Leadership and Internal Relational Capital of Enterprises

Submitted 06/07/20, 1st revision 22/09/20, 2nd revision 13/10/20, accepted 11/11/20

Rafał Drewniak¹, Urszula Ślupska², Iwona Posadzińska³

Abstract:

Purpose: The paper aims to identify the actions that foster the development of positive relationships between employees and the company and help build internal relational capital. The authors also attempted to describe the patterns of formation of intra-organizational relations by identifying the actions that contribute the most to the development of internal relational capital.

Design/Methodology/Approach: Two studies conducted in 2018-2020 focused on the importance of relational competencies in creating company value and the role of leadership. The first study concentrated on the managers (N=10), whereas the second one focused on the analyzed companies’ employees (N=185). The obtained information was used to perform structural analysis, based on structural indicators expressed as percentage values. Factor analysis was also carried out as part of the data analysis to determine the relationships between factors. The principal component analysis was used.

Findings: The results indicate that in the process of creation and development of intellectual capital in an enterprise, the role of a leader involves mainly the establishment of values desired for the company’s success, creation of a corporate culture that helps to accomplish goals, and assistance in reaching the targets by employees, as well as support for workers and their activity. The analyzed enterprises are engaged in developing proper internal relations and apply different methods to build relations between the company and the employees.

Practical Implications: The results indicate the directions for building internal relations. Identification of the actions that demonstrate a greater impact on the development of positive relationships between employees and the company and those with a lesser impact.

Originality/Value: Concentration on effective relational management and creation of relational capital are the key elements of modern leadership. The development of positive relationships between employees and the company contributes to the company’s relational capital, which considerably affects an enterprise’s growth and competitive position.

Keywords: Relational capital, relational competencies, leadership.

JEL codes: J53, L20, M54.

Paper type: Research article.

¹UTP University of Science and Technology in Bydgoszcz, Faculty of Management, Poland, e-mail: rafal.drewniak@utp.edu.pl;
²UTP University of Science and Technology in Bydgoszcz, Faculty of Management, Poland, e-mail: urszula.slupska@utp.edu.pl;
³UTP University of Science and Technology in Bydgoszcz, Faculty of Management, Poland, e-mail: iwona.posadzinska@utp.edu.pl;
1. Introduction and Literature Review

The dynamics of today's environment and the unpredictability of changes increase a leader's role and the relational competencies forged by the leader in building a competitive edge in the market. According to Kotter, the ability to deal with changing conditions is the most important leadership element (Kotter, 2007). Following Czarnecki, 'for every organization, leadership may offer strength and support, but it can also be a curse and burden' (Czarnecki, 2017; Drewniak, 2020). Decisions that leaders need to take each day may result in the company's success or failure. Particularly weighty is the relation with the environment and the assumed strategy, as they reflect the leader's attitude to the economic reality and form desired behaviors among the staff (Schwartz and Davis, 1981). In fact, leaders are responsible for setting out actions, correcting attitudes, and motivating workers to attain corporate goals (Drewniak et al., 2020; Constantin and Baias, 2015; Bass, 2007; 2016). The leader and the impact she may have on her subordinates' effectiveness play an immense role in the success gained on the market. Individual successes rarely determine the company's success; it is rather a result of collective effort. The leader is supposed to create an efficient and responsible team whose members are well-tuned and able to cooperate to accomplish business goals.

Therefore, the leader should combine the interests of the company and those of the employees (Rees et al., 2013; Pluta and Putek-Szeląg, 2017). People are ever-more willing to follow leaders who can motivate to work, who can inspire and increase commitment. A leader's role is to create an atmosphere in which employees can perform tasks at which they excel and improve their performance on an ongoing basis. To this end, it is essential to gain a thorough knowledge of every member of the team and to demonstrate engagement with everyone's work in order to build trust and assist workers in reaching their full potential (Drewniak et al., 2020; Słupska et al., 2020; Williams, 2009a). The success is based on the ability to inspire commitment in employees. A committed and well-motivated employee attains her goals faster and more effectively. Thus, leaders are also supposed to create proper corporate culture and improve workers' skills and potential. An effective leader should engage her workers to allow them to participate in defining business goals, strategies, and methods. Currently, leadership means the ability to influence, motivate, and stimulate workers to reach a common goal and the company's success (House et al., 1999). According to Williams (2009b), effective corporate leaders:

