

CONDITIONS FOR THE EFFECTIVE MANAGEMENT OF HUMAN CAPITAL - THE TRENDS AND MECHANISMS OF POWER IN THE ORGANIZATION

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ABSTRACT

Currently, changes in the area of management of human resources (forced by technical, technological, organizational, economic and social development) concern two issues: the perception of a human being (in management) as a creator and creative performer of strategy, and the evaluation of the role of interpersonal relations by managers in the enterprise and its environment. It is also necessary to take into account individual human identity and the collective identity in the processes of interaction with the social environment in which people work. Because of modern information technologies, managers of companies can focus on the strategic needs of the company: managing of change, creating forecasts for there quirement of human resources and adapting (by the company and senior executives) to changing work conditions. In the framework of this study, the author wants to present several social aspects in the management of human resources. There has also been an attempt to extract the major determinants of effective human capital management in the era of modern technology.

Keywords: Management, human capital, organizational structure, development, technology.

INTRODUCTION

In the most recent literature on management, the importance of the human factor in achieving the goals of the company is emphasized. A new category of professionals, having useful knowledge for the enterprise, is growing in strength. The way production companies function has also changed, which in the twentieth century were focused on technology, production and physical labor. For traditional manufacturing companies, most important was the production of goods. New conditions in the functioning of modern enterprises (computerization, development of information networks, globalization of business, etc.) have brought about attention to the importance of knowledge in companies. Knowledge workers have become the basis for successful business operations.

Contemporary companies should be perceived as creative organizations which are able to respond to the activities of their competitors. These do not have to be typical hard results, but the ability to create new ideas or concepts, or the ability to take a fresh look at already known and existing ideas. Actions seen as innovative and competitive are necessary for this type of operation. On the other hand, their absence may be (and frequently is) a threat to its market. Innovation itself can take many shapes and forms. It may also be perceived and understood differently, depending on the field of knowledge in which it is studied, the subject of the research, and the purpose. However, the human being as a worker of a given company is always its initiator and executor.

At the level of the entire organization, power can be considered as the ability to influence the use of available energy and resources in order to achieve specific goals. However, at the level of a group or a team, power can be understood as the ability to influence collaborators and the

ability to build coalitions with those who identify themselves with certain ideas and objectives. Power is therefore a complex relationship. It consists of bilateral interactions, such as control and dependency that can be treated as partial relationships, where one is the conversion of the other (Quinn, Faerman, Thompson & McGrath, 2007, pp. 331-333).

Power is often associated with having influencing on others rather than subordination (dependence). It is more often associated with a person or an authority that governs rather than a person who is dependent on this power. When talking about power, people usually refer to someone's power rather than the power that is directed at someone or against someone. This occurs in many definitions of power and leadership. Therefore the role of these two components – control and dependency – is debatable here in the context of different management systems.

Power, in the broad sense, is a condition of management, in particular the management of a formal organization, its separate parts and human resource management. Sometimes managers are defined directly as those who exercise authority in various organizations.

RESEARCH METHODOLOGY

Currently, some aspects of human capital management are being looked at in a different way. Up to now, the human factor in management was treated objectively –as a material element. Undoubtedly, it is human capital that determines - to a large extent - the success of a company in the market. Therefore, this human factor must be treated properly - as an important (or perhaps, in many cases, the most important) entity in the management system.

In this study, a preliminary assumption was made that there exist boundaries which reduce the effectiveness of the management process. This assumption implies the need to search for cross-border tools, as well as for ways to cross such boundaries, to weaken their effects and to avoid them altogether.

The main purpose of this study is to establish connections between selected forms of the manifestation of operational efficiency of human resources and the strategic efficiency of the enterprise. The content for this study results from the existence of a fundamental dilemma between the regulations ruling social life and those ruling management. The study consists of two parts. The first part is based on the results of an analysis of literature. The second part - the empirical section – presents information on efficient strategic relationships and the characteristics of an effective system of human resource management in the company.

The complexity of subjects of knowledge, i.e. power, leadership and their relationship to management, mean that even similar definitions of power or leadership (belonging to the same approach) are differently interpreted. Power, in broad terms, usually means the ability, the opportunity to influence an entity (authority, individual, person, and group) by another (different authority, individual, person, group, etc.) with the expectation of a particular response from the entity - usually the modification of its previous behavior. Undoubtedly, power is the ability to influence others' behavior. It is the right to make decisions that direct the activities of another person. Thus, the mechanisms of governance are an important issue of leadership in the modern organization. The author of this paper has attempted to present also these mechanisms and implications for modern management.

The issues presented in this work do not exhaust the list of problems that aggravate researchers in this field. The contents (threads) included here give a sketch of the issues in order to stimulate the asking of further questions, rather than looking for specific answers. They are to become an inspiration for further exploration, to expand the boundaries of our knowledge and research abilities in the fields of economic science.

The essence of value in the organization

Values play a huge role in life and appear practically in every dimension of one's life. Every action, even the smallest of human activities, has their source in the way one treats fundamental issues. The dimensions defining value in life are very different and can be seen in many categories. The world of values is an important part of human culture and is also a reality to which a person should refer. Values stimulate and shape awareness, motivate the activity (e.g. of a given organization), specify the objectives of actions, integrate people and merge societies, stimulate, target and stabilize development. A human being therefore lives in a world of values that are part of his personality and surround him, but attitudes toward individual values vary. Values are one of the fundamental problems of human existence that evolve culturally and historically (Roxas & Coetzer, 2012).

Values are important both in private life and at company level. They are the main aspect of the personality of a human being. In the company, they decide how a corporate culture will be shaped. Values provide an opportunity for organizations to survive and develop (Hakanson & Snehota, 2005). They ensure the maintenance of internal balance during turbulences and are continuous impulses for development.

