

Aneta Nowakowska-Krystman (Ph.D.)

National Defense University, Warsaw, Poland

THE IMPORTANCE OF RELATIONAL CAPITAL IN THE PROCESS OF REALIZING THE OBJECTIVES OF THE NATIONAL DEFENCE SYSTEM

The article entitled: 'The importance of relational capital in the realization of the objectives of the national defence system' aims at presenting the meaning of intangible resources, including relational capital, for the realization of the objectives set for the national defence system. The basic task of the system is to provide security to the citizens, subjects – beneficiaries. A significant role in this process is played by relational capital which is created by a complex organization – the defence system of the state in contact with the external environment.

Keywords: relational capital; intangible resources; national defence system.

Introduction

The complexity, changeability, unpredictability of the environment have led to the shift of strategy's orientation, which presently focuses mainly on the factors existing inside an organization. This is affirmed by P.F. Drucker, by whose account we are not able to say anything which would be certain about the future (in the meaning of the circumstances) but for the fact that undoubtedly it will be different from the present as well as distinct from the predictions. Thus, the only possible solution is to create a complex organization as a system which is efficient, flexible, which has at its disposal proper resources to meet different requirements. As a result, instead of making predictions about the future of the environment, an organization should be prepared for that in advance, what is more, regardless of what it will be like. The level of preparation is determined by the internal potential of the organization, which results from the possessed resources as well as their configuration. The internal potential can be analyzed with the use of varied criteria which are broadly presented in the subject literature. For the benefit of this article, resources are divided into tangible and intangible ones (basic resources).

The article aims at presenting the importance of intangible resources, including relational capital, in the realization of goals, following the example of a complex organization like the Polish national defence system.

Nonetheless, it should be emphasized that some of the resources are the key ones, owing to which it is possible to effectively realize the goals of an organization. In such situation they are called core competencies. Usually they are created as a result of a combination of basic resources, thus, they are also referred to as the resources 'of a high order'. As a

result, competencies are something more than a sum of basic competencies, they must be the effect of a synergy. The essence of the realization of goals by an organization is the identification and assessment of core competencies. (Figure 1 presents an organization as the object of management).

Thus, how to build core competencies of an organization? Some people assume that an organization is simply lucky and obtains valuable resources by chance and after some time their value emerges. Still, creating a national defence system in this way would be very risky for the security of the state. So it is assumed that the competencies are created as a result of conscious activities of security managers. Proper usage of resources, especially intangible ones, is increasingly resting in the hands of those managers. Overestimation of the role of tangible resources (technology) can be pernicious.

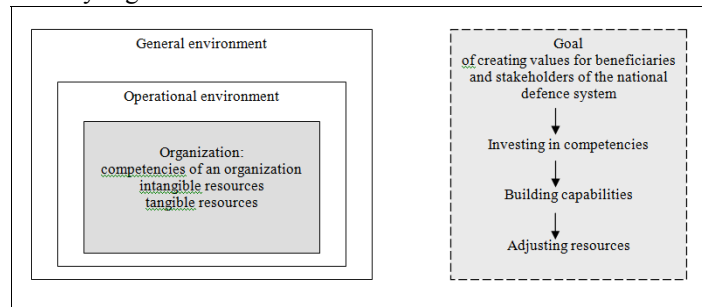
The theory of resources, capabilities and competencies of strategic management (in short – resource-based view), which is the basis for this deliberation, assumes that the realization of an objective by the defence system, namely the assurance of national security of the citizens, social groups, subjects – beneficiaries, requires that the state (system) has at its disposal some set of competencies (complex resources) which due to a changeable environment are able to counteract the threats. The competencies allow for a more effective satisfaction of the needs of beneficiaries and stakeholders. As a result, among other things, the effectiveness of strategy depends on the manner of using resources being at the disposal of an organization.

National defence system as a set of resources

According to a classic division, resources can be divided into tangible and intangible resources. The

tangible resources are placed at the lowest level of the hierarchy forming the advantage; they are characterized by the smallest value which depends on their skilful usage – since every organization has at the

disposal numerous basic resources however, they are nothing without the skill of their mobilization and exploitation.



