

INTELLECTUAL CAPITAL'S SINERGY

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Abstract:

Intellectual capital is the currency of the new millennium. Its wise use is the key to success in the era of knowledge. That is why it can be seen as a hidden value of an organization, which was, until recently, unmeasurable. Starting from the current knowledge revolution in all fields, there is a need for a thorough study of this subject. By doing research in this field, it is desirable to try to identify the current features in the management of human resources, this being an argument in the necessity of the research that will follow and an aid to bring extra knowledge in this direction. In this paper, we review the existing work in the literature and come up with a list of things that are we consider that can be improved and a list of good practice examples. The proposed solution is the ambidextrous organization, in which progressive and radical developments can and must be both simultaneously achieved. Given the dynamics and different requirements of the two types of changes, pressure on the organizational culture is quite strong. Therefore, it can be said that a long-term economic development cannot be designed without a thorough investment in human capital and thus its importance is particularly emphasized.

KEYWORDS: intellectual capital, capital synergy, university's environment

INTRODUCTION

Regarding the intellectual capital, Bontis stated that: "Intellectual capital is the coin of the new millennium. Its wise use is the key of success in the era of knowledge.". This the main reason why it can be seen as a hidden value of an organization, which until now could not be measured. Having as a starting

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point the present knowledge revolution in all fields of knowledge, it has become obvious that there is a need for an in-depth study of this matter, which must identify the particularities of the present time, regarding human resources management in Romania's universities.

This paper tries to start filling the requirements stated above, but rather than exhausting the subject, it will raise questions for further research. Its aim is to try to clarify some aspects that are less approached in the literature by emphasizing the importance of management at the level of an organization, based on the theoretical and empirical studies that already exist.

RELATED WORK

This paper reviews the research work that exists in the field's literature and comes up with a list of things that are considered that can be improved and a list of examples of good practices. The proposed solution is an ambidextrous organization in which both progressive and radical developments can be achieved simultaneously. Therefore, when people talk about a long-term economic development it cannot be projected without a thorough investment in human capital and thus its importance is particularly emphasized.

Intellectual capital can be perceived as the whole knowledge of an organization, a very comprehensive definition and constantly updated due to continuous accumulations.

Understanding the complexity of intellectual capital is conditioned by understanding the links between intellectual property, intellectual assets and intellectual capital.

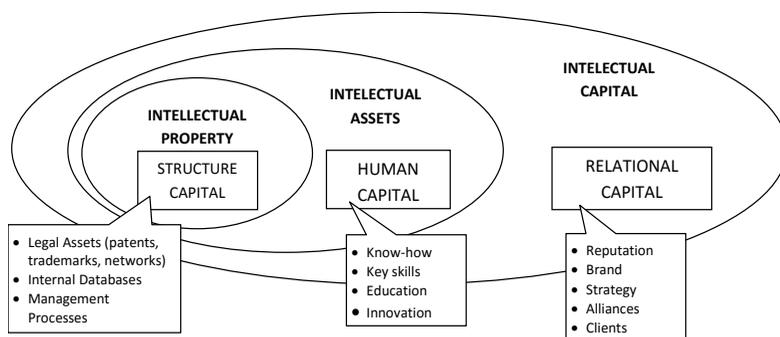


Figure 1: Intellectual Capital Structure (Stewart, 1997)

In Fig.1 a detailed diagram of intellectual capital structure is designed which shows the intersections that exist among the concepts.

There were several reasons for choosing this research topic:

- The fact that researchers and academics are increasingly interested in this subject, because they always have new elements;
- Lack of studies focusing on the analysis required by the increasing importance of knowledge among the factors of production, the optics of those involved in the knowledge and operationalization of the concept of knowledge capital and the creation of a common ground;
- The importance of visions from the perspective of knowledge, operationalization and development of the concept of knowledge capital;
- Awareness of universities about their role in enhancing educational performance and direct relationship with intellectual human capital.
- Another motivation and justification for which the topic may be of interest would be the fact that it falls under the UEFSCDI (Executive Unit for Financing Higher Education, Research, Development and Innovation) national research program, in the new research direction according to PNI III projects classifications in the fields of: Social Sciences and Humanities, SHI category - Individuals, Markets and Organizations: Economics, Finance and Management subsections: SHI_1 Macroeconomics; Monetary Economics; Economic Growth and SHI_10 Management; Marketing; Organizational Behaviour; Operations Management.

