

## **QUALITATIVE TEMPLATES OF THE COMPANY'S INTELLECTUAL CAPITAL**

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**Abstract:** The qualitative templates of the intellectual capital occurred as a reflection of the subtle and volatile nature itself of this strategic resource. But some templates are criticized both for some of their descriptive aspects, and from the prescriptive ones especially, due to the fact that the measurements they are using, seem to be taken out from the context they claim to represent. On the other hand, if the measurements and the assessments do not make possible the management and the making of decisions regarding the use of the resources, which would make the use of human capital based on efficiency principles useless. In order to have a correct determination of the use of human capital in the economy, it is necessary to identify appropriate tools for measuring and managing knowledge, as well as the intangible assets of a company.

**Key words:** intellectual capital, human capital, relational capital, structural capital, intangible resources, innovation

JEL Classification: E24, J24

### **Introduction**

In order to determine the reflection of human capital in the economy, quantitative and qualitative methods will be approached regarding the measurement of its impact, efficiency and effectiveness reflected by the newly created goods in the economy. A situation reflecting the intellectual capital must be something more than a simple list of indexes. Thus, if the financial statements can be normalized and standardized, submitted to certain institutional inspections and currently used for making decisions, permitting homogeneous lectures and interpretations, this does not happen in case of the situations regarding the intellectual capital for the simple reason that they cannot be directly and easily read, as it is the case of the financial-accounting statements.

To complete a report on intellectual capital, it is necessary that the structure of this report should include references both in the context of the activities developed by the company, and specific indexes to surprise the condition of different intangible items.

The context of the activities can be described in narrative way, including the knowledge management strategy, the aims and scopes desired to be achieved with this strategy. The specific indexes have the role to facilitate the execution of the scopes. From this side, the intellectual capital indexes do not measure and nor they explain the difference between the market value and the accounting value of the company, they do not help determine the financial value recorded in the accounting documents of a company.

Conversely, the use of the human capital index will influence the effectiveness of a company's management system, as a result of creating the ability to modify both market value and book value. Thus, the registration of the intellectual capital contributes to the completion of the information on the financial and accounting situations of a company.

Predefined indicators of intellectual capital will contribute to the generation of knowledge management tools based on a strategy. Mouritsen (2011), like other researchers, emphasizes the nature, complexity and complementarity of the relationships established between human capital, relational capital and structural capital. these types of capital can be subsumed under intellectual capital.

For this reason, there is no severability, internal coherence and own functionality in each of the three capital classes, there are no changes to affect the only the human capital or the structural one or the reasonable one. For example, a piece of information regarding the workers does not talk only about them, but it also refers to technologies, and to relationships with the third parties and to other circumstances. In this way, the company's intellectual capital is unique, foreshadowing the relationships between intangible assets as organic.

The adaptation of a synoptic method of recording the intellectual capital in the financial-accounting records, gives the possibility of generating information about the available intangible resources., but it does not hold the analytical capital of the financial statements because it does not provide safe references for a deepen analysis of the profitability, solvability and liquidity.

In order to remove this methodological lack, it is needed to complete the picture of the intellectual capital, inside each class, according to the recommendation of Sveiby, with dimensions such as the stability, efficiency and growth or the regeneration of the intangible resources (Sveiby, 2007).

These could be aspects expressed with certain absolute values or indexes, to characterize the activities executed by the company to develop and enrich the intangible resources. The results, activities and resources are those three dimensions that must be included in the three classes of intangible capital – human, relational, structural – to provide an analytical and normative (decisional) capacity to the ternary template.

The financial statements permit the formulation of certain prescriptions and the analysis points to the profitability, which is also a result; also, the liquidity which is the expression of the flows of activity; and the solvability, reflecting the structural resources, respectively the relation between the assets and liabilities on different periods of time.

The picture of the intellectual capital must be brought, from point of view of its normative-analytical capacity, very close to the similar potential of the financial-accounting statements. Therefore, firstly, an assembly

of indexes to characterize the quantity and the quality of the intangible human, structural and intellectual resources is needed.

