

# Editorial for EJKM Volume 14 Issue 4

## IC at a crossroad

**Maurizio Massaro, Andrea Garlatti**

**DIES, Udine University, Italy**

[maurizio.massaro@uniud.it](mailto:maurizio.massaro@uniud.it)

[andrea.garlatti@uniud.it](mailto:andrea.garlatti@uniud.it)

Intellectual capital (IC) is evolving. Guthrie et al. (2012) state that IC is moving through several stages. While the first two stages focus on building a shared definition of IC and testing its relevance for value creation, the third stage offers a more managerial perspective, with some authors that push academics to “get their hands dirty” in IC practice (Dumay and Garanina, 2013). The more recently fourth stage of IC (Secundo et al., 2016) claims a broader perspective of the value creation process including the environmental and social value (Wasiluk, 2013, p. 103). Therefore, several authors extend IC’s boundaries into a wider ecosystem (Secundo et al., 2016) that includes communities (Käpylä et al., 2012) and requires new ways of measuring the value created in this term (Bardy and Massaro, 2013).

Interestingly, within this context, a growing critique of current IC literature is emerging. While statistical analyses are still possible in the third and fourth stage of IC (Massaro, Dumay and Bagnoli, 2015), there is a call to develop a more critical research that questions established conclusions (Mouritsen, 2006) using rigorous methodologies (Massaro, Dumay, et al., 2016). Additionally, the development of a critical approach to IC research (Alvesson and Deetz, 2000), requires the development of studies that consider the specificities of the research context. For example, the public sector requires specific studies that do not simply translate models and theories developed in the private sector (Garlatti et al., 2014; Massaro, Dumay and Garlatti, 2015). Similarly, the field of Small and Medium Enterprises (Massaro, Handley, et al., 2016), and knowledge intensive firms (Massaro et al., 2012) require specific attentions avoiding to purely translate models and theories developed in other contexts (e.g. big companies). This special issue (SI) reflects this growing debate on IC research.

The first two papers of this issue of EJKM reflect the development of a broader perspective on IC. The paper by Al-Maadeed and Weerakkody (2017) develops a conceptual model that addresses the main determinants of a Knowledge-Based Economy (KBE) development at a national level. The paper starts with a systematic literature review used to learn from advanced economies’ practices in KBE development. The paper highlights KBE main pillars, drivers, and process. The conceptual model proposed in the paper outlines KBE main determinants and enables to guide practitioners and decision makers in developing KBE frameworks at a national level.

The paper by Tsakalerou (2017) focuses on the topic of emotional intelligence competencies as antecedents of innovation. According to the author, team leader’s emotional intelligence impacts new product outcomes. First, the paper develops a small pilot study designed to assess the way group member emotional competencies impact the success of the innovation process in the presence of moderating factor such as project complexity. Second, the results of the pilot study are re-tested using a larger sample of engineering and management individuals. Results focus on the relationship between individual emotional intelligence competencies and collective emotional intelligence continuum.

The other three papers reflect the development of a more critical perspective within IC scholars. The paper by Urbanek (2017) analyzes the problems of IC measurement and proposes a new method, that the author labels as Intellectual Capital Efficiency Ratio (ICER). The article analyzes the links between the ICER and other measures of performance. The research uses an unbalanced panel time-series sample of 19 companies on a 72-year observation from the food industry sector listed on the Warsaw Stock Exchange between 2011-2014. This study reveals a strong, significant and positive relationship between the ICER ratio and traditional measures of performance such as the return on asset (ROA), the return on equity (ROE) and the price on equity (P/E).

The paper by Kamaja et al. (2017) focuses on the sector of Dynamic Distributed Software Development (DDSD) in environments that demand high operational excellence, innovativeness, and other intellectual properties. The paper presents the results of a research project developed in collaboration with three universities and four ICT service and software companies in Finland. The results of the paper conceptualize productivity of DDSD operations. Additionally, findings develop an evaluation framework based on individual, team and organizational levels with dynamic IC tested with practical trials.

The paper by Chiucchi et al. (2017) focuses on the skeptical positions of IC reporting. As the authors state scholars need to investigate the use of IC reports “in practice” to understand whether IC reporting is something relevant or just a “managerial fashion.” The aim of the study of Chiucchi et al. (2017) is to explore if, how, and why companies use IC reports and when reporting practices do, or do not, stabilize. The paper proposes a field study approach based on the analysis of 7 companies adopting a longitudinal perspective. Results of the study show that the fate and the stabilization of IC reporting practices depend on the interest, satisfaction, and culture of the sponsor and project leader. Finally, technical and organizational issues related to the production of the IC indicators and their backward looking characteristic can influence the stabilization of IC measuring and reporting practices.

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