MOBILITY AS AN IMPORTANT CHARACTERISTIC OF CONTEMPORARY HUMAN CAPITAL IN THE CONTEXT OF ORGANIZATIONAL RESILIENCE

Anna KWIECIEŃ¹*, Adam JANISZEWSKI², Katarzyna OLEJKO³

¹University of Economics in Katowice; anna.kwiecien@ue.katowice.pl, ORCID: 0000-0003-4928-5396
²University of Economics in Katowice; adam.janiszewski@ue.katowice.pl, ORCID: 0000-0003-4730-5410
³University of Economics in Katowice; katarzyna.olejko@ue.katowice.pl, ORCID: 0000-0003-2093-8269
*Correspondence author

Purpose: Drawing attention to factors which determine the growing role of human capital in the effective functioning of enterprises in the face of market threats, i.e. in the building of their resilience, as well as indicating mobility as a characteristic of human capital that may affect the company's situation and its resilience.

Design/methodology/approach: The study was based on a critical analysis of the subject literature. In order to empirically verify the issues discussed, materials regarding companies included in the WIG-20 index were analysed.

Findings: The considerations presented in this study have demonstrated that human capital is one of the important factors that can shape the resilience of an organization, and mobility is one of its characteristic features determining this resilience. Mobility should therefore be monitored with the use of appropriate measurement mechanisms.

Practical implications: Theoretical considerations were supplemented with an analysis of materials regarding companies included in the WIG-20 index in order to verify whether the leading entities on the Polish market notice, analyse and report the significance of the phenomenon of human capital turnover. This allowed identifying the current trends in this area of management as well formulating the conclusions and recommendations.

Social implications: Highlighting the important role of human capital in the functioning and building of modern entities’ resilience as well as raising awareness of the phenomenon of excessive turnover may have multi-faceted beneficial socio-economic consequences and can support the effective management of this capital to the benefit of both the employer and the employee.

Originality/value: The study presents the approach to human capital through the prism of its characteristics, i.e. knowledge and the resulting mobility, which may become an important factor determining the resilience of an organization. It also points to the imperfection of the turnover ratio used in the analysis.

Keywords: human capital, resilience, knowledge, mobility, turnover, fluctuation.

Category of the paper: Viewpoint, General review.
1. Introduction

Due to the specific crisis situation caused by the pandemic on global markets, organizational resilience, understood as the organization's ability to face complex, unfavourable scenarios and to adapt to changes required by these situations, has become the subject of interest for management practitioners and theoreticians (Odporność..., 2020). At the same time, for many years there has been the widespread view on the market that in the era of innovative, technologically advanced economy, an increasingly important role in an enterprise is played not by material resources, but by the human factor, together with the knowledge, creativity, flexibility and experience of employees included in the human capital. Alfred Sloan's slogan (Szopik-Depczyńska, 2011), ‘if you take away all our assets and leave the people, we will get everything back in five years’ perfectly captures the essence of the matter and emphasizes the irreplaceable role of human capital, which can be perceived as an important determinant of organizational resilience. This capital comes only with a specific person or group of people. Each of us has their own unique intellectual, physical and genetic capital. Therefore, it cannot be the permanent property of any of the enterprises, as mobility is one of its characteristics. However, it includes values with which the company identifies, which correspond to its organizational culture and without which the company’s functioning is difficult. Thanks to the capital of its employees, the company gains innovation and dynamics, which in turn has a positive impact on its development, making it competitive and resilient to threats from the environment.

In the light of such considerations, this study will present human capital through the prism of modern knowledge workers as an important element helping to build organisational resilience, with particular focus on its mobility, which in practice means employee turnover. Therefore, this phenomenon has been explained and discussed in more detail.

The aim of the study is to draw attention to the significant role of employees in modern enterprises and employee mobility as a characteristic feature of modern human capital, which poses a challenge for human capital management in the context of resilience.

This study has been based on a critical analysis of the literature and supplemented with an analysis of empirical materials regarding companies included in the WIG-20 index.

2. Modern human capital - its basic features and role

To effectively function on the market, i.e. to develop instead of merely surviving, today’s companies must be resilient, which means that they need to be able to appropriately respond to threats, accept the new situation, improve organizational processes and create new
competencies that may result from this situation (Duchek, 2020). The process of identifying the determinants of resilience is still ongoing, and the conducted analyses allow concluding that resilience grows with an increase in resources and strengths shaping the company's specific capabilities. The role of human capital and knowledge is particularly emphasized in this regard (Ingram, 2023). Knowledge is crucial for building the company's resilience to external shocks and for making the company more agile in the achievement of better results and sales (Audretsch, Belitski, 2021).

This concept is consistent with general trends on the market, where since the 1980s the world economy has been referred to as the New Economy (Begg, Fischer, Dornbusch, 2003), i.e. a knowledge-based economy. Its core is human capital, i.e. knowledge, skills, competences and capabilities of individuals, which constitute a value for enterprises and influence their innovativeness.

It is noteworthy that the knowledge that provides a basis for modern economy is contributed by people – they should therefore be perceived as a pillar of a modern enterprise, determining its situation and resilience to market conditions.