- Set an example,
- Build commitment through consistent actions that inspire trust and team integrity, make it possible to gain speed and to progress,
- Work on formation of new leaders with ideas (rather than mere followers), inspire people to effective work (especially through provision of stabilisation and challenges), stimulate higher propensity to take risk and provide a sense of satisfaction from work,
- Take risks with effective promotion, deployment and use of talents for the best business results,
- Keep promises and control the results of work, which is seen by workers as the creation of company values, heritage, and success,
- Ensure the pace and scope of learning matches the rate of changes in the environment and the movements of competitors.

Additionally, it should be noted that in the present-day operating conditions, the nature of responsibility assigned to leaders is changing. In fact, it cannot be merely reduced to setting strategies and creating value for shareholders. A leader is also supposed to humanize the company, create work conditions for higher purposes, and remove the dangerous effects of hierarchy (Hamel, 2009). Thus, the ability to predict, adjust values, mobilize workers, and delegate tasks and authority is becoming incredibly important. No longer is the role of leaders associated with strategy formation and implementation; now, it is also associated with involving workers in that process, which – undoubtedly – entails the need to widen the scope of their responsibilities and authority. An effective leader should notice that managing not only means using various technical resources but also consists of utilizing cultural signals (Pascale, 1985).

According to Schein (2010), leadership and corporate culture are as tightly connected as the same coin's heads and tails. The fundamental values of a corporate culture provide employees with certain guidelines for action and desired behaviors and a sense of moving in the same direction. The commonality of values is then a kind of informal control, and it defines expectations to be met by workers. In enterprises where the staff identifies with the company values, workers exhibit desired attitudes and behaviors more often than those employed in companies where no specific culture is implemented. Furthermore, the attitudes and behaviors that comply with the corporate culture should be noticed and appreciated to reinforce the desired cultural pattern. As Palmer points out, "ethical issues of leadership actually arise at several different levels, and that it is important to distinguish between various diverse kinds of ethical issues that arise in the study of leadership" (Palmer, 2009). Thus, leadership helps define borders, equips workers with competencies, and provides them with the necessary support (Simerson and Venn, 2010).

Relational capital is an element of a company's intellectual capital that positively correlates with business results in enterprises (Garcia-Merino et al., 2014; Cohen and Kaimenakis, 2007; Cabrita and Vaz, 2006). Therefore, the efforts put into the improvement of business relational capital are reflected in the company's business results (Słupska et al., 2019). Relational capital refers to the value of the company's relations with other entities (including employees) and organizations with which they cooperate (Hormiga et al., 2011a). The creation of relational capital is an indispensable feature of any organization. Relational capital comprises all relations: internal relations with the employees, market relations, power relations, and collaboration established between firms, institutions, and people, stemming from a
strong sense of belonging and a highly developed capacity for cooperation (Capello and Faggian, 2005). Relational capital is also defined as the knowledge resting firmly in the relationships with any stakeholders who impact the company's life. Relations with stakeholders are an inherent factor in building, maintaining, and renewing resources (including knowledge resources) in the company's life span. Continuous updating of business competencies and the knowledge base prevents them from becoming obsolete in a changeable environment (Garcia-Merino et al., 2014). Deliberate and methodical actions of employees at all levels of the organization increase the likelihood of success. Employees' knowledge and internal collaboration can ensure synergy effects for the company. Contemporary enterprises should improve internal relationships both with and among the employed. Including establishment and enhancement of relational competencies and relational capital in creating a business strategy is becoming a key trend in developing operational philosophy in business (Hormiga et al., 2011b; Wang, 2014; Peet, 2012; Słupska, 2019).

Management of the human capital in the organization is one of the key elements responsible for success. Chances of achieving synergy effects, proper implementation of projects, and a higher competitive position increase when its manager is well-matched. Another important factor is maintaining appropriate co-workers’ relations (Karaszewski and Lis, 2014; Goździewska-Nowicka et al., 2018). Concentration on effective relational management and creation of relational capital are the key elements of modern leadership. Leadership defines corporate culture affects workers' engagement and sets a framework for forming internal relations. Building a network of relationships inside the organization supports the functioning of formal structures, enables creative and innovative thinking, facilitates the transfer of knowledge, and fosters conditions for gaining agility and flexibility by the company, which – in turn – translates into the formation of relations outside the company, enhances efficiency and ensures survival and development in the dynamic environment (Drewniak et al., 2020).