Currently there is a growing awareness of the role played by values in human resource management. The quality of human resources in a company can significantly increase the market value of an entity in relation to its book value (Hamel, 2006). The greater the differences, the more deliberate, conscious and comprehensive are the actions taken by the company to develop the competencies and skills of employees. Investment in human resources can be more profitable than traditional valuation methods predict (Crouch & Housden, 2003). For this reason, there is a visible increase in the attempts by companies to build and develop their human capital resources. One such attempt is the idea of management through emphasizing values, assuming the identification and integration of key values of the organization from the perspective of the employee (at the individual level) and the perspective of the company (at the organizational level).

The ability to create and manage human resources becomes a necessary condition for any organization in the face of volatility in the environment, constant threat of crisis, and the development of the information society (Preece, Nonnecke & Andrews, 2004). Each market operator, wishing to survive and to build a differentiating advantage to compete on the market, should improve their competencies and skills in the management of human capital.

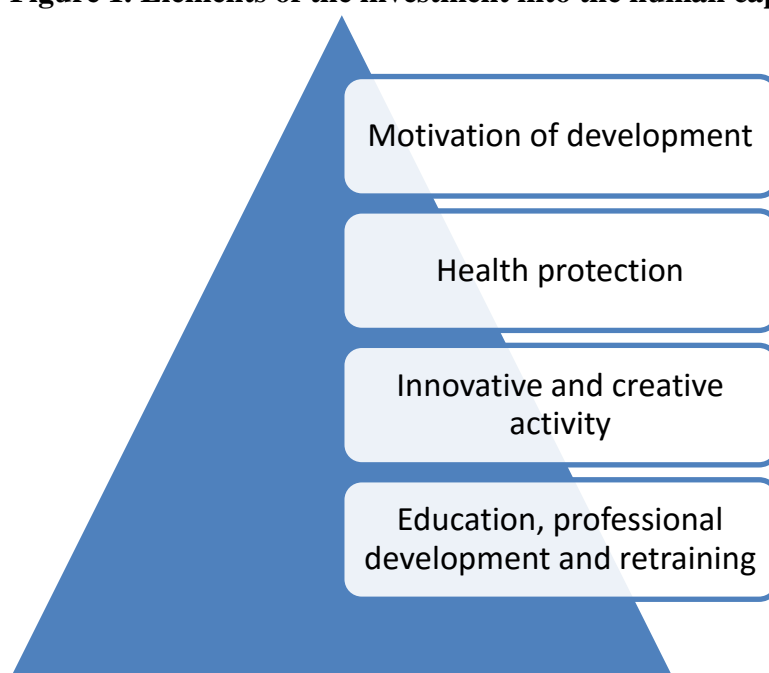
The main aspects of investment in human capital

Investment in the human capital can create conditions to obtain social and economic efficiency for the enterprise, region, country and on the international level from the invested means, therefore, as consequence, it is accompanied by the high risk. Thus, investment in the human capital, proceeding from intrinsic characteristics of its economic content, simultaneously is the prevention factor of intraproductive components of the enterprise'

uncertainty and risk and a source of the new risks creation connected with specificity of the human capital accumulation .

On the assumption that the investment in the human capital has a complex influence on all the stages of its reproduction, the enterprise can reach the greatest effect only in case of a complex, well-founded, simultaneous and timely implementation of the various kinds of investments into the human capital (Figure 1). Investment in workers' education, professional development and retraining has high level of social and economic efficiency both for the enterprise, and for the worker. However, by investing in personnel' professional and personal development, the enterprise gets at high risk which is connected with high probability of the worker's dismissal right after studies or through the short period of time which has passed after his professional development. First of all it is caused by growth of his cost on a labor market and increase of demand for work of such skill and competence level (Zakharova & Kratt, 2014).

Figure 1. Elements of the investment into the human capital



Source: own research

Depending on results stipulated by the professional training program (whether it is general knowledge and skills learning or highly focused professional training) the change of the level of the worker's dismissal risk has been monitored. Such regularity can be explained, as giving the worker specific focused professional knowledge in most of the cases limits the area of its full practical use by the enterprise where they have been obtained. Therefore, the demand for such worker on a labor market will be quite low and it reduces the risk that the worker will leave the enterprise in the near future looking for higher earnings or because of the other reason.

The important kind of investments priority for the enterprise is investment into the human capital which is investment in innovative and creative activity of workers by creation of corresponding motivational conditions, stimulus and interest of workers in an innovative direction of own work. The major risk factors when this kind of investment in the human capital is missing are unwillingness to change place of work and job content and lack of correspondence between the requirements to the quality of work prescribed by the

enterprise's governing body and existing pay level. Thus, the main reason of risk in this case is the psychological barrier of the worker which generates his passivity when modernization of the organization's labor activity is needed and dissatisfaction with conditions, work regime and its pay level (Zakharova & Kratt, 2014).

Thus, when choosing the type of investments into the human capital the enterprise should be guided not only by the aspiration of gaining the biggest social and economic effect in a short term, but also to maximally consider workers' expectations and aspirations concerning their own professional development. At the same time the enterprise should also identify and consider possible factors of uncertainty and investment' risk, and timely develop and introduce risks management measures simultaneously at all the stages of investment into the human capital.

The basic requirements in HR management

The basic limits of management efficiency are related to the objectives, attitudes and behavior of people in the organization. Managers and employees of the company are its social subsystem that accumulate unlimited potential for innovation and creativity (Leiponen, 2005). The basis for the behavior and fulfillment of organizational roles by people in the organization is their knowledge, their willingness to perform their duties, and the opportunities presented to them (Becker & Hauselid, 2006, pp. 898-925).

