

The Intellectual Capital Importance and the Role of Organizations Against the Backdrop of a Crisis: Innovation Vector

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Abstract: The study concerns, the problems of strengthening the currency of intellectual potential against the backdrop of a crisis. The researchers have revealed the role of the brain capital in the system of new economic relations of innovation production, analyzed the impact of the institutional changes on the development of economic relations. A special attention is paid to the fact that under present-day conditions the health level, qualification, skill to apply knowledge, competence are the basic elements that form new economic relations of innovation production. On the data basis of the concept of long-term socio-economic development of the Russian Federation for a period till the year 2020, it is stated that Russia falls behind the level of economic development of other countries in spite of its possessing high educational potential. It is explained by inefficient use of actual intellectual potential and irrational carrying out investment in it. On the basis of the research to be conducted, the researchers suggest creating an innovative system with the following subdivisions: research center: enterprise-customer: state. The main advantage of the new model of innovative system is openness to dialogues and communication and possibility of self-organization. The research is based on the wide use of methods of analysis and synthesis, systemacy and complexity, comparative analyses, factor analysis and the methods of structural-functional, statistic and retrospective analyses. It has been reflected comparative characteristic of the notion "brain capital" of an organization, singled out the scheme of system generating of the intellectual capital of the organization, proposed the measures of the problem solving of the development of organization intellectual capital. It allows the authors to substantiate the thesis about the necessity of all-round macro- and microeconomic policy oriented to the strengthening of the role of the brain capital in the development of organizations and the country on the whole. The main results of the research have been reported and discussed at the theoretical and practical conferences of the international, all-Russian, regional levels. Methodological theses of the research are used by the researchers in the educational processes in disciplines lecturing. Formulated by analysis results recommendations for effective functioning of the brain capital of organizations have high practical significance. The practical importance consists in the possibility of the use of abstract theorem and practical recommendations stated in the research work by the bodies of legislative and executive power in their developing and realizing the federal and regional anti-crisis programmes. Conclusions, obtained in the processes of exposure of a role of intellectual capital of organizations against the backdrop of a crisis can be used by: organizations for innovation development; a high school in lecturing courses on institutional economics, microeconomics, innovation management.

Key words: Intellectual capital of organizations, economic growth, new technologies, innovation production, innovation economics, education, knowledge

INTRODUCTION

In Russia, the importance of the brain capital is strengthened also by the necessity of search for entry in the trajectory of sustainable economic advancement. It is impossible without it to guarantee increase of social living standards to solve social problems of the country.

The process of economic development of the country as it has been proved by classics of economic theory is based on capital accumulation. The thesis of the leading role of the capital in economic progress is enunciated in diverse modern models of the economic growth and results in various studies of Russian and foreign practices. In this connection accumulation of intellectual capital becomes the basis of sustainable economic

progress and well-being of the nation. Resources and prospects of economic development of the country are determined by the thing how the interdependence between a man and economics is treated: whether a man is a function of economics or economy itself is a function of a man and mind, intellect of a man the source of economic and social self-development.

In Russia at the turn of 20-21 centuries in the framework of economic policy aimed to ensuring long-run and sustainable economic development, it is required to carry out structural and institutionalized events oriented to forming conditions of effective functioning of intellectual capital. This tendency is of permanent character as the level of proficiency of man-power resources becomes precondition of mobilization of investment into production. Reformation and economical upturn of the domestic manufacture are to be grounded on well thought-out economic policy in the sphere of use of the intellectual potential of national economics on sustainable advancement of intellectual property.

A huge intellectual potential has been accumulated for the centuries-old history. Russia is distinguished by relatively high level of literacy and scholarship of population, intensive intellectual and spiritual life. In its social structure, the important is the proportion of strata and groups connected with research activity. Russia today disposes of sufficiently skilled labor possessing present knowledge, skills at working complex technical and organizational systems. Besides, this country has been always renowned for its system of education and many categories of home specialists are in demand at the world labour-market. Meanwhile, exactly this sector has been exposed to destructive influence for the last years.

