

THE ROLE OF THE INTELLECTUAL CAPITAL FOR THE ECONOMIC GROWTH AND COMPETITIVENESS IN TOURISM

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The global mega-tendencies worldwide lay ahead of the tourism business management a number of challenges in the environment of increasing and dynamic competitiveness in all industrial segments, where the maintenance of sustainable competitive advantages could be achieved through a new view of the employed in the sphere of tourism and their professionalism. One of the challenges in tourism as a whole in the 21st century is the new understanding of the human factor in the tourism industry as intellectual capital. In this context the current article deals with the role of the intellectual capital in the company's environment as one of the most considerable one for the achievement of high quality competitiveness in the conditions of worldwide globalization of the tourist industry with a focus on intangible assets and inexhaustible potential as a source of competitive advantage.

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Introduction

The competitiveness in the tourism in the global environment imposes a prime role of the intellectual capital in the company's environment as a prior importance for a high competitiveness. The human factor is a fundamental productive force in the tourism - the global hand in the global industry, which is the only one of its kind and is able to create new tourist products, to carry out any tourist activities, introduce innovations of any kind, and generate competitive advantages in the tourism. The correct understanding of the human character of any entity creates the conceptual base, leading to the successful management of the inner organizational relationships and interactions with the external environment, motivating people for the achievement of the highest results and realization of the intellectual capital to the full. Humans actually are those, who make a considerable contribution to its

functioning and its improvement through three different types of potentials¹, which on their side own: physical, mental and creative potentials, where the first two are exhaustible in a given period of time, while the third one is inexhaustible and the more dynamic it becomes, the more improved it appears to be and for this reason the necessary conditions for the use of this intellectual force should be provided. In the conditions of new dynamic global competitiveness new multi-competencies are imposed to the managers, who have to manage tangible and intangible assets of individual, organizational and social type of capital - a wide range of straightforward influences on the intellectual capital and on the professional aspect with the aim to support the company's competitiveness and economic growth.

The Significance of the Intellectual Capital

In the conditions of the global sociocultural, production technological and economic development, the role of the human factor assumes permanently an increasing importance and consequently the individuals that have the aim to achieve the strategic business goals have to be considered not as **“resources”**, **“personnel”** or **“staff”** but as **“human capital”** - a combination of knowledge (clear and unclear); skills, competencies, experience, net of relationships; potential for development, health, ability for work and etc., whose **role and significance**² could be defined in several aspects: subject of activity and relations (sale-trade, hiring a workforce - abilities, transfers and others); socioeconomic status (managers and employees), subject of social creativity - the creation of a certain social environment (corporative capital)³. It means that the right interaction: **human resources - human capital - social capital** is the necessary conception for a successful management, organizational and social development.⁴ On the one hand, there is an accumulation of a certain supply of physical, intellectual and psychic potential (health, abilities, knowledge, skills, confidence and motivation), ready to be used in one or another sphere, as well as to act for the increase of productiveness, the labour effectiveness and competitiveness. On

¹ Shopov, D. and Team, „Manual for Management of Human Resources”, Publishing House „Labour and Legislation”, 2002

² Radev, K. „The Human Capital - Contemporary Practices and Approaches to the Management and Development”, Collection of Reports, Scientific-practical Conference “The Human Capital - Methodology, Measurement and Practices”, New Bulgarian University (NBU), 2015

³ Lulanski, P. Article „The Social and Human Capital - Researching Focuses” Annual, UNIE (University of National and World Economy), 2012

⁴ Panayotov, D. „Human Resources Interaction: Human Capital - Social Capital - the Need Successful Management Conception, Organizational and Public Development”, Collection of „The Management of Human Resources”, New Bulgarian University (NBU), 2014

the other hand, this is the permanent progressive rise of the incomes (salaries and bonuses) for every participant in this process, who makes the respective contribution to the achievement of these results.

