THE ROLE OF A MANAGER IN MANAGING INTELLECTUAL CAPITAL IN THE CONTEXT OF INNOVATIVE PROJECTS IN AN ENTERPRISE

Introduction

In the pursuit of competitive advantage and the development of an organization, unique and specific knowledge creating intellectual capital is of special importance. Thus, exceptional and hard to imitate immaterial resources, made real in intellectual capital are factors not only of competitive advantage but also of the market success of entities occurring on it [3]. The creators of knowledge and its administrators in the organization are called knowledge workers. They are properly motivated to pro-development activities of the organization. Knowledge workers are creative individuals generating a lot of original ideas replacing the existing solutions. Proper management leads to the formation of innovative solutions and their implementation by workers.

The problems of proper human resources management in the context of knowledge management are rather broadly discussed in the literature of the subject. The issue of innovativeness, and within its framework – open innovations, are also the object of intensive research. On the other hand, research concerning the implementation of innovative solutions in an organization, particularly in terms of properly selected team of workers from the organization and outside of it, is still lacking.
The aim of this work is to look closer at the problem of the role of managers in intellectual capital management understood in the category of a resource originating from human resources. The direction of intellectual capital management approached in this way is a part of management of innovative projects which arises from the innovative demand in the organization. In order to achieve the aforementioned objective of closer analysis of human factor personified in the manager, the analysis of two literature-drawn case studies has been undertaken and finalized in the conclusion at the end of the work. The criterion for selecting the presented examples of enterprises was the need to compare: different sized companies in which the intellectual property management process takes place, and at the same time different models used for intellectual resources management. A closer examination of the examples (already described in the literature) was aimed at the initial identification of common variables referring to management, and at the same time changing in a differentiated way, because of the size or the way of managing intellectual capital. Apart from the reasoning drawn from the literature resourced cases, the critical literature analysis accompanied the case studies conclusions.

1. From human resources to intellectual capital

An increase in the competitiveness of an organization is achieved not only through innovative activity, as was pointed out [13], but rather through the intensification of innovative activities. Innovations and the need to create them is the imperative of the contemporary enterprises’ functioning. To an increasingly greater extent the processes of the dynamization of innovative activity in an organization are gaining on importance. Through managing individuals managers decide about the frequency of generating ideas concerning the processes of improving the activity of the entity, selecting the quality of these ideas, as well as the reliability in the proper implementation of works aiming at the implementation of these ideas. The current situation on global markets, which is reflected, among others, by mergers, acquisitions, off-shoring, outsourcing, resulting from the progressing globalization processes, proves that the development of organizations does not have to arise from the possessed fixed assets and financial resources. These are intellectual capital resources [4], related to revealed and used competences of the participants of this process that seem to be more important. Competence resources of the organization employees who may be defined as talented enough to create changes and innovations are indicated in the literature as inexhaustible [6]. Apart from the concept stage, this is the generation of ideas for improvements with various spectrum of impact, namely in terms of product, organization, process, marketing, participation of employees in further stages related to the assessment and then implementation of innovative solutions, is equally
important. The question of the assessment of innovative ideas can be both the object of deliberations of the management only, as well as the employees of other levels or units. In the process of the consultation of ideas for improvements, the idea of employee participation can be implemented, that is participation in taking decisions affecting the functioning of the organization, managing decisions.

A change in the perception of an organization employee by the managers of a knowledge-based organization reflects a change in the personal function from human resources management to human capital management [9]. Both the management of human capital, competence resources [2], a set of competences [14] or knowledge workers should lead the organization to obtaining a status of a learning organization or an organization supporting innovativeness [14] in which knowledge workers are the pillar of permanent development.

In this case, it will be important to manage human resources in the organization properly, in the context of innovative activities, focused on the creation and implementation of innovations. In a pro-innovative organization, in the first place managers should have the pro-innovative and pro-entrepreneurial orientation themselves.

