

The Effect of Human Resource Management Strategies on the Market Competitiveness of Multinational Companies

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Abstract. In today's context of global economic integration, multinational corporations (MNCs) are facing unprecedented market challenges and opportunities. This paper deeply explores how human resource management, as a core driving force, influences and enhances the market competitiveness of multinational corporations (MNCs). Through an extensive review of domestic and international related literature and case studies of successful MNCs, this paper systematically investigates the multidimensional mechanisms of efficient HRM practices. The results show that these practices not only significantly enhance the market adaptability of MNCs, enabling them to respond quickly to environmental changes. They also effectively stimulate the innovation vitality within the organization and promote the continuous iteration and upgrade of products and services, and at the same time, they also significantly improve the brand influence of the enterprise and enhance market recognition. Based on this, this paper provides multinational corporations with specific suggestions for optimizing human resource management strategies, aiming to help them build stronger market competitiveness, and this research result is of great practical significance to the strategic planning and daily management of multinational corporations.

Keywords: Human resource management; marketing; multinational corporations; competitive strategy; market competitiveness.

1. Introduction

In contemporary society, where the process of globalization is accelerating, multinational enterprises have become a key driving force in promoting globally integrated economic development. While deploying resources and opening up new markets in the global arena, they have strongly promoted economic integration, cultural exchanges, and technology dissemination among countries and regions through cross-cultural interaction and collaboration. However, multinational corporations are facing unprecedented market competition pressure. How to maintain and enhance competitiveness in the global market has become a key issue that multinational corporations urgently need to solve. In this context, human resource management (HRM), as a core component of MNCs' management, has a direct impact on their operational efficiency, innovation ability, and cross-cultural management level, which in turn affects their competitiveness in the international market.

In recent years, domestic scholars have made significant progress in their research on the impact of HRM on the market competitiveness of MNCs. For example, Zhang Wei and Liu Xiaoyun pointed out that in the context of digital transformation, effective HRM strategies can enhance organizational agility, as well as promote knowledge sharing and innovation [1]. In addition, Wang and Li emphasized the important role of cross-cultural management competence in enhancing the market competitiveness of multinational corporations (MNCs), arguing that effective cross-cultural management can reduce cultural conflicts and enhance team cohesion, thereby improving the market adaptability and competitiveness of MNCs [2].

Domestic scholars have also extensively explored the key aspects of talent selection, training and development, and performance evaluation of multinational enterprises in the context of globalization, and all of these studies directly or indirectly reveal the key role of human resource management in enhancing the market competitiveness of multinational corporations. For example, Zhao Yu and

Zhang Yu verified the positive impact of cross-cultural HRM practices on MNCs' market performance through empirical analysis [3].

Foreign scholars' research on the relationship between HRM and MNCs' market competitiveness started earlier and was rich in results. Hyeon J. Park et al. showed that Japanese MNCs' subsidiaries in China realized the enhancement of employees' motivation and satisfaction through a series of human resource management practices such as employee training and performance appraisal, which further strengthened their competitiveness in the Chinese market [4]. This study emphasizes the key role of strategic HRM in the market expansion of MNCs. Julie A. Cagin and Ian O. Williamson further analyze the moderating effect of environmental uncertainty on the relationship between HRM and market competitiveness of multinational subsidiaries and point out that in the complex and changing external environment, flexible HRM strategies can help multinational companies to better cope with market challenges and maintain competitive advantages [5].

In addition, foreign research has also extensively covered many aspects of HR strategy, cross-cultural communication skills, and globalization leadership of multinational enterprises in the context of globalization, which provide rich theoretical resources for understanding the impact of HRM on the market competitiveness of multinational corporations. Michael A. Hitt et al. have also elaborated on the opportunities and challenges faced by multinational corporations in the context of globalization as well as the HRM irreplaceable in the construction of global competitive advantage of MNCs [6].

This paper adopts a combination of literature review and case study analysis to realize the diversification of research perspectives and the comprehensiveness of methods. Specifically, the authoritative databases at home and abroad are first used to search with keywords such as globalization, human resource management, multinational corporations, market competitiveness, etc. After collecting about twenty relevant pieces of literature, the comparative analysis is used to summarize and compare the characteristics of human resource management practices in different countries and regions, industries, and cultures, to further narrow down the scope and screen the references of this paper. Meanwhile, finally, a specific enterprise case within the last decade is introduced for in-depth analysis.

With the close connection of the global economy, multinational corporations are facing more and more competitive pressure in the market. How to rationalize and manage human resources has become the key to improving the competitiveness of the company. This paper will discuss in detail how human resource management affects the market competitiveness of multinational corporations in many aspects, such as operational efficiency, innovation ability, brand image, etc. It will also give some suggestions to improve the management in the hope of providing useful references for enterprises.