Human capital has a huge potential. People constitute a strategic resource, shape processes in the enterprise and its strategic framework, establish relationships and, through recognized values, shape the identity and organizational culture of the entity in which they work (Kwiecień, 2015). Human capital is therefore a basic factor supporting the achievement of the company's goals, including the creation of organizational resilience.

Knowledge, as the most important resource in the 21st century, enables creativity (Amabile, Khaire, 2011), develops imagination, gives rise to creative anxiety, has a dynamic character and should be absolutely useful. Combination of creativity and knowledge provides a specific category of employees - knowledge workers. Knowledge workers (Davenport, 2007) have a high degree of specialized knowledge, education or experience, and their work requires the creation, distribution and use of knowledge. They earn their living by thinking, their working tool is the mind, and every effort related to their profession is intellectual in nature. This group usually includes: specialists, senior managers, technical staff, researchers and engineers (Stewart, 2003), who are characterized by independence, specialist competences, responsibility, awareness of tasks and their own value. As explained, the employees in question are owners of a special resource - knowledge, which is characterized by the fact that its value does not decrease when it is transferred. For this reason, knowledge workers can also perform tasks for competitors. Their characteristic feature is therefore a high level of mobility, which in business practice is reflected in the phenomenon of employee turnover.

Mobility is a derivative of knowledge, professionalism based on individual competences, perfection in action and intellectual activity. The time and place of work no longer matter, because knowledge workers, having the means of transport and communication at their disposal as well as the sought-after competences, can work anywhere. It is the organization that is more interested in such employees’ knowledge resources and experiences than the employees
themselves, as they do not need a specific institution to develop their professional career because they can share knowledge with various entities.

Such circumstances give rise to an important category that requires analysis in the context of resilience, namely employee mobility.

The characteristics of modern knowledge workers make us realize that today's market is competitive in virtually all aspects of its functioning. Enterprises compete with each other not only for the position on the market, but also for employees. Some modern solutions, e.g. remote work, which has become widespread due to the pandemic, increase the risk of high mobility and independence of modern employees.

On the one hand, employee mobility is a positive feature, a proof of human capital flexibility, but from the point of view of the organization, it can be both a positive (desirable turnover) and a negative phenomenon (undesirable turnover) - when the company loses its key employees. The challenge may therefore lie in effective management, which will allow the company to keep its employees, especially knowledge workers (because employees of this group and their competences are usually of key importance to the company). The term 'knowledge worker' describes an employee who, owing to their ability to utilize knowledge, can, under given conditions, exert a large impact on a specific organization, i.e. contribute a great value to it. Therefore, the departure of such employees may be particularly unfavourable for the organization (Kowalski, 2011).

Excessive employee turnover and, consequently, shortages of competent staff at all levels and positions can lead to huge problems for the company and constitute one of the most important business risk factors that reduce the organization's resilience. Deficiencies in this area mean problems with meeting market expectations, with providing good quality products and services to customers and partners, and generally with accepting changes. It is therefore necessary to talk about employee mobility in order to understand the phenomenon of turnover, its causes and effects.

Good employees are difficult to recruit and even more difficult to train, but the hardest task is to keep the best employees (Jaworska, 2021). Effective human capital management, aimed at motivating employees and, thus, preventing excessive, undesirable turnover, is a huge challenge for organizations, because employees are perfectly aware of how valuable and unique their capital is.

3. Employee turnover and human capital

Although the previous part of the study was focused on knowledge workers, it should be clearly emphasized that mobility, and therefore the phenomenon of employee turnover, applies to all professional groups. However, the scale and consequences of this turnover may vary.
It is worth emphasizing that the limited effectiveness of retention activities and the related unpredictability of employee behaviour significantly limit the development and adaptation potential of the enterprise and, consequently, are recognized as a factor that threatens the stabilization of the organization's functioning. It reduces its resilience to unfavourable and unforeseen circumstances. It also limits the effective use of opportunities arising for the company. Therefore, building and maintaining an appropriate level of organizational resilience is to a large extent determined by an effective human resources management policy that allows for retaining valuable talents in the organization.

Mobility, which is most often defined in the context of employee mobility, includes spatial mobility (migration) and professional mobility. This article is focused on the issue of professional mobility, understood as the tendency of employees to change their profession or employer. It involves the employee making significant efforts that enable retraining, but also gaining professional experience in new areas (Sienkiewicz, 2014; Bednarska-Grandson, 2016). This phenomenon is subjected to studies in various fields of science. Sociological research in the context of mobility emphasizes the concept of migration and social mobility (Sorokin, 2009; Bednarska-Wnuk, 2016). In the case of human resources management, professional mobility is most often referred to as turnover (Bednarska-Wnuk, 2016). This study considers in particular problems related to the retention of human capital. Therefore, the term turnover will mainly be used here to analyse the phenomenon of professional mobility.

When addressing the issue of employee turnover, which is interchangeably referred to in the literature as churn rate, mobility or fluidity, or even employee mobility (Skowron-Mielnik, Bor, 2015; Bednarska-Wnuk, 2016), one should first consider the meaning of the word turnover. This term has many meanings, but most often means variability, fluidity, instability, deviation from average values or from the norm.

