

Organizational HR in Croatian MNCs: Roles and Challenges

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Abstract

Due to the correlation between the organizational success and HR practices, globalization, and the drastic increase in the number of multinational companies (MNCs), it is beneficial to study the field of International Human Resource Management (IHRM). This research studies organizational HR in Croatian MNCs, as exploring unique development path, current status, and evolving future of the organizational HRs in Croatian MNCs could contribute with new insights for the IHRM field. Looking to provide those insights, this study aimed to respond to the following question: “How do HR employees in Croatian MNCs understand their roles, and what challenges do they face in this industry?” To achieve the aims of the study, data was gathered using in-depth interviews and analysed by applying a grounded theory approach. It emerged that HR employees understand organizational HR's roles as a bridge through which employees' needs and management priorities are aligned and organizational goals are achieved, for which they recognize the importance of open communication. The three challenges that emerged were managing workplace communication, talent acquisition and retention, and cultivating a positive organizational culture. The challenges are considered a direct consequence of HR employees not being able to fulfil their roles due to a lack of communication. In addition, it became visible that HR employees perceive that organizational communication changes organizational culture, reinforcing the importance of open communication. Future research should focus on exploring the role of open communication regarding the organizational HR.

Keywords: IHRM, organizational HR, Croatian MNCs, roles, challenges, open communication

Organizational HR in Croatian MNCs: roles and challenges

Human Resource Management (HRM) gained a great deal of recognition in the last thirty years. Simply defined, HRM is an academic field that consists of different theories and practices that emphasize the effective use of employees. The reason for HRM's popularity can be found in the ability of its practices to improve an organization's performance and competitive advantage (Aslam et al., 2013; Den Hartog et al., 2013; Lado & Wilson, 1994; Podgorodhnichenko et al., 2020; Rodrigez et al., 2011; Seeck & Diehl, 2016; Stone & Deadric, 2015). HRM popularity is best manifested in the fact that the majority of organizations have either employees or whole departments i.e., organizational HR dedicated to the management of HR practices (Beardwell & Thompson, 2017; Wilkinson et al., 2019), which is considered necessary for the success of an organization, same as accounting, marketing, or finance (Ferris et al., 1999). In this paper, I will do a study about organizational HR in Croatian Multinational Companies (MNCs).

As many local organizations are entering the world of international business, the subfield of HRM, International Human Resource Management (IHRM), is getting considerable attention from practitioners and academics. It is considered that studying and applying HRM on international level can contribute to resolving challenges for international organizations and increase their chances of success (Cascio & Boudreau, 2016; Harney, 2015; Machado, 2015; Ozgo & Brewster, 2015; Osabutey et al., 2015; Schuler, 2000; Sparrow et al., 2004; Tayeb, 2005). Due to correlation between the organizational success and HR practices, globalization, the drastic increase in the number of multinational companies (MNCs), and the higher need to manage on a global stage, it is imperative to study the IHRM.

There is plenty of literature that deals with different aspects of both HRM and IHRM. Many books (Beardwell & Thompson, 2017; Machado, 2015; Sparrow et al., 2004, Tayeb, 2005)

textbooks (Boxall et al., 2007; Wilkinson et al., 2019), guides (Bratton & Gold, 1999; Khosrow-Pour, 2012; Stredwick, 2005), scientific articles (Ahmeti, 2014; Aslam et al., 2013; Aycan et al., 2000; Brewster, 2004; Bruton et al., 2000; Budhwar & Debrah, 2001; Cascio & Boudreau, 2016; Dubkevics & Barbara, 2010; Den Hartog et al., 2013; Ferris et al., 2004; Huselid, 1995; Konrad & Linnehanl, 1995; Kusluvan et al., 2010; Lado & Wilson, 1994; Laurent, 1986; Napier et al., 1995; Podgorodhnichenko et al., 2020; Rodrigez et al., 2011; Schuler, 2000; Shen et al., 2009; Stone et al., 2015; Wright & McMahan, 1992), and related articles (Grgurević, 2016; Jambrek & Penić, 2008; Kelly, 2001) deal with this topic.

These scholarly works differ in their aims, as some authors try to comprehensively cover the field of HRM (Beardwell & Thompson, 2017; Khosrow-Pour, 2012; Stredwick, 2005), or IHRM (Sparrow et al., 2004; Tayeb, 2005); some authors focus on the impact that HRM has on organizations (Den Hartog et al., 2013; Kelly, 2001; Rodrigez, Perez, & Falcon, 2011); some authors focus on the challenges that it experiences (Cascio & Boudreau, 2016; Kusluvan et al., 2010; Skuza & Scullion, 2015; Stone & Deadric, 2015); some write about guides on how to apply HR practices in real-life organizations (Bratton, 1999; Shen et al., 2009); and others about the influence of external factors on HR theories and practices (Aycan et al., 2000; Grgurević, 2016; Stone et al., 2015; Welch, 1994). In addition, authors vary in their perspectives towards HRM, as some authors approach it as scholars of management (Ahmeti, 2014; Cascio & Boudreau, 2016), political science (Aycan et al., 1999; Harney, 2015), economics (Bruton, Ahlstrom, & Chan, 2000; Grgurević, 2016), or psychology (Den Hartog et al., 2013; Jambrek & Penić, 2008).

The value of HR practices to organizations and the ever-growing interest from scholars, manifested in numerous studies, makes HRM and IHRM rather important, interesting, and exciting to study. Moreover, what makes IHRM especially important and challenging to study, despite the

growing number of MNCs, is its complexity (Bruton et al., 2000; Collings & Conroy, 2019; Collings et al., 2009; Sparrow et al., 2004; Napier et al., 1995).

What makes IHRM complicated is that MNCs are trying to achieve closer regional and international integrations, but, at the same time, they need to be locally responsive and flexible, which can often impose conflicting goals. As MNCs operate in countries with different laws and cultures, it makes it considerably hard to develop an organization's strategy that will take into consideration all the differences. This added complexity could bring additional challenges, and together with significance of IHRM, intensified globalization, and growing number of MNCS makes research on this topic very useful.

Considering the importance of studying IHRM, it would be beneficial to study organizational HR as it is a unit of the MNCs responsible for the management of HR practices. In that regard, I find that studying organizational HR in Croatian MNCs could contribute to the field of IHRM due to Croatian organizational HR's unique development path, current status, and evolving future. Until the 2010s, organizational HR in Croatian organizations was far from developed, and seriously lacking compared to worldwide standards (Covarrubias, 2012; Jambrek & Penić, 2008; Pološki & Vidović, 2007; Svetlik et al., 2010). Results from Pološki and Vidović's (2007) study strongly indicate that Croatian organizations had highly ineffective organizational HR, which resulted in HR practices that were unable to achieve competitiveness through effective management of employees. One of the reasons for the low quality of organizational HR in Croatia can be found in Croatian socialistic heritage, and the fact that Croatia adopted the principles of a free market only 15 years prior (Covarrubias, 2012; Pološki & Vidović, 2007).

However, in the last 10 years, Croatian organizations started to recognize the importance of developing organizational HR (Grgurević, 2016; Rudancic, 2019; Sušanjanj et al., 2020). The

reason for Croatia's growing interest in organizational HR can be found in Croatian organizations' stronger presence in the international market, which was achieved by entering the European Union (EU) and market liberalization. As Croatia entered the EU, it made it easier for Croatian organizations to enter new markets, and, at the same time, it facilitated foreign organizations' access to Croatia. Foreign organizations relied on HR practices and contributed to their spreading through cooperation with local organizations (Svetlik et al., 2010). In addition, organizational HR became popular because Croatian organizations started to realize the importance of HR practices as an opportunity to gain a competitive advantage through the increase of staff value (Rudancic, 2019), especially Croatian MNCs as they are involved in highly competitive international markets (Grgurević, 2016; Marušić, 2019).

Furthermore, Croatia has just entered the Eurozone (the economic region formed by those member countries of the EU that have adopted the euro ("Eurozone", n.d.)) and Schengen Area (border-free area between EU countries) in 2023, meaning an even higher level of integration with the EU and market liberalization, which could place even more pressure on Croatian MNCs to secure competitive advantage through developing of organizational HR. It is safe to assume, based on previous experience of entering the EU, that entering Eurozone and Schengen Area will influence organizational HRs in Croatian MNCs. Understanding the roles and challenges that organizational HR has in Croatian MNCs could provide new valuable insights for the field of IHRM and serve for future research.

Moreover, understanding interplay between organizational communication and organizational culture in regard to organizational HR could deepen my understanding of organizational HR. As both organizational communication (Den Hartog et al., 2013; Ahmeti, 2014), and organizational culture (Aycan, 1999; Dubkevics & Barbara, 2010; Rodrigez et al,

2011) are important for organizational HR, exploring their relationship could give me a broader perspective on the phenomenon being investigated. For this purpose, I will explore organizational communication and culture relationship as it could present me with a deeper insights about organizational HR in Croatian MNCs.

Looking to provide those valuable insights, this study aims to explore the roles and challenges of organizational HR in Croatian MNCs. In an attempt to address the HR employees' understanding of the organizational HR's, and the challenges they experience in their work, I am to respond to the following question: "How do HR employees in Croatian Multinational Companies understand their roles, and what challenges do they face in this industry?"

Exploring and answering this research question is useful for several reasons. First, understanding how organizational HR is perceived and utilized in Croatian MNCs could provide researchers and practitioners with better insights about organizational HR in Croatian MNCs. Second, those insights could be useful for improving organizational HR or resolving some of the challenges that HR employees experience. Third, having in mind the changes in the Croatian market, this research could help organizational HR in Croatian MNCs to prepare for future challenges that await them. Fourth, identifying the current roles and challenges of organizational HR in Croatian MNCs could prepare MNCs from less developed countries that have similar development paths, for future challenges. Lastly, the insights from this research could contribute to the future development of the IHRM field.

To achieve the aims of this study, I will, firstly, review the literature that helps understand the roles and the challenges of organizational HR in Croatian MNCs. In addition, as I find it beneficial to explore the participants' perspective on the relationship between organizational communication and culture, I will present a brief overview of organizational communication,

organizational culture, and introduce Bisel et al.'s (2009) three orientations that define the relationships between organizational communication and culture. Next, I will detail my research methodology and research design. As my philosophical positioning is social constructivism (ontology) and interpretivism (epistemology), I find qualitative study design and grounded theory approach to be the most appropriate for this research. I will explain thoroughly how I gathered data with interviews and utilized grounded theory in gathering and analysing data.

In the third section, I will present the findings from eight in-depth interviews with HR employees from Croatian MNCs and their understanding of the organizational HR's roles and the challenges, and their perception of organizational communication and cultural relationship. The fourth section will present the contributions of the study, as I will present the emerged theory and the implications for the IHRM field. The last section, the conclusion, will provide a summary of the research and recommendations for future research.

Literature Review

In the following section, I will review the literature to provide the foundation of knowledge on my research topic. First, I will briefly present the history and lay out different definitions, approaches, and conceptualizations of HRM and IHRM. Even though my focus is on IHRM, I find two reasons why it is important to review the HRM field. First, it allows me to place IHRM in a broader context, as it is the subfield of HRM. Second, IHRM literature embraces HRM literature concepts of organizational HR's roles in an organization. Next, I will present the challenges that are encountered in the IHRM. In addition, I will frame my theory section. I place a great deal of importance on organizational communication, culture and their relationship as a factor that could provide me with a deeper understanding of the organizational HR. Therefore, I find it important to outline essential aspects of organizational communication, culture, and their possible relationship.

In literature, authors often use HRM, IHRM, HR, organizational HR, and HR department as synonyms and umbrella terms that imply various aspects of the HRM field. In this study, to avoid any ambiguity, by HRM I imply an academic field, while IHRM is its subfield, by organizational HR I imply an organizational unit dedicated to the management of HR practices, by HR practices I refer to activities and policies that an organizational HR undertakes to manage employees, and by HR employees I imply people that work in organizational HR.