The competence in the sense of the human capital should be considered in two directions: the broad sense - intelligence and ability for proactive thinking and analysis, and in the narrow sense - competencies are equal to skills⁵. The basic **assets** of the human capital combine: intellectual capital - educational, cognitive, scientific and innovative competencies, productive habits and experience; health, the mobility capital - migration, the capital of the enterprise activity - competitiveness and other types of capital⁶ - social capital, creative capital, cultural capital and etc.

The concept of the “**intellectual capital**” in the contemporary economic literature has different interpretations. In the broadest sense it is understood as a combination of intellectual assets, which comprises: assets, the subject of intellectual property, human capital and infrastructural assets. Also, this includes the combination of patents, the processes and management habits, technologies, experience and information about consumers and suppliers. The intellectual capital - this is the knowledge and intangible assets, which are converted into beneficial resources for the business and therefore, unlike the tangible and financial assets, the intangible are difficult for imitation by the competitors, which make them a powerful source of business competitive advantage⁷. The **intangible assets**, practically are difficult to be described numerically and to be formulated, but they impact a lot the whole process of generating of the cost since they comprise the human capital, the capital of the relationships - the image, partnership, trust, the sense of satisfaction and others.

On this base, the **intellectual assets** are classified in three categories⁸ - human capital (the human side of the organization, including knowledge, skills, motivation and experience people own - this is not the property of the organization, it is just hired by it, optimizing the quality applying various methods of training and raising the qualification); structural capital (infrastructure, supporting the human capital, or environment of its reproduction - consists of processes, technologies, company culture, structure, internal communicative and organizational strategies, where unlike the human capital, the structural capital is the company's property) and consuming or so called

⁵ <http://www.oecd.org/>

⁶ Genov.D, M. Russeva „The Valuation of the Human Capital through the Index of the Human Development”, Collection of Reports, Practical-scientific Conference “The Human Capital - Methodology, Measurement and Practices”, New Bulgarian University (NBU) 2015

⁷ Kaplan. R., Norton, D., „Measuring the Strategic Readiness of Intangible Assets”, Harvard Business Review, February, 2004

⁸ IFAC, Measurement and Management of Intellectual Capital, 1998

consumer capital (the relationships with the external environment - consumers, suppliers, strategic partners and other persons concerned - its cost depends on the company's image, loyalty and consumer satisfaction). Consequently, the intellectual capital comprises knowledge, information, experience, organizational opportunities, information channels, which can be used for the creation of wealth – knowledge, which can be transformed into values, raising the company's competitiveness.

Identifying and defining the intellectual capital is of extreme difficulty since the human, organizational and consumer capital interact with one another. It is not enough to invest in each individual separately, but it is necessary to achieve synergic effect and on the base of this interaction the impact of certain assets on other ones arises - on the one hand, the external structure can consolidate the image and contribute to pulling up and drawing up of new consumers, and on the other hand the internal structure with the help of the transfer of knowledge decrease the company's dependence on the human capital and the employees competencies contribute to the development of new ideas and projects and as for the consumer capital - it is transformed into financial one through the interaction with the structural and the human ones.

The fundamental differences between the intellectual and physical capital are as following:

- the physical capital has got tangible nature, while the intellectual one is of intangible nature, and for this reason it is treated as invisible and hidden assets;
- the physical capital is a result of certain activities in the past, while the intellectual capital to a great extent is a result of past investments, but at the same time it is mainly oriented towards the future and if the major thing in the valuation of the physical capital are the costs made, the valuation of the intellectual capital are the costs formed on the base of its future use;
- the physical or tangible capital is primarily valued with the help of value indicators and this valuation usually has temporal character, and as for the intangible assets - these are considered to be intangible results in the form of concrete ability, high rate of competency and qualification of the employees, marketing opportunities, internal and external image and so on.

Practically, the companies do not govern the intellectual capital entirely - they control it on one side through the employed (human capital) and on the other side collaboratively with the consumers and other consumer capital.

