

INNOVATIVE TECHNOLOGIES, HUMAN CAPITAL AND THE COMPANY'S MISSION FROM MANAGEMENT OUTLOOK

Norbert KAWĘCKI

Maria Curie-Skłodowska University in Lublin, Poland; norbert.kawecki@googlemail.com,
ORCID: 0000-0003-1079-6600

Purpose: The purpose of the work is to present the research results conducted among managers the largest companies in the world and in Poland provided by KPMG Report from 2021.

Design/methodology/approach: Due to the cognitive nature of the work, the aim of the work will be achieved using the method of analyzing the literature and KPMG research results on the subject. Literature studies include Polish and foreign publications.

Findings: Innovative technology, human capital and company's mission is very widely described in international literature. Many reports have been created and the most updated brings new CEO's outlook on management issues. Top managers and employees with technology are creating a mission of every firm.

Originality/value: The analysis either literature and reports with 2021 statistics presents all areas where CEO's during this pandemic world need to improve and develop old and new solutions. The data base presented in the world is most updated data developed in the work and science market.

Keywords: innovation technologies, human capital, mission, management, outlook.

Category of the paper: Research paper.

1. Introduction

CEO's are aware of the digital transformation, what is happening before their eyes. They don't ignore this revolution and according to the plugged-in principle, they make decisions that are associated with increasing investments in technologies, developing the skills of employees including scope, establishing innovative alliances and a specific approach to cybersecurity.

Organizations that care about sustainable development increasingly more often they work according to the people-focused idea. CEOs appreciate the benefits of being a diverse and inclusive company and proactively they approach the areas of commitment and motivation and employee productivity in a world in which hybrid work is becoming more and more common. The pandemic made managers aware the need to put more emphasis on mission companies. Being guided by it when building a strategy and setting operational priorities is essential, to grow your organizations and become stronger. Therefore, more and more often the CEO of the largest companies on the world try to propose the purpose-led approach in their organizations.

CEOs face new challenges as their organizations face up to each day with the direct or indirect effects of a pandemic. They balance the potential to drive growth and transform its operations under uncertain conditions and with varying risks. Despite this, the CEOs the largest companies in the world are optimistic about development, feeling a strong connection with their missions companies and thinking about future expansion.

The word ‘innovation’ is “derived from the Latin word *innovates*, the noun form of *innovare* meaning ‘to renew or change,’ stemming from *in* (‘into’) and *novus* (‘new’). Thus, innovative technology is technology that is changed or developed to improve products and services. Various notions that relate to such changes in technology are considered innovative technology” (Kim, 2015, p. 231).

Several definitions of innovation sourced from the business and literature:

- “A process that includes the generation, development, and implementation of new ideas or behaviors. Further, innovation is conceived as a means of changing an organization, either as a response to changes in the external environment or as a preemptive action to influence the environment. Hence innovation is here broadly defined to encompass a range of types, including new products or services, new process technologies, new organizational structures or administrative systems, or new plans or programs pertaining to organizational members” (Damanpour, 1996, p. 694).
- “The embodiment, combination, and/or synthesis of knowledge in novel, relevant, valued new products, processes, or services” (Leonard, Swap, 1999, p. 7).
- “Things that change the way we can do what we want to do; [things that] have added value to our daily lives ... new, desired, or needed services that add value for university faculty, students, and other scholars... . Innovation is more significantly about what our target audience can do—about the increased capacity of library users to do what they want and need to do in the way that most benefits their productivity, pleasure, and excellence ... facilitating the work of our primary constituents in ways that are new and useful to them” (Deiss, 2004, pp. 18-19).
- “Innovation is the multi-stage process whereby organizations transform ideas into new/improved products, service or processes, in order to advance, compete and differentiate themselves successfully in their marketplace” (Baregheh, Rowley, Sambrook, 2009, p. 1334).

- “An innovation is a change, in a product, service, process or, more widely, an organization” (Rowley, 2011, pp. 252-253).
- “A wise person once told me that innovation isn’t just about doing things that are new or different; it’s about doing things that in the eye of the beholder (the user, patron, or customer) meet a need that may not have been appreciated before. Innovations are the things that truly alter and improve how we do things; they may even shift our proverbial paradigms” (Kaser, 2011, p. 4).

According to Investopedia the term human capital refers to the economic value of a worker's experience and skills. Human capital includes assets like education, training, intelligence, skills, health, and other things employers value such as loyalty and punctuality. As such, it is an intangible asset or quality that isn't (and can't be) listed on a company's balance sheet. Human capital is perceived to increase productivity and thus profitability. The more investment a company makes in its employees, the chances of its productivity and success becomes higher (Investopedia).