PROBLEM DEFINITION

The purpose of the paper is to capitalize the performance as a synergic element - a solution proposed for our university and to promote the evolution of the importance of the topic – that is not valorised on the area of higher education institutions.

The final goal is that Lucian Blaga University of Sibiu becomes an ambidextrous organization, an organization that exploits all the existing skills, but also new opportunities.

In order to be part of contemporary economic, scientific and managerial dynamism, the ambidextrous organization has emerged in recent years. Each organization goes through gradual or evolving growth periods, often experiencing discontinuities or radical changes.

The challenge faced by managers is to achieve the adaptation of culture and organizational management to current environmental developments without, however, undermining the capacity of coping with radical changes.

PROPOSED SOLUTION

We start by defining the concepts of intellectual capital and intangible assets. The Intellectual Capital (IC) concept is attributed to American economist John Kenneth Galbraith in 1969, together with the detection of significant differences between a company's market value and its net book value.

Intellectual capital is:

- "intellectual material - knowledge, information, intellectual property, experience - that can be used to create wealth."
- "knowledge that exists in an organization and can be used to create competitive advantage" according to Hugh MacDonald
- "intellectual material that has been formalized, captured and used to produce a higher asset" Klein and Laurence Prusak [2].

Although intellectual capital is similar to tangible assets in terms of their potential for generating future cash-flow, it is radically different from tangible capital, as human capital and relational capital cannot be owned by anyone, but must be shared with employees, suppliers and customers.

Investments in intellectual capital are analysed in different contexts: financial and non-financial performance. Financial outcomes can be determined at microeconomic and macroeconomic level.

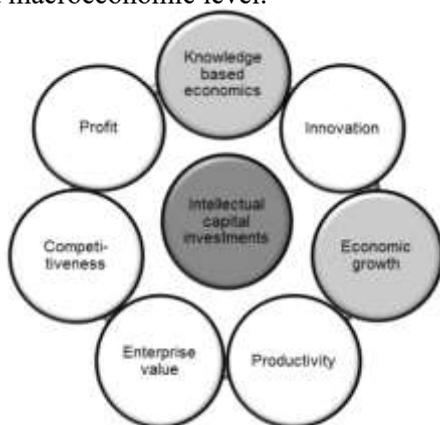


Figure 2: Concepts Regarding the Intellectual Capital Investments
(Edvinsson & Malone, 1997)

Thus, intellectual capital can be interpreted as the total amount of human capital, both structural and relational. These assets form a distinct source of competitive advantage, being a key factor that influences the performance of one institution from the other. Having control over such assets, enables effective internal governance on one hand and external communications on the other. Therefore, the idea of measuring, monitoring and reporting intellectual capital becomes more and more meaningful.

The main feature of knowledge – the recognition of the importance of the value of intangible goods is becoming more and more important. In fact, an insufficient representation of these in the balance sheet has negative effects, because it does not provide a qualitative overview of the financial situation of the institution and such it becomes an inaccurate resource of information.

At present, the world of innovative ideas is not a priority, if we relate to the world of tangible objects, so intellectual capital gains ground in front of physical capital forms. In fact, even Marin Dinu states: "The idea, as information, is not only primordial, but also a priority, while it is manifested both as ineffable and substantial, essential and concrete, functional and yielding" (Dinu, 2006).

Intangible assets are non-material assets, such as commercial vignette, registered trademarks, copyright, patents, exclusive contracts, concessions, licenses, commercial networks, etc.