Human Resource Management

HRM is an academic field, consisting of numerous different sub-fields and research areas, that deals with practices and theories aimed at utilizing employees (Jackson & Schuler, 1995, p. 237). The earliest traces of HRM literature can be found in the 1960s; however, the 1980s are considered a period when HRM gained momentum and mainstream acceptance among scholars and practitioners, particularly in the USA (Tayeb, 2005, p. 5). The reason for the emergence of HRM lies in specific governmental and societal atmospheres influenced by many political, economic, and social factors, such as external pressures on the industry, increasing competition, and fundamental restructuring of the USA and UK economies (Collings & Wood, 2009, p. 19-38).

In the last twenty years, the field of HRM has evolved and developed considerably. Researchers in the field adopted an interdisciplinary perspective concerned with methodological and theoretical development, expanding their analysis beyond functional tasks of selection, training, compensation, and performance appraisal (Ferris et al., 1999, p. 386). HRM became popular in all industries worldwide, and practiced in every type of organization. It is no longer confined to the USA and the UK, but it has spread worldwide. Today, organizational HR is considered necessary for the success of an organization, similar to the importance of the departments of accounting, marketing, and finance. It is widely believed that HR practices can

improve various organizations' outcomes, such as employee-related (skills, motivations, attitudes, and behaviours) financial performance, innovation, and sustainability (Podgorodhnicenko et al., 2020; Seeck & Diehl, 2016; Ozgo & Brewster, 2015; Aslam et al., 2013; Huselid, 1995; Lado & Wilson, 1994).

Consequently, HRM has seen significant growth in literature over the years, due to the wide range of different definitions, approaches, and conceptualizations. Boxall et al. (2007) define the role of organizational HR as the “management of people towards desired ends” (Boxall et al., 2007, p. 17). The authors highlight that organizational HR has the power to either contribute to the overall improvement of the organization, or it can hinder the organization's capabilities. Ferris et al. (2004) also perceive the organizational HR's roles highly relevant for the organizations, as it is responsible for “acquisition, development, utilization, and appraisal of employee performance” (Ferris et al., 2004, p. 1).

Bratton and Gold (1999) define organizational HR as “the part of the management process that specializes in the management of people in work organizations” (Bratton & Gold, 1999, p. 380). The authors emphasize the value of employees for achieving sustainable competitive advantage, but also the importance of integration between HR practices and corporate strategy, and the support that organizational HR provides to organizational management in meeting efficiency and equity objectives. Similarly, Jackson and Schuler (1995) perceive the role of organizational HR as “attracting, developing, motivating, and retaining employees who ensure the functioning of the organization” (Jackson & Schuler, 1995, p. 238) in accordance with the organization's policies and practices.

Tayeb (2005) describes two approaches present in HRM literature regarding organizational HR attitudes toward employees: hard and soft. The proponents of the hard approach, as Boxall et

al. (2007), emphasize the importance of accomplishing the company's strategic objectives, and for them, employees present the same as any other factor of production in fulfilling those objectives. On the contrary, the soft model proponents, as Bratton and Gold (1999), emphasize the importance of integrating HR practices with business objectives as employees are valued assets and a source of competitive advantage. Collings and Wood (2009) consider HRM a constantly contested domain between rival hard and soft approaches.

Similar to the hard and soft approaches, authors Strauss (2001) and Brewster (2004) point out two schools that have different views on the roles of organizational HR: Chicago and Harvard School. Chicago school is present mainly in the USA, while Harvard school is widespread in the UK. Chicago school perceives HR practices as activities that help an organization achieve its goals, and employees are a resource to accomplish them. In contrast, Harvard school sees employees “as long-run assets rather than short-run costs” (Strauss, 2001, p. 874). As the main reason for this divide the authors state different social contexts, primarily because HRM became popular some 15 years earlier in the USA than in the UK.

Boxall et al. (2009) recognize three major subfields of HRM: Micro HRM (MHRM), Strategic HRM (SHRM), and International HRM (IHRM). MHRM focuses on managing individuals and small groups in recruitment, selection, and training. SHRM deals with the overall organization's HR strategies and their impact on performance. IHRM is less concerned with the theoretical aspect and focuses on how organizational HR functions in MNCs (Boxall et al., 2007, p. 2-4). In my research, I will only focus on IHRM as the goal of my study is to explore how organizational HR functions in Croatian MNCs.

In the discussion above, I laid down HRM field's boundaries and defined its perspective on organizational HR and employees, making a good departure point for future discussion. However,

it is important to point out that the field of HRM is vast, and a concise overview was done due to space limitations of this paper. In the next part of my research, I will pay attention to the organizational HR in IHRM and its challenges.

International Human Resource Management

The IHRM is considered a distinct subfield because it addresses HRM aspects, such as HR theories, HR practices, and organizational HR on the international level. IHRM became popular among scholars and practitioners in the 1990s, parallel with the intensification of globalization, the rapid expansion of MNCs, and the recognized importance of organizational HR in international business (Collings & Conroy, 2019; Tayeb, 2005). The early literature on IHRM dealt with cross-cultural issues (Hofstede, 1980; Laurent, 1986) and comparative HRM (Sparrow & Hiltrop, 1994; Strauss, 2001).

Today, there is plenty of literature on IHRM and its different aspects. According to Sparrow et al. (2004), there are three categories of IHRM literature present: 1) research that considers the management of organizations in an international context (Boxall et al., 2007; Brewster et al., 2011; Collings & Conroy, 2019; Collings & Wood, 2009; Schuler, 2000; Sparrow et al., 2004; Tayeb, 2005), 2) comparison of management practices and issues across different cultures (Brewster, 2004; Cascio & Boudreau, 2016; Harney, 2015; Osabutey et al., 2015; Ozgo & Brewster, 2015), and 3) studies that are focused on the management of single countries with the domain of international management (Bruton et al., 2000; Marušić, 2019; Okpara & Wynn, 2008). My study falls under the category of studies that focus on the management of organizations in an international context.

It is important to mention that the development of IHRM is inherently connected with the rise of MNCs. By MNCs, I mean “any enterprise that carries out transactions in or between two

sovereign entities, operating under a system of decision making that permits influence over resources and capabilities, where the transactions are subject to influence by factors exogenous to the home country environment of the enterprise” (Sundaram & Black, 1992, p. 733). MNCs are essential for the world economy, as they are pivotal for moving goods and services worldwide. As MNCs operate across national borders, unlike local organizations, factors such as negotiating entry into other countries, complying with the host country's legal requirements, or employee cultural differences make their managerial tasks delicate and complicated. Forming quality organizational HR that manages HR practices effectively is considered to be one of the critical success factors for MNCs (Machado, 2015; Schuler et al., 2002). Organizational HR can facilitate a business to be “competitive throughout the world, efficient, locally responsive, flexible and adaptable, and capable of transferring knowledge globally” (Schuler et al., 2002, p. 42).

Collings et al. (2009) specify that IHRM deals with “the HRM issues and problems arising from the internationalization of business, and the HRM strategies, policies and practices which firms pursue in response to the internationalization of business” (Collings et al., 2009: 297) implying that organizational HR role is still focused on managing of employees, but only on the international level. Similarly, Cascio and Boudreau (2016) define organizational HR role as an application of HR activities that impact the process of managing people in enterprises in the global environment (Cascio & Boudreau, 2016: 109).

Schuler et al. (2002) state that IHRM is about applying HRM worldwide, and its purpose is to enable a firm to be successful globally. Similarly, Briscoe and Schuler (2004), and Peltonen (2006) are not going deep into organizational HR's roles in MNCs. Authors simply align their views with the HRM definitions of organizational roles, only emphasizing that organizational HR

is in the international environment. From all IHRM authors' definitions, it is evident that IHRM literature embraces the HRM perspective on organizational HR's roles.

However, authors emphasize that organizational HR in MNCs experiences different challenges than organizational HR in local organizations due to several reasons (Peltonen, 2006; Schuler et al., 2002). First, there are different groups of employees—home, host, and third-country employees. Second, there are different types of organizational cultures. Lastly, there can be different policies among HQ and subsidiaries. Therefore, as I am doing a study on organizational HR in Croatian MNCs, I will only focus on the challenges that are present in IHRM literature.

In this chapter, I outlined the fields of HRM and IHRM. I gave a brief overview of HRM and IHRM history, emphasized their importance and popularity, and presented their views on organizational HR and related terms. Even though my focus is on IHRM, I demonstrated how IHRM literature adopts HRM definitions of organizational HR's roles, differing it only by usage on the international level. Consequently, to bring a valid conclusion for the IHRM field about organizational HR's roles, it is essential to take into account both HRM and IHRM literature. In the next part of my research, I will address the challenges present in the IHRM literature regarding the organizational HR.

Organizational HR Challenges in IHRM

As the prevalence of organizational HR within MNCs continues to expand and its significance increases, the IHRM literature is increasingly noting challenges. These challenges stem from shifts in economies, globalization, new technologies, and migrations, and their clash with organizational HR in MNCs. In the beginning, everyone perceived IHRM challenges as little more than HRM challenges on a global scale. However, today the challenges that organizational HR experiences on an international level are widely studied and have a vast research base.

The first challenge arises as organizational HR experiences difficulties balancing between HQ and the subsidiary's needs (Bruton et al., 2000; Gelfand et al., 2007; Kelly, 2001). Kelly (2001) argues that corporate control is necessary to achieve strategic direction in companies. Nevertheless, the differences in local customers' taste, host country's legislation, or levels of education make it harder to have unified HR practices, as, often, effective HR practices differ between countries. For example, according to a study by Bruton et al. (2000), it was found that successful organizational HR practices differ between Western countries and China.

The second challenge that many authors highlight is the process of talent management (TM) (Ayoko et al., 2021; Martins & Tome, 2015; Roberts et al., 1998; Saadat & Eskandari, 2016; Schuler et al., 2011; Skuza & Scullion, 2015). Talent management is a process that refers to attracting, selecting, developing, and retaining valuable employees. Growth in competition, shortage of talent, declining birth rates in Western countries, and the rapid growth of emerging markets made it significantly difficult for organizations to acquire and keep employees with unique skills. According to Schuler et al. (2011), these factors especially influence organizational HR in MNCs, as they need to ensure globally that the right talent is in the right place at the right price while competing in a fiercely competitive international market.

The third challenge comes from the emerging use of technology (Stone & Deadric, 2015; Stone et al., 2015). Authors argue that although technology has helped in many aspects, there is no clear evidence that it helps organizational HR in MNCs to better perform their practices (Stone et al., 2015). Informational technologies often result in impersonal, one-way communication and are inflexible, hindering effective organizational HR practices by limiting the ability to bridge the distance between supervisors and employees (Stone & Deadric, 2015, p. 143).

The fourth challenge, diversity management, is also a challenge popular in present-day literature (Cennamo & Gardner, 2008; Gelfan et al., 2007; Shen et al., 2009; Konrad & Linnehanl, 1995). Due to intensified globalization and migrations, people are becoming increasingly diverse among the generations, with different work habits, rewards expectations (Cennamo & Gardner, 2008), and ethnical backgrounds (Gelfan et al., 2007), making it more complicated for organizational HR to produce practices that will satisfy employees. Much of the research shows that organizational HR, through effective diversity management, can achieve higher innovation, creativity, and equality, which could produce quality solutions and attract and retain qualified workforce (Konrad & Linnehanl, 1995). However, Shen et al. (2009) emphasize the current ineffectiveness of diversity management. Authors argue that low employment of women and minorities at higher organizational levels, pay inequality, neglect of individual differences, and discrimination are all products of inadequate diversity practices and programs.

