

Innovations in resources management of enterprises

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Reviewer

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Translation

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Introduction

The efficiency and the development of modern enterprise management is determined by many factors outside as well as inside the organization. The aim of this empirical research is to evaluate the enterprise resource management processes and their relationship with enterprise development. The starting point of the research is the assumption of considering the company as a bundle of resources and skills, the use of which may have a positive impact on its development, and to obtain a competitive advantage with a higher efficiency than the competition. Skillful, efficient and effective, but also innovative, resources management prepares the company to operate in very different, constantly changing environmental conditions.

Resources are regarded as what the company owns or controls. They are vital to the business, they command a price, but many of them are difficult to buy and sell in the market. Company resources should be understood as everything that is necessary to achieve the objectives of the company. The ability to manage resources, as well as their improvement and implementation within the framework of innovation, permits the company not only to survive difficult economic situations created under the pressure of the operating environment, but also to achieve satisfactory results. The skills are the processes occurring within the company, associated with the use of resources related to the core business, which the company knows how to use best for its development. Resources and skills are converted into core competencies that enable more efficient and faster processes than the competition, and to create product and service offers that will be difficult to imitate, which will contribute to the growth and development of the company.

Typically, enterprise resources are divided into tangible and intangible ones. Material resources are increasingly considered at the present time as less important from the point of view of the enterprise. These are tangible goods owned by the company - real estate, land, equipment, machinery, materials, semi-finished products, capital and cash. The importance of these resources is still significant. They are

the base, which is often the deciding factor in the decisions of a specific company. Intangible resources play a leading role in building the value of the company and its development. They reflect the company's reputation, its product recognition in the market, employee knowledge, organizational culture, internal and external links (relationships), as well as databases, contracts, intellectual property.

In the following study, a more extensive distribution of resources is assumed, considering the financial, human, information, knowledge, and relational resources. On one hand the proposed breakdown considers resources from a tangible, measurable character, on the other hand it includes types which can not easily be quantified, but their role in modern business management has rapidly increased.

Efficient and effective use of resources, as the competition and the company is developing, requires their rapid accumulation, skillful concentration, pooling, coordinating, and comprehensive use. This approach regarding resource management generally follows the need for continuous improvement, thereby focusing on innovative aspects of the use of resources, management of these resources in an efficient manner, and developing them into a specific configuration that will provide an opportunity for development.

Completed studies have been concentrated, among others, on:

- Analysis of the factors affecting the state of resources in the company (external factors and internal)
- Analysis of the types and structure of the company resources,
- Analysis of the relationship between enterprise resources and its development
- Assessing ways of organizing and managing different types of resources,
- Assessing the implementation of innovative solutions to improve the effectiveness and efficiency of the utilization of chosen resources,
- Assessing the prospects for changes in the effectiveness and efficiency of resource utilization,
- Analysis of the opportunities and barriers faced by the company to improve the efficiency of resource management.

To conclude, it is interesting to analyze and evaluate the changes that occur in the use of resources in the company's operations in Polish business practices. It was also important to recognize what tools and resource management instruments can be used in the company. Similarly, an important research question is to analyze the innovations in terms of acquisition and resources used in the companies concerned. Much attention is also devoted to issues concerning the methods of measurement and evaluation of the effectiveness use of certain resources, and also establishing relations that exist between this efficiency and the development of the company.

Empirical studies comprised 200 deliberately targeted companies belonging to medium and large businesses, because of their larger size and the necessity to possess required resources and the potential implementation of modern management tools. The research was conducted by direct interview questionnaire (PAPI – paper and pencil interview) with the managers of the enterprises, using an interview questionnaire containing 33 research questions. Respondents were classified according to the following criteria: the length of presence in the market, forms of ownership, the founding capital, range of operation, sector of activity, number of employees, and the turnover achieved in 2012. In this way, it was possible to increase the likelihood of accurately exploring responses and analyzing them on many levels. A detailed breakdown of researched entities is presented in the table below.

Table 1. Characteristic of researched sample n = 200

Company feature	Detailed category	Number of respondents	% of respondents
1. Period of operation	1. Up to 4 years	2	1,0
	2. 4–8 years	17	8,5
	3. Above 8 lat	181	90,5
2. Form of ownership	1. LTD company	102	51,0
	2. PLC company	18	9,0
	3. General Partnership company	28	14,0
	4. Other	52	26,0
3. Ownership capital	1. Polish capital	166	83,0
	2. Foreign capital	34	17,0
4. Scope of activities	1. International	51	25,5
	2. National	124	62,0
	3. Regional	25	12,5
5. Sector of operation	1. Production	62	31,0
	2. Trade	69	34,5
	3. Services	69	34,5
6. Number of employees	1. 50–249 people	166	83,0
	2. Above 249	34	17,0
7. Company turnover in (In thousand PLN)	1. Up to 50 m PLN	67	33,5
	2. between 50 m PLN and 100m PLN	103	51,5
	3. Above 100m PLN	30	15,0

Source: empirical research of Corporate Management Department 2012

The vast majority of surveyed companies (181 companies) have operated for more than eight years. This distribution makes the information obtained from the respondents seem to have a high educational value. Given their maturity

and knowledge of the market in which they operate, it can be assumed that the pro-innovation activities arise from their assumed strategy, meet the needs of businesses and include external conditions. More than half of the surveyed sample are limited liability companies. Other specified forms of ownership were represented on a small scale. The dominant role in the sample is presented by companies with Polish capital (166 companies) that complement the 34 companies with foreign capital.

A similar situation takes place according to the criterion of the number of employees. The 166 medium-sized enterprises, that is, employing from 50 to 249 people, complement 34 large companies, employing more than 250 people. The research sample was also chosen in such a way that - if possible - keeps the balance between companies from different sectors. The idea was to obtain a representative and comparable group of companies active in production, trade and services. A similar distribution of companies can be observed with regard to the criteria range and volume of turnover generated in 2012. National companies and entities that generate sales of between 50 and 100 m PLN have the largest representation in the sample.

The results obtained in the course of the research seem to support the statement that the companies operating in the Polish economy are increasingly using modern tools of management. Implementation of innovation in this area as confirmed by managers brings tangible economic effects, fosters development of the enterprise, and maintains a good competitive position. Therefore, it is worthwhile to take a look at the detailed results of the research presented in the following chapters of this monograph.

Editor

Anna Skowronek-Mielczarek

The development of the company and its resources – interconnections and relationships

1.1. Introduction

The main priority in the operation of the company is considered to be its development, carried out for the benefit of the owners, or more broadly, for the circle of stakeholders. The development strategy should be a plan for managing the resources and processes of the company in order to build competitive advantage and its value. Resources in each company play an important role, as they are required to perform certain processes and activities, and only the efficiency and effectiveness of their use has an impact on value creation. For these reasons, the creation of a development strategy is of significant importance inside the company, its resources and processes.

Enterprise resources are assets of a different nature, it is the set of available resources controlled by the company. The resource approach derives from regarding resources as a key resource business center. Since the 90s of the last century this is the dominant approach to managing the company, from which derives known developments of this theory, such as the concept of core competencies, learning organization, and knowledge management (Sanchez and Heene, 1997, p. 7-9). The company, being equipped with these unique resources, is able to achieve a competitive position in the market, getting the profit and the increase in its value.

Modern business management is faced with the dilemma of what should be considered first when creating a strategy and plan for the organization – the surrounding environment or the resource base: the external environment to which the company adjusts resources, shaping them to meet market demand or the resource base to which the selected section of the environment is adjusted? There is no clear answer to that question. Business practice confirms that companies are trying to combine these approaches by flexibly responding to changes in both

the environment as well as their resources. The key to success in business thus becomes the ability to effectively use resources in companies with constantly changing market conditions. The purpose of this chapter is to present some empirical evidence. Its scope includes, inter alia, an analysis of relationships that exist between resources and the company development, ways of enterprise development, evaluation of the appropriateness of innovative solutions in managing the development, and barriers existing in this area.

1.2. Conditions for development in the surveyed enterprises

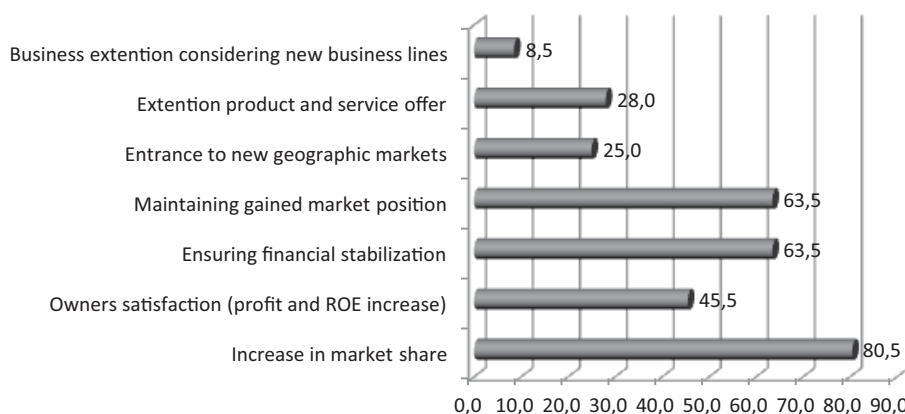
The development of the company is a quality category and means targeted, effective and coordinated changes of business systems which adapt to the ever-changing environment. It is a long term process of directed changes, which can be divided into successive stages – change phases, showing the variation in specific terms. Similarly, this concept is formulated in other sources of literature, where "business development refers to the process (i.e. during successive and mutually dependent state changes) extending in time, in which successive changes are ordered, remain relatively stable, until a crisis situation arises" (Pierścionek, 2011, p. 16).

The development is a qualitative phenomenon, which involves the introduction of innovation (product, process, structural and innovation, for example referring to the organization and management). The development carries changes in the company, adapting them effectively (e.g. providing the company with a competitive advantage) to the environment (Strużycki, 2011, p. 111). The company development may be associated with the concepts of research, scientific and technological progress, innovation, restructuring and changes. Business development activities are not only closely associated with the aforementioned concepts, but also the activities within these areas permeate mutually deciding on the development of the company. Therefore special features for different concepts presented here related to enterprise development are: the process of changes, qualitative approach to the process, purpose – adaptation to the environment, focusing on different areas of business activity relevant from the point of view of achieving the long-term dimension of the actions. The concept of development can be associated with the structural changes taking place at different speeds adequate to the environment and in accordance with established company goals (Drucker, 2008).

Enterprise development is closely linked with the strategy of the company. This requires the design and implementation of an appropriate strategy, which

takes place during the processes of strategic management and results from the application of specific tools and instruments of strategic planning. Planning the development of the company on one hand is of a system-wide nature, determining the directions of transformations of the company as a whole, on the other hand, it relates to its main areas of decision-making. Therefore, strategic planning is the decision-making process, enabling the selection of required courses of action. The result of this process is the creation of company development strategy. One out of the many research problems undertaken in the following empirical research was the area related to the creation of the company's development strategy. The company making choices in this regard must resolve many problems. It is necessary to determine the pace of the company development, establishing business models implemented in the specific market conditions, the level of possible and necessary capital expenditures; specifying the extent of the development of the product range – whether to endeavor to specialize or to diversify, and finally to determine the range of the company's specific geographic markets. In this context, it is interesting to confront theoretical issues related to the process of creating the strategy and priorities taken into account by companies in shaping their development strategies. Respondents were asked to indicate the three most important development priorities from the list presented in Figure 1.1.¹

Fig. 1.1. Factors considered in the processes of shaping development strategy (in %)



Source: Empirical research of Corporate Management Department, Warsaw School of Economics 2012, n=200

¹ Respondents in the executed empirical research were mostly senior managers in the examined companies.

In the process of shaping development strategies from the perspective of the examined entities the most important is the increase in market share – pointed out by more than 80% of the respondents, 20% pointed out other conditions. It's quite an interesting and positive answer, confirming the desire to expand by the surveyed entities. In spite of the crisis taking place in today's business environment, the respondents pointed to the development of their potential by not only maintaining their market share but trying to increase it. The next two factors relevant to the development strategy are to ensure financial stability and to maintain its position in the market – more than 63% of responses. These are the factors connecting internal possibilities of the company but also dependent on external conditions. They point to the expectations associated with the defense of the existing potential.

What is interesting in the following sequence is the priority, taking into account the expectations of the owners, their satisfaction and benefits – a little above 45% of all respondents. It's quite a surprising level as it was expected that this priority would be mentioned as one of the most important. On theoretical grounds relating to business management it indicates the benefits to owners of increasing the value of the company as the main reasons of modern enterprise development (Szablewski, 2008, p. 122). However, in practice this premise is not confirmed.

Expanding the range of products and services and entering new markets are priorities having much less influence on the development strategy of the examined companies, as pointed out by about 25-28% of the respondents. The least important priority included the diversification of their business. The implementation of this type of activity in the development of companies requires high potential, significant resources, but also the ability to assess the risks and opportunities associated with entry into new activities. Therefore, companies very rarely decide to implement a strategy based on diversification of business activities.

It is also worth to indicate the relationships occurring between selected characteristics of the respondents and the factors taken into account in framing development strategy. The increase in market share and ensuring financial stability are the most often mentioned factors taken into account in framing development strategy. The other factors are assigned different meanings dependent on the specific characteristics of the respondents. Concerning the legal form of running a business to maintain its position in the market is most highlighted in limited liability companies and general partnership companies, and therefore usually it is indicated in case of smaller entities, for which defense of the current position will indicate success in the market (Table 1.1.). The entry into new geographic markets was mostly indicated in joint stock companies, which certainly is related

to their greater potential for development, perhaps a greater ability to anticipate and utilize emerging market opportunities. Also in these companies fairly frequently pointed out was the possibility of extending the business into new areas.

Table 1.1. Factors considered in framing development strategy based on the legal form and ownership capital (in%)

Factors	Legal form				Ownership capital	
	Ltd company	Joint stock company	General partnership company	Others	Polish capital	Foreign capital
Market share increase	81,4	72,2	85,7	78,8	77,7	94,1
Owners satisfaction (profit igrowth and ROE)	51,0	44,4	35,7	40,4	45,2	47,1
Ensuring financial stabilization	64,7	61,1	64,3	61,5	62,0	70,6
Maintaining gained market position	61,8	38,9	50,0	82,7	66,3	50,0
Entrance to new geographic markets	26,5	50,0	21,4	15,4	24,7	26,5
Expanding product and service offer	22,5	16,7	42,9	34,6	29,5	20,6
Extention business lines	5,9	11,1	3,6	15,4	8,4	8,8

Source: As indicated in Fig. 1.1

There have also been some differences in the significance of these factors considered in the process of creating enterprise development strategy in relation to the separation of the enterprises due to the dominant capital ownership. Enterprises with foreign capital assign greater attention to the increase in market share (more than 94% of responses) relative to firms with a majority of Polish equity (nearly 78% of responses).

It can be said, that this first group of enterprises is more expansive, and perhaps has a greater potential to use this type of strategy development. On the contrary, maintaining its market position is more often taken into account in companies with predominantly Polish capital than companies with dominant foreign capital. The difference in the indications is more than 16%. This may be justified by the fact that companies with a predominantly Polish capital have less capacity and are more focused on defending existing market share, and perceive developing opportunities.

On the other hand, from the type of business view, trading companies in the least aspect with comparison to manufacturing and service companies include

strategies to enter new geographic markets – just over 11% of respondents, and often extending its product range amounts to nearly 38% of respondents (Table 1.2.). This implies that trading companies more often include in their strategies actions that serve effective market penetration and exploiting its potential. Service companies, which is quite surprising least in relation to trading and service companies consider in their development strategies that bring benefits to the owners.

Table 1.2. Factors considered in framing development strategy depending on the industry and scope of activities (in%)

Factors	Type of operation			Scope of operation		
	Production	Trade	Services	International	National	Regional
Market share increase	83,9	85,5	72,5	86,3	79,0	76,0
Owners satisfaction (profit growth and ROE)	56,5	44,9	36,2	54,9	45,2	28,0
Ensuring financial stabilization	59,7	62,3	68,1	60,8	63,7	68,0
Maintaining gained market position	66,1	63,8	60,9	60,8	66,1	56,0
Entrance to new geographic markets	32,3	11,6	31,9	35,3	23,4	12,0
Expanding product and service offer	21,0	37,7	24,6	25,5	27,4	36,0
Extention new business lines	4,8	10,1	10,1	7,8	6,5	20,0

Source: As for Fig. 1.1.

What is interesting in companies with regional scope of activities, in relation to national and international companies, rarely the attention is drawn to the satisfaction of the owners and the possibility of entering geographic markets. On the other hand, the regional companies, more often than the national and international, pointed to the possibility of extending the business towards new areas. This may indicate that these entities are still in search of attractive business activities and they did not establish a solid position in the market yet. It is also worth noting that in companies with an international scope, the satisfaction of business owners is regarded as a priority and was the most frequently indicated in the processes of shaping the strategy. It can be associated with stronger pressure exerted on managers to achieve required results, dividend payments, the use of tools oriented to multiply the value by using the concept of value based management (VBM).

A relationship for growing market share and ensuring the financial stability dependent on the level of achieved turnover of the company and the number of persons employed is visible (Table 1.3). The greater are the turnover and number of employees, the more respondents indicated support for these priorities in their strategies. This may indicate that larger businesses tend to have greater potential, greater resources, which may engage in activities that permit market expansion. On the other hand, companies with lower turnover and employment levels place greater importance on maintaining their position in the market. They are focused on defending their existing potential. The relationship of these features in conjunction with ensuring financial stability is also visible. The larger the company, the more important is this factor. Growth opportunities and market expansion strategies depend on the financial resources and a good financial situation.

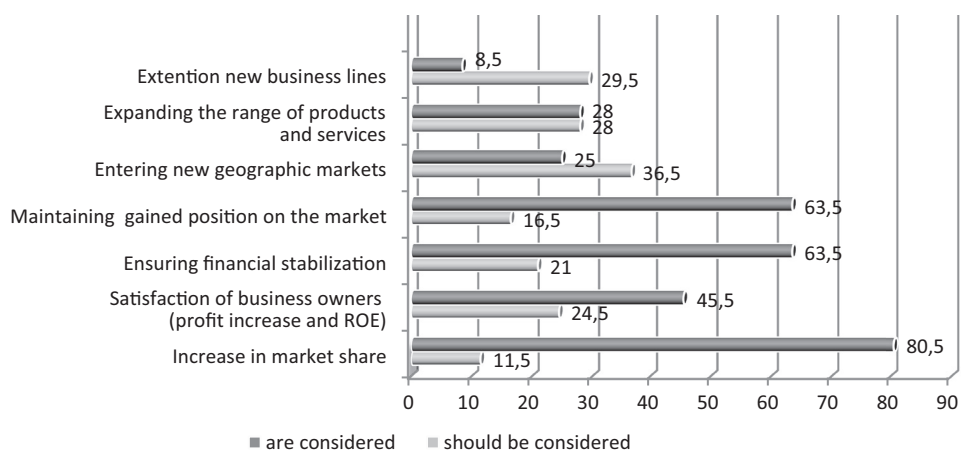
Table 1.3. Factors taken into account in framing development strategy based on the size (in%)

Factors	Annual turnover in m PLN			Number of employees	
	Up to 50m PLN	50–100 m PLN	Above 100m PLN	50–249 people	Above 249 people
Increase in market share	79,1	80,6	83,3	78,9	88,2
Satisfaction of business owners (profit growth and ROE)	31,3	56,3	40,0	48,2	32,4
Ensuring financial stability	55,2	66,0	73,3	60,8	76,5
Maintaining its gained position	71,6	60,2	56,7	65,1	55,9
Entering new geographic markets	22,4	25,2	30,0	25,9	20,6
Expanding the range of products and services	31,3	22,3	40,0	27,7	29,4
Extension of new business lines	13,4	4,9	10,0	7,8	11,8

Source: As for Fig. 1.1.

Factors considered in the process of shaping development strategies in the surveyed companies were also confronted with the propositional factors in this area of business management (Fig. 1.2.).

Fig. 1.2. Factors considered in shaping development strategy (in %)



Source: As for Fig. 1.1.

The attention is being drawn to the fact of assigning greater importance to factors contributing to the expansion of companies in comparison to the factors considered in the practice of daily operation of these companies. For example, entry into new geographic markets was considered by about 25% of the respondents, while more than 36% of them believe that this factor should be considered in framing development strategy. According to more than 29% of respondents expansion of the business into new areas of activity should be considered in shaping strategies and in reality this factor is considered slightly more often than in 8% of the surveyed companies. In turn, the increase in market share was indicated by more than 11% but in real terms it is of primary importance in the process of shaping the development strategy – more than 80% of respondents identified this as a key factor. The situation is similar with regard to ensuring financial stability, in real terms, this factor is indicated more often than in stipulated cases.

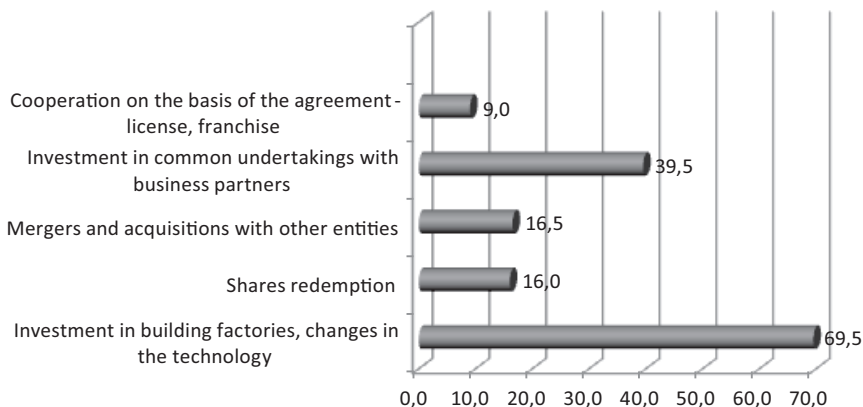
The results show that in everyday business occurrence, companies take a rather conservative approach to strategy development, based on experience and the continuity of its activities. On the contrary in the context of announcing certain activities companies are focused more on expansion, even though they may carry a higher risk but still companies claim business expansion of new activities and entering new geographic markets.

1.3. The development methods used in surveyed companies

Development is not a spontaneous phenomenon but depends on the external environment and internal business opportunities. It can be planned, shaped and controlled, depending on the will, knowledge and capabilities of managers and owners of the company. In a longitudinal dimension, it means that the conscious development is reflected in the company's strategy, the manner in which it intends to carry out the mission and strategic goals. The adopted strategy is a reflection of the direction and extent of the company development, so it is a way, a method of its development (Robbins, 2007). Way of development is understood as a choice of prospective enterprise resources needed to fulfill a specific strategy. There are two basic methods of development: internal and external development (Romanowska 2009 p. 154; Griffin 2010 p. 245). Internal development (evolutionary, gradual) expands the company's potential through its expansion mainly through property investment within the existing structure or by creating new business units. The second method is the external development (a revolutionary one), related to the expansion through mergers, acquisitions, or other various forms of cooperation with other companies.

Therefore, another research area in the empirical studies has been dedicated to assess development methods, which are applicable in the surveyed companies (Fig. 1.3.).

Fig. 1.3. Utilized methods of company development



Source: As for Fig. 1.1.

The dominant method of development in the surveyed companies is to invest in building their own facilities, technology purchase, expansion of the existing capacity – nearly 70% of respondents pointed to such path of development. It is characteristic for gradual, internal development, using available capacity and the need to adapt to market conditions. Nearly 40% of respondents implement joint investment projects with business partners, thereby achieving specific economic effects, and accelerating its development. This is a very positive occurrence, because this implies that economic entities operating in the Polish market perceive the benefits of making such co-operation in the field of optimization of operating costs, rapid increase in the volume of sales, achieving economies of scale, spreading investment risks to business partners, bearing common effort to innovation activities. Individual companies are often not in a position themselves to resist the overwhelming competition. The solution in this regard may be just networking with other similar businesses.

Development methods identified by respondents were also: redemptions of shares in other companies and mergers with other entities. More than 16% of the surveyed companies indicated them respectively. These methods of development are characterized for the external development of the company, in which the emphasis is on the search for market opportunities, the jumping increase of the market potential, market share, etc. This method of development permits much faster entry to new markets, expands the volume of generated turnover and reduces the level of investment risk associated with building a business from scratch. However, only large companies with significant potential and financial possibilities can afford to use this method of development. Thus, the results obtained for the sample can be considered relatively high, as well as positive, carrying an evidence to use various methods of development in business practice.

Quite a high response rate, was obtained regarding the method of company development, which is the franchise agreement or license. This development facilitates entrepreneurs quickly to achieve their business objectives and implement proven business models, thus reducing the investment risks associated with its failure. The obtained results can therefore confirm observed rising popularity and attractiveness on the Polish market for this method of entities development (Ziółkowska, 2010).

Empirical research has also revealed a number of interesting dependencies that occur between the selected characteristics of the respondents and the development methods used by them. Considering the legal form of running a business, investment in the construction of the own plants is highlighted in the general partnership companies, and therefore usually smaller entities for which method

to enhance the internal capacity development is the most appropriate. There is a need to have the financial resources and the potential to attempt methods of external growth (Table.1.4.). The joint investment with business partners is emphasized frequently in companies with limited liability. Perhaps this is the way of development leading to take over mutual shares or to set a merger to create a financially stronger company.

Table 1.4. Utilized development methods depending on legal form of ownership capital (in %)

	Legal form				Ownership capital	
	Ltd company	Joint stock company	General partnership company	Other	Polish capital	Foreign capital
Investment in building own plants, changes in technology	60,8	66,7	85,7	78,8	71,7	58,8
Redemption of shares in other entities	14,7	16,7	25,0	13,5	15,7	17,6
Mergers and acquisitions	21,6	5,6	21,4	7,7	13,9	29,4
Investment in common undertakings with business partners	43,1	38,9	32,1	36,5	37,3	50,0
Cooperation on the basis of the agreement – licence, franchise	8,8	5,6	0,0	15,4	7,2	17,6

Source: As for Fig. 1.1.

There have also been some differences in the relevance of business development methods in relation to the separation of the enterprises due to the dominant capital ownership. The attention is drawn to assigning greater importance to investments in joint ventures with business partners in companies with foreign capital (more than 50% of responses) relative to firms with the majority of Polish capital (only 37% of responses). It can be thought that this first group of companies is more expansive, and perhaps has a greater potential that facilitates this type of development method. On the other hand, the investment in the construction of the plants and changes in technology are used much more frequently in companies with Polish capital than in companies with dominant foreign capital. The difference in the indications is nearly 13%. This may be justified by the fact that companies with a predominantly Polish capital have less potential, so they want to expand, grasping business opportunities.

Concerning business diversity, specified dependencies have become apparent (Table 1.5.). The highest percentage of companies undertaking investments in the construction of the plants, setting up production lines takes place in production. That is due to the fact that manufacturing activity somehow forces companies to make their own investment to increase the level of production capacity. Amongst manufacturing companies, there is the largest number of companies that utilize in their development redemptions of shares in other companies and mergers and acquisitions with other entities. The response rate in this area stood respectively at 24% and 32%. In trade enterprises it was only a little over 7%. In the service companies, respondents pointed to make investments in their own business, but most of them carried out joint development projects with business partners. Certainly, this is connected with the specific service activities where joint actions with other service providers increase their competitive position in the market.

Table 1.5. Utilized development methods depending on business diversity and scope of activities (in %)

	Type of activity			Scope of activity		
	Production	Trade	Services	International	National	Regional
Investment in building own plants, changes in technology	83,9	72,5	53,6	62,7	75,0	56,0
Redemption of shares in other entities	24,2	7,2	17,4	19,6	16,1	8,0
Mergers and acquisitions	32,3	7,2	11,6	25,5	14,5	8,0
Investment in common undertakings with business partners	32,3	30,4	55,1	49,0	37,9	28,0
Cooperation on the basis of the agreement – license, franchise	9,7	8,7	8,7	17,6	4,0	16,0

Source: As for Fig. 1.1.

There is visible relationship between the scope of activity of companies and the development methods used. In companies with an international scope apart from investment in the construction of own plants, great importance is attributed to collective investments with business partners. Acquisitions, mergers with other entities and redemptions of shares are most commonly found in the answers of respondents from companies that represent international scope. Therefore a conclusion can be drawn, that the larger the company, the more advantage of the possi-

bilities and methods of development it uses. It may use their specific combination, actively adjusting their potential and resources to emerging market opportunities.

It is also worth noting that in companies with regional scope more respondents indicated development using the franchise or license agreement than the total number of entities surveyed. It may confirm that for these entities the development method such as a franchise is quite attractive, and therefore can achieve faster specified economic effects. Observing the relation between the rate of turnover for the company and the number of employees the earlier conclusion is confirmed that the larger entities often use various development methods, executing joint projects with business partners, redemptions of shares in other companies and mergers and acquisitions (Table 1.6.).

Table 1.6. Development methods used depending on size (in %)

	Annual turnover in m PLN			Number of employees	
	Up to 50 m PLN	50–100 m PLN	Above 100 m PLN	50–249 persons	Above 249 persons
Investment in building own plants, changes in technology	56,7	77,7	70,0	69,9	67,6
Redemption of shares in other entities	3,0	26,2	10,0	13,9	26,5
Mergers and acquisitions	13,4	19,4	13,3	15,1	23,5
Investment in common undertakings with business partners	37,3	35,0	60,0	34,9	61,8
Cooperation on the basis of the agreement – license, franchise	13,4	3,9	16,7	8,4	11,8

Source: As for Fig. 1.1.

The results indicate that the potential of the company, its key resources (financial capital, but also intellectual – knowledge, skills) determine the practical use of external growth of economic methods, as a kind of completion of the opportunities resulting from gradual, evolutionary changes taking place in a particular business entity.

1.4. The use of resources in the surveyed enterprises

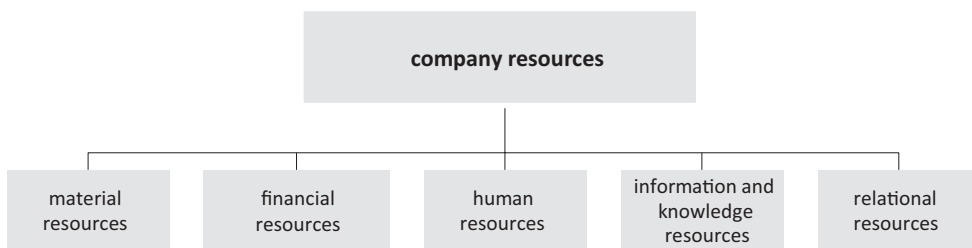
The basic division of enterprise resources is based on their distribution of tangible and intangible assets. Material resources are regarded nowadays as less

important from the point of view of management, these are material goods held by the company – real estate, land, machinery, materials, semi-finished products and cash. In the past, tangible assets were recognized as having the greatest importance, today they don't play a significant role but rationality suggests that without them there would be no economy to function (Barney, 1997). Not only is the approach to material resources decreasing, but also their participation in the creation of business value. The importance of these resources is, however, important as they provide the base, which is often a deciding factor in the development decisions of a specific company.

Intangible resources are unique and behave differently when in use than material resources. Intangible resources can be used simultaneously for a variety of purposes – thinking for example about the relationship of business or his image, at the same time we can use these resources in different situations and with different allocation. Intangible resources are not available in the markets of production factors and therefore require a conscious and detailed schedule of activities (Prahalad and Hamel 1990, p. 2–5). Consequently, over time their value can grow and do not depreciate.

Classification of resources, however, can be made much more accurate according to various criteria of origin, significance for the development, use in the organization, the possibility of substitution, flexibility, degree of integration with the company, the use and the impact on the strategy. Based on the conducted research on study stage, companies' resources and their classifications, this paper adopts the following divisions (Fig. 1.4.)².

Fig. 1.4. Types of enterprise resources

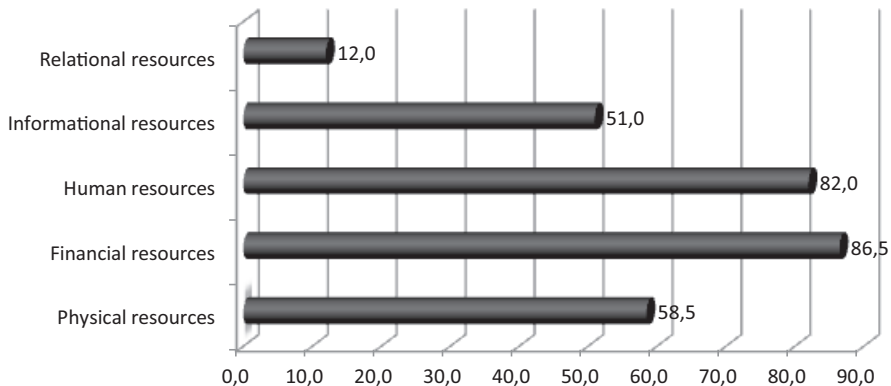


Source: own development

² More about resources classification has been written in the study stage of statutory research – „Resources conditions of growth and development of companies”, statutory research 2011, no 04/s/0033/11, stage one – study stage.

The proposed breakdown considers resources from one side of a tangible, measurable character and on the other hand includes such types, which cannot easily be quantified, but their role in the modern business management quickly and rapidly is increasing. Therefore, one of the research areas focused on the general category, of resources and their inter-relationships with the companies' development. It was interesting to get an answer of how important in business activity are certain types of resources, which of them determine company development whether it is also noticeable on the basis of economic practice, the growing role of intangible resources, that is resources of information, knowledge and relational resources. Respondents in the survey could indicate the three most important types of resources in their opinion (Fig. 1.5.).

Fig. 1.5. Resources influencing company development (in%)



Source: As for Fig. 1.1.

Respondents indicated that the most important in the development are financial resources – more than 86% of the responses. The results obtained in this area seem to be obvious, as financial resources shape business and development opportunities. The scope of financial status shapes the profitability of investing in the business, and the benefits of owners. Equally important to the respondents are human resources, without which it is difficult to imagine the business operation.

Physical resources and informational resources are found to be relevant for more than 50% of all respondents. Of particular interest is the assignment of such high importance to informational resources. It may reflect the increasing importance of these resources in the practice of business management and a high

level of awareness of the management in this regard. Skillfully used the informational and knowledge resources can, after all, decide on the speed of companies' response to changes in business operations. They can also contribute to bring the best business decisions, reducing the wrong decisions (companies using information and information technologies can run specific decision-making simulations, analyze policy scenarios, etc.). Relational resources in comparison with other separate resources were considered as the least important – 12% of the responses. Perhaps this is due to the fact, that they are the least measurable, difficult to grasp. In addition, companies may not yet perceive the possibilities inherent in these resources, to be used in the development processes. Attention should also be paid to the relationships occurring between selected characteristics of the respondents and the impact of specific resources for their development. Concerning the legal form of business it influences the weight of certain types of resources (Table 1.7.). Financial resources are regarded in a similar way, but human resources are the most important in capital companies and in general partnership companies the importance is much smaller (the difference in this area accounts for nearly 26%). The tangible resources are equally important for general partnership companies. This may mean focusing on the expansion of their inner potential.

Table 1.7. Resources influencing company development depending on the legal form and ownership capital (in %)

Type of resources	Legal form				Ownership capital	
	LTD company	Joint stock company	General partnership	Other	Polish capital	Foreign capital
Tangible resources	65,7	66,7	57,1	42,3	53,6	82,4
Financial resources	82,4	88,9	89,3	92,3	88,0	79,4
Human resources	86,3	72,2	60,7	88,5	83,1	76,5
Informational resources	52,0	38,9	53,6	51,9	51,8	47,1
Relational resources	10,8	11,1	25,0	7,7	12,7	8,8

Source: As for Fig. 1.1.