According to international accounting standards, an intangible asset is an identifiable, non-monetary asset without physical substance (Zadrozny, 2006). Intangible assets are classified as follows:

- Goodwill - Defined as future economic bounce, resulting from assets that are neither individually identifiable nor separately recognized;
- R & D spending – it is a question of recognizing them as expenses at the time of their production or as an asset.

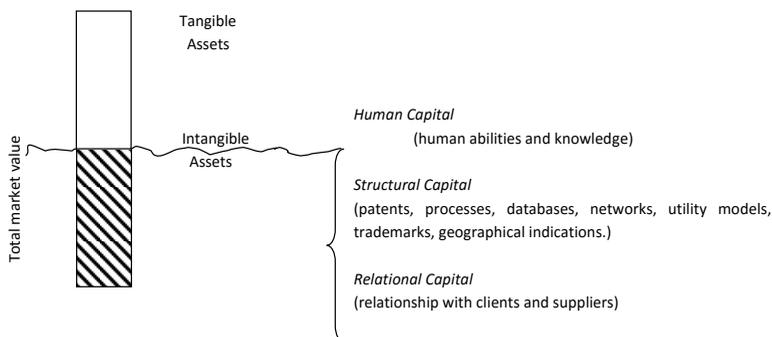


Figure 3: Intellectual Capital Model, by Stewart (Stewart, 1997)

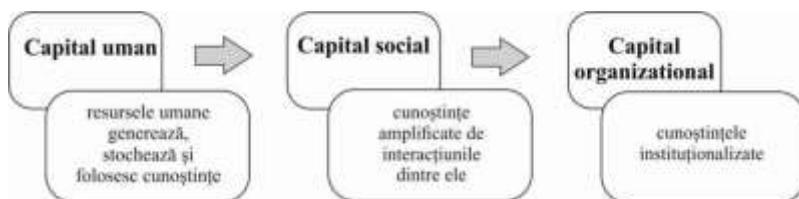


Figure 4: Intellectual Capital Elements (Lentjušenkova & Lapiņa, 2014)

Fig. 3 represents the components of the intellectual capital. Understanding the complexity of intellectual capital is conditioned by the understanding of the links that are created between intellectual property and intellectual capital.

For an organization's success in assessing the impact of intellectual capital, a complex approach towards the sources of this type of capital is needed.

For example, intellectual capacity that is not synonymous with human capital needs to be analysed, including intellectual property elements (specific to its protection), processes associated with the preservation and dissemination of knowledge, as well as organizational culture.

In order to be able to talk about the concept of relational capital and to analyze and review its role in the development of an organization, a brief discussion is needed on the other two capital elements that make up the intellectual capital.

Thus, human capital consists of all the attributions related to the staff of the organization, their innovative, creative skills and abilities and capacities. The human capital covet all the intangible information and knowledge of the human mind.

The structural capital includes learning and sharing the organization that are used in its everyday practices. This is the organization's knowledge baggage after one of the employees leaves. We can talk about an infrastructure to support the human capital of the organization that creates value.

Relational capital consists of the organization's relationships with external stakeholders and refers to the way they perceive the organization's products and services. This is very important for an organization, as it creates added value and perceptions.

On the other hand, the expenditure group related to structural capital has a specific behavior in times of crisis.

Expenditure on presentations and conferences, inscriptions of public auctions and technical assistance for imports are the most relevant and significant expenditure in the context of a crisis.

The following table shows the matches provided by the decisions applied not only to those identified as an integral part of the economic crisis taxonomy, but also to those intangibles that are part of the overall situation of the organization.