Lastly, the authors highlight the difficulties that organizational HR in MNCs have with maintaining communication and the negative influences of poor communication on HR practices (Ayoko et al., 2021; van den Born & Peltokorpi, 2010). Factors such as language barrier, stereotyping, ethnocentrism, cultural relativism, attitude toward conflict resolution, task completion, decision making, trust building, and non-verbal language make it hard to accomplish successful communication in MNCs (Hussain, 2018). For example, language barrier can lead to misalignment of HR practices between foreign subsidiaries and the HQ, hindering the effectiveness of organizational HR (van den Born & Peltokorpi, 2010).

After presenting HRM, IHRM, their definitions of organizational HR's roles, and the challenges that organizational HR in MNCs encounter, I find it beneficial to explore the interplay between organizational communication and organizational culture, as examining their relationship

in regard to organizational HR could deepen my understanding of organizational HR's roles and challenges in Croatian MNCs. In the last part of the literature review, I will present literature on organizational communication, and organizational culture, and introduce Bisel et al.'s (2009) three interpretations of relationships between organizational culture and communication.

Theory Section

Although not always recognized, both communication and culture are mutually dependent elements that shape the identity of every organization (Bisel et al., 2009). Also, organizational communication (Ahmeti, 2014; Den Hartog et al., 2013) and organizational culture (Aycan, 1999; Dubkevics & Barbara, 2010; Rodriguez et al., 2011; Kusluvan et al., 2010) are often brought in connection with organizational HR. Investigating the interplay between organizational communication and culture in regard to organizational HR could provide me with a deeper understanding of the roles and challenges of organizational HR in Croatian MNCs. In the next part, I will present organizational communication, organizational culture, interpretations of their relationships, and my assumptions about all of them.

Organizational Communication

Similar to the HRM field, communication studies are a broad discipline. Simply defined, communication scholars explore “how people use verbal and nonverbal messages to generate meanings within and across various contexts, cultures, channels, and media” (Keyton, 2017, p. 501). However, terms used in the field, especially communication itself, are highly ambiguous and open to interpretations, which resulted in many philosophical perspectives. Those philosophical perspectives have different views on communication, and they mainly differ on what constitutes communication, if communication should be, and how it should be evaluated. For example, Shepherd et al. (2006), in their work *Communication as: Perspectives on Theory*, detected more

than 27 communication theories, differing from communication as relationality to communication as social identity. As my goal is to research organizational HR, I will focus only on communication studies that deal with communication in organizations.

Organizational communication is a subarea of communication studies. Organizational communication as a research field emerged in the 1930s but became widespread in the second part of the 20th century. One of the most prominent early scholars is Charles Redding and his work from 1972, *Communication within the organization: An interpretative review of theory and research*. Until the 1970s, scholars believed that humans were rational beings, and that communication was a mechanical process, following assumptions of logical positivism. In the 1980s, the field moved from business oriented towards the constitutive role of communication. Interpretative methods were central to studying organizational communication, focusing on topics such as superior-subordinate relationships, organizational culture, or cross-culture communication. Since the 1990s, the focus has been on critical theories and the use of communication to oppress or liberate organizational members (Tompkins & Thibault, 2001).

Organizational communication theory is full of highly philosophically, theoretically, and methodologically diverse approaches. However, all approaches have the common idea that communication plays an essential part in organizational life. Communication is persistent throughout an organization's life and is present in all aspects, from creation, staffing, and hiring, to developing products, and dealing with customers and stakeholders (Bisel et al., 2009; Keyton, 2005; Taylor & Van Every, 2000). Communication in an organization appears in many places and forms. It can be formal or informal, direct or indirect, verbal or nonverbal, face-to-face or mediated. It can occur between individuals or groups in textual or visual forms.

Scholars of organizational communication explore many areas. For example, they explore individuals in the organization, organizational phenomena, or workplace relationships, for which they adopt many approaches. There are several approaches to organizational communication present in the literature: the post-positivist approach (Bisel & Kramer, 2014), social constructionism (Berger & Luckmann, 1996; Sias, 1996), structuration theory (Cooren et al., 2007; Giddens, 1979; Larson & Pepper, 2011), rhetorical approach (Bormann, 1982; Meinsenbach et al., 2008), and postmodern perspective (Buzzanell, 1995; Donnellon, 1996). The post-positivist approach is considered traditional, and it nurtures a social-scientific spirit. In the post-positivist approach, researchers ensure that their observations are accurate and verifiable, while acknowledging that their background and previous knowledge bias what they observe. Social constructionism assumes that humans derive knowledge from larger social discourses, in which language and social interactions are used to transfer that knowledge.

The system theory approach seeks to understand the interconnectedness of human communication. It “explores how messages and meanings are created, delivered, and received by individuals in a complex web of relationships” (Keyton, 2017, p. 508). Structuration theory addresses “the relationship of agency and structure, the articulation of organizations and society, the place of a material factor in explaining organizational interaction, and the communicative constitution of organizations” (McPhee et al., 2014 as cited in Keyton, 2017, p. 508). The rhetorical approach studies the use of influence and persuasion in organizational communication, while the postmodern approach aims to expose organizations as a site where specific stakeholders benefit over others by using communication (Keyton, 2017; May & Mumby, 2005).

In this research, my assumptions about organizational communication are parallel with postulates of social constructionism. I embrace the idea that organizational communication is

constantly creating and changing organizational reality. Like social constructionism, I assume that organizational life, including concepts such as culture and identity, is not given but constructed through an ongoing process of communication between individuals within the organization. Organizational communication is not just a means to exchange information, but a constitutive element of organizational life that shapes organizational culture, norms, and values (Brenda, 2005; Camargo & Rasera, 2013; Zhao, 2020). Following my assumptions, I find Keyton's definition of organizational communication most suitable for my research, “a continuous process through which organizational members create, maintain and change the organization by communicating” (Keyton, 2005, p. 17).

Organizational Culture

Similar to that of communication, the definition of culture is a highly ambiguous term. Kroeber and Parsons (1958) define culture as “transmitted and created content and patterns of values, ideas, and other symbolic-meaningful systems as factors in the shaping of human behavior and the artifacts produced through behavior” (Kroeber & Parsons, 1958, p. 583 as cited in Hofstede, 2001, p. 9), while Hofstede defines it as “the collective programming of the mind that distinguishes the member of one group or category of people from another” (Hofstede, 2001, p. 11). Nevertheless, simply defined, culture is a system of values between any groups of people. In my study, I will focus only on organizational culture.

On the other hand, organizational culture is a culture created only among the members of an organization. Organizational culture as a discourse emerged in the 1940s but gained popularity in the 70s and 80s. The expansion of interest in organizational culture reflects an ever-growing interest in organizational life, but also responds to the arrival of new organizations, where hierarchy's importance is lessened in favour of ideas, beliefs, and values. In the beginning,

management used its idea as a quick-fix solution to organizational problems. However, researchers later adopted organizational culture as an explanatory framework for understanding behaviour in organizations (Alvesson, 2002). According to Groysberg et al., organizational culture is the “tacit social order of organization” (Groysberg et al., 2018, p. 46); it shapes attitudes and behaviours in wide-ranging and durable ways. Cultural norms define what is desirable or not, and it evolves autonomously. The authors point out four general attributes of organizational culture: shared (culture is a group phenomenon), pervasive (culture is applied throughout the organization), enduring (culture directs thoughts and actions of members for an extended period), and implicit (even if it is not visible, members are programmed to answer instinctively).

Similarly, Buchanan and Huczynski define organizational culture as “shared values, beliefs, and norms which influence the way employees think, feel and act towards others inside and outside the organization” (Buchanan & Huczynski, 2019, p. 107). They perceive it as the organization's personality that affects not only task issues, but also emotional and ethical issues, and the members share organizational values and their emotional attachment to them. According to Martin, organizational culture is “patterns of interpretation composed of the meaning associated with various cultural manifestations, such as stories, rituals, formal and informal practices, jargon, and physical arrangement” (Martin, 2002, p. 330 as cited in Keyton, 2005, p. 21), but the author emphasizes that boundaries of organizational culture are fluctuating and blurred, and it is hard to identify members of a culture, as it depends on what the members themselves identify as.

However, one of the most comprehensive understandings of organizational culture is offered by Edgar Schein, who viewed organizational culture in terms of the three-level model. In this model, three different levels of culture together present how an organization's culture is formed and maintained. Those three levels are: the level of artifacts, espoused beliefs and values,

and basic underlying assumptions. The artifacts level includes all the phenomena we see, hear, and feel produced by a group with a culture, such as language, products, technology, emotional displays, stories, and observable rituals. This level is easy to observe and difficult to decipher. The second level, espoused beliefs and values, refers to accumulated beliefs of how the work should be done and the situations handled between all the group members. The third level, basic underlying assumptions, implies an invisible, unspoken, taken-for-granted understanding of cultural groups about the reality and organization's relationship with nature. The degree of consensus comes from repeated success in the implementation of specific beliefs and values. Basic assumptions are the deepest level of culture and the hardest to comprehend (Buchanan & Huczynski, 2019; Schein, 2010).

Building on Schein's three levels of organizational culture, Keyton defines organizational culture as “the sets of artifacts, values, and assumptions that emerge from the interactions of organizational members” (Keyton, 2005, p. 28). There are two reasons why I find Keyton's definition suitable for my research. First, it offers a comprehensive definition of culture, and second, it points out organizational communication as an avenue for creating organizational culture, embracing that organizations are evolving, dynamic, and complex cultural systems.

Three Orientations

So far, I have presented organizational culture and communication and emphasized their interplay; however, I have not yet reviewed their relationship. In literature, many authors take different stances on it, claiming that communication influences the production of culture or vice versa (Banks, 1994; Boden, 1994; Pepper & Larson, 2006). In exploring that relationship, I will use Bisel et al.'s (2009) three interpretations of relationships between organizational culture and communication: object orientation, becoming orientation, and grounded in action orientation.

Object orientation argues that cultures can be measured and changed to influence communication. For this orientation, culture is an independent entity that influences communication. Researchers that acknowledge this standpoint are interested in how culture shapes communication. They assume that “culture is measurable, culture produces communication, cultures can be managed, and changes to the culture will result in changes to communicative activities in an organization” (Bisel et al., 2009, p. 10). The first advantage of this orientation is the emphasis on the structure of culture over organizational members’ choices to do otherwise. For example, ethical culture could discourage members from participating in unethical communicative practices. The second advantage is that it makes the lines between who is inside the culture and who is outside clear. However, there are some disadvantages. Object orientation argues that same as ethical culture can hinder unethical communication, unethical culture can propel unethical communication by exempting individuals from responsibility and passing it on to an organization. The second disadvantage is that culture is confined inside an organization, which ignores outside influences, such as economic or political forces (Bisel et al., 2009).

Becoming orientation assumes that communication exists before culture. The central question in this orientation is how communication is culturing organisation. The assumption is that communication possesses culturing properties, and, as a result, culture is always in a state of becoming; communication shapes culture. The researchers that adopt this orientation seek to uncover communication properties that create, sustain, or challenge culturing. The goal is to detect the organizing property of communication and how that communication produces collective understanding. The first advantage of this orientation is that it emphasizes organizational members’ communicative choices. Members are free to decide if they want to change the existing culture. Second, it places focus on the changing capacity of communication. Every member is responsible,

especially regarding unethical behaviour. Conversely, the first disadvantage is that if a member can challenge organizational culture, they can encounter barriers. Those barriers can be material or communicative and can suppress changes in organizational culture (Bisel et al., 2009).

Grounded in action orientation assumes that communication and culture are mutually constitutive; both discourses influence each other. It concludes that past interactions create a culture that enables and constrains present interactions. This orientation emerged from scholars who considered that becoming orientation ascribes too much free will to the individual group member, and that object orientation ascribes too much influence on the organizational culture. The scholars of this orientation seek to uncover how the constancies of organizational culture are fixed in the dynamic flow of communication (Bisel et al., 2009). The first advantage is that this orientation emphasizes both the constraining features of past interactions on the present ones. The second advantage is that each member is responsible for creating organizational culture. Third, it enables achieving more balance between the responsibility of employees and management in creating a culture than the other two orientations. The disadvantage is that grounded in action orientation tends to privilege communication over culture because it often relies too much on the assumptions embedded in communication, overlooking the sources of cultural influence. Similarly, the second disadvantage is that it overemphasizes the influence of past interactions on current ones, ignoring current flows of communication (Bisel et al., 2009).