In present economics of Russia scientific and technical potential is underestimated and does not receive due development. Non-demand for acquired intellectual resource has already led to breaking of research and production staff, mass outflow of talented specialists abroad, technological degradation of production. The line of the economic development of present Russia alerts as in spite of powerful intellectual potential it is taking more evident producing and labour-intensive character and threatening with intellectual colonization of the country. The dynamism of intellectual sphere development becomes determining factor in increasing competitiveness of the economics of the country, export potential, defence, technological and ecological safety.

MATERIALS AND METHODS

The theoretical basis for research is the results of fundamental research works of leading domestic and Foreign scientists who devoted their researches to the issues of the efficient enterprise functioning.

The methodological basis for research is dialectical method, system approach to the analysis of the considered facts and phenomena. The research is based on a broad use of analysis and synthesis methods, systemacy and complexity, comparative analysis, factor analysis and also the methods of structural-functional, statistic analyses, the methods of mathematical modeling and econometrics. The mentioned above methods have been used in different combinations at different stages of the research depending on assigned objectives and problem-solving tasks that beyond all doubt, contributed to guaranteeing the credibility of performed analysis and valid conclusions drawn by researchers.

Normative legal acts of the Russian Federation, publications in periodical press, data base of federal service of state statistics and its territorial organ in the Republic of Tatarstan, the results of statistic and social study in Russia and abroad, information data of information analytical agencies and also the materials of scientific seminars and theoretical and practical conferences, resources of the information system internet, the materials of information legal systems Guarantor and Consultant Plus have been used as empirical basis.

RESULTS

The main points of the brain capital: In the last 10 years, it has become commonly known that effectiveness of economic development of modern states and individual regions to enormous extent depends on means to be contributed to “human factor”, it is impossible without it to provide progressive social development. Many economists come to the conclusion that welfare of people, state depends on scholarship and literacy of the population and level of health as well. Educational level and human qualification refer to socio-economic characteristics that will determine perspective position of the regions to greater extent. The researched problem is especially urgent for the Russian economics as the human potential of the country and its region are the most valuable productive potential.

In innovation economics an enterprise that invests means into education and advancement of its workers is the basic level of forming of intellectual potential. In this case, the investments are the means of mobilization and means of retention of the human potential but not only the way of acquisition of income from investments. The more uneven brain capital is in the organization, the lower its efficiency.

In the literature of economics there exist a lot of various terms and methodological approaches to define the notion “intellectual capital”. The most general of all

approaches is a conclusion that an intellectual capital is an assessment of embodied in an individual ability to return interest. Contribution to the development of the contemporary theory of intellectual capital was made by G. Becker, E. Denison, R. Solow, J. Kendrick, I. Fisher, R. Luke, D.K. Galbraith, N.M. Rimashevskaya and other economists, sociologists and historians.

That indicates that to the problem of intellectual capital now a days is paid much attention by the domestic and Foreign researchers. Depending on the level of progress of productive forces and labour-management relations the representatives of different schools of economics differently answer the question about what an intellectual capital is. The category of intellectual capital was updated at the informational development stage of economics as the result of striving for total accounting of principal factors, involved in the production on the level with physical capital and labour.

In 1969, Galbraith (1979) defined the term “intellectual capital” as something more than “pure intellect” of a man, including intellectual activity. Since, the researchers have corrected and amplified the definition of intellectual capital many times. So, Brooking (2001) writes that “intellectual capital is a term used to designate intangible assets without which a company cannot exist strengthening competitive advantages. The constituent elements of intellectual capital are human assets, intellectual property, infrastructure, market assets”. Human assets are understood as totals of collective knowledge of enterprise workers, their creative abilities, problem-solving abilities, leadership qualities and management skills (Faskhiyev and Krakhmaleva, 2014).

In judgment of professor of business school of the Open University E. Bradley, “intellectual capital is a transformation of knowledge and intangible assets into useful resources which give competitive advantages to individuals, business firms and nations”. The researcher was right to notice that intellectual capital as useful resource can be a powerful competitive advantage of an object. In the definition, the category under consideration is presented as a process which is difficult to agree with.

In Inozemtsev (1998)’s judgment, “intellectual capital is information and knowledge, factors which are specific in their nature and forms of participation in production process in the framework of business firms they take the shape of intellectual capital”. The constituent elements of intellectual capital, according to Inozemtsev (1998) is: first human capital, embodied in the workers of a company in the form of their experience, knowledge, skills, head to

innovations and also in background knowledge, business firm philosophy, its intrinsic values; second structural capital which includes patents, licences, trademarks, organization, data base of electronic networks.