There have also been some differences in the significance of these resources in relation to the separation of the companies due to the dominant ownership capital. The attention is drawn of assigning greater importance to financial and human resources in companies with Polish capital in relation to firms with the majority of foreign capital. On the other hand, in companies predominantly with foreign capital, greater importance is attributed to the importance of tan-

gible resources than in companies with dominant Polish capital. The difference in the indications in this area is almost 29%. This may be justified by the fact that companies with a predominance of foreign capital focus to create a strong manufacturing base for market expansion and enhancing competitive advantage.

It is worth pointing out that the informational resources were granted a great importance in trading companies, the response rate was higher than the total number of business entities, manufacturing and service companies (Table 1.8.). This implies that trading companies in order to act effectively, quickly and efficiently require appropriate informational resources. The attention is drawn to the highest level of relational resources in terms of service companies. It's a natural tendency, since the provision of services by companies is usually personalized in nature and permits to build specific relationships with customers, suppliers, etc.

Table 1.8. Resources influencing company development depending on scope of activities and type of operation (in %)

Type of resources	Type of activity			Scope of activities		
	Production	Trade	Services	International	National	Regional
Tangible resources	72,6	47,8	56,5	76,5	53,2	48,0
Financial resources	90,3	89,9	79,7	86,3	84,7	96,0
Human resources	82,3	85,5	78,3	74,5	86,3	76,0
Informational resources	38,7	62,3	50,7	49,0	51,6	52,0
Relational resources	9,7	8,7	17,4	13,7	12,1	8,0

Source: As for Fig. 1.1.

Companies with regional scope attribute the most important place to financial resources – more than 96% of indication, while human resources are less relevant – the level of indication was lower than for the total sample of entities and businesses with national coverage. This may indicate that the development of regional entities is strongly determined by capital resources. They may have more problems with access to financial resources than a company with a national or international coverage. What is interesting in the case of companies with international coverage, greater importance was attributed to tangible than human resources. Therefore entities with a greater range of operation attribute a greater importance to tangible resources than human resources, perhaps it might be explained by the fact that these companies do not have problems with access to qualified staff and employees. There is also a tendency to assign greater importance to relational resources regarding the increasing scope of operation. Perhaps, this is the result of

the necessity to build more lasting relationships with business partners in more volatile markets (international).

Table 1.9. Resources influencing company development depending on the company size (in %)

Type of resources	Annual turnover			Number of employees	
	Up to 50 m PLN	50–100 m PLN	Above 100 m PLN	50–249 persons	Above 249 persons
Tangible resources	46,3	60,2	80,0	54,2	79,4
Financial resources	91,0	79,6	100,0	86,7	85,3
Human resources	94,0	80,6	60,0	86,1	61,8
Informational resources	52,2	53,4	40,0	50,6	52,9
Relational resources	9,0	11,7	20,0	10,2	20,6

Source: As for Fig. 1.1.

Quite high importance to relational resources in the process of company development is attributed to larger entities, which is apparent in relation to the scale of turnover or number of employees (Table 1.9). This may mean the growing awareness amongst managers in terms of these resources role in shaping company development. A conclusion can be drawn that when other resources in the company are used, attention is paid to the possible use of intangibles that create the market value of the company, its image, reputation, etc. In smaller entities relational resources are not perceived as important.

To sum up this angle of research, it is worth noting that, despite the ongoing debate about the growing theoretical importance of intangible resources (i.e. informational resources, knowledge and relational resources) in creating company value, the foundations of the business are still financial and human resources.

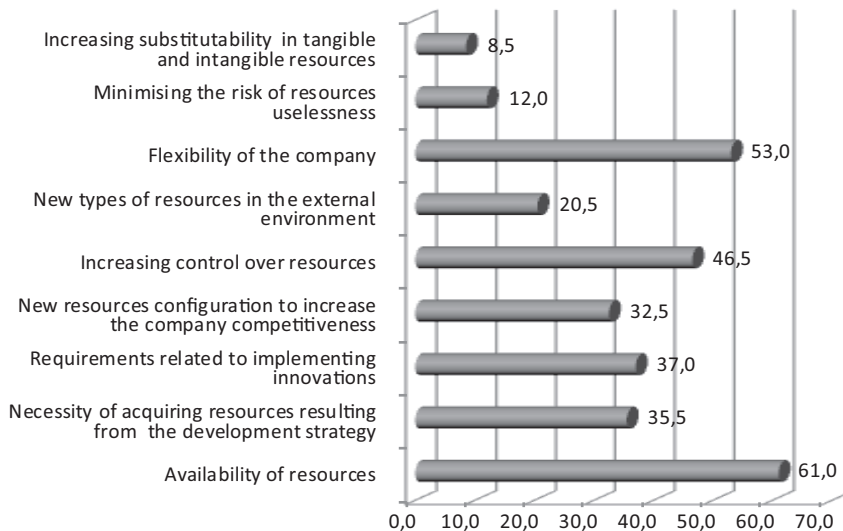
1.5. Factors determining the acquisition of resources in the surveyed enterprises

Another area of research concerned the identification of the factors included in the process of acquiring resources. Respondents have made the selection of these factors presented in Figure 1.6. Most companies take into account the availability of resources, that is, their price, terms of delivery, quality, etc. – more than 61% of respondents identified this factor. Respectively important is the impact of resources on the flexibility of the company, that is the ability to use

certain resources when necessary. It is also important to maintain control over resources, which may affect the formation of a specific, unique configuration of resources, and thus help to strengthen competitive advantage in the market. Not less important is the need to acquire resources resulting from the implementation of innovations, or changes in the level of business innovation which can cause changes in the configuration of resources. Similarly, the acquisition of resources may result from changes in the ongoing business development strategies and actions taken to increase the level of its competition. Respondents attribute less importance to the emerging environment of new types of resources, and the need to minimize the risk of useless specific resources. The role of substitutability of material and non-material sourcing processes is minor.

The distribution of responses is thus apparent, the respondents perceive the role of resources in their development, their impact on the level of innovation and competitiveness, and enhancing its flexibility. This is a positive presage, which indicates that in business practice companies competently carry out the configuration of their resources, in order to adjust to the challenges coming from the environment.

Fig. 1.6. Factors considered in the process of gaining resources



Source: As for Fig. 1.1.

Similar distribution of answers to those obtained for all respondents were also visible amongst the factors considered in the process of obtaining resources

from some distinguished features of their differentiation. Distribution of answers considering the legal form of business, assigns a crucial resource availability in joint stock companies, while in other legal forms there is visible a similar distribution of responses in the determinants of resourcing (Table 1.10.). Similarly, the high importance is attributed to the availability of resources in companies with dominant foreign capital. These companies also often than companies with Polish capital gain advantage of resources related to the implementation of innovations, which may lead to the conclusion that in these entities innovative activities can be carried out more frequently. Companies with a dominant foreign capital often also pointed to the need for obtaining resources resulting from implementation of development strategies. This may indicate that in these companies, the development strategy is precisely and formally defined, therefore it imposes a suitable configuration of the necessary resources.

Table 1.10. Factors considered in the process of acquiring resources, depending on the legal form and ownership capital (in %)

Factors	Legal form				Ownership capital	
	Ltd company	Joint stock company	General partnership	Other	Polish capital	Foreign capital
Availability of resources	56,9	72,2	57,1	67,3	58,4	73,5
Necessity of acquiring resources resulting from the development strategy	31,4	38,9	50,0	34,6	32,5	50,0
Requirements related to implementing innovations	39,2	22,2	46,4	32,7	36,1	41,2
New resources configuration to increase the company competitiveness	38,2	33,3	25,0	25,0	34,3	23,5
Increasing control over resources	49,0	50,0	35,7	46,2	49,4	32,4
New types of resources in the external environment	17,6	16,7	35,7	19,2	19,3	26,5
Flexibility of the company	50,0	44,4	46,4	65,4	55,4	41,2
Minimising the risk of resources uselessness	11,8	33,3	7,1	7,7	10,8	17,6
Increasing substitutability in tangible and intangible resources	8,8	5,6	17,9	3,8	8,4	8,8

Source: As for Fig. 1.1.

What is also interesting is the fact that in companies with Polish capital greater advantage is paid to increase control over resources as compared to the companies with foreign capital. This may indicate that foreign companies are more open to different forms of obtaining resources, they do not emphasize the fact of holding resources, rather it is important to use them.

Table 1.11. Factors taken into account in the company in the process of acquiring resources, depending on the type of activity and coverage in %

Factors	Type of activity			Scope of activity		
	Production	Trade	Services	International	National	Regional
Availability of resources	67,7	71,0	44,9	76,5	54,0	64,0
Necessity of acquiring resources resulting from the development strategy	27,4	34,8	43,5	56,9	29,0	24,0
Requirements related to implementing innovations	45,2	24,6	42,0	33,3	39,5	32,0
New resources configuration to increase the company competitiveness	33,9	29,0	34,8	39,2	28,2	40,0
Increasing control over resources	45,2	50,7	43,5	35,3	52,4	40,0
New types of resources in the external environment	19,4	17,4	24,6	23,5	16,1	36,0
Flexibility of the company	53,2	62,3	43,5	39,2	61,3	40,0
Minimising the risk of resource uselessness	9,7	10,1	15,9	19,6	9,7	8,0
Increasing substitutability in tangible and intangible resources	8,1	10,1	7,2	11,8	7,3	8,0

Source: As for Fig. 1.1.

The results also highlighted an equitable distribution of responses for the different factors affecting the acquisition of resources for service providers (Table 1.11.). Respondents in this group do not pay such a dominant role to the availability of resources, as it is in the case of production or trading companies. The indicated percentage is less than 45%, so actually most of the factors are equally important. In trading companies more often than in manufacturing and service companies respondents include in the process of acquiring resources their impact on the

flexibility of the company, which is associated with the peculiarity of its business. Acquiring resources is more often associated with production than trading companies willing to implementing innovations, which may lead to the conclusion that in these entities innovation activities are carried out frequently.

It is also worth noting that companies with regional scope more often than national and international companies consider the possible emergence of new types of resources in their environment. Regarding international companies, in addition to the availability of resources, equally important is the need to acquire resources resulting from the implementation of development strategy. In this group of entities more frequently the necessity to minimize the risk of resource uselessness is analyzed.

In large companies, defined by the of operation, number of employees, size or the turnover, the growing importance is attributed to acquiring resources related to the development strategy implementation (Table 1.12.). This may be related to the fact that in large entities development strategy is more often formulated and is of a formalized nature, required by potential investors and owners.

Table 1.12. Factors taken into account in the company in the process of acquiring resources depending on the size (in%)

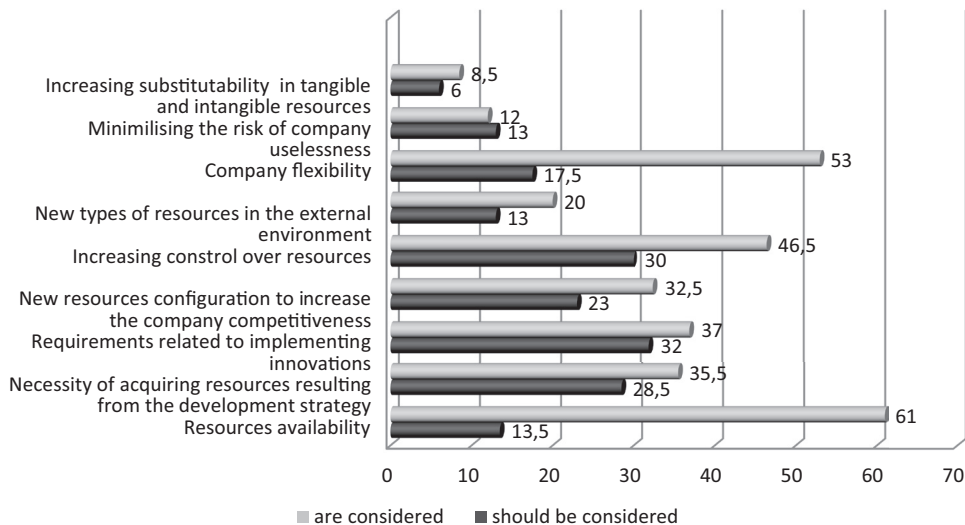
Factors	Annual turnover			Number of employees	
	Up to 50m PLN	50–100m PLN	Above 100m PLN	50–249 persons	Above 249 persons
Resources availability	65,7	58,3	60,0	57,8	76,5
Necessity of acquiring resources resulting from the development strategy	26,9	35,0	56,7	29,5	64,7
Requirements related to implementing innovations	9,0	55,3	36,7	38,0	32,4
New resources configuration to increase the company competitiveness	38,8	27,2	36,7	32,5	32,4
Increasing control over resources	44,8	52,4	30,0	48,2	38,2
New types of resources in the external environment	11,9	26,2	20,0	19,9	23,5
Company flexibility	62,7	47,6	50,0	56,6	35,3
Minimilising the risk of resources uselessness	25,4	3,9	10,0	12,7	8,8
Increasing substitutability in tangible and intangible resources	11,9	4,9	13,3	9,6	2,9

Source: As for Fig. 1.1.

Another issue undertaken in the research was related to the recognition of the of the respondents' opinions concerning the hierarchy of factors that should be taken into account in the process of acquiring resources by enterprises (Fig. 1.7.). The nature of these factors was considered and they were indicated by researched entities in acquiring resources. The distribution of responses in this area suggests that the majority of the extracted factors that should be taken into account in enterprises in the process of acquiring resources is equally important. There is no availability of resources, or the impact on the company flexibility or control of specific resources. So, in real terms the company's activities focus more on those factors associated with the acquisition of resources, which can be a burden to them, or require a specified effort.

Similar distribution of answers to those obtained for all respondents was also highlighted in terms of the factors dependence that should be considered in the process of sourcing from selected, separated characteristics that differentiate companies. There are no significant differences in this aspect, hence there is not presented a detailed analysis of the responses distribution, as it was in the case of factors in the process of acquiring resources by the surveyed companies.

Fig. 1.7. Factors considered in the company in the processes of acquiring resources



1.6. Summary

In business management theory, especially its resource school that was developed since the 90s of the 20th century, the company success derives from the quality of collected resources and skills. Resources in each company are regarded as an essential attribute of its operation. Their presence is required to perform certain processes and activities, and only the efficiency and effectiveness of their use has an impact on the creation and multiplication of the economic entity. For these reasons, in the process of building a corporate strategy a great significance has been paid to its resources and processes. Of particular importance, in this respect are intangible resources that help to achieve a strong and quite sustainable competitive advantage. Resources are therefore regarded as a means of achieving company objectives by which the success is achieved. Simultaneously, resources form the basis for future market position.

The empirical research carried out in a group of 200 medium and large companies attempted to identify the factors that companies consider in their development strategies that are relevant to their resource management processes. As indicated by the results of the research, in the process of shaping development strategy, the most important is an increase in market size, ensuring financial stability and to maintain the achieved position in the market. These are the factors that stem from the relatively status quo growth strategies. This conclusion is confirmed by the fact that the dominant method for the development was considered by respondents investing in their own business and purchasing new technology.

It was also interesting to recognize the weight of individual resources and their impact on the development of companies. Respondents indicated that financial and human resources were the most important in the development of the company. Less important (indications over 50% of all responses) were physical resources and informational resources. Of particular interest is the assignment of relatively high importance to informational resources. It may reflect the increasing importance of these resources in the business management practice. Relational resources as compared to other resources were considered the least important with an indication level of 12% of the responses. Perhaps this is due to the fact that they are the least measurable and difficult to grasp. Additionally, companies may not yet perceive the possibilities inherent in these resources, used in the development processes.

Regarding factors taken into account in the process of sourcing, the greatest importance respondents attributed to the availability of resources, ability

to increase business flexibility and gain control over certain resources. It can therefore be concluded that the surveyed managers recognize the role of resources in the development, but of fundamental importance are financial and human resources. However, in the process of sourcing important are: costs, availability, strengthening the flexibility of the company. Innovation and competitiveness have proved not to be the most important.

These are the general conditions relating to resource management, and relations with the development. The following chapters of this elaboration present the results of different resource management processes, singled out in the company, using innovative solutions in their scope and their relationship with development.

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Property resources – rules and tools of managing in the company

2.1. Introduction

Efficiency, the scope of the business operation, its potential depends on the condition and quality of the resources and intensity of their use. Property resources are specific to each company. They determine its size, potential actions and market value. They are not unique resources that apply only to certain types of organizational forms of business activity. Each company must have a certain amount of such resources, and it has, they vary according to the purpose and scope of activities. The role of property resources decreases along with passing the production – industrial era or material consuming era, and decreasing importance of the traditional economy. This does not mean denying the role of these resources. Without them, there would be no business, and their optimal use brings tangible benefits in terms of increased efficiency, improves the competitive position and technological progress.

The focus of this chapter are ways, principles, management tools and the choices between different resource components in the company. The main hypotheses are as follows:

H.1. Property asset management is mostly based on traditional classical methods.

However, modern methods of management are more often used in companies.

H.2. We can distinguish certain types of companies more willing to innovative property management.

The companies have used traditional and modern tools of resource management. It is expected that modern management is becoming increasingly a subject of interest and company activities.

2.2. Assessing the significance of the particular groups of resources

The starting point for the analysis of property assets is to evaluate the intensity, the rank of general use of these resources groups (Table 2.1.). They were divided into 9 categories, according to the author, regarded as the most important, and for each of them the answer was assigned: very important, little importance, lack of importance. Particularly important is compiling the responses marked as very important, as it indicates the status of the resource in the company operation. The most important is knowledge about customers, their needs and behaviors. This is the dominant resource among others, and the share of positive responses is 93.5%. Understanding the needs and expectations of customers for most companies is a key element for the success and economic growth. It is also the basis for the company identification by customers who expect activities appropriate to their requirements. Information about customers, as well as the inverse relationship helps to improve efficiency of operation, affects the level of perceived customer benefits. Broader studies of these relationships can be found in chapter VI.

Table 2.1. Distribution assessment of the basic groups of resources (in %)

Groups of resources	Great importance	Minor importance	Lack of importance	Lack of answer	Indicator	Range of the resource
Modern technology (production)	78,0	14,0	8,0	0,0	90,0	3
Flexibility of the operation system (production)	72,0	19,5	8,5	0,0	87,8	4
Patents, licenses, trademarks, etc.	42,0	40,5	13,0	4,5	73,3	8
Investment activities	80,0	13,5	4,0	2,5	90,3	2
Structure and modernity of the fixed assets	66,5	24,0	4,0	5,5	83,8	6
Knowledge about customers (needs, behaviors)	93,5	2,0	1,5	3,0	95,3	1
Knowledge about competition	74,0	18,0	3,5	4,5	87,2	5
IT systems supporting management	58,0	32,5	4,0	5,5	81,0	7
Intangible assets	39,5	46,5	8,5	5,5	73,3	9
Average	67,1	23,4	6,1	3,4	84,7	

Source: Empirical Research of Corporate Management Department 2012, n = 200

One of the primary purposes of the company operation is its development carried out for the benefit of the owners, bringing the growth in the company value. The dominant method of development in the surveyed companies are investment activities (this was highlighted in chapter I). In this research 80% of respondents indicated the importance of this resource. The investment is closely related to and conditioned by the factor of modern technology activities – 78% of respondents indicated: great importance. These are internal resources with the use of available capacity and adapting to market conditions.

The following resources are used equally intensively: knowledge about competitors (74%) and flexibility of the operation system (72%). Definitely little importance is assigned to the intangible assets (39.5%), patents, licenses and trademarks (42%). Percentage of negative responses and defining small importance is higher than positive. The last row of the table presents the average share of answers relating to all resource groups. More than 67% of respondents believe that these resources are important, but only 23.4% indicates their minor importance. Just over 6% of respondents regarded these resources as minor.

The analysis attempts to assess in a clear and synthetic way distribution of answers. Therefore an indicator has been proposed based on the weighted average:

Indicator = [a group of resources with "great importance" * 3 + a resource group of "minor importance" * 2 + a resource group "not important" * 1] / 3

Through the weight, the range of each choice is considered, that permits to prioritize resources in terms of intensity of use in the studied companies. This hierarchy is presented in the last column of Table 2.1. The values of indicators confirm previous findings on the range and importance of the various groups of stocks. Range for the indicator is: 33.3% – 100.0%, the lower limit of the range defines a selection of the respondents answer "lack of importance" for all resource groups, and 100% is equivalent to the choice of "great importance" to all groups of resources (the higher the ratio, the more importance is assigned to the resource).

The next step in the analysis is an evaluation of the use of the basic groups in the selected cross-section characteristics of the company – Table 2.2. The tables distinguished only answers considered "very important". Knowledge about customers is the dominant resource for any company regardless their legal form. This characteristic of this resource is most presented in joint stock companies and general partnership companies. The range of the remaining resources in this section is varied. In joint-stock companies, that represent greater development potential, the knowledge about competitors and information systems, had a much larger contribution than in other types of companies, which gained a lower percentage

of positive responses. Perhaps this is due to the scale of operations, because they are generally smaller companies compared to joint stock companies. Intangible assets, patents and licenses are regarded for various forms of companies as insignificant. This is consistent with previously presented the range of general distribution of resources (Table 2.1.). It is also worth to point out that regarding limited liability companies validity of resource distribution is almost identical as the overall distribution of the resources importance.

Table 2.2. Range of resources depending on the legal form and ownership capital – answers „great importance” (in %)

Groups of resources	Legal form				Ownership capital	
	Ltd company	Joint stock company	General partnership company	Others	Polish capital	Foreign capital
Modern technology (production)	77,5	66,7	71,4	86,5	75,9	88,2
Flexibility of the operation system (production)	75,5	50,0	67,9	75,0	70,5	79,4
Patents, licenses, trademarks, etc.	42,2	72,2	21,4	42,3	38,0	61,8
Investment activities	75,5	83,3	85,7	84,6	80,7	76,5
Structure and modernity of the fixed assets	62,7	83,3	50,0	76,9	68,1	58,8
Knowledge about customers (needs, behaviors)	89,2	100,0	96,4	98,1	93,4	94,1
Knowledge about competition	67,6	100,0	75,0	76,9	75,3	67,6
IT systems supporting management	51,0	100,0	42,9	65,4	56,0	67,6
Intangible assets	36,3	44,4	32,1	48,1	37,3	50,0
Average	64,2	77,8	60,3	72,6	66,1	71,6

Source: As for Fig. 2.1.

In the cross-section of ownership capital a crucial importance also had knowledge about customers – first place in the rankings. Companies with Polish capital attribute greater importance to investments and knowledge about competitors. Resources such as modern technology, flexibility of operation, patents and licenses, intangible assets play a much greater role in companies with foreign capital. It can be stated on this basis that it is a group of individual companies seeking to be more innovative in relation to Polish companies, which are more development

oriented. Average answers for all the resources section of each characteristic (last row) present, the overall intensity of all resources use in the section highlighted in the types of metrics. Regarding the use of resources in joint stock companies and companies with foreign capital they utilize resources in a wider aspect.

Considering the cross-section of the surveyed companies knowledge about customers, investment activities, modern technology, are also important resources for the proper operation of companies (Table 2.3.). There is visible the same distribution considering companies in general. These are not the same distribution but similar in their structures. Production companies to a greater extent include such factors as: modern technology, flexibility of operations and investment activities, as compared to trading and service companies. This indicates that they are more oriented towards technological resources and development. On the other hand, trading companies pay more attention to knowledge about competitors, which is justified by the operation in a more competitive environment. Average answers for all the resources section of each item in the metric (last row) indicate the intensity of all resources used in this types of companies. Service companies use the resources the least.

Table 2.3. Range of resources depending on the type of operation and scope of operation– answers „great importance“ (in %)

Groups of resources	Type of operation			Scope of operation		
	Production	Trade	Services	International	National	Regional
Modern technology (production)	87,1	72,5	75,4	76,5	78,2	80,0
Flexibility of the operation system (production)	85,5	65,2	66,7	66,7	75,0	68,0
Patents, licenses, trademarks, etc.	43,5	50,7	31,9	47,1	41,1	36,0
Investment activities	91,9	81,2	68,1	74,5	85,5	64,0
Structure and modernity of the fixed assets	69,4	78,3	52,2	64,7	68,5	60,0
Knowledge about customers (needs, behaviors)	90,3	97,1	92,8	96,1	91,9	96,0
Knowledge about competition	69,4	89,9	62,3	64,7	78,2	72,0
IT systems supporting management	54,8	63,8	55,1	66,7	54,8	56,0
Intangible assets	30,6	49,3	37,7	43,1	41,1	24,0
Average	69,2	72,0	60,2	66,7	68,3	61,8

Source: As for Fig. 2.1

Considering the scope of operation the configuration of key resources was the same as in the previous analytical sections. Knowledge about customers, investments and technologies were most commonly chosen ways of operation and development resources. The most intensive use of all the resources was recorded in national companies, to a similar extent – international companies, less use of resources was visible in regional companies. There was visible dependency (one-way change, increase or decrease in the share of positive responses, occurring between a given metric and a particular resource) between modern technology and global scope. The highest value was recorded concerning regional companies, the smallest importance of this resource relates to companies with international scope of operation. With a range of activities the importance of intangible assets is correlated – these resources, as previously stated, are not important in the operation of all companies) – along with expanding operations it is visible more intense use of these resources. This may indicate that the wider range of operations, the more important intangible factor is, the higher the market value of the company, and higher owners' satisfaction.

Considering cross-section of the company size, expressed by the scale of turnover and number of employees, knowledge about customers, investment, knowledge about competitors and modern technology are the dominant factors in the activities of companies (Table 2.4.). There was visible relationship between the role of investment activities, modern technology and the level of turnover. The higher the turnover the more important factors that have been highlighted. This may designate that larger companies are still under development, market expansion, technological change, and smaller companies are more focused on maintaining the achieved market position and maintaining its potential.

Table 2.4. Range of resources depending on the company size
– answers „great importance” (in %)

Resources	Annual turnover in m PLN			Number of employees	
	Up to 50 m PLN	50–100 m PLN	Above 100 m PLN	50–249 persons	Above 249 persons
Modern technology (production)	65,7	83,5	86,7	75,9	88,2
Flexibility of the operation system (production)	59,7	81,6	66,7	74,1	61,8
Patents, licenses, trademarks, etc.	41,8	42,7	40,0	41,0	47,1
Investment activities	71,6	81,6	93,3	80,7	76,5

2.3. Purchasing and inventories management tools

Structure and modernity of the fixed assets	64,2	68,0	66,7	69,3	52,9
Knowledge about customers (needs, behaviors)	92,5	94,2	93,3	93,4	94,1
Knowledge about competition	76,1	72,8	73,3	75,3	67,6
IT systems supporting management	64,2	51,5	66,7	56,0	67,6
Intangible assets	47,8	30,1	53,3	39,2	41,2
Average	64,8	67,3	71,1	67,2	66,3

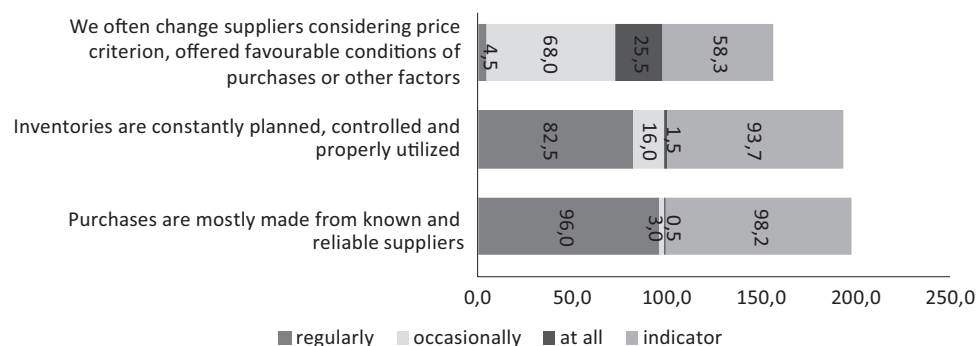
Source: As for Fig. 2.1.

Average answers for all resources in cross-examined metrics (the last rows of the analyzed table) indicate the overall intensity use of all resources in the section highlighted in the metrics. Regarding the extent use of company resources it is visible significantly in joint-stock companies, companies with foreign capital operating in trade of national scope, with a turnover of over 100 m PLN, employing 50-249 persons.

2.3. Purchasing and inventories management tools

The subject of further interest is the management of working capital components, that is, inventories, receivables and cash. Answers to the question of acquiring inventory and management are presented in Fig. 2.1.

Fig. 2.1. Purchasing and Inventory Management (in %)



Source: As for Fig. 2.1.

The dominant response refers to a typical general behavior of entrepreneurs. Purchases are made mostly from known and reliable suppliers (96%). Rarely, sources of supply are changed (4.5%), companies in a small extent are driven by additional criteria, not clearly specified benefits. Nearly one fourth of the respondents do not behave in this way. Purchasing policy is significantly a derivative of planning and inventory control policy. If inventories are "rationalized", monitored, then the costs of purchasing and inventory management are reduced. Such proceedings decisively declares 82.5%, from time to time, behavior is executed by 16% of companies. Very small percentage of respondents (1.5%) did not admit to such activities. The level of indicators (calculated as a weighted average) of the right side of each bar figure orders the activities in the area of supply. It can be said that it stresses the importance of standard, traditional policy of procurement. Companies are tied to reliable suppliers, rarely decide to dynamic actions, to be guided by efficiency or delivery terms. In inventory politics, an indicator indicates the efficiency of resource management.

Traditional purchasing policy was implemented in greatest respect in limited liability company and general partnership company – 100% of respondents declared as "regularly" (Table 2.5.). There also was the lowest propensity to frequent changes in the sources of supply. Joint stock companies and companies of other organizational forms were more willing to be more flexible in purchasing policies, to change sources of supply, guided by economic considerations and market conditions.

Table 2.5. Distribution of the activities in terms of supply and inventory policy considering legal form and ownership capital – answers „regularly“ (in %)

Type of policies	Legal form				Ownership capital	
	Ltd company	Joint stock company	General partnership company	Others	Polish capital	Foreign capital
Purchases are generally made from known and reliable suppliers	100,0	83,3	100,0	90,4	97,0	91,2
Inventories are constantly planned, controlled and properly utilized	82,4	77,8	78,6	86,5	81,9	85,3
We often change suppliers considering price criterion, offered favourable conditions of purchases or other factors	2,0	0,0	3,6	11,5	5,4	0,0
Average	61,5	53,7	60,7	62,8	61,4	58,8

Source: As for Fig. 2.1.

Much more interesting is an evaluation of the purchasing and inventory policies in cross-section of ownership capital. Companies with national capital lead more dynamic purchasing policy. More than 5% of the companies declared frequent changes in the sources of supply, which is significantly different from the level of the declaration in the second group of companies – the zero level. Also, there is a higher level of declaration of purchases from known and reliable suppliers. This determines that national companies are more active in the field of supply, because often they choose not only stability of suppliers but also active purchase planning, evaluation and changing suppliers by conducting economic calculation. Rational management of inventory was declared by the higher number of companies with foreign capital – 85.3%, compared to the other group of companies – 81.9%.

Type of activity influences purchases and inventories policy. Production companies in the highest degree supported stability of supply and a greater activity in this area (Table 2.6.). Secondly, in this respect were trading companies followed by service companies. Perhaps the reason for such distribution of this phenomenon is more complex procurement policy in the production companies compared to the service activity. The rational inventory policy was also approved in the smallest number of service companies.

Table 2.6. Distribution of the activities in terms of supply and inventory policy considering type of activity and scope of operation – answers „regularly“ (in %)

Type of policies	Type of activity			Scope of activities		
	Production	Trade	Services	International	National	Regional
Purchases are generally made from known and reliable suppliers	100,0	98,6	89,9	94,1	97,6	92,0
Inventories are constantly planned, controlled and properly utilized	83,9	91,3	72,5	90,2	79,0	84,0
We often change suppliers considering price criterion, offered favourable conditions of purchases or other factors	9,7	0,0	4,3	7,8	2,4	8,0
Average	64,5	63,3	55,6	64,0	59,7	61,3

Source: As for Fig. 2.1.

There is a visible relationship between the size of the company expressed by a scale of turnover, employment and inventory management (Table 2.7.). The larger the company, the smaller the share of companies running rational policy in this area, which is difficult to directly explain. Perhaps, considering larger companies, managing inventories do not appear to be an important management problem. Moreover, the purchasing policy is a fundamental problem in smaller companies than in larger ones.

Average answers for all resources in cross-examined metrics (the last rows of the analyzed table) indicate the level of activity in the field of procurement and efficient inventory management. The highest level of activity relates to such companies as: other organizational forms, companies with national capital, operating in the production of international scope, with a turnover of 50 m PLN and employing 50–249 people.

Table 2.7. Distribution of the activities in terms of supply and inventory policy considering scale of the turnover and the number of employees – answers „regularly“ (in %)

Type of policies	Annual turnover in m PLN			Number of employees	
	Up to 50 m PLN	50–100 m PLN	Above 100 m PLN	50–249 persons	Above 249 persons
Purchases are generally made from known and reliable suppliers	95,5	99,0	86,7	98,2	85,3
Inventories are constantly planned, controlled and properly utilized	89,6	79,6	76,7	84,3	73,5
We often change suppliers considering price criterion, offered favourable conditions of purchases or other factors	6,0	2,9	6,7	5,4	0,0
Average	63,7	60,5	56,7	62,6	52,9

Source: As for Fig. 2.1

2.4. Receivables management

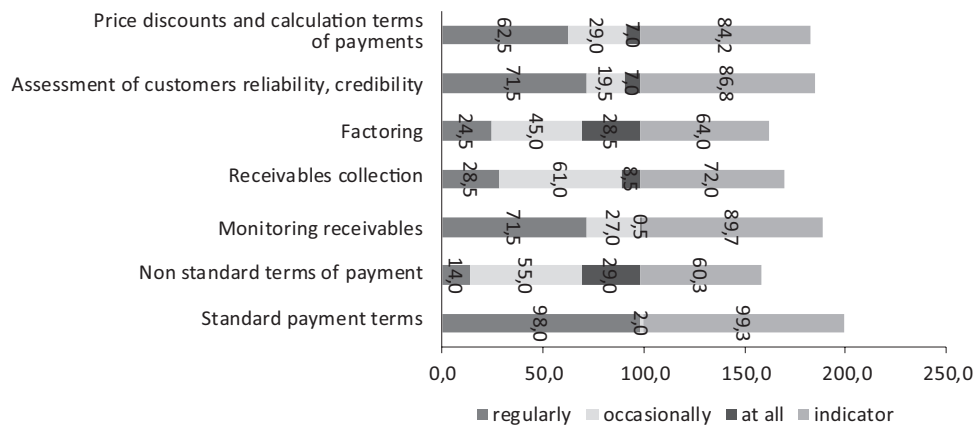
Another property resource, which is a subject of interest are receivables. Fig. 2.2. presents basic policy elements in this respect. Receivables relate to the standard or non-standard terms of payment and monitoring activities i.e. their collecting, sales policy (customers' reliability, price discounts). The dominant form of settling

payment are standard conditions, which relate mainly to the terms of payment and installments, depending on arrangements with contractors, conditioned by the situation in the industry and the terms used by competitors. Such behavior is confirmed by 98% of respondents. Different from the typical payment terms are generally used occasionally (55%) or not at all – this corresponds to almost one third of respondents.

