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The importance of authority in the process of human capital management

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ABSTRACT

The notion of authority is multi-faceted and multi-dimensional. Having authority is very often understood as being an important figure and even role model for others, thanks to the knowledge, experience and adequate configuration of personality traits. However, it is not uncommon to identify the authority with power, force and coercion. This paper discusses the issue of the authority of the leader and explains its importance in the process of human capital management. Surveys carried out among economically active students were aimed at indication of the modern understanding and position of authority in the employees' system of values. Moreover we tried to specify the relationship between authority and power and to evaluate whether the leader who has authority more effectively manages human capital than a person assigned hierarchically to the specific managerial position.

Keywords: Authority; leadership; human capital; human resources management

1. INTRODUCTION

Authority is not a simple term to define. Everyone perceives it in a slightly different way. Nowadays, employees often identify authority with power and authoritarian personality. Does authoritarian personality actually mean having an authority? [1] If one wants to be an authority, is it necessary to deserve it? This article addresses the issue of the authority of a

leader as well as explains its importance in the process of human capital management. There was a survey conducted among professionally active students of the university courses: Management and Pedagogy, and it was aimed to show the modern understanding of authority, indicate its connection with power as well as to assess if a leader who has an authority more effectively manages human capital than a person who holds a hierarchically-based managerial position. Another subject of analysis was the relationship between the employer and the employee occurring at workplace.

2. LEADERSHIP AND LEADER AUTHORITY VS HUMAN CAPITAL MANAGEMENT

Firstly, what does it actually mean to be a leader? There are various definitions of leadership. Some authors identify this concept with a certain function or social position, other with the ability to win supporters [2]. When it comes to organisational contexts, the concept of leadership was initially centred on the identification of qualities which guarantee exceptional managerial skills [3]. In this approach, leadership is an inborn ability, not resulting from socialisation or learning [4].

Leadership is also any activity which affects attitudes in a team [5]. The art of leadership thus involves giving people a chance to perform the tasks they are expected to do, but in an ethical and effective manner [6]. The function of leadership is to facilitate human capital management. Due to their actions, leaders have a real influence on performing the represented executive functions.

At this point it is worthwhile to refer to the typology of leadership, where two main types are distinguished: the formal (institutional) leadership and the informal (natural) leadership [7]. A formal leader possesses influence based on the officially occupied position. On the other hand, an informal leader has an influence on other people in a team, but it is the result of his or her qualities, which are by a particular group, considered significant in terms of achieving their aims successfully [8]. In this case, the most important thing is making all members of the group convinced that the leader possesses the qualities which nobody else in the nearest environment has. Therefore, such a person must above all possess an authority.

Performing the function of a leader is connected, with getting people inspired and motivated to hard work in the spirit of common views and common aims. It is thus the highest level of human capital management. A successful leader possesses:

1. Particular psycho-physical qualities;
2. The ability to arouse enthusiasm and encourage creativity;
3. Abilities which foster obeying rules and ethical behaviour [2];
4. Considerable communicative abilities [9].

The development of organisational culture, which is based on creativity and encouraging employees' initiative and which is also open for the introduction of new strategies of human capital management, mostly depends the authority of the leader.

A leader who has authority should not only be able to encourage the employees' initiative and enthusiasm, but also find the causes of possible failures of the employees and address their needs [10]. Such a person must also react to any violation of ethical principles,

as well as serve as an example for others in this respect [11]. The point is not to obey regulations in order, to avoid punishment, but to meet the undertaken commitments and respect other people's rights, as well as behave according to ethical principles in the relationship with other people [12]. Compared to a person at a hierarchically-based managerial position, such a leader will manage human capital and develop the appropriate organisational culture in a more effective way, thus influencing people's behaviour in an organisation, as well as their motivation to work [13,14]. In this case, authority should, above all, be based on personal achievements of a particular person, who is willingly considered a model of behaviour by a group of other individuals, who show appreciation towards the person.

3. AUTHORITY IN THE LIGHT OF SURVEY

The survey was conducted on the students of Gnieźnieńska Szkoła Wyższa Milenium. The questionnaire was completed by the students of two courses - Pedagogy (62,4%) and Management (37,6%). A prevalent majority were females (85% of the surveyed). The most numerable age group among the surveyed were people under 25 (43,5%), one out of three people was between 31 and 40 years old.

The survey was conducted in the period between 8th and 17th January 2016. For its purpose, a self-formulated questionnaire *Authority in the Modern World* was used, which consisted of 12 questions and an index. The questions were aimed at obtaining responses concerning the way of understanding the concept of authority, the methods of developing one's own authority as well as the importance of authority at the respondents' workplaces. In this article only selected findings of the survey are discussed, which is because of the limited length of this written discourse.

The surveyed were unanimous in the matter of the necessity to have authorities and they all answered yes with regard to the existence of such a necessity in the society. By a dominant group of respondents, authority was understood as a person worth imitating or a model of behaviour (95,3%). One in three of the surveyed identified authority with social respect and credit, which are attributed to a given person. Slightly fewer respondents confirmed that such a person is distinguished by a strong personality and intelligence (31,8%). Almost 26% of the surveyed were of the opinion that an authority possesses considerable knowledge in an area. One person out of ten identified authority with being an idol and the same number of the surveyed stated that a person who is an authority has power.

A prevalent majority of the surveyed (over 74%) were of the opinion that the employer should be an authority for the employees. However, the reality looks different, since the employer was an authority in the past for only around 13% of the surveyed, and only 6% stated that it is nowadays possible to find people who deserve to be authorities at workplace.