A company should act in way so that the participation, creativity and innovativeness of people do not end the moment the first problem of how to fulfill employees' expectations is solved. These actions should be the foundation for a dynamically shaped, relative rationality, taking into account changing and complex conditions, as well as the cognitive capabilities of decision makers and employees (Lerro, Linzalone & Schiuma, 2014).

A modern approach to management should treat employees as mediators between the environment and the company, giving them a significant role in exploring, analyzing and interpreting the conditions of strategic efficiency. The owners' (managers') task is to acquire the right people for the company, in order to liberate their inherent potential and to develop it creatively (Zaugg, 2009, pp. 147-156). It is necessary for the management of human capital to be realized in a sustainable way.

Sustainable management of human capital basic ally means the orientation of people and their activities on the future objectives of the company. The concentration of effort in the sustainable management of human capital should not be on the optimization of costs, but instead on the building of human potential that, in return, will bring success for the company (Weissenrieder & Kosel, 2010, pp. 11-15).

Sustainable management of human capital is done by consciously keeping a balance between the expectations of employees and the conditions created within the organization to meet these expectations. Fulfilling the expectations of employees means the internalization of company objectives, identification with the company and building relationships within the company and with other entities in the company's environment. This is undoubtedly very important for the success of the company. Innovation, entrepreneurship and creativity, which bring about an increase in the company's competitiveness, are activities that are not only determined by the characteristic features of the organization's personnel, but also by the human capital management system.

Within the concept of sustainable management of human resources, the main decisions relate to the objectives set in terms of recruitment, ergonomics, material and immaterial incentives, controls and mechanisms which balance the impact on personal and the consequences for the company in the process of achieving its aims.

In the current market environment, an important issue in management is the possibility to cross the motivational boundaries through the exploitation of solutions deviating from formal rules by changing the meaning of the function of human resource management and through subjective treatment of individuals in the company (Rani, Belser, Oelz & Ranjbar, 2013). It is about the creation of proper attitudes and behavior of employees, in the context of providing for the company's success. The result desired by economic entities is the liberation of organizational energy of strategic importance for the effectiveness of management. This energy is created as a causative element of human behavior and attitude (Liker & Choi, 2004).

The liberalization of organizational energy is essential for making organizational changes and achieving competitive advantage. There are many ways to liberalize organizational energy. The main ways are as follows: building workers' competences, creating organizational flexibility, triggering initiatives and providing personal development (Labeledz & Lee, 2011).

An extensive scale of the discussed phenomenon in particular countries can justify the research of self-employment problem, also in the context of human resources management. Such factors as e.g. gender, age or immigrant status were taken into consideration in the research process.

In Poland – in accordance with Eurostat research – the self-employed constitute a group of almost 2,9 mln people of which nearly 2 mln are men. Poland is ranked at the top of the European Union Member States in terms of self-employment share in the total workforce number (18,9%), after Greece (31,9%), Italy (23,4%), Portugal (21,1%) and Romania (20,1%). 78% of the self-employed Poles do not employ any workers and thus they represent the self-employed in the strict sense (Teichgraber, 2013). Poles are also above the European average in terms of their declared willingness to become self-employed (47% against 37%). In Europe, as compared to 2009, the percentage of people who prefer employment relationship has increased, because it ensures greater stability and the sense of security, which can also be influenced by a difficult economic situation and the related problems in running a successful company (Entrepreneurship, 2012).

Factors determining the effectiveness of management

The effectiveness of the management process depends on many factors. One thing that should be taken into account, among other factors, is the extremely varied characteristics of human nature (as well as skills and qualifications) and sources of motivation (Snell & Bohlander, 2012). For internal driving forces of human behavior, the most important motives are those that support the individual responsibility of each person for his attitude and actions. Therefore, the company should create frameworks in which self-motivation can be realized. Choices, initiatives, creativity and skills are undoubtedly the main dimensions of personality (Sheehan, 2005, pp. 192-209).

An important element, which is treated as an obvious determinant of human behavior within an organization, aside from the most fundamental of motives, are their cognitive capabilities.

These capabilities have influence over the extent to which communication with the company concerning expectations (in terms of attitudes, behaviors, activities, qualifications etc.) is reflected in the management process (Wrona, 2008, pp. 67-68). In this case, learning and knowledge creation is often the result of relationships between people in the group, or between two individuals, and is also limited by the space available in the office and by the involvement of people in this process.

The decision-making processes, as well as operations, are often the result of inclusion and exploitation of different situations experienced by personnel and the company, applied learning patterns, and interactions taking place between people (Hakanson & Snehota, 2005). Sometimes the consequences of the use of procedures and rules are unexpected. The individual knowledge of personnel is the result of what is created in the mind, but also depends on the situation, which allows one to treat the situational context as an important aspect of research concerning parts of cognitive structures at individual and collective levels (Ulrich, 1997, pp. 45-54). In particular, this context concerns business objectives, principles and methods of action, social values and norms. This is also the basis for creating the system of sustainable and individualized human resource management (Doyle, 2008).

The ability to exploit potential and invest in human resources increasingly determines the success of the company. In developed countries, there is a trend to move from an economic model based on labor and capital to an economic model based on knowledge (Davenport, 2005, pp. 23-32). This means that companies depend on workers with specialized knowledge, as well as highly developed managerial skills.

The basic condition that the company must fulfill, in order to enable knowledge workers to perform the role of innovators, is to encourage their involvement in the innovation process. There are many definitions of involvement in the literature. Generally speaking, involvement occurs when employees are genuinely interested and absorbed in their work, and above all when they do additional, not only mandatory, work for the company (Armstrong, 2009, pp. 123-124).