Equally important is the assessment of the credibility and reliability of customers, ongoing and systematic monitoring of receivables. In both cases, it did so 71.5% of the respondents. The good news is that only 0.5% of companies were not at all involved in monitoring. Alarming is the fact that almost 27% did not evaluate their buyers, or did it occasionally.

Relatively rare are the steps to accelerate the collection of receivables (debt collection, factoring). Only about 25-29% of companies proceeded it on a regular basis, and nearly half did occasionally. Approximately 29% of companies did not benefit from factoring, perhaps due to lack of knowledge of this instrument, or the lack of need to utilize it. The latter case would provide a good explanation in terms of liquidity for this group of companies.

Fig. 2.2. Distribution answers concerning receivables management



Source: As for Fig. 2.1.

The values of the right side of the graph bar indicate the recognition of the selected tools use and receivables management. These are: the standard payment terms, monitoring and evaluation of buyers credibility and use of price discounts.

Receivables policy assessment in chosen sections of selected criteria that helps to differentiate the surveyed companies enterprises is presented in the following

tables. The dominant form, regardless of the considered component in metrics are the standard conditions. At least at the lowest level of 88.9% of the responses, this applies to joint stock companies (Table 2.8.). Compared to companies with different organizational forms, they are much more likely to undertake nonstandard activities in terms of receivable policy. This is evidenced by the numbers of the last line of Table 2.8., which are averages of all distinguished actions except standard payment terms. These average indicate the scope and policy intensity, which is carried out in this area.

Joint-stock companies, as stronger and larger organizations, in relation to its customers, more often collect receivables, monitor them, apply discounts, price and calculate terms of payment. For joint stock companies the average is 60.2%, with a rate of 42–47% for other organizational forms. A set of nonstandard activities should be considered as an innovative policy in terms of receivables.

Companies with foreign capital slightly more often run nonstandard receivables policy. This applies in particular to such activities as: monitoring receivables, their collection, factoring, price discounts. Advantage over companies with Polish capital is confirmed by the higher average value of the last row of the table.

Table 2.8. Distribution of the activities in terms of legal form and ownership capital – answers „regularly“ (in %)

Forms of receivables policy	Legal form				Ownership capital	
	Ltd company	Joint stock company	General partnership company	Others	Polish capital	Foreign capital
Standard terms of payment	100,0	88,9	100,0	96,2	97,6	100,0
Nonstandard terms of payment	10,8	22,2	25,0	11,5	13,9	14,7
Receivables monitoring	69,6	83,3	67,9	73,1	71,1	73,5
Collecting receivables	25,5	61,1	28,6	23,1	27,1	35,3
Factoring	19,6	44,4	14,3	32,7	24,1	26,5
Assessment of buyers' credibility and reliability	67,6	66,7	71,4	80,8	73,5	61,8
Price discounts and calculation terms of payments	61,8	83,3	53,6	61,5	61,4	67,6
Average without standard conditions	42,5	60,2	43,5	47,1	45,2	46,6

Source: As for Fig. 2.1.

There is a strong variation of nonstandard activities in the cross-section type of activity (Table 2.9.). In certain activities, production companies have advantage (for example price discounts, factoring) over other trading companies (e.g. monitoring, evaluation of the buyers' reliability), in different service companies (e.g. debt collection). In the broadest range nonstandard sales policy is run by production companies, as evidenced by the highest average value (average without standard payment terms).

Table 2.9. Activities distribution considering receivables policy in the cross-section type of operation and scope of operation – answers „regularly“ (in %)

Forms of receivables policy	Type of operation			Scope of operation		
	Production	Trade	Services	International	National	Regional
Standard terms of payment	100,0	100,0	94,2	100,0	98,4	92,0
Nonstandard terms of payment	4,8	13,0	23,2	15,7	12,1	20,0
Receivables monitoring	74,2	78,3	62,3	66,7	74,2	68,0
Collecting receivables	32,3	8,7	44,9	25,5	31,5	20,0
Factoring	25,8	24,6	23,2	23,5	21,8	40,0
Assessment of buyers' credibility and reliability	72,6	84,1	58,0	74,5	70,2	72,0
Price discounts and calculation terms of payments	74,2	63,8	50,7	62,7	60,5	72,0
Average value without standard conditions	47,3	45,4	43,7	44,8	45,1	48,7

Source: As for Fig. 2.1.

There has been noticed a relationship between the receivable policy and range of business operations. The wider the range of activities, the higher is the degree of using standard terms of payments. The smallest range is revealed by regional companies. At the same time, these are the companies which in the widest range undertake nonstandard activities in their sales policy (e.g. monitoring, factoring, price discounts) as evidenced by the highest average value for this type of activities (last row). Perhaps the regional companies have to deal with increased competition, work in difficult environments, fight for specific customers, what results in the need to apply for wider than a standard set of sales activities.

Considering size section, in the widest extent a standard policy is run by companies with a turnover of 50-100 m PLN, and employing from 50 to 249 persons.

It can be said that these are companies included in the group of medium sized enterprises (Table 2.10.). Moreover, these companies usually just use nonstandard receivables tools policy as evidenced by the highest average value for this type of activities (the last row of the table).

Table 2.10. Activities distribution considering receivables policy in the cross-section scale of turnover and number of employees – answers „regularly“ (in %)

Forms of receivable policy	Annual turnover in m PLN			Number of employees	
	Up to 50 m PLN	50–100 m PLN	Above 100 m PLN	50–249 persons	Above 249 persons
Standard terms of payment	97,0	100,0	93,3	98,8	94,1
Nonstandard terms of payment	6,0	17,5	20,0	14,5	11,8
Receivables monitoring	61,2	77,7	73,3	72,3	67,6
Collecting receivables	26,9	30,1	26,7	27,7	32,4
Factoring	23,9	26,2	20,0	25,9	17,6
Assessment of buyers' credibility and reliability	64,2	76,7	70,0	72,3	67,6
Price discounts and calculation terms of payments	67,2	62,1	53,3	62,0	64,7
Average without standard conditions	41,6	48,4	43,9	45,8	43,6

Source: As for Fig. 2.1.

In terms of scope and range of non-standard receivables policy tools, the dominant importance have the following types of companies: joint stock companies with foreign capital operating in the production of regional scope, having turnover of 50–100 m PLN, employing 50–249 persons.

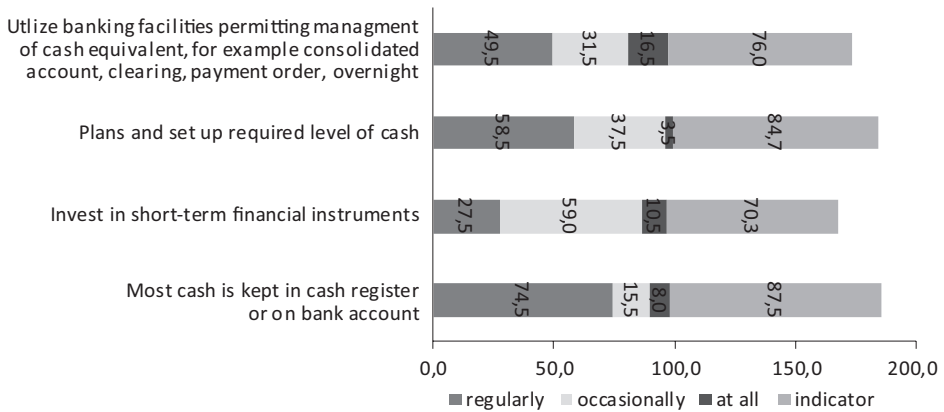
2.5. Cash management

The third essential component of current assets is cash (either in cash-register or on account as short-term securities). They are of interest to managers, because as in the case of inventory and receivables, their right level influences financial and assets situation. Their surplus is associated with the lost benefits that could be achieved with better investment, and deficiency causes specific problems related to liquidity. The activities undertaken in this area can be classic, traditionally

associated with maintaining cash on the account, as well as more dynamic, pertaining to the active management of cash. Such alternatives of possible actions and distribution of answers are presented in Fig. 2.3.

The vast majority of companies follows traditional way of cash management. It keeps cash in registry and on the bank account (74.5%). A significant group of companies (27.5%) regularly or occasionally (59%) replaces the cash equivalents with short-term deposits. Such actions are appropriate and reasonable, and the effect is visible in the form of higher level of financial benefits. However, more than 10% of the respondents did not consider at all these activities.

Fig. 2.3. Answers distribution of cash management



Source: As for Fig. 2.1.

The level of necessary cash, similarly like inventories, can be optimized, fixed at an appropriate and necessary level. In literature there are theoretical models of cash optimization (Baumol, Miller-Orr). However, their practical use is limited due to complexity of these models. Nevertheless, companies undertake actions in planning and determine the desired level of cash. This is done regularly by 58.5% and 37.5% occasionally. This level is surprisingly high.

An equally high is the percentage of enterprises using modern banking facilities to facilitate cash management, generating additional financial benefits. Regularly is it undertaken by 49.5% respondents, and occasionally by 31.5%. These high percentage indicate that companies are aware of active cash management benefits and can use the appropriate instruments. The hierarchy and the overall status of all tools use is determined by the value of the indicator on the right side of the pillars chart. It is also worth to indicate the relationships occurring

between selected characteristics of the respondents and management of assessment instruments. They are presented in the following tables.

If the maintenance of cash in register and current accounts are considered as traditional management tools then other activities listed in the table should be regarded as modern, innovative tools. Joint stock companies appear here as companies that in the slightest degree use traditional instruments, only about 39% companies admit to keep cash in the registry or on bank account (Table 2.11.). In other companies this is a level about twice as high. Thus far greater for those companies is the interest in the modern instruments, what was indicated by the respective percentage of the answers. The reason for this state of art is undoubtedly greater knowledge and skills of managers, which is typical for large companies. In the last row of the table an average level of utilizing modern cash management tools has been calculated and proven advantage for joint stock companies.

Table 2.11. Activities distribution considering cash management in the cross-section legal form and ownership capital – answers „regularly“ (in %)

Cash management	Legal form				Ownership capital	
	Ltd company	Joint stock company	General partnership company	Others	Polish capital	Foreign capital
Most cash kept in cash registry and on the current account	72,5	38,9	78,6	88,5	77,7	58,8
Invest in short-term financial assets	26,5	38,9	32,1	23,1	24,7	41,2
Plans and sets up required level of cash	58,8	77,8	46,4	57,7	55,4	73,5
Utilize banking facilities permitting management of cash equivalent, for example consolidated account, clearing, payment order, overnight...	50,0	83,3	28,6	48,1	45,8	67,6
Average value concerning modern tools	45,1	66,7	35,7	43,0	42,0	60,8

Source: As for Fig. 2.1.

There is also visible a clear advantage of companies with foreign capital in the use of innovative cash management instruments, as indicated by higher percentage of response calculated the average (last row).

Service companies are companies which are in the slightest degree interested in traditional cash management – only 65.2% of positive responses (Table 2.12.). Production companies are much more conservative in this respect – 85.5%.

Table 2.12. Activities distribution considering cash management in the cross-section of the type of operation and scope of operation

Cash management	Type of activity			Scope of activity		
	Production	Trade	Services	International	National	Regional
Most cash kept in cash registry and on the current account	85,5	73,9	65,2	54,9	82,3	76,0
Invest in short-term financial assets	22,6	30,4	29,0	21,6	29,8	28,0
Plans and sets up required level of cash	54,8	62,3	58,0	68,6	52,4	68,0
Utilize banking facilities permitting management of cash equivalent, for example consolidated account, clearing, payment order, overnight...	46,8	50,7	50,7	72,5	37,9	60,0
Average value concerning modern tools	41,4	47,8	45,9	54,2	40,0	52,0

Source: As for Fig. 2.1.

Companies with international scope of operation make the greatest use of modern tools of cash management. It is evidenced by the average size in the share of these tools (the last row). At the same time cash and current accounts are used regularly by just over 50% of respondents. Similarly, in the case of joint stock companies it may be caused by greater knowledge and skills in financial management, resulting in a larger scale and opportunities. This does not indicate that the largest enterprises are only considered. Somewhat surprising is the high share of regional companies which use these tools to a higher degree than national companies.

There is visible relationship between the company size and the use of traditional tools – Table 2.13. The greatest scale of the turnover, the smaller the scale of traditional management. This is also confirmed by the criterion of the number of employees – the greater the number, the smaller the share of cash. Thus previous findings on the impact of size and selection tools (joint stock company, the international scope of operation) have been confirmed. However, this does

not indicate that these particular types of entities are in a suitably wider scope use modern tools. This is dominated by companies that represent the first volume of turnover and medium-sized enterprises (last row). Only investing in short-term securities and bank facilities is the domain of larger companies. This conclusion is somewhat inconsistent with previous findings. Company type and the international scope of operation does not necessarily indicate the largest companies. Perhaps the reason for this inconsistency is higher level and intensity use of these tools by smaller entities.

Table 2.13. Activities distribution considering cash management in the cross section: scale of operation and number of employees – answers „regularly“ (in %)

Cash management	Annual turnover in m PLN			Number of employees	
	Up to 50m PLN	50–100m PLN	Above 100m PLN	50–249 persons	Above 249 persons
Most cash kept in cash registry and on the current account	77,6	74,8	66,7	77,7	58,8
Invest in short-term financial assets	26,9	27,2	30,0	30,7	11,8
Plans and sets up required level of cash	59,7	57,3	60,0	58,4	58,8
Utilize banking facilities permitting management of cash equivalent, for example consolidated account, clearing, payment order, overnight...	53,7	48,5	43,3	48,8	52,9
Average value concerning modern tools	46,8	44,3	44,4	46,0	41,2

Source: As for Fig. 2.1.

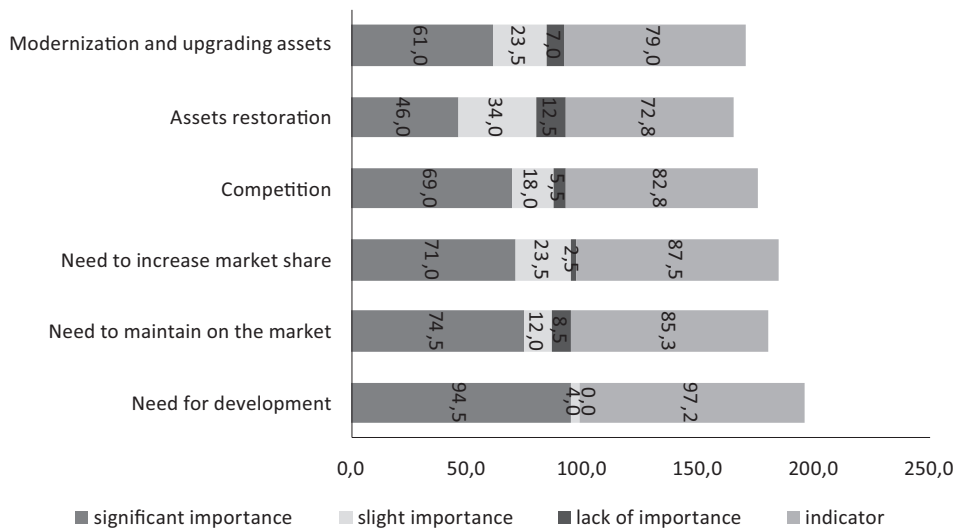
Companies with the broadest range of modern cash management tools are: joint-stock companies with foreign capital operating in trade, of international scope, with a turnover of 50 m PLN, employing 50-249 persons.

2.6. Testing premises of investment decisions

The last group of resources is related to the fixed assets and was examined by the basic premises of investment decisions. The most important premises of investment decisions are attributed to three needs: the need to develop, increase market

share, and to maintain on the market (Fig. 2.4.). Such a sequence (right part of the chart) covers all the stages in each of these conditions. Subsequently, the following are: competition, modernization of the property, and finally - replacement of assets. Investments are clearly associated with the development and market position of companies. So we can state that they are natural and obvious evidence of investment decisions.

Fig. 2.4. Distribution of investment decisions premises



Source: As for Fig. 2.1.

How do these premises are allocated considering different types of businesses? The answer to this question lies in the table 2.14. The three most obvious investment decisions premises are reflected in joint stock companies and companies of other organizational forms: 85–87% of respondents (average for these three premises). Regarding other groups of companies the choices are at the level 71–78%. Looking through the average size of the mean (the last row) it can be noticed that in joint-stock companies in general, these premises are strongly marked.

The same applies to companies with foreign capital. Particularly in companies with foreign capital the need to increase market share is strongly emphasized, which positively indicates the condition of these companies as well as development opportunities. Polish entities strongly highlight the need to stay in the market than increasing its market share.

Table 2.14. Distribution of investment decisions premises in the cross section of the legal form and ownership capital – answers „great importance” (in %)

Premises of investment decisions	Legal form				Ownership capital	
	Ltd company	Joint stock company	General partnership company	Others	Polish capital	Foreign capital
Need for development	96,1	88,9	89,3	96,2	94,0	97,1
Need to maintain on the market	70,6	77,8	67,9	84,6	75,3	70,6
Need to increase market share	68,6	94,4	57,1	75,0	65,7	97,1
Competition	68,6	88,9	50,0	73,1	68,7	70,6
Assets restoration	41,2	50,0	42,9	55,8	47,0	41,2
Modernization and assets upgrading	58,8	50,0	53,6	73,1	65,1	41,2
Average level for premises	67,3	75,0	60,1	76,3	69,3	69,6

Source: As for Fig. 2.1.

Type of activity has an impact on investment decisions. Each type of the company considering operations has its own premises when selecting structure choice (Table 2.15.). It is particularly interesting for trading companies, where in addition to the three major premises already highlighted a very strong importance is played to a competition factor, which in the case of other entities does not play a significant role. The importance of this factor for the trade operations was already emphasized (in point 2.2.) and justified by the activity in a more competitive environment than other groups of companies.

The scope of operations determines the choice of investment decisions premises. The need to stay in the market is associated with a range of business activities. The smaller the scope, the stronger the need. This section presents the relationships of other conditions of investment decisions premises, such as competition (increases with decreasing scope of operation), the need to restore the property, its modernization and upgrading (increases with decreasing scope of operation). This indicates that regional companies, smaller in comparison to the others, work in more difficult market conditions, have increased the need to modernize the property, and rather they want to maintain their market share than increase it. Perhaps these are the choices that have been made during difficult economic conditions in recent years that significantly have been experienced by the smallest enterprises.

Table 2.15. Distribution of investment decisions premises in the cross section: type of operation and scope of operation – answers „great importance“ (in %)

Premises of investment decisions	Type of operation			Scope of operation		
	Production	Trade	Services	International	National	Regional
Need for development	95,2	100,0	88,4	96,1	93,5	96,0
Need to stay in the market	59,7	94,2	68,1	66,7	76,6	80,0
Need to increase market share	56,5	91,3	63,8	86,3	64,5	72,0
Competition	51,6	94,2	59,4	56,9	71,8	80,0
Assets restoration	40,3	55,1	42,0	25,5	51,6	60,0
Modernization and assets upgrading	59,7	73,9	49,3	43,1	64,5	80,0
Average level for premises	28,0	46,6	31,9	35,0	35,5	38,7

Source: As for Fig. 2.1.

Tabela 2.16. Distribution of investment decisions premises in the cross section: scale of the turnover and the number of employees (in %)

Premises of investment decisions	Annual turnover in m PLN			Number of employees	
	Up to 50m PLN	50–100m PLN	above 100m PLN	50–249 persons	Above 249 persons
Need for development	95,5	96,1	86,7	95,8	88,2
Need to stay in the market	89,6	70,9	53,3	76,5	64,7
Need to increase market share	77,6	66,0	73,3	69,9	76,5
Competition	85,1	65,0	46,7	71,1	58,8
Assets restoration	46,3	46,6	43,3	48,8	32,4
Modernization and assets upgrading	68,7	60,2	46,7	67,5	29,4
Average level for premises	42,1	33,7	28,9	36,3	33,3

Source: As for Fig. 2.1.

The confirmation of operational problems of the regional companies is an evaluation in the cross-sectional size of the company (Table 2.16). The smaller, the scale of the company turnover:

- The greater is the need to stay in the market,
- More important is the competition factor,
- There is often expressed a need to replace and upgrade the property.

These relationships are confirmed also by the size of the percentage and the number of employees in the section.

If the average level of the last rows express the strength and level of considered premises in investment decisions – therefore the following types of companies are distinguished: joint stock company with a foreign capital, trading company of regional scope with a turnover of up to 50 m PLN, employing 50-249 people.

2.7. Summary

Regarding management of property resources the vast majority of the surveyed companies use traditional instruments. Those which can be attributed to modern companies are also a subject of interest to businesses. Detailed distribution of this phenomenon was the subject of analytical interest. In relation to specific areas of the surveyed resources the following conclusions can be drawn:

1. To survive and develop, to achieve success, to create business value is guaranteed by the proper use of company resources. They do not carry traditional, tangible value. The surveyed companies consider as the most important: knowledge about customers, their needs and behaviors. Moreover, important resources regarded as determinants of development are: investment, novelty of technology activities and system flexibility. Financial resources are used less intensively.
2. The focus of the research was also three resource groups: inventories, receivables and cash. Key findings are as follows:
 - a) In case of purchases the traditional way of management dominates – purchases from known and reliable suppliers. The source of supply is very rarely changed.
 - b) Inventories are "rationalized" in a high level that is planned, controlled and properly used. This applies particularly to mature companies. Only a small percentage of respondents did not admit to such activities.
 - c) The dominant form in the receivables management of settling payments are: standard conditions, which relate mainly to the terms and payment schedule, depending on arrangements with contractors, conditioned by the situation in the industry and terms used by competitors. There is also

a high degree of using tools like: monitoring, collection of receivables and assessment of buyers credibility.

- d) The vast majority of enterprises regarding cash management proceeds traditionally. They keep mainly cash on hand and bank account. A large group of companies regularly or occasionally replace these current cash on short-term deposits. This action is appropriate and reasonable, as the result is a higher level of financial benefits.
3. The most important premises of investment decisions result from three needs: the need to develop, increase market share, remain on the market. Subsequently, there are: competition, modernization of property, and finally - replacement of assets.

These conclusions are a synthetic answer to the earlier hypothesis - H.1. The scope of application of different management tools has been known. Each of the researched areas is dominated by traditional resource management. Surprisingly, however, there is a high level of modern instruments use. Specific management tools and choices between various components of the property have been made.

In the following study, considering the average size, the level of interest of enterprise resource was specified in cross differentiation of the surveyed companies. Therefore, it was possible to establish certain types of entities willing to innovative management or more intensive use. Table 2.17. is a summary of these choices.

Table 2.17. Summary of company choices in relation to tested resources

Metrics criteria to specify type of the company		Importance of resource groups point 2.2.	Purchases and inventories point 2.3.	Receivables point 2.4.	Cash point 2.5.	Investment premises point 2.6.	Number of indications
Form of ownership	Ltd company						
	Joint stock company	xx		xx	xx	xx	4
	Joint stock company						
	Others		xx				1
Ownership capital	Polish		xx				1
	Foreign	xx		xx	xx	xx	4

Metrics criteria to specify type of the company		Importance of resource groups point 2.2.	Purchases and inventories point 2.3.	Receivables point 2.4.	Cash point 2.5.	Investment premises point 2.6.	Number of indications
Scope of activity	International		xx		xx		2
	National	xx					1
	Regional			xx		xx	2
Type of activity	Production		xx	xx			2
	Trade	xx			xx	xx	3
	Services						
Number of employees	50–249 persons	xx	xx	xx	xx	xx	5
	above 249						
Company turnover	Up to 50m PLN		xx		xx	xx	3
	50–100 m PLN			xx			1
	Above 100m PLN	xx					1

xx - choice of the type of the company for surveyed groups of resources

These enterprises are joint-stock companies with foreign capital, the international or regional scale, operating in the trade, the number of employees 50–249 employees, a turnover of 50 m PLN Thus, the hypothesis H2. with distinctive types of business innovation asset resource management has been confirmed.

Financial Resources – acquisition and management tools in companies

3.1. Introduction

The success of today's business, among others, is the ability to manage financial resources, their structure, their acquisition costs, etc. Without adequate volume of financial resources (capital) the survival and development of the company is not possible. Decisions, concerning financial resources determine other type of resources and operations. This depicts that decisions concerning financial resources have a key role in the management of any company. Financial resources have a certain value, and have the ability to multiply this value, but they can also be the subject of reduction due to inefficient activities of the company (Grzywacz, 2012). Effective and efficient management of financial resources is therefore an important challenge for managers. Financial resources affect both the current company performance and long-term market opportunities. These types of dependencies affect not only the company development, but also its future competitive position.

The empirical studies concerned the determinants of growth and company development. Questions concerned financial resources, funding sources, barriers to obtain them, the tools used in the process of financial management and innovation in financial resources. The main research hypotheses, concerned the assessment of the relationship between the financial resources and the development of the company were formulated as follows:

- H.1. The processes of obtaining financial resources in companies are based on cost-benefit analyzes.
- H.2. The companies increasingly use modern tools of financial management.
- H.3. An innovative approach to financial management brings tangible economic effects for businesses.

The results obtained in the course of this study, helped in a certain way to verify the assumed hypotheses. On the basis of the hypotheses it can be concluded what changes occurred in the approach to the financial resources management in the Polish business practice.

3.2. Financial resources used in the surveyed enterprises

The processes of obtaining financial resources of the company can be analyzed from many points of view (Skowronek-Mielczarek 2007, p.19; Gos, 2012, Brealey and Mayers, 2008). Types of financing can be divided into: equity and debts. The main source of equity in a well-functioning company should always be a financial surplus, consisting of net profit and depreciation. Equity, having the external character, constitutes own contributions of the owners, shares of the shareholders, or can be gained through raising funds from other group of shareholders. The choice of obtaining external capital is therefore a major decision problem and requires great skills to effectively use these capabilities in the enterprise.

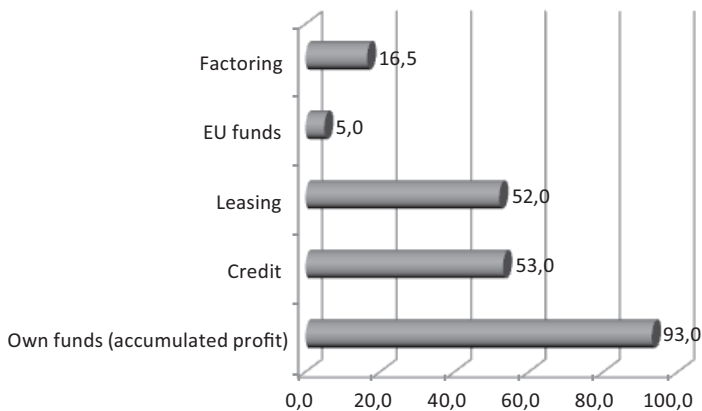
Debt is usually an additional source of financing company development. The main source of debts are bank loans, both long and short-term. In fact, they can be considered as a standard, widely available source of funding for the company and its development (Szyguła, 2012). Leasing is a common source of funding the company and investment. The use of leasing in the company claims to be a positive way to provide the confirmation of managers skills and their efforts to excel in innovative ways of obtaining financial resources. An important source of external financing is a short-term factoring. Its use may reflect an innovative approach to search alternative ways of financing the company in comparison to bank loans. Sources of short-term capital may also be loans from non-banking sector, which include local labor offices, regional development agencies, foundations, micro-loan funds institutions, loan funds, loan and savings credit union and others. Applying for non-banking sector loans can be considered as an alternative to bank loans, it is a confirmation of particular management efforts to expand financing opportunities for business.

A specific form of obtaining financial resources are grants, subsidies and financial resources from the EU funds. From a business perspective, knowledge is needed regarding setting priorities of the operational programs, specific activities funded by the structural funds, the procedures and manner of obtaining these funds. This causes that applying for the resources from the EU funds can

be described as an innovative activity, hence it requires specific efforts, ability to navigate in a thicket of regulations and procedures.

Against the background of these synthetic considerations it can be seen that, in theory, Polish companies have extensive possibilities of sourcing capital for its business operations and to finance the development. However, business practice indicates that not all of these sources of funding are used, their attractiveness is also different to businesses, and this conclusion is confirmed by the results of empirical research. In the course of the research, the respondents were asked to indicate the sources of funding used in recent years 2009–2012, from the following list: own funds (retained earnings), credit, leasing, issuance of shares (stock exchange, NewConnect), EU funds, factoring, loans from loan funds, loans for job creation, guarantee funds, franchising, issuing bonds (Fig. 3.1.)

Figure 3.1. Sources of financing (in %)



Source: Empirical research of Corporate Management Department 2012, n=200

Most indicated were own resources – a major source used in business practice, as well as loans and leasing – in fact it occurred similar frequency of use in this respect, these are the external sources of funding most commonly used.

Among the respondents, over 16% of companies have used in recent years, factoring, which is consistent with the trends of intensive development of the factoring market in Poland in the years 2009–2011. Surveyed companies also used funding from the EU – it was 10 respondents. Eight of the surveyed companies used loans to create new jobs, six benefited from the loan funds, five utilized guarantee funds. Four entities raised capital through the issue of shares, and two entities acquired bonds. In a relatively small study sample – 200 respondents, the results

indicate that many companies are looking for opportunities to finance their operations and development using not only widely known sources like: credit and leasing, but also the capital that needs to be verified, or requires knowledge and skills to find the relevant financial instruments (proceeding the IPO, securities, shares or bonds).

It is worth to indicate the relationships occurring between selected characteristics of the respondents and used sources of financing. Use of company resources is dominant in all business entities, but in relation to other sources the specific dependencies occurred. These relationships have been identified with the most commonly used external sources like: credit, leasing and factoring.

Concerning legal form of business there is a higher frequency of credit use and leasing in limited liabilities companies as compared to other legal forms of companies (Table 3.1.). Joint stock companies are capable of using the capital market instruments that are not available to other legal forms of business. On the other hand, in joint stock companies it was recorded the highest percentage of companies using factoring, which is certainly related to their greater development potential and perhaps greater skills in terms of financial management.

Table 3.1. Used sources of financing depending on the legal form and ownership capital (in %)

Source of financing	Legal form				Ownership capital	
	Ltd company	Joint stock company	General partnership company	Others	Polish capital	Foreign capital
Company funds (accumulated profit)	92,2	88,9	92,9	96,2	95,2	82,4
Credit	58,8	44,4	25,0	59,6	52,4	55,9
Leasing	60,8	27,8	64,3	36,5	53,0	47,1
Factoring	13,7	33,3	7,1	21,2	13,9	29,4

Source: As for Fig. 3.1.

There have also been some differences in the use of various sources of funding concerning the dominant ownership capital. The attention is drawn to more frequent use of factoring and bank loans in companies with foreign capital in comparison to companies with Polish capital. Companies with foreign capital are more expansive, and perhaps their employees have better skills in terms of financial management. On the other hand, in companies with the majority of the Polish capital leasing is more often used, which may lead to conclusion that

it is a source of relatively easy access and does not require the use of modern and innovative management tools of financial resources.

From the point of business type, credit is the tool most applied in trading companies, but service companies use leasing. Factoring is also used by trading companies. (Table 3.2.) This is certainly related to the peculiarity of commercial activity, where there is a relatively high level of receivables and factoring is used as an innovative solution for accelerating circulation of cash. In this type of activity widely used are also working capital to finance current operations and hence the highest level indications concerning the use of credits in a commercial activity. Regarding the scope of activity, there is visible more interest in leasing and factoring in regional companies. Credit is also frequently used by regional companies.

Table 3.2. Used sources of financing depending on type of activity and scope of operation (in %)

Sources of financing	Type of operation			Scope of operation		
	Production	Trade	services	International	National	Regional
Company funds (accumulated profit)	91,9	92,8	94,2	86,3	96,0	92,0
Credit	41,9	62,3	53,6	54,9	49,2	68,0
Leasing	51,6	46,4	58,0	45,1	54,0	56,0
Factoring	6,5	26,1	15,9	19,6	10,5	40,0

Source: As for Fig. 3.1.

Concerning the turnover level reported by the respondents and its relations with the use of specific sources of funding, there was noticed more interest in credits in companies with lower turnover, while the leasing was used more frequently in companies with the highest turnover (Table 3.3.). These are quite surprising results, as usually smaller companies (considering their size) more often used leasing as an alternative source of funding in comparison to credit. It confirms the fact that large companies in recent years often applied for leasing and such agreements included leased items of relatively high value or special items ordered for the execution of large business contracts. A similar distribution of responses was obtained in the differentiation of companies by the number of employees. Credit and factoring was frequently used by medium enterprises, whilst leasing by large companies. What is worth noting that among large companies leasing was used more often than bank loans.

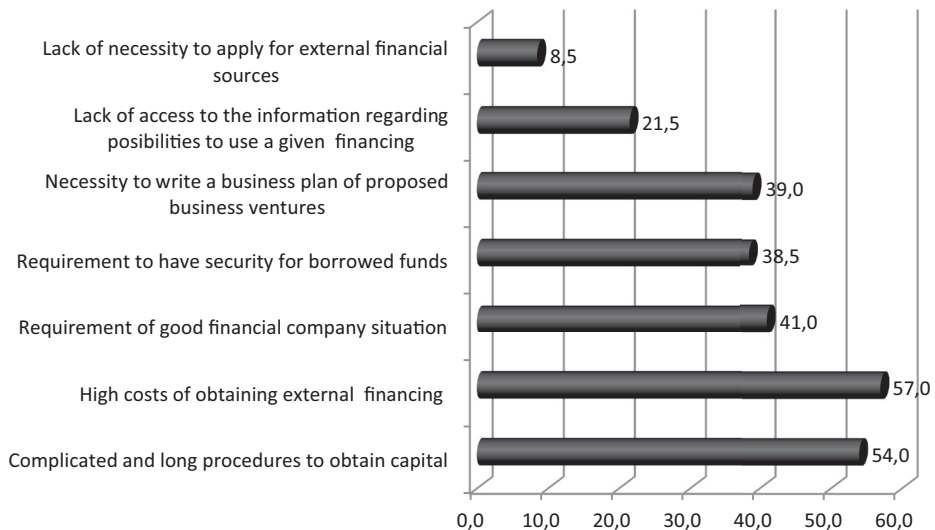
Table 3.3. Used sources of financing depending on the company size (in %)

Sources of financing	Annual turnover			Number of employees	
	Up to 50 m PLN	50–100 m PLN	Above 100mPLN	50–249 persons	Above 249 persons
Company funds (accumulated profit)	94,0	94,2	86,7	96,4	76,5
Credit	56,7	53,4	43,3	55,4	41,2
Leasing	49,3	48,5	70,0	51,2	55,9
Factoring	14,9	19,4	10,0	18,7	5,9

Source: As for Fig. 3.1.

Another research area was associated with a diagnosis of barriers that companies experienced regarding the access to external sources of financing. There is a common belief regarding access to external sources of financing faced by Polish entrepreneurs, that for years impede the potential business development (Report: Ministerstwo Gospodarki, Warszawa 2012, p.129). From this point of view, it was reasonable to identify the barriers in this area. Respondents were able to indicate the three most important constraints presented below (Fig. 3.2.).

Fig. 3.2. Barriers to access to external sources of financing (in %)



Source: As for Fig. 3.1.

Respondents indicated most often high cost of obtaining external funding – more than 57% of respondents, and the complex procedures that involve the acquisition of external funding – more than 54% of all responses. It confirms, that in business decisions concerning the acquisition of external funding, respondents take into account costs and speed of access, criteria, which may affect the positive effects of financial resources in the company development use.

The other barriers were attributed to favorable financial situation, the need to prepare a business plan of proposed business ventures and the requirements of having guarantee for borrowed funds – a similar level of indication – about 40% of all responses.

