Introduction: Intellectual capital: the future of business navigation

Daniel G. Andriessen* and Christiaan D. Stam
Centre for Research in Intellectual Capital,
INHolland University of Applied Sciences,
P.O. Box 558, 2003 RN Haarlem, The Netherlands
E-mail: daan.andriessen@inholland.nl
E-mail: christiaan.stam@inholland.nl
*Corresponding author

Biographical notes: Daniel Andriessen is a Professor of intellectual capital at INHolland University of Applied Sciences in The Netherlands and Director of the Centre for Research in Intellectual Capital.

Christiaan Stam is an Associate Professor at the INHolland University of Applied Sciences in The Netherlands.

1 Introduction

In May 2007, our Centre for Research in Intellectual Capital hosted the International Congress on Intellectual Capital: The future of business navigation. The Congress – which took place in Haarlem, The Netherlands – was attended by more than 140 participants from 23 countries. Based on almost 70 papers, we designed a conference program that consisted of more than 90 sessions. This special issue is based on a selection of the best papers of our conference.

The main question we wanted to address in this conference was: ‘what is the future of business navigation, and how do we get there?’ Both practitioners and academics have been studying business navigation for over 15 years using the perspective of intellectual capital (IC). Recognising knowledge and other intangible resources as important ‘capital’ for organisations and regions has proven to be a powerful concept for developing new management tools and explaining previously uncomprehended phenomena.

At the same time, the field faces some important challenges in taking its ideas into the future. Adoption of the IC perspective and its tools by enterprises is still limited, there is little harmonisation in models and tools, the acceptance of the IC perspective in mainstream organisational thinking (including accountancy) is only partial, and implementation of IC in the curriculum of business education is inadequate. Therefore, our conference aimed to help create a future for IC thinking as a tool for business navigation by addressing the following questions:

- What has been the progress in IC theory development?
- What are experiences in applying IC theory?
- What is the future of IC theory and its application?
This resulted in almost 70 papers, which we organised into five focus streams and a doctoral consortium. The topics in these streams were knowledge management, culture, human capital, value extraction and IC of nations. The doctoral consortium consisted of 11 papers related to PhD research projects.

In addition to the paper presentations, we also organised two special focus streams. In the first stream, the focus was on measurement: How to quantify intangibles for disclosure and decision-making? What are fundamentals of intangibles measurement? What are directions for research in this area? The second stream focused on IC centres across the globe. In this stream, representatives of nine (research) centres (Arab countries, China, Hong Kong, Indonesia, Japan, Scotland, Sweden, Taiwan and The Netherlands) exchanged experiences and best-practices.

During the conference, we became aware of three important developments that we think will determine the way the field of IC can contribute to business navigation: dynamisation of IC, a refocus on the whole instead of the parts, and the application of IC theory to a variety of practical problems. This special issue contains examples of research that is exemplary for these three important trends.

1.1 The dynamics of IC

The idea of intellectual capital is based on a metaphorical conceptualisation of knowledge (Andriessen, 2006, 2008). The term ‘intellectual capital’ makes sense because it refers to the conceptual metaphor of ‘knowledge as capital’. The metaphor transports various characteristics of the source domain of ‘capital’ to the target domain of ‘knowledge’. One particular characteristic of the source domain is that capital is a stock. It is a resource that can be used for value creation. These characteristics do not fully fit the target domain of knowledge. Knowledge has also dynamic capabilities and a certain flow (Kianto, 2007). Already in 1997, Roos et al. (1997) have pointed towards the fact that most IC scholars tend to view IC merely from a static point of view, whereas in order to understand how organisations use IC for value creation, a more dynamic approach is required. The IC fields seems to become more aware of the limitations of the capital metaphor and the static nature of capital is one of the most important ones. Value in organisations is not created by intellectual assets as such, but by combining intellectual assets in a dynamic process (Andriessen, 2004). At the Congress, Kianto (2007) presented her paper on this topic. In this special issue, we have selected the paper of Bratianu, Jianu and Vasilache as representative of this trend. They describe a model for the dynamic process through which IC creates value for organisations. Primary constituents of the process are individual knowledge, individual intelligence and individual values. These are supplemented by so-called ‘integrators’ that are capable of creating synergies among the primary constituents. These include technology and processes, management and leadership, vision and mission and organisational culture.

1.2 The wholeness of IC

One of the main merits of the IC movement is the development of a so-called taxonomy, a branch of various classes of intangibles and their relationships. In the past decade, many different taxonomies have been developed (Andriessen, 2004; Bontis, 2001; Bontis and Choo, 2002; Bontis et al., 1999; Guthrie, 2001; Marr, 2005; Petty and Guthrie, 2000;
Stam, 1999; Sveiby, 1998). As a corollary to the dynamic interpretation of IC, some authors stress the importance of the wholeness of intellectual capital.

In this issue, James Falconer shows that complexity theory has been proposed as a tool to cope with the idea that everything depends on everything else. However, over the years, complexity theory has regressed from its fundamentals of holism, interconnection, adaptation, emergence, and harmony with uncertainty thereby reducing its ability to be helpful in understanding the holistic nature of IC. Instead, complexity theory tends to fall into the trap of reductionism, simplicity and control. Falconer proposes complexity theory to return to its roots. In the field of IC, he has several recommendations including that we consider phenomena like IC holistically, and that we appreciate that any boundaries we impose upon its ‘whole’ (like human capital, structural capital and relational capital) must be mutable, open, non-demarcational, often more conceptual then real, and subjective in the extreme.

Aino Kianto’s paper on enabling innovation in knowledge worker teams shows the complexity of knowledge-intensive group-level collaboration. The paper describes the factors that influence the innovations in teams based on an empirical study of 20 teams in a Finnish-based telecommunications corporation.

1.3 Applying IC theory in other fields

A third trend we noticed during our conference is that the theory of IC and its concepts (like human capital, structural capital, and relational capital) are more and more used in related fields of research and practice. They turn out to be helpful tools, especially when the aim is to do some kind of measurement. This issue contains several examples of this trend. Maiju Vuolle shows how the framework of IC has been helpful in assessing the intangible benefits of mobile business services, like mobile phones, PDA’s and on-site access to databases and the internet. Aki Jääskeläinen describes performance measures and measurement approaches to identify and evaluate the risks related to employee turnover. Marcin Kozak applies the theory of IC to regional development policies in Poland. Don Ropes describes a way to measure the impact of communities of practice.

References


