

THE INTEGRITY AS A BUSINESS STRENGTHENING FACTOR IN TIMES OF TURBULENT GLOBAL ECONOMY

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Abstract

Navigating a business these days is certainly not an easy task. The business environment is highly competitive and dynamic where changes advance rapidly and thus; there exist those who excel in this business environment and those who are closing the doors. In the pursuit of money and customers in these rapidly changing business conditions, today market actors may become tempted to take shortcuts and act half-heartedly or notably unfair just to overtake competitors and gain easy and fast income. Therefore, maintaining the integrity in an organization may become the critical challenge for modern businesspeople to retain the trust and loyalty of the employees, business partners, and customers and this paper focuses on these issues relying on Polish data and research results.

Keywords: *integrity, organization, business, business environment, market, global economy, turbulent environment.*

1. Introduction

The turbulence in the global business surroundings evokes among the firms' owners and managers strong need of creating the effective organization, supportive control and supervision, and the permanent readiness to fight the competitiveness on the market. The up-and-coming call for acclimatization with all rapid and sometimes unlikeable changes taking place in the business environment should stay tuned to trends, customers' requirements, and market's challenges or simply to be able to encounter great competitiveness (Otoła, Grabowska, Ostraszewska & Tylec, 2016). The modern business focuses on innovations and the flexible approach to the customer and market.

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There is a tendency in implementing the increasingly advanced technological and technical solutions in business management in order to stay competitive and original. Szajt (2016) stresses the fact that the modernism in the industry, high-tech sector, innovations, the development and improvement of technique, and technology, are widely understood as the synonyms of the economic growth or the fundamental impulse of making the industry and service pick up the pace. No matter how much the business should focus on implementing the innovations in its functioning, it is vital to remember that the fundamental aspects of modern managements of organizations concepts put the stress on the important role of the human capital. Following the concept of Senge (1990), businesses with people create the system, just like in a natural world, in which each member has the influence on other members and they together stay in relationships that build the future of the whole organization. Furthermore, this set of people should combine the abilities to learn and think together, to focus and work on the same common objective for the best future for the organizations they work within. As a result, the leaders and employees need to share one vision about the future of the organization and use all possible resources such as capital, organizational, or financial other in order to fulfill the settled objectives (Senge, 1994). The resources controlled by people, their knowledge, ideas, and capabilities make the basis of business to build up its great competitiveness and, what is more important, people play a tremendously significant role in the process of creating all innovations or absorbing them from the business surroundings (Juchnowicz, 2007). The changes result from human creativeness and are used in the organization development and general functioning. The human capital, though, can determine the modernization of the enterprise (Czerniachowicz, 2016) and should be put forth in effective business management. The human resources become essential in terms of organization's potential competitiveness. It is quite obvious that apart from the capital of people the company needs to gather different types of resources (financial resources, knowledge or supplies, etc.). However, according to Śliwiński (2012), the human capital generates the vast variety of values which in case of Poland are: skills or capabilities, the strength of character, as well as the motivation and the experience. Furthermore, the author declares that the company's leader whose aim is to achieve the business development pays attention to workers, makes decisions with them, and considers them as members of one common family. Śliwiński mentions other valuable resources, but the right leader's attitude to employees and their business abilities stays in the first place on the list. The attitude of the leader is frequently connected with the amounts of his or her knowledge, experience, managerial capabilities, ideas or personality attributes. The way the manager or the business owner governs the company translates into the success or failure.

The management of the enterprise should, though, include the ability to manage the business in the area of its inner environment and outside in its outer environment which means taking into account the characteristics of the leader and employees, the organization itself or the features of the business surroundings (Kiełtyka, 2016). If the company wants to rely on its workers, the management needs, therefore, to focus on the adequate supervising and control of the employees in a way, they will stay integrated, and their place of work will be sociable. According to Senge (1994), the shared vision of the company should include the leader encouraging and supporting the employees to become devoted to all concepts and initiatives in the company as it brings the expected results. Senge's (1994) concept of enrolling workers in the vision of the leader's, might be considered as the process of building the amalgamation and integrity inside the company which should become a major aspect of the modern management of the enterprise. As Zwilling (2012) suggests the "*company's integrity is critical for getting and keeping customers and vendors,*" therefore this might be a key factor that strengthens the company within and makes it more effective and powerful on the market especially nowadays, in the turbulent global economy.

