

UNDERSTANDING OF THE CORE OF THE HUMAN CAPITAL IN THE CONTEMPORARY CONDITIONS OF MANAGEMENT

*Krzysztof Czyrka¹,
Anna Nedyalkova²*

Summary

In the studies on management it has been approved that the resources of a company³ shall be divided into material and non-material ones⁴. In the contemporary conditions of competing the importance of material and non-material resources is diminishing⁵. It is connected not only with the general development of management science but first and foremost with a real, new role of the human capital stemming from the transformation of the economy in the direction of the one based on the knowledge which has essential implications for the for the debate on the current shape and the essence of human capital in the economy.

Key words: human capital, human resource management

Introduction

As it is commonly known there is a positive correlation between the size of an enterprise and the size of the material resources that it possesses.

¹ PhD., University of Applied Sciences in Gorzów Wielkopolski, Poland.

² Prof. DSc., President of Varna Free University.

³ Such an approach is a consequence of the development in the 90s. XX c. of the resource theory of a company see K. R. Conner: *A Historical Comparison of Resource-Based Theory and Five Schools of Thought Within Industrial Organization Economics: Do We Have a New Theory of the firm?*, 1991, Vol. 17, No 1, p. 121-154.

⁴ B. Wernerfelt, *A Resource-Based View of the Firm*. *Strategic Management Journal* 1984, Vol.2, p. 171-180.

⁵ K. Obłój, *Strategia sukcesu firmy*, PWE, Warszawa 1993, p. 29; M. Roińska-Fronczek, *Własność intelektualna w nowych koncepcjach zarządzania*, „Zeszyty Naukowe” Wrocław 2000, nr 784, p. 420-425.

However, the present day practice of the activity of companies numerously proves that this interdependence does not necessarily is to occur in the case of non-material reserves. Apart from that taking into account the very issue via the theory of resources it is worth emphasizing that not the size itself of the architecture of the possessed reserves but the capacity to use them effectively determines the competitiveness of the organization. It stems from the fact that an enterprise in the process of work and benefiting from the available assets creates not only products and services but also generates knowledge. Experience, skills and the knowledge come from a person and in this case become a pillar to build up competitive predominance⁶.

The core of the human capital

Not without a reason then more and more often there occurs a notion that the greatest value of an organization is encompassed in the power of its participants (current competence and abilities to develop them)⁷ which will enable functioning in the conditions of changes and also taking advantage of such a changeability as a chance for one's own and company development. The very process takes place in accordance to the rule: The greater are the possessed knowledge, experience and basics, the more perfect tool they constitute, the tool which is able to self-improve due to the fact of handling it. It is an outstanding characteristic which does not appear in any other kind of the resource. These abilities enable a quick reaction in a variable milieu which is a result of a brisk technological development, emerging competition and frequent changes in preferences of purchasers. It shall be marked that in the economy based on the knowledge⁸ (*knowledge-based economy*) the mentioned assets are of a strategic value and create⁹:

1. Durability – expressed in the capacity of transferring the knowledge and ability of its modification and constant multiplication, and its

⁶ According to the research by KPMG (*Insights from KPMG's European Knowledge Management Survey 2002/2003*, KPMG Repost, p.4), concerning the role of a person in organizations, 80% of respondents indicated knowledge as a strategic resource of a company.

⁷ It concerns the possessed knowledge, skills, experience and basics not to forget about the developmental possibilities of these components.

⁸ This is reorientation of the contemporary economy which is about the gradual transfer from material-consuming one to the economy based on information, knowledge, and competence. In the result the foregoing competition via material resources is slowly replaced by competing via non-material resources, especially by human resources, knowledge and new technologies.

⁹ A. Lozano P. *System dynamicznego zarządzania przedsiębiorstwem*, Wydawnictwo Naukowe Uniwersytetu Szczecińskiego, Szczecin 2004, p. 118.

- inexhaustibility; however it may be prone to aging when it is not used,
2. Rarity – One can speak of a truly easy access to information and even its overabundance yet it is hard to select the knowledge which creates the added value in a company. In this case the most precious for the manager is the knowledge on the core he or she is supposed to know,
 3. Hard imitation – the knowledge and skills are the result of the process of thinking of an entity and their physical characteristics which are either innate or gained; a course of such a process is not to be copied and the conditions in which it takes place are not feasible to be duplicated (the brain). Moreover the know-how of a company may be protected by legal tools in the shape of patents, patterns etc.,
 4. Comprehensiveness – the knowledge is a ‘binding agent’ connecting the remaining material and non-material resources creating the synergy effect,
 5. Difficult transferability – the knowledge of a company (its full picture) is shown in all its employees in the form of the individual knowledge,
 6. Capacity to change – the knowledge and skills may be reshaped and multiplied.

W. Janasz indicating trends of management in the contemporary world turns one's attention to the fact that at present the efforts are going in the direction to handle tools which enable processing of a vision, mission, strategy, for the operation goals of various economic subject or single workers¹⁰, and wealth no longer has the form of materialistic capital but is encompassed in imagination and creativity of a person¹¹.

