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A Model for Managing Intellectual Capital to Generate Wealth

A thesis presented in partial fulfilment of the requirements for the degree of
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A Model for Managing Intellectual Capital to Generate Wealth

Abstract

In an increasingly competitive environment an organisation’s intellectual capital is the key to its ability to generate wealth. The intangibility of intellectual capital makes it difficult to replicate and therefore it is a crucial differentiator in the business environment.

The objective of the research was to develop and test a model for the managing of intellectual capital. An examination of the literature provided the foundation for developing a model to illustrate the various facets an organisation must consider when managing intellectual capital.

The Intellectual Capital Management Model specifies that management of intellectual capital is derived from the corporate vision and strategy. Three sources of intellectual capital – human capital, internal capital and external capital – contribute to the outcomes essential to differentiate the organisation in the marketplace. Within each of the three sources of intellectual capital, aspects of intellectual capital management were identified and described, according to the research literature.

A case study approach was used to assess the extent to which an organisation was managing its intellectual capital. Nine chief executives of the independent business units in a large New Zealand company were interviewed to understand why and how they managed the company’s intellectual capital. Additionally, 18 employees were interviewed and 44 employees were surveyed in a questionnaire, to determine their views about issues relating to intellectual capital, especially sharing knowledge within the company.

Findings indicated that although most of the aspects of the Model were present in the company, conscious management of intellectual capital was not occurring. Metrics was one characteristic frequently mentioned in the literature, but not evident in practice. Behavioural changes and socialisation were two characteristics that emerged strongly from the interviews, but were not widely addressed in the literature. From the perspective of the theoretical model greater attention should be given to behavioural changes and the importance of socialisation; and from the view of the practice model, management needs to address the issue of metrics.
Publications


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## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abstract</td>
<td>i</td>
</tr>
<tr>
<td>Publications</td>
<td>ii</td>
</tr>
<tr>
<td>Acknowledgements</td>
<td>iii</td>
</tr>
<tr>
<td>Table of Contents</td>
<td>iv</td>
</tr>
<tr>
<td><strong>Chapter 1: Introduction and Background</strong></td>
<td>1</td>
</tr>
<tr>
<td>1.0 Introduction</td>
<td>1</td>
</tr>
<tr>
<td>1.1 Definitions of Intellectual Capital</td>
<td>3</td>
</tr>
<tr>
<td>1.2 Intellectual Capital Components</td>
<td>7</td>
</tr>
<tr>
<td>1.2.1 Human Capital</td>
<td>7</td>
</tr>
<tr>
<td>1.2.2 Structural Capital</td>
<td>9</td>
</tr>
<tr>
<td>1.2.3 Customer Capital</td>
<td>11</td>
</tr>
<tr>
<td>1.2.4 A Definitional Model of Intellectual Capital (Allee, 1999)</td>
<td>12</td>
</tr>
<tr>
<td>1.3 A Management Perspective of Intellectual Capital Components</td>
<td>13</td>
</tr>
<tr>
<td>1.3.1 Human Capital</td>
<td>13</td>
</tr>
<tr>
<td>1.3.2 Internal Capital</td>
<td>15</td>
</tr>
<tr>
<td>1.3.3 External Capital</td>
<td>16</td>
</tr>
<tr>
<td>1.4 Intellectual Capital: The Link to Value and Wealth</td>
<td>17</td>
</tr>
<tr>
<td>1.5 The Relevance of Resource-based and Knowledge-based Theories</td>
<td>21</td>
</tr>
<tr>
<td>1.5.1 Resource or Asset?</td>
<td>21</td>
</tr>
<tr>
<td>1.5.2 Resource-based Theory</td>
<td>22</td>
</tr>
<tr>
<td>1.5.3 Knowledge-based Theory</td>
<td>23</td>
</tr>
<tr>
<td>1.6 Knowledge – Definitions and Types of Knowledge</td>
<td>26</td>
</tr>
<tr>
<td>1.6.1 Definitions of Knowledge</td>
<td>26</td>
</tr>
<tr>
<td>1.6.2 Types of Knowledge</td>
<td>29</td>
</tr>
<tr>
<td>1.7 Outline of Study</td>
<td>34</td>
</tr>
<tr>
<td><strong>Chapter 2: Literature Review</strong></td>
<td>36</td>
</tr>
<tr>
<td>2.0 Introduction</td>
<td>36</td>
</tr>
<tr>
<td>2.1 Intellectual Capital and Organisational Strategy</td>
<td>36</td>
</tr>
<tr>
<td>2.1.1 Strategy</td>
<td>36</td>
</tr>
<tr>
<td>2.1.2 Strategy and Intellectual Capital</td>
<td>37</td>
</tr>
<tr>
<td>2.2 Measuring Intellectual Capital</td>
<td>38</td>
</tr>
<tr>
<td>2.2.1 The Skandia Navigator</td>
<td>40</td>
</tr>
<tr>
<td>2.2.2 The Balanced Scorecard</td>
<td>42</td>
</tr>
<tr>
<td>2.3 Managing Intellectual Capital</td>
<td>46</td>
</tr>
</tbody>
</table>
Chapter 5: Knowledge Management