In Cambridge dictionary human capital is defined as employees, and all of the knowledge, skills, experience, etc. that they have, which makes them valuable to a company or economy” (Cambridge dictionary).

Britannica defines as „intangible collective resources possessed by individuals and groups within a given population. These resources include all the knowledge, talents, skills, abilities, experience, intelligence, training, judgment, and wisdom possessed individually and collectively, the cumulative total of which represents a form of wealth available to nations and organizations to accomplish their goals” (Britannica).

“A mission statement defines what an organization is, why it exists, its reason for being. At a minimum, your mission statement should define who your primary customers are, identify the products and services you produce, and describe the geographical location in which you operate” (Entrepreneur).

A mission statement defines what line of business a company is in, and why it exists or what purpose it serves. Every company should have a precise statement of purpose that gets people excited about what the company does and motivates them to become part of the organization. A mission statement should also define the company’s corporate strategy and is generally a couple of sentences in length.

For purpose of the work following thesis have been stated:

1. Innovation technologies and human capital are important part of top management.
2. Company’s mission is in hands of top management.

Following research questions have been created:

1. What are key success factors for ensuring employee engagement, motivation and productivity in a world where hybrid work is more and more common?
2. What are key steps planned over the next three years to build digital resilience?

3. What is the most important methods of consolidating the assumptions of the organization's mission in its strategy over the coming years three years?
4. What planned activities supporting the implementation of the organization's development goals over the next three years?

2. Methods

KPMG study was conducted between 500 General Directors in 2021. All CEOs surveyed manage companies with annual revenues in excess of 500 million dollars, one-third of which generate annual revenues greater than 10 billion dollars. The organizations represented in the survey come from 11 key sectors. These are: banking, energy, infrastructure, life sciences, automotive, manufacturing, consumer and retail sectors, technology and telecommunications, insurance, asset management. The survey was conducted among 25 CEOs from Poland too, compared with the responses of the leaders with the so-called Core Countries (1325). The Core Countries group includes countries such as: Australia, China, France, Spain, India, Japan, Canada, Germany, the United States, Great Britain and Italy.

The study provides an in-depth three-year forecast of the CEOs of the largest organizations about enterprise and growth economic.

3. Results

The results contain following empirical responses about:

- key success factors for ensuring employee engagement, motivation and productivity in a world where hybrid work is more and more common,
- key steps planned over the next three years to build digital resilience,
- the most important methods of consolidating the assumptions of the organization's mission in its strategy over the coming years three years,
- planned activities supporting the implementation of the organization's development goals in the next three years.

3.1. Key success factors for ensuring employee engagement, motivation and productivity in a world where hybrid work is more and more common

In a world where hybrid work (Figure 1 and Figure 2) has become a standard rather than a privilege, creating flexible working conditions has become mandatory. The general directors took note and accurately identified the needs resulting from the rapidly changing job

perspective in the new reality. Investing in flexible working conditions is not the end, however opportunities to meet the needs of employees. After such a long period of remote work, it is no longer the time to learn how to meet needs, share opinions or show empathy in virtual conditions. We are already a step further, both at the level of awareness and investing in factors that ensure commitment and motivation and employee productivity. Polish directors general want to speak clearly on important matters and create a work environment in which environmental, ideological and social responsibility issues. As many as 60% of the leaders from Poland participating in the survey treat the problem of the ongoing changes seriously climate change, racism or increasing inequality. At the same time (56% of respondents' indications) they focus on the mental health and well-being of employees (KPMG 2021 CEO Outlook).