In the area of human resources management in an organization, employee turnover (churn rate) is frequently defined as the rate at which employees change their job positions ‘due to promotion, voluntary resignation, retirement, or as a result of forced resignation’ (Dalrymple, Cron, DeCarlo, 2001). It is a natural phenomenon as long as it is maintained at a reasonable level. Unjustified (excessive) turnover is an unfavourable phenomenon. It is caused by poor human capital management policy, which manifests itself, for example, in the lack of objectivity in assessment, bad relations at work, poor working conditions or a bad remuneration system (Urbaniak, 2010).

Turnover, sometimes referred to as departure of mature employees from work (Woźniak, 2016; Spychała et al., 2019), is often considered in a narrow perspective in journalistic writing, limited mainly to employees leaving the organization voluntarily (Cybulski, 2008). It should be emphasized, however, that for management purposes, all circumstances accompanying changes in the size and structure of employment should be taken into consideration, including those related to the cases of departure forced by the employer - the so-called forced turnover (Woźniak, 2016).
The role of employee turnover in the process of shaping the company’s economic position is not clear. This phenomenon may have both a positive and negative impact on the functioning of the organization. In the case of turnover forced by the employer, the purpose of which is to reduce the negative connotations associated with an employee performing their duties in an inappropriate manner and having a destructive impact on the organization, it should bring positive effects. In such a case we deal with a positive turnover - functional, i.e. desirable. However, this type of employee turnover may prove the low efficiency and effectiveness of the recruitment processes (Cybulski, 2008). It may therefore indicate the need to reorganize and improve the process of finding suitable employees for job positions. Its opposite is dysfunctional turnover (Urbaniak, 2010; Spychała et al., 2019), with the potential to negatively impact the functioning of the organization, also known as undesirable turnover. This phenomenon is associated with the departure of qualified employees, which has a negative impact on both the continuity of processes carried out in the company (Darmon, 2006) and the loss of knowledge and, consequently, a reduction in the intellectual capital of the organization. It should be emphasized that the ability to transfer the knowledge of individual employees to the entire organization is the foundation of effective learning (Wszendybył-Skulská, 2011) and increased value of its intangible capital. Negative turnover is most often regarded as conscious or unconscious actions of employees, usually undertaken on their own initiative, resulting in employee departure (Wojtaszek, 2016).

The above considerations present a clearly ambivalent approach to the phenomenon of turnover - on the one hand, it is considered an undesirable phenomenon indicating management errors, and on the other, an inevitable and even expected phenomenon (Skowron-Mielnik, Bor, 2015).

Turnover identified with employee departures and employments is analysed with the use of turnover rate (Cynk, 2016). Generally, this indicator presents the scale and level of employee flows in the selected period.

Turnover rate is calculated as a total number of employee departures/total number of employees* 100% (Cynk, 2016).

The numerator in the basic algorithm presented above takes into account the number of all employee departures in the analysed period, and the denominator - the number of employees. The algorithm can be modified depending on information needs. Pocztowski emphasizes that indicators for measuring the phenomenon are unlimited and depend on the purpose and scope of a specific analysis (Pocztowski, 2008). However, this indicator, as the most universal, does not take into account the causes of changes in the area of employment. It is therefore impossible to use it as an arbitrary criterion for assessing the human resources management policy. Such an assessment requires an in-depth analysis of the phenomenon, including its causes and consequences. The indicator enables a general assessment and identification of disturbing trends, though.

In addition to operational problems that may limit the organization's ability to generate revenue, the phenomenon of turnover involves additional costs incurred by the organization.
The costs of turnover include primarily (Cybulski 2008):

- costs of employee departure (related to the payment of due benefits, administrative costs and costs related to the loss of intellectual capital),
- replacement costs (related, among others, to the recruitment process),
- costs of a new employee adaptation, including training costs,
- other costs related to, among others, loss of profits.

These costs are particularly severe for learning companies in the event they lose knowledge workers - those who had a special share in the process of creating its intangible intellectual capital (Sopińska et al., 2015). Hence, appropriate talent management, including creation of a system of incentives to ensure proper employee retention, is extremely important.

The research conducted by CEBOS ‘Poles at work. Employment conditions, readiness for changes’, (CEBOS 2014) indicates that despite the fact that remuneration was mentioned as the first factor encouraging employees to change employment (65% of respondents), the lack of tensions and stress was also mentioned as very important (53% of respondents), followed by employment stability (56% of respondents), work consistent with skills (23% of respondents) and high independence (21% of respondents) (Cynk, 2016). The research on readiness to change the job conducted by CBOS in 2021 – ‘Professional situation of Poles and readiness to change the job’ - demonstrated that despite remuneration indicated as the main factor encouraging employees to change the job (62% of respondents), the second most common factor was boredom and the desire for change (31% of respondents), followed by dissatisfaction with working conditions (29% of respondents) and, finally, conflicts with the employer or co-workers (9% of respondents) (CEBOS 2021). The presented results of the above-mentioned studies provide an important tip for the employer. However, their reliable interpretation requires additional research.