5.1.7 Metrics 137
5.1.8 Creating Knowledge 138
5.1.9 Innovations 139
5.1.10 Managing Intellectual Property 140
5.1.11 Summary of Sections 5.1.1 to 5.1.10 142
5.2 Questions Put to Both Chief Executives and Employees 143
5.2.1 Approaches to Increasing Knowledge 143
5.2.2 Incentives for Sharing Knowledge 146
5.2.3 Organisational Restructuring 148
5.2.4 Summary of Sections 5.2.1 to 5.2.3 152
5.3 Questions to Employees 153
5.3.1 Challenges of an Innovative Environment 153
5.3.2 Issues Associated with Sharing Knowledge 155
5.3.3 Exchange of Knowledge 156
5.3.4 Finding Knowledge 157
5.3.5 Summary of Sections 5.3.1 to 5.3.4 157
5.4 Aligning the Intellectual Capital Management Model with the Findings of the Research 158
5.4.1 Human Capital 160
5.4.2 Internal Capital 161
5.4.3 External Capital 162
5.4.4 Effect of Alignment on the Intellectual Capital Management Model 163
5.5 Chapter Summary 165

Chapter 6: Conclusions and Contributions 169

6.0 Introduction 169
6.1 Understanding Intellectual Capital 169
6.2 Adequacy of the Model 172
6.3 Research Contribution 173
6.4 Future Research 173

List of Tables

1.1 Components of Intellectual Capital 8
1.2 Evolution of the Management of Organisational Resources 24
1.3 Knowledge Definitions 27
1.4 Knowledge Types and Properties 32
3.1 Summary of Questions to Research Participants 86
3.2 Charter Holt Harvey Ltd – Companies in 2002 as a Result of Restructuring 93
4.1 Responses to Question 1 (a): Which of the following equations do you think identifies intellectual capital?

4.2 Responses to Question 1 (b): Should intellectual property be shown as a separate factor?

4.3 Responses to Question 2: Where would you say the value of the company resides?

4.4 Responses to Question 3: What processes have been followed to identify where the value is?

4.5 Responses to Question 4: Does the company have a strategy in place to manage intellectual capital? If so, what is it linked to, and what processes are in place to measure its success?

4.6 Responses to Question 5: Do you think that through management of intellectual capital an organisation can become more innovative? If so, can you explain how this can happen?

4.7 Responses to Question 6: What internal and external networks are used to acquire knowledge that will benefit and add value to the company?

4.8 Responses to Question 7: How do employees increase their knowledge?

4.9 Responses to Question 8: It has been suggested there should be some form of reward for staff sharing their knowledge. What are your views?

4.10 Responses to Question 9: To what extent is knowledge codified and what systems are in place to allow for the flow of knowledge across the company?

4.11 Responses to Question 10: What methods are in place for measuring intellectual capital? If you don’t have any methods what indicators do you use?

4.12 Responses to Question 11: How does the company plan to go about creating new knowledge for the development and growth of intellectual capital?

4.13 Responses to Question 12: The goal of CHH is to become more innovative. Do you think the dividing up of the organisation into smaller companies has created a more innovative environment? If so, how?

4.14 Responses to Question 13: Have the products/services offered by the company increased/changed as a result of ideas promoted by staff?

4.15 Responses to Question 14: How is the intellectual property of the company managed?

4.16 Responses to Question 1: What are your views on the dividing up of CHH into numerous companies?

4.17 Responses to Question 2: CHH has indicated they want to encourage an innovative environment. What challenges do you face working in an innovative environment?

4.18 Responses to Question 3: How do you increase your knowledge?

4.19 Responses to Question 4: Sharing knowledge can be a sensitive issue. What difficulties do you think arise through expecting people to share their knowledge?
4.20 Responses to Question 5: How, when and where do you think the most effective exchange of knowledge takes place? 124
4.21 Responses to question 6: A suggestion has been put forward by some management theorists that there should be some form of reward for staff sharing their knowledge. What are your views? 125
4.22 Responses to Question 7: How do you go about obtaining knowledge when you require it? 126
4.23 Responses to Questions 8 and 9: What is your job title? What is your highest educational qualification? 127

5.1 Approaches to Increasing Knowledge 144
5.2 Rewards for Sharing Knowledge – Views of Chief Executives and Employees 147
5.3 Restructuring Carter Hold Harvey Ltd 149
5.4 Summary of Question to Research Participants, Link to Literature and Responses 167

List of Figures
1.1 Popular Model of Intellectual Capital 12
1.2 Nonaka’s Modes of Knowledge Creation 30
2.1 Skandia Market Value Scheme 41
2.2 The Balanced Scorecard 43
2.3 The APiON Navigator 66
2.4 Determining the Roles for Intellectual Capital 67
2.5 Intellectual Asset Management Portfolio (I-AMP) 69
2.6 Influence of KM on Innovation and Competitiveness (abridged) 70
2.7 The New Knowledge Management Reference Model 71
2.8 The Doughnut Model of Knowledge Management 72
2.9 Intellectual Capital Management Model 77
5.1 Intellectual Capital Management Model 159
5.2 A Revised Intellectual Capital Management Model 164

References 174

Appendices
Appendix I Questions for Chief Executives 186
Appendix II Questions for Employees 188
Appendix III Information Sheet for Chief Executives 191
Appendix IV Information Sheet for Employees 193
Appendix V Consent Form 195