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Social potential growth of a mining company on the basis of human capital and occupational safety

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ABSTRACT

Changes in the environment surrounding mining companies require a change in the way of thinking about the business and the reformulation of management strategies, especially in the area of human resources. Providing the right quality of human capital and ensuring its proper administration is essential to ensure efficient market operation.

In this paper the practical operation of key components, in relation to the social potential of a mining company, in terms of human capital and occupational safety is discussed. Analysis led to the evaluation of current actions and indicated possibilities for the future management of these two elements (human capital and occupational safety) within the scope of the operational strategy of a coal mine.

In the study qualitative methods were primarily used, such as: IDI – in-depth interviews with representatives (of collieries and coal companies) and social experts, a case study, and desk research (the critical analysis of existing documents). Qualitative methods were supported by quantitative study (existing data analysis).

On the basis of empirical research, key components of sustainable development in mining business operations were indicated. These components develop social potential and create new opportunities, which exist due to the use of modern strategic business management in accordance with the new economy business model.

Empirical studies conducted in coal companies and collieries in Poland attempted to explain which components are crucial for mining companies and how they have been used in operational practice; conclusions can be used in company management. Surveys like this have not been conducted in Poland to date. These surveys allow the social potential of a mining company and the consequences of its development or weakening to be understood.

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1. Introduction

The dynamically changing global economic market poses a number of new challenges for modern enterprises, in particular

the constantly increasing impact of globalization processes on a company's ability to function and develop in today's economy. The competition between enterprises is ever increasing and this results in dynamic changes which until recently were difficult to imagine. Companies have to constantly review their basic

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strategic assumptions because they are under significant pressure due to changes resulting from both the increasing complexity of the environment and increasing competition on the market. One example that illustrates how important these issues are is the extraordinary economic-financial situation and how it relates to social problems within the mining industry, leading to a series of protests and conflicts between trade unions and governments. Therefore, there is a constant need to search for effective tools which will improve efficiency and increase an organization's ability to respond to changes quickly.

A new business model which contrasts the "business as usual" model can be used for this purpose. This model, sometimes referred to as NEBM (*New Economy Business Model*), from a strategic perspective, focuses on particular products and processes as opposed to the old business model which was based on horizontal diversification and vertical integration (Lazonick, 2006). The value of mobility and employment globalization is highlighted and, from a historical point of view, it signifies the end of the "The Organization Man". The concept of "The Organization Man" was used by W.H. Whyte, an American sociologist, in 1956 to describe a person who subordinates his/her personal goals and expectations to the requirements of the organization where he/she is employed. This dichotomy is based on the assumption that the current way of conducting a business activity does not solve social problems and it even exacerbates them and leads to environment degradation. The traditional way of doing business leads to a reduction of benefits which can be received by all participants in the long term and thus, it prevents long-term development (Ćwik, 2011). The intangible resources of an organization are highly significant in an economy based on the new economy business model and the development of employees constitutes an important factor in the development of an enterprise. To date, most organizations have been focusing their business activities mainly on tangible and financial resources and considered intangible resources as insignificant economic components. The significant role of core intangible resources in creating SCA (sustainable competitive advantage) has been indicated in a worldwide theory (Carmeli, 2001). However, a constantly changing social environment has led to a new way of thinking about intangible resources. Organizations understand that it is social capital and competences which significantly influence the formation of an organization's value, generation of profits and the achievement of competitive advantage in the 21st century (Petrick, Scherer, Brodzinski, Quinn, & Fall Ainina, 1999).

In this paper the practical operation of two key components influencing the social potential of a mining company are discussed, these being: human capital and occupational safety. Analysis led to the evaluation of current actions and indicated possibilities for the future management of these components within the scope of the operational strategy of a coal mine.

In the first part of the paper internal relations as a source of social innovation in mining companies and a possibility for its growth are discussed. Methodology research and the research area are discussed, as are the main values of the company and its significance for Polish mining. In the second section of the paper, the code of ethics and internal regulations in the scope of the Polish mining of hard coal are

described. The third section highlights occupational safety in the mining industry and its value for growth of a company. The conclusion indicates possible directions and problems to be solved in future studies in the area of potential social development.

Human capital in a mining company is specific and unique. It is also a perfect base for building social capital which is closely related to the concept of social responsibility and sustainable development. F. Fukuyama, using the definition of J. Coleman, defines social capital as an ability of interpersonal cooperation within a group and organization in order to achieve common interests (Fukuyama, 2001). The most popular categories within social capital include trust, cooperation and social networks. It is not just tangible or financial resources that are important in a modern economy but also the knowledge and skills of people. The academics and experts of management emphasize that social capital has a number of positive functions (Adler & Kwon, 2002). It includes human resources and also the entire network of relationships. It enables the achievement of goals which would not be achievable without social capital (e.g. building new types of social relations), it allows for the rapid flow of knowledge and cooperation between various outside entities. Such a situation increases an organization's adaptability and makes it easier to adapt to the new requirements of a dynamically changing environment. The goal of a modern enterprise should be to enhance the value of its capital because it leads to greater trust and is the basis for teamwork, and these two things build the social potential of the company.

The social potential of a company is the collective of personal capital which express the potential of the given community. The main values are people and their knowledge, qualifications and attitudes. Social potential is also a philosophy of a humanistic approach to people in the labour process and treating human resources as strategic capital of the company (Drucker, 2005). It has been emphasized that such a presentation should be related to the employment, development and welfare of employees (Armstrong, 2011).

Among various other factors, such as knowledge or qualifications, people and their personal sense of responsibility for the success of the organization show the strength of the potential of an enterprise (Rybak, 2003). The management of this process takes place at two levels:

- the level of standards and values which regulate the actions of social actors (in this case: employees),
- the level of actions taken by these actors.

This approach outlines the shape of the institutional evolution of the economy and acts as background when attempting to answer the question: what mechanisms motivate an organization to act in accordance with the standards and values which are considered to be essential for good social interaction? The values of the social system of the organization and their acceptance by social actors should be the factor which builds social relations as well as mutual support and interdependence. In order to achieve this the principles of social responsibility in the strategic operations of an enterprise must be instilled.

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