Leotyevev (2002) understands intellectual capital of one or another subject as “cost of totality of intellectual assets possessed by a subject including intellectual property, his natural and acquired skills and abilities and also his accumulated knowledge bases and useful relations with other subjects. A subject’s worth of intellectual capital is always to be considered in correlation with real expected results of his intellectual activity and to be expressed in corresponding value on this basis”.

Comparative characteristic of the notion “intellectual capital of organization”: Table 1 gives definitions which characterize intellectual capital from different viewpoints. Plurality of definitions again shows insufficient research of the category “intellectual property”, its many-sidedness, absence of common understanding of its essence. The analysis of the given definitions enables to conclude that there is no generally accepted, satisfying all the participants of the market relations and contributing to method development of decision of all posed before them tasks definition. It is required such formulation of the term “intellectual capital” which would have management orientation; establish correlation between this notion and its constituent elements with other categories of the subject area; direct to the method development of qualification level of intellectual capital; enable to assess the studied phenomenon individually for an object and independent of time frames; clear the way for further researches in this direction.

Some kind of definitions of intellectual capital are not oriented to decision of management tasks, a special emphasis is laid on exposing the main point of the phenomenon. In the meanwhile, an objective process of intellectualization of the economic activity under present-day conditions does not have due theoretical justification. There is absence of clear theoretical conclusions and theoretical and practical recommendations about objective reality of intellectual capital as real specific values of an individual, organization and society.

In particular in hiring a man to take part in certain constructive process his personality qualities, mental and ethical and psychological features which influence on the substance of his creatively-labour activity are not practically taken into account. Perceiving individuals as the main resource and significant competitive advantage

Table 1: Definitions of the notion “intellectual capital”

Definitions	The author
Intellectual capital is a sum of knowledge of all workers of the company that provides its competitiveness, “patents, processes, management skills, technologies, experience and information about consumers and suppliers. Combined together, this knowledge form intellectual capital”	A. Stewart
Intellectual capital of the company makes up knowledge of its workers which they accumulated while developing products, rendering services and also organizational structure and intellectual property	K. Taylor
Intellectual or human capital is defined as a totality of individual human capacity and is a category of microeconomics which defines worker quality. Intellectual capital prevails exceptionally in personified forms and is a property of an individual. But, this property becomes a real property only when it becomes a part of an enterprise	S. Klimov
Intellectual capital is a system of characteristics which determine man’s ability that is, quality of a work force of an individual, a joint worker of an enterprise, a business firm, a corporation, a country and is materialized and becomes apparent in the process of work which produces goods, services, surplus product with the aim of its reproduction on basis of personified interest of each subject, their totality	M. Eskindarov
Intellectual capital is an intellectual wealth of an organization which predetermines its creative abilities on creation and realization of intellectual and innovation production	V. Bagov
Intellectual capital is in the first place, people and knowledge which they possess and also their skills, relations and all that help make the best use of knowledge and skills	A. Kozyrov
Intellectual capital is a totality of knowledge and pseudo material values, obtained in cognitive process of a man, used in the activity of business entities that attach it competitive advantages. It represents a certain aura which envelopes a material capital that activates it for achieving an organization’s goals	H. Phaskhiyev
Intellectual capital is a value providing its owner with profitability via spiritual and reasonable, constructive-oriented use in a certain way of combined mental force and abilities of an individual	B. Salikhov

in modern organizations opens new perspectives and approaches for human potential development full of value, maximum use of intellectual capital and its transformation into social capital (Panayotov, 2014).

Thus, besides, the existing forms of financial accounting of an enterprise about financial and economic activity does not integrally reflect the role of immaterial assets in producing. The boundary between mental and intellectual constituent of human capital on the whole remains unnoticed. In modern economics literature in most cases, it is considered and therefore, a qualitative definition of “mental” and “intellectual” in the system of creative qualities is not exposed.