In the process of measuring of the intellectual capital, the major focus is on those indicators, allowing gaining the competitive advantages and sustainable company's development. The main goal in the valuation of the intellectual capital is to insure sustainable development of the organization. The intellectual capital is in itself the basic ground for the future growth and therefore its assessment helps to develop long-term strategies in the constantly

changing external background and use it as an instrument for communication.

In structural aspect the **intellectual capital** contains the following components⁹:

- **External structure** (consumer capital): computer and administrative systems, organizational structure, company culture and so on, where the indicators for valuation of the external structure are respectively the customers, ways/ mean of interactions with them and the rate of clients' satisfaction of their demands, sales, calculated just for single client, clients, forming the company's image, the number of clients, age structure, loyalty to the company and etc.;
- **Internal structure** (organizational capital): the relationships with consumers, competitors, local partnerships, trademarks, company reputation and the indicators related to the scale, functions and use of information systems, personnel, equipment and effectiveness of the administrative systems and organizational structures, investments in new branches and new management methods of knowledge, information systems and information technologies within the organization as a whole, valuables, relations and so on., company's stability, management personnel fluctuation, personnel part with more than two years of employment in the company and etc.;
- **Personnel competencies** (human capital): education, qualification, skills and habits, experience, energy, attitude towards the job, attitude towards the clients, the rate of the organizational culture and others, and respectively about the indicators for valuation of the individual competencies are the composition of the personnel and its management, the rate of the employees' satisfaction, the rate of education, professional experience, educational costs made just for single position, the number of work days in a year, spent on the raise of the qualification of the employed, personnel fluctuation and etc.

What could be concluded from all that has been said so far is that people should be recognized as "the most valuable asset" of every organization and respectively as their competitive advantage in a society, based on knowledge, competency not only does assume more and more sufficiency, but it also is turned into an "advanced competitive advantage"¹⁰. In conclusion, it could be summarized that the new approaches to company development should focus on the management influence on the intellectual capital, the use of the new approaches and methods, including the management of the knowledge.

⁹ <http://www.encyclopedia.com/social-sciences-and-law/economics-business-and-labour/economics-terms-and-concepts/intellectual-0>

¹⁰ Iliev, J., „Management through Motivation "Chernorizets Hrabar", Varna, 2009

The Role of the Intellectual Capital in Tourism

The human nature of the tourist product is in the increase of the participation of the intangible factors in the creation of an additional consumer's cost for the tourists - "intangible assets" of the tourist company. It is the role and the place of the human factor that is the constituting part of the tourist product, which defines the significance of the intellectual capital - people, employed in the sphere of the tourist activity with their quantitative and qualitative characteristics and potentials for development, directly or indirectly engaged in the tourist activity are the most valuable assets in the tourism as a whole. The human dimensions of the services, in particular the intellectual capital is in itself an integrated changeable quantity. Unarguably, the fact that quality is the most critical in the development of the tourist activity - that intangible quality, creating the extra VAT through high rate of productiveness of the personnel in the tourism, which with its intellectual force is being turned into hidden weapon for the maintenance of the competitive positions. In comparison to other industrial sectors, "intangible human hand in the tourism" is the decisive one, not only because in terms of its fundamental qualitative characteristic of the tourist product, but also its competitiveness, which is dependent a lot on the each one of the members of the tourist personnel, on their specific knowledge, skills and their organizational behavior. It is the intellectual capital that combines the tangible, financial and informational capital in one whole - namely, the tourist product. People engaged in tourism not only manufacture the product, but also plan, organize and control the activities in progress - they are those, who create wonders not only with the rest of the resources, but also with the company, with its competitiveness on the tourist market.¹¹ The true nature of the tourist service is "the human attitude", based on certain values and beliefs in people, life and job and it is what provokes the devotion to the profession, what brings vitality to the tourist product, creating circumstances, on the background of which the "human spirit of the tourist service" literally engenders.