2. Research Methodology

The study is an integral part of a research project relational competencies in creating enterprise value. The role of leadership and communication in managing relationships with the environment. One of the specific objectives of the research project was to analyse the role of a leader in the process of creating and improving intellectual capital.

Conducted in 2018-2020, the studies focused on the importance of relational competencies in creating company value and in leadership. The analysis was based on the data from 10 large companies operating internationally. The enterprises were selected on account of their leading position in the industry and a high potential for innovativeness. Due to the nature of the studies, they included only a few companies. Additionally, the enterprises were selected due to their high potential for
building relational competencies. The studies used detailed research tools, providing an in-depth analysis. The goal was to collect ample data to allow for an extensive analysis of the role of relational competencies in creation of company value and in leadership.

The first study concentrated on the managers (N=10). The surveyed enterprises were mainly manufacturers and service providers who represented promising business areas and operated internationally. The data were collected by direct measurement: personal interview. The research tool was a personal survey questionnaire based on the available subject literature. The respondents were representatives of the management in these companies. As researchers could contact the respondents directly, they could provide additional explanations of the terms used in the questionnaire and obtain comprehensive research material.

The second study focused on the employees of the analysed companies (N=185). In each of them the headcount was high – far above 250 employees – which could not be ignored in determining the size of the research sample. Here, an on-line questionnaire was used as the measurement tool (data were collected through on-line forms). The survey was conducted among the staff of the studied enterprises, irrespective of their function, professional experience, or education. A total of 185 questionnaire forms were fully completed. 105 of the respondents were men, and 80 women.

The obtained information was used to perform a structural analysis, based on structural indicators expressed as percentage values. Factor analysis was also carried out as part of the data analysis to determine the structure of relationships between factors. The principal component analysis was used. The actions that foster positive relationships between employees and the company, based on the reviews of employees, have been analysed.

The principal component analysis is a technique often used in factor analysis. It allows to reduce large data volumes to a limited number of complex dimensions, referred to as components. The principal component analysis helps to determine initial factors. The first component explains the majority of variances. Further components describe gradually decreasing numbers of variances and are uncorrelated.

The analysis of correlation matrix plays an important role in proper selection of variables. Proper application of the method requires elimination of uncorrelated variables. When the correlation coefficients between the variables are too low, it usually undermines the validity of using principal component analysis. The Kaiser-Meyer-Olkin (KMO) index is an important measurement assessing the adequacy of the variables chosen for the principal component analysis. The justification of the use of factor analysis for assessment of the correlations between the observable variables is directly proportionate to the value of the KMO index. H.F. Kaiser
proposes the following classification of KMO values: 0.9 – very high, 0.8 – high, 0.7 – medium, 0.6 – moderate, 0.5 – very low. The use of principal component analysis is unjustified when the KMO value is below 0.5 (Stanisz, 2007).

In the proper factor analysis, the following criteria are typically used to determine the number of factors:

- Kaiser’s eigenvalue criterion – it is assumed that eigenvalue of each principal component should be higher than 1, i.e. a single-variable variance;
- Cattell’s scree criterion – eigenvalues are presented as a linear plot; the factors creating the “slope” should be considered, and those forming the “scree” should be ignored;
- Proportion of variance explained criterion – the number of components in this case is determined by the total variability explained by them, which has been established by the researcher.

The next step involves the rotation of factors (principal components). The most common rotation methods include Varimax orthogonal rotation and Oblimin rotation. Varimax allows us to minimize the number of variables with high factor loadings using orthogonal rotation. Therefore, it simplifies the interpretation of factors. Oblimin rotation helps identify the factor loadings through oblique rotation, and it is used for correlated factors.

The analysis focused on the activities conducive to building positive relations between employees and the company. Table 1 presents the characteristics of variables.