DISCUSSION

The intellectual capital system of organization: One of the first stages of intellectual capital management is its identification and dimension. Intellectual capital has rather complex inner system and each its element at various levels is assessed by corresponding indices complex. In concordance, with the level of aggregation and analysis, the following groups of elements are differentiated:

- C Microlevel for characteristic of intellectual capital of separate individuals and enterprises
- C Mesolevel for characteristic of intellectual capital of big corporations and regions
- C Macrolevel for characteristic of aggregate intellectual capital on national economics scale

As the notion and economic category of “intellectual capital” has been developing and complicating, its structure has been complicating as well. Intellectual capital is formed, first of all, at the expense of investment

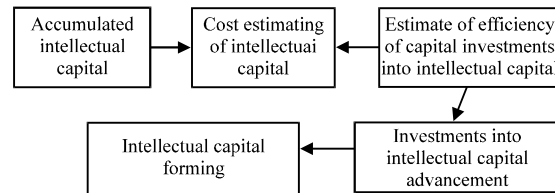


Fig. 1: Aggregative scheme of forming intellectual capital system of an organization

of capital into education, knowledge (science), entrepreneurial ability, into informational support of labour and other constituent parts. It is capital investments into constituents of intellectual capital that form its structure. Figure 1 presents the scheme of intellectual capital formation.

In consideration of intellectual capital types, one can differentiate negative (destructive) and positive (constructive) intellectual capital.

Negative intellectual capital is a part of accumulated intellectual capital which does not give net output from the investments into it for society, economics and which prevents the growth of social life quality. Not each investment in knowledge and education is useful and increases intellectual capital. For example, incorrigible offender is lost investment for society and family. A considerable contribution into accumulated negative intellectual capital is made by corruptionists, criminals, drug addicts and also asocial elements. And contrariwise, a positive part of intellectual capital is contributed by workaholics, professionals, experts of world level.

Ineffective investments in intellectual capital are investing in ineffective project of intellectual capital constituents efficiency. In particular, they are:

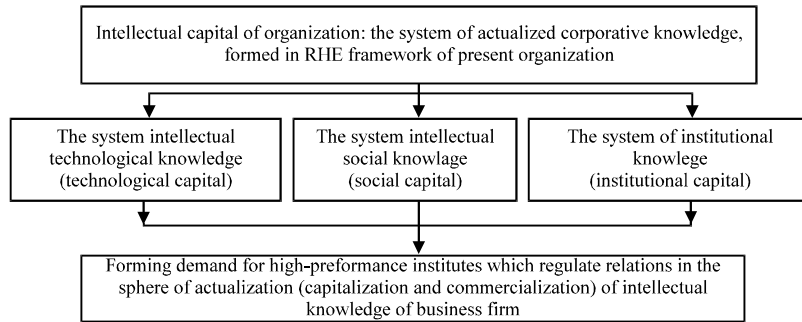


Fig. 2: The structure of intellectual capital of organization

Table 2: Characteristic features of material and intellectual capital

Key features	Physical capital	Intellectual capital
Presence of physical form	Yes	Certain forms are fixed
Cost presence	Yes	Yes
Possibility of cost estimating	Yes	Difficult
Possibility to use by several subjects simultaneously	No	Yes
Ability to be an object of dealership	Yes	Yes
Subjection to physical depreciation	Yes	No
Subjection to moral depreciation	Yes	Yes
Possibility of depreciation	Yes	Yes
Participation in end product formation	Yes	Yes
Participation in asset cost formation	Yes	Yes
Development during using	No	Yes
Touchableness	Yes	Not always
Relatedness to concrete people	No	Related
Presence of synergism property	Weak	Strong
Mobility with staff change	No	Yes
Right protectability by law	Yes	Not always
Dependence on location	Dependent	Not dependent
Buying of the same object in multiplicate	By necessity	No necessity

- C Investments in slow-learning individuals of up-to-date values that have null or small result
- C Investments in ineffective and corrupt educational process
- C Investments in false or low effective R&D, innovation projects

This means that accumulated intellectual capital, first and foremost in the form of accumulated experience and knowledge, mentality and also acquired education is useful for solving current tasks of more advanced level, the tasks in the framework of another development paradigm. If a man is a bearer of knowledge which do not satisfy the present requirements of science, technology, production, management, social sphere and so on than his reeducation often requires more money than education of a corresponding worker from scratch.

Positive intellectual capital is defined as accumulated capital which provides net output from investments in it in development and growth processes in particular from investments in innovation potential development in development of education system, knowledge growth, science advancement. Intellectual capital is inertial efficient factor. Investments in it give output only in perspective.