It can be pointed out [4] that from the contemporary managers we should expect the ability to explore the market, as well as scientific research, new concepts, ideas and inventions desired by consumers due to the high level of modernity. Therefore, a manager should have an ability to contribute to acquiring and enriching the possessed knowledge and an ability to create conditions for its appropriate division and transfer to other workers in the enterprise. Proper knowledge management should enable the organization to develop its activity on the global market. To facilitate the implementation of the knowledge management principles in the organization effectively, including its dissemination and making it available to its workers, adequate infrastructure is important. In other words, to achieve a broadly defined success of the organization, a synergy between material and immaterial resources is necessary [5], including intellectual capital. The pro-innovative attitude of managers, namely people having greater influence on the directions of the functioning and development of an individual in the organization, to a great extent affects the formation of subordinates’ attitudes and level of motivation.

Shaping human capital in the organization, within the implementation of pro-innovative policy, means also planning this capital from the very beginning, namely from the moment of recruiting future workers. To what extent newly-hired workers will be characterized by the traits of knowledge workers, that is, among others, high inclination to the generation of innovative solutions, adequate in terms of quality, and their effective implementation, will be reflected in the dynamics of the intensity of innovations.

In the light of empirical research, high remuneration is not a main factor determining the decision about applying to a given organization. The factors which motivate most young, energetic and talented people to take a job are values and organizational
culture shared by the company (58%), freedom and autonomy (56%), and the job as a fascinating challenge (51%) [17]. In this context, it is worth referring to possible relations between the perceived organizational culture and one’s own competences and expectations which potential employees of the organization can bring into it. Employees who are characterized by the wish to fulfil their own plans in the organization should confirm the correspondence between their own personal goals and the objectives of the organization. Therefore, those will be workers properly motivated to implement operational goals of the organization, to develop it based on the solutions worked out and implemented, raising the competitiveness of an individual. Workers fulfilling only their own particular goals which, although they refer to their personal development, are not convergent with the goals of the organization, will not be suitable for the organization. A lot of anxieties confirmed in the practice of the enterprises’ functioning concern such people moving to other organizations where they find the mentioned above convergence of the goals.

2. An innovative project in the light of the operationalization of an organization’s innovative strategy

In accordance with the innovation intensity, the dynamics of the processes of the creation and implementation of innovative solutions should increase in the whole economy. Adequately to the occurrence of new product, process, organizational and marketing solutions referring particularly to enterprises, also innovative social solutions should occur, which find the application in social life and are generated both by the for-profit sector and the non-profit sector. The multitude of innovative solutions should be accompanied by the proportional implementation of changes beneficial to the organization. A lot of innovative solutions stay at the stage of feasible ideas only, without any possibility to implement them in practice. They do not become innovations in practice, which stems from both financial barriers and the decision-related short-sightedness of managers. An interesting observation [11] can be done that in the globalizing economy short-term advantages replace long-term competitive advantage related to the development of an enterprise. This righteous claim reflects the processes of the shortening of product lifecycle, innovation intensity and the increased dynamics of innovation processes in firms. As a result, the market enforces conducting business activity in the manner expressing itself in the continuous search for new options of business development. In addition to the fact that an enterprise has a strategy of innovations, it should effectively translate its assumptions into operational activity in the form of specific innovative projects [14]. The form of a project is exactly the form of introducing changes in an organization, which
is characterized by appointing a temporary team in order to implement a venture planned in time [10].

The task of the project manager consists in making a change or the project initiative, in accordance with the adopted assumptions. The compliance of the implementation with the assumptions means, among others, achieving the assumed feasibility measures, including specific levels of indicators adopted for the evaluation. The project implementation indicators have both the quantitative and qualitative dimension, depending on the specificity of a given project. Primarily, however, the efficient and effective implementation of innovative solutions, so that it could obtain the status of innovation, requires skillful management of the implementation team [6]. The role of the organization managers consists in the flexible policy of creating teams, selecting workers with personal characteristics adequate to proper innovative solutions (knowledge, skills, qualities, experience). Knowledge and skills of workers are the basic resource of the organization and their systematic recognition, development and improvement are necessary [5], particularly when it comes to the resources inventory in the context of innovative projects. The selection of workers in implementation teams depends in this case on the adequacy of competences possessed by them to the character of the change being introduced. What is also important is the consistent implementation of the planned policy of personnel development. The participation in project works from the early conceptual stages to the moment of the implementation of the developed concepts, or even further – the participation in the implementation works – must be also considered the instrument of employee development.