All these criteria are included in the formal criteria related to the acquisition of specific funding. To fulfill these criteria the company requires to invest a lot of effort, time, skills and experience – for example, preparing financial forecasting, assessing the profitability of the planned business projects. However, not always the effort related to the preparation of certain documents proves to be effective, which may indicate a lack of obtaining assumed volume of financial resources. Hence, sometimes the formal requirements may discourage respondents to apply for external funding. Considering the factors that limit access to external capital less important was shortcomings of access to information on possible use of specific sources of funding and shortage to raise additional external funds.

Interesting relations occurred between the respondents characteristics and used sources of financing. Concerning legal form of doing business in limited liability companies, as well as other entities, the high cost of raising external funds, complicated procedures associated with the acquisition of external funds, requirement to have security for borrowed capital were most often indicated (Table 3.4.). In joint-stock companies the most significant barriers to access to external sources of financing were: the high cost of obtaining it, requirement of good financial situation of the company applying for external funding and complex and lengthy process of raising capital. It is noteworthy to assign a great importance to joint stock companies, high cost of capital, the complex procedures of capital, as well as the need to prepare a business plan of proposed business ventures. This may be associated with a relatively low potential for development of companies acting as general partnership companies, and perhaps also with weak skills and qualifications of employees in financial management. Moreover a fairly significant barrier is the lack of access to information on the possibilities of the funding source use – more than 32% of responses. And from the point of view of joint stock companies this barrier is of little importance, which indicates that knowledge, employees skills of these companies may be of a higher level.

There were also visible some differences in terms of barriers to access finance due to the dominant ownership capital. The higher frequency of barriers occurred in companies with Polish capital in comparison to companies with the majority of foreign capital such as: the need to prepare a business plan and a lack of access to information on possible use of these sources. The barriers are actually of internal character, more concerned with the skills and qualifications of employees. On the other hand, in companies with the majority of the foreign capital, complex and lengthy procedures of raising capital were more often pointed out, these barriers are of external character, independent of the company and severely felt in this group of respondents.

Table 3.4. Barriers of access to external sources of funding depending on legal form and ownership capital (in %)

Type of barrier	Legal form				Ownership capital	
	Ltd company	Joint stock company	General partnership company	Others	Polish capital	Foreign capital
Complicated and long procedures to obtain capital	57,8	44,4	64,3	44,2	51,2	67,6
High costs of obtaining external funding	56,9	66,7	57,1	53,8	57,2	55,9
Requirement of good financial situation	41,2	55,6	42,9	34,6	39,2	50,0
Requirement to have collateral for borrowed funds	48,0	27,8	17,9	34,6	38,6	38,2
Necessity to prepare business plan of planned business ventures	38,2	22,2	46,4	42,3	41,6	26,5
Lack of access to the information regarding possibilities to use a given financing	18,6	5,6	32,1	26,9	24,7	5,9
Lack of necessity to apply for external funding	4,9	16,7	14,3	9,6	9,0	5,9

Source: As for Fig. 3.1.

Activities of the surveyed companies also affect the sequence of the indicated barriers concerning the access to finance (Table 3.5.).

Most production companies often pointed out to the high cost of obtaining external funding – nearly 65% of responses and complicated procedures that

were associated with the acquisition of external sources – more than 53% of the responses. Also, the need to prepare a business plan was quite a significant barrier for production companies, which may be related to the fact that often these companies are seeking investment credits.

In service companies, complicated procedures were more often pointed, associated with the acquisition of external funding and the high obtaining cost. Quite important is also a requirement of good financial situation. In trading companies the distribution of responses indicates a similar significance of the first two barriers (high costs and complex procedures). However, the need to have collateral for borrowed funds was pointed out in third place, which in the case of trading companies can be quite difficult, due to the relatively low level of participation of fixed assets in the structure of assets, and they usually form the basis of collateral for credits used.

Table 3.5. Barriers in access to external financing depending on the type of activity and the scope of operation (in %)

Type of barrier	Type of operation			Scope of operation		
	Production	Trade	Services	International	National	Regional
Complicated and long procedures to obtain capital	53,2	49,3	59,4	68,6	46,0	64,0
High costs of obtaining external funding	64,5	50,7	56,5	45,1	65,3	40,0
Requirement of good financial situation	35,5	39,1	47,8	58,8	33,9	40,0
Requirement to have collateral for borrowed funds	37,1	47,8	30,4	47,1	31,5	56,0
Necessity to prepare business plan of planned business ventures	41,9	39,1	36,2	23,5	43,5	48,0
Lack of access to the information regarding possibilities to use a given financing	24,2	24,6	15,9	5,9	31,5	4,0
Lack of necessity to apply for external funding	12,9	0,0	13,0	7,8	9,7	4,0

Source: As for Fig. 3.1.

The scope of operation of the surveyed companies also affects the sequence of barriers. In companies with a regional scope the most often indicated barriers related to the complicated procedures associated with the acquisition of external sources – more than 64% of all responses and the requirement to have collateral for borrowed funds – more than 56% of responses. For businesses of national scope, the most important are high costs of raising external funds – more than 65% of responses, the remaining barriers are less important (percentage of indication of respectively below 50%). For companies with an international scope the most important are complicated procedures associated with the acquisition of external sources – nearly 69% of all responses and the requirement of good financial situation – more than 58% of responses. Such responses are surprising because usually in large companies specialized finance departments operate. Therefore for such employees it should not have been a burden to fulfill the procedures set by the suppliers of capital.

Table 3.6. Barriers to access to external funding depending on the company size (in %)

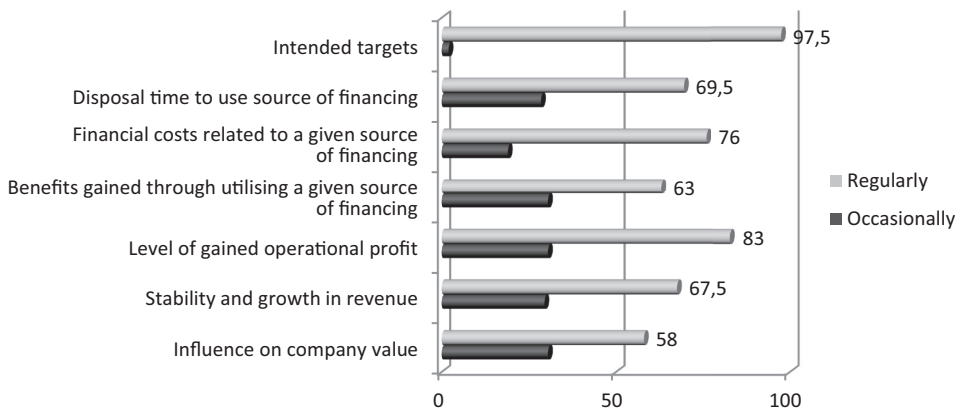
Type of barrier	Annual turnover			Number of employees	
	Up to 50 m PLN	50–100 m PLN	Above 100 m PLN	50–249 persons	Above 249 persons
Complicated and long procedures to obtain capital	49,3	57,3	53,3	53,6	55,9
High costs of obtaining external funding	61,2	57,3	46,7	59,6	44,1
Requirement of good financial situation	53,7	37,9	23,3	41,6	38,2
Requirement to have collateral for borrowed funds	44,8	35,9	33,3	38,6	38,2
Necessity to prepare business plan of planned business ventures	34,3	41,7	40,0	40,4	32,4
Lack of access to the information regarding possibilities to use a given financing	16,4	27,2	13,3	21,7	20,6
Lack of necessity to apply for external funding	6,0	5,8	23,3	7,8	11,8

Source: As for Fig. 3.1.

The dependence of identified barriers concerning access to external sources of financing and the turnover is similar to the whole group. There is a clear assignment of less importance to the high cost of obtaining external financing in large companies – measured by the number of employees, as well as the volume of the turnover (Table 3.6.). Large companies may also be in a better financial situation and easily cover their financial costs.

Another research area concerned the assessment of the factors that the surveyed companies take into account in the process of obtaining financing or shaping the capital structure. Respondents could choose from a number of factors (Fig. 3.3.). It was also important to identify the frequency companies consider the economic conditions in practice.

Figure 3.3. Factors considered in the processes of shaping the structure of financing sources (in %)



Source: As for Fig 3.1.

Surveyed companies usually in the process of selecting sources of financing, consider the destination targets – (more than 97% of the responses) and the cost of obtaining them – more than 76% of the responses. Subsequently regularly used are: time to dispose the financing, the effect on the stability or increase in revenue and the benefits achieved through the use of the funding source. Distribution of responses was quite even and reached the level of over 60%. Least indication (58%) related to assessing the impact of the funding on the company value. Although the value of this indication was the lowest, it is still relatively high. It confirms, that respondents perceive the links that exist between the use of specific sources and the company value. This perception is not so obvious, yet requires undertaking

specific studies, analyses in certain market conditions in order to choose lucrative source of financing.

Regarding the relationship between characteristics of surveyed companies and regularity of use, the distribution of responses is basically similar to the distribution obtained for all respondents and therefore will not be analyzed in detail.

3.3. Measurement and evaluation of financial resources in the surveyed enterprises

Analysis of the financial resources of the company is usually based on assessment of size, dynamics and capital structure. Many indicators can be used in practice to make such an assessment that characterize the capital structure of the company, and thus the structure of financial resources³. An important issue in the analysis of financial resources of the company is also the level of efficiency of capital measured by market equity indicators (rotation) (Skowronek-Mielczarek and Leszczynski 2008, Sutton, 2000). Faster rotation of the capital in the company, can generate higher profits, and should be a subject of interest for its owners.

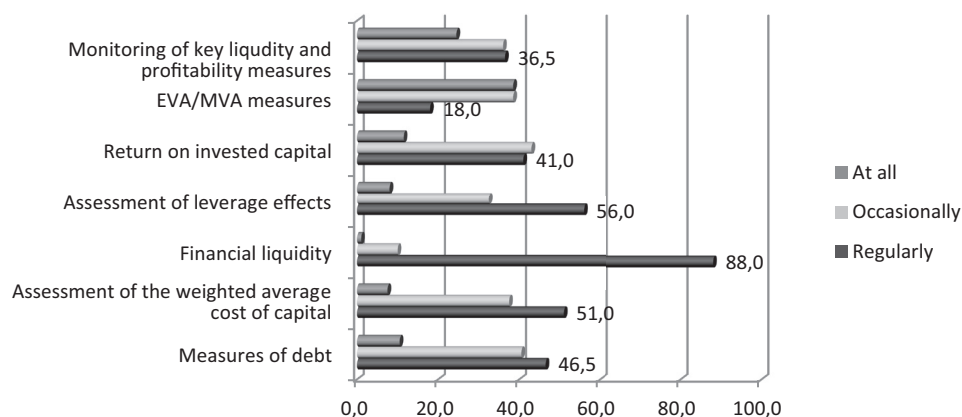
Assessment of financial resources of a company does not cover only an estimation of the capital involved, its structure, change in dynamics, efficient use of capital employed. A comprehensive assessment of financial resources of the company should also include an analysis of certain relationships between capital and assets, it is also an analysis of the cost related with raising financial resources, as well as the effects of leverage impact on the owners benefits and evaluation of the company value (Brigham and Ehrhardt 2011, p. 475) The empirical research helped to assess the scale of use in companies modern measures of financial resources. These include: debt measures, assessment of weighted average cost of capital (WACC), liquidity, the assessment of the leverage effects, return on invested capital (ROIC), EVA/MVA measures, monitoring of key measures of liquidity and profitability.

Respondents in the analysis of financial resources often pointed to the regular use of liquidity rating assessment – over 88% of responses and the assessment of the effects of financial leverage – more than 56% of the responses (Fig. 3.4.). That's a pretty high level of indications, given the necessity of estimating the cost of debt capital and to carry out cost-effectiveness of its use. Interestingly, more than

³ This problem was thoroughly considered during the study phase of the statutory research executed in 2011 by the Corporate Management Department.

half of the respondents analyzed the weighted average cost of capital - this is also a positive occurrence, as it enables undertaking financial decision-making that can help to increase the value of a given business entity. Others measures that permit companies to assess the company resources are used in a similar way, that is, the distribution of companies that use them regularly or occasionally is similar.

Fig. 3.4. Tools used in the assessment of financial resources (in %)



Source: As for Fig. 3.1.

Interesting are also responses for non-use of these measures. Most of the companies do not use measures EVA/MVA - more than 38% of respondents, it may be due to lack of knowledge or rather complicated counting procedures. Similarly, respondents did not use monitoring of key indicators like liquidity and profitability - more than 24% of the responses. It is quite a worrying occurrence as at today's level of computerization of the accounting system, companies should have no trouble in making on-going assessment of profitability and liquidity. These are the two key areas of a diagnosis of company financial situation. They form the basis for making any financial decisions, as well as identify development opportunities for the company.

There is an interesting overlap between the singled characteristics of the survey respondents and used regularly assessment measures of financial resources. Considering legal form of running a business, measures of liquidity were often pointed (Table 3.7). Differences were visible in relation to other measures of financial resources assessment. In joint stock companies it was reported the highest percentage of companies using in the assessment of financial resources the measure of the leverage effects, return on invested capital and EVA/MVA measures.

Perhaps this is due to the fact that joint stock companies often are evaluated by the shareholders. Boards of these companies have to demonstrate their business is profitable and brings certain benefits for the owners. Employees of joint stock companies may have better skills in the area of financial management (developed financial systems, implemented financial controlling, reporting system for shareholders, etc.)

Table 3.7 Measures used regularly to check and assess financial resources depending on legal form and ownership capital, in %

Used regularly	Legal form				Ownership capital	
	Ltd company	Joint stock company	General partnership company	Others	Polish capital	Foreign capital
Measures of debts	43,1	66,7	39,3	50,0	45,2	52,9
Assessment of the weighted average cost of capital (WACC)	54,9	55,6	50,0	42,3	53	41,2
Financial liquidity	86,3	88,9	89,3	80,3	87,3	91,2
Assessment of the effects of the financial leverage	55,9	83,3	42,9	53,8	53,6	67,6
Return on invested capital	38,2	77,8	35,7	36,5	37,3	58,8
EVA/MVA measures	12,7	55,6	14,3	17,3	16,3	26,5
Monitoring of key liquidity and profitability measures	34,3	77,8	25,0	32,7	31,9	58,8

Source: As for Fig. 3.1.

There have also been some differences in financial assessment measures used regularly concerning the separation of the surveyed companies due to the dominant ownership capital. The attention is paid to more frequent indication to companies with foreign capital in comparison to the companies with majority of the Polish capital measures to assess the effects of leverage and return on invested capital. Perhaps, this is due to the need to report certain financial information to foreign investors, as well as the necessity of obtaining their particular financial benefits. Hence, the management of such entities is required to apply financial measures in order to keep track of their financial situation.

Type of activities of the surveyed companies also affects the significance of the use on a regular basis certain financial measures (Table 3.8.). Most often, the use of liquidity measures was pointed out. However, other financial measures are used in a different way.

Table 3.8 Measures applied regularly to check and assess financial resources depending on the type of activity and scope of operation (in %)

Used regularly	Type of operation			Scope of operation		
	Production	Trade	Services	International	National	Regional
Measures of debts	35,5	59,4	43,5	54,9	41,9	52,0
Assessment of the weighted average cost of capital (WACC)	59,7	46,4	47,8	52,9	55,6	24,0
Financial liquidity	89,9	88,1	91,3	94,1	84,7	92,0
Assessment of the effects of the financial leverage	67,7	50,7	50,7	72,5	54,8	28,1
Return on invested capital	50,0	39,7	34,8	58,8	33,9	40,1
EVA/MVA measures	21,0	13	20,3	31,4	14,5	8,0
Monitoring of key liquidity and profitability measures	30,6	34,8	43,5	52,9	28,2	44,1

Source: As for Fig. 3.1.

In most production companies the effects of leverage and the weighted average cost of capital were the most often indicated. This is understandable hence production activity requires usually long-term capital (the high cost of obtaining them) and is associated with a relatively high level of fixed costs (therefore important leverage effect). Considering trading companies the distribution of responses indicates the importance of assessing average cost of capital, but also the monitoring of key measures of liquidity and profitability. It is necessary for trading companies because they are financed with finance short-term capital, which requires efficient management of financial flows.

The type of operation also affects the regularity of certain financial measures use. In companies with an international scope of operation the assessment of the leverage effects and monitoring key measures of liquidity and profitability was frequently used. Certainly, it is connected with the need to report such information to the management of large-scale businesses. On the other hand, measures related to EVA/MVA, leverage and the weighted average cost of capital, were rarely used in the regional companies. Their success requires specific knowledge, skills and also belief of the usefulness of these measures for the owners and managers. This can be a problem in companies of smaller scale of operations.

These findings confirm the results obtained for the regular use of certain financial measures in conjunction with the size of the companies (Table 3.9.). The larger the company, the frequency of modern measurement concerning evaluation and analysis of financial resources was higher. They were more important for companies regarding their usefulness and need to consider the business decisions.

Table 3.9 Measures applied regularly to check and assess financial resources depending on the company size (in %)

Used regularly	Annual turnover			Number of employees	
	Up to 50 m PLN	50–100m PLN	Above 100 m PLN	50–249 persons	Above 249 persons
Measures of debts	59,6	40,8	36,7	45,8	50,1
Assessment of the weighted average cost of capital (WACC)	31,3	64,1	50,1	47,6	67,6
Financial liquidity	85,1	88,3	93,3	86,7	94,1
Assessment of the financial leverage effects	49,3	56,3	70,0	53	70,6
Return on invested capital	43,3	36,9	50,1	39,2	50,0
EVA/MVA measures	10,4	21,4	23,3	13,9	38,2
Monitoring of key liquidity and profitability measures	46,3	30,1	36,7	34,3	47,1

Source: As for Fig. 3.1.

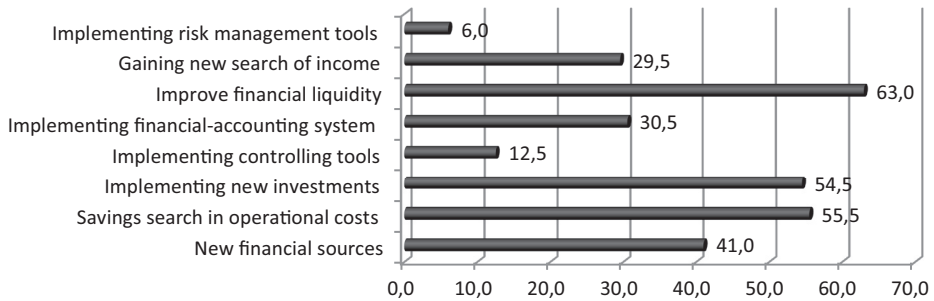
3.4. Application of innovative solutions in managing financial resources in the surveyed companies

Another research area was associated with a diagnosis of innovative solutions in terms of financial resources management that were implemented in the surveyed companies in the last three years. Innovative solutions in this regard were such tools or financial instruments that were used in the company for the first time. Respondents were able to indicate the following solutions, presented in the Fig. 3.5.

Most respondents more often indicated the use of solutions that they believe will improve the level of liquidity – over 63% of the responses. This is consistent with the fact that in the surveyed companies regularly used are assessment and analysis of financial liquidity. Liquidity is crucial for companies in terms

of their current operations, but also in the long term – implementing measures to improve liquidity.

Fig. 3.5. Innovative solutions in the field of financial management (in%)



Source: As for Fig. 3.1.

Equally important are measures that enable cost savings in operations and implementation of new investment – 55% of the responses. Such activities help to boost revenue and the level of generated income, so they permit companies to maintain or enhance existing market position.

Subsequently, respondents pointed to the search for new financing sources – more than 41% of responses. This may reflect an increase in demand for new funds or changes in financing strategies forced by market conditions (strict requirements of banks lending cash, change in cash). The implementation of new solutions concerning financial and accounting system was indicated by more than 30% of respondents. It's quite a positive result, given that the market offers new solutions that can improve running financial and accounting systems in companies. Innovative solutions concerning controlling tools were introduced by just over 12% of respondents, while 6% of the respondents indicated the implementation of risk management tools. These last two activities require that employees possess specific knowledge and awareness of the benefits that can be gained for the company. Hence, it appears that the relatively low response rate in this area stems from these reasons. On the other hand, considering a relatively small group of respondents surveyed to obtain this level of response is positive, it may in fact indicate a search for new solutions, enabling to improve financial management procedures in the practice of the surveyed companies.

It is also worth to indicate the relationships occurring between selected characteristics of the respondents and applied innovative solutions in the management of financial resources. Finding savings in operating costs and improving liquidity

was the dominant direction in the implementation of innovative solutions in the field of financial resources in all economic entities. Regarding the legal form of the business there were some variations in the frequency range to indicate other innovative solutions (Table 3.10.).

Limited liability companies more often than other companies were focused on searching for new sources of financing. The joint-stock companies more often than other companies pointed to the implementation of controlling and risk management tools. This may be due to the fact that in these type of companies there were typically complex financial and accounting systems, financial control systems, which could be expanded with additional tools. This may encourage the improvement of financial management processes and improve the efficiency of the entire company.

Table 3.10. Innovative solutions for the management of financial resources depending on the legal form and ownership capital (in %)

Innovative solutions	Legal form				Ownership capital	
	Ltd company	Joint stock company	General partnership company	Others	Polish capital	Foreign capital
New sources of financing	51,0	33,3	25,0	32,7	38,0	55,9
Savings search in operational costs	58,8	61,1	60,7	44,2	53,6	64,7
Implementing new investments	54,9	38,9	53,6	59,6	57,2	41,2
Implementing controlling tools	10,8	33,3	10,7	9,6	11,4	17,6
Implementing financial-accounting system	24,5	16,7	42,9	40,4	35,5	5,9
Improve financial liquidity	54,9	66,7	78,6	69,2	65,7	50,0
Gaining new source of income	34,3	22,2	17,9	28,8	28,3	35,3
Implementing risk management tools	5,9	11,1	3,6	5,8	3,6	17,6

Source: As for Fig. 3.1.

Similar relationships were also found concerning ownership capital. In these companies, dominated by foreign ownership capital the implementation of controlling and risk management tools was more often pointed out than in companies with predominantly Polish capital. This may be explained by the fact that foreign investors somehow force the implementation of new knowledge in the

area of financial management. They may also introduce their solutions, including specific methods and reporting tools of financial information, based on the use of information systems (e.g. SAP system has modules covering controlling tools and risk management tools).

On the other hand, from the point of view of, business type, trading companies more often used solutions to improve the liquidity (Table 3.11.). It was also important for them to look for opportunities to implement new projects. Trading companies usually implemented solutions to achieve savings in operating costs and improve cash flow.

Production companies most often pointed to the implementation of new investments and the implementation of solutions enabling to achieve a reduction of operating costs. What is surprising is the fact that the highest level of indications concerning the implementation of controlling tools and risk management tools was obtained in case of service companies. Perhaps this is due to the necessity to use rapid access to financial information in order to optimize business processes and eliminate risk.

Table 3.11. Innovative solutions concerning management of financial resources depending on the type of operation and the scope of operation (in %)

Innovative solutions	Type of operation			Scope of operation		
	Production	Trade	Services	International	National	Regional
New sources of financing	37,1	46,4	39,1	52,9	35,5	44,0
Savings search in operational costs	58,1	47,8	60,9	51,0	57,3	56,0
Implementing new investments	67,7	53,6	43,5	56,9	56,5	40,0
Implementing controlling tools	6,5	8,7	21,7	17,6	12,1	4,0
Implementing financial-accounting system	40,3	27,5	24,6	3,9	41,9	28,0
Improve financial liquidity	56,5	72,5	59,4	54,9	65,3	68,0
Gaining new source of income	21,0	40,6	26,1	39,2	24,2	36,0
Implementing risk management tools	3,2	2,9	11,6	15,7	0,8	12,0

Source: As for Fig. 3.1.

Regarding the scope of operation, there was the highest visible indication towards solutions that improve financial liquidity in regional companies. Similarly, it is applied in national companies. Whereas, international companies considered the implementation of new investment solutions that improve the liquidity as crucial and search for new sources of financing. It is also worth noting that in these companies there was the highest percentage of companies that have implemented risk management and controlling tools. It can be confirmed that the scope of operation requires to implement such solutions or such professionals are employed who specialize in the efficient management of financial resources that effectively use modern financial tools.

Considering the level of reported turnover and its relationship to use innovative solutions in the financial resources management there is visible more interest in the use of tools to improve liquidity in companies with the lower turnover. The implementation of new investment was mentioned by companies with the highest turnover (Table 3.12.).

Table 3.12. Innovative solutions concerning financial resources management depending on the size (in %)

Innovative solutions	Annual turnover			Number of employees	
	Up to 50m PLN	50–100m PLN	Above 100m PLN	50–249 persons	Above 249 persons
New sources of financing	47,8	35,9	43,3	39,2	50,0
Savings search in operational costs	52,2	57,3	56,7	51,8	73,5
Implementing new investments	50,7	55,3	60,0	57,2	41,2
Implementing controlling tools	4,5	16,5	16,7	9,6	26,5
Implementing financial-accounting system	29,9	35,0	16,7	33,7	14,7
Improve financial liquidity	65,7	61,2	63,3	65,1	52,9
Gaining new source of income	35,8	28,2	20,0	32,5	14,7
Implementing risk management tools	7,5	4,9	6,7	4,2	14,7

Source: As for Fig. 3.1.

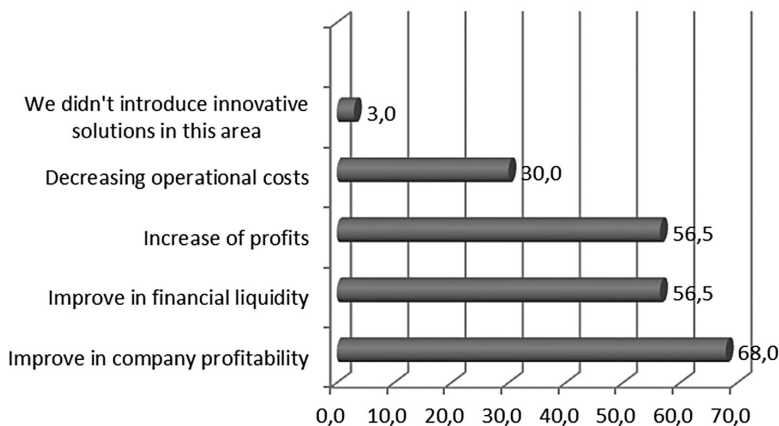
Medium size companies often focused on the application of tools that improve liquidity. It was also important to implement new investments. Large companies often pointed to seeking savings in operating costs (the difference in indications

in this area was nearly 22%). This may indicate that increasing the scale of operations, its size, at a certain stage of the company development will bring a significant increase in operating costs. This in turn forces the implementation of measures to optimize costs, reduce their excessive levels. Continuous monitoring and control of costs is necessary with the ongoing management of their structure and size.

Moreover, large companies more often than medium size companies pointed to the implementation of controlling and risk management tools. This confirms the earlier conclusion regarding the necessity to implement such solutions in the area of financial resources along with the scale of operation increase, but it can also confirm a higher level of employee skills employed in large companies.

Another research area concerned the recognition of the effects that have been achieved by the respondents as a result of implementing innovative solutions concerning financial resources management (Fig. 3.6.) The most commonly cited effect of implementing innovative solutions was improving the profitability – more than 68% of responses. This is a positive evidence confirming the possibilities used by the surveyed companies, especially undertaking new investments or searching new sources of revenue. A similar level of the indications concerned the improvement of liquidity and increase of profit – over 56% of the responses. However, the dominant innovative solution that companies were implementing concerned the ability to improve liquidity, the obtained response rate was relatively low. Similarly, the reduction of costs – 30% of the responses, appears to be relatively small compared to the number of companies that implement solutions to reduce costs.

Fig. 3.6. Effects of innovative solutions in financial management resources introduced in years 2009–2012 (in %)



Source: As for Fig. 3.1

Table 3.13. Effects of innovative solutions in financial management resources introduced in years 2009–2012 (in %)

Effects	Legal form				Ownership capital	
	Ltd company	Joint stock company	General partnership company	Others	Polish capital	Foreign capital
Improve in company profitability	71,6	72,2	64,3	61,5	67,5	70,6
Improve in financial liquidity	45,1	55,6	60,7	76,9	58,4	47,1
Profit increase	62,7	50,0	60,7	44,2	56,0	58,8
Decreasing operational costs	28,4	33,3	32,1	30,8	31,3	23,5
We didn't introduce innovative solutions in that area	2,9	0,0	3,6	3,8	3,0	2,9
Lack of answer	4,9	11,1	7,1	1,9	4,8	5,9

Source: As for Fig. 3.1.

It is also worth showing the dependencies occurring between selected characteristics of the respondents and the effects derived from the application of innovative solutions in the financial resources management. Distribution of responses are basically similar to the distribution of responses for the total sample of respondents (Table 3.13.–3.15.).

Some differences concerning the frequency of indicating the effects of innovative solutions in financial resources management can be noticed in relation to ownership capital. In companies with majority of Polish capital it was often pointed to reduce operating costs and improve liquidity. However, considering companies with majority of foreign capital the key importance was assigned to improve profitability and increase profits. This may designate that respondents from these companies operate under greater pressure from owners and are evaluated from the perspective of maximizing the benefits, not the current operation.

Considering the type of business, there was visible the highest frequency of indications in production companies concerning obtained results of innovative solutions in financial resources management. Considering all responses, production companies paid more attention than other companies identified from the perspective of the type of operation.

Interesting is the fact that in companies with international scope of operation there was much lower level of indication concerning reduction of operating costs. It may indicate that considering large-scale businesses it is not so easy to cut costs,

3.4. Application of innovative solutions in managing financial resources in the surveyed companies

which was also confirmed by the distribution of responses obtained for companies employing more than 249 people. It should be also noted that in medium-sized companies more often than in large companies, the achievement of improved liquidity was pointed, which may be the result of focus on this area of financial management. Similar indication was obtained in companies with a regional scope.

Table 3.14. Effects of innovative solutions in financial management resources introduced in years 2009–2012 (in %)

Effects	Type of operation			Scope of operation		
	Production	Trade	Services	International	National	Regional
Improvement in the company profitability	71,0	65,2	68,1	70,6	68,5	60,0
Improvement in the financial liquidity	59,7	53,6	56,5	52,9	57,3	60,0
Profit increase	66,1	56,5	47,8	58,8	53,2	68,0
Decreasing operational costs	35,5	26,1	29,0	15,7	33,9	40,0
We didn't introduce innovative solutions in that area	3,2	2,9	2,9	5,9	1,6	4,0
Lack of answer	8,1	4,3	2,9	5,9	4,8	4,0

Source: As for Fig. 3.1.

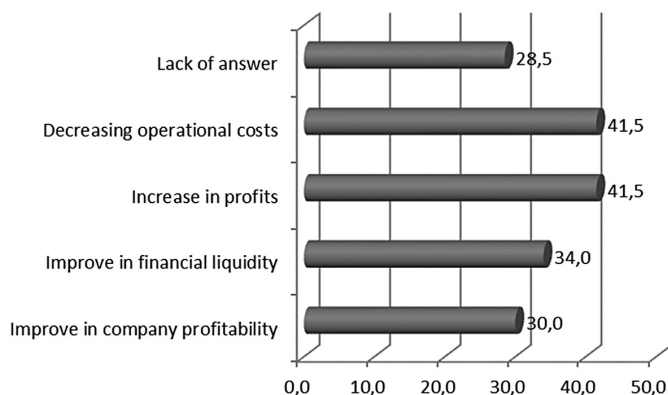
Table 3.15. Effects of innovative solutions in financial management resources introduced in years 2009–2012 (in %)

Effects	Annual turnover			Number of employees	
	Up to 50m PLN	50–100 m PLN	Above 100m PLN	50–249 persons	Above 249 persons
Improvement in the company profitability	56,7	75,7	66,7	68,1	67,6
Improvement in the financial liquidity	56,7	54,4	63,3	59,0	44,1
Profit increase	41,8	65,0	60,0	56,6	55,9
Decreasing operational costs	25,4	33,0	30,0	32,5	17,6
We didn't introduce innovative solutions in that area	6,0	1,9	0,0	2,4	5,9
Lack of answer	6,0	3,9	6,7	4,8	5,9

Source: As for Fig. 3.1.

Regarding the level of reported turnover, number of employees and their relations with the effects of implementing innovative solutions for the management of financial resources there is a visible indication of higher frequency results in medium-sized companies.

Fig. 3.7. Effects, possible to occur in the future as the result of implementing innovative solutions in the area of financial resources (in %)



Source: As for Fig. 3.1.

In empirical studies, respondents were also asked whether the companies expect to achieve certain effects from the implementation of innovative solutions in management of financial resources. Expectations of the companies are different in this respect compared to the current achieved results (Fig. 3.7.). More than 41% of respondents expect to reduce operating costs and increase profits, which are rather short-term effects.

Expectations for improved profitability and liquidity were at lower level, more than 30% of respondents pointed to them. In real effects, the implementation of innovative solutions in the area of financial management was pointed more often. Perhaps, therefore, plans related to innovation have already been achieved or respondents did not see the transfer of these solutions in the long term.

3.5. Summary

Concluding discussion concerning processes of financial management, it is worth pointing out that Polish companies have many possibilities to obtain

a variety of financial resources to support their growth and increase their financial potential. However, it requires specific knowledge and skills to be able to use capital in practice. Often it is necessary to have an innovative approach in financing companies and skillful use of new sources of financing. Conducted empirical studies have shown that businesses are able to apply for a variety of financing sources, track opportunities emerging in this area – for example, companies very often use leasing, factoring, they apply for EU and local labor offices funds. When choosing the source of financing, companies consider the criterion of acquisition cost and the effects of the leverage and it brings benefits in the form of increased profitability of the equity. Thus for the majority of surveyed companies the research hypothesis H1 has been confirmed.

An important area of financial management was also conducting specific assessment and analysis to effectively shape the size, speed, circulation and structure of capital, with the benefits of increasing company profitability, multiplying its value and facilitating development. Another hypothesis H2 concerning the use of modern tools in the assessment of financial resources has not been fully confirmed – the surveyed companies do not use modern tools of financial management. Most of them regularly use standard tools to assess the financial situation, as measures of liquidity, profitability. What is positive, is the fact that the majority of respondents also regularly use in the analysis of financial resources assessment the leverage effects and the weighted average cost of capital. These measures should be considered as useful tools of financial management that are standard elements of conducting financial analysis. The modern measures like EVA /MVA are used occasionally or not at all, which may be a result of the lack of need to count this measures or lack of knowledge and skills in this area. Similarly, monitoring of key indicators of profitability and liquidity is not regularly used in most of the surveyed companies. Such measures offer tangible benefits for the management of companies as they may indeed reduce the risk of low effective business projects, or those that delay the development process.

From the perspective of multiplying the value and company development important may also be the implementation of innovative solutions in the management of financial resources. Due to these resources it is possible to achieve certain effects, which will permit the company to maintain in the market, improve its competitive position and to grow faster than the competition. The latter hypothesis H3 concerning innovative solutions of financial resources management has been confirmed in most surveyed companies. Companies gained tangible benefits when they implemented innovations in the area of financial resources. They resulted in increasing profitability level, which in turn brought the benefits for

the owners. On the other hand, higher profitability reflects the greater possibility of capital accumulation. Additionally, companies with innovative solutions in the management of financial resources improved their solvency and thus can apply for the additional external capital to enhance their development.