The intellectual capital structure of organization: The structure of intellectual capital of organization can be represented in the following form.

In this connection, intellectual capital is meant the ability of a man to generate new knowledge, produce new information. But, social quality or more exactly moral and ethic aspect of human intellectual activity are here not considered definitely. Therefore, intellectual capital is often treated as an element of human capital of an enterprise which is represented by the most educated workers who possess unique knowledge and skills oriented to level increase of competitiveness of the enterprise (Fig. 2).

Level increase of competitiveness of enterprises is impossible without effectiveness of all resources in their arsenal. If to represent resources of an enterprise they are two in number in principle: material and intellectual capital. These two types by nature have considerable differences both per se (Table 2) and ad valorem and it makes for differences of their management. Comparative characteristic of material and intellectual capital is represented in Table 2.

In postindustrial society effectiveness of investments into human capital is significantly higher than

investments in physical capital. It is logical that degree of risk is higher as well. It is caused by several reasons. First of all, illiquidity of investments in human capital by worker's leave for another company (negative profit of invested capital in personnel).

Specificity of human capital return in contrast with physical one consists in the fact that at equal investments, it (return) may essentially differ. Since, it depends including on personal human qualities, his natural endowments, professional skills, personal interests and goals as well dynamics of capital productivity ratio is influenced directly by length of labour activity. Length and quality investments in knowledge acquisition and update in health maintenance and promotion of workers do not provide only high productivity now but also extend time period for an enterprise to receive a high return.

It is indicative of the fact that abrupt cutback of investments in economics in 1990s echoed in decline not only in expanded but also simple reproduction of fixed assets. It was attended by physical and moral ageing of technology and of course also by change for worse of human capital according to all key parameters (deterioration of work conditions, stressful situations, equipment outage, level lowering of professional competence, occupational traumatism). Human and physical capital work together in production process.

As the most qualified worker without elementary means of production is not capable of producing and also physical capital itself is not able to function in full autonomy from a human being. Development of production means requires more qualified labour force. Level increase of human capital creates pre-requisites for modernization and quantity increase of means of production.

Intellectual capital has much in common with physical capital. Both come into existence as a result of resource investments (money, tangible assets, knowledge, qualifications) in production of goods and services; return interest to the holder are the resource not only retained but also supplemented. Both types of capital are included into the process of cost circulation in which money form of value determines starting and end points of flow. Both physical and intellectual capital are exposed to moral depreciation (though the latter is even more both software and any knowledge become outdate), demand for "repairing" that is demand for costs to be maintained. At the same time, there is differences in physical and intellectual capitals. Intellectual capital aims to future as opposed to physical which results in certain activities before. Even if its cost is formed on the assumption of expectation of it to be used in future. Intellectual capital can succeed in making new production taking measures on market development. The progress depends on how successfully the company is able to organize

research and development for it to concentrate the necessary intellectual, material and financial resources.

One of the criterion of the company which effectively uses intellectual capital is its market capitalization exceeding cost of its capital assets, material and financial means. Excess of capitalization of the company over cost of solid assets is formed precisely at the expense of intellectual capital: novelty and prospectivity of the proposed products or services, market expectations at new market segments, proposed return on patents, trademark, mutual relations with consumers and so on. Excess may be multiple and have character of stability not exposed to sporadic market fluctuations. The important character of the company which augments its intellectual capital is considerable volume of investments directed to research and development.

Thus, intellectual capital of organizations is formed not via composition of its separate parts but on the basis of interaction of these parts at the expense of synergistic effect. In the process of interaction of various components of intellectual capital one may obtain positive effect that will be disproportional to the applied efforts. That is why, one of the secrets of successful formation of intellectual capital of organization is hidden in effective interaction, interpenetration of different types of intellectual capitals (including such capital in the frameworks of which knowledge from the sphere of interaction with external counteragent of organization is transferred to in-company systems and is fixed there with the aim of its wide use by staff). The bearers of intellectual capital are handpicked and trained personnel of the company and its structures and clients as well.