Decisions concerning the choice of workers to project groups can be based, for example, on the needs for raising the qualifications identified in workers, as well as on the substantive implementation of the policy of the creators’ participation in the implementation of solutions proposed by them. Such an activity should be deemed proper from the point of view of adequate motivation. The participants of the innovation generation processes, namely knowledge workers, increase their membership in the organization having an opportunity to make real decisions about the directions of product or service development, but also in real activities being the materialization of those ideas.

In the context of the implementation of the developed concept, what is considerably important is the properly conducted process of the implementation of innovative solutions, which is preceded by the assessment of potential innovations. During the implementation of those solutions a special role is played by the skills to exert influence on the team members, which include, among others [18]:

- achieving support for the ideas,
- dividing the scope of responsibility in the team,
- raising funds for the implementation of projects,
- gaining access to interesting projects or professional career.
Sources of exerting influence can be divided into three types [1]:

- personal sources (knowledge, expressiveness, common history, power of attraction and character),
- sources arising from the position in the organization (position in the group, resources, information, networks of contacts, reputation),
- the will and the willingness to act.

Among the three mentioned characteristic elements of a leader who effectively implements the project objectives there is co-dependence, feedback. The will and the willingness to act is a derivative of the leader’s intellectual capital. On the other hand, the will and the willingness to act resulting in the activity and its specific effects influence the personal sources, the growth of the possessed intellectual capital, the personal capital of a leader. The position in the organization is a derivative of both own potential and its efficient and effective expansion in the form of the implemented activities. The position in the organization is a result of the evaluation made by the organization’s community, by the environment, however, to a great extent the evaluation is shaped by the observation of the project leader’s activities, his/her knowledge, skills and competences which are exposed in the course of the activities performed.

Managers of developing organizations are characterized by the ability to absorb from the business environment necessary information in order to expose the values of the regional market’s participants. They create the climate of acceptance for the use of innovative solutions and innovations [16].

In innovative processes the role of a manager is changed from the administrator of resources to a person encouraging cooperation, arousing enthusiasm, facilitating development and providing support to employees. He/she allows to make mistakes, and thus he/she leads to learning on one’s own mistakes, uses careful criticism, and develops himself or herself and other team members [6].

3. Changes and challenges in the context of innovative project management

Initiatives, or ventures of creative character contribute to the system transformation, as well as to structural changes in the area of material and immaterial resources [8]. The changes should aim at an increase in the effectiveness of the organization’s functioning. In the case of enterprises that is profit-oriented organization, it is also important to achieve the greatest effectiveness from the possessed resources.

The project reality can be understood in different context:

- the project implementation is the effect of introducing an innovative change in the organization,
the project implementation takes place through the consortium consisting of partners often coming from different countries and thus different cultures,

more and more often there are projects of domestic, national character, where the consortium includes national teams of specialists representing the same or different professional groups, institutions.

Human resources management in the context of a project, meaning the introduction of an innovative change, contributes to the implementation of specific modifications in the organization.

First of all, immaterial resources are gaining on importance, including human resources in particular. Polarization arises in the specialization of individual workers, in order to make it possible for the manager to assign most adequate employees to the realization of the tasks which the project assumes. The workers are subjected to evaluation of the possessed communication competences, adaptation abilities in the international environment (during the realization of projects in an international consortium), as well as particularly with regard to knowledge which is possessed and proven, tested in practice. In addition to the individual dimension of choosing personnel for the realization of an innovative project by the manager, another possibility, and quite often even a necessity, is choosing the group of workers through which the complementary orientation of the possessed qualities, skills and competences is possible. The personal characteristics of one or a few people are supplemented by competences of others, who in turn may not have knowledge or competences required but possessed by the other workers of a new team. The trend of choosing team workers from outside the parent company is gaining on popularity. In the search for unique resources, referring to intellectual capital in particular, the significance of the choice of team members implementing innovative projects from various organizations increases. This is one of the most current challenges faced by managers of innovative projects. The challenge becomes the reflection of open innovation processes in which network processes related to the creation of innovations though supra-institutional partnership activities are of key significance. The implementation of innovative solutions may be of inter-organizational character, yet of individual character within the implementation groups, which is currently a new challenge for the manager of the organization.