**Table 1. Characteristics of variables**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational culture</td>
<td>Formation of proper organisational behaviours</td>
</tr>
<tr>
<td>Legal counselling</td>
<td>Supporting employees through trainings and legal counselling</td>
</tr>
<tr>
<td>Development of trust</td>
<td>Development of trust in the relationships within the company</td>
</tr>
<tr>
<td>Entrepreneurial initiatives</td>
<td>Facilitating entrepreneurial initiatives</td>
</tr>
<tr>
<td>Interpersonal relations</td>
<td>Interpersonal relations between subordinates and their superior</td>
</tr>
<tr>
<td>Development planning</td>
<td>Employee development planning</td>
</tr>
<tr>
<td>Innovativeness of the company</td>
<td>Collaborative development of innovations</td>
</tr>
<tr>
<td>Patents</td>
<td>Collaborative development of patents, trademarks, copyrights, computer programmes</td>
</tr>
<tr>
<td>Non-financial payment system</td>
<td>Non-financial payment system</td>
</tr>
<tr>
<td>Financial payment system</td>
<td>Financial payment system</td>
</tr>
<tr>
<td>Work conditions</td>
<td>Ensuring the work conditions expected by the employees</td>
</tr>
<tr>
<td>Appraisal system</td>
<td>Employee motivation system</td>
</tr>
<tr>
<td>Internal databases</td>
<td>Access to internal databases</td>
</tr>
<tr>
<td>Intranet</td>
<td>Use and applications of intranet</td>
</tr>
</tbody>
</table>
3. Results

In this study, the respondents were asked, for example, about the key features of their leadership in the process of creating and improving the intellectual capital of the enterprise. Based on subject literature, a list of eight main determinants of leadership had been compiled. The respondents could also indicate other important elements defining the role of a leader in creating and improving intellectual capital. The respondents chose three answers that, in their opinion, were the most relevant ones. The obtained data are presented in Figure 1.

**Figure 1. The role of a leader in the process of creating and improving intellectual capital in an enterprise**

The presented data demonstrate that, according to the respondents, the role of a leader in the process of creating and improving intellectual capital in an enterprise involves mainly: the establishment of values desired for the company’s success, creation of a corporate culture which helps accomplish goals (7 companies out of 10 marked that answer); assistance for workers in reaching targets, support for workers...
and their activity (6 out of 10 companies); presentation of the vision, mission and objectives to the people involved in the enterprise (5 answers); and provision of effective, undisturbed communication in the organization (bilateral, i.e. ‘upwards’ and ‘downwards’ communication) (5 answers).

Motivating the subordinates to think and act strategically was indicated by 3 out of 10 enterprises as an important element of leadership in the process of creating and improving intellectual capital in an enterprise, whereas the remaining answers: optimal allocation of resources; delegation of authority and responsibility for accomplishments of goals; and communication with external stakeholders (communication with the company’s environment) were chosen only by individual enterprises. Interestingly, one of the companies used the opportunity to provide their own answer and stated that the role of a leader in creating and improving intellectual capital in an enterprise first and foremost consists of fostering the flow of accurate information.

For the research, the first study respondents were also asked how they build relationships between the company and its employees. Based on the sources from the subject literature, a list of nineteen methods of building internal relations had been prepared, and the respondents were allowed to present another method they use to develop relationships with employees. The respondents were asked to indicate which of these methods are used in their company and define their application frequency. The results are presented in Figure 2.

**Figure 2. Methods of building relations between a company and its employees**

![Figure 2](image)

*Source: Own work.*
The data presented above indicate that most surveyed enterprises use most of the methods of building relations between a company and the employed (suggested to them based on the subject literature reviewed by the researchers). The frequency of use of these solutions shows that all the surveyed enterprises use none of the suggested building internal relations methods. Most of the respondents admit that they often use a combination of techniques. The data also indicate that intranets in the surveyed enterprises are used with varying frequency. Four companies always use their intranets for building relations with employees.