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Human resources – the objectives and management instruments in the company

4.1. Introduction

The primary company strategy is the development strategy. The development designates to achieve targets of a qualitative nature, mainly including the implementation of new elements in the business operation, having the nature of both product, technological and process innovations along with innovations in marketing, personnel, company organization, company management system, etc. The key issue for long-term company survival is the effective implementation of the development strategy. This determines constant company adjustment to the changing environment.

Changes in the organization environment create a number of competitive challenges, which indicate that human resource management (HRM) should be involved in the process of creating new possibilities. Human resources are people of working age with their abilities, skills, and motivation to act (Piotrkowski, Warszawa 2008, p. 49). Human resources are also perceived as the ability to create innovation, which determine company development (Tyrańska, Kraków 2007, p. 194). Features attributed to human resources emphasize their role and gain competitive value. The uniqueness of human resources are, in the context of values, elements like: commitment, efficiency, accuracy, mobility, flexibility, willingness and ability to cooperate in teams and identification with the company mission (Sajkiewicz, Kraków 2007, p. 15). Human resources as capital have an independent ability to increase its value through the acquisition of new skills and use of knowledge. They may be called strategic, they play an important role in the company development, determine the operation and development of the modern company.

Literature review concerning determinants of company development, the importance of human resources and human resource management permitted

to pose important research questions and to identify the relationship between the human resources, the latest changes in the HRM and the effects of those changes. In particular, and following research areas were examined:

- the importance of human resources – human resources are the key to company growth. The importance of human resources is revealed through integration of HR strategy in the overall company strategy;
- the importance of an innovative approach to HRM – this category is based on the concept of strategic HRM and the directions of change in this regard. The importance of innovative HRM is revealed by analyzing the activities undertaken in the company and trends in HRM. It is assumed that an innovative approach to HRM promotes the company development;
- the importance of talent in the company development. It is assumed that companies focused on change and innovation in HRM include talent management, and talents are regarded as outstanding abilities, key skills that are essential in the development and building competitive advantage.

On the basis of these research areas three hypotheses were formulated:

H1. Human resources are a major factor in the company development;

H2. Innovative approach to HRM promotes the company development;

H3. Talent management including talent acquisition is a reflection of innovative HRM and constitutes a challenge in the company development.

The results of the empirical research permitted to verify the assumed hypotheses and to request a change in the approach to human resource management considering human resources importance in the company development.

4.2. The importance of human resources and human resource management in the company

Importance of human resources is more often emphasized as the highest value of the company. Only these resources can be attributed a number of characteristics that affect the company competitiveness. However, the same resource, even the most unique and valuable must be properly formed and shaped to deliver the intended benefits. The tool used for this purpose is the management, especially human resource management, which should be effective.

Analysis of different approaches to human resource management permits to indicate its essential characteristics. A key feature is the perception of human resources as a source of competitive advantage. Activities in the field of human resource management in the organization should be, therefore, focused on the

4.2. The importance of human resources and human resource management in the company

creation and effective use of these resources potential. This indicates that building employees involvement in the organization is more important than the pressure to behave according to detailed roles. Careful process of selection and staff development becomes a great importance in this context (Juchnowicz, Warszawa 2007, p. 48–52).

The consequence of regarding people as a source of competitive advantage is another characteristic of human resource management, that is the requirement of integration strategies in the field of human resources with the overall corporate strategy. Human resource management, not only at the operational level, but also in a strategic dimension depicts the need to engage in business management addressing personnel issues and treating these issues as strategic decisions.

In years 2009–2012 the greatest contribution to the overall strategy of the surveyed companies were activities related to the external recruitment (52.5% of responses), work relations (44.5% of responses), compensation (44.5% of respondents) and training employees (43.5% of responses) – Fig. 4.1. The aim of these activities should be an optimization of the employment structure. Careful selection of staff is the key to success in business management. The proper selection of employees decides which organization has human resources that will facilitate to improve, develop and improve work efficiency.

Fig. 4.1. HRD activities related to the overall strategy in the surveyed companies in years 2009–2012 (in %)



Source: Empirical research of Corporate Management Department, Warsaw School of Economics 2012, n = 200

Amongst aforementioned activities the least indications concerned career planning (12%). Even fewer indications, that is 5,5% related to answer "none of these

activities were not associated with the company's strategy" which indicates that among the surveyed companies are companies (even though they are few) that are not part of human resource management in the overall strategy of the company. It can be thought that none of these activities do not support the implementation of the overall strategy. In addition talent management is considered in a small extent in the strategy (16.5% of responses).

In the surveyed companies (concerning the legal form), as part of the overall strategy, the most important activities were: staff training, internal and external recruitment (Table 4.1). The most important activity in the area of HRM was training and in large percentage it affected limited liability companies (66.7% of responses). This legal form stands out because of the high percentage of indications for the majority of activities undertaken in the field of HRM, which certainly is related to greater development potential. The dominant method of recruitment considering the legal form was internal recruitment, found in joint stock companies (61.1% of responses), and affected in the smallest aspect, limited liability companies (20.6% of responses), in which the most important were activities relating to work relations (53.9% of responses).

Table 4.1. Activities in the area of HRM related to general strategy in the surveyed companies in years 2009–2012 depending on legal form and ownership capital (in %)

Activities related to the overall strategy concerning	Legal form				Ownership capital	
	Ltd company	Joint stock company	General partnership company	Others	Polish capital	Foreign capital
Work relations	53,9	33,3	42,9	30,8	47,0	32,4
Internal recruitment	20,6	61,1	50,0	34,6	34,9	17,6
External recruitment	48,0	50,0	46,4	65,4	53,6	47,1
Talent management	17,6	44,4	10,7	7,7	13,3	32,4
Employees training	45,1	66,7	28,6	40,4	44,0	41,2
Remunertaion	44,1	33,3	42,9	50,0	44,6	44,1
Career planning	12,7	0,0	14,3	13,5	13,3	5,9
Laying off employees	15,7	11,1	17,9	7,7	11,4	23,5

Source: As for Fig. 4.1.

Least indications related to career planning. It is quite surprising, especially as it concerns mainly limited liability companies, where such activities did not take place in the examined period. On one hand, the results of the study indicated the importance of training and internal recruitment in this type of companies,

on the other hand there was lack of employees' career planning. Career planning and development of employees should have been the basis, the starting point for the identification of training needs and requirements in the employees selection for specific positions.

On the other hand, according to the criterion: share ownership, Polish companies in greater respect focus on external recruitment (53.6% of respondents) than companies with foreign capital (47.1% of responses). Least indications related to career planning in foreign companies (5.9% of responses), although the staff training was often taken into account (41.2% of responses). In general, it can be concluded, based on the results of the research that there was a greater relationship between human resource management and overall strategy in Polish companies than in foreign companies. Moreover, companies with foreign capital are more task-oriented than companies with the majority of Polish capital. It is clear, that the quality of work, the effectiveness of the implemented measures is closely linked to the quality of human resources.

In the surveyed companies according to the industry the willingness to take a number of actions in the area of HRM was visible - Table 4.2. Production companies in the greatest respect undertook activities concerning formulation of work relations, but also ran employees training and consider their remuneration. This also applies to trading and service companies, whose activities largely focused on external recruitment. This indicates the care of these companies to employ the right people for the right job, the adjustment of employment to the division of labor, type of activity, required skills and abilities of the job.

Table 4.2. Activities in the area of HRM related to the general strategy in years 2009–2012 depending on the type of operations and the scope of activity (in %)

Activities related to overall strategy concerning	Type of operations			Scope of operations		
	Production	Trade	Services	International	National	regional
Work relations	51,6	24,6	58,0	37,3	50,8	28,0
Internal recruitment	19,4	30,4	44,9	19,6	33,1	52,0
External recruitment	46,8	52,2	58,0	49,0	54,0	52,0
Talent management	25,8	2,9	21,7	25,5	14,5	8,0
Employees training	40,3	42,0	47,8	45,1	44,4	36,0
Remunertaion	43,5	47,8	42,0	41,2	45,2	48,0
Career planning	17,7	8,7	10,1	13,7	12,1	8,0
Laying off employees	14,5	17,4	8,7	19,6	10,5	16,0

Source: As for Fig. 4.1.

Least indication applies to talent management in trading enterprises (2.9% of responses). This leads to conclusion that in this kind of companies, managers are not aware of the importance of talent. The ability of employees to the greatest extent determines the company success, the sales volume and its impact on the market share, company's position and consequently the competitiveness of the company.

It is interesting that in companies with regional scope of operation (in relation to national and international companies) equally important are both external recruitment (52% of responses) and internal recruitment (52% of responses), but at the same time in these businesses, rarely attention is drawn to talent management (8% of responses) and career planning (8% of responses) accordingly. This is surprising, because talent management starts at the stage of attracting employees. To pay attention to the most important competences from the perspective of the recruitment process (both external and internal) certainly would have a positive influence on the quality of the company's potential and its effectiveness in the market.

In the surveyed companies considering the criterion of annual turnover there was a visible relationship between staff training, internal recruitment, talent management, company turnover and number of employees – Table 4.3. The higher the turnover and the number of employees, the more respondents pointed to the activities in the field of HRM and their relationship with the overall business strategy. Larger business entities usually hold more resources, have increased capacity through staff development and a better chance to gain a competitive advantage.

Table 4.3. Activities in the area of HRM related to the overall strategy in years 2009–2012 depending on annual turnover and the number of employees (in %)

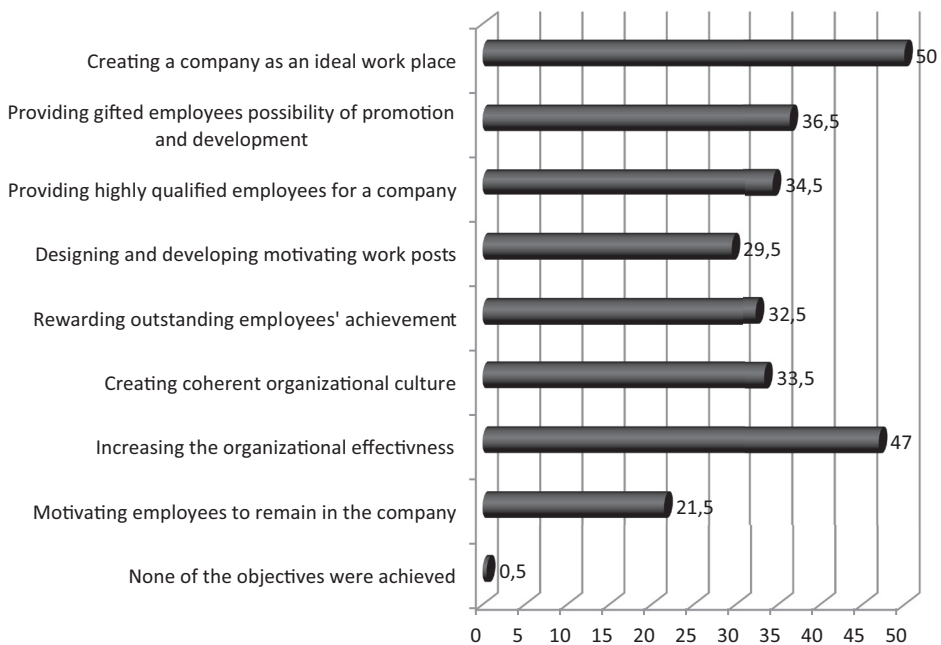
Activities related to the overall strategy concerning	Annual turnover in m PLN			Number of employees	
	Up to 50 m PLN	50–100 m PLN	Above 100 m PLN	50–249 persons	Above 249 persons
Work relations	46,3	43,7	43,3	44,6	44,1
Internal recruitment	23,9	34,0	43,3	29,5	44,1
External recruitment	59,7	51,5	40,0	54,2	44,1
Talent management	6,0	16,5	40,0	11,4	41,2
Employees training	44,8	39,8	53,3	42,8	47,1
Remunertaion	47,8	42,7	43,3	47,6	29,4
Career planning	14,9	8,7	16,7	11,4	14,7
Laying off employees	17,9	9,7	16,7	11,4	23,5

Source: As for Fig. 4.1.

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In large companies such activities are undertaken to a greater extent, probably due to the larger needs of these companies and more opportunities on the other. However, medium-sized companies and companies with lower turnover usually indicated external recruitment and activities related to remuneration. Activities that will affect the increase in employment costs. There's a question whether the actions that have been taken with respect to the employees remuneration relate to its increase or decrease? Depending on the answer, these activities have a different impact on the employees, creating company image and its perception mainly by employees.

Fig. 4.2. Objectives of human resource management in the surveyed companies in years 2009–2012 (in %)



Source: As for Fig. 4.1.

As previously indicated, human resource management role is to: enable the achievement of company objectives through the employees involvement, full use of employees skills and capabilities, encouraging employees by controlling the quality of their work to become more involved. Moreover, it is important to join assumptions concerning human resource management with the development of the company and to build unified principles of human resource management

in order to optimize employment. Furthermore, to create conditions that will offer employees the opportunity to use talents, provide organizational flexibility to adapt to changes. These objectives reveal the essence of human resource management; appropriate staffing with optimal use of employees to increase their engagement and develop their talents.

In years 2009–2012 in the surveyed companies the most important goal of human resource management was to create a company as an ideal work place (50% of responses) and increasing the efficiency of organizations (47% of responses) – Fig. 4.2.

Other stated objectives were also important, but to a lesser extent. Least important was to motivate workers to remain in the company (21.5%). It seems to be contradictory, considering the desire to create a company as an ideal work place, where motivation plays an important part in the effective and strategic HRM, by which commitment to work is formed. Unfortunately, this is a characteristic attitude of the entrepreneurs when the employer market dominates.

The purpose of HRM is to make decisions and actions that on the one hand enable the achievement of the company objectives and on the other hand will permit to meet the needs of employees. In years 2009–2012, the most important objective of HRM, implemented in the surveyed enterprises according to established criteria was: creating the ideal workplace (Table 4.4–4.6.). The other goals were assigned different meanings depending on the characteristics of the respondents.

Considering the legal form of running a business, the creation of the ideal workplace is emphasized in most general partnership companies (60.7% of responses) and limited liability companies (54.9% of responses) – Table 4.4. It seems, therefore, that in these kind of companies their image in the job market is important. The image thus becomes the most important intangible asset for smaller companies. There is uncertainty in the formulation of such conclusions, due to the least selected answers by respondents that are of significant importance in shaping the company image. And yet, least indications related to motivating employees to remain in the company (3.6% of responses) – general partnership companies, and designing and developing motivating jobs (22.5% of responses) – limited liability companies. However, in most joint-stock companies to ensure the company highly skilled employees (55.6% of responses) was indicated which is closely related to staff training. The least, respondents pointed to design and develop motivating job posts (16.7% of responses), which indicates some similarities in the significance of HRM objectives. It can be assumed that respondents underestimate the motivational role of the workplace and its impact on the perception of the company from the perspective of development opportunities arising from their job or the task and the impact of motivating workplace to increase the efficiency of the organization.

Table 4.4. Objectives of human resource management in the surveyed companies in years 2009–2012 dependent on the legal form and ownership capital (in %)

Objectives of human resource management	Legal form				Ownership capital	
	Ltd company	Joint stock company	General partnership company	Others	Polish capital	Foreign capital
Creating a company as an ideal work place	54,9	38,9	60,7	38,5	50,0	50,0
Proving gifted employees possibilities of development and promotion	35,3	50,0	39,3	32,7	35,5	41,2
Providing highly qualified employees	35,3	55,6	21,4	32,7	31,9	47,1
Designing and developing motivating work posts	22,5	16,7	35,7	44,2	32,5	14,7
Rewarding achievements of outstanding employees	34,3	33,3	35,7	26,9	33,1	29,4
Creating coherent organizational culture	36,3	38,9	39,3	23,1	31,9	41,2
Increasing effectiveness of company operation	43,1	33,3	57,1	53,8	50,0	32,4
Motivating employees to remain in the company	26,5	33,3	3,6	17,3	20,5	26,5

Source: As for Fig. 4.1

Certain similarities in the importance of HRM objectives were also visible in the surveyed companies due to the dominant ownership capital. Likewise, the greatest importance was attributed to the creation of a perfect job posts in companies either with major Polish capital or the dominance of foreign capital. However, designing and development of motivational job is far less indicated in companies with majority of the foreign capital (14.7%) than in companies with the majority of the Polish capital (32.5% of responses). To guarantee highly skilled employees in companies with majority of the foreign capital was another priority and was made possible through external recruitment, rather than by creating motivating job posts. Certainly, it is assumed that a highly qualified employee has the right motivation, which, together with the skills and employee knowledge creates the potential and determines the quality of human resources in the company.

In terms of the relevance of HRM objectives there were also visible some similarities in the surveyed companies due to the type of activity and range of activities – Table 4.5. Creating a company as an ideal work place is essential for production

and service companies as well as international and national companies. But on the other hand, these companies do not attach great importance to employees motivation, especially in terms of their stay in the company. This is probably due to the dominant role of the employer market and high competition in the job market. Trading companies showed the greatest increase in the efficiency of the organization (69.9% of responses). Least likely, they chose the answer "to provide skilled employees development and promotion" (17.4% of responses), which is closely related to the lack of activities in the field of talent management and planning careers in these businesses. This also applies to companies with regional scope of operation, except that the most important goal was to ensure the company highly skilled employees (52% of responses). This was also visible in the undertaken activities in the area of HRM.

Table 4.5. Human resource management in the surveyed companies in years 2009–2012 dependent on type of operation and scope of activities (in %)

Objectives for human resource management	Type of operation			Scope of operation		
	Production	Trade	Services	International	National	Regional
Creating a company as an ideal work place	62,9	37,7	50,7	52,9	52,4	32,0
Proving gifted employees possibilities of development and promotion	48,4	17,4	44,9	41,2	38,7	16,0
Providing highly qualified employees	27,4	29,0	46,4	35,3	30,6	52,0
Designing and developing motivating work posts	38,7	24,6	26,1	23,5	31,5	32,0
Rewarding achievements of outstanding employees	35,5	31,9	30,4	29,4	33,9	32,0
Creating coherent organizational culture	25,8	33,3	40,6	45,1	26,6	44,0
Increasing effectiveness of company operation	33,9	69,6	36,2	39,2	50,0	48,0
Motivating employees to remain in the company	17,7	29,0	17,4	15,7	23,4	24,0

Source: As for Fig. 4.1.

It is unfortunate that in the surveyed companies there was lack of a comprehensive approach to the overall HRM as reflected in the significance of the

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actions taken and goals. Achieving objective ensuring the company highly skilled employees should be carried out both by recruiting and providing skilled employees possibilities of development and promotion. Only such approach to HRM and the desired objectives determine to create the right human resources in terms of quantity and quality, which undoubtedly is reflected in the company's development.

A similar trend is visible in the surveyed companies according to annual turnover and the number of employees - Table 4.6. It is visible that the greater the turnover and number of employees, the objective: to motivate employees to stay in the company was less often pointed out. In companies with an annual turnover of over 100 m PLN respondents did not indicate at all such target. Large company, with a high level of turnover is an attractive place to work, as evidenced by the indication of the respondents.

Table 4.6. Objectives for human resource management in the surveyed companies in years 2009–2012 depending on annual turnover and the number of employees (in %)

Objectives of human resource management	Annual turnover in m PLN			Number of employees	
	Up to 50m PLN	50–100 m PLN	Above 100	50–249 persons	Above 249 persons
Creating a company as an ideal work place	41,8	51,5	63,3	48,8	55,9
Providing gifted employees possibilities of development and promotion	34,3	32,0	56,7	33,1	52,9
Providing highly qualified employees	29,9	35,9	40,0	31,9	47,1
Designing and developing motivating work posts	25,4	30,1	36,7	30,7	23,5
Rewarding achievements of outstanding employees	28,4	35,0	33,3	33,1	29,4
Creating coherent organizational culture	32,8	33,0	36,7	28,9	55,9
Increasing effectiveness of company operation	53,7	48,5	26,7	51,8	23,5
Motivating employees to remain in the company	31,3	21,4	0,0	24,7	5,9

Source: As for Fig. 4.1.

In summary, the stated objectives capture the essence of HRM. It can therefore be concluded that the larger the company, the more it is focused on people

rather than on the job. Least indications related to motivating job posts, which may arise from the belief of entrepreneurs that the process of motivating needs to be looked more broadly and both factors should be considered: either tangible and intangible in the process of influencing employees.

Adopted objectives of human resource management in the long term – influence the opinion on how the company treats its employees. Formulating objectives in this area is not easy, because not only a market changes but also the company itself, passing through different stages in its life cycle. However, while the managers know and recognize these phenomena they show some interest in the management psychology – they have a chance to create a valued and sought company in every market: suppliers, customers, cooperators and the job market.

4.3. An innovative approach to human resource management

The last decade, is a time of change in company management. In light of the above considerations and findings, it can be concluded that the company's management is closely related to and dependent on human resource management and changes in this respect. It was assumed that the changes, innovations in the field of human resource management can show the example of developing concepts, such as human capital management, competency management, talent management, diversity management.

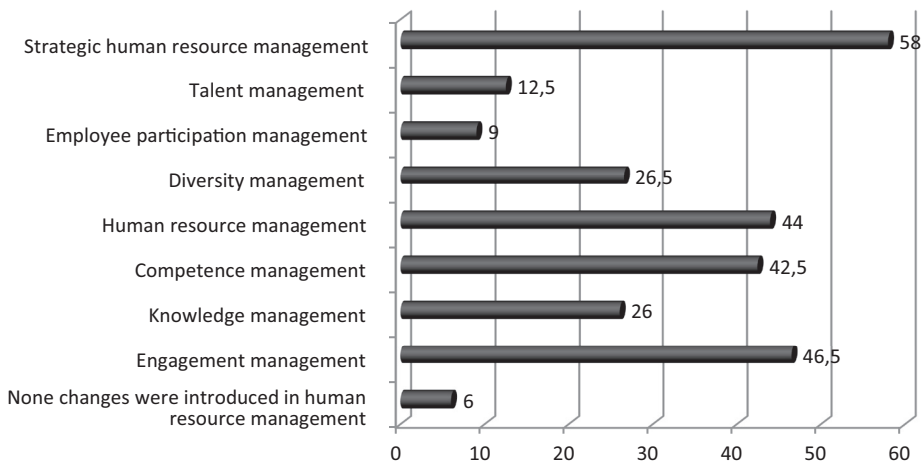
To meet market demands, companies must seek to maximize flexibility. This aspiration is to focus on diversity also in relation to competences and talents and is an expression of innovative human resource management. The ability of companies to innovate in this area depends largely on its human resources and, above all, on the level of knowledge and qualifications of personnel, the ability to learn and develop, motivation system, but also on the assets of the company and funding opportunities concerning innovation. Changes in management lead to a new model of the future company, which will play a key role in improving the methods for managing knowledge workers (Grudzewski, Warszawa 2010, p.18).

Changes in human resource management in the surveyed companies in years 2009–2012 were by far, the greatest focused on: the strategic management of human resources (58% of responses), the engagement management (46.5%), human capital management (44%) and competences management (42.5%) – Fig. 4.3.

Today, the role and importance of the HR function in the company is changing. There is a growing importance of significance of long-term policy of stra-

ategic importance. Strategic human resource management covers all the issues and problems of human resource management that have a significant impact on achieving objectives and tasks included in the strategic plan of the company. Therefore, it becomes an increasingly important factor in achieving and maintaining a competitive advantage, which stems directly from the growing importance of knowledge as a source of competitiveness.

Fig. 4.3. Directions of changes in managing human resources in the surveyed companies in years 2009–2012 (in %)



Source: As for Fig. 4.1.

Least indication of the respondents related to the employee participation (9% of responses). Among the surveyed companies were the companies in which no changes have been made in the management of human resources (6% of responses). The evolving concept of HRM needs to be adapted to the specific business and development opportunities and changes in human resource management have a significant influence on the company development.

Strategic human resource management, management by commitment, human capital management, are usually indicated trends in HRM in the surveyed companies according to the selected sections (Table 4.7.)

This reflects the strategic thinking in relation to decisions and actions in the area of personnel. Considering strategic thinking and importance of employee engagement (their motivation), competence is crucial in the development of human resources due to the pursuit of long-term objectives, desire to growth and gain competitive advantage. To a greater extent this applies to general partnership

and joint stock companies rather than limited liability companies and companies with the majority of foreign capital than with the majority of Polish equity. All companies, especially those with the majority of Polish capital are forced to focus more on the development and future strategy due to the globalization effects, the increasingly intensifying competition and technological development.

Table 4.7. Changes in the human resource management in the surveyed companies in years 2009–2012 depending on the legal form and ownership capital (in %)

Change tendencies in human resources management	Legal form				Ownership capital	
	Ltd company	Joint stock company	General partnership company	Others	Polish capital	Foreign capital
Strategic human resources management	55,9	61,1	78,6	50,0	59,6	50,0
Talent management	8,8	11,1	10,7	21,2	15,1	0,0
Employee participation management	10,8	11,1	7,1	5,8	9,6	5,9
Diversity management	30,4	11,1	28,6	23,1	29,5	11,8
Human resource management	44,1	55,6	42,9	40,4	40,4	61,8
Competence management	46,1	72,2	39,3	26,9	35,5	76,5
Knowledge management	20,6	33,3	17,9	38,5	27,7	17,6
Engagement management	48,0	44,4	28,6	53,8	45,8	50,0

Source: As for Fig. 4.1.

Management concepts supporting the implementation of these challenges should be talent management and management through employee participation and these concepts are completely neglected by the respondents and rarely indicated. Companies with the majority of foreign capital in general did not identify talent management as an important trend of HRM. The benefits of using these concepts in the companies cannot be overestimated. The benefits of talent management pertain mainly to focus activities on the development and effective use of human resources potential, careful selection and staff development and an individual approach to the employee. However, the most important benefits of management by employee participation for the company, employees and managers are: greater involvement of employees, the ability to self-realization, exerting influence on the company's operations, comprehensive integration of individual,

team and organizational objectives and shaping an organizational culture based on trust, the ability to generate many ideas.

Table 4.8. Direction of changes in the human resource management in the surveyed companies in years 2009–2012 depending on type of activity and scope of operation (in%)

Tendencies of changes in human resource management	Type of activity			Scope of operation		
	Production	Trade	Services	International	National	Regional
Strategic human resource management	66,1	55,1	53,6	51,0	65,3	36,0
Talent management	14,5	2,9	20,3	5,9	14,5	16,0
Employee participation management	6,5	7,2	13,0	3,9	12,1	4,0
Diversity management	46,8	10,1	24,6	19,6	32,3	12,0
Human resources management	41,9	34,8	55,1	49,0	39,5	56,0
Competence management	40,3	33,3	53,6	56,9	37,1	40,0
Knowledge management	9,7	43,5	23,2	13,7	29,8	32,0
Engagement management	30,6	68,1	39,1	54,9	41,1	56,0

Source: As for Fig. 4.1.

Due to the type of business, trading companies least in relation to the production and service companies point to talent management as the direction of HRM (2.9% of responses), and most – on the engagement management (68.1% of responses) – Table 4.8.

Employee engagement is a talent that a company success depends on. However, it seems that in trading companies the most underestimated is talent management, and therefore these companies are the most vulnerable to mistakes in the acquisition and employees development.

Furthermore, it is surprising that the production companies underestimated the knowledge management and the respondents therefore did not see the connection between human resource management and knowledge management. Knowledge does not only refer to the technique, technology or product quality. Due to the information and knowledge, decisions were taken with reference to all elements of the HR function, and thus defined the most valuable asset of the company – people.

It is interesting that in production companies either with international and regional scope respondents rarely indicated the management of employee

participation, and in most cases the engagement management. Could it be that the respondents were not aware of the relationship between these concepts and the importance of employee participation in the development of employee engagement? It seems, that the respondents do not connect management by employee participation with the management of human resources. However, the management of employee participation is closely related to integrating and motivating employees, their development and, above all, commitment.

The higher the level of turnover and the number of employees, the greater the awareness of the respondents on the importance and development of human resources towards strategic human resource management, human capital management and competence management – Table 4.9. However, it is worrying that the respondents indicated the least, talent management and particularly in large enterprises as well as those reaching the level of annual turnover exceeding 100 m PLN. Do these companies not have knowledge about the importance of talent management in the development and the achievement of competitive advantage? It also seems that it may be due to a reluctance to change in this direction, which unfortunately shows a lack of strategic thinking in relation to HRM and business strategy, despite indications of strategic human resource management as one of the most important trends in the development of HRM.

Table 4.9. Direction of changes in human resource management in the surveyed companies in years 2009–2012 depending on the annual turnover and the number of employees (in %)

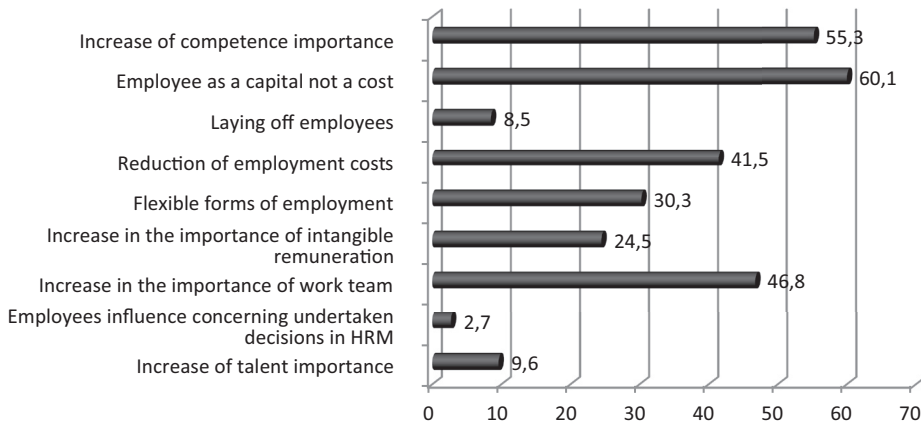
Change tendencies in human resource management	Annual turnover in m. PLN			Number of employees	
	Up to 50m	50–100m	Above 100 m	50–249 persons	Above 249 persons
Strategic human resource management	49,3	61,2	66,7	55,4	70,6
Talent management	10,4	16,5	3,3	15,1	0,0
Employee participation management	1,5	12,6	13,3	9,6	5,9
Diversity management	19,4	34,0	16,7	27,1	23,5
Human resource management	40,3	41,7	60,0	38,6	70,6
Competence management	40,3	41,7	50,0	39,8	55,9
Knowledge management	32,8	23,3	20,0	28,3	14,7
Engagement management	67,2	36,9	33,3	47,0	44,1

Source: As for Fig. 4.1.

Among the surveyed companies there was a tendency for the strategic orientation of human resource management and human capital management (Table 4.7–4.9). This approach points to the need for further changes in this area of management, namely management by engagement, competency management, knowledge management, diversity management, talent management. The importance of HRM trend suggests implications for companies and employees. The effects of changes in HRM should identify and justify the need for change in this area.

Surveyed companies indicated mainly the growing importance of employee perceptions as the company's capital, and not just as its cost (60.1% of respondents), increase in the employees competence (55.3%) and an increase in the importance of team work (46.8%). The smallest significance and relationship to the strategic management of human resources was indicated to firing workers during the surveyed period (8.5%) and the share of employees in decision-making in HRM (2.7%) – Fig. 4.4. This also applies to companies considering certain chosen criteria (Table 4.10–4.12.).

Fig. 4.4. Effects of changes in human resource management in the surveyed companies in years 2009–2012 (in %)



Source: As for Fig. 4.1.

Employee as capital, not a cost, the rise of competence importance and the growing importance of teamwork were some of the effects of changes in human resource management by respondents in the studied sections, such indications were often indicated in joint stock companies and general partnership companies than limited liability companies, in companies with the predominance of foreign capital than in companies with the majority of the Polish capital – Table 4.10.

These are the positive effects of changes that can be regarded as innovations in the field of human resource management. An innovative approach to HRM is manifested in the field of HRM, which perceives human resources as the most valuable company asset.

Table 4.10. Effects of changes in human resource management in the surveyed companies in years 2009–2012 depending on the legal form and ownership capital (in %)

Effects of changes in human resource management	Legal form				Ownership capital	
	Ltd company	Joint stock company	General partnership company	Others	Polish capital	Foreign capital
Increase of competence importance	62,9	50,0	34,6	53,2	52,9	66,7
Employee as a capital not a cost	53,6	77,8	69,2	61,7	58,7	66,7
Laying off employees	7,2	11,1	7,7	10,6	9,0	6,1
Reduction of employment costs	45,4	33,3	34,6	40,4	40,0	48,5
Flexible forms of employment	36,1	16,7	26,9	25,5	30,3	30,3
Increase in the importance of intangible remuneration	18,6	27,8	38,5	27,7	26,5	15,2
Increase in the importance of work team	45,4	33,3	61,5	46,8	50,3	30,3
Employees influence concerning undertaken decisions in HRM	2,1	16,7	0,0	0,0	2,6	3,0
Increase of talent importance	9,3	22,2	15,4	2,1	7,1	21,2

Source: As for Fig. 4.1.

The least important effect of changes in HRM's is the influence on decision-making and the growing importance of talent, which is apparent from the underestimation of management by employee participation and talent management, which are closely linked to HRM and should guide the personnel strategy towards employee participation and talents.

Considering the type of business, the least impact of employees on decisions on HRM was also pointed, especially in production companies (0% of responses) – Table 4.11. There is a relationship between the management of employee participation in production companies, and the lack of influence on employees decisions

in HRM. The essential difference concerns respondents indication with regard to the effect of: flexible employment forms. With regard to production companies rarely stated was this effect (7.4%) compared to production (43.3%) and service companies (35.8%). This also relates to the dismissal of employees, which was also indicated the least in production companies in relation to trading and service companies. However, production companies in comparison to trading companies often, but rarely in relation to service companies consider the implementation of the personnel strategy resulting in the rise of competence (68.5% of responses) and at the same time it is a prerequisite for competence management.

Table 4.11. Effects of changes in human resource management in the surveyed companies in years 2009–2012 depending on type of operation and the scope of operation (in %)

Effects of changes in human resource management	Type of operation			Scope of operation		
	Production	Trade	Services	International	National	Regional
Increase of competence importance	68,5	47,8	52,2	77,1	46,2	56,5
Employee as a capital not a cost	53,7	64,2	61,2	58,3	59,8	65,2
Laying off employees	3,7	7,5	13,4	2,1	11,1	8,7
Reduction of employment costs	51,9	23,9	50,7	39,6	44,4	30,4
Flexible forms of employment	7,4	43,3	35,8	25,0	29,1	47,8
Increase in the importance of intangible remuneration	33,3	16,4	25,4	22,9	27,4	13,0
Increase in the importance of work team	51,9	50,7	38,8	37,5	53,0	34,8
Employees influence concerning undertaken decisions in HRM	0,0	4,5	3,0	0,0	2,6	8,7
Increase of talent importance	13,0	4,5	11,9	16,7	7,7	4,3

Source: As for Fig. 4.1.

Multinational companies are more aware of the importance of competence than the regional and national ones – Table 4.11. However, regarding employee as capital and not as the cost is more characteristic within regional companies than international and local. It is interesting because it seems that companies with smaller scale of operations were more likely to invest in the development of

the employee than companies with a greater range of operations that highlight the growing importance of competence.

There was visible relationship between the importance of the effects of changes in HRM and the level of turnover and the number of employees – Table 4.12. However, the higher were the turnover and number of employees, the more respondents indicated employee treatment as capital rather than cost and there was a growing importance of competence. This also applies to companies with lower turnover and lower levels of employment, but to a lesser extent.