To sum up, it can be concluded that organizations should analyse the level of risk related to the materialization of negative consequences due to employee turnover, as well as the dynamics of changes in the level of this risk (Janowiec et al., 2022). Excessive turnover may result in disruption of the entity's operational efficiency and, consequently, in its reduced resilience. However, this analysis must be multidimensional. Although the observation of turnover rates and their changes makes it possible to become acquainted with the trends, it is not a sufficient criterion for assessing the effectiveness of human capital management (Marzec, Strużyna, 2023). Nevertheless, conducting an analysis in this area is an important element of the system for monitoring the efficiency and effectiveness of management processes. Due to the importance of the human capital management process for achieving goals, companies subject to numerous reporting requirements are obliged to report information on turnover. In ESG reports prepared on the basis of the Sustainable Development Reporting Directive, the employment turnover rate in the ‘S’ - Social area has been included among the basic indicators, the reporting of which will be treated as mandatory and will be reported by companies from 2024 (Directive 2022/2464).
4. Empirical verification

In order to empirically verify the presented theoretical considerations, data on employee turnover in enterprises included in the WIG 20 index has been analysed.

The turnover rates presented in Table 1 are an important element of the organizational improvement system. The possibility of predicting the values of these indicators in the future may provide grounds for conducting research among the employees.

The reports emphasize the need to create an ‘engaging work environment’ (e.g. GK Alior Bank, 2022, p. 48; Grupa mBank S.A., 2022, p. 161). To achieve this goal, the above-mentioned studies on the opinions and engagement of employees are carried out. Their aim is to facilitate the process of taking decisions on the basis of facts, or, as it has been formulated in one of the reports (GK Alior Bank, 2022, p. 48), to enable ‘understanding the factors that significantly influence the efficient and effective functioning of the Bank’. The importance of such research results from the fact that it shows the employees’ motivation and attitude to work. Therefore, it can be assumed that the said studies ‘are an indicator of potential turnover or absenteeism’ (GK Alior Bank, 2022, p. 48). This encourages organizations to report the number of hired employees and those who left the organization in a given year, and to show the turnover rates calculated on this basis.

Table 1.
Turnover rates and employment levels for selected Capital Groups (based on WIG-20 Companies)

<table>
<thead>
<tr>
<th>Organization</th>
<th>Data</th>
<th>Number of employees reported in a given year</th>
<th>Turnover rate (if provided by the organization)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GK Alior Bank</td>
<td></td>
<td>8228</td>
<td>8143</td>
</tr>
<tr>
<td>Allegro (Poland)</td>
<td></td>
<td></td>
<td>2479</td>
</tr>
<tr>
<td>Asseco Group</td>
<td></td>
<td>24320</td>
<td>26843</td>
</tr>
<tr>
<td>CD Projekt Group</td>
<td></td>
<td>912</td>
<td>1080</td>
</tr>
<tr>
<td>Polsat Plus Group (4 biggest companies)</td>
<td></td>
<td>4150</td>
<td>(3 companies, jobs, FTE)</td>
</tr>
<tr>
<td>Dino Group</td>
<td></td>
<td>16350</td>
<td>19241</td>
</tr>
<tr>
<td>GK JSW</td>
<td></td>
<td>28268</td>
<td>30629</td>
</tr>
<tr>
<td>GK KGHM Polska Miedź S.A.</td>
<td></td>
<td>34249</td>
<td>34345</td>
</tr>
</tbody>
</table>
Cont. table 1.

<table>
<thead>
<tr>
<th>Kęty Group</th>
<th>5146</th>
<th>5196</th>
<th>5322</th>
<th>5572</th>
<th>5488</th>
<th>619 departures</th>
<th>12.3%</th>
</tr>
</thead>
<tbody>
<tr>
<td>PEPCO Group (end of reporting year 30.09.)</td>
<td>-</td>
<td>35 310</td>
<td>38 770</td>
<td>42 045</td>
<td>43 212</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>GK Bank PEKAO S.A. Capital Group</td>
<td>16 714</td>
<td>15 678</td>
<td>14 994</td>
<td>14 842</td>
<td>14 462</td>
<td>2077 departures (Bank PEKAO S.A. in 2019, jobs)</td>
<td>16%</td>
</tr>
<tr>
<td>Orange Polska Group</td>
<td>13 222</td>
<td>12 058</td>
<td>10 967</td>
<td>10 144</td>
<td>9466</td>
<td>2.8%</td>
<td>3.4%</td>
</tr>
<tr>
<td>KRUŚ S.A. Group</td>
<td>3364</td>
<td>3447</td>
<td>3108</td>
<td>3274</td>
<td>3375</td>
<td>5% (in age group up to 30 years), 7% (age group between 30 and 50 years), 0 (age group over 50 years)</td>
<td>13.4%</td>
</tr>
<tr>
<td>LPP Group (financial year from 1.02 to 31.01)</td>
<td>25 174 (31.12. 2018)</td>
<td>24 447</td>
<td>21 977</td>
<td>24 466</td>
<td>29 930</td>
<td>14.1% (LPP SA, 31.12. 2018)</td>
<td>104.5% (age group under 30 years); 33.2% (age group 30-50); 33.3% (age group over 50)</td>
</tr>
<tr>
<td>mBank Group</td>
<td>9423</td>
<td>8224</td>
<td>8306</td>
<td>8350</td>
<td>8364</td>
<td>22%</td>
<td>15%</td>
</tr>
<tr>
<td>Orlen Group</td>
<td>21 282</td>
<td>22 337</td>
<td>32 960</td>
<td>35 424</td>
<td>64 494</td>
<td>9.9%</td>
<td>11.7%</td>
</tr>
<tr>
<td>PKO BP Group</td>
<td>27 856 (jobs)</td>
<td>27 708 (jobs)</td>
<td>25 859 (jobs)</td>
<td>25 657 (jobs)</td>
<td>25 071 (jobs)</td>
<td>15.7%</td>
<td>14.1%</td>
</tr>
<tr>
<td>PGE Group</td>
<td>41 763</td>
<td>42 283</td>
<td>40 444</td>
<td>38 001</td>
<td>38 013</td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td>GK Santander Bank Polska</td>
<td>41 742 (jobs)</td>
<td>41 042 (jobs)</td>
<td>39 900 (jobs)</td>
<td>38 700 (jobs)</td>
<td>37 900 (jobs)</td>
<td>9.05% (PZU and PZU Życie)</td>
<td>17%</td>
</tr>
<tr>
<td>GK Santander Bank Polska (PZU and PZU Życie)</td>
<td>15 357 (jobs)</td>
<td>14 032</td>
<td>13 158</td>
<td>11 581</td>
<td>11 976</td>
<td>24% Santander Bank Polska S.A (2019)</td>
<td>17% Santander Bank Polska S.A</td>
</tr>
</tbody>
</table>