Organizations on a current basis (dynamically)¹², in everyday activity must adjust to modifications in their internal and external

¹⁰ W. Janasz, *Innowacyjne strategie rozwoju przemysłu*, Fundacja na Rzecz Rozwoju Uniwersytetu Szczecińskiego, Szczecin 1999, p. 38, and also A. H. C. Tsang, *Measuring Maintenance Performance*, „Holistic Approach. International Journal of Operations & Production Management” 1999, Vol. 19, No 7, p. 691-715; also: N. U. Ahmed, *Operations Strategy and Organizational Performance*, „Empirical Study”, „International Journal of Operations & Production Management” 1996, Vol. 16, No. 5, s. 41-53.

¹¹ J. Rifikin, *Wiek dostępu*, Wydawnictwo Dolnośląskie, Wrocław, 2003, p. 8.

¹² In accordance with the assumptions of the dynamic milieu, the dynamic system of management is defined as the integrated, balanced way of thinking and acting enclosing the present and the future of the company, encloses all the workers in a constant and effective way analyze and make decisions (within their competences) so as to achieve short, average and long-term benefits of stakeholders either the internal and the external ones. Being more precise- the concept of a dynamic management referring to a process paradigm stemming from the chaos theory was described [w:] A. Lozano-Plantoff, *System dynamicznego*

milieu¹³. Considerations concerning the degree of organization and predicting of the environment evolve from the concept of a stable, easy to predict and clear milieu up to a disorganized one. In the extreme version the illustrated milieu is at present shown as a scholastic one, with characteristics close to a deterministic chaos- ‘disorder stemming from the activities galore not from the lack of determinism’¹⁴. ‘Such a chaotic scheme in which sensitiveness towards initial conditions is tightly interwoven with irregularity of behavior, is not predictable at all or hard to foresee’¹⁵. The processes taking place in such a system are not linear and are chimerical. In the environment described so radically, all the attempts of forecasting frequently prove to be wrong. As K. Obłój writes: ‘In the world of total randomness, chaos, the lack of repeatedness there is not a chance to predict anything which is worth knowing’¹⁶. That is why as A. Peszko claims: ‘For one of the indicators of competitiveness of contemporary enterprises one still perceive their ability to adept so the capacity to met the requirements of the undergoing alternations in the environment’¹⁷. Changes of characteristics of the milieu considerably influenced the dynamic development of sciences on management and the change of the meaning and the perspective of seeing many inter-organization factors¹⁸:

1. The way of perceiving a client is changing- paying attention to what the client wants, when they want and how they want has already belonged to standards and about the cutting edge referring to competition the anticipation of client’s needs is the determinant. Nowadays, there is a requirement to regard a client not as a person who buys products of services offered by an enterprise, but as a person for whom the whole company works (i.e. the system *customer relationship*).

zarządzania przedsiębiorstwem, Wydawnictwo Naukowe Uniwersytetu Szczecińskiego, Szczecin 2004.

¹³ The matter of the increase of interna land external fluctuations for decisions made by mnagers is pondered on more widely by: L. Clarke, *Zarządzanie zmianą*, Warszawa 1997; J. Duck, *Managing the change: The art. Of Balancing HBR*, 1993, November-December, p. 109-118; B. Grovard, *Kierowanie zmianami w przedsiębiorstwie. Jak osiągnąć sukces*, Poltext, Warszawa 1997.

¹⁴ M. Tempczyk, *Teoria chaosu a filozofia*, CiS, Warszawa 1998, p. 31.

¹⁵ R. Krupski, *Teoria chaosu a zarządzanie*, [w:] *Zarządzanie strategiczne. Koncepcje – metody*, ed. R. Krupski, Wydawnictwo AE, Wrocław 2003, p. 489.

¹⁶ K. Obłój, *Strategia organizacji*, PWE, Warszawa 1998, p. 46.

¹⁷ R. Kusa, A. Peszko, [w:] *Przedsiębiorstwo i region w zjednoczonej Europie*, Prace Naukowe -Komitet Nauk Organizacji i Zarządzania PAN, ed. Z. Olesiński, A. Szplit, W AŚ, Kielce 2004, p. 489.

¹⁸ A. Lozano-Plantoff, *System...*, op. cit., p. 82.