2. Culture inside the company

The growing sense of the organizational culture as the determinant of the company's proper functioning of the market in discussions on contemporary business management is not surprising at all. The culture inside the company may reflect the shared values, trust, honesty or principles that both the leaders and workers follow or not. All these core values and ethics compose the integrity of the business (Harshbarger & Stringer, 2003). First conclusions on the importance of the right culture inside the enterprise have been drawn in the study of management during the research conducted in Japanese entrepreneurs. Japan pays attention to human potentiality and ability to create a well conducted and prosperous business, as the country which does not possess the natural resources. The human capital, therefore, has become to Japanese managers, the major resource of the firm's success on the market. The way the company is organized, structured and governed has become discussed as the basis of the well-functioning organization. Japanese have established that the organization means people inside, their attitudes, feelings, morality, norms, their beliefs, and expectations. If they are gathered together in the organization, they create a whole system of attributes and values with the same common aims and plans - the culture of the organization (Cameron & Quinn, 2006).

The right culture in the organization can build up the trust between the company's leader and the employees and, what follows, the true reputation of the business among the customers. The culture in the company defines its originality, individuality or unique spirit, which makes the firm exceptional on the market (Romanowska, 2001). The culture reflects the authentic mood and condition of the company. If it is good, the company functions in a better way. If it is wrong, the company suffers from the internal trouble, lack of positive attitudes and risks disloyalty or deception (Piotrowska, 2015). Therefore, the modern business should focus on improving the atmosphere in the company, relations between the workers, the workers and the supervisors, as well as between the company and the clients. The atmosphere inside the company, its culture, determines its general value as the entity on the market. The bigger this value is, the more competitive business can be. The way to increase the value of the enterprise resides in the groups of people it includes. The company can only build its value on the market if it takes its workers as the fundamental factor determining the success. The employees, if well paid and treated with attention and care, will raise the value of the company, develop and move forward. If the workers are treated deficiently and lack the fair payments, they eventually leave the company which will force the owners to hire new workers. Such a process can bring additional costs which will reduce the company's effectiveness and value (Rzemieniak, 2013). Hence, the company must think about the satisfaction of the staff, the constructive culture of the whole company and the ways to motivate the workers in order to build their loyalty and trust.

3. Trust and reputation building the integrity of the company on the market

Trust builds all business relationships, not only those between the employer and the employees but also the company-consumer relationships. This trust forms the attitude of the clients towards the company. The more the clients feel confident with their relations with the company, the more it translates into the firm's success. The company should work out the ability to be fair and respectful at the basic level of its structure. Both the correlation inside the firm and that outside should be built on trust, and the acting itself should be responsible and based on the strong conviction to do what was promised. It is a component of an internal climate of the organization. If the company focuses on the mutual reliance and working together, it creates a natural and healthy atmosphere inside the organization which influences the climate in the external conditions, in the business environment and this builds the integrity in the company (Figure 1).

Therefore, as Cenker (2007) said, the adequate managing of groups of people should include the flow of information and emotions inside the company. The information should not just be given, but shared with the workers, so that they will become a part of the decision processes inside the firm and they will build the organizational culture based on trust and honesty, at the same time. The concepts of the internal public relations which belong to the idea of the human relations put the stress on the internal communication inside the company, the flow of information, and knowledge that influence the general look and credentials on the market (Rzemieniak & Kamińska, 2012).