Source: A. Nowakowska-Krystman, *Determinanty sukcesu systemu obronnego państwa w świetle teorii zasobowej*, Warszawa 2014, p. 192.

Figure 1. Organization as the object of management

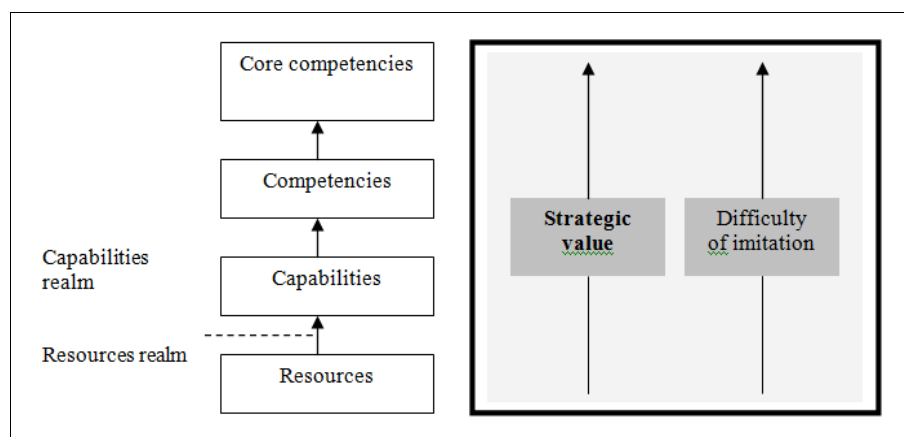
Thus, an organization is not solely the portfolio of assets (tangible resources), but also of skills. (Figure 2 presents the meaning of resources for an organization). This point of view was proposed by R. Grant, where resources are ‘inputs’ in the process of creating products. Resources, themselves, are not productive; they are activated to create some value by skills. Thus, skills (capabilities) are understood as the abilities of individual members of an organization, groups or organizational procedures, routines, as well as interactions by which all resources in an organization are coordinated (Figure 2).

It is assumed in the article that tangible resources are assets used by the system of national defence in order to create and realize the offer earmarked for the beneficiaries of security. The tangible (material, permanent) resources of an organization include: durables, finance at its disposal as well as the prospect ones which can be obtained in the future, employees in the aspect of human resources. Intangible resources are – in general – invisible resources of a system, which produce visible effects, thus these are: the management capabilities as well as technological skills which involve the capabilities of individuals, groups and their organization.

One can enumerate here: knowledge, qualifications, abilities, motivation, conception, information, trade mark, the name of a unit, brand, reputation of the organization and its products and/or services, business contacts, location, the culture of organization, tradition and many other elements (Table 1 and Figure 3 present the distinguishable features of resources).

Thus, resources are all elements (tangible and intangible) of an organization (system) used in the processes and activities performed by the organization. Due to that – generally – everything can be recognized as a piece of resources. However, a problem with their measurement emerges. The problem is not so grave in case of tangible resources, inter alia due to their countable character. The classical management concepts pointed to material resources as the essential ones for the realization of the set goal. In the contemporary view, a bigger role is attributed to intangible resources, as:

- they are used to produce value which is vital from the point of view of beneficiaries;
- they can be used on different markets;
- they are difficult to imitate by the competition; they are developed while they are used.



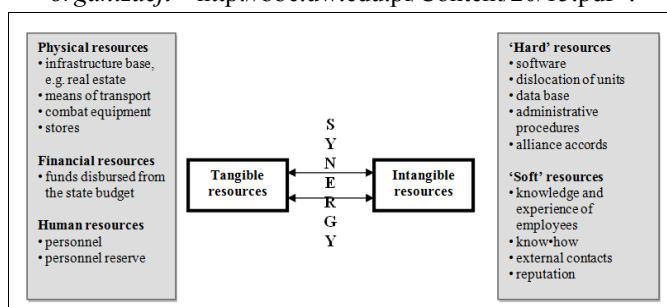
Source: M. Javidan, *Core Competence: What Does it Mean in Practice?*, “Long Range Planning”, February 1998, 31.