2. The attitude towards the quality is changing – it is treated as a process of planning, preparing, processing and delivering commodities and services which are the most economical, the most useful and satisfactory from the point of view of a client's. Such a way of understanding the quality requires engaging all the employees in a company (i.e. the TQM concept).
3. The mechanism of coordination of activities in companies is changing- a brisk pace of alternations (either the internal or the external ones) and the growth of the level of their complexity exerts bringing to life new organizational structures which can not only adjust to modifications but also advance them. One is then obliged to look at an organization as an integrated set of processes and not a separated collection of functional tasks of entities (i.e. *team management, learn management*).
4. The status of a worker is changing- quitting from treating a worker in the categories of changeable costs and seeing them as an asset of a company on whom basically depends the quality of goods and services, processes and activities (i.e. the concept *employee empowerment*).
5. A pivot factor of the success is and will be knowledge and new strategic resources of enterprises will focus on the triad: data- human and intellectual capital- creativity (the concept of *an intelligent organization, knowledge management*).
6. The role of the information systems is being altered – in management of present day organizations it is less important how to get the high standard of processes and more important how to efficiently benefits from the flow of data (concepts *activity based costing, theory of constraints*).
7. The mechanism of activity control is also being modified- standard procedures of control are based on a few financial indicators and authoritative management do not enable a clear appraisal of the activity of a company today. It is necessary to look for quality and quantity factors conditioning the efficiency of undertakings of an organization and commitment to the very process of all the employees (i.e. the concepts of *critical success factors, management by objectives, balanced scorecard*).

The specificity of the definition of HRM

The most visible manifestation of the changes mentioned above in the matter of describing the management of employees, was the appearance

of the concept of human resources management which (often with great restraints¹⁹) was made common in the literature of the subject in different countries²⁰. In this period there was a trial to create the list of characteristics for a functional. The authors belonging to the *school of perfection* as D. Guest remarks ‘used to be so much right to be vulnerable to be mistaken’²¹. The personal function began to have a strategic shape for organizations due to its connection with business. The value of the development programs was increasing- trainings, the development of motivational systems, grading systems, the concept of organizational culture was getting more common. The second phase is defined as the beginning of the 90s. XX century is first and foremost meeting the progressing globalization and strengthening competition²². There began a strong influx of cultures on the management of people in the strategic dimension. The significance of management of changes, development and learning organization was augmenting. The standardization of many solutions, methods and instruments within the framework of managing workers was proceeding. The following indicates that transformations taking place in worldwide economies and the progress of scientific thought contributed to the shape of the present day concept of human resources. Numerous definitions determining human resources management in the subject literature have most often a contextual character so they indicate some distinguishing aspect from the other practices of staff management, personal policy, staff policy of an enterprise or typical practice of getting and motivating employees²³ (tab.1). The term human resources was made popular by one of the most prominent connoisseurs of the problematic of management p. Drucker. In the Polish literature part of the authors interchangeably utilizes various terminology which has a similar meaning to the definition *management of human resources; these are*

¹⁹ One can doubt so as to naming a person a resource but from the other hand in the outline of the term ‘human resource’ it encloses at present the ethics of work and management such as the organizational culture, which emphasizes the particular character of the form of the phrase.

²⁰ Particular authors describing this branch of science stated that in Polish in the way of evolution of views on the definition of management of human resources it is possible to use it interchangeably with the terms i.e. human capital, human potential of labor potential, in accordance with the rule of recognition of one’s own needs and the very context. Such alternations are used most often by scientists (especially sensitive to lexis) opposing the form of the term ‘resource with people’.

²¹ D. E. Guest, *Human resource management: the workers’ verdict*, „Human resource management Journal” 1999, p. 25.

²² A. Chodubski, *Elementy...*, op. cit., p. 34.

²³ H. Król red., *Czynnik ludzki w organizacji, Szkice z zarządzania zasobami ludzkimi*, Poltext, Warszawa, 2002, p. 8.

among the others management of staff policy, management of personnel, managing human assets, etc.

Tab. 1. Listing of the chosen definitions of *Human Resource Management*

Author	Definitions of the Human Resource Management
M. Armstrong	Human resource management is ‘a strategic, homogenous and cohesive method of management of the most important resource of every organization- the people who through their individual and common effort help the organizations attain the assumed goals building up in this way their competitive advantage’.
J. Storey	Management of human resources is a method of managing employment, intending to gain cutting edge in competition through strategic placement of highly committed and qualified employees with the use of cultural, structural and personal techniques.
S. P. Robbins	Activity necessary to obtain and maintain indispensable people for the company and ensuring high quality of work. It is also the process which consists of: planning of human resources, recruitment, dismissals, selection and choice of workers, identification and choosing of the qualifications of workers, directing and professional development, discipline, preparation of promotions, labor appraisal, maintaining good relations between workers and management.
R. Clark	Management of human resources ‘simultaneously undertakes two main objectives: expanding the effectiveness of an organization via skillful benefiting from and shaping human resources and integrating owners, managers and workers’.
A. Poczowski	Managing human resources is a defined concept of management in the area of personal function of an enterprise in which human resources are seen as a part of assets of a company and the source of competition. It has been postulated that there is a strategic integration of personal matters with business ones, active role of linear management as the solution of personal matters and indication to create the need for shaping the code of organization, personal processes integration and building up the commitment of employees as a tool to reach goals.
John R. Schermerhorn	Managing of human resources- strategic, cohesive and comprehensive management of people in the framework of a company. Every aspect of such a process constitutes a vital item of management as a whole. It refers to making decisions and activities influencing the relations between management and workers (so human resources).