Source: own study based on companies’ reports.

Importantly, the significance of these rates can be looked at more broadly, also from the point of view of the situation on the market. It is indicated that 62% of the 4,718 respondents (National Report, Randstad Employer Brand Research, 2023, pp. 31-32) did not plan to change employment in the first half of 2023, and 15% of the respondents changed their employer in the second half of 2022. For example, in the case of the organizations the data of which is presented in Table 1 it was observed that in three organizations with the highest employment increases in 2018-2019, i.e. the CD Projekt Group, Dino Group and Asseco Group, the values of employment dynamics indicators ranged between 1.1 and 1.2, while for the period 2021-2022 the highest dynamics indicators were recorded in organizations such as the Orlen Group, Allegro.eu and LPP Group, reaching the level of approximately 1.2-1.8. For these three organizations, the employment levels in 2018-2019 were different, i.e., for example, there was
an increase in the Orlen Group, but a decrease in the LPP Group. The downward trend continued in the periods 2018-2019 and 2021-2022 in the Orange Group, PEAKO Bank Group, and PKOBP Group. An increase in employment in the years 2018-2019 and, next, a decline in 2021-2022 was recorded, for example, in the JSW Group. There were also changes in the opposite direction, i.e. a decrease in employment in the years 2018-2019 was accompanied by an increase in employment in 2021-2022, e.g. in the mBank Group, Santander Bank Polska Capital Group, or the previously mentioned LPP S.A. Group. It can be noted that among the turnover rates reported by these organizations, the values in 2022 did not exceed 20%, although most of them were higher than 10%. However, in most cases, they were lower than in 2018, when the rates reached 20% or more. If the organizations included in the table were divided into two groups, i.e. the first one in which an increase in employment was recorded both in the period 2018/2019 and 2021/2022, and the second one in which both indicated periods were marked by a decrease in employment, the first group would include the CD Projekt Group, Dino Group and Asseco Group, Orlen Group, Polsat Plus Group, KRUK S.A. Group, PGE Group, while the other would include the PKO BP Group, Alior Bank Group, PZU Group, Bank PEKAO S.A. Capital Group and the Orange Polska Group.

Importantly, the values quoted in the reports urge the organizations to identify problems in the specified areas and make them try to present explanations. When explaining the decline in the turnover rate in 2022 in CD PROJEKT, attention was drawn to the actions taken in recent years, namely, the improvement of working conditions and the fact that the offer addressed to the employees was enriched\textsuperscript{17}.