The level of effectiveness of individual employees, which until now was only measured for managers at different levels, plays a significant role in how great an impact they have on the functioning of the enterprise (Davenport et al., 2006). Therefore, it becomes unimportant where a given employee works, because more and more often what is expected of him is effectiveness. More and more often, managerial positions are being occupied by knowledge workers, because outstanding intelligence, combined with a powerful imagination, is becoming more common in the 21st century.

Information and communication technologies (with the help of the Internet) are often used in modern organizations. This tool has almost become a natural work environment (Cewińska & Wojtaszczyk, 2012). Because of services such as e-mail, web chat, instant messaging, text conversations conducted in real time, Internet telephony, internet radio, internet TV, teleconferencing, fax, on-line games etc., the Internet is increasingly used by HR departments. The Internet supports almost all the functions of personnel management, including the implementation of recruitment and selection, adaptation, evaluation, training, and communication (Raine, Horrigan, Wellman & Boase, 2006).

The Internet supports such areas as building the image of an employer, processes of talent management or employee opinion surveys (Cameron, 2008, pp. 7-14). Some enterprises

already use tools for human resources management in the cloud-computing model. Although in many countries these solutions are still a novelty, it should be expected that they will soon gain a range of users among companies. More and more organizations also decide to implement self-service systems for workers and managers, also in a version for mobile devices (Teece, 2010). The ability to request a holiday via smart phone or tablet, or have access to planned training sessions, accelerates the flow of information in the whole company, supports HR department employees, and reduces the circulation of paper documents (Hayes, 2012).

More and more organizations are realizing that computerization of work, digitization of the personal files of employees, or resolving tax returns via the Internet are effective and economical solutions (Czarniewski, 2015). Thus, these technologies improve communication so that employees are better informed about what is happening in the company, and policy-makers have better information when making decisions.

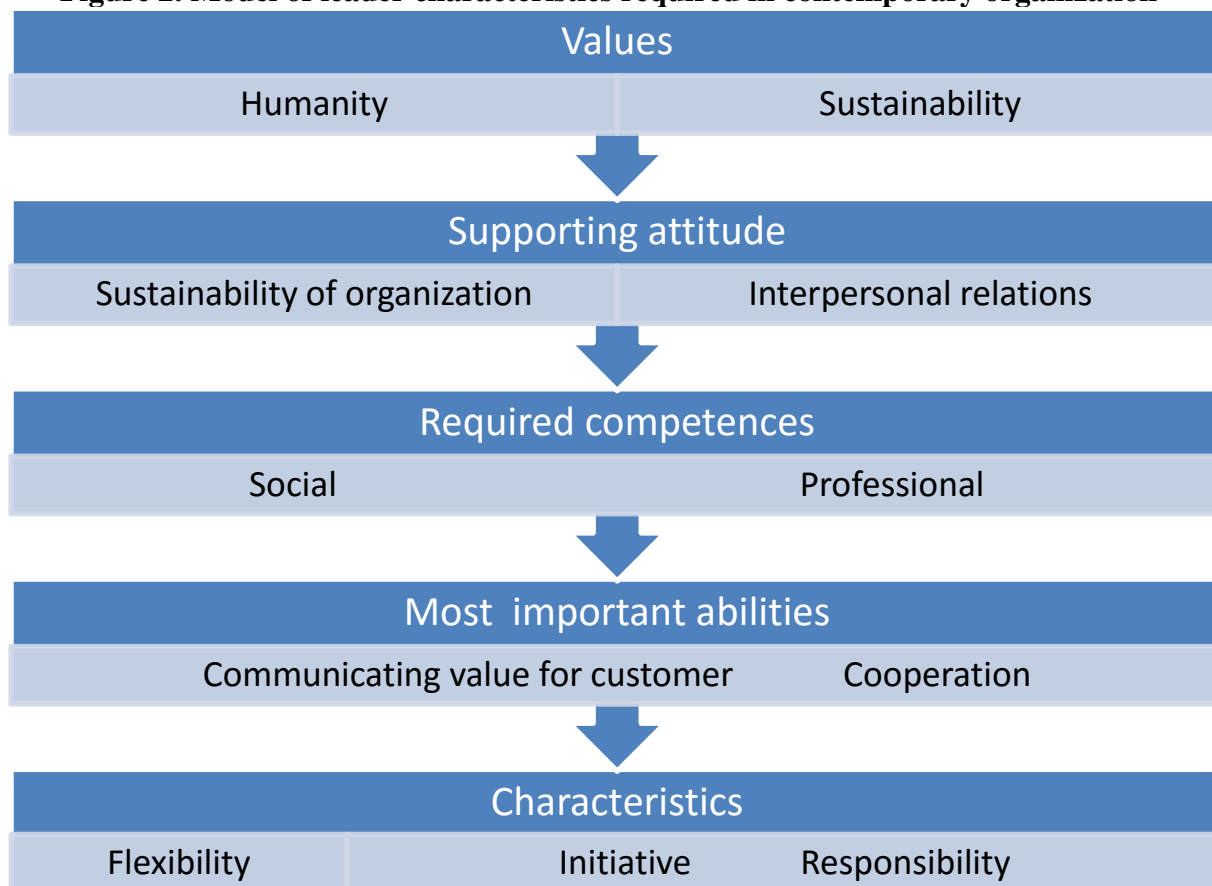
Power and Leadership

Leadership is related to different kinds of power. Leadership is always a kind of power and influence on others. It can be expressed as making use of power that is not built on coercion. R. W. Griffin defines leadership as the use of influence that does not rely on coercion, in order to shape the objectives of the group or organization, motivate behaviors aimed at achieving these objectives and help in determining the culture of a group or organization (Griffin, 2004, pp. 554-555).

The most important function of leadership consists of the social credibility of a particular person, function or position in the social structure by assigning them so called supporters. Leadership is a process (a sequence of actions) that causes the performance of activities that a person or a team wants or has to do (Groysberg & Slind, 2012).