The enthusiastic and motivated employee is the one, who is able to change the competitive environment in the tourism and in such dynamic environment in industry the need of the use of knowledge of different functional spheres, the formation of skills in certain circumstances increase. The opportunity for generating of multifunctional skills by the motivated and engaged personnel totally depends on the attractiveness for career development, provided by the managers - transformation of the generated knowledge and skills and their application to practice, so called "soft" skills, cross-cultural skills, IT skills, skills for purposeful activities, directed to the future professional realization, leadership skills and etc. Therefore, the

¹¹ Ribov M., „Competitiveness Management in Tourism”, Publisher “Trakiya-M”, C., 2009

attractiveness of the tourist sector impacts the opportunity for the labour resources to compete and create sustainable competitive advantage in the contemporary global tourist market.

It is the competitiveness that provokes contractors and managers to get aware of the fact, that the qualified specialists will control the employers' conditions in terms of how, where and when to work and the productive behavior is a direct result from the effective management of the employees' performance, and in the new global situation the creation of the additional value of the product offered and the formation of the sustainable competitiveness is possible through qualitative new characteristics of the intellectual capital in the company. Proactive managers, who are already leaders in the respective tourist sector, are well-aware of the fact that the hard-working employee in the conditions of severe competitiveness is much more highly esteemed than he has ever been before in so called "human era", especially when it comes to fight for talents and what is of greater importance is the strategic management to be directed to the development of the new ideas relating to the intellectual capital.

Competitiveness is a socially oriented system of competencies, abilities and qualities of the individual, which characterizes its potential opportunities for achievement of success in education, in professional and non professional activities, defines the adequate personal behavior in the dynamically changeable conditions, ensures confidence and harmonizes the interactions with the external environment. In the conditions of the globalization of the tourism, the decoding of transformations is the key factor - "How to stay aligned with the changes and be flexible enough so that to be able to adapt to them?"¹² The answer to this question is being sought in the transformations, determined as sustainable and purposeful change of the situation, most often in broad scale, accomplished with the aim to create and stabilize advantages, reinforcing the competitiveness or to respond to the existing or newfound advantages of the competitor.

While searching for **new sources of competitiveness** in the tourism a close connection is revealed between qualitative employees and intellectual capital on the path to achieve competitive advantage through people. To provoke the optimum performance and the entire use of their intellectual potential it is necessary to create adequate work environment, instigating the hidden creativity and stimulating the innovative conditions, the team activities, encouraging at the same time flexibility for achieving "training organization".

¹² Ribov, M. „Acceleration - Distinct Feature of Transformations in Organizations”, Collection of Reports at Practical-scientific Conference on „Strategic Visions: Effective Management for Economic, Organizational and Social Transformations (Innovations-Institutions-Business)”, Publisher NBU, 2016

Main Inferences

The basic conclusions based on the analysis done indicate the need of fundamental changes of the strategic idea of the intellectual capital, taking into consideration the challenges for the management, relating to the global competitiveness and mega-tendencies in the tourist industry worldwide:

Firstly, adaptation to the global competitive environment: the management of changes (in the conditions of uncertainty of the external and internal environment management of changes means more “leadership” and less “management” and points of intersections of different conceptions and paradigms, describing the assumed/acquired, evolutionary, organizational and management experience)¹³, the management of tendencies (the management in tourism is cleverly management of tendencies and the respective dynamic development and change of many professions require new ideas, knowledge and concrete scientific researches - unthinkable without investments in the intellectual capital); the management of the innovative activities (the innovative strategy indicates directions for interaction and co-ordination with the scientific studies, technologies and education/ training on the situation and rate of use of the innovative potential - namely innovations guaranteed sustainability in the conditions of the competitive market by the introduction of new innovative products and technologies as well as development of the intellectual capital)¹⁴.