Having in mind my organizational communication and cultural assumptions, I embrace becoming orientation as an interpretation of their relationship. Becoming orientation emphasizes that organizational culture is constantly evolving through the communication process, which follows my understanding of organizational culture and communication; organizational culture is

perceived as an evolving and dynamic cultural system influenced by communication among organizational participants.

So far, in my research, I have highlighted the importance of researching organizational HR in MNCs; due to organizational HR's ability to improve organizations' performance and competitive advantage, drastic increase of MNCs, and globalization. I have also emphasized the importance of understanding organizational communication and culture relationship in regard to organizational HR. Thus, I find it beneficial to study the Croatian MNCs HR employees' understanding of organizational HR's roles and challenges, together with their perception of organizational communication and cultural relationship. By exploring Croatian MNCs' HR employees' understanding of roles and challenges, I could gain better insights into the organizational HR's roles and challenges, how those insights could be used for improvement, and how to possibly prepare for future challenges. In addition, I believe that understanding organizational communication and organizational culture relationship could help me gain better understanding of organizational HR in Croatian MNCs. To accomplish the goals of my study, I will be guided by three detailed sub-questions: "How do HR employees understand the roles of organizational HR? What challenges do they encounter in their work? How do they perceive the relationship between organizational communication and organizational culture?"

Methodology

In this section, I will present my research design and methods used to explore how employees in Croatian MNCs understand the organizational HR's roles and challenges, and how they perceive the relationship between organizational communication and culture. The first part of the section introduces my philosophical foundations, social constructivism (ontology), interpretivism (epistemology), and my qualitative study design, the grounded theory approach.

Next, I discuss the data collection and analysis. The data was gathered by using in-depth semi-structured interviews, for which participants were chosen both by purposeful and snowball sampling, while for the analysis phase I followed guidelines for conducting grounded theory proposed by Charmaz (2014) in her work *Constructing grounded theory*. It is important to mention that grounded theory has iterative nature, both the collecting and analysing phases happen simultaneously. The last part of the methodology section discusses the quality and trustworthiness of my findings and ethical considerations.

Philosophical positioning is vital for scientific study, as it entails expressing what the researcher believes about the nature of reality (ontology) and the nature of knowledge (epistemology). It is essential to define it because it explains the researcher's assumptions about the research, how the phenomena are perceived, and why is the overall study methodology chosen. Regarding my ontological positioning, I acknowledge that there is no singular social reality, but that social reality is socially constructed, i.e., social constructivism. This view assumes that social realities are constructed through the interaction of humans, their world, and each other, thus the social world can only be understood from the standpoints of individuals who are creating it. There is no objective knowledge, but the understanding of the world is constructed through social interactions and cultural practices (Scotland, 2012).

Furthermore, in my research, I embrace interpretative epistemology. The objective of interpretivism is to “make sense of the meanings and subjective intentions of particular individuals in a given context, without imposing prior analytic categories” (Bonache & Festing, 2020, p. 104). This implies that there is no objective truth, but all knowledge is influenced by the individuals' interpretation of experiences and their environment. My philosophical position drives me to examine how individuals develop their knowledge of the world. My goal as a researcher is not to

grasp unbiased observations of the world, but to observe different realities that are derived from social processes. Therefore, I place a great deal of emphasis on the participants' understandings and interpretations, and the contexts that surround them.

Moreover, as I am interested in understanding how participants experience and interpret the organizational HR's roles and challenges in the real world, I find qualitative study design appropriate for this research. Patton explains qualitative research as an “effort to understand situations in their uniqueness as part of a particular context and the interactions there; to understand the nature of that setting” (Patton, 1985, p. 1 as cited in Merriam & Tisdell, 2016, p. 8). It is a systematic type of research with standardized procedures and features: the focus is on the process, understanding, and meaning; the researcher is a primary instrument of data collection and analysis; the product is richly descriptive. The purpose of qualitative research is to achieve an understanding of how people make sense of their lives and how they interpret what they experience, which lines up with the assumptions, beliefs, and goals of my study.

Qualitative research is only an umbrella term that refers to several distinct theoretical designs, for example, narrative, phenomenology, grounded theory, action research, case study ethnography, historical research, or content analysis. Aligning my ontological and epistemological views with the goals of the study, I found the theoretical design of the grounded theory approach most suitable. Grounded theory scholars endeavour to gain insights into people's perspectives and contexts. Grounded theory methods enable a researcher to uncover theories that emerge directly from data, making findings an accurate representation of participants' experiences. There are two basic principles of grounded theory: “1) the task of research is to discover new methods of understanding the social processes and interactions, and 2) the purpose of the analysis is to generate or discover a theory based on fundamental patterns in life” (Mohajan, 2018, p. 9).

What distinguishes grounded theory from other theoretical designs is the interplay between collecting and analysing data. Created by Glaser and Strauss (1967), the grounded theory approach implies that collection and analysis phases are happening simultaneously, where data is constantly compared with data to establish a theory. As the researcher gathers and analyses the data, that data then directs future data collection; the process of generating data is highly iterative.

The grounded theory uses an inductive approach in generating data. It relies on collecting data to advance the theoretical analysis. In grounded theory, theories emerge directly from data. Specifically, the goal of grounded theory is to derive codes and categories from the data, which then enables the researcher to develop a theory. By codes, I refer to “fragments of data with the analytic abstractions” (Charmaz, 2014, p. 239), categories present a pattern of codes that present “explicit ideas, events, or processes in data” (Charmaz, 2014, p. 370) used to develop an analytical framework, while by theory I imply “system of ideas that aims to understand meanings and actions and how people construct them” (Charmaz 2014, p. 230). In the next part, I will present data collection process and the analysis phase.

Research Design

To gather data regarding the social reality of individuals, qualitative researchers use interviews, diaries, journals, classroom observations, or immersions to obtain their experiences, perspectives, and surrounding contexts. I find in-depth interviews the most suitable form of gathering data due to three reasons: 1) the goal of in-depth interviewing is “an interest in understanding the lived experience of other people and the meaning they make of that experience” (Seidman, 2006, p. 9), 2) open-ended and less structured in-depth interviews enable HR employees to define the world in unique ways and it allows me to respond to different situations and to explore

new ideas on the topic, and 3) it is the most suitable way to establish access and gather data from the participants.

In-depth interviews imply a process in which the researcher and participants engage in conversation focused on an open-ended question related to the research study. In qualitative interviewing, researchers model their interviews after a normal conversation rather than a formal question-and-answer exchange. During the interviewing process, I attend to “the situation and construction of the interview, the construction of the research participants' story and silences, and the interviewer-participant relationship as well as the explicit content of the interview” (Charmaz, 2009 as cited in Charmaz, 2014, p. 198).

I used purposeful sampling to choose initial participants in my study. Purposeful sampling is “based on the assumption that the investigator wants to discover, understand, and gain insight and therefore must select a sample from which the most can be learned” (Merriam & Tisdell, 2016, p. 96). I was guided by three criteria in choosing participants that could contribute most to the study: 1) the participant is an employee in the organizational HR, 2) the organizational HR is a part of an MNC, and 3) the company's headquarters are in Croatia. In addition, I used snowball sampling, a process of “selecting a sample using networks” (Kumar, 2011, p. 208) for choosing the rest of the participants. In the beginning, I identified a few individuals who met the criteria mentioned above (purposeful sampling). For this matter, I used “LinkedIn” (a business and employment-oriented online social network). After I had conducted interviews with the participants, I asked them to identify other people that met the criteria, whom I then contacted and interviewed (snowball sampling). The recommendations made by the interviewees made it significantly easier for me to find new possible participants and recruit them. All the interviewees were from different organizations that operate in a variety of sectors.

I contacted all the participants via email in which I clarified who I was, what the purpose of the study was, and how the interview would be conducted. Eight participants in total accepted to take part in the study. After they accepted, I would arrange a meeting. Seven meetings were held online, via video call, while one meeting was held in person, in the participant's office. Before the meeting, I would provide participants with general pieces of information about the interview: re-stating the purpose of the study, that they were being recorded, flexible time frame, and guarantee of anonymity and discretion. In addition, all the participants signed informed consent based on Creswell's (2007) template which can be found in the Appendix A.

Interviews were conducted in Croatian, as it is the native language of the interviewees. By using their native language, I wanted to ensure that interviewees are as expressive as possible in describing their understandings and interpretations of the experiences. During the interviews, I was actively listening and taking notes. I often asked clarifying questions and whenever a new idea emerged, I explored it by asking follow-up questions that encouraged elaboration. After I finished questioning, and gained insights into the participant's experiences, I would ask if the interviewee had anything to add; if not, I would finish the interviews by thanking them for participating in the research. Immediately after, I would transcribe the interview and prepare it for future analysis.

The goal of my interview questions was to thoroughly explore and understand participants' experiences and perspectives. I created a set of open-ended questions to encourage interviewees' stories. I divided them into three categories: initial questions, intermediate questions, end ending questions. With the initial questions, I would explore the participants' background ("What is your role within the company? Can you describe a typical day at work as an HR employee?"). Intermediate questions concerned participant's experiences of organizational HR ("What segment of organizational HR is the most emphasized in your organization? What part of your work do you

find the most challenging?”). Lastly, the ending questions were about their understanding of organizational HR in general (“What is, in your opinion, main role of organizational HR? What are, in your opinion, biggest challenges of organizational HR?”). The complete interview guide can be found in the Appendix B.

Grounded theory iterative practice of moving back and forth between data collection and analysis blurs the line between those two phases of the research. Throughout the whole process of collecting data, I was re-evaluating, revising, and adding interview questions to explore different ideas that emerged in the analysis. The goal was to get data that would provide me with theoretical directions and content so I could construct a theory. During the interviews, the flexibility of open-ended questions enabled me to discover and pursue different ideas. I was interested in the participants' definitions of terms, situations, contexts, and in their assumptions. After the initial interviews, I started asking more focused questions to explore particular ideas that emerged in the simultaneous analysis. While gathering data, I paid attention to the four theoretical concerns proposed by Charmaz (2014): theoretical plausibility, direction, centrality, and adequacy. I gathered data with broad and deep coverage of the emerging categories (theoretical plausibility), and all the patterns that would emerge from the analysis were additionally studied in further interviews and analyses (theoretical direction, centrality, and adequacy). My data collection resulted in 84 pages of interview transcripts. I did transcription by carefully re-listening to the interviews and transcribing them into separate documents.

For the analysis phase, I followed the guidelines suggested by Charmaz (2014), which consist of transcribing the interviews, conducting several types of coding (initial, focused, axial, theoretical), method of memo-writing, and theoretical sampling. For handling data, I used specialized software that can be used for coding and analysing transcripts and notes, creating

network diagrams, and data visualization. The whole analysis is done in Croatian language and all the samples used from the transcripts in the research report are translated into English. The first step that I undertook was the transcription of the interviews, as it enabled me to closely examine the details of the interviews afterward.

After the transcription, I started the process of coding. I was taking segments of data apart and naming them by the abstract idea that they represented, helping me to indicate theoretical categories. The main difference between general qualitative coding and grounded theory coding is the emphasis of quantitative coding on identifying topics and themes, while the grounded theory approach goes deeper into the studied phenomena and attempts to explore them, giving a sense of why and how something happened. Carefully attending to coding accomplishes two important aspects of grounded theory: “1) generalizable theoretical statements that transcend specific times and places, and 2) contextual analysis of actions and events” (Charmaz, 2014, p. 239). Coding is a link between collecting data and developing a theory to explain that data. Coding enables researchers to sort and synthesize a great deal of data that comes from interviews and field notes, making it possible to conceptualize what is happening in the data. Through coding, researchers make discoveries and gain an understanding of the empirical world (Charmaz, 2014). Coding is essential for grounded theory as it directs future data gathering.