Leadership is expressed more by the characteristics of entities that are the subjects of leadership than by characteristics of leaders themselves. In the literature, much more attention was devoted to characteristics of leaders than to their motives, as well as the fact that some favorable conditions are being raised to the rank of the defining characteristics of a leader. This does not change the fact that in the leadership process, relationships between the leader and his team take on a more emotional character than in the case of power executed without the characteristics of leadership.

Taking into account the characteristics of leaders and entities subject to leadership, and the kind of relationships that occur between these entities, allows for the identification of different types of leadership. For example, “expert leadership” is associated with the knowledge and skills of leaders while “charismatic or transformational leadership” is related to an attitude and psychophysical features of leaders and their workers. According to many scientists, leadership when referring to a manager is mainly called “expert leadership” and power in respect to certain knowledge (Nonaka & Takeuchi, 1995).

Figure 2. Model of leader characteristics required in contemporary organization

Source: own research.

Figure 2. shows essential elements of model of leader characteristics required in contemporary organization. This model states that leader's abilities and competences are two reciprocally related variables that are directly influenced by the individual's professional characteristics and attitudes based on his personal values. This model is based on empirical insights, which allows using it as a guideline in developing leaders,, abilities and competences and specialists skills of leadership. Research shows, that only leader having specific values, attitudes, competencies, abilities and professional characteristics is able to overcome contemporary managerial challenges in nowadays organizations (Raišienė, 2014).

Leadership, as a "real power", refers to a greater extent to the second component of power - to dependence (also called subordination) and, to a lesser extent, to influence. The role of the entity subject to a leader's influence is considered more important (in the leadership process) than the role of the leader himself.

Features of power - implications for contemporary management

It should be noted that, in practice, the dependencies between those entitled to exercise power or those exercising it (particularly superiors) and those subject to this power are much more complex. The complexity of these relations results from the fact that each of these entities of power may perform as a part of not only in this particular relationship, but also in many other relationships (within the organization and in its vicinity, and also at the edge between the organization and the environment).

It is reasonable to consider multiple interactions between two entities, in particular between single and elementary components of authority (except one that uses physical force), in terms of mutual influence of these entities on each other. Each of these entities have specified needs and each have something that represents a certain value that, in some way and for some reason, is important for the other side. That is why this value can an object of exchange.

The more "important" and "rare" the resources that one entity controls, the more dependent become other entities for which this resource is valuable. The relationship is inversely proportional to alternative sources of supply. The dependence of some entities means increased control over them by other entities; on the contrary - the independence of one entity means less power over them by others. The resources referred to above may constitute the subject of exchange in the relations of power only if it allows its holder to act more freely and with the opportunity to pursue their own goals.

Power is practically a nonequivalent relationship. According to Crozier and Friedberg, the nonequivalence of relations of power depend on the fact that the exchange between involved parties is beneficial only for one of them (Crozier & Friedberg, 1982, pp. 67-69). Strong power is when one overcomes others' attempts to influence them that are perceived as very attractive. Therefore power is defined, by Crozier and Friedberg, as a bilateral relationship of exchange where conditions are favorable for only one of the parties in the relationship.

A new approach to power, as the exchange of values, is particularly useful in the process of analysis of complex social relations where entities (participants, actors) pursue different goals; when one of the entities is clearly dominant, when their social position is similar, or when relations between entities are referred to as partners. The exchange process is then considered against the background of the process of mutual negotiations and mutual adaptation; in particular, it is regarded as a game of social partners.

This kind of power relations particularly affect modern organizations whose formal borders less and less correspond with the boundaries of their influence, and in which the manager of the organization (or its part) becomes a politician; having to reconcile the conflicting interests of different people and groups in a given organization in the process of negotiation (Stiles & Kulvisaechana, 2003, pp. 23-34). The participant of the negotiation process whose negotiation skills are better has greater potential power. The person with real power additionally makes use of these skills.

For several years, there has been a tendency to decrease both the role of authority, whose sources of power are coercive measures, and the role of "legal authority" related to the possibility to dispose of formalities. However, the role of "expert authority" has increased both within the organization and beyond it, as has its sphere of influence.

Dimensions of rational thought and management in the organization

The basis of rational thought and reasoning includes two categories: logic and creativity. There is a wide range of indirect ways of rational thought and reasoning between logic and creativity. Rational thought, which is subordinated to logic, uses the cause-effect relationship. Creative thinking does not look for justifications in previous statements (lack of implications) and does not emphasize sense. The first form is usually contained in widely recognized paradigms, while the second goes beyond this paradigm and sometimes becomes the nucleus of another paradigm. Logic-based thinking is definitely reasonable –the inference is of

disciplined, comprehensive and consistent nature. Creative thinking breaks stereotypes, cognitive maps, various routines, conformist behaviors - everything that prevents the generation of bold new ideas and innovative solutions.

There are many solutions that are a result of creative thinking, in contrast to the effects of logical thinking. Taking into account the possibility of imitation by competitors, which is undesirable, creative thinking is definitely better but more difficult than the logical process. Creative thinking is also the basis of effective management (power) in organizations. The economic condition of a given organization depends on the system of implementation of new ideas and solutions.

The use of power, resulting from the position of a person in the organization, is executed in two ways: the management of the organization (including primarily centralized and forced division and coordination of work) and self-organization. The latter is a category of complexity theory and, in the most popular Complex Adaptive Systems, it results from the adaptation of system components to behaviors of closest neighbors (at the micro level).

At the macro level, its result is the spontaneous emergence of patterns in relation to the entire organization. In other words, the division of labor, coordination and control (self-control) are spontaneous, without the interference of managers (clearly limited system of government - management). This extreme solution is unfavorable for the classical approach to organizations and management (What is an organization without a leader/ manager?). It seems that the edge of chaos, in this case, may designate the top management through systemic inducement of managers at lower levels in order to support the self-organization processes (Jiang, Li and Gao, 2008, pp. 173-189).

