Chapter 12

Humanizing the Intellectual Capital to Optimize Knowledge Management Systems in Organizations

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ABSTRACT

This chapter identifies the best way to measure, develop, and manage intellectual capital as part of knowledge management. The Ministry of Education is a federal organization whose environment has been studied in all aspects of intellectual capital to identify its model, methods, and tools for measuring, developing, and managing intellectual capital. The qualitative method was used to collect results, encompassing interviews, document reviews, direct observations, and focus groups. It was concluded that there is genuine interest within the ministry to develop its intellectual capital and invest in its different dimensions. The chapter offered several contributions, the most important being the process for measuring, developing, and managing of intellectual capital. It also recommends a sustainable and continuous professional development process for employees. Institutions must also pay attention to the knowledge, skills, and innovations derived from the human mind and harness all the supporting potential, which in turn helps develop institutional administrative work.

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INTRODUCTION

The world today is witnessing many rapid changes in human life, including intellectual, social, economic, financial and political transformations. More importantly, there is globalization’s influence on the human element. All these transformations have been linked to several factors, including organizational, financial and technical, which have had a significant impact on working life. Globalization, the enormous number of technological innovations, big data, and all the transformations in the world around us have imposed on organizations the need to thrive in a highly competitive environment to raise their value and achieve their desired strategy.

There has been a tremendous knowledge explosion, and knowledge management has become necessary to organize this knowledge. Knowledge management is a science that emerged as a result of the importance of knowledge in the information age and the need to face the data resulting from life in the present era, which is represented by the tremendous technological development and the density of information produced in all fields and the speed of access to it. This development has created the need to organize and manage it. Each organization must seek maximum benefit from its quantity of knowledge and how to maintain and guide it to ensure the achievement of its strategic objective (Goel, 2010). Knowledge management is not only intended to manage tangible knowledge assets such as databases, documents, policies, and procedures, but also to manage the knowledge, expertise, and skills of individuals and groups (Singh & Soltani, 2010).

Organizations must prove their capacity and position by keeping up with modern developments, looking to the future with insight through the adoption of non-traditional management methods for knowledge, making maximum use of their intellectual assets and attracting human resources that add value to the knowledge of the organization (Singh Sandhawalia, 2011). The attention to intellectual assets, which include the experience, knowledge and skills of an individual, is much greater than interest in physical assets, which include cash flows and profits. Accelerated transformation towards a knowledge economy and knowledge society strongly imposes on intellectual capital—how it is managed, measured and developed (Bismuth, 2008). Therefore, many strategic and executive leaders have paid much attention to human resources that must be directed to those who have the knowledge, experience, creative capacity, development, investment and preservation that are the firm intellectual assets of the organization (Cheng, 2017).

Organizations with leading minds in the field become highly competitive with other organizations. In many organizations, there is an untapped intellectual potential. All organizations must learn how to use and manage these assets to reach their