However, interestingly, in two large companies, an intranet is never used. The majority of the studied companies often or always give internal database access to develop relationships with employees. Patents, trademarks, copyrights, software, etc. are often developed collaboratively in 50% of the surveyed enterprises, and only one company declared these documents are always developed with the participation of employees. Improving relations with employees through support in training courses or legal counselling is frequently observed in 5 out of 10 surveyed enterprises, and it is always present in only three companies. Most of the respondents declared that they often encounter descriptions of behavioral and operational patterns and procedures. Fifty percent of the surveyed companies always shape the proper organizational code of behavior, and 40% of the surveyed companies do it often.

Only one company rarely commits itself to the development of corporate culture by forming an organizational code of behavior. Half of the respondents also indicated that they often use employees' knowledge while developing innovations; only one company does it all the time, and unfortunately, as many as four companies rarely do it. Only two enterprises declared that they build trust in internal relations on an ongoing basis, although it is a remarkably important aspect of the relational capital building. However, 6 out of 10 surveyed companies often develop internal relations based on trust. Similar answers were given regarding the provision of work conditions matching employees' expectations. The payment system and the employee appraisal system are used with a similar frequency by all companies to develop relationships with their employees. The employee incentive system, often used by the surveyed enterprises for forming internal relations, is slightly different.

The planning of employees' development appears to be the weakest point as many as 50% of the respondents acknowledged that employee development is rarely planned in their companies. Similarly, the management of competencies is rarely applied in half of the large companies taking part in the survey; 4 out of 10 enterprises implement it often, and only one always does. The process of learning and internal transfer of knowledge between the employees in most cases is frequently observed. However, surprisingly, two large companies conceded that learning and knowledge sharing among employees occurs rarely, and one company declared that it always takes place. The surveyed enterprises often commit to building interpersonal relations between subordinates and superiors. 3 out of 10 companies always delegate authority; 6 out of 10 companies often do it. The respondents also declared that
employees are given opportunities to take entrepreneurial initiatives with varying frequency. Half of the studied companies often apply this method of building relations; two companies always do it, while the rest rarely or hardly ever do it. Equally surprising are the answers related to coaching and mentorship. The number of enterprises that rarely use these solutions to develop relations and the number of those that do it often is the same (4); only one company marked 'always,' and one marked 'never.' Additionally, none of the surveyed enterprises indicated any other methods of building relations with their employees.

In the second study conducted within the research project, the roles were reversed: the surveyed enterprises' employees were asked about the impact of particular measures on developing positive relationships between the company (management) and its staff and about the value they assigned to these measures. The obtained data were examined using factor analysis. The method used to identify factors was the principal component analysis. Oblimin rotation was applied. To confirm whether the collected information can be analyzed using factor analysis, the KMO test and Bartlett's sphericity test were conducted. KMO value of 0.7 supports the use of factor analysis. The results are presented in Table 2.

**Table 2. Kaiser-Meyer-Olkin test and Bartlett’s test**

<table>
<thead>
<tr>
<th>KMO sampling adequacy measure</th>
<th>.700</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bartlett’s sphericity test</td>
<td></td>
</tr>
<tr>
<td>Estimated chi-square</td>
<td>574.181</td>
</tr>
<tr>
<td>df</td>
<td>190</td>
</tr>
<tr>
<td>Significance</td>
<td>.000</td>
</tr>
</tbody>
</table>

*Source: Own work.*

The following criteria were used to determine the number of components: Kaiser’s eigenvalue criterion, Cattell’s criterion, and proportion of variance explained criterion. According to Kaiser’s criterion, the suggested number of factors is 6 (Table 3). However, it was reduced to 4, as they explain 41.50% of the differences between the actions fostering the development of employee-enterprise relationships.

**Table 3. Structure of the analysed variables**

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial eigenvalues</th>
<th>Sums of squared loadings after selection</th>
<th>Sums of squared loadings after rotation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% of variance</td>
<td>Cumulative %</td>
</tr>
<tr>
<td>1</td>
<td>3.511</td>
<td>17.553</td>
<td>17.553</td>
</tr>
<tr>
<td>2</td>
<td>1.859</td>
<td>9.293</td>
<td>26.846</td>
</tr>
<tr>
<td>3</td>
<td>1.580</td>
<td>7.901</td>
<td>34.747</td>
</tr>
<tr>
<td>4</td>
<td>1.350</td>
<td>6.751</td>
<td>41.499</td>
</tr>
<tr>
<td>5</td>
<td>1.128</td>
<td>5.638</td>
<td>47.153</td>
</tr>
<tr>
<td>6</td>
<td>1.032</td>
<td>5.160</td>
<td>52.296</td>
</tr>
<tr>
<td>7</td>
<td>.999</td>
<td>4.993</td>
<td>57.289</td>
</tr>
</tbody>
</table>
The detailed analysis of the factor structure is presented in the structure matrix (Table 4), considering 4 factor loadings (dimensions).