The first type of coding that I used was initial coding. While doing the initial coding, I was guided by seven strategies: 1) breaking the data up into their parts or properties, 2) defining the action on which they rest, 3) looking for tacit assumptions, 4) explicating implicit actions and meanings, 5) crystallizing the significance of the points, 6) comparing data with data, 7) identifying gaps in the data (Charmaz, 2014, p. 260). I was coding line-by-line, which implies naming each line of my written data. By analysing every line of data, I was able to detect patterns and discover

nuances in participant answers, building detailed accounts of their worlds. I was open to any ideas to emerge, which I would explore in later data collection and analysis, enabling me to thoroughly study my research questions. I stayed open to what the data suggested, and strongly built my codes based on the data, considered situations, and contexts, and kept my research grounded in data. I paid a great deal of attention to the language used by the participants, and the implicit meanings. When I would discover new codes in later interviews, I would come back and check if those codes applied to earlier participants' experiences. I was open to all possible theoretical directions, trying to understand participants' interpretations, standpoints, and situations, as to why they have them.

However, initial coding is only the initial step in studying, sorting, and selecting codes. The second type of coding I conducted is called “focused coding”. In focused coding, the researcher decides how to categorize data by deciding which initial codes make the most analytical sense. After I established analytical directions through initial coding, I used focus coding to “synthesize, analyze, and conceptualize larger segments of data” (Charmaz, 2014, p. 283). This is a highly comparative process as researcher is assessing initial codes, comparing them with data, and deciding which codes have greater analytical power. Comparing codes clarifies the theoretical direction of the analysis and centrality of certain ideas. Focused coding is important as it brings the researcher further into analysis by gaining greater theoretical sensitivity in working with ideas and raising questions about the data and earlier codes.

I assessed codes by exploring four questions about them: 1) In which way do initial codes reveal patterns?, 2) Which of the codes best account for the data?, 3) What does the comparison between codes indicate?, and 4) Do codes reveal gaps in the data? (Charmaz, 2014, p. 286). After I had analysed the initial codes, I concentrated on defining their meaning, what they imply and what they reveal. In this phase of coding, whenever new focused code emerged, I would come

back to earlier interviews and try to find a similar process. Every piece of interview data and code was compared with the previous one, and with the next one. The codes that I chose for future analysis were those that gave me new theoretical insights into the roles and challenges of organizational HR in Croatian MNCs.

Following Charmaz's approach, I also conducted axial coding and theoretical coding to develop theoretical sensitivity. Theoretical sensitivity is the ability to "understand and define phenomena in abstract terms and to demonstrate an abstract relationship between studies phenomena" (Charmaz, 2014, p. 321). With theoretical sensitivity, I was able to uncover meanings in emergent patterns and define properties of the categories that emerged from those patterns. Theoretical sensitivity and codes support each other, as theoretical sensitivity increases the analytical power of codes while coding stimulates the development of theoretical sensitivity.

By using axial coding, I managed to specify the properties and dimensions of categories. The purpose of axial coding is to sort, synthesize and organize focused codes in new ways, making codes a coherent whole as a part of categories. Axial coding answers question such as "when, where, why, who, how, and with what consequences" (Charmaz, 2014, p. 297), with the intent to describe the participants' experiences more fully. In this phase, I converted texts into concepts, specified the dimensions of larger categories, and linked them with subcategories. Those categories, subcategories, and links reflect how I made sense of the data. The categories outline was shaped by comparing data with data of similar experiences. Likewise, with theoretical coding, I specified a possible relationship between categories. The purpose of theoretical coding is to theorize data and codes. Theoretical codes provide me with an analytic story that contributes to creating a theory and they clarify the general context and specific conditions of the phenomena. In

this phase, I shaped the outline of my emerging categories and re-examined gathered data to try to link initial codes with categories.

Throughout the whole process of data collection and analysis, I used the method of memo-writing. Memo-writing is “the methodological link, the distillation process, through which the researcher transforms data into theory” (Lempert, 2007, p. 345 as cited in Charmaz, 2014, p. 327). It is an intermediate step between data collection and writing drafts, in which the researcher stops and analyses ideas about codes and categories in any way possible. Using memo-writing, I was able to put ideas on paper and analyse data early, as it kept me involved in the analysis and increased the abstraction of ideas produced from data. By comparing categories and delineating their relationships, I began to distinguish between major and minor categories, thus being able to frame a theoretical statement and emergent analysis.

Memo-writing helped me produce initial thoughts about organizational HR's roles and challenges in Croatian MNCs and the possible relationship between organizational communication and culture, explore both tacit and explicit meanings from participants' stories, revise, and sort participants' interviews, compare codes from different interviews, and find questions that I wanted to pursue in future interviews. Also, by memo-writing, I gained space to be involved with the data, compare codes, discover emerging categories and theories, fine-tune additional data gathering, and be engaged in critical reflexivity.

In addition, I used theoretical sampling for the refinement of emerging categories. Theoretical sampling is a strategy to narrow focus on emerging categories to develop and refine them (Charmaz, 2014, p. 401). I was focused on obtaining data about found categories with the aim of conceptually and theoretically developing my analysis and filling the gaps between categories. Every time new perspectives about the understanding and the experiences of

participants emerged, I examined them through further empirical inquiry. Empirical inquiry consisted of revising the question guide including focused questions, exploring and revisiting codes behind categories, and elaborating the boundaries between categories (Charmaz, 2014).

I stopped the process of collecting and analysing data when I reached data saturation, as suggested by Charmaz. Data saturation is a phase of the study when “found categories are robust because you have found no new properties of these categories and your established properties account for the patterns in your data” (Charmaz, 2014, p. 415). Reaching data saturation is a “subjective, non-linear, gradual, and unfixed process” (Aldiabat & Le Navenec, 2018, p. 256). Authors Guest et al. (2006) state that data saturation is usually achieved within the first twelve interviews, while Hennik et al. (2016) suggest that it is achieved between 16-24 interviews. In total, I conducted eight interviews with eight participants. The categories were saturated, and theory emerged after seven interviews, but I conducted an additional interview to avoid premature closure of data collection. I find that the reason for earlier data saturation is that the research question is straightforward, and that all the participants have been HR employees for at least five years, making them highly experienced in the research topic. The data from interviews provided me with rich knowledge about participants' understanding of organizational HR's roles and challenges, the perception of the relationship between organizational communication and culture, and the contexts that surround them. After data saturation, I continued to sort memos, compare categories, and study how their order reflected the studied experience and the logic of categories.

Throughout this entire process of analysis, I paid a great deal of attention to ensure the quality and trustworthiness of my findings. In ensuring the quality and trustworthiness, I did not find quality criteria of reliability and validity applicable as my focus in this research is on understanding the meanings and actions of participants from their subjective perspectives. As my

focus is on subjective experiences, the data is more open to interpretations, making it difficult to satisfy reliability and validity criteria in the same way as quantitative studies, which are more concentrated on generating objective, quantifiable data. Nevertheless, I was guided by four quality criteria proposed by Charmaz, which are more appropriate for qualitative studies and can relate to constructivist grounded theory: credibility, originality, resonance, and usefulness (Charmaz & Thornberg, 2020, p. 315).

Criteria credibility refers to “having sufficient relevant data for asking an incisive question about the data, making systematic comparisons throughout the research process, developing a thorough analysis, and being reflexive throughout the research process.” Originality criteria refers to “offering new insights, providing a fresh conceptualization of a recognized problem, and establishing the significance of the analysis.” Resonance criteria demonstrates “that the researchers have constructed concepts that not only represent their research participants experience, but also provide insights to them.” Last criteria, usefulness, includes “clarifying research participants understanding of their lives, forming a foundation for policy and practice applications, contributing to creating new lines of research, as well as revealing pervasive processes and practices” (Charmaz & Thornberg, 2020, p. 315-317).

To satisfy the four criteria, I gathered a great amount of data through in-depth, open-ended interviews, where I would pursue any idea that I found essential for developing my theory. Pursuing and exploring different ideas and perspectives helped me expand and refine my theory throughout the whole collection and analysis process. Gathering unique experiences from participants gave me a deep insight into their perspectives, helping me understand their view of organizational HR and the challenges that they experience, and their views on organizational communication and culture relationship. Focusing on employees’ circumstances enabled me to

gain a deeper understanding of their experiences. Since building a grounded theory is an iterative process, I constantly gathered, analysed, and compared data. Through different types of coding and memo-writing, I managed to analyse data thoroughly, making my research credible. In addition to the four quality criteria, I also paid attention to ethical considerations. All participants were interviewed voluntarily, for which I obtain their consent, both verbally and in writing. Their anonymity is guaranteed, and all the data is carefully stored. The used participants' names in the study are different then their real ones.

The methodology section of my research is essential as it explains how the research was conducted, and how I collected and analysed data. I presented my philosophical foundations (social constructivism and interpretivism) and indicated study design (grounded theory approach). I also explained in detail how I conducted data collection (in-depth semi-structured interviews), and how I performed data analysis (Charmaz's (2014) guidelines for conducting grounded theory). In addition, I address the criteria of trustworthiness and quality of my research (credibility, originality, resonance, and usefulness) and ethical considerations. In the next section, I will review the outcomes of my analysis.

Findings

In this chapter, I present the findings of my analysis. The goal is to derive a theory based on participants' understanding and experiences in regard to the organizational HR's roles and their challenges. In addition, I decided to examine participants' understanding of the relationship between organizational communication and culture, as it could help me gain better insights about the organizational HR in Croatian MNCs.

Organizational HR as a “Bridge”

From the participants' perspective, the organizational HR in Croatian MNCs is responsible for attracting, managing, and developing employees while satisfying management demands, with the aim of accomplishing organizational strategic goals. The participants understand their organizational HR's roles as that of a mediator that connects employees' needs with management priorities i.e., a “bridge” between employees and organizational management, where they continuously navigate between employees' needs and management priorities with the intention of reaching organizational goals. Participants stress both the importance of employees' well-being and accomplishing management demands. Moreover, employees' well-being was implied as a key factor in accomplishing management demands and securing business success. Participants, through their sense of the main tasks, such as recruiting employees with the right talent, employee retention through education and a supportive workplace, creating a positive work culture, establishing HR processes, providing support to management, and fulfilling organizational goals, reflect their intermediary position and strategic role as the facilitator of fulfilling both employees' and management's needs with a purpose of fulfilling organizational objectives.

In the interviews, participants continuously implicitly underlined their roles, as they felt obligated to satisfy both employees' and management's needs. For example, Anthony states that his main goal is to “create a culture that will make employees feel comfortable and want to stay to work, which can only be accomplished by listening to the employees”, while simultaneously acknowledging management's focus on performance, “we [as organization] are fully aware that our goals could change and that performance someday will not be the priority.” Other participants also highlighted that ambivalence, but were more focused on the importance of employees in the organizational success. Diana states that “we know what organizational goals are and what the

owners want”, but shortly after, she states that “we know what employees want, by providing employees what they want, we will simultaneously achieve some greater organizational goals.”

The dual role of organizational HR is also reflected in employees' and management's behaviour towards organizational HR. According to Anthony, “I had made interviews with everyone after which I made reports. One for myself, and one for management, in the sense that I didn't want to give no one the whole feedback”, while Lucy states: “after I had finished meeting with everyone, I knew them better than some team leaders”. Participants experienced similar distancing from the management side, as Kate commented: “nobody comes to us with tasks, but rather I meet with chief project officer that presents me which goals he wants, for which he expects instructions on how to accomplish them.” These statements reflect the participants' understanding of organizational HR as a “middle-man”, where they do not feel completely belonging to either the employees or management.