Source: One’s own study on the basis of: M. Armstrong, *Zarządzanie zasobami ludzkimi*, PWE, Kraków 2007, p. 29; *Czynnik...*, op. cit., p. 3-8.; A. Poczowski, *Zarządzanie...*, op. cit., p. 27-29; R. Clark, *Australia Human Resources Mankament*, McGraw-Hill Book Company, Sydney 1992, p. 233; Z. Pawlak, *Personalna funkcja firmy, procesy i procedury kadrowe*, Poltext, Warszawa 2003, p. 13; Cz. Zając, *Zarządzanie zasobami ludzkimi*, WSB, Poznań 2007, p. 14; A. H. C. Tsang, *Measuring Maintenance Performance: a Holistic Approach*, „International Journal of Operations & Production Management” 1999, vol. 19, no 7, p. 691. A. Poczowski, *Zarządzanie zasobami ludzkimi. Strategie- procesy- metody*, Polskie Wydawnictwo Ekonomiczne, Warszawa 2003, p.36; John R. Schermerhorn, *Zarządzanie. Kluczowe koncepcje*, Polskie Wydawnictwo Ekonomiczne, Warszawa 2008, p.189.

The core prominence for the development of a new philosophy in the strategic view in organization had two role model concepts of human resources management: Michigan model (*matching*) and Harvard model (*map of the HRM territory*). The rise of the Michigan model was the effect of works of researchers who elaborated on the concept of human management in the strategic spin. The superordinate role was taken by the concept of the strategy of an enterprise and the accepted style of management was dependent on such a strategy. In the described model there were four functions enumerated, namely: selection, appraisal, rewarding and progress. The distinguished items of the management model are interconnected creating the cycle of human resources. These functions as components of the cycle of management of human resources are the equally important on every single level of management, such as strategic, tactic and operational²⁴. The Harvard model enlists four domains of human resources management²⁵: participation of workers, the flow of workers (employing, relocating and firing), motivational systems, work organization. The enumerated fields of management are the subject of interest of various stakeholders (among the others shareholders, managers, workers, trade unions, mass media, local government offices, state offices) and the subject of impact of various situational factors: i.e. structures of employment, the strategy of an enterprise, the concept of management, the situation on the market place, technology, the law, the code of organization (values)²⁶. The creators of the thought underscore these decisions taken in the field of human management result in direct and indirect consequences resulting in feedback²⁷. The authors of thoughts concerning human management depending on the country, the state of economy, tendencies and experiences were trying to take the present needs into account.

At present in the European Union countries one has to deal with so called supranational tendency of 'economy based on the knowledge'²⁸. It is confirmed by among the others W. Janasz who describing determinants of innovativeness of enterprises of highly developed countries speaks about

²⁴ See. C. J. Fombrun, N. M. Tichy, M.A. Devanna, *Strategic Human resource management*, Wiley, New York 1988, p. 187-258.

²⁵ A. Pochtowski, *Zarządzanie zasobami ludzkimi...*, op. cit., p. 8.

²⁶ Cz. Zajac, *Zarządzanie zasobami ludzkimi...*, op. cit., p. 15.

²⁷ P. F. Boxall, *Strategic HRM: a beginning, a New theoretical Direction*, „Human Resource Management Journal” 1992, 2, p. 61-79. 34, See : A. Kaczmarek, *Przedsiębiorczość a kapitał ludzki, Przedsiębiorczość na pograniczu polsko-niemieckim, Współpraca przedsiębiorstw na pograniczu polsko-niemieckim w Euroregionie Pro Europa Viadrina (doświadczenia polskich przedsiębiorstw)*, Wyd. PWSZ w Gorzowie Wlkp, Gorzów Wlkp. 2011.

²⁸ A. Lozano P. *System dynamicznego zarządzania przedsiębiorstwem...*, op.cit., p.119.

creation of a new paradigm expressing that ‘ the pivot role is being overtaken by human resources and on the economic subject one may look as on institution creating, processing and making use of competences (knowledge, skills, experience, basics)’²⁹. Nowadays, there are three main trends creating the basics of a new economy identified³⁰:

- The increase of economy of services and investments in non-material assets
- The need of new information and telecommunications,
- New demands and approach towards the knowledge in learning organizations.

Such phenomena were reflected in practice as a further step in evolutions of this science in the shape of the concept of human capital management (HCM). A part of the authors treats the concept of human capital management as a supplement to the concept of human resource management (HRM)³¹. For the supplementary functions of the management of human resources in the concept of human capital management in such an interpretation one understands³²:

- Revealing the relation between actions undertaken within the personal framework and the success of an enterprise,
- Indicating measures which one is to conduct and showing the way to illustrate their results,
- Indicating the way of development of personal strategy,
- Revealing the fact that strategies and HRM processes must be harmonious with the need of building up values by the people which will simplify attaining the organizational goals,
- Defining the connection between HRM and the strategy of an enterprise,
- Reinforcing the HRM assumption that people are assets and not costs,
- Underscoring the role of specialists to personal matters as these who have a strategic share in the success of an enterprise.