Intangible Expenses	Relational Capital			Results
	Phase 3 Surface	Phase 3 Surface	Surface between	
1. Meetings	5.2958	4.5334	0.7624	Not significant
2. Expos and Conferences	5.1	6.1766	-10766	Significant
3. Travel Expenditures	5.1698	1.4062	3.7636	Not significant
4. Marketing and Promotion	4.4535	1.4057	3.0478	Not significant
5. Assessors and Consultants	2.2894	1.5606	0.7288	Not significant
6. Inscription to Public Bids	3.6474	4.0251	-0.3777	Significant
7. Clubs and Associations Fees	2.7416	1.6727	1.0689	Not significant
8. Technical Assistance for Imports	0.3848	1.3756	-9908	Significant

Table 1: Relational capital comparisons (Guevara & Bounfour, 2011)

Relational capital is reflected in the relationship between the home affairs environment and the foreign affairs environment of any company. The

components of intellectual capital that cross the functional interface between the organization and its environment. Even though it is important to develop a strong relational capital, many companies do not want to invest in such capital. As Stewart remarks (1997, p. 144), "the client's capital is likely - and amazing when you think of it - the worst managerial of all intangible assets. Many businesses do not even know who their customers are - news kiosks, the majority of supermarkets, bus companies, most of the rattles. "

Relational capital can be considered an integral field of activities for several other areas, such as relational marketing, customer relationship management, and social responsibility. Relational capital redefines organizational capacity to create channels of communication with all external parties and their dynamic use. It also means creating databases on all aspects of collaborating with these partners and using them in anticipatory events as well as building strategies for the future. Classic management has systematically focused on the internal business environment, trying to increase work productivity and profit.

Analyzing the influences of an efficient communication system in generating a valuable relational capital, as well as identifying effective communication is the primary research objective.

The organization of the systems has led to the generation of other, more complicated and diverse systems, the diversity not being caused by the substance and energy they are constituted, but by the way they are organized. It is the organization that leads to the diversity of the world in which we live. Fig. 5 shows the tree of categories that systems dive into.

The following communication barriers may appear in the communication process:

- At the transmitter and receiver level;
- At the level of language;
- At context level.

CONCLUSIONS

Many companies are focusing on improving the content of information disclosed to stakeholders. The authors analyzed different research on investment in intellectual capital and concluded that there was no single understanding of these.

Although, goodwill is seen as an asset, it cannot be bought or sold. Some analysts prefer not to consider it when examining the firm's assets.

Communication is absolutely essential for organization. It is obvious that without communication it cannot be organized, because then there is no possibility that the group will influence the behavior of the individual.

Any scientific approach identifying the potential limits and perspectives of future research is a considerable support in the development of future academic community's concerns.

The paper follows the importance of intellectual capital, which generates values and must be stimulated, so that it represents a main source of advantage for the increase of the performance of universities, identifying the main elements: human, structural and relational. The aim is to highlight the aspects whose knowledge is absolutely

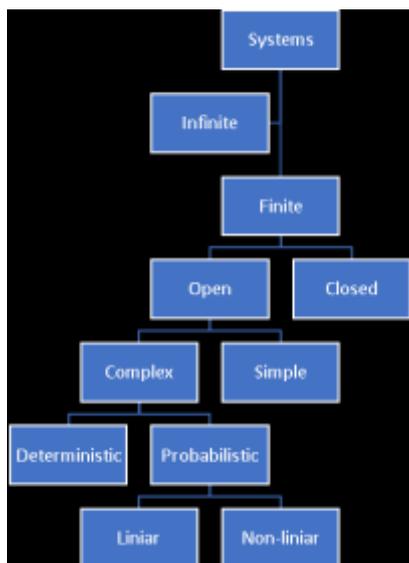


Figure 5: Tree of Systems' Categories

necessary for the long-term success of the performances of universities in the context of valorisation of human capital.

In view of these aspects, we hope that the present paper will support both the academic community and the practical environment in the awareness of the importance and the primordial role of human capital, especially the idea that Sibiu University "Lucian Blaga" becomes an ambidextrous organization. I am of the opinion that the implementation of these research perspectives will be a significant contribution, which will increase the relevance of the scientific approach that I started in the field of intellectual capital research and, implicitly, of intellectual property. Although this research topic is in the early stages of development, I believe that the scope of research in this area will gradually expand, given the human capital as the main creator / generator of added value for a community.

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