Secondly, an index system to prove the way of use and development of these resources within the activities developed in the company must be elaborated. Finally, reliable means of measurement of the obtained results are necessary. In this way, Mouritsen et al propose a version of the template of the intellectual capital, having the following scheme of principles (3):

**A dynamic template of the intellectual capital**

**Chart 1**

<i>Knowledge management</i>	<i>Specification of the desired results</i>	<i>Estimation of the results</i>	<i>Management of the results</i>
<i>Ways</i>	<i>Competences</i>	<i>Qualities</i>	<i>Portfolio</i>
	<i>Results</i>	<i>Activities</i>	<i>Resources</i>
Employees	- Index 1 - Index 2 - Index 3 - Others	- Index 1 - Index 2 - Index 3 - Others	- Index 1 - Index 2 - Index 3 - Others
Clients and third parties	- Index 1 - Index 2 - Index 3 - Others	- Index 1 - Index 2 - Index 3 - Others	- Index 1 - Index 2 - Index 3 - Others
Processes	- Index 1 - Index 2 - Index 3 - Others	- Index 1 - Index 2 - Index 3 - Others	- Index 1 - Index 2 - Index 3 - Others
Technologies	- Index 1 - Index 2 - Index 3 - Others	- Index 1 - Index 2 - Index 3 - Others	- Index 1 - Index 2 - Index 3 - Others

It is observed that the template is having a vertical dimension consisting in four dominating operational areas involved in the management of the organizational knowledge: employees, clients and third parties, processes

and technology; it also has a horizontal dimension consisting in the three aspects characterizing the practical management of knowledge: the results, the activities and the resources.

The indexes in the column of resources provide references regarding the necessary structure of the resource portfolio, describing the amount, the diversity, the complexity and the relationships between the most stable intangible resources, such as the number of employees, the size of the orders launched by the clients, the type of used processes, etc. The indexes in the next column, from the left, refer to the valorization activity of the intangible resources, activities through which the resources become useful for the company and generate positive effects in the areas specific to the employees, clients, processes and technologies, reinforcing the economic performances of the company. such activities can be removals, updates, procurements, developments, resource improvements, such as for example: staff training, investments in the optimization of some processes, the diversification of the client portfolio, etc. Finally, there are the result indexes which permit the knowing of the efficiency of the decisions regarding the resources and the activities, revealing the measure in which such decisions have acquired their ends.

Such a template represents, by its structure itself, a input-output picture, because the results from such an interconnected grid which can be represented with a variety of index charts, grid which is closely connected to the activities and resources, also organized in grids (4). In order to show the type of relations that can be set between the intangible results, activities and resources, we hereby present herein the new simplified example of chart of the intellectual capital:

**Example of dynamic template of the intellectual capital**

**Chart 2**

Knowledge management	Specification of the desired results	Estimation of the results	Management of the results
	Competences	Qualities	Portfolio
	Results	Activities	Resources
Employees	Satisfaction	Training	Skills
Clients and third parties	Clients' loyalty	Marketing efforts	Number of important clients
Processes	Operational times	Reliability improvement	Number of processes
Technologies	Certifications	Investments in the automatic monitoring	Databases and computer grids

The similarities between the Mouritsen template and the financial statements can be synthesized as it follows:

**Similarities between the financial accounting and the dynamic template of the intellectual capital**

**Chart 3**

Aspects	Financial accounting	Management of the intangible assets
Rewriting	Transactions classified in expenses, incomes, payments, receivables, assets and liabilities	Transactions referring to the employees, clients and third parties, processes and technologies
Prescribing	Reliability, liquidity, solvability and risks	Action on the portfolio of intangible resources and estimation activities if such resources, measuring the effects

With this template, it can surprise and present the conditions of the intellectual capital at a given time and must be used only by permanent reporting to the company strategy adopted for the field of resources related to human capital.

To increase the relevance of the information included, the summary table of intellectual capital will include data for the last three completed and reported financial years. The complete picture will include also the basics, the efforts and the results obtained by the company in the management of knowledge. The basics are nothing else but the organizational culture and the business strategy of the company.

**Indexes of the CI dynamic template for the Software industry**

**Chart 4**

	Effects	Activities	Resources
Employees	Illness General satisfaction Satisfaction at the working place Attendance to projects	Training days Training investments Dimension of the teams Average age	Number Complete term Distribution on tasks High education MA and PHD Experience Average experience
Clients and third parties	Satisfaction Duration of the relationship New clients	Visits at clients Common projects	Sales of products Sold licenses Ongoing projects

	New strategic clients		Exportation
Processes	Software development Benchmarking indexes Own products Efficiency at the phone service Compatible platforms Quality Economic efficiency Certification	C/D investments Investments in innovations New products New processes Errors of process Duration of the processes Introduced changes	
Technology	Employees' satisfaction Website visits	Investments in equipment Investments in peripherals	Number of PC per employee Office premises Number of servers

## Conclusion

The efforts aim to the development activities of the persons, processes and business infrastructure. The results will emphasize the progresses in the fields such as the portfolio of clients, employees, the innovation and relationship of the company with its environment. Some analysts recommend the attachment of the normalized and audited financial-accounting reports to the chart of the intellectual capital, specifying the financial results and parameters closely related to the operation of the intangible assets of the company. In chart 4, there is the adaptation of the dynamic template for the software sector.

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