²⁹ W. Janasz (ed.), *Determinanty innowacyjności przedsiębiorstw*. WNUS, Szczecin 2002, p.39.

³⁰ *Innovation Tomorrow. Innovation Policy a Regulatory Framework*. Innovation papers no. 28, EWR 17052.

³¹ See: A. Baron, M. Armstrong, *Zarządzanie kapitałem*, Uzyskiwanie wartości dodanej dzięki ludziom, Wydawnictwo Kulwer, Warszawa 2008, p. 120.

³² *Ibidem*, p. 120.

The specificity of the definition of human capital

One of the first authors who looked at the definition of HCM comprehensively is J.L. Chatzkel who states that ‘human capital management is undertaking common attempts to manage human skills and develop them, and in the result achieve higher levels of effectiveness’³³. However, P. Kearns thinks that ‘the core of HCM is creating values thanks to people’³⁴. According to this author enterprises realize the concept of HCM from various causes to which belong the following:

- The need to achieve strategic goals of an enterprise,
- Awareness that the pivot resource of an enterprise are the people whose knowledge, skills and capacities build up the value of an enterprise and create the human capital and in the result enable to get the competitive advantage,
- The awareness of the importance of factors enabling creation of values by people,
- The necessity to ensure the profitability of the implemented personal processes in the enterprise.

In the report prepared by experts from the British task team Accounting for People Task Force one finds the statement that the human capital management is connected with a systematic analysis, measurement and appraisal of the process of creating values through policy and practice of management of people. The report defines HCM as ‘an approach towards management of people which illustrates it as a remarkably essential strategic notion and not an organizational point which can be left aside to the workers of the human resources department’.

Summarizing the above, one has to underscore that thanks to human capital management the realistic data was implemented envisaging the return of the investment when in case of human resource management such affairs were omitted or created intentionally. According to many known economists, such as P.Kearns or A. Mayo, the difference between management of human resources and management of human capital can be seen in people who in accordance with the theory of human capital management are defined as assets whilst according to human resource management they are perceived as costs.

³³ Chatzkel J.L., *Human capital: the rules of engagement are changing*, „Lifelong Learning in Europe” 2004, no. 3, Vol. 9, p. 140.

³⁴ P. Kearns, *Human Capital Management*, Reed Business Information, Sutton–Surrey, 2005, with: A. Baron, M. Armstrong, *Zarządzanie kapitałem ludzkim*, Wolters Kluwer, Kraków 2008, p. 34.

Hereinafter one is obliged to remark the other, exceptionally important context of the pronunciation of both terms, HRM and HCM, which has specific connotations in Polish. So in the opinion of many authors the term 'human resource management' does not reflect the subject dimension of this term- having at the same time objections towards naming a human being a resource³⁵. One needs to say that people are not a resource but are in disposition of resources so a cluster of particular traits. Moreover, the success of a modern organization is not defined by the number of workers but by a potential in every single employee- its capital³⁶. This is also one of the most vital factors which preordains the advantage of the contemporary use of the term HCM in Poland³⁷.

The explanation of 'human capital' seems to be really essential. The dictionary of foreign terms says that in a wide context *capital* is a self multiplying value³⁸. Such a definition indicates that a capital is not necessarily money, goods but also technologies and other non-material vales. However *human* refers to people, belonging to people, being in favor, understanding, proper for the people and at the same time decent for people³⁹.

For the first time the term human capital was coined in 1961 by a Nobel Prize winner Theodor Schultz who defined human capital in the following way 'All human capacities either innate or acquired. Every single man is born with a particular set of genes defining his or her innate abilities. The traits of the acquired quality of a population have a value and may be enriched with the aid of proper investment and will be perceived as a human capital'⁴⁰. The division of human capital into general and specific was coined into the theory of management by Gary Becker. In his opinion such a division is indispensable to properly manage the human capital of an enterprise. The example of a general human capital is i.e. the command of the process commonly used in various enterprises however the specific

³⁵ See: T. Rostkowski, *Strategiczne zarządzanie zasobami ludzkimi w administracji publicznej*, WKP, Warszawa 2012, p. 15.

³⁶ R. Walkowiak, *Zarządzanie zasobami ludzkimi. Kompetencje, nowe trendy, efektywność*, Toruń 2007, p.11.

³⁷ In all strategic documents of the development of Poland and in many contemporary enterprises and the newest literature of a subject the term used mainly is HCM.

³⁸ *Słownik wyrazów obcych i zwrotów obcojęzycznych*, ed. W. Kopaliński, PWN, Warszawa, 2000, p. 406.

³⁹ *Zarządzanie potencjałem ludzkim w organizacji XXI wieku*, ed. K. Piotrkowski, WAT, Warszawa 2006, p. 32.