In companies from innovative sectors (those using electronic, biochemical and information technologies) the transfer of initiative of organizational development to individual developers seems to be the natural direction of change in some management systems. It is about the search for both innovative products and services, as well as unconventional methods of customer acquisition. For sure, the limitation of actions in this direction poses the risk of decline of effectiveness or dissolution of the organization (Huggins & Johnston, 2010, pp. 457-484).

Limits of power in organization

The limits of power of modern organizations (both network and virtual) is determined by a gradual reduction of possibilities to influence the organization or components of the organization, as well as a decline in the intensity of the level of strategic organizational control. The abovementioned way of defining limits - from the perspective of power - refers not only to possibilities of controlling available resources by the organization, but also to the possibility to influence the behavior of other participants in the network. It should be remembered that power in the network is not a simple sum of potentials, but is determined by the skill to influence relationships.

Is an organization able to control the actions of participants in a network they are part of? Is the organization able to develop relationships essential for the long-term success of the company? These are key questions in relation to the size of limits of power in network and virtual organizations. In response to these questions, three possible forms of control which determine the system of boundaries must be specified:

- Domination, in which the strongest entity of the market dictates its rules to other participants; it significantly expands its scope of authority/ power. The consequence of domination is the need to incur additional costs of control of entities in the network; these costs are transferred into dependent entities by the dominant organization;
- Cooperation, which takes place through the network of relationships in which all participants have similar decision-making powers;
- Competition, where entities, by fighting for domination in the outside market or inside the organization, carry out transactions with independent suppliers and customers.

By defining the desired scope of limits of power, managers of virtual and network organizations choose the area of activity on which they intend to interact actively (Santos & Eisenhardt, 2005). Assuming that decisions concerning the limits of control are determined by the attempt to reduce an entity's dependence on the environment, the reduction of this dependency and the increase of their influence enables the organization to increase the degree of control over the environment and to increase its autonomy in relation to the environment.

The system of limits of power of modern organizations should take into account the dynamics of environmental changes and should be the subject of continual transformations (Araujo, Dubois & Gadd, 2003). Determination of limits should not lead to a state in which the maximum level of consistency of organization will be reached. The boundaries should provide the opportunity to achieve an optimal level of organizational goals through the definition of identity, the proper allocation of resources, provide the ability to control and optimize the business model.

The mechanism of allocation of power and resources provides the ability to optimize the distribution of resources within the organization that are acquired from the environment, according to requirements defined by the participants of the organization. Resources are provided by cooperators to the borders of the organization. Then they are taken to appropriate individuals in the organization (Griggs, Holden, Rae & Lawless, 2015). The boundaries of the organization are determined by the scope of possibilities of the organization's impact on phenomena that take place in the environment. The boundaries within the organization are determined by the scope of impact of individual participants and components of an organization in static and dynamic terms (Cilliers, 2001, pp. 135-147).

Treatment of limits in terms of an organizational identity management mechanism, is based on the assumption that boundaries of the organization are determined by the area within which a group of co-creators of an organization share the assumptions relating to the nature and essence of the organization. Actions taken within the boundaries of the organization should permit completion of such patterns of activities (through an appropriate management system, called power) that ensures a high level of workers' motivation and strengthen their willingness to engage into processes of change in the organization (Dhanaraj & Parkhe, 2006 pp. 660-662).

The boundaries are therefore a barrier that protects the participants of the organization against external disturbances that may negatively affect the distinctive features of the organization and threaten organizational identity. The boundaries simultaneously provide an optimal level of controlled " permeability"; it allows for the acquisition of some patterns from the environment which managers of the organization deem as desirable.

The human capital and globalization

In a globalized world of constant change, a new approach to education is necessary. Most employees will be forced to change jobs every 5-10 years. The shorter period of activity in many professions brings about the need for lifelong learning. Today, everyone must identify the gaps in their knowledge and skills, and look for ways to fill them. The lengthening of full-time education has become a necessity. Part time, freelance, and work done on commission is growing in importance. Increasingly, one has to create their own place of work. Thus, self-reliance, creativity, communication, interdisciplinary are features that should characterize human capital. The quality parameters of human capital in the context of globalization are shown in Table 1.

Table 1: The quality of human capital and aspects of globalization

Selected aspects of globalization	Requirements for human capital
Information and communication technologies	<ul style="list-style-type: none"> • high level of education • knowledge of relevant computer programs
The new nature of work	<ul style="list-style-type: none"> • independence • creativity • ongoing education
New professions	<ul style="list-style-type: none"> • new qualifications and skills
Growth of international links	<ul style="list-style-type: none"> • knowledge of foreign languages • mobility

Source: own research.

In the current market realities, running a business requires a constant search for areas in which one can gain a competitive advantage in the market, while constantly improving operations, proving the superiority of the company over the competition (Zotto & Gustafsson, 2008). The condition for effective improvement of operations is hiring competent employees who know how to perform the tasks they are assigned. This is particularly important when the improvements to operations are complex and vital to the running of the business (Omoyibo & Obaro, 2012). Shaping the work environment is one such area, especially when it is characterized by quality requirements.

Many authors argue that organizations "compete through people", stressing that success increasingly depends on human capital (considered as the economic value of knowledge workers, and their skills and abilities), as well as the organization's ability to manage talent (Snell & Bohlander, 2012: 4-6). Experience and skills forming the talent of each of the company's employees have a huge impact on the company's operations. However, there is need for continuous improvement in accordance with the pace of development of the available technology.