**Table 4. Structure matrix**

<table>
<thead>
<tr>
<th></th>
<th>Component 1</th>
<th>Component 2</th>
<th>Component 3</th>
<th>Component 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organisational culture</strong></td>
<td>.670</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Legal counselling</strong></td>
<td>.666</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Development of trust</strong></td>
<td>.622</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Entrepreneurial initiatives</strong></td>
<td>.546</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Interpersonal relations</strong></td>
<td>.515</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Development planning</strong></td>
<td>.499</td>
<td>.306</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Innovativeness of the company</strong></td>
<td>.404</td>
<td>.323</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Patents</strong></td>
<td>.328</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-financial payment system</strong></td>
<td>.729</td>
<td>-.322</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financial payment system</strong></td>
<td>.728</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Work conditions</strong></td>
<td>.616</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Appraisal system</strong></td>
<td>.354</td>
<td>.589</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Internal databases</strong></td>
<td></td>
<td>.761</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Intranet</strong></td>
<td>.680</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Procedures</strong></td>
<td>.300</td>
<td>.313</td>
<td>-.304</td>
<td></td>
</tr>
<tr>
<td><strong>Evaluation system</strong></td>
<td></td>
<td>.362</td>
<td>.621</td>
<td></td>
</tr>
<tr>
<td><strong>Process of learning and knowledge sharing</strong></td>
<td></td>
<td></td>
<td>-.606</td>
<td></td>
</tr>
<tr>
<td><strong>Delegation of authority</strong></td>
<td></td>
<td></td>
<td>-.587</td>
<td></td>
</tr>
<tr>
<td><strong>Coaching and mentorship</strong></td>
<td>.330</td>
<td></td>
<td>-.583</td>
<td></td>
</tr>
<tr>
<td><strong>Management of competencies</strong></td>
<td></td>
<td></td>
<td>-.529</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Own work.*
Leadership and Internal Relational Capital of Enterprises

Source: Own work.

Factor analysis allowed to allocate the individual actions fostering the development of relations between the company and its employees in four dimensions:
- 1st dimension – interpersonal relations (organisational culture, legal counselling, building of trust, entrepreneurial initiatives, interpersonal relations, development planning, innovativeness of the company, collective development of patents),
- 2nd dimension – employee appraisal (non-financial remuneration system, financial remuneration system, work conditions, appraisal system),
- 3rd dimension – information and technical infrastructure (internal databases, intranet, procedures),
- 4th dimension – evaluation and development of employees (evaluation system, process of learning and knowledge sharing, delegation of authority, coaching and mentorship, management of competencies).

4. Conclusion and Discussion

The following criteria were used to determine the number of components: Kaiser’s eigenvalue criterion, Cattell’s criterion, and proportion of variance explained criterion. According to Kaiser’s criterion, the suggested number of factors is 6 (Table 3). However, it was reduced to 4, as they explain 41.50% of the differences between the actions fostering the development of employee-enterprise relationships.

- According to the responders from the analyzed companies, in the process of creation and development of intellectual capital in an enterprise, the role of a leader involves mainly the establishment of values that may ensure the company’s success, creation of a corporate culture that helps accomplish goals, assistance for workers in reaching targets, support for workers and their activity, presentation of the vision, mission and objectives to the people involved in the enterprise, and provision of effective, undisturbed communication in the organization.

- The analyzed enterprises engage in the development of proper internal relations and apply different methods of building relations between the company and its employees; the most common methods always used by the enterprises include access to internal databases; creation of the appropriate corporate culture; provision of work conditions expected by the employed; employee incentive system; learning and knowledge sharing among employees; formation of interpersonal relations between subordinates and superiors; descriptions of processes, rules, and procedures; as well as a delegation of authority.

