

Editorial

Dear Reader,

the first issue of the new year is once again focussing on central requirements for management in transforming societies: striving for a higher competitiveness in a global world and the influence of foreign direct investment by Western firms in the situation of changing conditions of an EU enlargement process, and the closely connected process of restructuring with its consequences for employment and HRM policies and technologies. The articles and the research note are dealing especially with Slovenia, Poland and Bulgaria but taking also the wider era of CEE countries into account.

The first article is from *Tomaž Cater* on “Interweaving of the Sources and Forms of a Firm’s Competitive Advantage: A Critical Review of the Adequacy of Existing Schools of Thought”. Based on an empirical analysis with data from 225 Slovenian firms, the author shows the relevance of a combination between external and internal sources and forms of competitive advantages. Aspects of tangible and intangible assets could be seen as important but at the same time a dominant position in the branch and the market were found as influential. A combination of the position of different schools on competitive advantages is proposed.

In the second contribution *Tomasz Mrozkowski, Mark Wermus* and *Linda D. Clarke* are discussing problems of “Employment Restructuring in Polish Companies during Economic Transition” and compare their findings with Western experiences. It is based on a study about downsizing activities in 90 Polish manufacturing companies and informs on the consequences for the employment structure as well as the functions of the firm. The authors state, that the factors that drive downsizing in a transition economy like Poland are not the same as those in the West. In the case of Poland, they claim, that downsizing has had mostly beneficial effects on the functioning of the companies under research.

The third article from *Stefan Eckert* and *Frank Rossmeissl* looks at the “Consequences of Convergence – Western Firm’s FDI Activities in Central and Eastern Europe at the Dawning of EU-Enlargement” using a broad literature review for their conceptualisation of market entry strategies of multi national enterprises. With reference to the EU enlargement process, and the new situation after the “cultural shock” in the new member states, the agenda for market entry strategies may change too. The authors expect that the competition between MNEs’ CEE “psychic market seeking”-subsidiaries as well as between MNEs’ CEE “psychic market seeking”-subsidiaries and MNEs’ Western European “psychic market seeking”-subsidiaries is going to intensify as the cultural convergence resulting from European integration creates potentials for restructuring.

In the research note, *Tanja Gorcheva* reports about findings on “The Differences in the Interactive Modification of Interaction between Target Groups and Personnel Management Tools” in Bulgaria. She refers to a study in 17 German subsidiaries in Bulgaria, 17 Bulgarian enterprises and 7 joint ventures and compares the different groups with respect to the use of HRM instruments and techniques. She especially refers to different target groups as managers or staff and different task or instruments in the fields of selection, development and remuneration. By comparing the approaches in the different groups of enterprises, the paper gives a good overview about the HR practices in Bulgaria.

All in all a nice couple of articles which can contribute to our overall knowledge on management in Central and Eastern Europe.

I hope you will enjoy reading it!

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