Competence can be considered an element of an organization's environment, which is the combination of internal and external factors and conditions that affect the achievement of the organization's goals and then their maintenance in relation to all interested parties. It is essential to think about achievement and maintenance of goals in the long term (Mayo, 2001). This is coupled with the organization possessing intellectual capital, including human capital. It often turns out that the market value of companies exceeds the value indicated in financial

statements. This is related to the possession by the company of hidden intangible assets in the form of intellectual capital (Putniņš & Sauka, 2015).

Table 2: Actions taken within the organization which determine the development of human capital

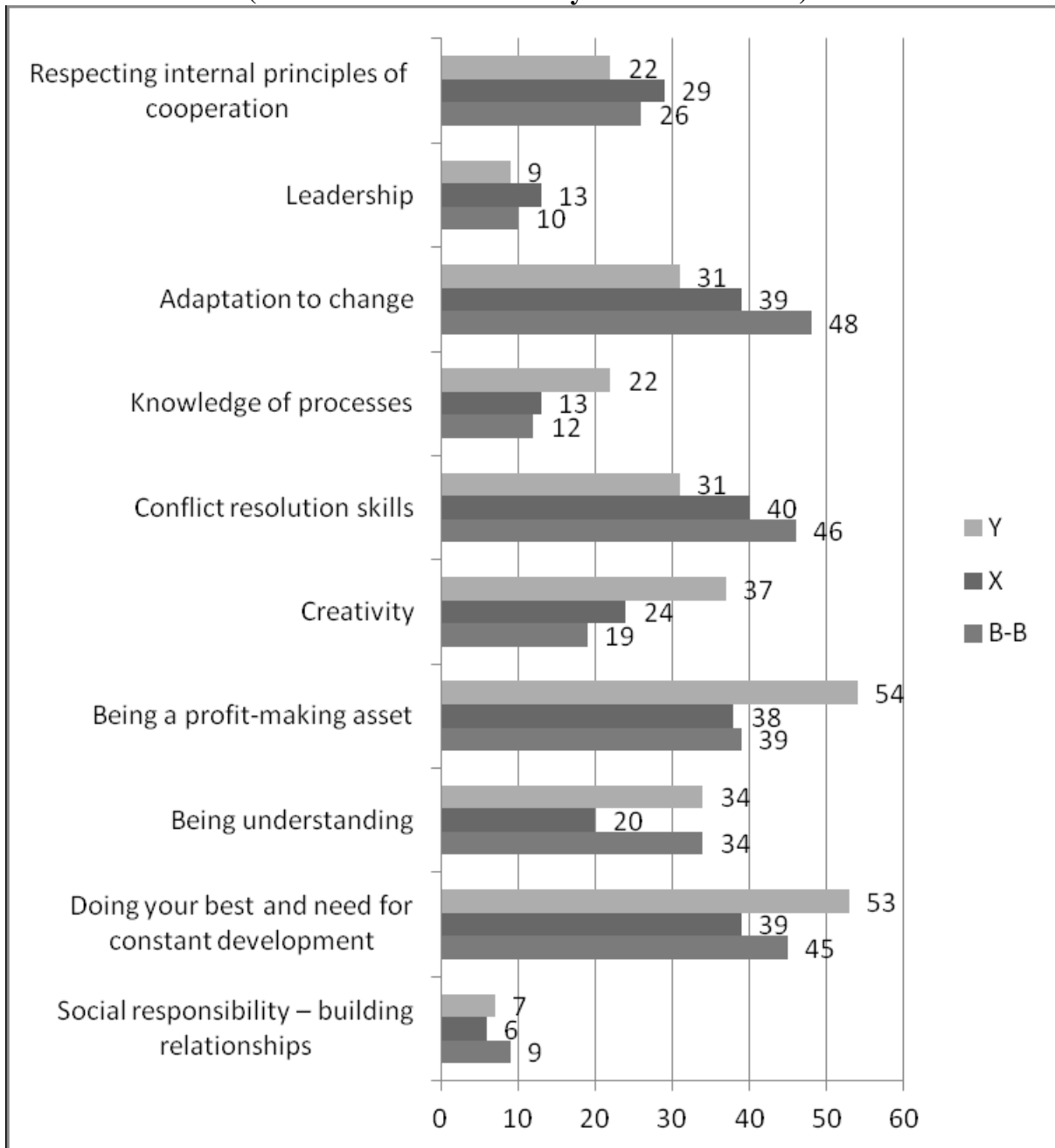
Required Areas	Implemented measures
Technology	<ul style="list-style-type: none"> • creation of a material base where creative work can be conducted, • provision of good (employee friendly) work conditions, • ensuring effective exchange of information between employees, • creation of technical capabilities enabling the use of possessed knowledge.
Organizational Structure	<ul style="list-style-type: none"> • building a flexible organizational structure that meets system requirements, • allowing employees to be self-reliant, • developing procedures for reporting the rationalization of projects, their evaluation and rewarding, • ensuring incentives to promote the professional development of employees.
Organizational Culture	<ul style="list-style-type: none"> • implementation of management concepts, taking into account the impact on individual areas of the company, • provision of an appropriate work atmosphere, • ensuring knowledge of the vision and goals of the organization, • standardization of information transmission.

Source: own research.

The improvement (increase in value) of human capital, determining the ability to shape the quality of the work environment, requires a change or improvement in professional competence. The scope and nature of the actions taken depend on the possession of information governing the conditions leading to the development of competence (Bilevičienė, Bilevičiūtė & Paražinskaitė, 2015). These include technology, organizational structure and organizational culture. Their characteristics, as related to the specifics of the work environment, are given in Table 2.