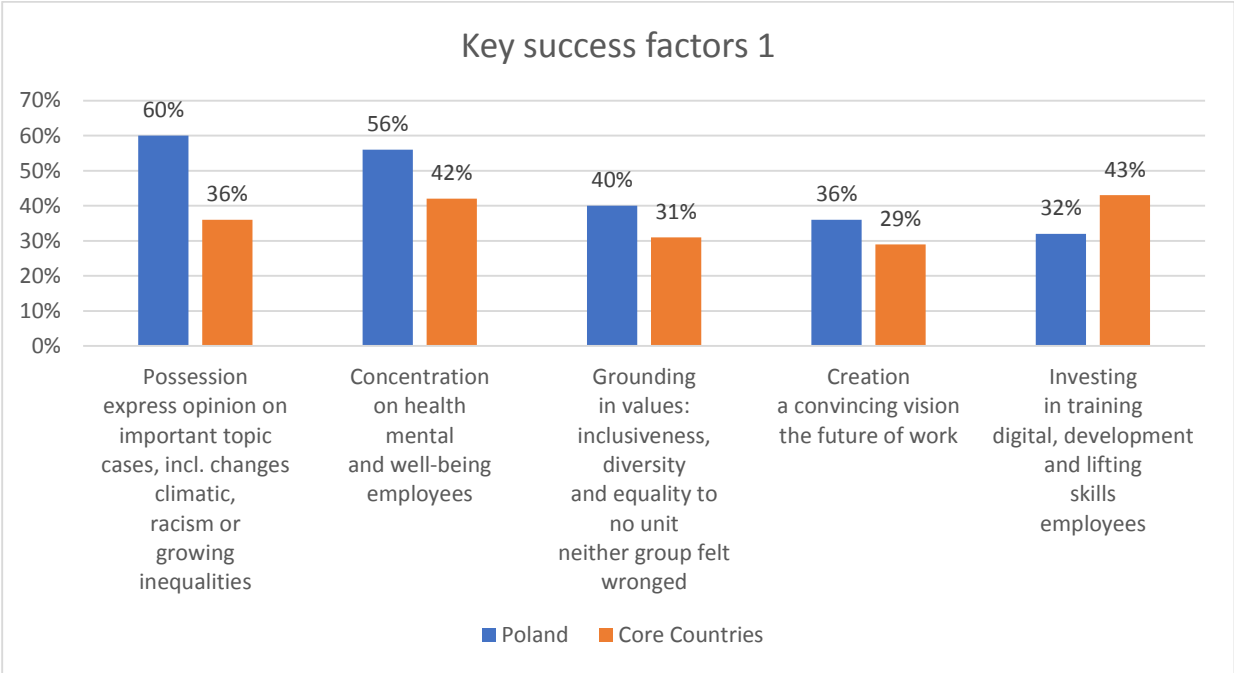


Figure 1. Key success factors for ensuring employee engagement, motivation and productivity in a world where hybrid work is more and more common. Source: KPMG 2021 CEO Outlook. Innovative technologies, human capital and the company’s mission.

Creating a culture targeted at target and resisting on the values, in which the leaders they do what do preach in Poland and in Core Countries is the key success factor to achieve targeted goals. It helps employees to belong to some group of society which follows the same principles. To receive feedback by listening opinions and needs employees and carrying them out ideas Core Countries with 32% show the ability to adapt and change the work environmental and create good standards of work (Figure 2).

