Chapter 1
A New Perspective of the Intellectual Capital Dynamics in Organizations

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ABSTRACT

Most pioneers of the intellectual capital studies developed static models able to describe the structure and the operational power of this new concept. Their contributions have been based on individual experience of dealing with tangible assets. According to these models, there is no time variable in the intellectual capital interpretation, and therefore there is no change or transformation. Intellectual capital is considered a stock with the following generic structure: human capital, structural capital, and relational capital. The purpose of this chapter is to present a dynamic model of the organizational intellectual capital, based on a new concept of integrators, and a new functional structure. Integrators are powerful fields of forces acting upon the employees of a company in order to generate synergy. Among the most important integrators we may think of leadership, management, processes and organizational culture. The new structure is based on knowledge, intelligences and values, as independent basic building blocks.

INTRODUCTION

The concept of intellectual capital (IC) is a fuzzy concept, due to its various definitions and theories developed so far. Although it is a powerful concept, it is difficult to figure out how to measure it, due to its intangible nature. As Sullivan remarked (1998, p.19), “discussing intellectual capital management can be a frustrating experience. Conversations that begin with apparent understanding can soon become confused and unclear”. This explanation comes from the semantic dynamics of the concept in time, and from the spectrum of meanings attached to this concept in different organizational contexts. Although IC studies have an intrinsic interdisciplinary nature, there is little cross-communication between researchers representing different backgrounds. However, despite all of these difficulties, we can intuitively understand the core meaning of this

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powerful concept. Difficulties appear when we want to measure and to manage properly this IC at the organizational level.

Most pioneers of the IC studies developed a static model of this concept, based on their experience on tangible assets. According to this model, there is no time variable in IC interpretation, and therefore there is no change or transformation. This is the simplest thinking model with respect to time, and it is a result of the static or inertial way of thinking our environment (Bratianu, 2007a). IC is considered as a stock at the organizational level using the metaphor of tangible assets (Edvinsson & Malone, 1997; Stewart, 1999; Sveiby, 1997). The knowledge as a resource metaphor underlying the concept of IC reveals the first root of the IC concept: the resource-based view (Andriessen, 2006; Andriessen, 2008; Andriessen & Van den Boom, 2007). IC is considered as a given potential composed of: human capital, structural capital and customer or relational capital. There are some variations of this structuring, but the basic ideas are the same.

Organizational experience demonstrates every day that knowledge is in a continuous transformation process at both individual and organizational levels. In his metaphorical analysis of IC, Andriessen (2006) showed that Nonaka and Takeuchi used in their works some dynamic metaphors like “knowledge as a process” and “knowledge as action”. As Kianto explains, in this perspective “knowledge is understood as emerging from the ongoing interactions between the organizational members, and the focus is not on the intangible assets per se but on the organizational capabilities to leverage, develop and change intangible assets for value creation” (Kianto, 2007, p.3). However, even if the knowledge interpretation is changed from stock to flow, the IC model remains in the same static structure due to its paradigmatic interpretation. Meanwhile, research focus has been changed from the IC operational structure toward IC evaluation and measuring methods and models (Andriessen & Tissen, 2000; Arregui-Ayastuy et al. 2009; Green & Revilak, 2009; Mertins et al. 2009; Rodov & Leliaert, 2002; Rodriguez-Castellanos et al. 2007). “Basically, measuring consists in two tasks: one being the attempt to identify intangibles and put them into a structured order; and the other is the search for indicators that enables us to measure them” (Arregui-Ayastuy et al., 2009, p.53).

The purpose of this chapter is to introduce a new perspective of the dynamic structure of the organizational intellectual capital. There are three new elements of this approach:

1. The interpretation of organization as a multitude of fields of forces.
2. The concept of integrator that operates at the organizational level to yield the intellectual capital potential.
3. The organizational structure of the intellectual capital based on three independent entities: knowledge, intelligence and cultural values.

In our view, an integrator is a powerful field of forces capable of combining two or more elements into a new entity, based on interdependence and synergy. These elements may have a physical or virtual nature, and they must possess the capacity of interacting in a controlled way. The interdependence property is necessary for combining all elements into a system. The synergy property makes it possible to generate an extra energy or power from the working system. It makes the difference between a linear system and a nonlinear one. The dynamic characteristic of this new approach comes from the operational nature of the organizational integrators. The IC is not a stock obtained as a summation of different given constituents; it is a resulting potential of a dynamic field of forces generated by the organizational integrators. This potential can be less or larger than the aggregated sum of all organizational components. In the first case integrators have a negative operational intensity (Albrecht, 2003), while in