Figure 2. The hierarchy of organization's resources

Classification of resources on the basis of traits

| No. | Tangible resources | Intangible resources |
|-----|--|--|
| 1. | Are of material character. | Do not have certain form. |
| 2. | They are: visible, countable and do not differ much. | They are: invisible, difficult to count, varied. |
| 3. | During exploitation they are used up. | During exploitation they are enriched (non-linearity). |
| 4. | They are difficult to replicate. | Inexhaustible. |
| 5. | Can be obtained/worked out in relatively short period of time. | Their achievement is a long-lasting process. |
| 6. | They are used in the place of their location. | They are used in many locations. |
| 7. | They are often indiscrete. | They are divisible. |
| 8. | Cannot replace intangible resources. | They can replace tangible resources. |
| 9. | They are in the records of the organization. | Not present in the records of an organization. |

Source: own elaboration on the basis of K. Materska, *Rozwój koncepcji informacji i wiedzy jako zasobu organizacji* <<http://bbc.uw.edu.pl/Content/20/15.pdf>>.



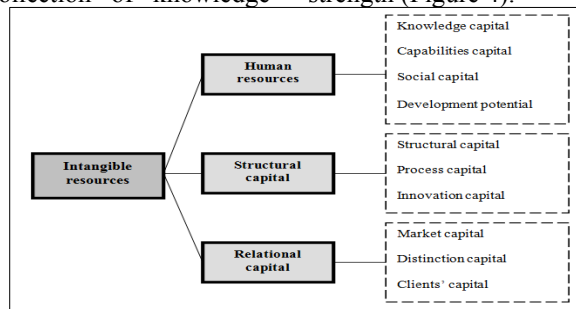
Source: A. Nowakowska-Krystman, *Determinanty sukcesu systemu obronnego państwa w świetle teorii zasobowej*, AON, Warszawa 2014, p. 60.

Figure 3. Resources of the national defence system

Thus, nowadays we witness the increase of the importance of intangible resources, since the performance of any subject depends on the processes, capabilities of managers, technology, information about the recipients and providers as well as on experience.

According to the division elaborated in a project called MERITUM (*MEsuRing Intangibles To Understand and improve innovation Management*), intangible resources are classified into the following categories: human resources, organizational/structural capital, relational capital. Human resources entail knowledge, capabilities, experience, abilities taken away with the employees when they leave the organization, in other words, this is a set of traits which allow for the execution of tasks, solution of problems observed in the organization, collective creation of innovations, building interpersonal relations, inference and making decisions. Structural capital is defined as a collection of knowledge

gathered during a day at work, and it involves all resources which support employees at their work: organizational structure, data bases, procedures, processes, the culture of an organization, the knowledge, the process of learning, flexibility, readiness for changes. Relational capital, as the name itself indicates, pertains to relations between people, organizations, the ability to strike and maintain close and permanent relations, creating social network, thus these are all elements of defence system connected with external relations. They entail the part of human resources but also organizational capital with allows to keep contact with stakeholders as well as it supports the image of an organization. Keeping good relations with the external environment conditions the rationality of management. Those elements include inter alia: the value of brand name, reputation of units, satisfaction of beneficiaries, negotiation skills, activeness in the environment, the competitive strength (Figure 4).



Source: own elaboration on the basis of: J. Jurczak, *Kapitał intelektualny w organizacji przyszłości*, „Ekonomika i Organizacja Przedsiębiorstw” 11/2006, No. 11, p. 42.

Figure 4. Structure of intangible resources of a system

Distribution of answers qualified on the basis of the type of resources in %

| Category | Time of peace | Time of war |
|----------------------------------|---------------|-------------|
| Tangible resources | 20,8 | 30,1 |
| Intangible resources, including: | 79,2 | 69,9 |
| Human resources | 35,8 | 27,7 |
| Structural capital | 37,5 | 30,4 |
| Relational capital | 5,8 | 11,9 |

Source: A. Nowakowska-Krystman, *Determinanty sukcesu systemu obronnego państwa w świetle teorii zasobowej*, Warszawa 2014, p. 130.