To the question concerning the sources of authority, nearly 90% of the surveyed answered that authority should result from the features of personality possessed by a leader and the ability to have influence on other people. Only one in ten of the surveyed was of the opinion, that it is the occupied position which should determine a person's authority in an organisation. A chi-squared test allowed to confirm the existence of a statistically important difference between the students of the Management course and those of the Pedagogy course in terms of their views on the matter of sources of authority, $\chi2$ (2, N = 85) = 6,25; p < 0,05.

Less than 4% of the Pedagogy course students and nearly 19% of the Management course students represented the view that it is the occupied position which should determine one's authority. On the other hand, around 92% of the Pedagogy course students and slightly more than 81% of the Management course students were of the opinion that the features of personality and abilities should be the most important. The above proportions are shown in Figure 1
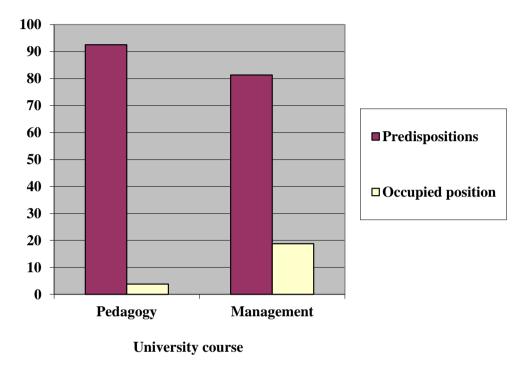

Figure 1. Factors determining authority in organisation

The subject of analysis was also the ways of developing one's own authority in the eyes of other people. Over 88% of the surveyed were intending to build their authority by gaining knowledge and education. One in three of the surveyed had an opinion that the best way is acting according to the generally respected values. 20% of the people, on the other hand, stated that the features of personality count the most, and one person out of ten had a view that the social position would be the key to the authority development.

There was also a question about the methods of organisation management by the people having an authority. Nearly 60% of the surveyed stated that having an authority by the superordinate is not necessarily connected with an authoritarian way of management. 25% of the people had the opposite view, saying that a superordinate who has authority is always a person who chooses the authoritarian way of organisation management. Slightly more than 16% of the people were unable to refer to this question. An interesting fact is that the results look different in the case of the Management course students and those of the Pedagogy course. A significant result of the chi-square test allows to draw conclusions about the connection between the university course and the response provided to this question, an affirmative, negative or neutral one: $\chi^2 (2, N = 80) = 10; p < 0,01$.

About 44% of the Management course students an only around 12% of the Pedagogy course students were of the opinion that a superordinate having an authority manages in the authoritarian way. On the other hand, the negative answer was given by 44% of the Management course students and 69% of the Pedagogy course students, which is presented in Figure 2.
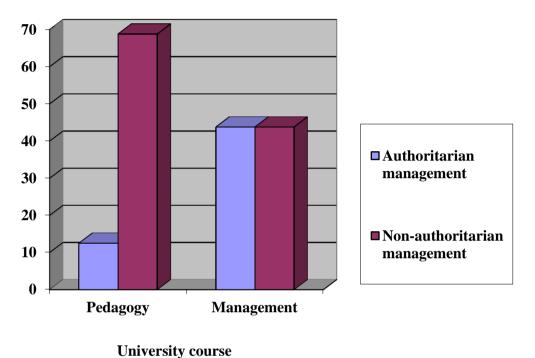

Figure 2. Methods of organisation management by people having authority

4. CONCLUSIONS

The survey confirms there is a need for the existence of authorities at workplace. The authority of a leader, in order to be reflected in successful human capital management, should above all be related to his or her features of personality and abilities to influence other people. A prevalent majority of the surveyed said that the employer should be an authority for the employees. However, the reality is completely different, since few respondents practically found such people at their workplaces.

A minority of the surveyed said that the authority of a person should in a way 'derive' from an occupied position in an organisation. A prevalent majority were of the opinion that these are the features of personality and abilities which should determine a possessed authority. However, there is a visible difference in the approach to this issue between the Management course students and the ones of the Pedagogy course. This is because, compared to those of the Pedagogy course, a greater percentage of the Management course students had a view that the occupied position should determine the possessed authority. On the other hand, features of personality and abilities were considered more important by a greater percentage of the Pedagogy course students.

Another subject of analysis was the methods of organisation management by people having authority. Nearly 60% of the surveyed said that authoritarian management of an organisation is not indispensable to establish authority among employees. In this case, the analysis of the results also proved the existence of a significant difference of opinions in relation to the ways of organisation management between the students of the Management course and those of the Pedagogy course. The representatives of the former more frequently stated that having an authority by the superordinate is directly connected with the authoritarian way of management.

The difference between the students of both courses in relation the issues presented above might be the consequence of different professional experience of both groups. The prevalent majority of the Management course students have had their work placement or worked in the market sector, whereas the Pedagogy course students in educational institutions. It would be interesting to do further research into this matter, in order to show different attitudes of superordinates and referring these to the authority possessed by them

Biography

Anna Bęczkowska: a doctorate in humanities in the field of Pedagogy and a master's degree in Management, a university lecturer and a trainer providing training in the area of human resources management and communication, the author of numerous publications in the area of andragogy and human resources management

Agnieszka Kańczukowska-Stadnik: a doctorate in economical sciences and a master's degree in psychology, combines scientific and educational career with psychological practice, interested in issues related to the use of psychological knowledge in marketing, the author of numerous publications in the areas of management and psychology.

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