On the other hand, the case of this company also demonstrates that caution should be exercised as changes in the turnover rate may be caused by factors related not so much to the organization as to the branch, such as departure of team members after finishing the project (CD PROJEKT, 2022, p. 42) The possible consequences of the departure of team members (especially in the case of key members) in the CD PROJEKT Group include a decline in innovation, work pace, quality of products and processes, loss of potential unique ideas and, consequently, loss of competitive advantage (CD PROJEKT, 2021, p. 28). Relatively high turnover rates recorded at CD PROJEKT S.A. together with the entire set of potential negative consequences of this state of affairs are therefore juxtaposed with the statement of reasons, partly in a non-organizational field (branch), and, at the same time, supplemented with a list of remedial actions taken. Moreover, the CD PROJEKT Group belongs to the groups of organizations noting an employment growth, which may to a certain extent suggest that negative consequences of employee departures are rather unlikely to occur. The KRUK S.A Group, another organization from the first group, points out that the low turnover and the wide range of know-how gained over many years of work translate into the stability of the managerial staff, which constitutes the Group's competitive advantage (Kruk, 2022, p. 32).
The Santander Capital Group is an organization that noted a quite significant decline in employment over the years 2018-2022 (although it was not included in the second group of organizations with a decline in two periods – compared to previous departures - due to a rather moderate increase in employment in the years 2021-2022). Here, the causes of staff turnover are explained mainly through the prism of potential positive consequences of this phenomenon. Attempts made to achieve positive consequences allow for explaining the recorded values of turnover rates. It can therefore be indicated that a higher turnover rate may also be related to actions focused on customer relations and business development, as was the case with Santander Bank, where the reasons for decreased employment (in 2021) were sought in the digital transformation of the business model, including the implementation of solutions aimed at increasing the operational efficiency of the organization (Santander Bank Polska, 2021, p. 85). It is worth noting, however, that actions taken to increase efficiency do not necessarily coincide with declines in employment. The case of the PEPCO Group shows that the implementation of IT solutions to increase the operational efficiency of processes may be accompanied by an increase in employment. It should also be emphasized that this group, in the case of which the employment growth remained at the level of 6.96% in the years 2019-2022 (average pace of change), stands out due to operational and technological resilience, which is associated with the implementation of the Oracle ERP system (as well as with the resulting greater simplicity, efficiency and degree of automation of daily operations) and the implementation of policies ensuring cybersecurity. There are also other elements, such as responsible financial management, conducting the business in an ethical and more professional way, as well as zero tolerance for tax avoidance, which in turn is associated with financial and tax resilience. Given the fact that regular communication channels are also important, it can be assumed that it is lower, not higher, rates of turnover that favour its development (PEPCO, 2022, p. 45).

Potential difficulties in explaining the turnover rate are visible in the next case, which concerns an organization belonging to the second analysed group, i.e. one in which a decline in employment was recorded both in the period 2018-2019 and 2021-2022. The efforts to achieve a higher efficiency of processes and the resulting centralization of functions and processes (PKO BP - raportroczny2022.pkobp.pl) are emphasised by the observation that the organization is taking actions aimed at retaining its employees (PKO Bank Polski S.A. - Management Board Report…, 2022). Given the reported declines in employment, the effectiveness of these measures may be rather limited. However, in the report itself this seems to be strongly justified by references to trends on the labour market (in the discussed case in the year 2022), i.e. a new form of work (remote work) and the existing employee market. All these factors together were supposed to influence decisions to change the job.

A case that may prove the effectiveness of measures taken to reduce the employee turnover is that of mBank (mBank Group does not belong to either of the two groups mentioned above due to an increase in employment in the period 2021-2022 after a previous decline in the period
2018-2019), where, in addition to creating an engaging work environment, it is also a high culture within the organization that is highlighted as an important factor helping to maintain the employee turnover at a low level. This involves developing succession plans, especially for key employees in managerial positions. The possibility of internal transfers is also promoted (Grupa mBank S.A., 2022, p. 161).

It is also worth paying attention to organizations that noted an employment decrease and increase, respectively, in the discussed periods of 2018-2019 and 2021-2022 (or vice versa, attention is drawn to cases for which there was no data indicating a decrease or increase in employment in one of the periods). In the case of the Allegro Group, which noted a significant increase in employment in 2022 compared to 2021, there was an increase in the turnover rate from 10.5% to 16.3% in the year 2022 in comparison with 2019 (in 2020 the rate reached 8.9%). Firstly, this case may indicate the relationship between the previously mentioned issues, which are related to the need to build an engaging workplace, and employee retention. It is worth noting that the trends are negative. In the ESG report in the year 2022, attention was drawn to the fact that there were further declines in engagement compared to the results from 2020-2021 (Allegro, 2022, p. 50). On the other hand, the results showed that (at one of the reported levels, i.e. BaZa) the response rates in the engagement survey exceeded 90%, i.e. the vast majority of the employees wanted improvements, and therefore, they remained engaged (additionally, according to the cited Pulse survey results, 82% of the employees declared that they would recommend Allegro as a great place to work - Allegro, 2022, esg, 50). Therefore, a relatively high number of job departures may also be accompanied by a high rate of new hires. Although the occurrence of such a phenomenon may imply difficulties involved in the building of organizational resilience, it is not possible to draw such a definite conclusion without further research.

The next case allows for considering another potentially interesting dependence, i.e. the correlation between the weight assigned to turnover rates and the number and effectiveness of the implemented solutions aimed at reducing these rates. In the Kęty Group, the strengthening of the status of an attractive employer is measured by a 5% decrease in the employee turnover rate on a year-to-year basis (Grupa Kęty, 2022, p. 12). This indicator is intended to measure the effectiveness of activities related to the approach to employee processes, which is accompanied by the assumption that the Group has a real impact on the development of employees (Grupa Kęty, 2022, p. 14). One of the interesting solutions intended to help the organization improve the work environment are so-called exit interviews, i.e. interviews with employees leaving the organization. They are used to get to know the employees’ opinions on the working conditions and the company’s offer (Grupa Kęty, 2022, pp. 12-24).