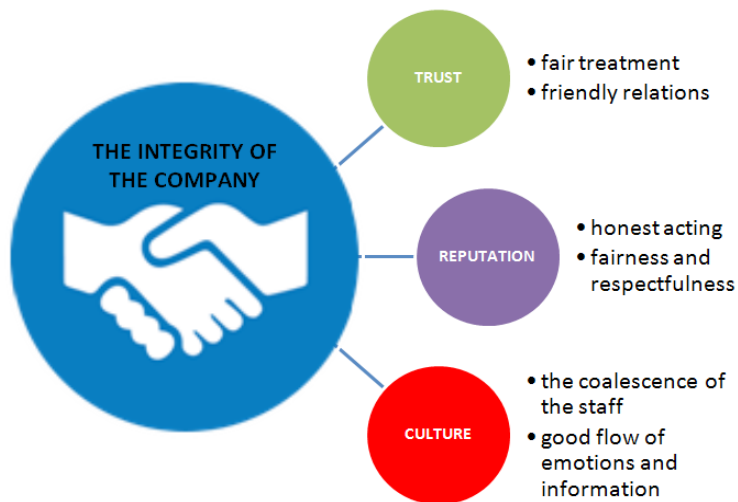


Figure 1. The model of the integrity of the company

The trust in business makes the employees open with each other and open towards the owner or top managers. The common conditions give the opportunity to express true views or opinions, and if the environment is communicative, the employees can be given a certain amount of independence which should result in increased creativity. This freedom leads to cooperation among the employees, their interchange of ideas and mutual operation in order to create something valuable and effectual. Additionally, the friendly atmosphere and culture inside the company make the workers proud of their work, raise their aspirations and stimulate the career. The workers become more closely connected to the company (Czerniachowicz, 2003; Baruk, 2003). The integrated and united staff may bring a great chance for the company to adapt to the ever-changing marketplace easily, stay competitive or even achieve the advantage on the market.

4. The meaning of the integrity in business among the Silesian companies - case study

The study conducted in 2016 included 114 enterprises of the Silesian Voivodeship. The aim of the study was to determine whether the Polish companies of the Silesian region make use of the limited and specific resources in order to accomplish business objectives on the market, and, if they need ones, they search for resources helping them to function in the domestic and foreign market. Furthermore, the study showed the companies how to explore the business environment in order to gather the resources and afterward effectively exploit them so that the company's operating in permanently changing business conditions would bring the success. Furthermore, the research helped to obtain the opinions about the organizational culture and personal work atmosphere in the companies, as well as to gather information if such issues like integrity in the company are important to the leaders or managers, and whether they endeavor to implement the strategy of integrity in their businesses.

Quantitative research

The research was based on the questionnaire conducted among 100 enterprises with the use of the techniques CATI and CAWI, where only 14 companies took part in face-to-face interviews in the Czestochowa and Lubliniec regions. The types of companies of the research have been introduced in Figure 2.

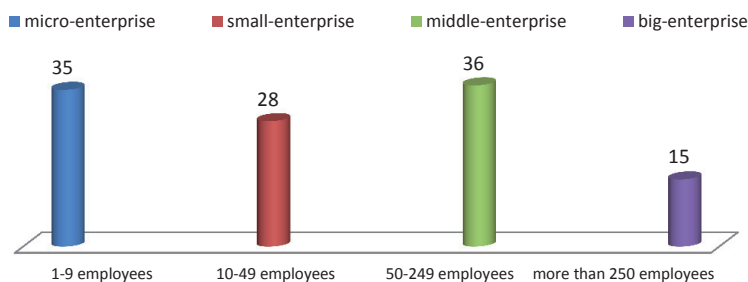


Figure 2. The types of research companies of the Silesian Voivodeship according to the number of employees N=114

The amount of 45% of surveyed companies (53 respondents) function exclusively in the sector of services, 20% of the companies are involved in the production, and 10% include services in their activities alongside the production and trade. The results are introduced in Figure 3.

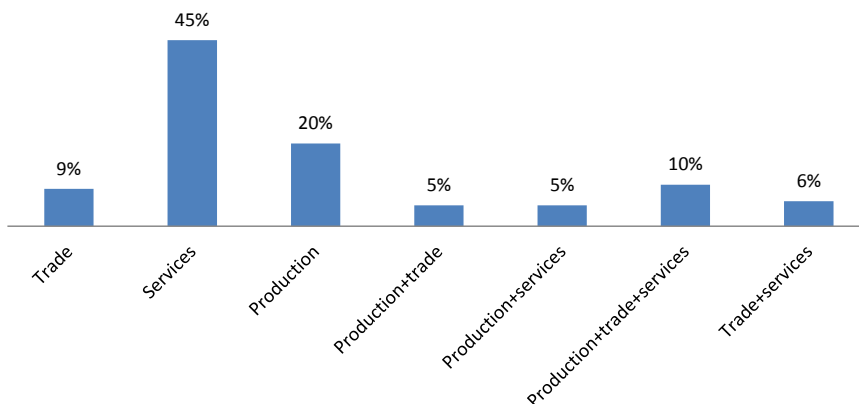


Figure 3. Types of business among the surveyed companies of the Silesian Voivodeship N=114