Secondly, management of the dynamic organizational environment: the management of the organizational change (the change of the organizational and labour behavior of people as well as their performance, which goes through development and change of their knowledge, skills and adjustments)¹⁵; the management of the labour relations and development of company's culture (the human focus/ humane focus in tourism concentrates on the “human relations”, moves the central issue to more consultative type of management and impacts the information, organizational and human capital in the company's environment); management of the personnel qualification (on the one hand, the educational system before all aims at formation of the general intellect of every person, on the other hand the qualification system

¹³ Panayotov, D., „Leadership and Human Future - Requirements and Measurements for Theoretical- applicable Conception”, Collection of Reports, Scientific-practical Conference “Leadership – Time for Changes”, Publisher NBU, 2015

¹⁴ Aleksieva, C., „Innovation Activity of the Tourist Business - Investments in Technologies, Education and Creativity”, Collection of Reports at Scientific-practical Conference on “Strategic Visions: Effective Management for Economic, Organizational and Social Transformations (Innovations-Institutions-Business)”, Publisher NBU, 2016

¹⁵ Shopov, D., G. Evgeniev, D. Kamenov, M. Atanasova, J. Bliznakov „How to Manage the Human Resources in an Enterprise”, IK „Labour and Legislation”, Sofia, 2013

forms its professional intellect and preparation¹⁶ and the additional professional preparation and training is focused on the specific character of the company's activity is a prerequisite for its higher productivity as well as the skilful management of the career development); the management of conflicts and fluctuation (individual and organizational prevention¹⁷ has to comprise a combination of ways for reactions to stressful impacts, approaches for reductions of their reasons, techniques for the raise of the self-esteem, directing the energy to productive and defining of the expectations through enrichment of the content of job characteristics, opportunities for achievement of career development); management of the team potential (an effective management interaction of the team activity stimulates both personal and team potential¹⁸, including the skill for management of the multi-cultural teams).

Thirdly, generating of the intellectual capital: competitiveness through management of knowledge (every employee could contribute to the achievement of company's goals through three types of potential, which it owns, namely: physical, mental and creative, while the last one is in exhaustible and it is the basic source of ideas for constant development and in case the necessary conditions for its use are ensured, its effectiveness increase with the investments); management of the motivating supply of energy (the strong motivation in the sphere of tourism is closely connected with the idea of and the feeling of engagement and belonging to the tourist organization and the devotion to the tourists, which in tourist aspect depends on the mission, the company's values and work environment); management of talents and development of potential leaders (the main problem in the sphere of tourism is ensuring and holding of expert employees back, as result of the increase educational and qualification structure of the employed in the tourism worldwide and in connection with the high price of the fluctuation of the experts, language flexibility, mobility and etc., which requires individual and psychological approach to so called "top- talents" - high evaluation and opening of doors towards future professional development).

What has been said above gives the opportunity to sum up that the focus on the competitive advantage leads to another focus and it is on the intellectual capital in terms of development of expedient processes, directed to generating of knowledge and competencies, which are supposed to promote the company's strategy.

¹⁶ Dulevski, L., Studio „Valuation of the Human Capital – Approaches and Decisions”, Annual, The University of National and World Economy, 2012

¹⁷ Panayotov, D., „Organizational Behaviour: The New Paradigms for Human Development”, Publisher NBU, 2013

¹⁸ Hadjiev, Kr., “Formation of Innovative Team Potential through Systems for Education and Development”, Collection of Reports, “The Human Capital in Tourism”, Publisher NBU, 2015

Conclusion

Practically, the competitiveness of a certain organization is a result of the managers' competencies and is focused on measuring and defining of the future actions and development of strategies for the increase of the additional value, which is exhausted from the employees. The introduction of initiatives for the generating of the intellectual capital in a certain organization requires change in policy, practice and processes. In other words a radical change in the way of accepting of the tourist company and focus on the intellectual capital.

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