Finally, it should be emphasized that drawing conclusions about high turnover rates or their changes in the context of implemented organizational solutions is difficult as it may to a large extent depend on situational conditions or, as already indicated in the case of the CD Projekt
Group, on the specificity of the branch. It may also happen that the information about the rate itself will be too general to draw conclusions about further dependencies. Therefore, high values of the turnover rate may be related to group layoffs (GK Santander, ESG Report 2019, p. 96). In such a case, it is impossible to associate such a level of the rate with e.g. the indicated possibility of losing a competitive advantage, or loss of organizational resilience if the role of the competences of the laid-off employees has not been defined.

The turnover rate in the case of the business model characteristic of LPP may give extremely high results (above 50%, as in the case of LPP Retail, where such high results are due to people, including students, for whom working in a showroom is a casual and short-term job (LPP Group, 2022/2023, p. 101). It can be assumed that a high ratio per se will not be related to competitive advantage or organizational resilience.

The report entitled Employer brand research 2023 report – national report Poland emphasizes the role of a friendly atmosphere, which, if treated as one of the HR priorities, enables limiting the staff turnover and ensuring the effectiveness of employees (National Report, Randstad Employer Brand Research, 2023). Thanks to the monitoring of turnover, it is also possible to identify in advance the competencies that will require replacement in near future (GK JSW, 2022, p. 144), which should enable the organization to respond appropriately also in the event of crisis situations. However, the description of the above cases indicates that shaping the appropriate turnover rate requires careful consideration of the implemented solutions and their expected consequences.

5. Summary

The validity of the assumption about the significant role of human capital in the shaping of organizations’ resilience is summarized in the statement contained in the study on human capital in Poland: ‘The key importance of human capital in the economic and social development of countries cannot be overestimated in any way. It is assumed that human capital affects the individual earnings of employees, the efficiency and effectiveness of entrepreneurs, as well as the amount of added value generated by the national economy’ (Human capital in Poland..., 2021).

The managers of the analysed entities seem to confirm this thesis; they appreciate the significant role of human capital in the functioning of their organizations and present data on human capital in their reports, explaining the ongoing changes in human capital. However, one can notice some chaos resulting from both the different situations of individual entities and the obtained values of the rates, as well as from differences in the provision of information on employment and turnover, its description and explanation.
Summing up the above considerations and data regarding the phenomenon of staff turnover in the analysed entities, it can be concluded that the value of turnover rate in the year 2018 ranged from 2.8% to 24%, and in 2022 - from 3.4% to 16.3%, i.e. the maximum value of the rate has decreased. In the case of several companies, no such information or only partial information on the number of departures was provided. Generally, companies do not provide detailed information on employee turnover in particular job groups or employment levels, focusing only on employee age ranges. Also, the rates do not indicate the nature of the turnover phenomenon (positive or negative) in individual organizations.

It is also impossible to indicate a uniform trend characteristic of the entire market, because in the analysed period the value of turnover rate increased in several companies, while in others it dropped, as described above. The causes and effects of staff turnover in individual companies are different, which the authors attempted to demonstrate by quoting the information provided in the companies' reports.

However, it is certain that issues related to employee turnover are treated as important in individual companies, because most of them report this data and explain the values of the achieved rates in their reports.

It can be viewed as appreciation of the role of this factor in the effective functioning of the organization. Although none of the companies refers turnover directly to the phenomenon of organizational resilience in their reports, the PEPCO Group report draws attention to operational, technological, financial and tax resilience. In many cases, companies explain the reasons for the increase or decrease in employment by pointing to various internal factors (e.g. improvement of working conditions, digital transformation of the business model) and external factors (macroeconomic conditions). This issue is also associated with employee engagement. All these factors undoubtedly shape the efficiency of companies' operations and influence organizational resilience.

Based on the above analysis, it can be concluded that issues related to human capital turnover are an important element of management in individual companies. Managers are aware of the role played by human capital in the effectiveness of entities' functioning, so they analyse the phenomenon of turnover, the causes and effects of which may considerably vary from entity to entity and can undoubtedly influence organizational resilience.

The analysis of empirical data of companies included in the WIG-20 index has revealed the imperfection of the turnover rate parameter. The very level of this indicator does not allow for its proper interpretation as the causes of the phenomenon are not known. The turnover rate does not take into account the division into voluntary departures of employees, which may be a loss for the entity, and departures forced by the employer so as to eliminate ineffective employees or reduce employment due to other company problems (cost cutting) or company development (process automation). The presentation of data regarding employee turnover requires clarification. It is necessary to provide additional information explaining the causes and
expected effects of this phenomenon. Data on voluntary departures and those forced by the employer is also worth detailing.

We agree that the issue of employee turnover is very important to enterprises, therefore it is necessary to clarify the requirements for its reporting, which will allow for a better assessment of issues in the field of human capital management.

The consequences of the phenomenon of employee turnover for enterprises allow us to conclude that the market goal should not be to achieve a record employee mobility or labour market flexibility (characterized by high turnover), but moderate stability and a sense of security of employees, who in such a situation show greater commitment and, thus, influence the stability of functioning of resilient entities (Kołodziej, 2019).