The amount of 9% enterprises in the survey belong to the group of trade companies, 5% of the companies join production together with trade and analogically, and 5% of companies are engaged in manufacturing and at the same time offer services. Additionally, 6% of entities are involved in trade joined with services.

According to the gathered information in a population of 100 firms, most of the entities focus on collecting the resources in order to develop their businesses and increase income. For the companies, the most important resources are the financial ones which were indicated as the most essential especially in terms of expanding business on the foreign market (Figure 4). The gathered results also reveal that the human resources appear to play a significant role for the companies if they aspire to run their businesses effectively.

Correspondingly, the companies indicated that the intellectual resources might also be crucial factors based on the successful market research. Besides, the companies consider the organizational resources or features such as a good reputation or renown (called by the authors' prosperity resources) as additional factors influencing the achievement of the company on the market. In case of the international operation of foreign markets, the companies which operate in foreign markets (33 entities from the sample of population of 100 companies) were asked to indicate the usefulness of the resources when it comes to function abroad. The gathered results are introduced in Figure 5.

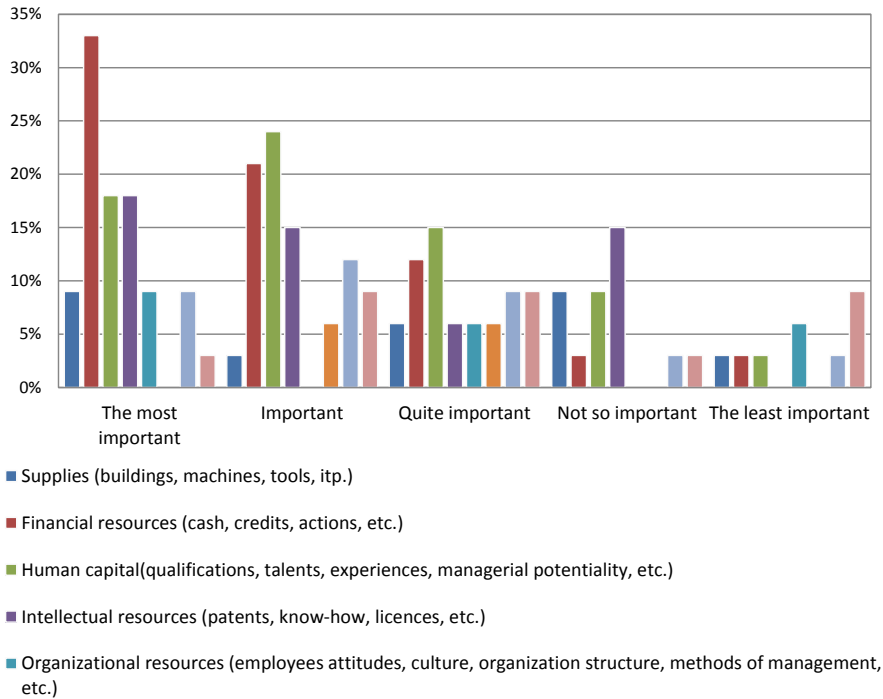


Figure 4. The value of resources in business management in opinion of the companies of the Silesian Voivodeship N=100