Participants also grasp their roles as strategic ones, as they understand their work with employees and management as a means to help the organization achieve its business objectives and create a competitive advantage. Kate underlines the strategic importance of organizational HR saying that “I often hear that HR departments fight for a seat at the table, which was never clear to me. Because, if [organizational] HR brings value to the organization, how is it problematic to get to the director or someone else who is important”, implying that properly conducting HR practices should be of strategic importance for the organization. Taylor similarly states that “our goal is to build a community of employees that are engaged, motivated, satisfied, and we will accomplish organizational goals together.”

Moreover, participants resented the idea that they are not bringing long-term value to the organization. Taylor states “a good day is when I know that I brought some long-term value and

that I made something which will not only be one more process, but something that will be useful”, and Sarah tells that “first and foremost, the main role of HR is not only to exist, but, through people and talent, become a most important part of a company.”

Participants also strongly dislike the perception that the organizational HR’s main roles are operational ones. Joey states that “the first thing that I personally encouraged was to hire an operational manager, a person that will only do the administrative part of the job”, while Lucy highlights that “we try to show other departments that through us they can get an important partner in any process, which is hard as, in Croatia, perception of organizational HR is still that it is mostly responsible for the administrative part.” Taylor even mentions the importance of introducing processes to minimize the operative role “we are currently in the process of introducing share service, one of many tools with which we would reduce administrative day-to-day work.” By emphasizing their relevance for accomplishing organizational objectives, and distancing themselves from an operational roles, participants strongly reflect their idea of organizational HR as an essential part that helps organizations achieve goals, improve performance, and achieve competitive advantage.

The statements above reveal participants' understanding of organizational HR as a bridge between employees' needs and management’s demands, which facilitates accomplishing organizational goals. Participants frequently emphasize their roles in accomplishing organizational objectives, giving the organizational HR a strategic importance. Their understanding of organizational HR as a bridge, and giving it a strategic importance, is best reflected through participants' focus on their importance for aligning employees’ and management’s needs, and its significance for achieving organizational goals. The idea of organizational HR as a bridge emerges as employees and management constantly express their needs to the organizational HR, due to

which HR employees aim to create settings that will satisfy both sides. Through communication with employees and management, organizational HR constantly try to create values that support both satisfying employees' needs and fulfilling management demands. In creating those values, organizational HR try to align employees' needs and management's demands, presenting them as strategic organizational goals. The participants' perspective of organizational HR in Croatian MNCs as a bridge that has strategic importance reflects strongly in the challenges encountered.

Organizational HR Challenges

From participants' insights and experiences about organizational HR in Croatian MNCs, three challenges arose: 1) Managing workplace communication, 2) Talent acquisition and retention, and 3) Cultivating a positive organizational culture. The challenges that emerged are inextricably connected to the participants' experiences and their understanding of the organizational HR's roles. Challenges emerged in those aspects of participants' work in which they were prevented from fulfilling organizational HR's roles, i.e., satisfying employees' and management needs.

Managing workplace communication. The first challenge is managing workplace communication. This first challenge emerged from difficulties in maintaining communication with employees and management. Participants recognized the importance of organizational HR in its ability to maintain clear and open communication with and between organizational stakeholders. The interaction that the organizational HR constantly maintains is perceived by the participants as the main way of finding out both employees' and management's needs. However, participants express the difficulty of maintaining that communication, indicating it as a challenge that immobilizes the ability to fulfil the organizational HR's roles.

Participants strongly implied the importance of communication with employees and management. Kate states: “my job is to secure that everybody has the information needed to do their jobs and that employees feel included.” When mentioning HR goals in her organization, Lucy states that “every year in March employees give suggestions about which training, courses, education, or any other aspect of learning could help them to become better”, while Joey highlights that doing “[interviews with all of the employees] was the best thing that I did in the beginning, maybe it is not an implemented process, but it is a pivotal entry step to know them and motivate them properly”, placing emphasis on feedback as a way of finding out employees’ needs.

Similarly, participants emphasize the significance of regular communication with the management as a means to find out their needs and priorities, as Taylor states “my typical day surely includes synchronization with the boss and the directors connected with everything we need to deal with.” Participants even started to identify their job with how successfully they can transfer the message. Lucy states: “the most beneficial task for the company from me as HR employee is close work with management, where I can give concrete feedback from people that went away from the organization, as they warn us of some irregularities and problems in their exit interviews.”

However, employees often encounter communication channels closed by both employees and management. As Lucy highlights “I support open communication, however, due to mentality or I don't know what, employees are reserved, they are scared to say anything because it could get blown out of proportion”. Similarly, Joey states that “management often have a perception that everything is all right because no-one is complaining, but often people are not complaining because they don't feel safe.” Anthony also experienced a closed communication channel from the management, stating that a bad day is “when I wait for information from management for an activity, and while I don't get that information, I need to wait with progressing further”, while

Taylor experiences management ignorance in communication, “it is really challenging to have a conversation with management when you are not fully familiar with their field”. Participants experience closed communication channels as a serious threat to the successful fulfilment of their roles, which is best depicted in Joey's statement: “I consider it a bay day when I don't have input on what to do.”

Participants perceive maintaining communication with both employees and management as a highly important and pivotal part of their work. They understand that constant interaction enables them to uncover employees' and management's needs and accomplish organizational HR's roles. Conversely, participants also experienced situations when they were unable to keep communication channels open, either with employees or management. Whenever participants experienced a lack of communication, they considered it a difficult situation in which they were not able to fulfil organizational HR's roles. Participants' focus on communication emerges as it is perceived by them as the main avenue for creating values that will truly support organizational objectives and enable organizations to accomplish their goals. However, due to miscommunication that sometimes happens between organizational HR and both employees and the management, the creation of the right values gets difficult, making it significantly more challenging for organizational HR to fulfil its roles.

Talent acquisition and retention. The second challenge is talent acquisition and retention. The second challenge emerged from participants struggling with attracting and retaining employees. Participants expressed that they are constantly on the lookout to attract and retain employees according to management requirements, but they also implied that employees' needs are constantly changing due to external conditions. Due to that, participants understood talent

acquisition and retention as a potential challenge because they were often not able to align employees' and management's needs, especially regarding the benefits.

Participants often inferred that their main task in the organization is to attract and retain employees. For example, Anthony understood the attraction of employees "I find a day successful when people accept a job offer" as a critical part of organizational HR's roles. However, due to rapidly changing demands from the employees, participants expressed a lower ability in accomplishing that task. For example, Lucy states: "I am desperately on the lookout for the model that functions, in a sense that we can more easily find employees in regard to market and talent situation."

Similarly, participants expressed the same interpretations regarding employee retention. They emphasize the significance of retention, but also stressed the difficulty to fulfil that part of their roles. For example, Taylor highlights the importance of retention, "currently it is much more accessible to work from home, remotely, and now you can get employed anywhere in the world, making it harder for us to keep employees." Diana draws attention to the difficulty of keeping employees "even if you find someone new to work, it is hard to keep up as they can find a job with better benefits tomorrow."

For both attracting and retaining employees, participants pointed out benefits as the main factor in employees' needs. Anthony highlights that "some benefits are not considered benefits any more, but something that goes without saying", Taylor states that his organization has a team called "Total rewards" that deals solely with benefits, stating that "we are constantly doing analysis, trying to be in the 25% best companies", while Diana stresses that "even if you find someone new to work, it is hard to keep up as they can find a job with better benefits tomorrow." However, participants also hinted that management is not often aware of the current employment market

situation, which is best depicted by Lucy's statement: “we have a hiring plan to fulfil, however, we need to take into account the situation on changing employee market, the salary that other organizations offer and similar, something that not everyone in the organization is aware of.”

Participants often brought attention to the aspect of their work that concerned the attraction and retention of employees. They understood it as a significant part of their job in which they often experienced difficulties in realizing it. Participants felt accountable for attracting and retaining employees by satisfying their needs, which often presented challenges. As employees' needs are constantly evolving, especially the desired benefits, organizational HR has a difficult time fulfilling them. Moreover, the participants also mention the role of the management and its unawareness of employees' needs. As the situation for organizational HR is already difficult as it needs to satisfy employees' needs, they often encounter a lack of understanding from the management. The challenge of talent acquisition and retention derives from the participants' experiencing situations in which they would need to navigate the conflicting meanings they receive from employees and management. The participants would manage to communicate which values are needed to support both employees' and management's needs, however, they were having difficulties aligning them, and, consequently, hard time accomplishing organizational goals. As organizational HR is constantly interacting with both employees and management, and as employees' and management's needs are perpetually evolving, reconciling them presents a difficult task for organizational HR.

Cultivating a positive organizational culture. The third challenge is cultivating a positive organizational culture. This challenge arises from the participants' focus on employees' needs. Participants perceive fulfilling employees' needs as an essential part of their roles. The participants' understanding of how to carry out these roles most efficiently is by cultivating a positive

organizational culture. From the participants' perspective, a positive organizational culture includes a cherishing, supportive atmosphere in which employee well-being is essential. However, participants highlight the negative influence of both internal and external pressures on sustaining positive culture. Consequently, integrating employees' needs into organizational culture under elaborate and unplanned circumstances emerges as a challenging task for the participants.

The understanding of positive organizational culture as a pivotal way of satisfying employees' needs emerged among participants. Anthony states: “our main goal is to secure a culture in which all employees are feeling comfortable or where they want to stay working and contribute.” Similarly, Diana underlines that “employee development is immensely important to us, today's generation doesn't want to rot on the job, they want to develop and connect, for which it is important to maintain team spirit”, and Joey claims “we [as organization] want that employees see the point, that something is not imposed and said this is your carrier path, but to feel that everything came from them and that that is their motivator and driver.” These statements reflect participants' understanding of a positive organizational culture and employee well-being as an important factor in satisfying employees' needs.

However, participants often experienced events that disturb established organizational culture and the integration of employees' needs into it. For example, Anthony declares “after Corona passed, we are intensively organizing events and lunches so the family atmosphere returns to where it was”, Joey mentions that “we are currently merging with an American organization, which, you know the USA mindset, if you get on someone's bad side, you will get fired, and now I am constantly working on transferring our mindset to them, where work contracts and employees relationship are important“, and Taylor states “one of my current goals is to secure that new

employees that will arrive in the organization culturally adjust, having in mind that they are coming from different organizational cultures.”

Participants pay a great deal of attention to satisfying employees' needs. Participants perceive organizational culture that will constantly support employees' well-being as the most efficient way of satisfying those needs. However, participants emphasize the negative impacts of external and internal pressures. Events such as global pandemics, mergers, and the arriving of new employees, participants acknowledge as disruptors of the process of cultivating a positive organizational culture. As participants emphasize the role of interaction with employees to derive organizational culture according to their conception of well-being, and highlight events that distribute the creation of that positive organizational culture, it can be concluded that participants consider cultivating a positive organizational culture a challenging task for organizational HR.

Organizational Communication Transforms Organizational Culture

From the participants' insights, it can be implied that participants believe that organizational communication transforms organizational culture. Based on participants' experiences and their understanding of the relationship between organizational communication and culture, it can be inferred that they perceive organizational communication as a driver for organizational culture evolution. Through their insights, participants suggest that organizational culture is created and changed through communication in four ways.

Firstly, from the participants' understanding of organizational HR's roles as a communication canal for implementing both employees' and management's needs, participants strongly emphasize the role of communication in changing an organization and its culture. Anthony states “our goal is, either management or employees, that everybody feels open to communicating both positive and negative matters, so we see which practices are good and should

be continued, and which practices we should change”, which points out how participants perceive that employees in organizational HR change the organization and its values through communication and performing of their roles.

Secondly, participants constantly remark on the importance of feedback, as they consider it as a driver of changes in the organization. Diana states “we need to conduct exit interviews and find out why an employee is leaving. For us, exit interviews are important input on what we should improve further.” Similarly, participants emphasize the role of performance management. For example, Lucy states “our main goal is to successfully perform performance management every year. During February, every employee sits with a head of a unit, they assess accomplished goals, and then, next month, new goals are set.” As performance management is an ongoing process that is based on constant feedback that adjusts both employees' and management's needs, participants acknowledge the changing force of communication.