The competence of employees is a result of the professional activities they are allocated, their powers related to the profession, and their responsibilities (Czarniewski, 2014). Even though employees are subject to professional qualifications, their skills depend on professional experience, personality traits, attitude, behavior, and values. Motivation and environmental factors also affect their efficiency. Competence is becoming an important value of the modern information civilization, and of knowledge-based enterprises (Nandita, 2013). Continuously improving skills is the best way to adapt to new conditions, as well as to introduce potentially greater innovation and productivity into the organization (Somekh & Lewin, 2005).

**Figure 3. Competences expected by the company
(on based conducted a study in Poland in 2013)**



Source: own research on based Baran & Kłos, 2014.

Scientists have conducted a study (in Poland, in the first quarter of 2013) with the aim of analysing the competences considered important from the employer’s and employees’ point of view, possessed by employees of various ages (Baran & Kłos, 2014). The sample consisted of 850 individuals who were divided into three separate groups on the basis of their date of birth: the Baby Boomers (BB Generation) (1949-63), the X Generation (1964-1979) and the Y Generation (1980-1994).

The study results show that motivational factors are similar across all three generations. A sense of being useful to others can be seen as the main source of motivation among members of all three generations: the BB Generation (26%), the X Generation (17%), the Y Generation

(19%). The need for recognition is also prevalent among members of all three generations: 13%, 14%, 16% respectively.

Figure 3 presents the answers given to the following question: Which of the competencies that you possess does your employer expect from you? Analyzing the results of the research - four answers were the most frequent among respondents:

- constant development requires you to do your best (most frequent answer among members of the Y Generation);
- being a profit-making asset for the company – as the main business competence;
- adaptation skills (the ability to embrace change);
- conflict resolution skills.

Knowledge of processes, including the skills necessary to use computer systems and conduct analyses, is more common among members of the Y Generation, as is creativity, which has an impact on the quality of performed tasks, as well as the number and innovative problem solving mechanisms implemented in companies (Baran & Kłos, 2014).

The importance of intellectual capital has increased by leaving the industrial age behind and moving towards the information age. This can be the result of factors such as the importance of the revolution of information technology, the increasing importance of knowledge, knowledge based economy and the impact of innovation and creativity as a determining element in competition (Alisufi & Safaiee, 2015). During the industrial age, the price of property, machinery, equipment and raw materials were consider efficient elements of any business unit, while in the information age, efficient use of intellectual capital determines the success or failure of a business unit (Altmann & Engberg, 2015). Despite the importance of tangible assets in the production of goods and services in modern economy, economic value and wealth is often generated by development and application of intellectual capital rather than management of tangible assets. The severity of this issue is to the extent that around 50 to 90 percent of the value created by companies in today's economy, is achieved by intellectual capital management (Sunnier & Carson, 2007). Therefore, competing in an economy which relies heavily on science and technology, necessitates allocating major part of development to research and development resources, staff training and new technology.

Human capital must undergo a tremendous qualitative transformation to be able to play the role attributed to it. Changes in the method and structure of production and employment, and the encroachment of Computer Science into every aspect of life are challenges which humans must address in the era of globalization (Davenport, Leibold & Voelpel, 2006). Human capital, combined with modern technology, is the main driver of economic development. As a modern growth factor, it contributes to the increase in productivity of the economy, stimulates changes in the structure of production and employment and creates new values and attitudes. In human capital, such qualities as creativity and the ability to analyze and solve problems, should dominate (Prahalad, 2009). The development of human capital is inseparable from the development of the new digital economy.

CONCLUSIONS

1. In the twenty-first century, most companies cannot rely on the implementation and achievement of established objectives without a suitably qualified and competent staff. Moreover, the company that does not have appropriate personnel is not able to initiate the implementation of their set strategy. The characteristics of employees and

their capabilities are the most important and most valuable assets of any company. However, human capital is often underestimated and wasted through improper organization of work and/ or management system.

2. The company's success, in the area of human resource management, is often the result of adoption of a strategic perspective, mission and vision of the company and fundamental values as a basis for decision making processes. With regard to the importance of human capital in the success of the company, decisions regarding the functions of management (not only motivation) are classified as strategic.
3. Analysis of the literature provided justification for the creation and exploitation of a sustainable system of human resource management, through proper development of motivation tools in the context of tasks and results expected, as well as continuous monitoring with the use of an information system. Confirmed levels of effectiveness and efficiency of management in enterprises tend to improve the system and its implementation.
4. There is no doubt that to a large extent it is knowledge workers that determine the modernity of the company (its flexibility in the market). The transformation of the entire work force policy on an axis determined by knowledge workers, should apply to both new and current employees with different levels of advancement in accomplishing the position of a knowledge worker. According to the author of this study, it is worth taking such action because highly developed societies and economies (such as the USA, Japan and Western European countries) owe their competitive positions in the global market to knowledge workers.
5. A new approach to power, as the exchange of value, is particularly useful in the process of analysis of complex social relations where entities (participants, actors) realize different objectives and tasks. The process of value exchange is then considered against the background of the process of mutual negotiation and mutual adaptation; it is regarded particularly as a game of social actors - partners.
6. The scope of the limits of power of modern organizations refers not only to the possibility to control resources available to the organization, but also to the possibility to shape the behavior of other participants in the network. It should be remembered that the concept of power in the network is not a simple sum of potentials but is determined by the skill to influence business relationships.
7. The system of limits of power should not lead to a state in which the maximum level of organization efficiency is achieved by all means. Boundaries should ensure the possibility to achieve an optimal level of organizational objectives through proper allocation of existing resources, providing the ability to control and properly manage information.
8. In conditions of strong competition in many markets, companies try to work out an optimal management model that is based, inter alia, on new dimensions of cooperation with business partners. Managerial skills are often the key to success. On the one hand, they depend on the degree of customers' awareness, their knowledge about the market, and the ability to predict in which direction these changes will occur. On the other hand, they depend on the way this information is utilized in practice.

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