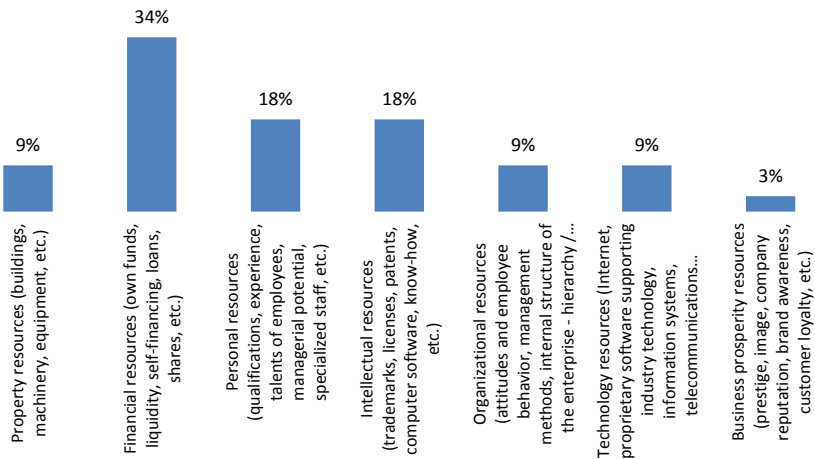


Figure 5. The most important resources in internationalization of business in opinion of the companies of the Silesian Voivodeship N=33

The majority of companies in the survey (34%) indicated the financial resources as the most important in case of functioning on foreign markets, whereas, 18% of the firms admitted that personal (human) resources and intellectual ones are equally essential if the company aspires to operate on the foreign market. Such factors like prestige, renown or the reputation of the company, or organizational resources, including the culture of the company and the employees' attitude to work or managing style, according to 9% of the surveyed entities were indicated as evenly significant and helpful regarding internationalization of business. The gathered information during the survey on the population of 100 companies let to verify the assumption of the paper that the integrity based on the inner relations in the company, the work atmosphere, organizational culture that helps to establish trust and reliability in the company, is one of the most fundamental factors that strengthen the company and enables its more effective and successful functioning. This information can be confirmed by the collected results of a survey which indicates that companies search for and rely on the human capital, employees' competence, staff knowledge and experience which also build the general outlook of the business entity on the market. These aspects create the idea of integrity.

The case study conducted among the 14 companies let to obtain more opinions on valuable resources influencing the functioning of companies on the domestic and foreign market.

The gathered information emerged as a respected source of knowledge on how important the issue of integrity inside the company appears to be.

Case study

The case study was based on the interview with the questionnaire among the 14 companies. The inquiries, besides the issues of resources, business environment, companies' objectives and business strategies, also touched the issues concerning the problems of trust and reliability inside the company. As well as, the matters of organizational culture, loyal staff, well-educated and qualified workers, the employees' attitudes and motivations, or the importance of the accurate and well-organized management. In general, the interviewed companies admitted that the human capital is essential concerning the success and competitiveness on the market. The companies put the emphasis on the staff skills, education, aspirations and proficiency, as well as the willingness to raise their qualifications. For the purpose of this paper, only selected examples relevant to the topic are discussed below.

Czestochowa producer and seller of the lighting goods in Poland, Germany and Italy rely on innovative tools and CNC (Computer Numerical

Control) machines³, owns the factory and several shops. The main concern of the company is the fact that there are not many welders and metallurgists on the market who are highly skilled and proficient, and willing do this profession at the same time. Those who work for the company are mainly in advanced age, and they are soon to retire. The company tries to predict the changes in the organization and in this case, puts much effort on gaining new talents and young hands to work and would consider themselves as an essential part of the company, integrated and devoted to the organizational plans, company's visions and projects. For the company, organized and motivated workforce earns the quality of the company, raises its value and contributes to a good future; therefore, the workers are treated as members of one integrated family.

Czestochowa manufacturer of vehicle links and cables especially for Italian and Middle East markets also emphasizes the importance of the family-like atmosphere in the company. The owners integrate with the workers in the way they feel needed and irreplaceable. For the company, the integrity means cooperation and motivation, but also the trust which gives the owners the certainty that they can rely on their employees if the market requires dynamic reaction and readiness. The integrated company also means the permanent presence of the owners.

The rule of the company is that at least one decisive person is present at the company during the day, so that he/she can not only control the production processes but also supports the employees if trouble occurs. The owners admitted that their presence strengthens the sense of cooperation and integrity among the workers.