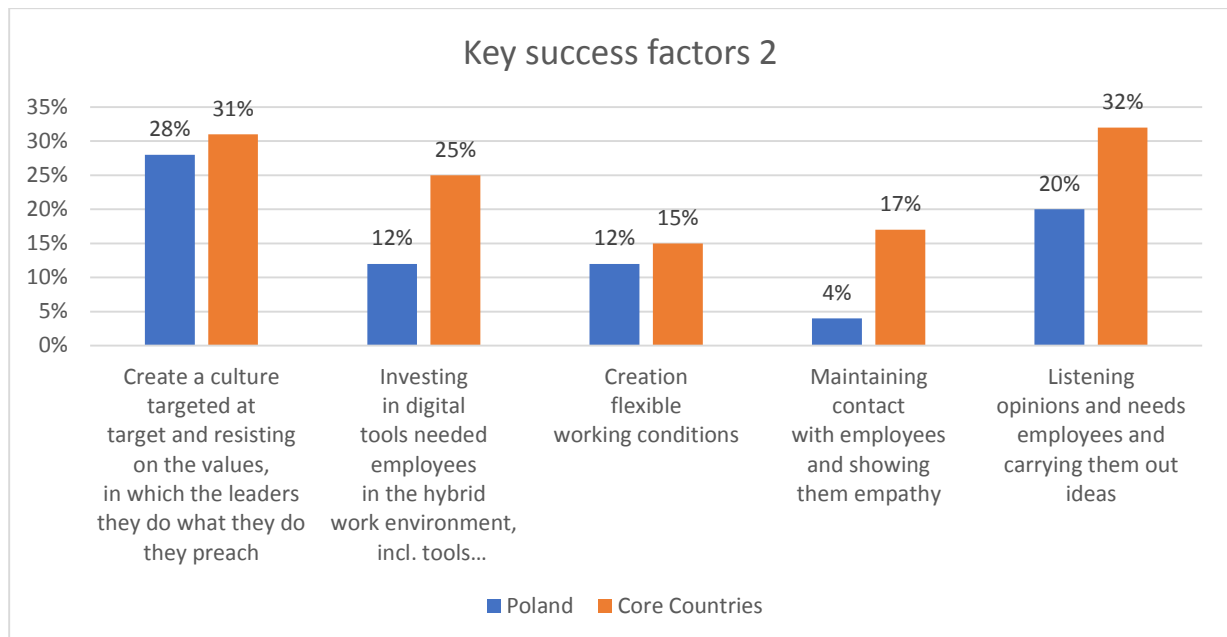


Figure 2. Key success factors for ensuring employee engagement, motivation and productivity in a world where hybrid work is more and more common. Source: KPMG 2021 CEO Outlook. Innovative technologies, human capital and the company's mission.

3.2. Key steps planned over the next three years to build digital resilience

The digital transformation (Figure 3 and Figure 4) has accelerated significantly during the pandemic, contributing to the expansion of the scale of operations many enterprises which thus gained a competitive advantage. The vast majority of CEOs of Core Countries (76%) see the technological revolution more as an opportunity for growth than a threat, but only slightly more than half (56%) believe that their company is properly prepared for potential cyberattacks. New technologies, revolutionizing the world of business, bringing with them new risks related to cybercrime. Test shows that executives recognize the importance of implementing cybersecurity practices. Core Countries in equal measure to a large extent, they focus on strengthening management in terms of operational resilience and recovery after major accidents, and focus on improving cybersecurity and other skills technological risk areas. Moreover, building awareness and prioritizing organizational culture they want to support digital security issues directly through their own attitudes and example from leaders. Both surveyed groups of respondents (both the CEO from Poland and Core Countries) recognize the provision of security and supply chain resilience as the most essential step taken to build digital resilience over the course the next three years. Nearly three-quarters of Polish CEOs indicated the above issue as a key issue (KPMG 2021 CEO Outlook).

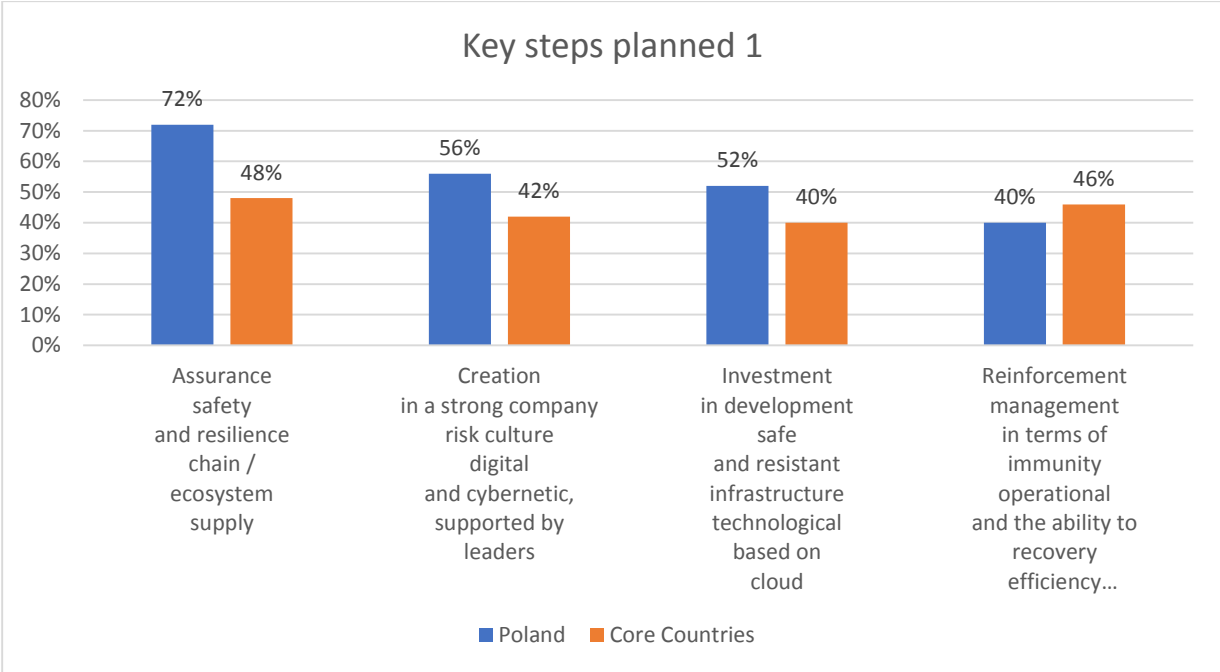


Figure 3. Key steps planned over the next three years to build digital resilience. Source: KPMG 2021 CEO Outlook. Innovative technologies, human capital and the company’s mission.