Thirdly, participants experienced a lack of communication as a serious threat to the organizational culture. Anthony states “that team, family spirit got lost [during Covid-19] people became distant”, later continuing “we are doing everything in our power to lift the spirits, we are holding events and lunches so people would be together more.” By emphasizing the significance of events as a place where employees create and maintain the culture through interacting one with another, and by stressing how lack of communication harms organizational culture, participants reveal their understanding of organizational communication as a driver of organizational culture.

Lastly, participants emphasized the dynamic aspect of the organizational HR. Joey states “it is most important that employees are flexible, can react quickly, possess agility, and that they understand what it means to work in chaos”, or Michael claims “the whole organization is open to changes, no matter if there is a yearly plan.” Similarly, Diana highlights “we are constantly making

sure that everything is up to date, and we are constantly trying to follow trends.” As participants emphasize the constant changing of an organization that comes through interacting with their surroundings, they acknowledge that organizational culture constantly evolves through communication process.

Participants understand organizational communication as a driver of changes in the organization culture. They suggest four ways of how organizational communication changes organizational culture: through performing organizational HR's roles, the culture of feedback, lack of communication between employees, and dynamic interaction with the surroundings. By perceiving employees' interaction as a cause of constant organizational evolution, participants revealed their understanding of the transforming role of organizational communication for organization culture.

Summary of the Findings

From the analysis of the interviews with eight participants that are HR employees, it emerged that participants understand the organizational HR's roles in Croatian MNCs as a bridge between employees' and management's needs, and that strategic organizational goals are accomplished by aligning those needs. Participants recognized the strategic importance of organizational HR, where attracting, managing, and developing employees and satisfying management demands influenced the successful accomplishment of organizational objectives. Participants considered organizational HR in Croatian MNCs as an essential part of the organization, whose main goal is to create values, through communication, that will satisfy both employees and management, ensuring organizational success.

Also, based on participants' experiences, three challenges emerged for organizational HR: managing workplace communication, talent acquisition and retention, and cultivating a positive

organizational culture. The participants perceived those challenges to be inextricably connected to the situational inability to fulfil the organizational HR's roles. Firstly, managing workplace communication as a challenge emerged as participants perceive communication as the main avenue for creating values and accomplishing organizational goals, and every miscommunication presented a threat to accomplishing organizational HR's roles. Secondly, the challenge of talent acquisition and retention is derived from the challenge of aligning employees' and management's needs with the aim of performing organizational objectives. Lastly, the challenge of cultivating a positive organizational culture is a result of participants experiencing disturbances in implementing employees' well-being into the organization, making it difficult to create an effective organizational culture.

In addition, it emerged that participants understand organizational communication as an avenue for creating organizational culture. They implied four ways in which organizational communication influences organizational culture: through performing the organizational HR's roles, the culture of feedback, lack of communication between employees, and dynamic interaction with the surroundings. Accordingly, all the ways mentioned emphasized the changing force of organizational communication on organizational culture. After I have analysed, interpreted, and summarized the findings of my research, in the next section, I will present the contributions of the study.

Discussion

In this chapter, I will present the contributions of the study, as I introduce the emerged theory and the implications of this research for the field of IHRM. The goal of this study is to derive a theory about the organizational HR's roles and challenges in Croatian MNCs based on participants' understanding and experiences they encountered in their work as HR employees.

Based on the findings, it emerged that open communication is essential for fulfilling the organizational HR's roles in Croatian MNCs. Open communication means having open communication channels that enable communication to happen freely and effectively. Organizational HR's roles are perceived as a bridge between employees and management, as organizational HR constantly tries to align employees' needs and management priorities with the aim of accomplishing organizational goals. For the fulfilment of organizational HR's roles, open communication is perceived as the main enabler. Communication is understood as a main avenue through which employees' needs and management priorities are constantly discovered, aligned, and implemented into the organization, which highlights the importance of open communication. Continuous interaction with both employees and management is required for organizational HR to gather relevant information that will most efficiently enable HR employees to accomplish organizational HR's roles.

Conversely, lack of communication presents a challenge for organizational HR. Whenever organizational HR experiences closed communication channels with employees or management, it is unable to perform its tasks. Any miscommunication, misunderstanding, or disconnection between organizational HR and employees or management, is recognized as a direct compromise of organizational HR's ability to execute its roles.

The findings of this study offer several useful implications for the field of IHRM. One of the main findings in the study suggests that organizational HR in Croatian MNCs is perceived as a bridge through which employees' needs and management priorities are connected, and that it is essential for accomplishing organizational strategic goals. This aligns with current thought in HRM and IHRM literature. HRM and IHRM literature considers that organizational HR helps integrate employees' needs and corporate strategy (Bratton & Gold, 1999; Ferris et al., 2004) and

that can significantly contribute to organizational success through improving various organizational outcomes and securing organization's competitive advantage (Aslam et al., 2013; Boxall et al., 2007; Huselid, 1995; Lado & Wilson, 1994; Machado, 2015; Ozgo & Brewster, 2015; Podgorodhnichenko et al, 2020; Schuler et al., 2002; Seeck & Diehl, 2016).

The recognition of organizational HR as an important factor for organizational success also supports the claim that Croatian organizations started to understand the importance of developing organizational HR as an opportunity to gain a competitive advantage (Grgurević, 2016; Rudancic, 2019; Marušić, 2019; Sušanj et al., 2020). In addition, from the insights in the findings, it can be concluded that internal and external pressures influence the development of organizational HR in Croatia. For example, increased organizational competition for employees or the global pandemic, which correlates with the prevalent thinking that HRM develops due to historical circumstances (Collings & Wood, 2009; Tayeb, 2005).

Considering the theory that emerged in this study and its emphasis on the idea that organizational HR is a bridge, and that it is of strategic importance for the organization, the focus should be on developing open communication as the main tool for fulfilling organizational HR's roles in Croatian MNCs. By developing open communication in regard to organizational HR, I imply refining open communication channels with the aim of creating and improvement of an environment in which communication between organizational HR and employees or management takes place. It is perceived that organizational HR significantly amplifies an organization's ability to improve outcomes and secure competitive advantage by discovering, aligning, and implementing employees' needs and management priorities for which open communication is considered essential. Croatian MNCs should consider continuously encouraging the enhancement of open communication in order to improve HR's roles of aligning employees' needs and

management priorities and accomplishing organizational objectives. Moreover, as organizational HR in Croatia should gain more relevance and interest due to recent changes (entry into the Eurozone and Schengen Area), this highlights the need for Croatian MNCs to make developing organizational HR through supporting open communication an urgent matter.

Both study findings and HRM and IHRM literature emphasize the great value of employees for the organization. Findings show that HR employees understand the high importance of employees' well-being for organizational success, especially supported by the expressed efforts to attract, keep, and develop employees. Similarly, HRM and IHRM literature highlight the value of employees as they possess the unique skill and knowledge for accomplishing organizational objectives (Bratton & Gold, 1999; Ferris et al., 2004; Schuler et al., 2002; Skuza & Scullion, 2015; Stone & Deadric, 2015). Stressing employee well-being in findings also supports the soft approach and views of Harvard school, as they endorse the idea that employees present a long-term valued asset that is a source of competitive advantage (Brewster, 2004; Budhwar & Debrah, 2001; Strauss, 2001; Tayeb, 2005).

Based on this study, employees' skills and well-being are considered important for accomplishing organizational objectives. It is also shown that the organizational HR can play a crucial role in satisfying employees' needs. Having in mind this study's theory and perspective on the importance of employees and the organizational HR role in fulfilling their needs, Croatian MNCs should consider supporting open communication as a way of improving the integration of employees' well-being into organizational objectives, thus contributing to enhancing the value of employees as long-term assets and, consequently, accomplishing their goals advantageously. This highlights the need for improving open communication which could enable organizational HR to

better detect factors of employees' well-being and align them with management priorities, increasing organizational chances for success.

In the findings, three organizational HR challenges emerged as direct consequences of organizational HR's inability to fulfil its roles, however, the implementation of this study's theory of open communication could help organizational HR in Croatian MNCs overcome those challenges. The first challenge is managing workplace relationships, and it emerged as HR employees had difficulties constantly maintaining communication with employees and management, which they perceived as something that hinders their ability to accomplish organizational HR's roles. Similarly, the IHRM literature emphasizes the challenge of maintaining communication on an international level due to factors such as language barriers, and that lack of communication can negatively influence organizational HR as it reduces the efficiency of the HR practices (Ayoko et al., 2021; van den Born & Peltokorpi, 2010).

For overcoming this challenge, the theory emerging from this study contributes by refocusing on the need for open communication. Maintaining open communication should enable organizational HR in Croatian MNCs to overcome factors such as language barriers and increase the chances of HR practices' success. This challenge highlights the importance of open communication in Croatian MNCs and the need for their HR employees to find a way to foster a culture of open communication and trust within the organization to effectively perform their roles. Organizational HR in Croatian MNCs could support open communication by encouraging transparency, advancing open communication channels, and providing incentives and training regarding communication.

The second challenge is talent acquisition and retention. In the findings, this challenge derives from organizational HR's focus on the attraction and retention of employees, which

appeared to be challenging as they are unable to constantly align evolving employees' needs and management priorities. As HR employees continuously interact with both employees and management regarding their demands, they would often get opposite meanings and had difficulties in unifying them, consequently not being able to fulfil organizational HR's roles. The challenge of attracting, selecting, developing, and retaining valuable employees is also highly present in IHRM literature (Ayoko et al., 2021; Martins and Tome, 2015; Roberts et al., 1998; Saadat & Eskandari, 2016; Schuler et al., 2011; Skuza & Scullion, 2015). Factors such as the shortage of workers and domestic growth of competition, declining birth rates in Western Countries, and the rapid growth of emerging markets, together with peculiarities characteristic for operating international business, made it significantly more difficult for organizational HR to manage talent.

As we have seen above, study findings present a deeper understanding of why the challenge of acquisition and retention arose, due to the inability of organizational HR to constantly align employees' needs and management priorities, while IHRM literature is only focused on external pressures as a reason for hindered talent management. Implementing this study's theory could be beneficial because it aims at resolving the core of the challenge, not focusing on particular pressures. Open communication enables organizational HR to constantly keep up with changing employees and management demands, which improves the chances of effective alignment. This emphasizes the need for developing open communication that will help in aligning meanings between employees and management, especially when they are opposing. Croatian MNCs should proactively look to develop organizational HR that is skilled in supporting open communication and can adapt communication strategies to different contexts to attract and retain the workforce while simultaneously satisfying management priorities. In addition, researchers that study IHRM

should consider that practices such as encouraging regular employee feedback or management transparency could help in better attraction and retention of talent.

The third challenge is cultivating a positive organizational culture. Findings show that organizational HR in Croatian MNCs pays a great deal of attention to cultivating a positive organizational culture as a way of improving employee well-being and fulfilling employees' needs. However, it is also shown how difficult it is to keep a positive organizational culture due to a number of external and internal pressures. IHRM literature also recognizes this challenge. Factors such as highly diverse workplaces, emergent use of technology, and balancing between HQ and subsidiaries' needs, significantly obstruct organizational HR's ability to produce effective organizational culture (Bruton et al., 2000; Cennamo & Gardner, 2008; Gelfand et al., 2007; Kelly, 2001; Konrad & Linnehanl, 1995; Shen et al., 2009; Stone & Deadric, 2015; Stone et al., 2015). For example, Stone and Deadric (2015) state that information technologies through their impersonal, one-way communication systems make HR practices less influential, and Shen et al. (2009) argue that ineffective diversity management can have a negative impact on employees' well-being.