⁴⁰ T.W. Schulz, *Investing in People: The Economics of Population Quality*, University of California, Berkeley 1981, s. 21, w: J. Fitz-Enz, *Rentowność inwestycji w kapitał ludzki*, Oficyna Ekonomiczna – Dom Wydawniczy ABC, Kraków 2001, p. 9.

human capital – the command of the process being implemented in only that very company.

M. Bartnicki thinks that the human capital is the people who are lastingly connected with an enterprise and its mission, having the ability to cooperate, being creative, qualified and also motivated, competent and mentally agile⁴¹. In the reports of OECD the human capital is ‘the knowledge, skills, competence and other virtues being in possession of a person which favor creating of one’s own, social and economic well-being’⁴². However Jack Fitz-Enz encloses the term of a ‘human capital’ as a dominant one among managers of human resources⁴³: ‘In business categories one may define human capital as a combination of the following factors:

- Traits which are implemented to work by such a person- intelligence, energy, general positive approach, submissiveness, commitment,
- The ability to learn- gifts, imagination, creativity and this which is often named street smarts and savvy (the knowledge how to bring matters to the climax),
- Motivation to share information and knowledge – the team spirit and orientation towards goals’.

In Poland and other countries of the Central and Eastern Europe the development of the conception of the human resource began yet after the collapse of the communistic system, so to be precise since the 1990s⁴⁴, whose result is more and more common perception of human strength (especially the intellectual one) as the term of capital. To complete the collation of the chosen terms of human capital from various viewpoints, one is presented with tab. no.2.

⁴¹ M. Bartnicki, *Pomiar kapitału intelektualnego*, „*Ekonomika i Organizacja Przedsiębiorstwa*” 2000, no. 11, p. 12.

⁴² OECD, *The Well-Being of Nations. The Role of Human and Social Capital*, Paris 2001, p.18.

⁴³ Fitz-Enz J. (2009), *The ROI of Human Capital: Measuring the Economic Value of Employee Performance*, 2nd, New York, Amacom, p.18.

⁴⁴ K.M. Wigg, *Integrating Intellectual Capital with Knowledge Management* „*Long Range Planning*” 1997, June, p. 401.

Tab. 2. Collation of the chosen definitions of a human capital.

Author	Definition of a human capital
T. Schultz	The author described the human capital in the following way: 'all human abilities are either innate or acquired. Every single person is born with a particular set of genes defining his or Her innate skills. Traits of the acquired quality of a population which are of worth and may be enriched thanks to proper investment will be seen as human capital.
G. Łukasiewicz	The author assumes that as human capital one needs to understand the knowledge, abilities, qualifications, attitudes, motivation or health galore of a particular value which is the source of future salaries or satisfaction; but still it is a renewable and constantly expanded human potential.
M. Rybak	The author claims that 'the strength of human capital of an enterprise is not defined by solely acquired general and professional knowledge, and skills developed during performing work but as well these are capacities of being successful at a job, skills which have not been discovered yet, aspirations, one's own intrinsic motivation to work and learning, creativity, readiness to take risks and personal feeling of being responsible for the success of a company. The human capital are then the people who are supposed to cooperate with each other- the people tightly connected with the company and its mission.
P OKL	HC stands for the resource of knowledge, skills and potential enclosed in every man and society as a whole, defining the abilities to work, adaptation to changes in the milieu and possibilities to create new solutions.
M. Bartnicki	The author thinks that the human capital are the people who are tightly bund with an enterprise and its mission, being in possession of skills which enable them to cooperate, to be creative and to get qualifications, competences and mental agility.
G. Becker	The author divides the human capital into general and a specific one. The example of the general capital is i.e. the knowledge of the process commonly used in different enterprises, and the specific human capital- the knowledge of a process implemented in only one particular company.
OECD	Human capital is 'the knowledge, skills, competences and other assets of an entity which favor creation of one's personal, social and economic
K. Czyrka	Human potential of and organization one needs to perceive as: a resource of knowledge, skills, predispositions and also physical traits and motivation lying in every of their workers.
B. Kożuch	Human potential is the knowledge, skills, motivation, behavior and basics of work.

Source: One's one work on the basis of: B. Czerniachowicz, S. Marek, *Wybrane problemy rozwoju kapitału ludzkiego*, Wydawnictwo Naukowe Uniwersytetu Szczecińskiego, Szczecin 2004, p. 25; J. Grodzicki, *Rola kapitału ludzkiego w rozwoju gospodarki globalnej*, Wydawnictwo Uniwersytetu Gdańskiego, Gdańsk 2003, p. 50; M. Rybak, *Kapitał ludzki a konkurencyjność przedsiębiorstw*, Poltext, Warszawa 2003, p. 39; *Zarządzanie zasobami ludzkimi. Tworzenie kapitału ludzkiego organizacji*, red. H. Król; A. Ludwicyński, Wydawnictwo Naukowe PWN, Warszawa 2006, p. 97; A. Sajkiewicz, *Człowiek – kreator wartości przedsiębiorstwa*, w: *Zarządzanie wartością firmy*, ed. A. Herman, A. Szablewski,

Poltext, Warszawa 1999, p. 79; K. Czyrka, Zarządzanie potencjałem ludzkim w organizacjach, PWSZ, Gorzów Wlkp. 2013, p.20; OECD, *The Well-Being of Nations. The Role of Human and Social Capital*, Paris 2001; POKL 2012.