Very important for CEO’s Core Countries and Poland is focus on improvement skills (46% and 40% accordingly). Improving skills of employees helps to gain safety in unpredictable environmental. With difference of 14% between CEO’s from Core Countries and Poland of in automation any possible process in order improvements and optimalization and risk management in the scope of safety it clear states to achieve the goals financial sources are needed. Core Countries posses much higher financial sources to develop the automation improvements processes. 25% in Core Countries is application comprehensive approaches to ethics and privacy data. In Poland with 9 % it is still very low and it could be explained by mentality of Polish people and previous economic system (Figure 4).

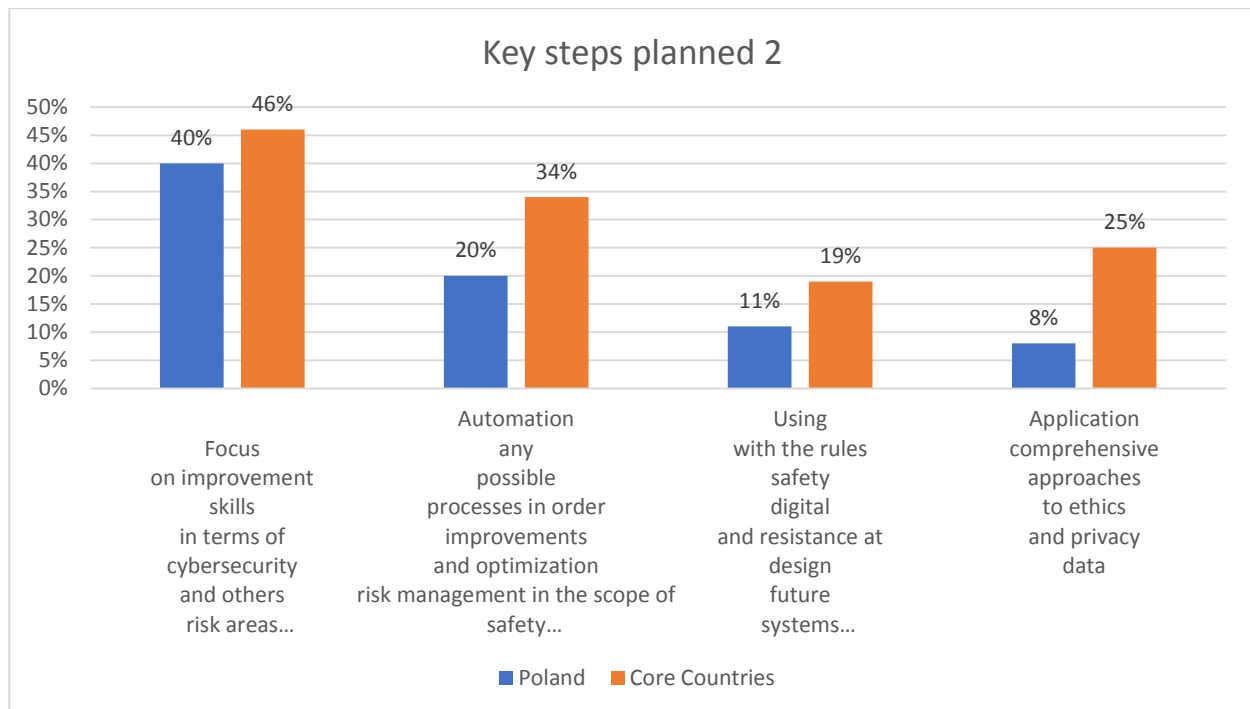


Figure 4. Key steps planned over the next three years to build digital resilience. Source: KPMG 2021 CEO Outlook. Innovative technologies, human capital and the company's mission.