As the interaction between organizational HR and employees is essential for creating a positive organizational culture by discovering employees' needs and their concepts of well-being, open communication presents itself as crucial. Open communication is important as it could help in developing a healthy, supportive culture through interaction in which all employees' needs would be detected and possibly satisfied. In addition, open communication could help Croatian MNCs' organizational cultures to overcome external and internal pressures by providing organizational HR with better information regarding employees' needs, which would facilitate clearer implementation of employees' well-being into an organization.

The findings also present how HR employees perceive the relationship between organizational communication and culture; organizational communication is perceived as a transformer of organizational culture. Four ways how organizational communication changes organizational culture arose: through performing the organizational HR's roles, the culture of feedback, lack of communication between employees, and dynamic interaction with the surroundings. The findings align with my assumptions about organizational communication and culture, as with my embraced interpretation of their relationship. It supports Keyton's definitions of organizational communication, "a continuous process through which organizational members create, maintain and change the organization by communicating" (Keyton, 2005, p. 17), and organizational culture "the sets of artefacts, values, and assumptions that emerge from the interactions of organizational members" (Keyton, 2005, p. 28). In addition, findings support my perception of organizational communication and culture relationship as based on Bisel et al.'s (2009) interpretations, as becoming orientation emphasizes that organizational culture is constantly evolving through the communication process.

The understanding of how HR employees perceive the relationship between organizational communication and culture gives me a deeper comprehension of the importance of organizational communication for culture, as it reinforces this study theory. Concerning the theory, the findings of the study indicate the importance of organizational communication as it is perceived as a changing factor for organizational culture. It can be assumed that organizational artefacts, values, and assumptions are transformed through employee and management interaction with the organizational HR. Having in mind this study theory and becoming orientation perspective, by pursuing open communication, Croatian MNCs could facilitate both employees and management to change organizational culture more in accordance with their needs.

Summary of the Discussion

The contribution of this study is twofold. First, the emerged theory contributes to our understanding of the roles and challenges of organizational HR in Croatian MNCs. Based on the theory, open communication is essential for successful fulfilling of organizational HR's roles. Open communication enables organizational HR to align employees' needs and management priorities. Consequently, any miscommunication, misunderstanding, or disconnect between employees or management and organizational HR which hinders open communication, prevents organizational HR from accomplishing its roles.

Second, this study provides implications for the IHRM field. As both findings, and HRM and IHRM literature emphasize the roles of organizational HR as a bridge, its importance for success, and the influence of internal and external pressures, this study draws attention to the importance of open communication in those aspects. Supporting open communication in Croatian MNCs could enable organizational HR to better perform its roles and accomplish organizational goals, enhance HR practices, and adapt them to emerging situations more easily. In addition, findings, and HRM and IHRM literature recognize the high value of employees for the organization. Relying on the theory, Croatian MNCs should consider supporting open communication as a way of improving the integration of employees' well-being into organizational objectives, and consequently accomplishing their goals advantageously.

The findings reveal three challenges, which are also present in the IHRM literature. The first challenge, managing workplace relationships, refers to organizational HR's difficulty in constantly maintaining communication, which hinders its ability to fulfil its roles, while IHRM literature emphasizes the challenge of maintaining communication on an international level due to different factors. Following the emerging theory, open communication could help avoid a lack of

communication with practices such as encouraging transparency or advancing open communication channels.

The second challenge is talent acquisition and retention. In the findings, this challenge arose due to organizational HR's inability to constantly align employee and management demands, while IHRM literature also tackles this challenge, but only concerning the external pressures that cause it. Open communication could help in overcoming this challenge at its core, by enabling constant keeping up with evolving employees and management demands, which could help in their better alignment. This could be accomplished with both Croatian MNCs and IHRM researchers taking into account practices such as regular employee feedback and performance evaluations, or management transparency as factors that could improve attraction and retention.

The third challenge is cultivating a positive organizational culture. Both findings and IHRM literature emphasize the importance of organizational culture for the employees' well-being, but also internal and external pressures that make keeping a positive organizational culture difficult. For resolving this challenge, promoting open communication could help in developing a healthy supportive culture through the implementation of employees' well-being.

This study also contributes by considering HR employees' perception of the organizational communication and culture relationship. The way the organizational communication and culture relationship is understood is that organizational culture is constantly evolving through the communication process, which fits becoming orientation according to Bisel et al.'s (2009) interpretations. This aligns with my assumptions about organizational communication as a process through which an organization is changed, and about organizational culture as a set of artefacts, values, and assumptions that emerge from employees' interaction. Organizational HR's focus on communication reinforces the importance of this study theory.

This research has provided valuable insights into the roles and challenges of organizational HR in Croatian MNCs, as well as the relationship between organizational communication and culture regarding organizational HR. In the next section, I will give a brief overview of the study, summarize the main findings, and suggest directions for future research.

Conclusion

The purpose of this study was to examine the role and challenges of organizational HR in Croatian MNCs. HRM theories and practices became widely popular in the last 30 years, and the reason for their popularity can be found in their ability to improve organizational performance and competitive advantage. One subfield of HRM, IHRM, is getting considerable attention from practitioners and academics as it is concerned with HRM on an international level. Due to intensified globalization, the drastic increase in the number of MNCs, and a higher need to manage on the global stage, doing research that could contribute to IHRM is highly relevant and useful.

In that regard, I find that studying organizational HR in Croatian MNCs could contribute to the field of IHRM. In Croatia, the development of organizational HR did not gain momentum until 2010. In the last 13 years, Croatian organizations started to recognize the importance of organizational HR, especially Croatian MNCs. Their stronger presence in the international market prompted them to realize the importance of utilizing organizational HR as an opportunity to gain a competitive advantage. Also, as Croatia has just entered the Eurozone and Schengen, it can be assumed that a new, stronger, international presence could further influence the development of organizational HR in Croatia. The distinctive development path, current status, and future changes make studying organizational HR in Croatian MNCs beneficial for the field of IHRM. By understanding the roles that organizational HR has in Croatian MNCs, the challenges organizational HR faces, and factors such as organizational communication and culture

relationship that are in interplay with organizational HR, we could gain new valuable insights for the field of IHRM and further research.

Looking to provide those valuable insights, I aimed to answer the main research question: “How do HR employees in Croatian multinational companies understand their roles, and what challenges do they face in this industry?” In addition, the following sub-questions were used to guide the research: “How do HR employees understand the roles of organizational HR? What challenges do they encounter in their work? How do they perceive the relationship between organizational communication and organizational culture?”

The first sub-question sought to understand how HR employees in Croatian MNCs understand the roles of organizational HR. The HR employees see the organizational HR's roles in Croatian MNCs as mediators that connect employees' needs with management priorities i.e., a bridge to accomplish organizational goals. They recognize the importance of open communication for fulfilling their organizational HR's roles, as they perceive it as the main avenue through which employees' needs and management priorities are constantly discovered, aligned, and implemented into the organization.

The second sub-question intended to identify challenges that HR employees encounter in their work as a part of organizational HR in Croatian MNCs. The three challenges that emerged were managing workplace communication, talent acquisition and retention, and cultivating a positive organizational culture. They are considered a direct consequence of HR employees not being able to fulfil organizational HR's roles due to closed communication channels with employees and management.

The third sub-question attempted to explore how HR employees in Croatian MNCs understand the relationship between organizational communication and organizational culture. The findings of the study show that HR employees imply that in the relationship between organizational communication and culture, communication transforms culture. They perceive organizational culture as constantly evolving through the communication process, which is in accordance with the becoming orientation according to the Bisel et al.'s (2009) three interpretations of relationships between organizational culture and communication.

The main research question aimed to understand the roles and challenges of organizational HR in Croatian MNCs from the HR employees' perspective. Through HR employees' insights and experiences, it emerged that the organizational HR's roles are a bridge between employees and management, where organizational HR is continuously engaged with the aligning of employees' needs and management priorities with the aim of accomplishing organizational goals. They also recognized that open communication is essential for fulfilling organizational HR's roles, as it enables them to accurately align employees' needs and management priorities. The challenges that HR employees experience arose from their inability to fulfil organizational HR's roles due to a lack of communication. The challenges of managing workplace communication, talent acquisition, and retention, and cultivating a positive organizational culture surfaced as an inability of HR employees to constantly successfully carry out their role as a consequence of closed communication channels between organizational HR and employees or management. In addition, the importance of communication for organizational HR is reinforced by HR employees' perception of the relationship between organizational communication and culture, in which they perceive communication as a driver of organizational culture changes.

I found exploring and answering the main question and sub-questions beneficial for several reasons. First, it provides researchers and practitioners with a deeper understanding of how organizational HR is perceived in Croatian MNCs. Second, those insights could be useful for improving organizational HR or resolving some of the challenges that HR employees experience. Third, it could help organizational HR in Croatian MNCs to prepare better for future challenges that await them due to the intensified internationalization of the Croatian market. Fourth, identifying the current roles and challenges of organizational HR in Croatian MNCs could prepare MNCs from less developed countries that have similar development paths, for future challenges. Lastly, having a deeper understanding of the Croatian context could provide insights and perspectives for the future development of IHRM.

Based on my findings, I recommend future research to explore the role of open communication further. For example, how it influences the effectiveness of organizational HR talent management and promotes specific aspects of employees' well-being. Also, it would be beneficial to explore the potential practices and mechanisms that could improve open communication between organizational HR and employees or management. In addition, I think it would be beneficial to produce a longitudinal study to investigate how events such as entering the Eurozone and Schengen Area influenced organizational HR in Croatian MNCs to fully cover the development process.

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Appendix A

Informed Consent

Title of Research: Organizational HR in Croatian MNCs: Roles and Challenges

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1. Introduction and Purpose of the Study

How do HR employees in Croatian Multinational Companies understand their roles, and what challenges do they face in this industry? For exploring participants' experiences and perspectives, in-depth interviews are used for gathering data.

2. Description of the Research

Research consists of one interview with each participant.

3. Subject Participation

I estimate that 8 participants who work as part of Human Resources Management will take part in this study. Your participation will involve one interview, approximately 50 minutes in length. The interview will be recorded in order to be transcribed.

4. Potential Risks and Discomforts

There are no known risks that this research poses for interviewees.

5. Confidentiality

Your responses are completely anonymous. No personal identifying information or IP addresses will be collected. All information taken from the study will be coded to protect each subject's name. No names or other identifying information will be used when discussing or reporting data. The investigator will safely keep all files and data collected. Once the data has been fully analysed it will be destroyed.

6. Voluntary Participation

Your decision to participate in this study is completely voluntary. If you decide to not participate in this study, it will not affect the care, services, or benefits to which you are entitled.

7. Withdrawal from the Study and/or Withdrawal of Authorization

If you decide to participate in this study, you may withdraw from your participation at any time without penalty.

I voluntarily agree to participate in this research program. Also, I voluntarily agree that observations and findings found during the course of this study are used for education, publication, and/or presentation purposes.

Yes

No

I understand that I will be given an electronic copy of this signed Consent Form.

Name of Participant:		
Signature:		Date:
Person Obtaining Consent: Luka Ajduković		
Signature:		Date:

Appendix B

Question guide

How do HR employees in Croatian Multinational Companies understand their roles, and what challenges do they face in this industry?

Background questions

- What is your role within the organization?
- Tell me a little about what your organization does?
- How did you come to work here?
- Could you describe a typical day at work as an HR employee?
- Could you give me an example of a good day at work?
- Could you give me an example of a bad day at work?

Organizational HR in their organization

- What segment of organizational HR is most emphasized in your organization?
- What is organizational HR's main focus in your organization?
- What is the main goal of organizational HR in your organization?
- What organizational goals should you accomplish as HR employees?
- What are typical HR challenges at your organization?
- What part of your work do you find most challenging?
- What part of your work do you find most rewarding?

HR in General

- What is, in your opinion, main role of organizational HR?
- What are, in your opinion, biggest challenges of organizational HR (in general)?

- Are there direction/movements in organizational HR in general (what are the future areas/focus of organizational HR)?
- Where do you see development of organizational HR going in the future? In general, and for your organization
- What else would you like to share regarding organizational HR?