Another firm in Czestochowa that produces toys for children, mainly buildings blocks, vehicles or summer plastic toys, clearly stated that the integrity inside the company should be the main concern of the owners or managers. This firm also puts the emphasis on the family relations among the workers. The owners who oversee the company belong to the same family, so the atmosphere in the company is very much familiar. The employees can always come and discuss the problems with the employers. The building has one story, the rooms' doors are deliberately open, and all people can use a shared kitchen and dining room together with the employer. There is a custom of a group breakfast or lunch break at one long table. What is even more interesting, the company hires mainly women, and if they feel the need, they can bring the children to work. However, it is practiced only in urgent situations. The trust and the feeling of comfort are obviously very high.

³ CNC machines and devices have built-in microcomputers and numerical control, so you can program fast and precise complex shapes. The CNC system is used in the latest generations of lathes, milling machines or electro-erosion machines. Manufacturing of components on CNC machines guarantees high reproducibility of accurately measured and programmed shapes, In: Lynch M. (2007), *What is CNC?*, CNC Concepts Inc., Cary IL.

The IT services Czestochowa company includes the staff of fewer than ten people. The owner's idea of the well-organized business assumes the private training and the process of adapting the new worker to the team's structure and character. Therefore, the owner prefers hiring people who possess general capabilities in information technology and web designing, but they lack the work style, and they need to be taught this according to the team expectations. Another company in Czestochowa belongs to the sector of automotive industry and produces the chassis components like ball-bearings and shields. The integrity of this company is generated through the permanent process of control and supervision. The owner has developed among the workers certain proceeding which assumes the employees should have the ability to solve the ongoing problems, propose the solutions or a course of actions for the good of the company. The example of the culture inside the mentioned company reflects the Senge's (1994) concept of the shared vision, which means that the leader wants the employees to integrate with the firm and create trust and value inside the organization. What is worth mentioning is the fact that in general the owner and top management of the company take all major decisions and strategies. The structure and organization are vast and includes more than 200 hundred people, so the family-like arrangement of the company, according to the owner, is not possible, but the worth and mutual responsibility of the company's objectives are achievable to be put into practice.

The next example is the producer of the cast iron. The company runs the largest foundry and thus hires more than 300 hundred people.

The employees work in three shifts. The owner and his son, as the chief manager, put the emphasis on the hard hand management. During the interview, the leaders admitted that the comfortable atmosphere inside the company builds the amount of the integrity and for the owners' trust and the loyalty of the employees are the most important, but these patterns of behavior should result from the strong leadership. On the one hand, the managers admit that today business should include the matters of good relationships between the employer and the employees so that they would treat the place of work as their source of income, area for personal contacts and exchange of ideas or solutions. In this case, the policy of the company is to hire mainly men who belong to one family or know each other privately, which, according to the managers' opinion, levels up the feeling of integration among the workers. However, on the other hand, the company keeps the sturdy hierarchical structure of the organization, and major decisive processes or strategic planning is done by the top management and the owner himself. The workers are supposed to do the duties assigned to them and for which they are responsible. The control is constant and instant, so the level of integrity appears to be vague.

5. Conclusions

For many companies today, the coherence and unity of employees and employers are at the heart of a success of the company in the marketplace. The integrity built on trust and proper organizational culture is reflected in the company's reputation, which, in turn, brings tangible results. The concept of modern management of the company cannot ignore the important role of the human capital. It is the foundation of a business that gives the opportunity to develop and gain competitive advantage. With a good team of workers with proficient competencies, often specialized skills, the company has the prospect to overcome the difficulties and volatility in the corporate environment and, as a consequence, increase its market value. The integrity in the contemporary business plays the significant role in combating the frequently unfamiliar conditions of the turbulent global economy. It reflects the strength of the company and its ability to go through the changes and the skill of fighting the problems or challenges in business surroundings. The results collected in the conducted survey allow for the conclusion that companies notice the need of possessing the adequate human resources which include the right amount of qualified, loyal and competent workers. In addition, the set of values such as the reliability, prestige, positive image of the company and the right organizational culture, have the influence on the company's functioning and strengthen its position on the market.

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