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Significant importance of Intellectual capital management and human resources in high performance companies.

What distinguishes the most competitive SME's (sales market; business situation) with a very good monetary performance (profit; turnover; return on investment and market share) from SME with a poor corporate performance? What can the less economic successful firms learn from the top performers? A key finding of the study is that the most successful SME's in the German economy are applying integrative knowledge-/ intellectual capital management to a significant greater extent. The implementation of employee- oriented activities for knowledge identification represent the largest differences between high and low performers. The essential role of employees for business success is further recognized through the strategic human resource management activities which are significantly more elaborated in high performance companies.

Conclusion: The representative research findings confirm that strategic Knowledge- and Intellectual Capital Management is closely connected with a stronger competitive position - regardless of industry sector and business size.

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State and regional authorities should be aware of IC and IP issues for European SMEs and strongly encourage the use and mastery of IC statement and the protection of IP in Europe.

Europe is still world leader when it comes to innovation and top quality services and products. One important reason behind this is visualized with the IC Statement. However, these assets need investment and the outcome should be protected and equitably distributed between entrepreneurs, society and investors. Today the investors seemingly have the upper hand but it is not clear whether this is good for the European citizens or for Europe's future. Therefore Europe needs to lead the discussion on IC and IP because Europe is the biggest winner (or loser) in this area. Financial capital does not make the difference, because it is global and not unique. Thanks to the Lisbon agenda these matters were taken seriously and notable progress has been achieved.

Conclusion: Regional and State authorities should encourage and facilitate (1) the use of IC methodologies and IC statement by SMEs, leading to innovation and (2) the protection of innovation (IP) generated by them. They further should make sure that a proper balance is struck in the distribution of gains among entrepreneurs (industrial risk takers), the companies (those working for it) and financial investors.