Because of instability of the external environment organizations have to use different management conceptions in order to adjust to the external conditions in a more fluent and dynamic way. It seems that the creation of relational capital allows to meet the requirements of the new management which points to the following determinants of organization's success:

- keeping close and direct relations with the beneficiaries, providers, partners (allies) as well as with competition (organizations posing threat),
- constant care to develop and create new relations,
- minimalization of time which is necessary to reach the sought elements within the allied resources,
- shortening the time necessary to provide partners with information about new services as well as new possibilities in the potential of an organization,
- constant monitoring of the existing relations,
- rapid reaction on the need for changes in the scope of the provided services owing to the flexible allocation of resources,
- conscious fashioning of the organizational culture which highly appreciates the change, learning new skills, assimilation of new members and cultures, tolerates mistakes as well as esteems learning from one's mistakes,
- the strategy of an organization should include criteria of the procedure of constant penetration of the environment for favourable relations.

The objective of such a conduct is economic optimisation which is not based on constant rivalry but on the creation of a network of relations which are more stable and sure.

Taking the above into consideration one can conclude that relational capital has a significant role in the realization of the objective set forth by an organization. Is it confirmed by research conducted in the national defence system?

Relational capital in intangible resources

Creation of relational strategies in order to provide for the security of a country is the essence of the national defence system. In order to effectively counteract threats, the state should build a network of privileged relations with the external environment taking into consideration the assumption that the transfer of knowledge and capabilities will be mutually beneficial. It is usually done on the basis of the presumption contract, i.e. the terms of relations are not written down and they depend on the mutual trust, however in the realm of security classical contracts constitute the formal basis. Nonetheless, we cannot

assume that the state operates only on the basis of relational strategy without competitive strategies (By the way, both approaches can be analysed on the basis of the theory of games).

Still, in this case we have in the spotlight relations between stakeholders based on relational capital to realize the rule of the maximisation of security.

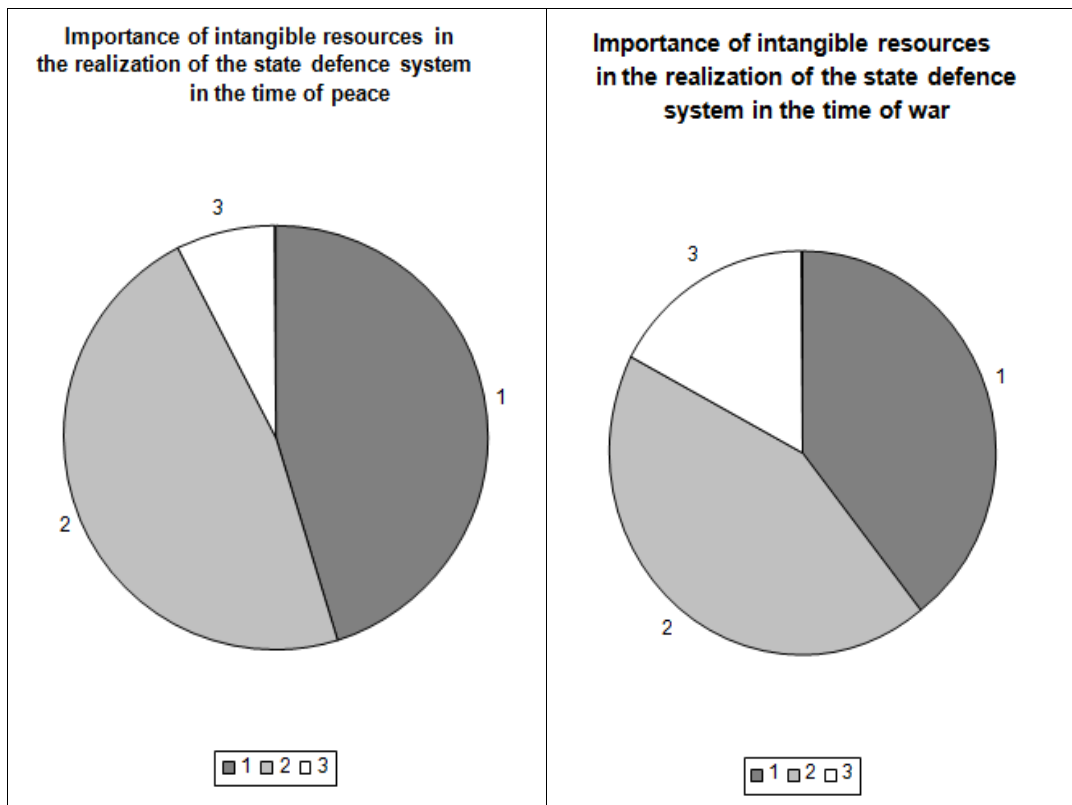
In 2012 a pilot research was carried out amid the civil and military think tank, where the resource-based view of strategic management was employed, and it was confirmed that the most important factors of national defence system are found among intangible resources both in case of the regular defence readiness as well as the elevated one (in case of emergency) and they constitute 79% and 70% respectively. As a result, the tangible resources are at the level of 21% and 30%.