2. Case Introduction

Huawei Technologies Co., Ltd. (Huawei) is a global technology company headquartered in Guangdong, China, dedicated to building an intelligent world where everything is connected. Since its founding in 1987, Huawei has rapidly developed into a leading global provider of information and communications technology (ICT) solutions across a wide range of sectors, including telecommunications equipment, consumer electronics, cloud computing, and artificial intelligence. With continuous technological innovation and a superior global operational strategy, Huawei operates in more than 170 countries and regions, providing comprehensive ICT solutions and services to telecom operators, enterprises, and consumers. The company's product lines are at the forefront of the industry, ranging from consumer electronics such as smartphones, PCs, and tablets to infrastructure such as communications networks, data centers, cloud computing, and the Internet of Things (IoT), as well as solutions such as smart cities and smart energy.

In terms of talent management, Huawei actively attracts and cultivates top international talent through a globalized recruitment network. Based on diversified recruitment channels and localized training

strategies, Huawei has built a high-quality workforce with cross-cultural communication and teamwork skills [7]. The company also implements innovative performance incentives, such as KPI appraisals and equity incentive programs, to stimulate employees' innovation and motivation and to provide them with the impetus for continuous innovation and development. Huawei has always adhered to the core values of “customer-centeredness and striving for excellence” and strives to create an open, inclusive, and innovative work environment. Under the guidance of its globalization strategy, Huawei has not only made remarkable achievements in the domestic market but has also demonstrated strong competitiveness in the international market. By deepening its integration with the international market, Huawei has established a wide range of partnerships to drive the rapid development of the ICT industry.

This case will analyze Huawei's human resource management strategies, especially its practices in international talent recruitment, training, performance incentive mechanisms, and cross-cultural management, and discuss how these strategies enhance Huawei's market competitiveness as a global multinational company.

3. Huawei Human Resource Management Strategy

In terms of international talent recruitment and cultivation, Huawei actively attracts top talents from various countries by establishing a global recruitment network. Its recruitment channels cover university cooperation, campus recruitment, career fairs, online recruitment platforms, and social media, ensuring a wide range of talent sources. Taking Huawei's recruitment in the European market as an example, since 2010, Huawei has set up several R&D centers and branches in Europe and has successfully attracted numerous top European technological talents by cooperating with well-known local universities and participating in international talent fairs. According to statistics, as of 2023, Huawei's total number of employees in Europe has exceeded 20,000, of which more than 50% are foreign employees. These employees play an important role in promoting Huawei's technological innovation and localized operations.

At the same time, Huawei has implemented a “globalization and localization” training strategy, whereby employees are trained to take into account local cultural characteristics to improve their cross-cultural communication and teamwork skills [8]. This strategy enables Huawei to quickly adapt to different market environments and effectively integrate global resources. As mentioned by Smith & Johnson, Huawei is able to flexibly respond to the cultures and market environments of different countries and regions and effectively integrate global resources through localized operations and cross-cultural communication strategies [9]. Data in recent years show that the number of Huawei employees has continued to grow, and the proportion of foreign employees has increased significantly. This change reflects Huawei's emphasis on internationalized talent and lays a solid talent foundation for its global success. Huawei's training center in Munich, Germany, is a success story. The center not only provides professional training courses for the German market but also carries out cultural exchange activities that take into account German cultural characteristics. These trainings enabled employees to not only master professional skills but also gain an in-depth understanding of the German business culture and market environment, thus laying the foundation for the company's successful expansion in the German market. According to feedback from the Munich Training Center, employees who have undergone training have significantly improved their cross-cultural communication and teamwork skills, bringing the company greater operational efficiency and market competitiveness.

In terms of performance incentives, Huawei adopts a performance incentive mechanism that combines KPIs and equity incentives to effectively stimulate employees' innovation and competitiveness and a KPI assessment system that covers all positions and business processes to ensure the fairness and objectivity of the assessment results. In addition, the equity incentive program closely links the interests of employees with the long-term development of the company, which enhances their sense of belonging and loyalty. This mechanism not only improves productivity and

employee motivation but also attracts and retains excellent talent for Huawei. As emphasized by Brown & Davis, Huawei has successfully stimulated the innovation potential of its employees through this mechanism and provided an inexhaustible source of power for the company's continuous innovation and development [10]. For example, one of Huawei's R&D departments has implemented a performance incentive mechanism that combines KPIs and equity incentives, thereby significantly enhancing employees' innovation and motivation. Data show that the department has applied for more than 1,000 patents in the past five years, and a number of technological achievements have taken the lead in the international arena. At the same time, employee turnover has dropped significantly, and satisfaction and loyalty have remained at high levels, indicators that fully validate the effectiveness and sustainability of Huawei's performance incentive mechanism.

