in contrast, stands Sweden followed by Denmark, Germany and Finland.

In this context, innovation remains a national priority felt the need for sustained growth in the number of innovative companies and businesses that operate on the Romanian market.

In order to improve long-term competitiveness, companies in Romania needs to create and implement an innovation strategy with clear priorities, consistent and coordinated, and redirecting resources in this regard.

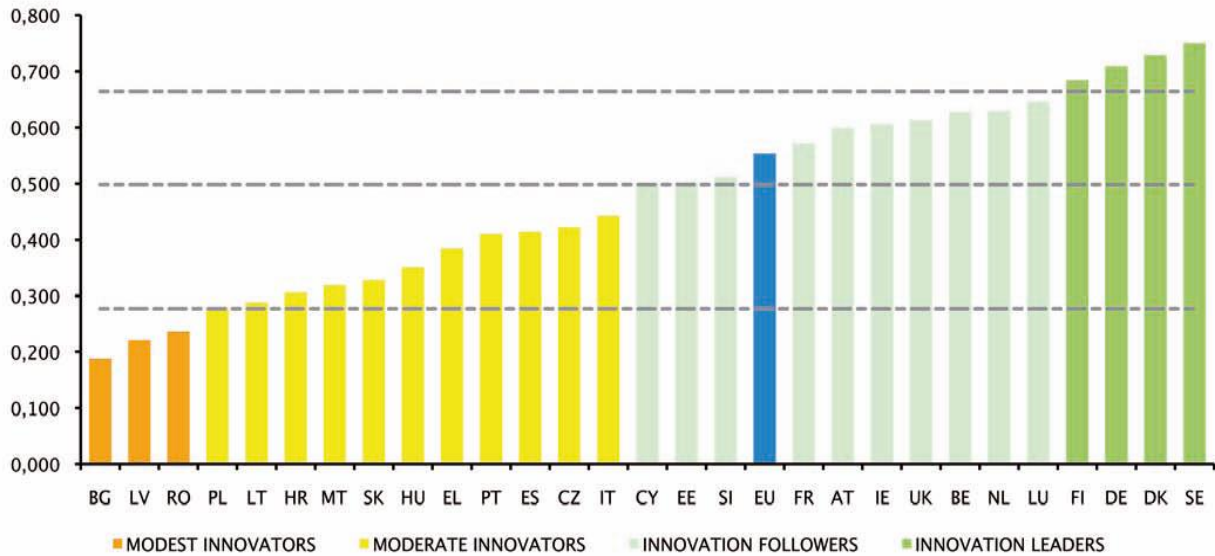


Figure 2 - European Innovation Scoreboard

(Source: Innovation Union Scoreboard 2014 - http://ec.europa.eu/enterprise/policies/innovation/files/ius/ius-2014_en.pdf)

IV. CONCLUSIONS

Currently, the main source of competitive advantage is innovation, and its main feature is its obtaining an extended period of time, and not from development of a favorable opportunity, casual and brief.

It is obvious close relationship between technological progress, innovation and development or even existence of human society.

As far as the current century, innovation is not only present, but becomes crucial, not only for the economy but for all activities, human resources can become a strong growth factor.

Human resources will become an increasingly important catalyst for development and therefore innovation will be supported, above all, the basis of education and training in line criteria lifelong learning, based on equal access to a knowledge base open source and open content.

In the desire to be the best, organizations need to pay special attention to its human resources.

Possession of strongly motivated employees, loyal organization is already a step ahead of other organizations in the field.

Involving employees in decision making, permanent enrichment items, rewarding based on performance, definitely can boost their involvement in finding relevant solutions to solve various problems facing the company.

Appreciation of their creativity, will lead to its further development.

The period in which managers and other decision makers in organizations were focused and gave an important role only tangible assets, quantifiable, and financial resources, has long gone.

In this "new era" has realized the importance of human resources within an organization, human resource management role evolved considerably in recent years. Now, managers talk about the importance of "the people" in the success of the organization, often using the term "human capital" and the Human Resources Department begins to be given a role of strategic partner.

So far there has been a recognition of the importance of human resources in the organization by supporting consent in obtaining competitive advantage.

Now, investing in people is seen as a strategic approach and try stimulating creativity by motivating their employees continue.

The safest source to obtain competitive advantage by organizations, innovation is only in the hands of human resources of an organization.

It is proven that when an organization is innovative in this respect will continue to try to become more smooth.

In most cases, innovation generates another innovation so companies have successfully developed innovation policies will often have high economic performance in the future.

It is important for companies to achieve synergies between innovation, human resource policy and sector knowledge to support the development of innovation, not only to be based.

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