This is the effect of their common availability i.e. to all the interested in similar conditions, and consequently, they cannot be the distinctive factor. Of course, there is one obstacle stemming inter alia from the equipment in technical resources, funds from the state budget.

For the benefit of this article it is especially important to depict the meaning of relational capital in the context of providing security to its beneficiaries. As the data presented in Table 2 shows, relational capital in the time of peace decides in 5,8% about the successful realization of the goal, while in the time of war its meaning increases to 11,9%. Its salience in case of intangible resources amounts to 7,4% and 17,1% (Figure 5).

To sum up, the obtained results indicate that intangible resources are believed to be the source of a success of a complex organization, like the national defence system, most of all due to structural capital and human resources. It is worth to notice that the importance of relational capital increases in line with the level of threat.

Nonetheless, this is the internal capital to which the experts assign bigger meaning and not the capital which gets its shape through contacts with the external environment. This can mean that there is a need to create strong Polish defence system, independent from alliances which very often turned out to be a failure in the history; this can also stem from the weakness of the system and the need to strengthen it, as a result the creation of relations with the environment takes the back seat. The carried out research, which empirically points to the perception of factors which contribute to the realization of the objectives of the national defence system, should be extended in the search for the reasons of such distribution of answers.



Legend: 1 – human resources; 2 – structural capital; 3 – relational capital

Source: A. Nowakowska-Krystman, *Determinanty sukcesu systemu obronnego państwa w świetle teorii zasobowej*, Warszawa 2014, p. 131.

Figure 5. Importance of intangible resources

Conclusion

The variations of the environment cause that each country should look at its own security through the prism of their own defence possibilities resting in the resources, capabilities and competencies.

The creation of intangible resources should take place on the basis of new doctrines of information era which put emphasis on universality, i.e. the ability of the army to shift fast from one type of conflict to another, since it is more common to deal with many dispersed conflicts – ‘niche threats’ rather than the danger of a big war between super powers. Big number of small wars makes the strategists of many armies have a new look at special forces, as niche warriors of tomorrow. Due to that we also observe

demassification of both the military production as well as – due to precision weapons- of damage in the aspect of tangible resources. All this to fully provide for the needs of beneficiaries in the scope of security; as well as bring benefits to particular groups of stakeholders. It turns out that wars and conflicts achieved such a big level of diversity that no country can create an army able to military operations of any kind. Thus, the success of a country is based on strategic alliances, consortiums created to carry out wars, as well as to prevent and deter attacks. Alliances contribute to additional value. Thus, in realizing the goal of the system the ability to strike permanent relations (coalitions) is indispensable.