4. Case studies of intellectual capital management in selected size classes of enterprises

This empirical study presents examples of intellectual capital management in different enterprises of different sizes. It includes both the SME sector enterprises (micro-enterprises – an example of M. Haberman from Great Britain and a small enterprise – TRIBEKA), as well as a large enterprise (an example of Skandia).
An example of intellectual capital management on the micro level is Mandy Haberman from Great Britain. Ms. Haberman, a graphic designer by profession, designed a bottle for feeding babies who have problems with sucking. She came up with the idea of such a design due to the problems she had with her own baby. Mandy Haberman decided to patent the bottle. Then she commercialized her idea, set up a firm and sold the product which turned out to be a market success. After a few years she became inspired by the problem of feeding babies again, in fact the problem of dishes for babies, and invented a non-spill cup, namely a cup from which a baby could drink liquids, for example juices and other drinks, without spilling out. Again, Ms. Haberman decided to protect her idea with a patent. This time, the commercialization strategy differed from the independent introduction of a product to the market. M. Haberman chose licensing and proposed the implementation of the innovative idea to eighteen enterprises. In spite of the interest in the idea, none of the firms decided to be a licensee. However, Mandy Haberman decided to launch the product to the market, but together with Cardiff marketing company. After an unexpectedly big success an American company became interested in the product and signed an exclusive licensing agreement with her. In the meantime, one of the British firms to which M. Haberman came with a licensing offer of a cup, launched the production of its own cup which resembled the patented non-spill cup. Andy Haberman started a court battle and defended the rights to the cup she had invented. The parties then reached an agreement without the court help.

An example of TRIBEKA [12, pp. 87–89] within intellectual capital management is an example referring to the way of selling and purchasing software based on SoftWide® technology. The customer enters the shop, chooses the software from the product offer of over two hundred software producers known worldwide and immediately receives a ready driver with the selected software. By means of the mentioned SoftWide® system, the automatic authorization is obtained to save a legal copy of the selected software on the driver. It is possible owing to digital licenses TRIBEKA concluded with the sellers of software. A similar system of the sales offer eliminates problems with stock, goods out of stock, obsolete products, etc. As for ensuring intellectual property rights, TRIBEKA appropriately secured the rights in terms of securing production, production control, loss control, facilitation in orders and distribution of digital information. SoftWide® is a technology supporting sales but also ensuring the proper level of intellectual property protection.

One of interesting examples of intellectual capital management is the so-called Skandia navigator [15]. The assumption of the model is to present a sustainable image of the enterprise and the proper definition of relations between the past – the financial image, the present – the image of customers, processes and people, and the future – the image of renewal and development. The navigator includes five areas of focus: finance, customers, processes, people, development, and its shape resembles a house (Figure 1).
Each of the five areas has a set of indicators assigned. Skandia has also introduced various ways of measuring intellectual capital and its individual components. On the basis of Skandia navigator Dolphin computer system was created, the users of which have a possibility to choose the image of the enterprise they want to evaluate. They can also make simulations. The measurement of intellectual capital in the form of IC Index indicators enables to compare the market value of the enterprise with changes in intellectual capital, which gives a possibility to determine the prognostic value. The information obtained by means of IC–Index is passed inside and outside the firm, owing to which it is possible to determine the ability to create value.

Figure 1. Skandia Navigator

Source: [7, p. 56].

The example of Skandia can be regarded as a comprehensive system of intellectual capital management of an enterprise, which additionally translates into the management of the whole enterprise and its development. Intellectual capital in this case is in the center of attention of decision makers and aims at directing decision-making processes. Therefore, the management system can be considered a navigator.

The three presented examples of enterprises of different size classes and different history are very interesting examples of management in terms of intellectual capital. In the case of the micro-enterprise, which then became a small enterprise, securing the industrial design rights guaranteed that none of large competitors was able to oust Ms. Haberman’s tiny firm from the market. What is more, ensuring the legal protection enabled to make managerial decisions about inviting large producers of baby food accessories to cooperate, and when it turned out that the idea was copied by the competition, the legal protection effectively prevented driving out the micro-firm from the market.