In terms of cross-cultural management, Huawei has established benign corporate values and unified behavioral norms in order to cope with cultural differences and market environment challenges in different countries and regions. These values and norms not only reflect Huawei's unique corporate culture and spirituality but also provide clear behavioral guidance and moral constraints for employees. In the process of cross-cultural management, Huawei emphasizes the promotion of understanding and respect among employees through cultural exchange activities and cross-cultural communication training. At the same time, Huawei has set up a sound cross-cultural communication and conflict resolution mechanism to ensure that cultural differences or conflicts can be handled and mediated quickly and effectively. These measures not only enhance team cohesion and collaboration but also help Huawei better adapt to the market environments of different countries and regions and improve its global market competitiveness.

In addition, Huawei's cross-cultural management practices in the African market are particularly outstanding. In the face of the complex and diverse cultural and market challenges in Africa, Huawei has established cross-cultural communication and conflict resolution mechanisms and realized deep integration and collaboration with local employees. Huawei has maintained communication and cooperation with local communities and governments in a number of projects and actively fulfilled its social responsibilities, winning widespread support and praise from local people. These efforts have not only enhanced Huawei's brand image and market share in the African market but also accumulated valuable experience for the company's globalization.

4. The Impact of Human Resource Management on the Market Competitiveness of Multinational Enterprises

Huawei has significantly improved its operational efficiency through effective human resource management strategies. On the one hand, its international talent recruitment and training strategy ensures that the company has a highly qualified workforce with strong cross-cultural communication skills. These employees are able to quickly assimilate into different cultural environments and contribute to the company's development, thereby improving overall operational efficiency. On the other hand, performance incentives stimulate innovation and competition among employees, making them strive for excellence and further improving the company's operational efficiency. In addition, the cross-cultural management strategy promotes understanding and respect among employees, reduces communication barriers and conflicts caused by cultural differences, and makes work smoother and more efficient.

In terms of innovation capability, Huawei effectively stimulates employees' motivation to innovate by explicitly encouraging them to try out new ideas and technologies through performance incentives and providing the necessary support and resources. This mechanism allows employees to feel that their contributions are recognized, which in turn makes them more actively engaged in innovation. Second, Huawei actively implements an international talent recruitment and training strategy to attract top talent from around the world. These talents from different countries and regions bring diverse ways of thinking and innovative ideas, injecting new vitality into Huawei's technological

innovation. Their participation not only enriches the company's knowledge base but also promotes the collision of ideas and cooperation between teams.

In addition, Huawei focuses on cross-cultural management and strives to create an inclusive and harmonious work environment. This management strategy promotes communication and understanding between employees from different cultural backgrounds, reduces cultural conflicts, and enhances team cohesion. In such an atmosphere, employees are more likely to generate new ideas and thoughts, further promoting the company's innovation process.

In terms of brand influence, Huawei's cross-cultural management strategy has enabled it to better adapt to the market environments of different countries and regions, winning the trust and love of local consumers. Meanwhile, through its international talent recruitment and training strategy, Huawei has attracted a number of outstanding talents with global perspectives and cross-cultural communication skills. They not only contribute to the company's development but also become the communicators and spokespersons of Huawei's brand globally, effectively enhancing Huawei's brand awareness and reputation.

After analysis, Huawei Technologies Co., Ltd. has achieved significant competitive advantages in the global market through efficient and scientific human resource management strategies. Its implementation of international talent recruitment and training, performance incentive mechanisms, and cross-cultural management has not only enhanced the company's operational efficiency and innovation capability but also significantly strengthened its brand influence. These successful experiences provide valuable reference and inspiration for other multinational enterprises.

5. Conclusion

This study provides an in-depth and fruitful investigation of the impact of human resource management on the market competitiveness of multinational corporations (MNCs). The study shows that with efficient and innovative human resource management strategies, multinational corporations have been able to adapt quickly to the rapid changes in the global market environment, maintain a high degree of market flexibility, and effectively activate their internal innovation potential to promote the continuous innovation and optimization of products and services in order to stand out from the fierce competition in the market. The success of these results stems from successful cross-cultural communication strategies, innovative performance incentives, and globalized recruitment and training systems. This study not only provides practical management optimization solutions for multinational corporations but also provides a new perspective and empirical support for academics to further understand the relationship between human resource management and enterprise competitiveness and enriches related theoretical research.

Looking ahead, with the continuous advancement of globalization and digitalization, multinational enterprises will face a more complex market environment and competitive pattern. Therefore, human resource management will also face new challenges and opportunities. In the future, how to improve the efficiency and effectiveness of HRM with the help of advanced technologies such as big data and artificial intelligence will become an important research direction. At the same time, multinational corporations should integrate social responsibility into human resource management and commit themselves to building a sustainable human resource management system in order to promote the long-term development of enterprises and the harmonious progress of society.

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