

ADMINISTRATION AND MANAGEMENT SKILLS

1. INTELLECTUAL CAPITAL MANAGEMENT WORKFORCE

1.1. Definitions

To understand the concept of “Intellectual Capital Management”, first it is important to define the term intellectual capital. “Intellectual Capital” can be defined as an organization’s overall use of knowledge, creativity, and decision making and how these three concepts contribute to its success. Ultimately, the process of intellectual capital management is the oversight of its intellectual resources. As Stevens states (2010), “Intellectual capital may be in active use or exist as a sort of debit in an organization’s resources. By managing this resource effectively, an organization can be assured that it is reaping the benefits of all available intellectual assets.”

1.1.1. Recruitment

Successful companies and managers must continually recruit talented workers. These recruits or workers can be thought of as being “human capital”. However it is broken down or defined, human capital is vitally important for an organization's success (Crook et al., 2011).” The effective use of human capital becomes more effective through more education and experience. Companies should always focus recruiting new talent. When companies and managers recruit new talent, this will ensure that they will not end up with unmotivated and untalented employees on their workforce. So, for a company to grow, an organization will typically focus on retention efforts.

1.1.2. Selection

At all times, company leadership should manage with the proper mindset, so that the process of selecting workforce talent becomes easier. With the spirit of competition always at work, most business leaders know that selecting talent is critical to their success. Leaders must think about people differently and consciously consider the implications of making human capital the centerpiece of strategy instead of an afterthought. Ultimately, the most important goal when selecting new employees is to actively identify and hire the very best workers at all key positions.

1.2. Training

So after recruiting and selecting the best talent for organizations, effective training of that new talent is critical. As Kaplan (2013) says, “Effective knowledge management and knowledge transfer within the organization are fundamental for ongoing organizational effectiveness: but to transfer knowledge effectively, there has got to be planning.” Organizations are challenged in gathering the best available knowledge. This can be difficult, because organizations must understand who holds key knowledge, or if not knowledge management will lose its importance.

1.2.1. Regulations

All companies and managers must understand their particular business and the rules and regulations that should be followed so there are no legal issues to battle. As Kaplan (2013) states, “The performance risks facing the government from the failure to broadly invest in the mitigation of these knowledge loss risks are significantly different from the private sector.” To explain further, the private sector focuses primarily on performance, but the public sector is driven to focus mostly on compliance. In the private sector, failure to leverage one’s knowledge can lead down a path to competitive disadvantage, poor profits, and possibly being out of business. There is no real profit motive. However, overall the government doesn’t really focus on performance and its organizations are neither profit or loss centers, nor is the leadership broadly held responsible. However, the private sector is able to focus, budget, and invest for the long term. The federal government is tied to an annual fiscal year budget cycle.

1.2.2. Annual Training Program

On an annual basis, companies should continually review policies and introduce changes in procedures. Company policy manuals and printed regulations are by far the best source for supplementary information about problem areas. All existing policy and regulation documentation should be made available to all employees soon after they are hired. Additionally, company policy manuals are by far the best source for supplementary information about avoiding problem areas. Such documents are generally formatted and organized in a clear format and organization of business rules specifications. Again, all existing policy and regulation documentation should be made available to all workers throughout their tenure.

1.3 Staff Development Program

What are the various methods of training employees? As Stevens (2010) suggests, “Other forms of knowledge transfer include classroom training led by older workers, fostering learning communities to encourage sharing of learning and experiences between young and older workers, and leveraging multimedia tools, such as audio/video interviewing and storytelling to preserve significant learning from aging employees.” These knowledge transfer (training/staff development) strategies assume that training and development resources are available. One issue with the use of storytelling and contextually based design techniques is whether such approaches will be accepted within the culture of an organization. Another challenge in storytelling is credibility. In some instances, workers being identified to train others may feel that they are not capable to adequately facilitate knowledge transfer.

To prepare for two-way learning, engagement needs to occur between Baby Boomers (older workers) and Millennials (younger workers) within their work environment. In today’s updated work environments with a multi-generational workforce, evidence of reverse mentoring where younger workers assist older workers is a promising knowledge management strategy as well. Reverse mentoring is usually used when executives need to understand operations or technology and younger front-line or tech-savvy employees are used to train. One problem is that generational perspectives make it difficult to establish and cultivate a reverse mentoring mindset. In order to have a successful reverse mentoring relationship it is necessary to create and maintain an attitude of openness to the experience and dissolve barriers of status, power and position. Although challenges

exist, reverse mentoring is critical for older workers. When striving for excellence is an inherent goal for the individual and the enterprise, then the optimization of talent exists. The organization that enables personal achievement gains the implied benefits of superior performance. Talent optimization requires a well-designed development program that is sophisticated, relevant and flexible enough to meet short business cycles while introducing common language, ideas and tools that provide a foundation for long-term success. In a knowledge-based economy, talent must be attracted and retained.

1.3.1. Career Plan

As Kaplan (2013) states, “To mitigate challenges and risks, government organizations need a consistent, disciplined, and sustainable framework for capturing, adapting, transferring, and reusing their relevant and critical knowledge. It is a fundamental part of a successful succession planning.” The first step in building a successful career plan is to gain an understanding of an organization's overall strategy and understand what role knowledge plays. Many times we find that organizations have not built any thoughts around knowledge and the leveraging of intellectual capital into their current strategy. Therefore, the first step is to gain a clear vision from leadership on where they see knowledge playing a key role and how they would like to communicate the value of knowledge to the organization. The most important role of leadership is to create vision so that the organization understands the direction it should be moving. This is critical for not only the future of all workers, but the future of the company as well.

1.3.2. Life Plan

The concept of human capital has relatively more importance in labor-surplus countries. These particular countries have larger workforces with more labor due to high birth rate under the given climatic conditions. The surplus labor in these countries is the human resource available in more abundance than the tangible capital resource. This human resource can be transformed into human capital with effective inputs of education, health and moral values. Life Expectancy Index, Education Index and Income Index are directly related to human capital formation within a nation. These three indicators should present a positive correlation between human capital formation and economic development. Higher rates of

human capital formation leads to higher standards of education and health. Implicitly, the higher the human capital formation due to a good standard of health and education, the higher is the per capita income of the nation. This process of human development is the strong foundation of a continuous process of economic development of the nation for a long period of time. This significance of the concept of human capital in generating long-term economic development of a nation cannot be neglected. It is expected that the macroeconomic policies of all the nations are focused towards promotion of human development and subsequently economic development. Human capital is the backbone of all human development and economic development in every nation. At the highest level, human capital management is about three key capacities; the capacity to develop talent, the capacity to deploy talent, and the capacity to draw talent from elsewhere. Collectively, these three capacities form the backbone of any country's human capital competitiveness. Recent U.S. research shows that geographic regions that invest in the human capital and economic advancement of immigrants who are already living in their jurisdictions help boost their short- and long-term economic growth. "There is also strong evidence that organizations that possess and cultivate their human capital outperform other organizations lacking human capital" (Crook et al., 2011). The lesson for all companies is clear...always invest in the well-being of your workforce. Doing so will pay large dividends well into the future.

BIBLIOGRAPHY

Subject: INTELLECTUAL CAPITAL MANAGEMENT WORKFORCE

Research:

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2	Journal	Capturing, Retaining, and Leveraging Federal Agency Workforce Knowledge <i>The Public Manager</i>	Kaplan, B.	2013	American Society for Training & Development
3	Journal	Managing Human Capital: How to Use Knowledge Management to Transfer Knowledge in Today's Multi-Generational Workforce <i>International Business Research</i>	Stevens, R.H.	2010	Canadian Center of Science and Education