TRIBEKA’s example shows, in a way quite similar to the first example, that appropriate policy of protecting intellectual property rights enables the freedom of trade in terms of making the product offer mass. Furthermore, solid legal protection
emphasizes the reliability of the firm. TRIBEKA partners, the global software producers, were willing to conclude trade agreements with the firm exactly because of the appropriate system of intellectual property rights protection. It allowed to create a very wide product offer, and thus enabled TRIBEKA to introduce the formula of unprecedented business activity – the creation of a driver with software on the spot, in the retail outlet. Owing to a similar formula of practical activity, such problems as surplus stock were solved. An additional element being an interesting example of intellectual property management is software improving the whole buying process, and at the same time the whole process of legal recording of the software on the driver.

The last of the presented examples is the one of an enterprise basing in management on intellectual capital, putting the problems of intellectual forecasting in the decision-making center. The example of Skandia and so-called Skandia navigator also shows the significance of the immaterial factor.

All the presented examples show the directions of managerial decisions which consider changes related to the growing importance of intellectual capital in contemporary enterprises, regardless of their size – starting from micro-entities and ending with large, hierarchically organized economic units. The management must be properly adjusted to the specificity of an organization, its relations with the environment, but special pressure is put on anticipating changes.

Conclusions

The currently defined intellectual capital refers to immaterial resources in the personal and non-personal form possessed in the organization. The non-personal form of immaterial resources stands for, among others, knowledge, know-how, owned databases and access to extra-organizational databases, formulas, strictly protected methods, techniques of production and manufacturing, or other services and methods of their provision, which make up conducting the current activity of a business unit. Immaterial resources, personified in employees, refer mainly to the skills possessed by employees and their knowledge. In the era of the increasing competition, the personal factor plays a greater and greater role as it is the source of the formation of immaterial resources of non-personal character.

In the context of the innovative intensity it is the personal factor of immaterial resources that is particularly important. It arises both from the possibility to generate innovative solutions, the intensity of their generation, as well as the implementation of those solutions, and the dynamics of these processes related to the intensity of the implementation of innovations. In each of these cases human factor is crucial.

Considering the imperative of the 21st century economy referring to knowledge as the key determinant of the development of entities of the national economy, human
factor must be considered particularly important in the implementation of innovative processes. Both an individual’s knowledge and specific skills are the driving force and the motor of the progress made.

Thus, connecting knowledge and skills with the art of intellectual capital management in innovative entities is this element of the process which may be defined as a binding agent, the key to the success of the organization. However, it should be emphasized that there is no “one key” for all business entities. They are different, although based on the same basic principles. The presented examples of various classes of enterprises confirm the use of different techniques and tools in intellectual capital management depending on the existing resources of an organization, opportunities and possibilities occurring in the environment of an entity.

One can notice the diversified influence of the human factor on the dynamics of innovative processes that generate intellectual capital. It seems that the greater importance of the human factor occurs in smaller enterprises. This dependence results, among others, from the greater decision-making power of managers who can simultaneously be owners of companies, which follows from the examples cited. What’s more, it is often only as a result of an independent establishment of the company that it is possible to commercialize the idea, which is the result of own work and experience, or more complex innovative projects. This dependence results, among others from the better decision-making possibilities. For this reason, given the manager’s role in managing intellectual resources, which is the effect of innovative projects, it will be higher in smaller companies. In turn, along with the growth of the enterprise, the decision dynamics in the area of innovative projects may be reduced. Identification of affecting factors may be the subject of further research.

References


Organisation and Management • no. 1 / 2019 (184)

The Role of a Manager in Managing Intellectual Capital in the Context of Innovative Projects in an Enterprise

Abstract

The article presents considerations in the field of intellectual capital management at the enterprise level. The aim of the work was to analyze the role of managers in managing intellectual capital, developed by the human resources of the organization. The work involved the analysis of domestic and foreign literature, in particular literature-based examples of various-sized enterprises. In a result of the deliberations, one can notice a diversified, depending on the size of the enterprise, impact of the human factor on the dynamics of innovative processes that generate intellectual capital. This differentiation refers to a different level of decision-making.

Keywords: innovative projects, manager, innovation management

JEL classification codes: O31, O32, O34, M54