

THE INTELLECTUAL CAPITAL'S ROLE IN CONTEMPORARY COMPANIES DEVELOPMENT

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Abstract: The importance of intellectual capital in the current economy and the knowledge society, intangible assets such as knowledge and information and knowledge management, become the new core of economic development, as the impact of financial assets and fixed assets is well below the sustained impact of knowledge. In this context, the article wants to highlight the benefits that this form of knowledge can bring to economic entities. We live in an economy where material things begin to lose ground in the face of intellectual capital.

Key words: intellectual capital, development, companies development.

1. Introduction

The importance of intellectual capital in the current economy and the knowledge society, intangible assets such as knowledge and information and knowledge management, become the new core of economic development, as the impact of financial assets and fixed assets is well below the sustained impact of knowledge.

Globalization and turbulence in the business environment have inevitably led to increased competition, especially in saturated markets for products and services. In response to the new field of power generated in the external environment, companies had to move from industrial static operational management to dynamic management to develop their ability to compete and penetrate new markets. The emphasis has not been on maximizing profit, but on gaining competitive advantage and turning it into a strategic asset. Developing strategic management and integrating it with operational management is becoming more and more a necessity, in the sense of achieving a dynamic balance between the field of forces in the external environment and the field of forces within the organization's internal environment.

Intellectual capital can be valued by various methods, the most simplistic method being given by the difference between a company's market value and the total value of its assets. Most of the time, intellectual capital is attributed to the management side of a company, not a valued accountant, but many companies that had a higher asset value, but did not invest in people, had a lower value market and much slower economic growth than companies where the value of assets was not very high, but there are companies whose market value was much higher because of the company's investments in improving people or recruiting the best candidates. Intellectual capital is seen as a hidden wealth not shown in the financial statements, although, as we shall see, it greatly helps the company to grow, especially in the present economy.

2. What is intellectual capital?

Intellectual capital is considered a hidden treasure, designed to help the company grow in this age of technology and knowledge. The conceptual development of intellectual capital was made in two different directions: the first direction was oriented to the need for growth of companies, development and, at the same time, the ability to compete on the market, taking advantage of the benefits offered by the intangible assets. The second

direction is related to the desire of companies to grow success, due to investment in intellectual capital. At present there are companies whose market value is three to four times the total value of assets at current prices, which denotes an investment in intellectual capital through training programs through a targeted management policy.

We can say that intellectual capital is becoming more and more appreciated today. The significance behind the term intellectual capital can be interpreted economically from a managerial point of view, by referring to the way the company, its clients, or the level of employee training are conducted. From an accounting point of view, the term intellectual capital is often equated with the term intangible asset.

As a result of continuous technological progress and, in particular, the development of a new economy based on knowledge and information technology, the concept of capital has been enriched with new meanings and areas of use. Thus, the concept of human capital has emerged, which reflects the investment in education and the development of the necessary skills in the work process. The concepts of social capital and individual capital were considered as components. The first concept reflects the importance of interpersonal relationships in the production process, and the second concept refers to the knowledge, experience, talent, imagination, personality and skills required to carry out a particular economic activity

3. Role of intellectual capital for companies development

Most of the time intellectual capital is considered a hidden wealth of companies, which, despite not being presented in its financial statements, provides added value for the enterprise. In the current economy, intellectual capital seems to be one of the safest things to prevent the effects of the current economic crisis, but also for the sustainable development of the economic entity. Because of this, more and more companies tend to invest more and more in intellectual capital because they are the driving force of successful business.

According to Edvinsson, the market value of the company is given by the social capital and the intellectual capital, which in terms of the model created by it consists of:

- * human capital, represented by the tacit or explicit knowledge that people possess, as well as the ability to generate them, knowledge that is useful to the mission of the organization and which includes values and attitudes, skills and know-how, philosophy and culture;

- * the capital of the organization, that represents the combination of explicit and tacit knowledge, formal and (formal and informal knowledge), structure (explicit and formal knowledge) and organizational learning (the renewal of tacit and explicit, formal and informal knowledge processes) and organizational learning;

- * Structural capital that is defined as a set of empowerments and supporting elements of the human capital infrastructure;

With Edvinsson's model, we can best show how intellectual capital influences company development. The performance of an organization can be addressed in terms of efficiency and effectiveness. They acquire new content in the knowledge-based organization under the influence of several factors, which are predominantly based on the quality and valences of the human capital of the organization, because human resources, people are the bearers of knowledge.

These factors are: the high share of knowledge in the firm; increasing the weight and importance of inputs non-quantifiable, represented by tacit knowledge; turning a party of external stakeholders into components and / or a participant in the company's intellectual capital; the environmental environment of the firm is an essential element of knowledge-based inputs and outputs.

The market value of a firm is given by its tangible and intangible assets, with the tendency to decrease the share of physical capital (tangible assets) that participate in

obtaining products of services or that contribute to the firm's economic performance. In the tangible asset category, human capital is a consistent component. The financial benefits to companies from investment in people, mainly in their education and training, are already demonstrated and known. This investment has a high recovery rate, benefits in the form of increased labor productivity, development of professional skills, innovation capacity, and increased mobility of workers. However, many organizations still see employees' education and training programs as a cost and not as an investment.

Companies realize that, in order to remain competitive, they must properly manage their intellectual resources and capabilities. To this end, many organizations have initiated a whole range of knowledge-based projects and management programs. The primary focus of these efforts was the development of new IT applications as support systems for capturing, storing, extracting, and digitally distributing explicitly documented organizational knowledge.

4. Conclusions

The intellectual capital is playing a more important and decisive role in achieving the competitive advantage of companies, in the context of the new economy. It represents the hidden part of the value of a company, because it represents the company's intangible resources, which can't be measured by the financial metrics used to measure tangible ones. Due to its growing importance for the development and competitiveness of companies, there have been proposed a number of models created to evaluate the IC, and to better explain the its structure and the benefits provided by it.

5. Bibliography

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