3.3. The most important methods of consolidating the assumptions of the organization's mission in its strategy over the coming years three years

The way the company's performance is perceived has changed and is no longer viewed solely through the prism of issues financial. In Poland, it is the fourth time that large listed companies must publish ESG data in their non-financial reports, but soon they will have to pay more attention to this aspect also medium and smaller entities. It also seems likely that the scale of the responsibilities involved with non-financial reporting will expand and, consequently, will create a uniform, European one standard for reporting ESG-related issues. It is not surprising then that as many as 56% of Polish CEOs participating in the survey treat them as a priority issues related to how to inform investors about the results and believes that they will play a significant role in consolidating the assumptions of the mission in the organization's strategy. This factor may be crucial in the coming years how to influence the decisions of e.g. insurers or banks assessing whether the company is acting in compliance with the principles of sustainable development, which make decisions based on the assessed risk on granting it financing (KPMG 2021 CEO Outlook). In Core Countries the most important for General Director's is rewarding and motivating employees with score of 28%. It is so, as believe this activity increase achieving strategic goals through Key Performance Indicators (KPI). Based on this methodology of thinking informing investors and other stakeholders about results is the second most important value for top managers in Core Countries. Either CEO's from Poland and Core Countries emphasize allocating capital (11% and 14% accordingly), training and providing possibilities learning employees to improve productivity and knowledge to

achieve better results and to develop long term strategy. Very disturbing for Poland are results in recruitment and employees and evaluation, rating suppliers and compensation the highest rank of leaders. These methods of consolidating the organization's missions in Poland need to be looked into for further development for improvement (Figure 5).

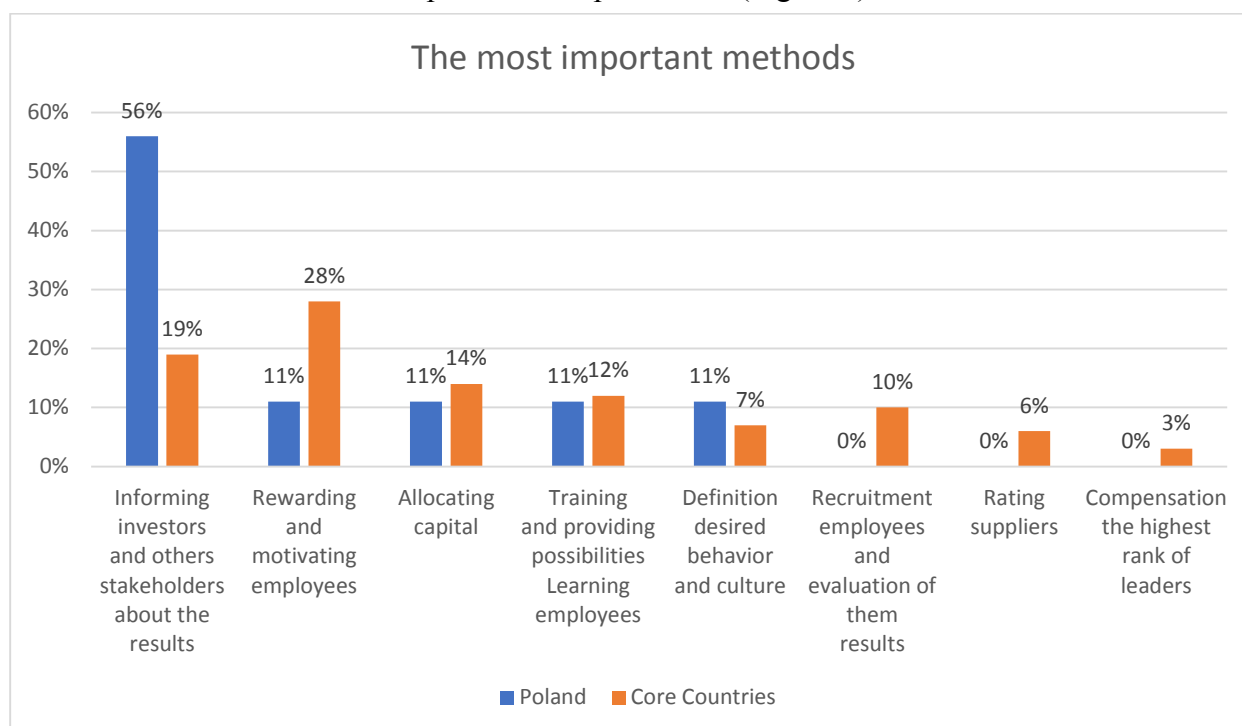


Figure 5. The most important methods of consolidating the assumptions of the organization's mission in its strategy over the coming years three years. Source: KPMG 2021 CEO Outlook. Innovative technologies, human capital and the company's mission.