References


Reports
6. Raport ESG 2022 Santander Bank Polska S.A.
8. Raport Odpowiedzialnego Biznesu 2019 Santander Bank Polska S.A.
10. Raport Roczny Orange Polska S.A.
11. Raport zintegrowany 2022 Grupy Kapitałowej Grupy KĘTY S.A.
12. Raport zrównoważonego rozwoju Grupy CD Projekt za 2021 r.
13. Raport zrównoważonego rozwoju Grupy CD Projekt za 2022 r.
15. Sprawozdanie dotyczące informacji niefinansowych Grupy Kapitałowej PZU i PZU S.A. za 2022 rok.
17. Sprawozdanie na temat informacji niefinansowych Grupy ORLEN i PKN ORLEN S.A. za rok 2022.
18. Sprawozdanie niefinansowe z działalności PGE Polskiej Grupy Energetycznej S.A. i Grupy Kapitałowej PGE za 2022 rok.
21. Sprawozdanie Zarządu z działalności Grupy mBanku S.A. w 2022 roku.
22. Sprawozdanie Zarządu z działalności Grupy Kapitałowej PKO Banku Polskiego S.A. za 2022 rok.
24. Sprawozdanie zrównoważonego rozwoju za r. 2022/2023 Grupy LPP.
Footnotes

1 Job mobility means the employee’s tendency to change their profession or employer, which involves making a significant effort not only to retrain, but also to gain new professional experience in a completely new area (Bednarska Wnuk, 2016). To discuss the phenomenon of mobility, terms such as migration, mobility, turnover or fluctuation are used interchangeably. Management sciences usually talk about turnover, which focuses on the processes of quantitative and qualitative changes in the sphere of employment.

2 The subject literature, both world and Polish, quotes many studies on resilience (including Olekalns, Caza, Vogus, 2020; Ingram, Bratnicka-Myśliwiec, 2019).

3 However, it should be emphasized that methodological proposals for calculating such indicators differ between organizations.

4 Employee turnover rate (%) = employees leaving the company/average number of employees in the analysed period (Grupa Allegro, 2021, p. 97).

5 Calculated as the ratio of the number of people leaving the job to the total number of employees (Grupa CD Projekt, 2022, p. 42).

6 The rate calculated as a weighted average of turnover in 2022 in the four main companies of the Group (GK Polsat, 2022, p. 106).

7 Calculated as the number of employees who left the company/average employment status (Grupa Kęty, 2022, p. 18).

8 Includes the rate of voluntary and forced employee turnover (Grupa PEKAO, 2022, p. 171).

9 The turnover rate taking into account all departures excluding voluntary departures (for reasons not attributable to the employee) and departures upon the employer's initiative and excluding departures within the Group (GK Orange Polska, 2022, p. 91).

10 The general employee turnover rate is calculated according to the following formula: the total number of employees in a given category who left the organization in the reported financial year (12 months) divided by the total number of employees in a given category in the reported financial year (employment status as of January 31, 2023), multiplied by 100 (Grupa LPP, 2022/2023, p. 101).

11 The turnover rate is calculated as the ratio of the number of employees who left their jobs to the number of people employed (Gupa mBank S.A, 2022, p. 171).

12 The employee turnover calculated as the number of employees in a given group leaving the company in a given year to the total number of employees in a given group, excluding the former LOTOS Group and former PGNiG Group (GK Orlen, 2022, p. 146).

13 The turnover rate calculated as the number of employees whose employment relationship was terminated in 2022 to the number of employees employed at the end of 2021 (GK PKO BP S.A. - raportroczny2022.pkbp.pl).

14 The rate calculated as the percentage of employees who left their jobs in the reporting period (GK PGE 2022, p. 233).

15 The rate calculated as the rate of voluntary departures and layoffs of all employees of the PZU Capital Group employed on the basis of an employment contract (takes into account also the internal turnover between PZU/PZU Życie and other PZU Group companies (GK PZU i PZU SA, 2022, p. 136).

16 The calculated rate is the ratio of employee departures in the reporting period to the number of all employees employed in the Bank under employment contracts on December 31, 2022 (GK Santander, ESG Report 2022, p. 92). The turnover in 2019 was calculated as the ratio of the number of contracts terminated in 2019 to the average employment in 2019 (GK Santander, ESG Report 2019, p. 96).

17 Given the fact that human capital is a key factor in the process of building the organization's resilience, it is not surprising that investments are made in employee development. In addition, the conducted analyses point to the rules adopted in this field, which potentially opens up another field of research related to the impact of the adopted detailed solutions on the resilience of the organization. For example, the Polsat Plus Group (2022) applies the 70-20-10 rule, which means that 70% is development through experience (tasks, participation in projects), 20% is development through relationships with others (sharing knowledge, feedback, coaching, mentoring) and 10% is development through participation in training (online, stationary, internal and external) (GK Polsat, 2022, p. 115). The question arises whether such a model of competence development would be the best from the point of view of developing the organization's resilience.

18 Many potential reasons for such values of these rates are sought in the rapid development of the organization as well as greater formalization and disruptions, including not only circumstances related to the external environment (war in Ukraine, macroeconomic conditions) but also internal factors (post-merger reorganization and succession of top management) (Allegro, 2022, p. 50).