References

1. Kay J., *Postawy sukcesu firmy*, PWE, Warszawa 1996.
 2. Krupski R. (ed.), *Zarządzanie strategiczne. Ujęcie zasobowe*, WWSZiP, Wałbrzych 2006. 3. Majerska K., *Rozwój koncepcji informacji i wiedzy jako zasobu organizacji*, Warszawa 2007. 4. Nowakowska-Krystman A., *Determinanty sukcesu systemu obronnego państwa w świetle teorii zasobowej*, AON, Warszawa 2014. 4. Penc J., *Menadżer uczącej się organizacji*, Menadżer, Łódź 2000.
 5. Perechuda K., Chomiak-Orsa I., *Znaczenie kapitału relacyjnego we współczesnych koncepcjach zarządzania*, http://zif.wzr.pl/pim/2013_4_2_23.pdf (date of access 13.03.2015). 6. Pięrcionek Z., *Strategie rozwoju firmy*, Wyd. Nauk. PWN, Warszawa 1998. 7. Romanowska M., *Dostosowanie strategii przedsiębiorstwa do jego zasobów*, [in:] R. Krupski (ed.), *Zarządzanie strategiczne. Ujęcie zasobowe*, Wałbrzych 2006. 8. Senor D., Singer S. *Naród*

start-upów. Historia cudu gospodarczego Izraela, Wydawnictwo Studio Emka, Warszawa 2013.
 9. Stewart T.A., *Intellectual Capital: The New Health of Organisations*, London 1997. 10. *Strategia obronna polski a przyszłość wojska polskiego*, <http://www.piotr.mpolska24.pl/282/strategia-obronna-polski-a-przyszlosc-wojska-polskiego-cz-III>. (date of access 11.01.2015). 11. *Strategor*, Zarządzanie firmą. Strategie. Struktury. Decyzje. Tożsamość, PWE, Warszawa 2001. 12. Toffler A. i H., *Wojna i antywojna*, Świat Książki, Warszawa 1998. 13. Urbanek G., *Kompetencje a wartość przedsiębiorstwa*, Oficyna a Wolters Kluwer business, Warszawa 2011. 14. *MEesuRing Intangibles To Understand and improve innovation Management*, <http://www.oecd.org/sti/ind/1947863.pdf> (date of access 13.03.2015). 15. *MEesuRing Intangibles To Understand*

ЗНАЧЕННЯ РЕЛЯЦІЙНОГО КАПІТАЛУ В ПРОЦЕСІ РЕАЛІЗАЦІЇ ЦІЛЕЙ СИСТЕМИ НАЦІОНАЛЬНОЇ ОБОРОНИ

Анета Новаковська-Кристман (д-р філософії)

Національний університет оборони, Варшава, Польща

Стаття під назвою: “Значення реляційного капіталу в процесі реалізації цілей системи національної оборони” має на меті представити значення нематеріальних ресурсів, у тому числі реляційного капіталу, для реалізації завдань, поставлених для національної системи оборони. Основним завданням системи є забезпечення безпеки для громадян, суб’єктів - одержувачів. Значну роль в цьому процесі відіграє реляційний капітал, який створюється за допомогою складної організації - системи оборони держави в контакт з зовнішнім середовищем.

Ключові слова: *реляційний капітал; нематеріальні ресурси; національна система оборони.*

ЗНАЧЕНИЕ РЕЛЯЦИОННОГО КАПИТАЛА В ПРОЦЕССЕ РЕАЛИЗАЦИИ ЦЕЛЕЙ СИСТЕМЫ НАЦИОНАЛЬНОЙ ОБОРОНЫ

Анета Новаковская-Кристман (д-р философии)

Национальный университет обороны, Варшава, Польша

Статья под названием: “Значение реляционного капитала в процессе реализации целей системы национальной обороны” имеет целью представить значение нематериальных ресурсов, в том числе реляционного капитала, для реализации задач, поставленных для национальной системы обороны. Основной задачей системы является обеспечение безопасности для граждан, субъектов - получателей. Значительную роль в этом процессе играет реляционный капитал, который создается с помощью сложной организации - системы обороны государства в контакте с внешней средой.

Ключевые слова: *реляционный капитал; нематериальные ресурсы; национальная система обороны.*

Отримано: 21.02.2016 року.