As it has been shown in the chart hereinabove, the human capital can be seen in a unitary and social way. Desiderata encompass unitary and social assets and preview guidelines of social and economic policy formulated officially by assemblies of the European Union. Among them the pivot role is played by the Program EUROPE 2020 in which the human capital is the pedestal for realization of the indicated below priorities⁴⁵:

- Intelligent development: the development of the economy based on the knowledge and innovation,
- Balanced development: supporting the effective economy benefiting from resources, a friendlier one towards the environment and a more competitive one,
- Development favorable to the social exclusion: supporting the economy of a high employment rate, ensuring social and territorial cohesiveness with a particular emphasis on creating new workplaces and limiting poverty.

One needs to notice as well that common usage of the concept of ‘human capital’ stems from a particular heuristic potential which opens the mind for new dimensions of management and meaning of investments in acquiring employees, keeping them in the company and developing their competences. Usage of such a term places in the new light costs borne for this purpose: *investments in the capital are treated in a different way from regular expenses*. That is why in the philosophy of HCM these are competences and not the degree of education which are indicated as a pivot component of a human capital.

Conclusions

Summarizing, to the most essential virtues of the concept of HCM belong⁴⁶:

- ‘general development of the human potential defined in the notion of organizational asset’⁴⁷,

⁴⁵ [\(http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/priorities/index_pl\)](http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/priorities/index_pl).(2014)

⁴⁶ R. Donkin, *Human Capital Management: A management report*, Croner, London 2005, p. 17.

⁴⁷ P. Kearns, *Human Capital Management*, Reed Business Information, Sutton–Surrey 2005, p. 179.

- ‘usage of the personal indicators like factors determining the effectiveness of an enterprise’⁴⁸,

directing towards investment business approach, accepting patterns of traditional functional behaviors and treating one’s own value as the most important part of the business planning

- process and business operations,
- indicating the direction of the personal development strategy,
- revealing the fact that strategies and HRM processes have to be harmonious with the need of creating values by people which will ease attaining organizational goals,
- determining the relation between management of people and the strategy of an enterprise,
- considerable strengthening of the assumption and underscoring the fact that people are assets not costs,
- highlighting the role of specialists for personal matters as these who have a strategic input in the success of an enterprise.

One has to underscore that human capital management is a truly vital process due to the fact that eventually these are the people who decide on the fact if an enterprise will be successful. The whole problem is ‘plastically’ illustrated Walter Wriston⁴⁹: good bosses of companies have to know that true competitors on the market are not the companies which have been known for years but real competition takes place between single people who are smart enough to survive and be prosperous. If all the brainy ones will step into one sector of economy or to one company on the market, it will not have a greater meaning who will your competitors be. Practically, then you have already lost the race⁵⁰. Whichever material resources are useless and wasted if they are not properly used by talented and experienced workers. Material resources and fund capital are indispensable- but they will not substitute for thinking, machines work efficiently but do not make inventions. Thinking and invention are virtues of a human being so human capital is the most precious asset in an organizational unit⁵¹. The priority role of people is supported by the fact that they uniquely decide on the usage of all the

⁴⁸ *Taking Measures*, Penna Consulting, London 2003, p.204.

⁴⁹ CEO of Citibank/Citicorp (then Citigroup) from 1967-1984 Wriston was commonly considered the most powerful influential banker of his times.

⁵⁰ J. Low, P. C. Kalafut, *Niematerialna wartość firmy*, Oficyna Ekonomiczna, Kraków 2004, p. 144.

⁵¹ See: M. Byczkowska M., J.Soboń, *Enterprise development issues on the german- polish border* w: Innowacionnoje rozwitje Rasji: usłowia, protiwojeczija, prioritjety, cz. III; Moskwa 2013.

resources in a company⁵². Not material things or the money but a person represents richness himself. That is why such a vital meaning is taken on by the quality of managing the human capital. To make matters equal 'in reality organizations are nothing other than development of one's thoughts and activities⁵³, so the human capital in general contributes to attaining by an enterprise success and improper management results in a failure.