Table 4.12. Effects of changes in human resource management in the surveyed companies in years 2009–2012 depending on annual turnover and the number of employees (in %)

Effects of changes in human resource management	Annual turnover in m PLN			Number of employees	
	Up to 50 m PLN	50–100 m PLN	above 100 m	50–249 persons	Above 249 persons
Increase of competence importance	60,3	48,0	70,4	52,3	69,7
Employee as a capital not a cost	60,3	56,1	74,1	58,7	66,7
Laying off employees	7,9	11,2	0,0	10,3	0,0
Reduction of employment costs	31,7	45,9	48,1	36,8	63,6
Flexibel forms of employment	41,3	29,6	7,4	33,5	15,2
Increase in the importance of intangible remuneration	12,7	35,7	11,1	26,5	15,2
Increase in the importance of work team	44,4	46,9	51,9	47,1	45,5
Employees influence concerning undertaken decisions in HRM	7,9	0,0	0,0	3,2	0,0
Increase of talent importance	11,1	7,1	14,8	7,7	18,2

Source: As for Fig. 4.1.

In this context, financial resources, financial situation and the size of the company in a small extent affect HRM. The most important is the awareness of the effects both positive and negative, associated with specific directions of changes in HRM, actions undertaken, formulated objectives and especially importance of human resources in company's development.

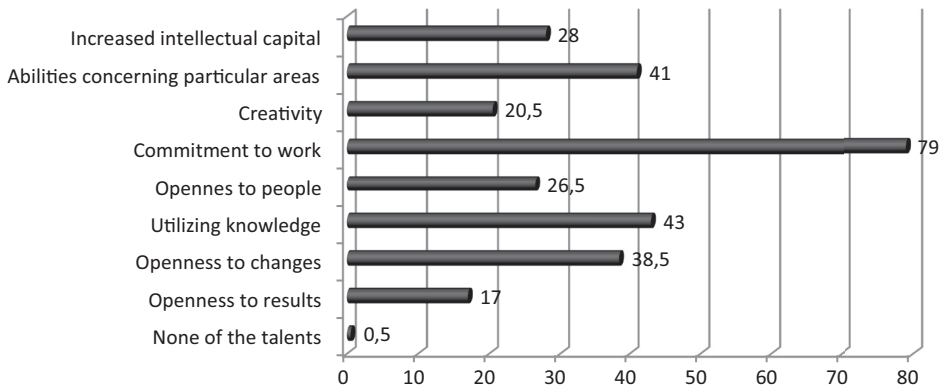
Overall, the surveyed companies, in the greatest respect indicated an increase in the importance of competence, employee treatment as capital rather than cost, reduction of employment costs, an increase in the importance of teamwork, and

flexible forms of employment, as the most important effects of changes in HRM. Least indication concerns employees impact on decision-making in HRM. It seems, there is a contradiction between the employees treatment as capital, the rise of their competence, teamwork and not including employees in decision making process regarding, for example, staffing, employees motivation and their development.

4.4. The importance of talent in business development

All resources have an impact on the company flexibility, but of particular importance are human resources. In a knowledge-based economy talent management in organizations plays an important role. For an organization a skilled employee can be called someone who has the necessary abilities. Moreover, in different areas of the same organization and various positions a required level of necessary capabilities may vary considerably.

Fig. 4.5. The most important talents for growth and development of the surveyed companies in years 2009–2012 (in %)



Source: As for Fig. 4.1.

Surveyed companies are aware of the importance of talent for the development of the company. They point particularly to work engagement (79% of responses) – Fig. 4.5. It is also important to use knowledge (43%), the abilities concerning particular areas (41%), and openness to change (38.5%). The least important is attributed to openness to results (17%) and creativity (20.5%). This raises the question whether the commitment to work should not be manifested by targeting the results, achieved results and work? It seems that the commitment to work can be

identified by the surveyed companies only with the performance of the assigned tasks and not specific outcome, activity and innovation.

This also applies to companies in the studied sections (Table 4.13–4.15.). Respondents were aware of the importance of talent in the development of companies, which was also visible in the analyzed sections. Talent, which dominates amongst the respondents is commitment to work. This applies to most companies with limited liability (79.4% of responses) and companies with the majority of the foreign capital (79.4% of responses). These companies also often pointed to management involvement as the most important direction of change in HRM.

Table 4.13. The most important talents for growth and development of the surveyed companies in years 2009–2012 depending on the legal form and ownership capital (in %)

The most important talents	Legal form				Ownership capital	
	Ltd company	Joint stock company	General partnership company	Others	Polish capital	Foreign capital
Increased intellectual potential	25,5	22,2	50,0	23,1	25,3	41,2
Abilities concerning particular areas	47,1	61,1	28,6	28,8	43,4	29,4
Creativity	16,7	27,8	14,3	28,8	22,9	8,8
Commitment to work	79,4	77,8	75,0	80,8	78,9	79,4
Openness to other people	22,5	27,8	39,3	26,9	22,9	44,1
Utilizing knowledge	42,2	38,9	46,4	44,2	44,6	35,3
Openness to changes	38,2	16,7	39,3	46,2	40,4	29,4
Openness to results	19,6	27,8	7,1	13,5	15,7	23,5

Source: As for Fig. 4.1.

According to the type of business, production, trade and service companies also more often indicated commitment to work as the most important talent, followed by the application of knowledge, and service companies often pointed to talent (47.8% of respondents) than production (43, 5% of respondents) and trade (37.7% of responses), openness to change, which was considered in greater respect in trading companies (58.0% of responses) – Table 4.14.

The choice of these talents as the most important skills and abilities of employees regarding objectives execution and strategy points to the need to adapt to the changing environment. Flexibility of these companies, management commitment and employee knowledge management are concepts supporting mainly the

development of the company and closely related to HRM. In the studied sections, production companies rarely in relation to trading companies and service providers indicate openness to the results (8.1% of responses) and creativity (16.1% of responses). This is surprising, as production companies are the most innovative on the market in terms of product innovations. However, creativity is a fundamental and integral part of innovation. Another surprise is the least chosen talent by service companies, which is openness to people (8.7% of responses). Contact with customers, creating relationships mainly in the sales process, building loyalty programs require openness to consumers and meeting their needs. These factors significantly affect the volume of sales, market position and development of service companies.

Table 4.14. The most important talents for growth and development of the surveyed companies in years 2009–2012 depending on type of operation and scope of operation (in %)

The most important talents	Type of operation			Scope of operation		
	Production	Trade	Services	International	National	Regional
Increased intellectual potential	37,1	11,6	36,2	33,3	29,8	8,0
Abilities concerning specific fields	50,0	31,9	42,0	41,2	42,7	32,0
Creativity	16,1	26,1	18,8	17,6	19,4	32,0
Commitment to work	77,4	88,4	71,0	74,5	79,8	84,0
Openness to other people	27,4	8,7	43,5	41,2	21,0	24,0
Utilizing knowledge	43,5	37,7	47,8	37,3	45,2	44,0
Openness to changes	29,0	58,0	27,5	31,4	39,5	48,0
Openness to results	8,1	31,9	10,1	19,6	16,1	16,0

Source: As for Fig. 4.14

Considering the scope of operation of the the surveyed companies, the most important talent for companies was work commitment. The importance of the employees who are involved in work is in greater extent a development factor in companies with a regional scope rather than national and international. In this respect, it is surprising that in companies with a regional scale increased intellectual potential of employees is not significant, talent was rarely indicated by the respondents, only 8% of responses. It should be kept in mind that every company should create its own array of talent (a profile of core competencies), which would have a significant impact on the company success. Every company

should lead a rational policy regarding talent management, the recruitment of talented employees (able to collaborate and share knowledge) and to enable their development. This also applies to companies with regional scale of operations, for which a commitment to work, openness to change and use of knowledge to a greater extent determines the development than the increased intellectual potential of employees. Individual talents of employees are valuable resources that lead to the organizational development. This is particularly important in large companies of international scope, which is reflected in the most frequently cited talents as: commitment to work (74.5% of responses), the openness to people (41.2% of responses), the ability of specific areas (41, 2% of respondents). Talent management, what may be expected from its main objectives relates to issues like: identification of future leaders able to implement changes, creation and development of international groups of most talented employees and ensuring the improvement and dissemination of key skills needed to develop the organization.

Table 4.15. The most important talents for growth and development of examined companies in years 2009–2012 depending on the annual turnover and the number of employees (in %)

The most important talents	Annual turnover in m PLN			Number of employees	
	Up to 50 m PLN	50–100 m PLN	Above 100 m PLN	50–249 persons	Above 249 persons
Increased intellectual potential	14,9	33,0	40,0	25,9	38,2
Abilities concerning particular areas	43,3	37,9	46,7	40,4	44,1
Creativity	20,9	19,4	23,3	19,3	26,5
Commitment to work	88,1	76,7	66,7	80,7	70,6
Openess to people	25,4	19,4	53,3	22,9	44,1
Utilization of knowledge	40,3	47,6	33,3	45,8	29,4
Openess to changes	46,3	35,0	33,3	39,8	32,4
Openess to results	17,9	20,4	3,3	17,5	14,7

Source: As for Fig. 4.1

Relationship is also visible between the importance of talent in company development, the level of turnover of the company and number of employees – Tab. 4.15. The higher the turnover and number of employees, the more respondents indicated the importance of the most distinguished talents. The vast majority primarily pointed to the importance of commitment to work (as in the other examined sections). Commitment to work, did have greater importance in companies with lower

turnover and medium-sized companies than large companies. Small companies usually have less potential, fewer resources and, therefore, commitment and motivation to work play an important role in gaining and maintaining market position in relation to the activities in the competitive market and the pursuit of competitive advantage.

In companies with high turnover, which is over 100 m PLN and in the companies employing more than 250 employees, the least indicated talent was openness to results. It is difficult to confirm that companies that engage in market expansion through owned resources in a small degree were focused on results. Their annual turnover and size, rather indicate the great importance of this talent in the development of such companies. It can be assumed, that the performance orientation is permanently inscribed in both strategic and operational activities, and also considered as one of the objectives of management, although other talents were often indicated by the respondents.

In conclusion, although the surveyed companies underestimate the talent management in the context of HRM, they can point out to a number of talents that determine the success and growth of enterprises. The most significant is commitment to work. This applies to the companies according to established criteria. Considering the surveyed companies the underrated talents are: creativity and openness (orientation) to results. Creativity is an essential element of innovation. There is no innovation without creativity and results-orientation, there are also no grounds to initiate changes and creation a new product or technology.

The ultimate objective of human resource management in the twenty first century should be to support strategic decisions concerning the development of key competence areas that affect the success of a given organization, attract employees with outstanding abilities which are essential for the company development in gaining competitive advantage in the market.

4.5. Summary and conclusions

Human resources, are considered to be one of the most important resources available to a company operating in a market economy. Employees implementing the strategy and the organization objectives, may become a source of its success, or an element limiting the operation and development of the company. Hence there is a need of human resource management.

Human resource management in contemporary organizations increasingly gains strategic importance and strategic dimension. The concept of strategic HRM

is based on the assumption that the strategy for human resources could have contributed to the company's strategy, but at the same time the company strategy is its justification. The human resource management is strongly influenced by the changes in the business environment. This is reflected in the formulation of the concept of managing people, which are based on the concept of human resource management. This refers primarily to strategic human resource management, human resources management, competency management, talent management and diversity management concept.

This chapter concerned the importance of human resources in the development of the company, with particular emphasis on the objectives of human resource management and innovative approach to human resource management with consideration of talent and talent management. Building companies' innovativeness, including the area of personnel should be an important path for the objective to ensure the survival and company development in the long term.

Based on the conducted research the following conclusions can be drawn. Managers formulate objectives in the field of HRM, which fit into the overall strategy of the company. They are therefore aware of the importance of human resources in the company development which is visible in the undertaken activities. With reference to the objectives pursued in the HRM, where a key objective in the examined period was the creation of a perfect work place, it can be concluded that companies want to achieve this goal by focusing on external recruitment, development of labor relations, appropriate remuneration and staff training. The main direction in HRM relates to the strategic orientation, strategic approach to HRM. Talent management is underappreciated concept in the surveyed companies on one hand and, on the other hand, managers are aware of the importance of talents, such as commitment to work, the use of knowledge. The effects of changes in HRM indicate both the importance of human resources and HRM, where the indication was put on the perception of the employee as capital and not the cost of the company, the rise of competence and teamwork.

With reference to the above considerations, it can be concluded that the formulated hypotheses were verified as positive. Rather one-sided picture was revealed concerning managers' awareness in terms of the importance of human resources and HRM in the company development. Managers rightly emphasize the importance of recruitment, labor relations and employee training in the implementation of company strategy. They perceive the need for a strategic approach to HRM, the possibility of flexible forms of employment and remuneration. They point to the talents, which have a significant impact on the company development, but they do not appreciate the importance of talent management that are most associated

with an appropriate choice of employees, their potential, the evolution of this potential, and as a result the impact of innovation and business development.

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Informational resources and knowledge management as growth conditions for enterprises. Analysis

5.1. Introduction

Knowledge management, intellectual capital, knowledge resources, knowledge management – these are concepts which often appear in an organizational context. And more often in the context of competitiveness and innovation. This is because the company intangible assets are perceived for some time in terms of new sources of competitive advantage and growth drivers. Sometimes one can even encounter the view that the formation of the information society, occurred significantly and due to technological progress (information technology, speed of communication), was accompanied by the formation of a knowledge-based economy.

This idea can not be regarded as completely novel concept on the grounds that on every stage of the development of civilization, knowledge was used. What is new, is the scale of its use, and the scale permits to think about knowledge management in a new way. Moreover, this shift in thinking about the importance of information and knowledge resources seems to be irreversible, hence the need for businesses to adapt. To progressively greater or lesser extent, companies are evolving towards learning organizations and knowledge-based firms.

The use of modern ICT solutions is one of the manifestations of this adaptation to the new environment requirements, allowing for more effective management of informational resources, and to build effective processes of content aggregation, processing and distribution between different organizational units. Verifying how Polish medium and large companies are perceived in this area was the main purpose of survey questions that will be discussed in this chapter. The starting point was to define the knowledge management and in order to do that respondents were declaring associations that come with this term. These references were then repeated in the later part of the study in order to determine the

degree to which individual practices and tools in management of informational resources are used.

Given the overall research hypothesis (internal resources and capabilities can be a major source of building strategy and business development), which was placed in front of the entire team of researchers in relation to different organizational resources, also here there were references to company's strategy. One could observe attempts to link the development of the whole company with activities undertaken in the area of informational resources management. Detailed hypotheses linked implementation of some innovative solutions in the field of knowledge management with organizational skills and business practices. They were formulated as follows:

H1. Polish companies use more and more different ICT solutions.

H2. Generating innovation in the field of knowledge management leads to more efficient and effective business operation.

H3. Considering how companies manage information resources and their approach towards knowledge management it can be said that they aspire to be learning organizations and knowledge-based firms.

These hypothesis to some extent related to the degree of innovation of initiatives. Researchers also tried to find a relationship between the applied solutions and organizational efficiency improvement in the selected area. It was important to find out if respondents valued the innovative nature of the implemented knowledge management techniques, because it could be interpreted as an acceptance of an evolutionary approach to knowledge management systems, aimed at constant learning and excellence, and could also indicate the possibility of gaining an advantage over competitors.

Questions relating to business practices, adaptation of information solutions, the objectives and results of initiatives undertaken in the field of knowledge management included relevant distinction between two different time periods. Respondents were asked to assess their activities in selected areas in a generalized way (stating undertaking certain action or not) and defining some of these innovation activities (by indicating that the initiatives discussed were implemented for the first time in the period 2009–2012). The questions were so constructed as to examine the current state, but also with regard to the prospects of development (change in attitude or practice in the knowledge and informational resources management) in the future.

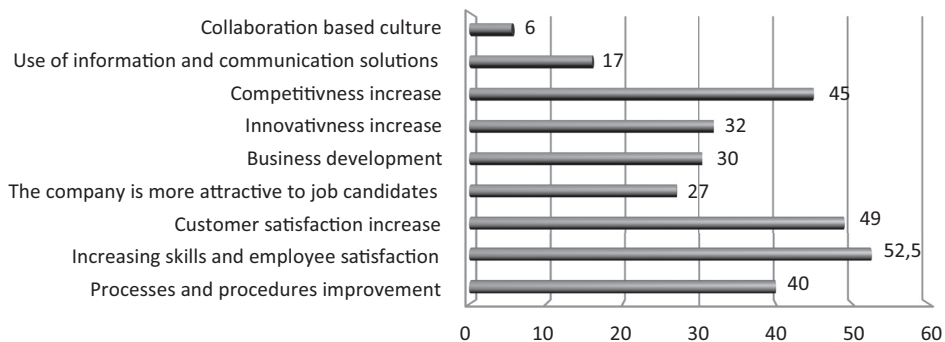
Apart from conducting the analysis at the very broad and general level, some questions were analyzed and benchmarked with the use of additional criteria such as ownership capital, scope of operation or industry in which the company

is active. Thanks to differentiating the research pool of enterprises and verifying the responses within smaller groups it was possible to define greater variation in some cases and to confirm the homogeneity of the whole sample, in others.

5.2. Knowledge management in theory and practice

The first research question aimed at verifying the associations with the term "knowledge management". This concept may be perceived narrowly or broadly, so in the absence of a single, defining wording it seemed justified to establish a basic understanding of the concept. Fig. 5.1. presents the results for the whole pool of researched enterprises. The study sample consisted of 200 companies, but in this case, the respondents could choose three most important factors.

Fig. 5.1. Associations with knowledge management (in %)



Source: Empirical Research of Corporate Management Department 2012, n=200

More than half of the respondents (52.5%) stated that knowledge management designates for them improving skills and raising employee satisfaction. Next, in terms of the number of responses, was: higher customer satisfaction (49%), higher level of competitiveness (45%) and improvement of processes and procedures (40%). Every third respondent linked knowledge management to higher level of innovation efforts, and even less spread was found in the context of ICT solutions. This distribution of answers shows broad and individualized approach to knowledge management, but it seems that the prevailing attitude has a softer touch and is focused on human resources and customers rather than strictly business-like approach. Companies undertake initiatives in this area in order to build relationships with the two most important groups of stakeholders – employees and customers. The relationship

between system approach to knowledge management and the effectiveness of the company or its competitive position seems to be less obvious to the respondents.

Considering understanding the concept of knowledge management according to other criteria, the ownership capital (type of equity) seems to be a main contributor (Table 5.1.). More companies with Polish capital point to employee-skill improvement and higher employee satisfaction (55.4% compared to 38.3% of respondents from companies with foreign capital) and to higher level of competitiveness (respectively 48.2% vs. 29.4%). For companies with foreign capital, improvement of processes and procedures (47.1% to 38.6%) and increase in the attractiveness of the company to job candidates (35.3% to 25.3%) played more important role. This may indicate that organizational structures are already well developed and even advanced and that knowledge management is located in different organizational silos. It may show that companies put greater and smaller emphasis on developing this area. This is important, as knowledge management plays role not only in streamlining operations, but also in making the work environment more attractive to job candidates. Regardless of the financial context, the effectiveness of the company in this area can not, (according to most respondents), translate into its ability to generate innovation or is the result of organizational innovation. Every third respondent, regardless of equity type, thinks that a higher level of innovation efforts relates to knowledge management.

Table 5.1. Associations with knowledge management: ownership capital and operating range (in %)

Factors	Ownership capital		Scope of operation		
	Polish	Foreign	International	National	Regional
Processes and procedures improvement	38,6	47,1	41,2	41,9	28
Increasing skills and employee satisfaction	55,4	38,2	39,2	54,8	68
Customer satisfaction increase	47,6	55,9	47,1	50,8	44
The company is more attractive to job candidates	25,3	35,3	27,5	23,4	44
Business development	31,9	23,5	31,4	31,5	24
Innovativeness increase	31,3	35,3	35,3	32,3	24
Competitiveness increase	48,2	29,4	27,5	52,4	44
Use of information and communication technologies	16,3	14,7	31,4	11,3	8
Collaboration based culture	4,2	11,8	13,7	0,8	12

Source: As for Fig. 5.1.

Analysis of responses by scope of operation did not bring any surprises (Table 5.1.). Regardless of whether the respondents came from entities operating on larger or smaller scale, the focus stayed more or less the same. They share similar associations. Focus on employees is perhaps more typical for companies with regional and national scope, as well as appreciation of higher level of competitiveness, but still there are not distinct patterns of perception of knowledge management. These results may seem surprising given quite different conditions of operating on a regional, national and international scale. The complexity of these markets, intensity of competition and homogeneity of consumer preferences require a different approach to the management of every single case. Therefore the assumption, that expansion calls for the need of better knowledge management seems reasonable. However this connection did not stand out from the research. It is a pity because the need of better knowledge management can increase the chances of better use of the organization potential and being more successful in the international arena.

Similarly, relatively few differences can be spotted while analyzing the answers referring to the industry in which companies operate. This might evoke some questions as the other needs related to the flow of information, building the organizational "wisdom", organizational learning processes design and monitoring could suggest a different approach to management (Table 5.2.). For service providers the most important is the level of customer satisfaction and the ability to improve processes and procedures, while trading companies bet on employee satisfaction and competitiveness. A very small percentage of companies perceive knowledge management from the perspective of organizational culture, especially the culture focused on collaboration, which could have far-reaching consequences in terms of possible diffusion of knowledge within the company, solutions developed in cross-functional teams and implementation of open work systems.

The youngest companies expect the most out of knowledge management systems (Table 5.2.). In this research pool these are companies that are present in the market for less than 4 years. These companies have to deal with the whole range of challenges, which makes them look for opportunities in internal and external environment – they search for possible positive intra-organizational changes and for improved external relationships. Regarding entities of longer longevity in the market these companies have more extreme and contradictory associations with knowledge management. This group is clear about what it expects: higher customer satisfaction (100%), and every second respondent links knowledge management to the use of ICT solutions, higher level of competitiveness, business development and improvement employees skills.

Table 5.2. Associations with knowledge management: sector and company longevity (in %)

Factors	Type of operation			Longevity		
	Production	Trade	Services	Up to 4 lat	4-8 years	Above 8 years
Processes and procedures improvement	32,3	30,4	56,5	0,0	23,5	42,0
Increasing skills and employee satisfaction	50,0	56,5	50,7	50,0	70,6	50,8
Customer satisfaction increase	46,8	40,6	59,4	100,0	41,2	49,2
The company is more attractive to job candidates	24,2	31,9	24,6	0,0	17,6	28,2
Business development	37,1	18,8	36,2	50,0	29,4	30,4
Innovativeness increase	38,7	43,5	14,5	0,0	35,3	32,0
Competitiveness increase	46,8	50,7	37,7	50,0	64,7	43,1
Use of information and communication technologies	21,0	24,6	2,9	50,0	17,6	15,5
Collaboration based culture	3,2	2,9	10,1	0,0	0,0	6,1

Source: As for Fig. 5.1.

As for the comparison of medium-sized and large companies, it should be noted that the former group prefers “softer” approach. Their attention focused on employees and customers, and was least connected to the area of knowledge management (Table 5.3.). In case of large enterprises, the „cultural” factor did not “stand out” from all the other answers so blatantly (for example, in comparison to information and communication solutions or innovation efforts), but most of them points to improved processes and procedures (58.8%).

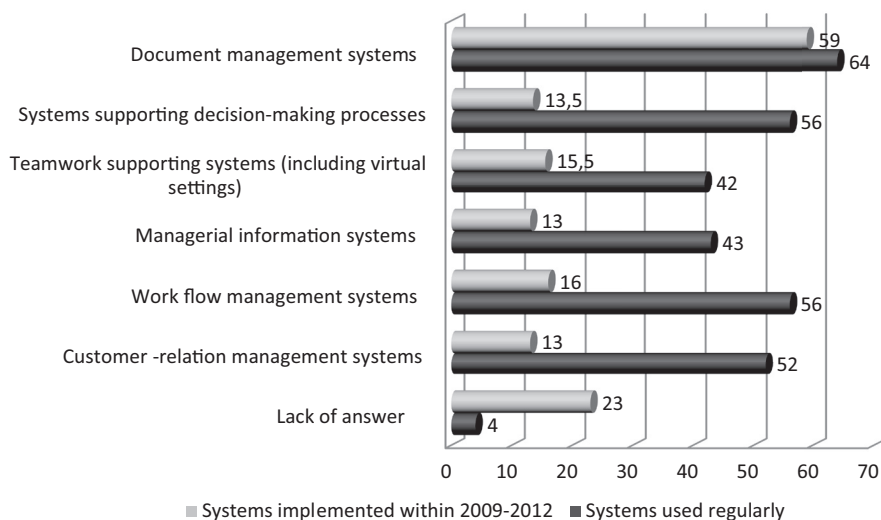
Another research question aimed at determining whether knowledge management systems that serve further business enhancement have been used regularly or maybe they have been implemented for the first time in the period of 2009–2012. Making such a distinction was vital if we reflect on research hypotheses. It helped to determine whether the initiatives, undertaken by companies, could be considered innovative, novel, or if the companies have been using more advanced and comprehensive solutions in the field of knowledge management for much longer period of time. Fig. 5.2. benchmarked two periods. In this case, the respondents marked more than one answer.

Table 5.3. Associations with knowledge management: number of employees and company turnover (in %)

Factors	Number of employees		Turnover		
	50–249 persons	Above 249	Up to 5 m PLN	50–100 m PLN	Above 100 m PLN
Processes and procedures improvement	36,1	58,8	29,9	43,7	50
Increasing skills and employee satisfaction	55,4	38,2	59,7	48,5	50
Customer satisfaction increase	48,8	50,0	55,2	46,6	43,3
The company is more attractive to job candidates	23,5	44,1	20,9	25,2	46,7
Business development	30,1	32,4	28,4	29,1	40
Innovativeness increase	34,9	17,6	25,4	37,9	26,7
Competitiveness increase	48,8	26,5	47,8	49,5	23,3
Use of information and communication technologies	16,9	11,8	19,4	14,6	13,3
Collaboration based culture	3,6	14,7	9	4,9	0

Source: As for Fig. 5.1.

Fig. 5.2. Knowledge management systems that support business development and improvement – applied on a regular basis or for the first time in the period 2009–2012 (in %)



Source: As for Fig. 5.1.

The analysis of this figure shows that the majority of companies used the indicated knowledge management systems on a regular basis. They did not consider them as novelties or innovations. Unusually high number of indications concerning “lack of answer” in relation to the original implementation in the period 2009–2012 might prove this trend. This is a good news. It reflects a high degree of systems adaptation and assimilation in the organizational context. Those systems tend to enable or facilitate conducting business and they apply for work flow management and support decision-making processes. More than half of respondents use these types of tools. The least used are teamwork support systems (including virtual settings) (42%) and managerial information systems (43%).

Table 5.4. Knowledge management systems that support business development and improvement – applied on a regular basis or for the first time within 2009–2012: ownership capital (in %)

Factors	Systems applied on a regular basis		Systems implemented within 2009–2012	
	Ownership capital			
	Polish capital	Foreign capital	Polish capital	Foreign capital
Document management systems	65,1	58,8	22,9	23,5
Systems supporting decision-making processes	58,4	44,1	10,8	23,5
Teamwork supporting systems (including virtual settings)	45,2	26,5	13,9	26,5
Managerial information systems	40,4	55,9	12,0	17,6
Work flow management systems	57,2	50,0	13,3	26,5
Customer-relation systems	51,2	55,9	12,7	17,6
Lack of answer	3,6	5,9	60,8	50,0

Source: As for Fig. 5.1.

On the other hand, taking into account other criteria (Table 5.4.), different patterns emerged. Companies with Polish capital tended to rely more on systems supporting decision-making processes (58.4% of them admit this in comparison to 44.1% of companies with foreign capital) and teamwork supporting systems (45.2% vs. 26.5%). Those with foreign capital turned more to managerial information systems (55.9% versus 40.4%). These results relate to the systems applied on a regular basis, which means that they did not wear signs of innovations generated within the last three years, and this may indicate also some practical experience in implementing those systems. As a consequence, it may prove higher applica-

tion efficiency. It also permits to assume that present knowledge management processes are already established and perpetuated practice, which companies will “refresh”, modify or substitute with something new in a shorter period. And this observation may lead to the implementation of new solutions in this field.

Among companies differentiated due to the time of being in the market, the youngest stand out (Table 5.5.). Respondents from these companies were consistent when admitting that they use teamwork supporting systems. It is even more meaningful when taking into account systems of supporting virtual work. This may indicate that these companies recognize the importance of being present both in real and virtual world as well as the potential of engaging employees in both these areas. It may also mean that they recognized the value of cooperation, which might result in developing the ability to adapt faster and be more flexible in responding to market changes. From the perspective of human resources departments there arises interesting question whether companies are more open to flexible forms of work such as telework that can live up their image as employers and better meet the expectations of millennial-employees. Much smaller differences could have been spotted among companies that have established market position for over 4 year or even longer, but still, we can point out that the former group makes greater use of systems supporting decision-making processes (76.5% vs. 54.1%), and the latter – customer-relation management systems (54.1% versus 29.4%).

Table 5.5. Knowledge management systems that support business development and improvement – applied on a regular basis or for the first time within 2009–2012: company longevity (in %)

Factors	Systems used regularly			Systems implemented within 2009–2012		
	Longevity					
	Up to 4 years	4–8 years	above 8 years	Up to 4 years	4–8 years	Above 8 years
Document management systems	0,0	64,7	64,6	0,0	5,9	24,9
Systems supporting decision-making processes	50,0	76,5	54,1	50,0	17,6	12,2
Teamwork supporting systems (including virtual settings)	100,0	41,2	41,4	0,0	5,9	17,1
Managerial information systems	0,0	35,3	44,2	0,0	0,0	14,4
Work flow management systems	0,0	52,9	56,9	0,0	11,8	16,0
Customer-relation systems	50,0	29,4	54,1	0,0	11,8	13,8
Lack of answer	0,0	0,0	4,4	50,0	64,7	58,6

Source: As for Fig. 5.1.

Operating range seems to affect the number of applied knowledge management systems that aim at streamlining and mastering business operations (Table 5.6.). According to the survey, firms with national range rely a little bit more on a wider range of systems than companies operating on a regional level, and the comparison with international actors also falls in their favor. Surprisingly, the international players presented the lowest regular activity in this field. It would seem that the larger the scale of operations, the larger the need to manage documents and files, work flows consistently and systematically. However, this did not prove true for the researched pool of enterprises. Only when monitoring the flow of managerial information, international companies were leading (these systems were used by 54.9% of international companies in comparison to 37.9% of national and 44% of regional firms).

Table 5.6. Knowledge management systems that support business development and improvement – applied on a regular basis or for the first time within 2009–2012: scope of operation (in %)

Factors	Systems used regularly			Systems implemented within 2009–2012		
	Scope of operation					
	International	National	Regional	International	National	Regional
Document management systems	47,1	70,2	68,0	39,2	18,5	12,0
Systems supporting decision-making processes	41,2	64,5	44,0	25,5	8,9	8,0
Teamwork supporting systems (including virtual settings)	45,1	37,9	56,0	17,6	16,1	12,0
Managerial information systems	54,9	37,9	44,0	25,5	8,9	8,0
Work flow management systems	43,1	62,9	48,0	23,5	8,1	36,0
Customer-relation systems	52,9	49,2	64,0	19,6	11,3	12,0
Lack of answer	5,9	3,2	4,0	41,2	66,1	60,0

Source: As for Fig. 5.1.

Table 5.7. Knowledge management systems that support business development and improvement – applied on a regular basis or for the first time within 2009–2012: number of employees (in %)

Factors	Systems used regularly		Systems implemented within 2009–2012	
	Number of employees			
	50–249 persons	Above 249	50–249 persons	Above 249
Document management systems	68,1	44,1	19,9	38,2
Systems supporting decision-making processes	57,8	47,1	11,4	20,6
Teamwork supporting systems (including virtual settings)	46,4	20,6	12,7	32,4
Managerial information systems	45,2	32,4	9,0	32,4
Work flow management systems	61,4	29,4	13,3	26,5
Customer-relation systems	56,6	29,4	10,8	26,5
Lack of answer	2,4	11,8	58,4	61,8

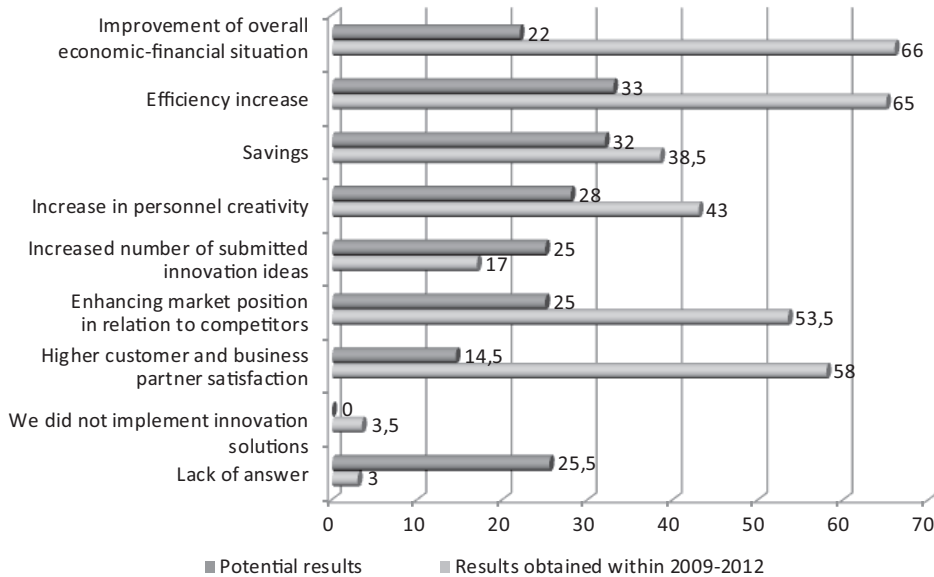
Source: As for Fig. 5.1.

On the other hand, the size of the enterprise makes it easy to conclude that much more medium than large companies applied knowledge management systems and used them on a regular basis (Table 5.7.).

5.3. Results of applying innovation solutions in the field of information resources management

The logical consequence of previous questions was to ask about the perceived benefits of applied innovation solutions. A significant number of respondents observed more than one type of positive effects of implementing innovative solutions. These effects occurred in the period 2009–2012. Given that, the majority of respondents admitted to use knowledge management systems on a regular basis (and they did not use the term “innovation” here) it can be assumed that this situation stems from a long-term approach and consistent application of these systems. It is worth noting that far fewer respondents indicated the same results of applying innovation solutions in terms of potential of such solutions. Thus, even though the companies experienced positive effects, they did not regard them as incentives or motives to introducing knowledge management systems. Fig. 5.3 illustrates this unusual comparison.

Fig. 5.3. Results observed within 2009–2012 or those that could be observed (potential) as a consequence of implementing innovation solutions or tools in the field of information resources management (in %)



Source: As for Fig. 5.1.

The effects that occurred most frequently in the pool of researched companies included: improvement of overall economic-financial situation (66%), higher efficiency (65%), higher customer and business partner satisfaction (58%) and stronger market position in relation to competitors (53.5%). 43% of companies observed an increase in creativity of employees as a result of implementing innovative solutions in the area of information resources management, which would seem to reflect positive organizational changes, proving perhaps some enhancements. On the other hand, only 17% respondents reported higher number of submitted innovation ideas, which unfortunately contradicts the assumption that innovation in one organizational area fuels innovation in others.