3.4. Planned activities supporting the implementation of the organization's development goals over the next three years

Based on the results (Figure 6) of the study can be drawn conclusion that the presidents of Poland have clear specific in what forms of innovation they want invest. They are the least willing to approach to finance external companies under corporate venturing (only 20% of responses), however, they are optimistic about investing in software development accelerators or incubators for start-ups (52% of responses, second highest the number of indications in the question about the planned actions to help achieve goals development of the company). Corporate venture building it is different from accelerators or incubators the fact that the said programs support existing ideas, and venture a builder is a company that undertakes to build new companies, however, in the first place independently creates ideas for business and this base is looking for people to guide them. It can be seen that among Polish directors there is a growing tendency to support general creativity, but also use external (non-corporate) potential intellectual and skills and knowledge. This translates into more and more frequent references partnerships with external suppliers data (56% - the most indications in Poland) and cooperation with external suppliers cloud technologies (48%). Undoubtedly, among the CEOs of Core

Countries, there is a conviction that there is a need to increase investments in disturbance detection and innovative processes (67%). The presidents of Polish companies have a different opinion, who almost twice less often (36%) indicated this option as an activity aimed at helping the company's development in the next three years (KPMG 2021 CEO Outlook).

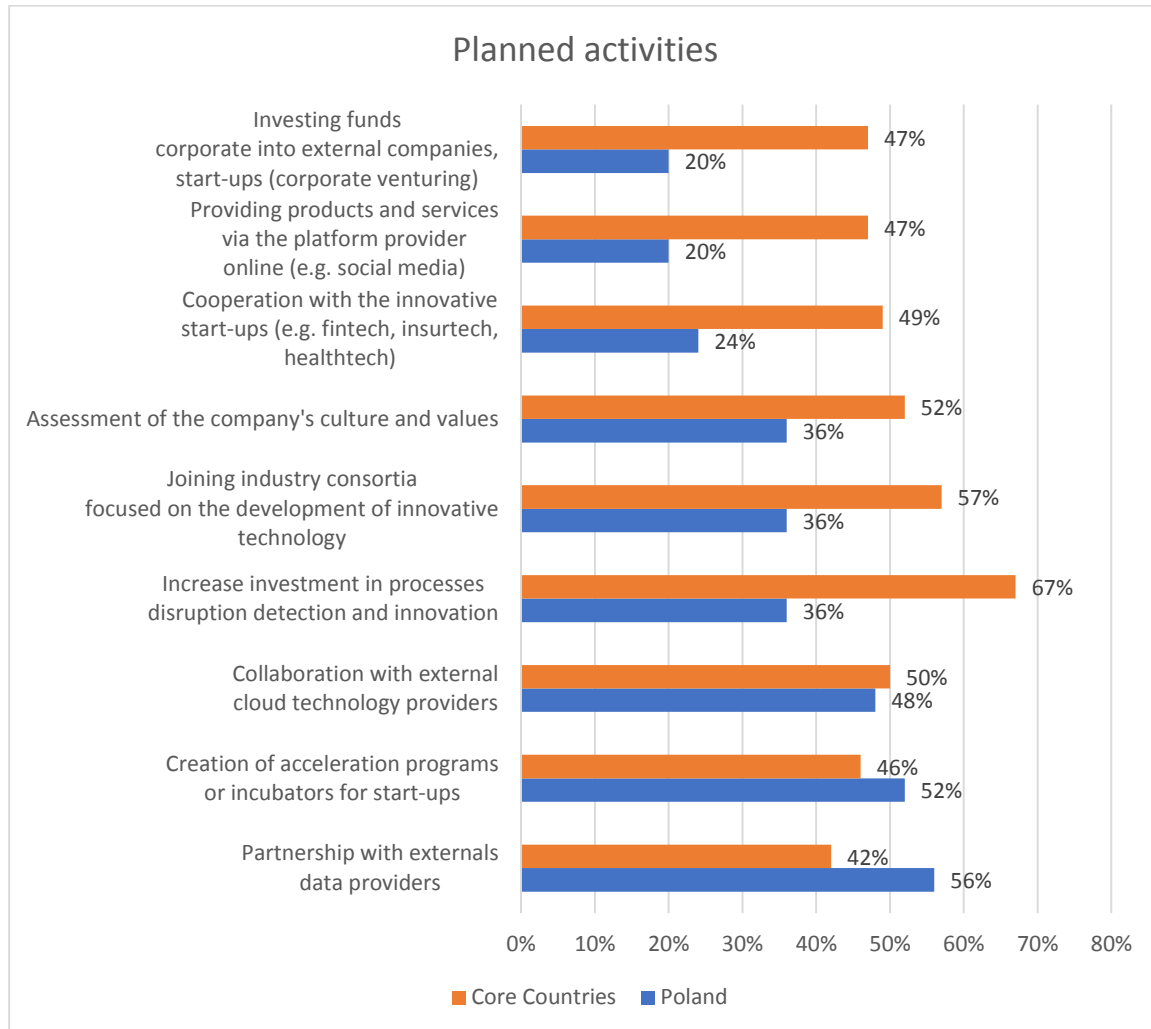


Figure 6. Planned activities supporting the implementation of the organization's development goals in the next three years. Source: KPMG 2021 CEO Outlook. Innovative technologies, human capital and the company's mission.