References

1. Armstrong M, *Zarządzanie zasobami ludzkimi*, PWE, Kraków 2007.
2. Baron A. Armstrong M., *Zarządzanie kapitałem*, Uzyskiwanie wartości dodanej dzięki ludziom, Wydawnictwo Kulwer, Warszawa 2008.
3. Baron, M. Armstrong, *Zarządzanie kapitałem ludzkim*, Wolters Kluwer, Kraków 2008.
4. Boxall B. F., *Strategic HRM: a beginning, a New theoretical Direction*, „Human Resource Management Journal” 1992.
5. Byczkowska M., Soboń J., *Enterprise development issues on the german-polish border w: Innowacjonnoje rozwitje Rasji: uslowia, protiworjeczija, prioritjety*, cz. III; Moskwa 2013.
6. CEO of Citibank/Citicorp (then Citigroup) from 1967-1984 Wriston was commonly considered the most powerful influential banker of his times.
7. Czyrka K., *Zarządzanie potencjałem ludzkim w organizacjach*, PWSZ, Gorzów Wlkp. 2013.
8. Donkin R., *Human Capital Management: A management report*, Croner, London 2005.
9. Donkin R., *Human Capital Management: A management report*, Croner, London 2005.
10. Fitz-Enz J. (2009), *The ROI of Human Capital: Measuring the Economic Value of Employee Performance*, 2nd, New York, Amacom.
11. Fombrun J, N. M. Tichy, M.A. Devanna, *Strategic Human resource management*, Wiley, New York 1988.
12. Guest E., *Human resource management: the workers' verdict*, „Human resource management Journal” 1999.
13. [\(2014\)](http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/priorities/index_pl)
14. *Innovation Tomorrow. Innovation Policy a Regulatory Framework*. Innovation papers no. 28, EWR 17052.
15. Janasz W. (red.), *Determinanty innowacyjności przedsiębiorstw*, WNUS, Szczecin 2002.
16. John R. Schermerhorn, *Zarządzanie. Kluczowe koncepcje*, Polskie Wydawnictwo Ekonomiczne, Warszawa 2008.
17. Kaczmarek A., *Przedsiębiorczość a kapitał ludzki, Przedsiębiorczość na pograniczu polsko-niemieckim*, Współpraca przedsiębiorstw na pograniczu polsko-niemieckim w Euroregionie Pro Europa Viadrina (doświadczenia polskich przedsiębiorstw), Wyd. PWSZ w Gorzowie Wlkp, Gorzów Wlkp. 2011.

⁵² G. Maniak, *Strategiczne zasady gospodarowania zasobami ludzkimi we współczesnym przedsiębiorstwie*, Zeszyty Naukowe Uniwersytetu Szczecińskiego 1999, no. 227, p. 29–33.

⁵³ J.L. Chatzkel, *Human capital: the rules...*, *op.cit.*, p. 139.

18. Kearns P. *Human Capital Management*, Reed Business Information, Sutton–Surrey 2005.
19. Kearns P., *Human Capital Management*, Reed Business Information, Sutton–Surrey, 2005.
20. Król H. red., *Czynnik ludzki w organizacji, Szkice z zarządzania zasobami ludzkimi*, Poltext, Warszawa, 2002.
21. Kusa R., A. Peszko A., [w:] *Przedsiębiorstwo i region w zjednoczonej Europie*, Prace Naukowe -Komitet Nauk Organizacji i Zarządzania PAN, ed. Z. Olesiński, A. Szplit, W AŚ, Kielce 2004.
22. LowP., Kalafut C., *Niematerialna wartość firmy*, Oficyna Ekonomiczna, Kraków 2004.
23. Lozano A. P. *System dynamicznego zarządzania przedsiębiorstwem*, Wydawnictwo Naukowe Uniwersytetu Szczecińskiego, Szczecin 2004.
24. Maniak G., *Strategiczne zasady gospodarowania zasobami ludzkimi we współczesnym przedsiębiorstwie*, Zeszyty Naukowe Uniwersytetu Szczecińskiego 1999, no. 227OECD, *The Well-Being of Nations. The Role of Human and Social Capital*, Paris 2001.
25. OECD , *The Well-Being of Nations. The Role of Human and Social Capital*, Paris 2001 ; POKL 2012.
26. Poczowski A., *Zarządzanie zasobami ludzkimi. Strategie- procesy- metody*, Polskie Wydawnictwo Ekonomiczne, Warszawa 2003.
27. Rifikin J., *Wiek dostępu*, Wydawnictwo Dolnośląskie, Wrocław, 2003.
28. Rostkowski T., *Strategiczne zarządzanie zasobami ludzkimi w administracji publicznej*, WKP, Warszawa 2012.
29. *Taking Measures*, Penna Consulting, London 2003.
30. Tsang C., *Measuring Maintenance Performance: a Holistic Approach*, „International Journal of Operations & Production Management” 1999, vol. 19, no 7.
31. Walkowiak R., *Zarządzanie zasobami ludzkimi. Kompetencje, nowe trendy, efektywność*, Toruń 2007.
32. Wernerfelt B., *A Resource-Based View of the Firm*. Strategic Management Journal 1984, Vol.2.
33. Zajac Cz., *Zarządzanie zasobami ludzkimi*, WSB, Poznań 2007.