Taking into account other criteria for the research sample diversification, it can be noted that companies with Polish capital experienced relatively more positive effects that occurred in the period 2009–2012 as a result of implementing innovative solutions in the area of information resources management (Table 5.8.). Stronger market position in relation to competitors, higher efficiency, higher number of submitted innovation ideas, higher creativity of staff and improve-

ment of overall economic-financial situation these were the factors indicated on average by 1% more of companies with Polish capital – in terms of other benefits, the differences are minimal.

Table 5.8. Results observed within 2009–2012 or those that could be observed (potential) as a consequence of implementing innovation solutions or tools in the field of information resources management: ownership capital (in %)

Factors	Results observed within 2009–2012		Potential results	
	Ownership capital			
	Polish capital	Foreign capital	Polish capital	Foreign capital
Improvement of overall economic-financial situation	65,1	70,6	21,1	26,5
Efficiency increase	66,3	58,8	31,3	41,2
Savings	38,6	38,2	29,5	44,1
Personnel creativity increase	44,0	38,2	24,1	47,1
Increased number of submitted innovation ideas	18,1	11,8	25,3	23,5
Enhancing market position in relation to competitors	55,4	44,1	23,5	32,4
Higher customer and business partner satisfaction	57,8	58,8	14,5	14,7
We did not implement innovative solutions	3,0	5,9	-	-
Lack of answer	3,0	2,9	27,7	14,7

Source: As for Fig. 5.1.

Larger disparities prevailed considering scope of operation (Table 5.9.). For example, 60% of companies operating on regional level achieved savings due to innovative information solutions, compared to 38.7% of national and 27.5% of international companies. In the same way, 57.3% of national and 56.0% of regional companies strengthened their market positions in relation to competitors, while only 43.1% of internationals managed to do the same. What is surprising, 7.8% of international companies admitted that they did not introduce innovative solutions in the area of knowledge management – the same opinion was expressed by 4.0% of regional firms 1.6% of domestic companies.

Table 5.9. Results observed within 2009–2012 or those that could be observed (potential) as a consequence of implementing innovation solutions or tools in the field of information resources management: operating range (in %)

Factors	Results obtained within 2009–2012			Potential results		
	Scope of operation					
	International	National	Regional	International	National	Regional
Improvement of overall economic-financial situation	68,6	64,5	68,0	31,4	20,2	12,0
Efficiency increase	58,8	69,4	56,0	43,1	30,6	24,0
Savings	27,5	38,7	60,0	52,9	24,2	28,0
Personnel creativity increase	47,1	40,3	48,0	33,3	25,8	28,0
Increased number of submitted innovation ideas	15,7	17,7	16,0	23,5	26,6	20,0
Enhancing market position in relation to competitors	43,1	57,3	56,0	31,4	25,0	12,0
Higher customer and business partner satisfaction	52,9	61,3	52,0	19,6	12,9	12,0
We did not implement innovative solutions	7,8	1,6	4,0	-	-	-
Lack of answer	3,9	3,2	0,0	9,8	29,0	40,0

Source: As for Fig. 5.1.

Certainly, it is not surprising that the business sector also affects the perceived and achieved benefits of implementing processes rooted in the area of knowledge management (Table 5.10.). For example, 72.6% of manufacturing, 65.2% of service and 60.9% of trading companies improved the overall economic and financial situation. On the other hand, 55.1% of service companies generated savings in comparison to 34.8% of trading and 24.2% of production companies.

The scale of the results achieved is not always magnified by the longevity of companies (Table 5.11.). Although this interdependence might prove true in the context of overall economic and financial situation, of higher efficiency, stronger market position in relation to competitors or savings, it is much less clear when it comes to creativity and the number of reported innovative ideas that directly relate to the knowledge resources and organizational competence.

5.3. Results of applying innovation solutions in the field of information resources management

Table 5.10. Results observed within 2009–2012 or those that could be observed (potential) as a consequence of implementing innovation solutions or tools in the field of information resources management: sector (in %)

Factors	Results observed within 2009–2012			Potential results		
	Type of operation					
	Production	Trade	Services	Production	Trade	Services
Improvement of overall economic-financial situation	72,6	60,9	65,2	27,4	11,6	27,5
Efficiency increase	67,7	68,1	59,4	37,1	20,3	42,0
Savings	24,2	34,8	55,1	29,0	42,0	24,6
Personnel creativity increase	45,2	36,2	47,8	29,0	20,3	34,8
Increased number of submitted innovation ideas	22,6	14,5	14,5	27,4	30,4	17,4
Enhancing market position in relation to competitors	58,1	50,7	52,2	22,6	23,2	29,0
Higher customer and business partner satisfaction	58,1	58,0	58,0	14,5	15,9	13,0
We did not implement innovative solutions	3,2	2,9	4,3	-	-	-
Lack of answer	3,2	2,9	2,9	27,4	34,8	14,5

Source: As for Fig. 5.1.

Table 5.11. Results observed within 2009–2012 or those that could be observed (potential) as a consequence of implementing innovation solutions or tools in the field of information resources management: company longevity (in %)

Factors	Results observed within 2009–2012			Potential results		
	Longevity					
	Up to 4 years	4–8 years	Above 8 years	Up to 4 years	4–8 years	Above 8 years
Improvement of overall economic-financial situation	0,0	52,9	68,0	50,0	11,8	22,7
Efficiency increase	0,0	58,8	66,3	50,0	17,6	34,3
Savings	0,0	29,4	39,8	50,0	23,5	32,6
Personnel creativity increase	0,0	11,8	46,4	50,0	29,4	27,6
Increased number of submitted innovation ideas	0,0	23,5	16,6	0,0	23,5	25,4
Enhancing market position in relation to competitors	0,0	47,1	54,7	0,0	23,5	25,4

Factors	Results observed within 2009–2012			Potential results		
	Longevity					
	Up to 4 years	4–8 years	Above 8 years	Up to 4 years	4–8 years	Above 8 years
Higher customer and business partner satisfaction	50,0	70,6	56,9	100,0	11,8	13,8
We did not implement innovative solutions	0,0	0,0	3,9	-	-	-
Lack of answer	50,0	0,0	2,8	0,0	47,1	23,8

Source: As for Fig. 5.1.

In the light of these analyzes further investigations relating to the tools used on regular basis or occasionally should be undertaken.

5.4. Degree of using information and communication solutions

Given the technological progress and assuming that the adaptation of modern technology is a prerequisite for competitiveness and operational efficiency, it became important to estimate and verify the “participation” of ICT solutions in the daily work of companies. This problem was captured in a separate survey question that was linked to specific ICT tools. Table 5.12 illustrates the frequency of their use.

It is not surprising now that 99% of respondents regularly used the Internet, and 97.5% – also regularly used e-mail. Also, document flow systems, databases and data warehouses were useful in their daily work which was admitted respectively by 70.5% and 61% of respondents. This may indicate that they pay attention to organizing the available data which in the age of information overload and the need to develop the capacity to select information makes sense and has additional meaning. What is less obvious, every second company did not build an intranet system that facilitates the exchange of information between different units and departments, as well as stimulated networking between teams and across organizational boundaries (cross-team and cross functional impact). It seems as a major overlooking and underusing huge organizational potential, especially considering that the cost of creating an intranet is relatively low. Even smaller percentage of companies did work in the mode of teleconferences and videoconferences, although these tools accelerated the exchange of information and as a result of making

business decisions, and they also permitted to overcome barriers of geographical distance between separate divisions and organizational units.

Table 5.12. Use of information and communication solutions and tools in everyday work – in general

OVERALL in %	Internet	Document flow systems	Intranet	Management supporting systems	Teleconferences
TOTAL	100,0	100,0	100,0	100,0	100,0
Regularly	99,0	70,5	22,0	55,0	22,0
Occasionally	1,0	23,0	24,5	28,5	22,5
At all	0,0	4,5	50,0	13,5	52,0
Lack of answer	0,0	2,0	3,5	3,0	3,5

OVRALL in %	E-mail	Databases and data warehouses	CRM systems	Videoconferences	Extranet
TOTAL	100,0	100,0	100,0	100,0	100,0
Regularly	97,5	61,0	38,5	18,5	14,5
Occasionally	1,0	27,0	28,5	23,0	24,5
Not at all	1,0	9,5	31,0	55,0	57,0
Lack of answer	0,5	2,5	2,0	3,5	4,0

Source: As for Fig. 5.1.

With reference to the first question, it can be said that the practice is incompatible with the theory. Although most respondents did not recognize ICT solutions as a sign of knowledge management, they use these tools in their daily work. So high implementation of some ICT solutions (every second respondent admitted their company applied management supporting systems on a regular basis) permitted positively assess trends in this area. Perhaps this is necessitated by external conditions or maybe new standards in the field of knowledge management are imposed to maintaining market position. Only moving to a higher level of technological advancement can guarantee a competitive advantage.

On the other hand, if the criterion of sample differentiation is ownership capital (Table 5.13.) or scope of operation (Table 5.14.), much smaller differences can be spotted in the use of certain ICT solutions in daily work. It is true for the Internet, e-mail, databases and data warehouses, CRM systems. 98.4% of national and 88% of regional companies used document workflow systems on a regular

basis or occasionally. 17.6% of companies with foreign capital did not rely on these systems at all and 64.7% did so regularly (in comparison to 1.8% of companies with Polish capital that did not do it, and 71.7% of them that did so on a regular basis). Also 53.6% of companies with Polish capital did not design intranet, and 18.1% did so regularly (compared to 32.4% of companies with foreign capital that did not do it at all, and 41.2% that did so regularly).

Table 5.13. Use of information and communication solutions and tools in everyday work: ownership capital (in %)

in %	Internet		Document flow system		Intranet		Management supporting systems	
	Polish capital	Foreign capital	Polish capital	Foreign capital	Polish capital	Foreign capital	Polish capital	Foreign capital
TOTAL	100,0	100,0	100,0	99,9	100,0	100,0	100,0	100,0
Regularly	98,8	100,0	71,7	64,7	18,1	41,2	53,6	61,8
Occasionally	1,2	0,0	25,9	8,8	25,9	17,6	28,3	29,4
Not at all	0,0	0,0	1,8	17,6	53,6	32,4	15,1	5,9
Lack of answer	0,0	0,0	0,6	8,8	2,4	8,8	3,0	2,9

in %	Teleconferences		E-mail		Databases and data warehouses		CRM systems	
	Polish capital	Foreign capital	Polish capital	Foreign capital	Polish capital	Foreign capital	Polish capital	Foreign capital
TOTAL	100,0	100,0	100,0	99,9	99,9	100,0	99,9	100,0
Regularly	18,1	41,2	98,2	94,1	61,4	58,8	37,3	44,1
Occasionally	21,7	26,5	1,2	0,0	27,7	23,5	29,5	23,5
Not at all	56,6	29,4	0,6	2,9	9,0	11,8	31,9	26,5
Lack of answer	3,6	2,9	0,0	2,9	1,8	5,9	1,2	5,9

in %	Videoconferences		Extranet	
	Polish capital	Foreign capital	Polish capital	Foreign capital
TOTAL	100,0	100,0	99,9	100,0
Regularly	14,5	38,2	10,8	32,4
Occasionally	22,3	26,5	24,7	23,5
Not at all	60,2	29,4	61,4	35,3
Lack of answer	3,0	5,9	3,0	8,8

Source: As for Fig. 5.1.

Table 5.14. Use of information and communication solutions and tools in everyday work: scope of operation (in %)

in %	Internet			Document flow system			Intranet		
Scope of operation	international	national	regional	international	national	regional	international	national	regional
TOTAL	100,0	100,0	100,0	99,9	100,0	100,0	100,0	99,9	100,0
Regularly	100	99,2	96,0	62,7	70,2	88,0	37,3	16,9	16,0
Occasionally	0,0	0,8	4,0	17,6	28,2	8,0	13,7	28,2	28,0
Not at all	0,0	0,0	0,0	13,7	1,6	0,0	43,1	52,4	52,0
Lack of answer	0,0	0,0	0,0	5,9	0,0	4,0	5,9	2,4	4,0

in %	Systems supporting management			Teleconferences			E-mail		
Scope of operation	international	national	regional	international	national	regional	international	national	regional
TOTAL	100,0	100,0	100,0	100,0	100,0	100,0	100,1	100,0	100,0
Regularly	51,0	57,3	52,0	35,3	17,7	16,0	96,1	98,4	96,0
Occasionally	39,2	23,4	32,0	33,3	19,4	16,0	0,0	0,8	4,0
Not at all	7,8	15,3	16,0	29,4	58,9	64,0	2,0	0,8	0,0
Lack of answer	2,0	4,0	0,0	2,0	4,0	4,0	2,0	0,0	0,0

in %	Databases and data warehouses			CRM systems			Videoconferences		
Scope of operation	international	national	regional	international	national	regional	international	national	regional
TOTAL	100,0	100,0	100,0	100,1	100,0	100,0	100,0	100,0	100,0
Regularly	60,8	58,9	72,0	47,1	35,5	36,0	37,3	11,3	16,0
Occasionally	29,4	28,2	16,0	27,5	29,8	24,0	29,4	21,8	16,0
Not at all	5,9	10,5	12,0	21,6	33,9	36,0	29,4	63,7	64,0
Lack of answer	3,9	2,4	0,0	3,9	0,8	4,0	3,9	3,2	4,0

in %	Extranet		
Scope of operation	international	national	regional
TOTAL	100,0	100,0	100,0
Regularly	25,5	9,7	16,0
Occasionally	33,3	21,0	24,0
Not at all	35,3	66,1	56,0
Lack of answer	5,9	3,2	4,0

Source: As for Fig. 5.1.

Looking towards international perspective, and benchmark practices in relation to operating range, it becomes visible that practices of international companies differed from the reality of national and regional companies. First of all, they used the intranet, teleconferences, videoconferences and extranet as ICT tools more often and for everyday purposes. This is coherent with experiences of firms clustered according to the criterion of type of equity. This may mean that local or regional companies when faced with foreign business have to adapt and adopt other ICT solutions. Perhaps they rely on these tools initially only in the relations with the external environment, but later on, they start to expand their technological reach within the whole organizational structures. Perhaps it is due to complexity of the international environment that companies more easily adopt solutions that enhance their business activity in the lesser-known, more uncertain markets.

Looking at the distribution of responses considering longevity, it can be observed that companies with over 8-year market experience more often used document workflow systems (69.1% of them used them on a regular basis) and management supporting systems (54.7%) than CRM systems (39.2%). As it could have been expected intranet, teleconferences and videoconferences were used in a limited way - less than every fifth respondent relied on them (Table 5.15.).

Table 5.15. Use of information and communication solutions and tools in everyday work: longevity of a company (in %)

in %	Internet			Document flow system			Intranet		
	Up to 4 years	4-8 years	Above 8 years	Up to 4 years	4-8 years	Above 8 years	Up to 4 years	4-8 years	Above 8 years
Company longevity									
TOTAL	100,0	100,0	100,0	100,0	100,0	100,1	100,0	99,9	99,9
Regularly	100	100	98,9	100,0	82,4	69,1	50,0	23,5	21,5
Occasionally	0,0	0,0	1,1	0,0	17,6	23,8	0,0	52,9	22,1
Not at all	0,0	0,0	0,0	0,0	0,0	5,0	0,0	23,5	53,0
Lack of answer	0,0	0,0	0,0	0,0	0,0	2,2	50,0	0,0	3,3

in %	Systems supporting management			Teleconferences			E-mail		
	Up to 4 years	4-8 years	Above 8 years	Up to 4 years	4-8 years	Above 8 years	Up to 4 years	4-8 years	Above 8 years
Company longevity									
TOTAL	100,0	100,0	100,1	100,0	100,0	100,1	100,0	100,0	100,0
Regularly	0,0	64,7	54,7	0,0	17,6	22,7	100,0	100,0	97,2
Occasionally	0,0	11,8	30,4	50,0	5,9	23,8	0,0	0,0	1,1

5.4. Degree of using information and communication solutions

Not at all	50,0	23,5	12,2	0,0	76,5	50,3	0,0	0,0	1,1
Lack of answer	50,0	0,0	2,8	50,0	0,0	3,3	0,0	0,0	0,6

in %	Databases and data warehouses			CRM systems			Videoconferences		
Company longevity	Up to 4 years	4–8 years	Above 8 years	Up to 4 years	4–8 years	Above 8 years	Up to 4 years	4–8 years	Above 8 years
TOTAL	100,0	100,0	100,0	100,0	100,0	100,0	100,0	99,9	100,0
Regularly	0,0	47,1	63,0	0,0	35,3	39,2	0,0	17,6	18,8
Occasionally	0,0	35,3	26,5	0,0	41,2	27,6	50,0	23,5	22,7
Not at all	50,0	17,6	8,3	50,0	23,5	31,5	0,0	58,8	55,2
Lack of answer	50,0	0,0	2,2	50,0	0,0	1,7	50,0	0,0	3,3

in %	Extranet		
Company longevity	Up to 4 years	4–8 years	Above 8 years
TOTAL	100,0	99,9	100,1
Regularly	0,0	17,6	14,4
Occasionally	0,0	17,6	25,4
Not at all	50,0	64,7	56,4
Lack of answer	50,0	0,0	3,9

Source: As for Fig. 5.1.

Table 5.16. Use of information and communication solutions and tools in everyday work: number of employees (in %)

in %	Internet		Document flow systems		Intranet		Systems supporting management	
Number of employees	50–249 persons	Above 249	50–249 persons	above 249	50–249 persons	above 249	50–249 persons	above 249
TOTAL	100,0	100,0	100,0	100,0	100,0	99,9	100,0	99,9
Regularly	98,8	100,0	75,3	47,1	20,5	29,4	54,8	55,9
Occasionally	1,2	0,0	22,3	26,5	25,9	17,6	26,5	38,2
Not at all	0,0	0,0	1,8	17,6	51,2	44,1	15,7	2,9
Lack of answer	0,0	0,0	0,6	8,8	2,4	8,8	3,0	2,9

in %	Teleconferences		E-mail		Databases and data warehouse		CRM systems	
Number of employees	50–249 persons	Above 249	50–249 persons	above 249	50–249 persons	above 249	50–249 persons	Above 249
TOTAL	100,0	100,0	100,0	99,9	99,9	100,0	100,0	100,0
Regularly	20,5	29,4	98,2	94,1	60,2	64,7	38,6	38,2
Occasionally	18,7	41,2	1,2	0,0	27,7	23,5	28,9	26,5
Not at all	57,2	26,5	0,6	2,9	10,2	5,9	31,3	29,4
Lack of answer	3,6	2,9	0,0	2,9	1,8	5,9	1,2	5,9

in %	Videoconferences		Extranet	
Number of employees	50–249 persons	Above 249	50–249 persons	Above 249
TOTAL	100,0	100,0	100,0	100,1
Regularly	18,7	17,6	15,1	11,8
Occasionally	19,3	41,2	19,9	47,1
Not at all	59,0	35,3	62,0	32,4
Lack of answer	3,0	5,9	3,0	8,8

Source: As for Fig. 5.1.

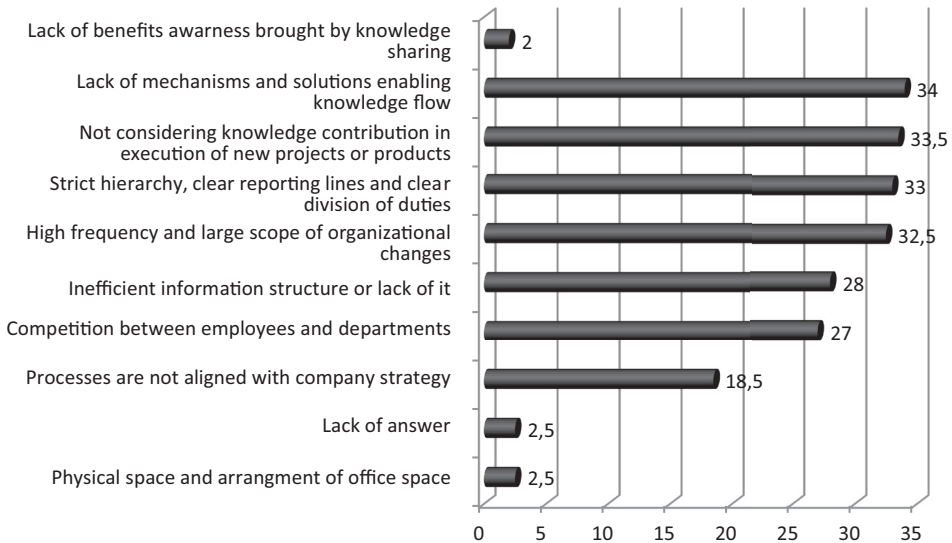
However, the size of the company determined by the number of employees did not affect the scale and various ICT solutions frequency of use (Table 5.16.).

5.5. Factors impeding knowledge sharing processes and information resources management

Once analyzing the degree of implementing specific knowledge management systems and the reasons why introducing those systems in the company could result in some benefits, barriers can not be ignored that impede knowledge sharing between employees (Fig. 5.4.).

The most frequently cited barrier (mentioned by 45.5% of respondents) was the lack of awareness of benefits of information sharing. The smallest importance was attributed to physical design and arrangement of the office space (2.5%), despite the lively discussions on advantages of open space layouts over traditional ones which are divided into smaller cells and rooms. Contrary to what might be felt, spatial arrangement of offices and facilities may carry magnitude internal labor divisions and flourish subcultures or create the atmosphere of creativity and strengthen cross functional relations.

Fig. 5.4. Barriers of knowledge sharing among employees



Source: As for Fig. 5.1.

Other features such as the lack of mechanisms or solutions enabling knowledge flow, strict hierarchy, high frequency and wide range of organizational changes were treated fairly equally. Despite the common belief that Polish enterprises are insufficiently equipped in information infrastructure, the lack or inefficiency of it was seen as a barrier in the context of knowledge management by 28% of respondents. This situation can be assessed both in positive and negative aspect.

In case of other criteria, interesting observations include companies' distribution due to capital ownership, scope of operation and industry. It can be noted that more companies with foreign capital experienced the competition between employees and departments, strict hierarchy and not considering the input of knowledge in carrying out new projects or products. Firms with Polish capital complained more about lack of awareness of benefits of information sharing, lack of mechanisms enabling knowledge transfer, inefficient information structure, high frequency and wide range of organizational changes, the fact that information and communication processes are not aligned with corporate strategy (Table 5.17.).

Considering scope of operation, it can be noticed that 39.2% of internationals suffer from strict hierarchy and disregard of knowledge contribution in carrying out new projects or products. National and regional entities suffered from lack of awareness in terms of: benefits of information sharing, lack of mechanisms or

solutions enabling knowledge transfer, high frequency and wide range of organizational changes. Table 5.17 shows the distribution of responses across sectors.

Table 5.17. Barriers of knowledge sharing among employees: ownership capital and scope of operation (in %)

Factors	Ownership capital		Scope of operation		
	Polish capital	Foreign capital	International	National	Regional
Competition between employees and departments	24,7	38,2	27,5	28,2	20,0
Lack of benefits awareness brought by knowledge sharing	49,4	26,5	31,4	46,8	68,0
Lack of mechanisms and solutions enabling knowledge flow	36,1	23,5	23,5	37,9	36,0
Strict hierarchy, clear reporting lines and clear division of duties	27,7	58,8	39,2	30,6	32,0
Inefficient information structure or lack of it	29,5	20,6	23,5	32,3	16,0
Not considering knowledge input in carrying out new projects or products	32,5	38,2	39,2	34,7	16,0
High frequency and large scope of organizational changes	33,7	26,5	21,6	36,3	36,0
Processes not aligned with company strategy	19,9	11,8	17,6	16,1	32,0
Physical design and arrangement of the office space	3,0	0,0	3,9	2,4	0,0
Lack of answer	2,4	2,9	7,8	0,8	0,0

Source: As for Fig. 5.1.

On the other hand considering sector specific requirements and forces (Table 5.18.), it can be noted that services companies suffered the most from the lack of mechanisms and solutions enabling knowledge transfer and from disregard of knowledge contribution in carrying out new projects or products (43.5%). Trading enterprises pointed to the lack of benefits awareness of information sharing (55.1%), and in the case of production companies it is difficult to speak of a single, dominant barrier. However, the physical design and arrangement of the office space was declared an important factor enhancing or weakening knowledge transfer and learning processes only by production companies.

Table 5.18. Barriers of knowledge sharing among employees: sector and company longevity (in %)

Factors	Type of operation			Longevity		
	Production	Trade	Services	Up to 4 years	4–8 years	Above 8 years
Competition between employees and departments	24,2	17,4	39,1	0,0	0,0	29,8
Lack of benefits awareness brought by knowledge sharing	40,3	55,1	40,6	50,0	70,6	43,1
Lack of mechanisms and solutions enabling knowledge flow	32,3	14,5	55,1	50,0	5,9	36,5
Strict hierarchy, clear reporting lines and clear division of duties	30,6	33,3	34,8	100,0	35,3	32,0
Inefficient information structure or lack of it	21,0	27,5	34,8	0,0	5,9	30,4
Not considering knowledge input in carrying out new projects or products	37,1	20,3	43,5	0,0	29,4	34,3
High frequency and large scope of organizational changes	38,7	37,7	21,7	50,0	52,9	30,4
Processes not aligned with company strategy	21,0	23,2	11,6	0,0	35,3	17,1
Physical design and arrangement of the office space	8,1	0,0	0,0	0,0	0,0	2,8
Lack of answer	8,1	0,0	0,0	0,0	0,0	2,8

Source: As for Fig. 5.1.

Also medium-sized and large enterprises faced different challenges (Table 5.19). Every second respondent from mid-sized company declared lack of awareness of benefits of information sharing as the biggest obstacle while the majority of enterprises employing more than 249 employees suffered from disregard for knowledge contribution in carrying out new projects or products (considered by 61,8% of respondents in this group), and from strict hierarchy and clear reporting lines (50%).

Reflecting other potential risk factors for efficient and sustainable knowledge management like the organizational structure and layout should have been taken into consideration, organizational culture and interrelations with learning and knowledge sharing processes that link employees of different levels and departments. These factors that also may – depending on how they are shaped and perceived – inhibit knowledge transfer within the company or to stimulate this process. Table 5.20 illustrates the responses of the whole sample.

Table 5.19. Barriers of knowledge sharing among employees: number of employees and company turnover (in %)

Factors	Number of employees		Company Turnover		
	50–249 persons	above 249	Up to 50m PLN	50–100m PLN	Above 100m PLN
Competition between employees and departments	24,7	38,2	25,4	26,2	33,3
Lack of benefits awareness brought by knowledge sharing	50,0	23,5	53,7	42,7	36,7
Lack of mechanisms and solutions enabling knowledge flow	33,7	35,3	22,4	37,9	46,7
Strict hierarchy, clear reporting lines and clear division of duties	29,5	50,0	34,3	29,1	43,3
Inefficient information structure or lack of it	28,3	26,5	23,9	32	23,3
Not considering knowledge input in carrying out new projects or products	27,7	61,8	25,4	32	56,7
High frequency and large scope of organizational changes	32,5	32,4	43,3	33	6,7
Processes not aligned with company strategy	21,1	5,9	29,9	14,6	6,7
Physical design and arrangement of the office space	3,0	0,0	3	2,9	0
Lack of answer	3	0	0	2,9	6,7

Source: As for Fig. 5.1.

The answers depict rather a dull picture of the working environment created by Polish companies. All aspects of professional relationships, organizational culture, hierarchy, access to information received negative evaluations. 87.5% of the respondents did not experience any commitment of senior managers in the area of reinforcing knowledge management. This may weaken the behavior of their subordinates, because of the lack of leadership, lack of role models and probably also lack of incentives to engage in initiatives that seem to be underappreciated by the leaders. On the other hand, 76% of respondents felt that their companies are characterized by big power distance and non-participatory style of management which additionally reinforces the previous trend. As many as 89% of respondents disagreed with the statement that their companies consistently emphasize the importance of cooperation and facilitate the exchange of ideas between employees of different units and functional departments. It seems that the culture and practice of many companies did not include such vital elements as learning processes,

easy access to information and incentive systems designed to foster creativity – less than 20% of respondents worked in such fruitful environment.

Table 5.20. Statements – in general (in %)

Compliance with the statement:	Agree	Not agree	Total
	(in %)	(in %)	(in %)
There is visible engagement of senior managers in knowledge management processes	12,5	87,5	100,0
The importance of collaboration is constantly highlighted and exchange of ideas between employees of different departments and divisions facilitated	11,0	89,0	100,0
Knowledge management processes are efficiently applied because the company is advances technologically	27,0	73,0	100,0
Motivation systems and work reviews encompass the level of idea sharing	18,5	81,5	100,0
Learning processes are in the core of organizational culture	16,5	83,5	100,0
Employees at all levels of hierarchy are granted access to information	18,0	82,0	100,0
Low power distance and participative management style describe the company	24,0	76,0	100,0

Source: As for Fig. 5.1.

The situation is more complex depending on the sector and ownership capital. Regarding learning and knowledge sharing processes between personnel of different levels and departments, production companies face similar challenges as trading ones. Slightly better picture arises for service companies. The source of capital influenced respondent's assessment. Higher percentage of respondents from companies with Polish capital agreed with the statement that learning processes constitute important element of organizational culture, though they did not feel that their companies guarantee employees at all levels easy access to information or take into account the degree of sharing ideas in the process of building incentive schemes.

5.6. Conclusions

In the knowledge based economy information becomes the most valuable resource. But the mere possession of knowledge is not a big advantage today. The key to success is the ability to use it in a better than others do. The problem is that

knowledge management is a complex process. First of all, it is of interdisciplinary character and therefore responsibility for the knowledge management quality can not be placed on just one department. Similarly, this concept can not be understood only in terms of information systems building.

Analysis of the research results in relation to knowledge management in Polish medium and large companies did not bring surprising conclusions. Companies have a different perception of what is knowledge management, but it does not prevent them from implementing a number of ICT solutions. It is valued that a huge percentage of them use at least some of these tools regularly, and do not perceive them in terms of innovation efforts. This may positively verify the first hypothesis (H1. Polish companies use more and more different ICT solutions). The fact that foreign-owned companies and entities active in the international market used technologies far more, fully can prove that they adopted best practices in this field from abroad, while being exposed to different competitive factors or the demands placed for business partners.

It is less clear if the second hypothesis has been proved (H2. Generating innovation in the field of knowledge management leads to more efficient and effective business operation). Although it seems confirmed in this respect that the knowledge management provides more efficient and effective business operation, it is difficult to link the results of the study with the idea of implementing innovative solutions. Respondents felt more attached to the idea of applying various solutions and tools than recognition they are innovative. It seems they could not decide which work norms and behaviors could be named "innovative". Most respondents admitted that they use knowledge management systems on a regular basis, questioning if these implementations are innovations (generated in the period 2009–2012). This may mean that these practices are embedded in a long-term approach. However, a large part of companies that experienced positive results of implementing information resources management systems, benefited from them in multiple ways. They recognized financial, human, market benefits. It is a good sign that companies use fairly complex ICT solutions in their daily work, although the highest percentage uses the most popular solutions like the Internet and e-mail.

It needs to be admitted that these are very disturbing and worrying observations too. Organizational cultures, interpersonal work relationships, organizational structure and strict hierarchy described by the respondents did not facilitate nor foster business cooperation and learning processes. This stays in contradiction with the idea of modern knowledge management. Moreover, lack of commitment of senior management and failing to provide easy access to information to all

employees have negative consequences: they hinder organizational potential and diminish staff's creativity and therefore do not create favorable conditions for the formation of learning organizations, referred to by the third hypothesis (H3. If we consider how companies manage information resources and their approach towards knowledge management it can be stated that they aspire to be learning organizations and knowledge-based firms).

Representatives of the public sector continue to place great emphasis on a multi-faceted approach to the problem of slow development of digital Poland (in terms of infrastructure, social cohesion and efficient state) in national policy documents. They are aware of the need for actions involving society in the broader use of knowledge and information. Therefore, there is hope that the support received by Polish enterprises from the outside, as well as the pressure they face every day while dealing with various stakeholder groups, will result in better use of available information resources management systems and contribute to the development of Polish companies. In the long term, cultural changes should follow organizational and infrastructural transformations. And that should further open opportunities for more innovation.

Relational resources in the company development – a report of empirical research

6.1. Introduction

The most important in relational marketing is striving to understand customer needs and expectations. The process of resources integration is significant in order to provide consumers with the right products and services more effectively than the competition. For many companies, the use of relational resources is a key element for the success and economic growth, while others do not recognize their role in the process of business development.

Relational resources play a very important role in the modern economy. They are a source of information and – in a crowd of various goods – ensure that consumers identify both the company and expect that their products meet their requirements. Moreover, they facilitate internationalization of enterprises to enter new foreign markets faster than competitors who do not have recognizable brands. Key resources and competences, affect the level of perceived customer benefits, contributing to their increased satisfaction. They permit the company to build a positive image and a loyal customer base, which in turn allows to achieve and maintain a competitive advantage. Competitive advantage implies to provide to customers more value than competitors. Relational resources skillfully used in the enterprise contribute continuously to the company development, and thus to increase its value and creating the next or subsequent development of resources. Polish enterprises perceive the need to make between and intra-organizational connections. Polish businesses have many opportunities to create relationships and manage them.

In the surveyed study respondents were asked questions related to relational resources in the enterprise. The analysis of the use of relational resources in enterprises was undertaken, along with the use of innovative solutions. Moreover,

the analysis was enquiring whether relational management contributed to the development of business relations management. Research questions concerned marketing tools used in the enterprise and solutions in the field of relational resources. Additionally, respondents were asked which of the analysis and data concerned, described resources used in the surveyed companies. Then competencies and skills were analyzed to find out which are considered the most important and which relations are managed. Two research hypotheses were developed:

1. Companies more often use modern management relational tools.
2. Relational resources contribute to the creation of competencies and skills leading to the company development.

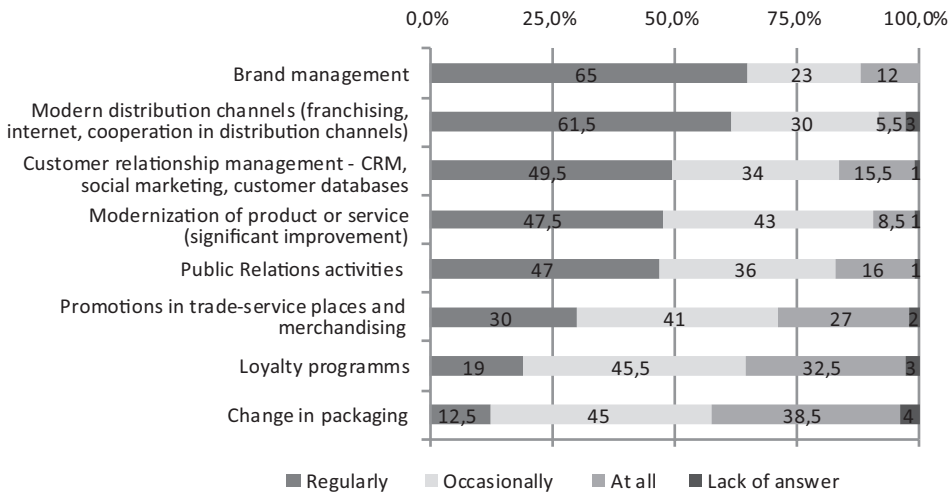
6.2 Relational resources used in the surveyed companies

When testing relational resources it was assumed that marketing tools were important in the enterprise, so firstly this category was analyzed. Surveyed companies indicated which tools they used regularly, occasionally, or they did not at all (Fig. 6.1). The research implies that most companies regularly applied: brand management (65% responses), modern distribution channels of products and services (61.5%) and customer relationship management (49.5%). It is quite surprising that the least, company regularly used such marketing tools, as loyalty programs (19%) and the change in packaging (12.5%). On the other hand, from the point of view of the tools that were used occasionally, it should be noted that the most commonly used were: loyalty programs (45.5%), changing packaging (45.0%) and the modernization of the product or service (43.0%) or those which were not used on a regular basis. On the basis of these data it could be concluded that the marketing tools used in businesses regularly and occasionally were complementary to each other. Further analysis also identified the tools that the surveyed companies did not use in their business. Most indications were received by change in packaging (38.5% responses) and loyalty programs (32.5%). It is worth noting that the most popular marketing tool was the use of brand management as part of creating relationships with the environment. Moreover, it can be noticed that regular customer relationship management was kept in less than 50% of the enterprises, which demonstrates the potential for growth in this category, in order to achieve global standards to build the relationship with customers and develop the company. The study has also showed that public relations activities are regularly used in 47% the enterprises, and occasionally in 36%. Along with the development of

awareness of these categories, companies will be more likely to benefit from the creation of the company's image through public relations.