4. Discussion

The key conclusion based on the KPMG 2021 CEO Outlook Report are:

- 60% interviewed CEO from Core Countries is convinced about the development perspective world economy within the next three years,
- 88% participating in the study CEOs of Core Countries is expecting to increase employment,

- 50% Core Countries respondents in the next three years plans to make mergers/acquisitions, that will have a significant impact on the company,
- 36% respondents from Poland believe that that strategic alliances with third parties will have of utmost importance for achievement development goals in the near future,
- 52% general directors from Poland replied that no changes are planned in employment,
- 72% study participants in Poland recognizes security and supply chain resilience for the key steps towards building digital resilience in the next three years,
- 76% Polish respondents are noticed there is a clear need for stakeholders increasing reporting and transparency in the field of ESG,
- 28% interviewed CEOs from Poland indicates reputational risk as a threat to the development of the organization in the next three years,
- 56% of the interviewed CEOs from Poland believe that informing stakeholders about the company's performance will be crucial a method of preserving the assumptions of the mission organization in its strategy over the course the next three years.

5. Summary

We are at the moment where digital transformation is so important like never before. The pace of development and the complexity of IT technology make it a security gap information systems are a common phenomenon. Progress technological is essential in companies, so that they can remain competitive, nevertheless nowadays cybersecurity has to go with it paired with. The directors general realize that the future of work means more than that than just the place where it is performed. The best performing organizations can take both your abilities to new heights technological and a tendency to increase qualifications of its employees. It is possible, but depends on being motivated and highly motivated skilled digital workers who they work quickly and efficiently.

Innovation technologies and human capital are important part of top management. Through permanent improvement of technologies and processes company can be competitive on the very demanding market. To achieve the goals human capital is needed which needs constantly new trainings by learning. Feedback from employees about internal company issues is at least required to improve the whole organization. Therefore the top management needs to be very assertive and knowledgeable and observing internal and external firm's environmental to lead and achieve better and better results and heading to perfection. Therefore company's mission is in hands of top management. To predict, develop, assess and implement suitable path for to follow is in hands of CEO's but with huge employee engagement. All of this is set of connected activities without the company is not bale to exist on very competitive and demanding market.

References

1. Baregheh, A., Rowley, J., Sambrook, S. (2009). Towards a Multidisciplinary Definition of Innovation. *Management Decision*, 47(8), p. 1323-1339.
2. Britannica, <https://www.britannica.com/topic/human-capital>, 07.01.2022.
3. Cambridge dictionary, <https://dictionary.cambridge.org/pl/dictionary/english/human-capital>, 07.01.2022.
4. Damanpour, F. (1996). Organizational Complexity and Innovation: Developing and Testing Multiple Contingency Models. *Management Science*, 42(5), pp. 693-716.
5. Deiss, K. (2004). Innovation and Strategy: Risk and Choice in Shaping User-Centered Libraries. *Library Trends Summer*, 53(1), pp. 17-32.
6. Entrepreneur, <https://www.entrepreneur.com/encyclopedia/mission-statement>, 07.01.2022.
7. Investopedia, <https://www.investopedia.com/terms/h/humancapital.asp>, 07.01.2022.
8. Kaser, D. (2011). Editor's Notes: Innovation Can Be Fun. *Computers in Libraries*, 31(5), p. 4.
9. Kim, H.C. (2014). Acceptability engineering: the study of user acceptance of innovative technologies. *Journal of Applied Research and Technology*, 13, pp. 230-237.
10. KPMG 2021 CEO Outlook. *Innovative technologies, human capital and the company's mission*. 07.01.2022.
11. Leonard, D.A., Swap, W.C. (1999). *When Sparks Fly: Igniting Creativity in Groups*. Boston: Harvard Business School Press.
12. Rowley, J. (2011). Should Your Library Have an Innovation Strategy. *Library Management*, 32(4), pp. 251-265.