Research on Emotional Intelligence Management Based on the Intellectual Capital Business Model: Case Study in K Group Enterprise in Shenzhen, Guangdong Province, China

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ABSTRACT

With the development of globalization and knowledge economy, intangible assets have become more important in competition. The practice of the intellectual capital business model in Chinese enterprises is an important source for innovation and lets Chinese enterprises get sustainable competitive advantage. In this paper, the authors take K group as an example, and analyze methods of EI management, which has improved employee motivation in innovation. The authors also use empirical analysis to validate the positive correlation between the emotional intelligence (EI) of core staff and job performance. With the development of knowledge economy and corporate strategy theory, knowledge management has taken an important role in the competition and intellectual capital (IC) has become the source of value creation. Intellectual capital business model is a description of the intellectual capital operation, the better mode of operation, the higher and greater value of intellectual capital. As such, intellectual capital is becoming an essential business component; the application of intellectual capital business models increases economic efficiency and enhances competitiveness.

Keywords: Chinese Enterprises, Emotional Intelligence, Intellectual Capital, Intellectual Capital Business Models, Job Performance, Value Creation

1. INTELLECTUAL CAPITAL BUSINESS MODEL AND EMOTIONAL INTELLIGENCE MANAGEMENT

In 1994, the famous Swedish insurance and financial services company, Skandia, released the first intellectual capital report of the world under the leadership of Professor Leif Edvins- sion, the intellectual capital model and practice of Skandia was considered as a great milestone of transformation from industrial economy to the knowledge economy times, Edvinssion believed that the business mode of IC is:

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Intellectual Capital = Human Capital + Structure Capital + Customer Capital
IC = H + S + C.

Human capital, structural capital and customer (relational) capital respectively play the role of the main force, the platform and the network of intellectual capital management, as the core of IC, human capital is the basis and driving force for the existence of IC. The value of the Skandia business model is that it can provide sustainable power for the company. The application of the model can be divided into four steps: Step 1 Make a strategy for the development of the enterprise. Step 2 Set up the role of IC in operations and management. Step 3 Measure intellectual capital .Step 4 The creation of expectant value. Intellectual capital management is the most important elements in the concept of management innovation, this business application is bound to bring new business space of value creation and value extraction and bring infinite vitality and strong competitiveness to enterprise (Table 1).

In fact, the business operation model of IC is an important part of soft technology science. The essence of the IC theory is the research on live labor, especially the effect of mental workers who have creative thought on value creation and extraction. Therefore, employees are the most valuable intellectual capital within the enterprise, concern them and maximize their imagination, creativity and talent wise should be one of core corporate culture (Figure 1) (Naixiao, 2009a, 2009b).

Emotional intelligence (EI) theory originated from the positive psychology movement (PPM) in the 1990s, PPM promotes a positive theory of human nature and fully embodies the people-oriented ideology, which is consistent with modern management thinking, so that it was accepted by organizational behavior. The rise of positive psychology and positive organizational behavior provides a new paradigm of thinking for human resource development. Europe management scholars Kevin Thomson mentioned in his book, Emotional Capital, that the true meaning of business “is a small community, a collection of people; all of its elements, including products, services, brands, are intertwined with the emotional to exist, and its character is created by the intellectual and emotional of employees “enterprise which can successfully win the hearts and the will of the employees will certainly be able to create an enterprise personality of passion and dedication, and this is undoubtedly a powerful appeal for customer. At the same time, he believes business success dues to efficient management of intellectual resources and the loyalty of each employee, in other words, both intellectual and emotional must be grasped. The knowledge in employee’s brain is an intellectual capital; emotional is the fuel of this intellectual capital (Thomson, 2004).

Intellectual capital business model draws the essence of knowledge management and human capital theory, EI management included as the highest form.

Table 1. Three basic elements of the intellectual capital business model

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<th>Human capital</th>
<th>Structural capital</th>
<th>Customer capital</th>
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<td>Means the quality of the employees inside the enterprise, which includes ability of knowledge and technology, as well as experience, which makes up the engine of enterprise innovation and performance improvement, as well as the foundation of Intellectual Capital.</td>
<td>Means the supporting structures inside the enterprise, including patents, concepts, model, working processes, information systems, quality control system, and operation regulations and so on. It also provides a platform for innovation and development. It is the combination of soft technology and hard technology in enterprise.</td>
<td>Means the important relationships inside and outside the enterprise. It is a key factor of IC, which shows the important organizational relationships between the business partners, relationships with the local government, community, etc.</td>
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