As mentioned above, the analysis of the data due to the occasional use of marketing tools presents that the most popular categories were: the use of loyalty programs (45.5%) and the change in packaging (45%). This means that – so common in developed countries – activities that aim to offer the best offer in Poland were still occasionally used.

Fig. 6.1. Frequency of using marketing tools in the company (in %)



Source: As for Fig. 1.1.

In analyzing the results of empirical studies also certain indicators and dependences were noted that reflect relational resources management in enterprises (Table 6.1.). The study revealed a significant advantage of the marketing tools utilization in enterprises with foreign capital. In almost⁴ every category there were more indications of enterprises with foreign capital, which indicates that they used regularly marketing tools. Conversely, companies with Polish capital often indicated occasional use of most marketing tools.

Enterprises with foreign capital derived their experience from the countries they come from or their headquarters. Shareholders transferring best practices to the Polish market, indicated they attach a significant importance to relational resources in countries with a long experience of free market.

⁴ With the exception of change in packaging.

Table 6.1. Origin of ownership capital in companies using marketing tools (in %)

Factors	Frequency	Ownership capital	
		Polish capital	Foreign capital
Customer relationship management – CRM, social marketing, customer databases	regularly	45,8	67,6
	occasionally	34,9	29,4
	at all	18,1	2,9
Brand management	regularly	63,3	73,5
	occasionally	22,9	23,5
	at all	13,9	2,9
Public Relations activities	regularly	42,8	67,6
	occasionally	37,3	29,4
	at all	18,7	2,9
Modern distribution channels (franchising, internet, cooperation in distribution channels)	regularly	59,6	70,6
	occasionally	35,5	2,9
	at all	3,6	14,7
Loyalty programmes	regularly	16,3	32,4
	occasionally	50,0	23,5
	at all	32,5	32,4
Promotions in trade-service spot and merchandising	regularly	26,5	47,1
	occasionally	47,0	11,8
	at all	26,5	29,4
Modernization of the product and service (significant improvement)	regularly	41,6	76,5
	occasionally	48,2	17,6
	at all	10,2	0,0
Change in packaging	regularly	12,7	11,8
	occasionally	45,2	44,1
	at all	39,8	32,4

Source: As for Fig. 1.1.

The results have highlighted that joint stock companies regularly used marketing tools more heavily than companies representing other legal forms (Table 6.2). Only one case considered a higher use of brand management that concerns general partnership companies. The use of all other categories has been dominated by joint stock companies. The sources of these results can be a subject of consideration. Joint stock companies are largely companies with significant capital, resources and scope of operation, thereby using more often resources identifying

its importance and possible use in the company development. These companies also take care of relationships with stakeholders including shareholders, willing to use all available marketing tools to strengthen the company position.

Table 6.2. Regular use of marketing tools and legal form of the company (in %)

Factors	Form of company ownership			
	Ltd company	Joint stock company	General partnership company	Other
Customer relationship management – CRM, social marketing, customer databases	52,0	88,9	32,1	40,4
Brand management	60,8	61,1	82,1	65,4
Public Relations activities	51,0	72,2	50,0	28,8
Modern distribution channels (franchising, internet, cooperation in distribution channels)	67,6	77,8	57,1	46,2
Loyalty programmes	14,7	61,1	7,1	19,2
Promotions in trade-service spot and merchandising	21,6	61,1	39,3	30,8
Modernization of the product and service (significant improvement)	43,1	100,0	39,3	42,3
Change in packaging	5,9	22,2	17,9	19,2

Source: As for Fig. 1.1.

Table 6.3. Regular use of marketing tools and the number of employees (in %)

Factors	Number of employees	
	50–249	Above 249
Customer relationship management – CRM, social marketing, customer databases	47,6	58,8
Brand management	63,3	73,5
Public Relations activities	42,2	70,6
Modern distribution channels (franchising, internet, cooperation in distribution channels)	58,4	76,5
Loyalty programmes	16,3	32,4
Promotions in trade-service spot and merchandising	28,3	38,2
Modernization of the product and service (significant improvement)	45,8	55,9
Change in packaging	11,4	17,6

Source: As for Fig. 1.1.

The distribution of responses suggests, that as regards the size of the company, results clearly indicate that companies employing more than 249 employees more regularly used all categories of marketing tools. These data indicates that companies categorized as large, fully managed relationships with the environment (Table 6.3.). They have had the necessary structures and resources to use them.

It is also worth to indicate the relationships occurring between the use of marketing tools and company operation. Analyzing business diversity of companies using marketing tools it can be concluded that there were some variations in terms of significance, use of these marketing tools and the sector (Table 6.4).

Table 6.4. Used marketing tools and company operation (in %)

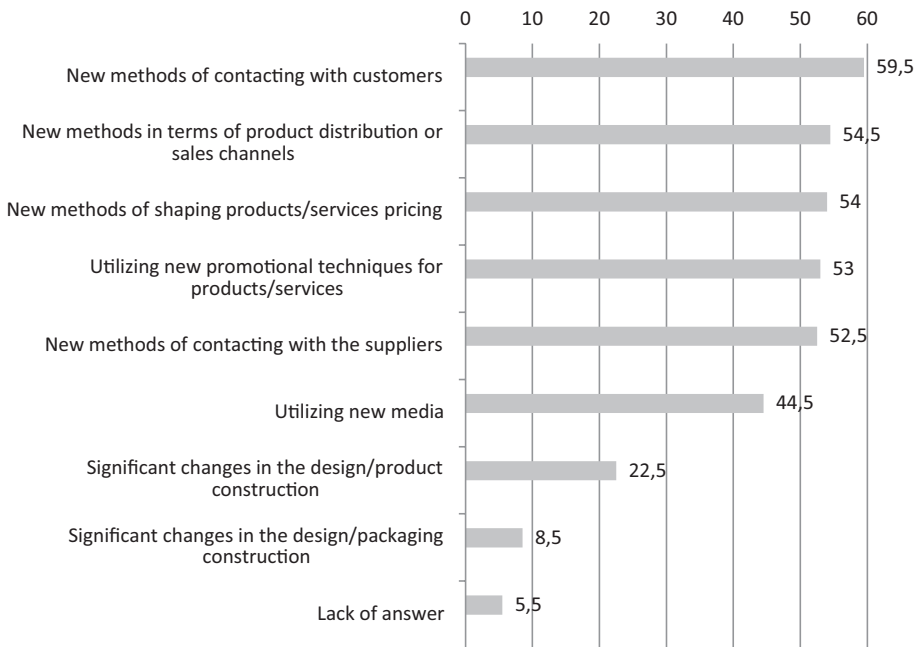
Factors	Frequency	Type of activity		
		Production	Trade	Services
Customer relationship management – CRM, social marketing, customer databases	regularly	56,5	44,9	47,8
	occasionally	33,9	43,5	24,6
	at all	9,7	11,6	27,5
Brand management	regularly	93,5	56,5	47,8
	occasionally	3,2	36,2	27,5
	at all	3,2	7,2	24,6
Public Relations activities	regularly	64,5	20,3	58,0
	occasionally	25,8	53,6	27,5
	at all	9,7	26,1	14,5
Modern distribution channels (franchising, internet, cooperation in distribution channels)	regularly	56,5	50,7	76,8
	occasionally	37,1	36,2	17,4
	at all	6,4	13,0	5,8
Loyalty programmes	regularly	12,9	23,2	20,3
	occasionally	64,5	29,0	44,9
	at all	22,6	47,8	34,8
Promotions in trade-service spot and merchandising	regularly	21,0	44,9	23,2
	occasionally	56,5	37,7	30,4
	at all	22,6	17,4	46,4
Modernization of the product and service (significant improvement)	regularly	35,5	49,3	56,5
	occasionally	53,2	47,8	29,0
	at all	11,3	2,9	14,5
Change in packaging	regularly	14,5	8,7	14,5
	occasionally	41,9	66,7	26,1
	at all	43,5	24,6	59,4

Source: As for Fig. 1.1.

It is worth to point out that production companies often regularly and occasionally used marketing tools, basing primarily on customer relationship management and brand management. Interestingly, service companies dominated in terms of regular use of new distribution channels (76.8% responses) and significant improvement of the product use (56.5%). It should also be pointed out that the service sector achieved high response rates indicating that specified marketing tools were not used at all in the company. The results highlighted that the trade sector used occasionally marketing tools but regularly the most companies were using loyalty programs and promotions at the point of sales.

One of the many research problems in the carried research was the area associated with the use of modern solutions concerned relational resources (Fig. 6.2) Analyzing the results of empirical research it can be seen that most of the companies regularly applied the following solutions regarding the use of new methods in the following areas: contacts with customers (59.5%), product distribution and channels of distribution (54.5%), shaping pricing of products/ services (54.0%), techniques products/services promotion (53.0%), contacts with suppliers (52.5%).

Fig. 6.2. Modern solutions related to relational resources use in companies (in %)



Source: As for Fig. 1.1.

The results indicated that no more than 60% of companies used modern solutions concerned with relational resources regularly. The study focused on companies employing more than 50 employees, bearing in mind that almost 40% of companies did not perceive the need to use modern solutions related to relational resources. This demonstrates lack of innovative approach in creating relationships within the company.

Interesting dependences occurred between the legal form of running a company and the use of innovative solutions in the field of relational resources. Regarding the analyzed categories joint stock companies were leading in terms of implementing for the first time modern solutions concerned with relational resources in years 2009–2012 (Table 6.5.). It is worth mentioning that the boards of joint stock companies have recognized the needs and possibilities to use the relationship with the environment in the company development to the higher degree than companies of other legal forms.

Table 6.5. Modern solutions concerned with relational resources implemented for the first time in years 2009–2012 and the form of company ownership (in %)

Factors	Form of ownership			
	Ltd company	Joint stock company	General partnership company	Others
New methods of products distribution or sales channels	13,7	44,4	7,1	23,1
Utilizing new media	19,6	44,4	0,0	13,5
Utilizing new promotional products/services techniques	22,5	38,9	21,4	23,1
New methods of contacting with suppliers	14,7	27,8	10,7	19,2
New methods of contacting with customers	10,8	38,9	0,0	19,2
New methods of shaping products/services pricing	6,9	27,8	0,0	9,6
Significant changes in the design/packaging construction	5,9	27,8	10,7	5,8
Significant changes in the design/product construction	6,9	27,8	17,9	3,8
Lack of answer	57,8	44,4	67,9	46,2

Source: As for Fig. 1.1.

Observation of relationships between modern solutions associated with relational resources in companies permits to notice that these tools were used

in higher extent by medium-sized than large companies (Table 6.6.). It should be noted that smaller companies using these tools contributed to the creation of innovative behavior in the economy in terms of the relationship with the environment. Only one category of new media usage was higher than the percentage of indications in companies employing more than 249 workers.

Table 6.6. Modern solutions concerned with relational resources used regularly in the company and the number of employees (in%)

Factors	Number of employees	
	50–249	Above 249
New methods of products distribution or sales channels	59,6	29,4
Utilizing new media	42,2	55,9
Utilizing new promotional products/services techniques	55,4	41,2
New methods of contacting with suppliers	57,2	29,4
New methods of contacting with customers	62,7	44,1
New methods of shaping products/services pricing	59,0	29,4
Significant changes in the design/packaging construction	24,7	11,8
Significant changes in the design/product construction	10,2	0,0
Lack of answer	2,4	20,6

Source: As for Fig. 1.1.

In other sections such as business operations, scope of activity and diversity in terms of ownership capital none statistically significant differences were noticed due to the use of modern solutions related with creating relationships in the studied companies.

Comparing results of Polish companies to Western trends, in particular Anglo-Saxon countries, national companies still hold potential to use marketing tools to create growth and company development. The intensity and range of marketing tools used by the Polish company differs from the standards and practices of developed countries. There is a large potential for growth in that area, which is essential for economic practice.

6.3. Marketing skills assessment and analysis of relational resources in the surveyed companies

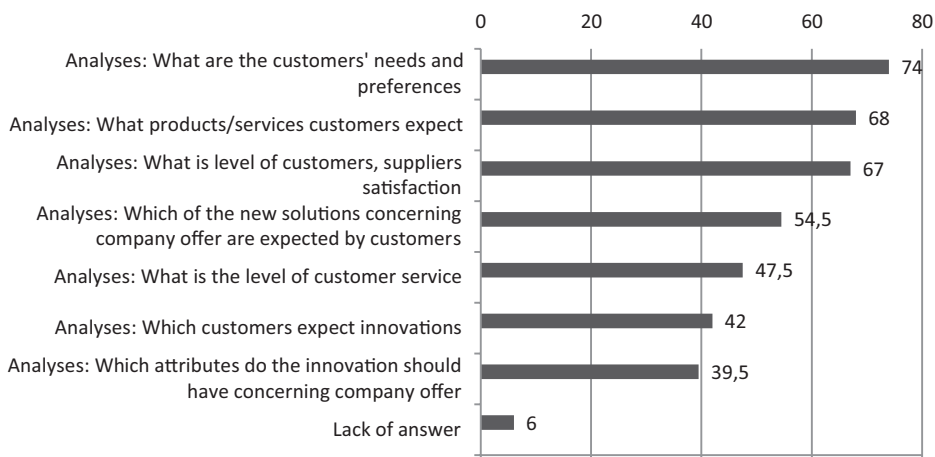
Another research problem concerned marketing analysis. To obtain in-depth analysis and diagnosis of the conditions of using resources and their contribution

to the company's development, it was examined which marketing analysis were used regularly, and which have been implemented for the first time in years 2009–2012 (Fig. 6.3).

Quite a high percentage in the analysis regularly applied in surveyed companies was obtained. In the researched companies the following analysis were used more often: the needs and customers preferences (74.0%), products / services that customers expect (68.0%) and the level of customers' satisfaction, suppliers (67.0%).

Referring to the overall performance it can be noticed that most of the companies were regularly using marketing analysis. Most companies were trying to figure out what were the preferences and needs of customers, which in the long run would contribute to a higher level of customer satisfaction and higher levels of service. This is important and requires considerable stress, as for the highly competitive market very important is the degree of customers' satisfaction, preferences and tastes, because they are the driving forces for companies. Interestingly, only 47.5% respondents used data concerning the level of customer service. This is a significant result at the present time. Quality of service can be one of the key success factors of the company. In a competitive economy the criterion for the quality of customer service is becoming increasingly important as a determinant of consumer choice.

Fig. 6.3. Marketing analysis used in the company (in %)



Source: As for Fig. 1.1.

Empirical studies have shown a lot of interesting dependences occurring between selected characteristics of the respondents and used marketing analysis in the companies. It was also observed that interesting results were obtained

in the use of analysis and data collection in the surveyed companies, especially medium-sized companies (50–249 employees) and large (over 249 employees).

Table 6.7. Number of employees and marketing analyses used in the companies (in %)

Factors	Number of employees			
	Regularly		Implemented (2009-2012)	
	50–249	Above 249	50–249	Above 249
Analyses, what are the needs and customers preferences	75,3	67,6	10,8	26,5
Analyses, which customers expect innovations	45,2	26,5	13,9	23,5
Analyses, which products/services customers expect	71,7	50,0	9,6	17,6
Analyses, new solutions concerning the offer expected by the customers	54,8	52,9	6,0	17,6
Analyses, what is the level of customers, suppliers satisfaction	68,7	58,8	7,2	17,6
Analyses, which attributes should the innovation have concerning the offer	46,4	5,9	6,6	32,4
Analyses the level of customer service	48,8	41,2	6,6	17,6
Lack of answer	3,6	17,6	69,3	67,6

Source: As for Fig. 1.1.

The research shows that medium sized companies often used on a regular basis marketing analyses and collected data from this area (Table 6.7). In each category, responses were received with more indications than in large companies. These companies in great extent based their competitive advantage on the knowledge of market conditions and adapted quickly to the needs and preferences of consumers, hence making greater use of marketing analysis.

The surprising results – regarding large companies – were obtained for the following analysis: which customers expect innovation (26.5% responses) and what attributes should have had an innovation regarding the company's offer (5.9% responses). These results may suggest a lack of appropriate use of innovation in the field of relational resources concerning large companies that have been surveyed. The research results show that large enterprises less created and implemented innovation and for these reasons did not analyze the market needs in this area.

However, regarding the use of analyses in the studied companies in 2009–2012 years it can be concluded that large companies often indicated implementation

for the first time in each response category. The highest score has been received by a reply concerning innovation research of the company's offer (32.4%). Based on the data obtained it can be concluded that large companies in recent years recognized the need to carry out marketing analysis and used it in the company development.

Tabel 6.8. Company ownership and marketing analyses used regularly in companies (in %)

Factors	Ownership capital			
	Ltd company	Joint Stock company	General Partnership Company	Others
Analyses, what are the needs and customers preferences	73,5	55,6	89,3	73,1
Analyses, which customers expect innovations	49,0	61,1	35,7	25,0
Analyses, which products/services customers expect	69,6	66,7	78,6	59,6
Analyses, new solutions concerning the offer expected by the customers	55,9	66,7	57,1	46,2
Analyses, what is the level of customers, suppliers satisfaction	62,7	66,7	60,7	78,8
Analyses, which attributes should the innovation have concerning the offer	40,2	38,9	42,9	36,5
Analyses the level of customer service	49,0	77,8	32,1	42,3
Lack of answer	7,8	11,1	0,0	3,8

Source: As for Fig. 1.1.

With regard to the forms of company ownership it can be seen (Table 6.8) that joint stock companies stand out particularly in terms of research concerning expectation of innovation (61.6% responses), level of customers and suppliers satisfaction (66,7%) and customer service (77.8%). These companies were more aware of the role of the client and open to building positive relationships with the environment.

The following conclusions can be drawn by analyzing the origin of the capital in the surveyed companies (Table 6.9.). It should be noted that in companies with foreign capital most often undertaken were marketing analysis in most categories. Only in the case of customer (suppliers) satisfaction and innovation concerning the offer, companies with Polish capital have excelled. The distribution of responses indicates that Polish companies in greater aspect that foreign companies paid

attention to the analysis, which may contribute to the rapid growth and company development.

Table 6.9. Company ownership and marketing analyses used regularly in companies (in %)

Factors	Ownership capital	
	Polish capital	Foreign capital
Analyses, what are the needs and customers preferences	73,5	76,5
Analyses, which customers expect innovations	41,0	47,1
Analyses, which products/services customers expect	66,9	73,5
Analyses, new solutions concerning the offer expected by the customers	52,4	64,7
Analyses, what is the level of customers, suppliers satisfaction	68,7	58,8
Analyses, which attributes should the innovation have concerning the offer	41,6	29,4
Analyses the level of customer service	41,0	79,4
Lack of answer	6,0	5,9

Source: As for Fig. 1.1.

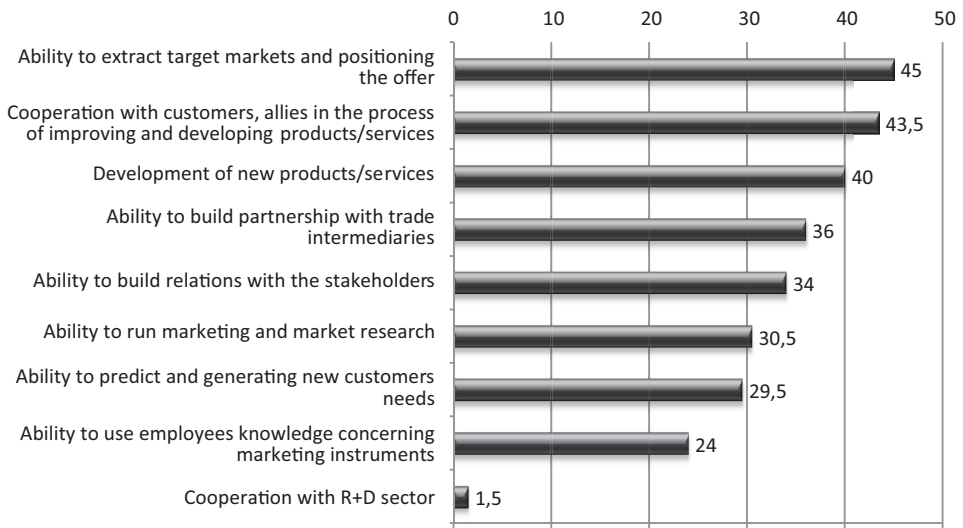
Dependencies in other sections were analyzed and they did not allow to draw definite conclusions. In a further stage of the study, the research has been focused on the competence and skills of marketing resources in the company. Surveyed companies were to identify the most important competencies and skills (Fig. 6.4).

The analysis of the data shows that the most important for companies in Poland was the ability to extract target markets and positioning the offer (45.0%). Of significant importance were: cooperation with customers, co-operators in the process of improvement and development of products /services (43.5%) and the development of new products / services (40.0%). Unfortunately, empirical studies showed that the cooperation with R&D sector was not important skill and competence in the opinion of companies. This category has been indicated by only 1.5% respondents. It is worth to point out that the results highlighted a significant lack of cooperation between the research sector and companies. Companies did not perceive the needs, possibilities and conditions for cooperation with R&D sector.

In conclusion it should be noted that only a quarter of the surveyed companies used specific competence in the field of relational resources, that is, the ability to use knowledge of the employees in the proper development of marketing

instruments. The knowledge of the employees was not extensively used, especially young employees on how to execute relational resource management in the company. This may result in not proper use of marketing tools in the company, especially in terms of the fast-growing social media and the Internet dominance.

Fig. 6.4. Competences and skills concerned with relational resources regarded as the most important (in %)



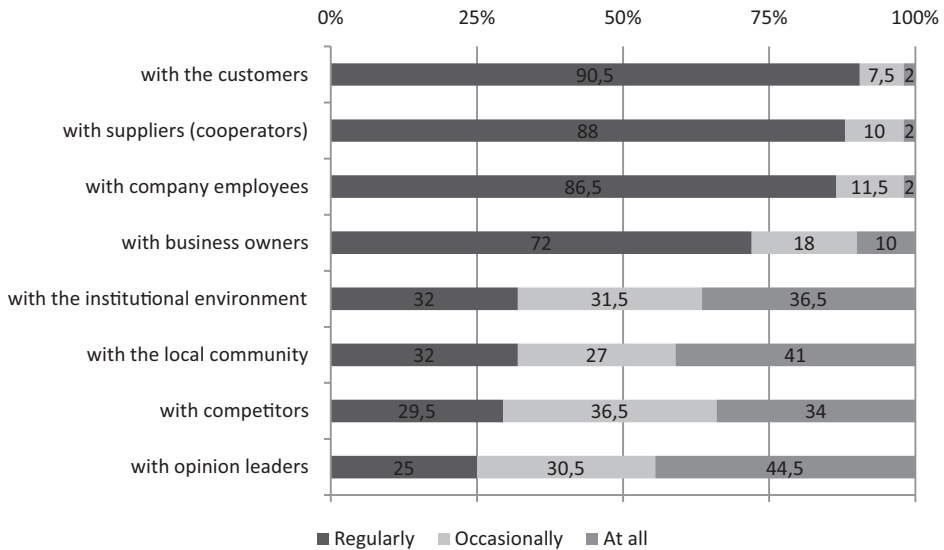
Source: As for Fig. 1.1.

The study also emerges a negative picture of collaboration between the industry (the research and development sector) with the science sector. Only a small percentage of companies facilitated that cooperation. Companies did not derive knowledge and information from the research sector, which is detrimental to both sides of this cooperation. The study shows that only companies with a global scope of operations and foreign capital utilized cooperation with scientific institutions.

6.4 Management of the relational resources in the surveyed companies

Another area of research concerned relationship management. The survey asked respondents which business relationship have been managed in years 2009–2012 (Fig. 5.5).

Fig. 6.5. Relational management in the companies in years (in %)



Source: As for Fig. 1.1.

A high percentage for the sample of 200 entities has been obtained regarding relationship management: buyers (90.5%), suppliers (cooperators) (88.0%) and company employees (86.5%). The results indicated that only 25% of surveyed companies regularly managed relationships with opinion leaders. There were also visible certain differences in the significance of some companies in the process of relationship management on an occasional basis. The highest number of indications in this group has been received in the category of relationship management with the competitors (36.5%). It is worth to point out, that the majority of respondents indicated that they did not manage relationships with the opinion leaders (44.5%). Empirical research has presented the respondents' opinion regarding relational resources. Mostly companies shaped relationships with customers, suppliers, employees, business owners. However, regarding opinion leaders, competitors, local community and institutional environment a significant proportion of the respondents created relationships only occasionally or not at all.

There has also been some differences in the management of the relationship because of the prevailing range of business activities (Table 6.10.).

Table 6.10. Relationship management in the company, 2009–2012 years and the scope of operations (in %)

Factors	Scope of operation		
	International	National	Regional
Relationship management, 2009–2012			
with customers	90,2	93,5	76,0
with suppliers (cooperators)	82,4	91,9	80,0
with competitors	35,3	25,8	36,0
with opinion leaders	31,4	22,6	24,0
with employees	90,2	84,7	88,0
with owners	86,3	65,3	76,0
with local community	37,3	29,0	36,0
with the institutional environment	35,3	31,5	28,0

Source: As for Fig. 1.1.

The results highlighted that in five categories, companies with an international scope have pointed out the highest number of indications confirming they managed relationships regularly. The highest indications concerned: company employees (90,2%) owners (86.3%), local communities (37.3%), institutional environment (35.3%) and opinion leaders (31.4%). Thus, companies with an international operation exhibited greater awareness and the need to manage relationships with various stakeholders in order to create a competitive advantage and growth.

The distribution of responses is thus apparent that to establish relations with buyers and suppliers was dominant and there was a great potential for increasing use of other entities to build a relationship with them. Especially in the field of local communities and opinion leaders. Low indication has been gained concerning relationship management with the competitors. In-depth analysis showed that regional companies declared lack of building relationships with competitors, opinion leaders and local community. However, to a large extent these companies focused on creating relationships with company employees which was a positive element. It is surprising that regional companies did not build relationships with the local community and thus did not want to build competitive advantages. It should be noted that, in large part it is due to the lack of knowledge, and the need to undertake such activities.

Subsequently relationships management have also been examined concerning ownership capital to the prevailing equity capital of enterprises (Table 6.11.).

Table 6.11. Relationship management and ownership capital (in %)

Factors	Frequency	Onwership capital	
		Polish capital	Foreign capital
Relationship management, 2009–2012			
with customers	regularly	91,6	85,3
	occasionally	7,8	5,9
	at all	0,6	8,8
with suppliers (cooperators)	regularly	91,0	73,5
	occasionally	7,8	20,6
	at all	1,2	5,9
with competitors	regularly	28,3	35,3
	occasionally	38,0	29,4
	at all	30,7	23,5
with opinion leaders	regularly	23,5	32,4
	occasionally	33,1	17,6
	at all	39,2	32,4
with employees	regularly	86,1	88,2
	occasionally	11,4	11,8
	at all	1,2	0,0
with owners	regularly	68,1	91,2
	occasionally	21,1	2,9
	at all	7,8	5,9
with local community	regularly	29,5	44,1
	occasionally	29,5	14,7
	at all	35,5	29,4
with institutional environment	regularly	30,1	41,2
	occasionally	34,3	17,6
	at all	30,1	23,5

Source: As for Fig. 1.1.

The results show that relationship management was present in most categories and it was used regularly by companies with foreign capital. In two categories companies with Polish capital excelled, this applies to relationships with buyers and suppliers (cooperators). Companies with foreign capital regularly managed relationships with competitors, and companies with Polish capital were more likely to do it occasionally. Companies with foreign capital regularly managed relationship with foreign capital also these companies often managed relationships with the local community and institutional environment. This is illustrated by

the fact that these companies derived examples from countries with entrenched tradition of creating relationships in the company development and implemented their home strategies on the Polish market, paying attention to the participation in local community life, and thus to the development of companies.

It is also worth to indicate dependences occurring between the relationships management and the form of ownership. In this respect joint stock companies excelled. These companies usually regularly in years 2009–2012 have managed relationships with competitors (61.1%), and most regularly have built relationships with opinion leaders, owners, local community and institutional environment (Table 6.12.). Regarding managing relationships with customers and suppliers (cooperators) general partnership companies excelled and limited liability companies excelled in terms of managing relationships with employees.

Table 6.12. Managing relationships and company ownership (in %)

Factors	Company ownership			
	Ltd company	Joint stock company	General partnership	Other
Relationship management, 2009–2012				
with customers	90,2	83,3	96,4	90,4
with suppliers (cooperators)	86,3	77,8	96,4	90,4
with competitors	28,4	61,1	14,3	28,8
with opinion leaders	23,5	66,7	10,7	21,2
with employees	85,3	77,8	82,1	94,2
with owners	68,6	88,9	57,1	80,8
with local community	25,5	77,8	14,3	38,5
with the institutional environment	31,4	55,6	14,3	34,6

Source: As for Fig. 1.1.

Empirical research has also indicated some interesting interactions between relationship management, and the number of employees in the company (Table 6.13.). The distribution of responses shows that large companies often built relationships with the majority of companies and organizations operating in the economy. A slightly higher response rate has been achieved in the group of companies with 50–249 employees concerning cooperation with suppliers and owners.

It should also be noted that companies employing more than 249 employees regularly managed relationships with opinion leaders, institutional environment and the local community. They perceived a higher degree importance of

the above-mentioned relationships and building such relationships. However, medium-sized companies were focused on building relationships with customers and cooperators.

Table 6.13. Relationship management and the number of employees (in %)

Factors	Number of employees	
	50–249	Above 249
Relationship management, 2009–2012		
with customers	90,4	91,2
with suppliers (cooperators)	89,2	82,4
with competitors	26,5	44,1
with opinion leaders	21,7	41,2
with employees	84,9	94,1
with owners	73,3	70,6
with local community	30,7	38,2
with the institutional environment	30,7	38,2

Source: As for Fig. 1.1.

Other classifications and divisions related to the relationship management did not demonstrate the varied and important data for the analysis.

6.5. Summary

Based on empirical research and the results analyzed above it can be concluded that companies in Poland regularly used marketing tools. Their use is confirmed by the research assumptions and hypotheses. The most common tool is the brand management that is used regularly, occasionally most companies used loyalty programs and change of the packaging. Studies showed that companies in Poland regularly used solutions concerned with relational resources. These were mostly new methods of customer interaction, new methods of distribution and sales channels. Moreover, new methods were used in pricing products/ services, new techniques for promotion of products /services and strengthening relations with suppliers. These indicators and categories showed that the activity of Polish enterprises shall follow global trends, and the emphasis was on the use of relational resources in creating competitive advantage.

The study revealed a significant advantage over marketing tools use in enterprises with foreign capital and joint stock companies. Medium-sized companies

(employing 50-249 people) more often used regular marketing analysis and collected data than large companies (over 249 employees).

Companies with an international scope of operation more often than other companies regularly managed relationships especially with company employees and owners.

To be able to use the relational resources in the company a number of analyzes was carried out along with collecting data. Most companies regularly collected data on the needs and preferences of customers. However, rarely the needs and expectations of customers were analyzed regarding innovation and features that innovation should have had.

Competences and marketing skills play a vital role in the use of relational resources concerning company development. Relational resources contributed to their creation. Companies considered as the most important the ability to extract target markets, positioning the offer and collaboration with customers and co-operators in the process of improving and developing new products /services. Unfortunately, the cooperation with the R&D sector was not seen as an important competence for creating relational resources.

To sum up, the conducted research permits positively verify two hypotheses related to the fact that the relationship management tools were becoming increasingly common in business practice, and their use contributed to the development of skills and companies abilities.

Considerations on marketing resources can be summarized citing the results of international research (Fonfara et al., 2002) which aimed to analyze the market orientation of companies. The highest grade was acquired by assets associated with the customer. A comparison with other resources helped to draw the conclusion that they influenced the market success of the company. The authors of the research, mentioned which of individual resources made viable to achieve success. These were mainly: the company name, its reputation, its credibility amongst customers, as well as the scope and peculiarity of the distribution network. Important from the point of view of marketing skills were: understanding customers and expectations, creating relationships with key clients, maintaining and enhancing customer relationships. Based on the model constructed as a result of the research study it has been found that statistically the results of the company were significantly influenced by such factors related to marketing as: company credibility, high level of customer service, scope and peculiarity of the distribution network, access to the market through strategic alliances and cooperation agreements.

In today's economic situation it can be observed that these resources, their proper creation and use is not sufficient to achieve success in the market. There-

for a broader look should be considered relating to resources in marketing, which contribute to increase the competitiveness of the company in the market. Orientation to all entities can be mentioned that have an impact on the company such as: orientation to competition, orientation to various stakeholders.

Summing up, the reputation and brand awareness are strategic resources of the company without them it is impossible to compete in the ever-changing market, both local and global. Relationship with the customers and the environment plays an important role in the company development. This specific use and synergy of resources makes that companies operating in the same market and the same environment achieve different results. Using marketing resources the company can stand out in the market and achieve competitive advantage.

It should be noted that the resource theory stresses the importance of internal company values and market success largely depends on the key marketing resources. Important role in marketing is played by the appropriate use of marketing and informational resources. These include, inter alia: knowledge about the market, customers, their preferences and tastes, as well as marketing channels. An important element in the following market transformation and ongoing competitive process also plays a client - a company resource, and thus the proper management of this relationship and process of creating value associated with the customer. Moreover, the same products or companies' services can be a resource that distinguishes the company from its competitors, and it's not just only a brand name but an offer customization or its adaptation to the customers' expectations.

Marketing resources are also characterized by the fact that they can carry minus value - negative one. The unfriendly reputation of the company or unfavorable connotations associated with the brand may have a negative impact on the company's strategy and its development. It should be noted that in marketing activities, companies use resources from other areas, in order to create - as a result of undertaken actions - new or increased resources.

In modern times, the economic life is dynamic, from hour to hour marketing specialists create new marketing solutions in order to achieve better results and sales. Many of them have an innovative character. In business practice the trend is observed towards innovative marketing tools and techniques. Some of them are used by the company, then these ideas and tools are copied by others and innovative actions become routine. It is of great importance in the face of rapidly changing market conditions, as well as the fact that many innovative ideas appear along with tools and methods to reach customers, although many of them do not work in market practice.

The study showed there was a large potential for the development and use of relational management in a broader and deeper scope in Poland than it has been so far. Relational resources are enterprise resource category which will be gaining more and more interest from companies in the search for optimal solutions so as to use them in the creation of innovation and company development.

References

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