ELEARNINGNEWS ARTICLE

Year 2 - number 29 Wednesday 13 june 2018

The importance of intellectual capital

What is intellectual capital and why is it important? Find out how to invest in intellectual capital with online learning and get the most out of it.

According to recent research, financial capital is based on intellectual capital. This assumption radically changes the vision of online learning.

What is intellectual capital?

If the financial capital of your company corresponds to all the money your company has, the intellectual capital is the totality of the knowledge of a company or the sum of the knowledge of each employee and of every relationship between stakeholders.

The advantage of intellectual capital

There is a direct relationship between intellectual capital and business success. "Companies like Toyota, Microsoft and Walmart understand that intellectual capital is more important than anything else for business success, investing over $ 130 billion in training each year."

Intellectual capital and online learning

Usually, training departments invest in training to provide knowledge to employees, rather than creating a dialogue with them. However, the company's own knowledge resides in the employees.
Only 37% of employees think that classical training is essential. However, almost 90% believe that sharing knowledge with colleagues is vital to improving performance.
The University of Oxford suggests that intellectual capital is based primarily on social relations. It is interpersonal relationships that allow people to share information and create new knowledge, increasing the company's intellectual capital.

How can social learning increase intellectual capital

Today the average employee turnover stands at 15% [6]. Whenever an employee leaves the organization, it loses a "piece" of knowledge. This may not be necessary: if you want the knowledge to be always kept within the company you have to make it shared. How to do this?

1. Create discussion groups

Thanks to your Learning Management System (LMS) it is possible to provide a space for users where they can share their knowledge with other team members. This way, you will always have an online register containing company information, as well as helping you to share it internally.

2. Focus on informal learning

The 70:20:10 model suggests that 70% of learning is done informally (socially), while only 10% is delivered through formal training. If you want to invest in intellectual capital, you must invest in social learning.

3. Identify the experts in the field

If the training department identifies the experts in a certain subject within the company, when the team members have questions, they know exactly where to turn to. This is a simple way to invest in social learning and encourage each team member to share their knowledge.

4. Build a sense of co-ownership

If you use an LMS that supports social learning it will be easy to share user-generated content. Thanks to the in-depth groups you can make intuitive co-construction of learning for students. Participating in the creation of business knowledge gives employees a sense of belonging, co-ownership and recognition, but also contributes to the growth of the company's intellectual capital.

5. Create more effective content

When students create the training content, learning will be very relevant. Clearly, the content construction work will be shared with the training department.

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