At that exactly economic crisis will help Russia to a certain extent, bring it to more reasonable actions, favour application of innovative technologies (energy savings), increase innovation production, solve current problems of intellectual capital development of organizations. Besides, just investments in intellectual capital of a man will favour growth of his social capital which becomes apparent in increasing confidence in government as legal institution, performance and keeping the moral and legal norms and also realization of the regulations in force for each gamer on the marketfield.

CONCLUSION

Intellectual capital of Russia is substantial but currently underestimated and does not receive due advancement. Acquisition of additional income at the expense of unique competitive advantages gained as a result of using intellectual assets becomes an object of attention of up to date organizations as just these advantages are capable to play decisive role in increasing competitiveness of Russian organizations.

Modernization of Russia should begin with modernization and improvement of intellectual capital quality. Knowledgeable, healthy and creative people should develop new Russian economics. To develop effective innovation system and economics of knowledge is impossible without effective system of education and modern knowledge without competitive quality of life, without modern infrastructure and competitive specialists' working and life environment.

On the whole to solve the problems of development of intellectual capital of organizations is necessary the following:

- C To work out the concept and comprehensive programme of sponsorship and incentives of value and quality of Russian intellectual capital. This program start is a government's problem solving of transfer to modern principles and bases of training and education, creation of effective innovation system and innovation economics
- C To work out common ideology of government which have been offered only fragmentarily at presentations and also in policy documents of the RF development

Basic premise of new paradigm of Russia's development, directed to intensification of intellectual capital role in the development of the country and regions are provided in the RF Constitution (its first article) and in new "Strategy of national security of Russian Federation to 2020" (approved by President of RF of May 13, 2009). In the latter, it has been chosen the following key priority of economic growth which achieved, first off all by means of national innovation system and human capital innovations development.

It is important to create competitive conditions for effective functioning of intellectual capital: high life quality, effective education and science systems, effective tools, infrastructure and environment for its functioning as intensive efficient factor of economics and knowledge development. To implement it the following is needed:

- C To cardinaly increase direct government and private investments in human capital and to sustain budget investments by the articles to increase investments by the state in preschool and school education
- C To grant discounts to juristic and physical persons who invest in intellectual capital
- C To computerize education
- C To reform the system of higher education toward corruption elimination and abolition of weak commercial and state higher establishments
- C To consolidate science and education forces in the field of natural sciences at priority directions where firing line of Russia has been preserved

- C To create national innovation system according to plan
- C To improve staff potential of organizations by means of imparting culture of innovation management (Osadchy, 2006)

Various public institutes are engaged into the process of reproduction of intellectual capital (public health system, culture and education systems and so on, institutes of governmental regulation and control). Educational institutes take the key place in this process, it is explained by specific function of education which consists in development and improvement of an active element of production in formatting labour force that possesses necessary qualitative characteristics. Realization of this function makes the sphere of education take the key section in reproductive system.

Forming total intellectual capital depends directly on the level of the development of a region as well which in its turn to full extent is dependent on qualitative conditions of labour force, adapted to current business trends. Intellectual capital management in the region is integrated tendency of regional development, therefore, the content of such management is a process of conciliation of the interests of socio-economic institute that take part in creating conditions for formatting, developing and using intellectual capital in the region. But, under the circumstances of economics transformation the problem of intellectual capital management at regional level as mechanism of close interaction between government and public organizations keeps on remaining unexplored to full extent.

In considering the perspectives of economics development of Russia, it is worth focusing on the problem as the most important of transfer of the Russian economic system of industrial type with priority development of raw material factor to innovation economics based on knowledge and connected with science intensive domain advancement. It is evident that the transfer of Russia to innovation development will provide its competitiveness and allow to join the countries, the leaders of scientific and technical progress.

In conclusion, it is worth noting that the concept of intellectual capital plays a central role in modern economic analysis. The value of intellectual capital is predetermined by the conditions of its forming and development. Therefore, the most significant is here the investments in human capital at the level of family where the accumulation of intellectual psychophysiological abilities of a man takes place which are the foundation for further development and permanent advancement of intellectual capital of an individual.

The present human resources management provides the most effective use of human resources of organizations, interests its workers in this activity. Many organizations consider the investments in intellectual capital to be risky as it makes sense for high-skilled specialists to transfer to another organization, nevertheless, the majority of organizations invest in intellectual capital that allows to ensure income in perspective.

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