- According to the employees, the actions in the 1st dimension (interpersonal relations), the 2nd dimension (employee appraisal), and the 3rd dimension (information and technical infrastructure) contribute more significantly to the development of positive intra-organizational relations than those in the 4th dimension (evaluation and development of employees).
The results of factor analysis indicate that the importance of shaping proper organizational behaviors should be emphasized. Support in the form of legal counselling or offering training to employees is equally important. The development of trust in the relationships within the company is also a significant factor. Employees in the surveyed companies emphasized the importance of this action for building positive inter-company relations. Similarly, LaFasto and Larson (2001) identified the factors affecting the quality of a team's work: clear and constructive goals, performance-oriented structure, competent team members, similar engagement levels, co-operative environment, standards of excellence, external support, and leadership based on strong principles. Further, Drewniak and Karaszewski (2016) emphasize the importance of trust, the ability to pursue one's own goals, and propose ideas and partnerships between superiors and employees in the development of relational potential and employee engagement.

Other major factors include the employer-employee relationship, employees' role in the decision-making process, their expectations, and the leadership style adopted in the company (Drewniak et al., 2020). Interestingly, the subject literature provides ample evidence for the paramount significance of building trust in internal relations, since it is reflected in all aspects of corporate functioning (Paliszkiewicz et al., 2015; Jones and George, 1998; McAllister, 1995). On the other hand, the first study results demonstrate that not all surveyed enterprises are often committed to creating a climate of trust in relationships with their employees. Considering the actions associated with employee appraisal, the non-financial and financial remuneration is particularly important in building positive inter-company relations.

Information and technical infrastructure, especially access to internal databases and intranet use, also contribute to the development of proper relations. Access to knowledge management tools supports employees' development and appears to be particularly important in the case of delegation of authority and assuming the responsibility for decisions (Drewniak and Posadzińska, 2020).

Actions associated with the evaluation and development of employees, as demonstrated by the survey results, are among the least meaningful for building positive relations. The evaluation system, process of learning and knowledge sharing, a delegation of authority, coaching and mentorship, and management of competencies are of little consequence for developing positive intra-organizational relations. There may be several explanations for this finding. Employees may not favor these actions or find them inconvenient; the enterprise can implement these solutions incorrectly or not offer them at all, and in some cases, all of the above may be observed simultaneously. Based on the first study data, only half of the surveyed enterprises often or always deliver coaching and mentorship opportunities to build relations with employees. Moreover, to our surprise, in the context of building a company's relations with employees, in only one of the surveyed enterprises, the processes of learning and knowledge sharing between employees are in place all the time, whereas they are rare in as many as two companies. In the present-day
Leadership and Internal Relational Capital of Enterprises

competitive market, knowledge is a strategic asset for a company, and the processes of knowledge acquisition, sharing, and transfer translate into business efficiency, which is confirmed, e.g., by Drewniak (2020), Yi (2009), Paliszkiewicz et al. (2017).

The results of our analysis suggest directions for the development of internal relations. They indicate which actions may be conducive to building positive relationships between the company and its employees (development of internal relational capital) and limited consequence for the process. The study results may also prompt the analyzed companies to reflect on the actions that are considered meaningful by employees but are not always used in the company and re-evaluate the implementation of certain mechanisms. This study provides a starting point for further analysis to be conducted by the research team. Other authors also demonstrate in their studies that relational capital plays an essential role in today's business world (Slupska et al., 2020; Wang, 2014; Garcia-Merino et al., 2014; Huang and Hsueh, 2007).

References:


Drewniak, Z., Drewniak, R., Karaszewski, R. 2020. The Assessment of the features of inter-organizational relationships: benefits, duration, repeatability, and maturity of the
relationship with the company's stakeholders. European Research Studies Journal, 23(S1), 443-461.


Leadership and Internal Relational Capital of Enterprises

ludzkiego w organizacji, Gospodarowanie kapitałem ludzkim. Szczecin: Uniwersytet Szczeciński, Zeszyt, 12, 41-57.
Słupska, U., Drewniak, Z., Karaszewski, R. 2020. Improving internal relations versus shaping the external relations of the enterprise. European Research Studies Journal, 23(S1), 572-585.