

The development of intellectual capital in the Algerian economic institution - a sociological reading

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Abstract:

This study aims to identify the methods of developing intellectual capital in the Algerian economic institution and to clarify its obstacles to a sociological perspective, The descriptive and analytical method was used depending on the theoretical heritage, As a result, the economic institution was making considerable efforts in developing its intellectual resources but suffers from problem that prevented it from benefiting from them, it due to its lack of correct understanding excellent work requirements in order to adapt to the characteristics of socio culture environments

Keywords: *Intellectual capital; economic institution.*

1. INTRODUCTION

The current work environment has witnessed changes in visions and concepts due to the scientific and technological developments that the world has witnessed recently, where the success of institutions is determined by the extent of development of the capabilities and resources they possess, to highlight knowledge as one of the important resources that achieve distinction as a valuable wealth that increases with obsolescence and good use, what made it a real capital that had to be taken of in all ways and methods was called intellectual capital.

Intellectual capital is one of the concepts that has emerged in recent times, in the light of scientific and technological developments in the working environment, and which has produced new data to achieve wealth

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and increase the efficiency of institutions based on the true and precious essence on which intellectual capital rests and which accepts neither exhaustion nor imitation, which is knowledge.

Given the great importance of this subject in the institutions that support it, so that it is considered a valuable wealth that leads it to a distinguished success as it constitutes a competitive force that guarantees its continuity, many studies from all disciplines such as administration, economics, psychology and sociology, each from a different perspective, are interested to determine its meaning, characteristics, components, methods of measurement and investment.

Our study falls within the field of the sociology of human resource development and it seeks to capture her data in a different and global perspective from everything that has already been said through theoretical heritage, and to clarify a specific vision resulting from a group of studies in the economic institution in order to reveal how intellectual capital develops and its main obstacles through the following questions:

What is the reality of the development of intellectual capital in the Algerian economic establishment?

What are the most important obstacles to intellectual capital that prevent it from profiting in the Algerian economic establishment?

This study aims to discover the reality of the development of intellectual capital in the Algerian economic institution and to clarify the most important organizational modes that it has used, while listing the biggest obstacles and problems that prevent the use of this capital in its dimensions represented in human capital, social or relational capital, and structural or regulatory capital. This study is of great practical and scientific importance, because knowledge is the real wealth that does not disappear and that develops with good care and use, It presents the results of some studies that clarify certain cognitive problems in the economic institution to solve them and advance the Algerian economic sector in a scientifically correct way.

It also presents a global scientific vision, both theoretical and applied, in order to provide a complement by clarifying the obstacles to intellectual

capital in the economic institution and the most important means to overcome and remedy them.

1.1- Defining the concepts of the study:

the meanings and purposes of the concepts vary from one topic to another, so we have to define the meaning of the development of intellectual capital and the meaning of the economic institution.

The concept of intellectual capital development:

The concept of development is summarized in the meanings of the development of capabilities and abilities, whether material, human, or cultural, and is concerned with being inclusive of all aspects and sectors. For individuals to accept new ideas and acquire useful information and practical skills so that the level of ambition is raised to achieve self-reliance in solving problems and adapting to emergency situations" (Ghabari, 2011; p3), Advensson defines intellectual capital as "knowledge, application of expertise, technology, relationships between clients, and technical skills all constitute the intellectual capital of the institution, so knowledge becomes a resource for it to benefit from" (Ashmaoui, 2014; p219), as Stewart defines it as "It is represented in knowledge, information, intellectual property rights and experiences that can be used to produce wealth and strengthen the competitive capabilities of the organization" (Hamshari, 2013, p. 246) through what we have studied, we present a procedural definition of this concept, which is represented in "the set of planned, organized and directed processes and methods that the institution undertakes to develop its human, organizational and social capital in order to achieve success, distinction and continuity according to foundations and realistic studies of the work reality with all its characteristics and variables."

The concept of the economic institution:

The definitions of the economic institution have varied and this is due to the multiplicity of opinions of thinkers and researchers and their specializations. Among them we take these two definitions because they included its most important determinants, which Nasser Dadi defines as "every economic organization financially independent within a specific social framework whose aim is to integrate factors of production or

production of goods or Services that differ according to the spatial and temporal space in which it is located, and according to the size and type of its activity" (Adoun, 1998, p. 10) focusing on the economic aspect of the institution, as Samuel defines it as "an economic, technical, legal and social form of organizing the joint work of its workers and operating production tools according to a specific method for the values of social work with the aim of producing goods or means of production or providing various services" (Samuel, 1982, p. 58), he added this definition of the economic institution is the element of determining the method of work according to the social values of work because the economic institution is a cultural system that carries from the system of values what determines the methods of work and the behavior of individuals according to a specific social climate.

The economic institution is defined procedurally "as a framework defined by features and objectives according to a general economic system defined by a legal and social framework that draws the form of relations and patterns of interaction in its internal and external environment. It is also considered a stand-alone organization that includes a group of sub-systems with defined roles and functions that participate in an integrated manner in achieving economic goals according to the social and cultural values and characteristics of individuals".

2. Method and Tools:

The descriptive and analytical method was used in this research to describe what intellectual capital is through the theoretical heritage, then he described and analyzed the reality of the phenomenon studied in the Algerian economic establishment and clarified its obstacles, through the results of a field study conducted by the two researchers at the Tebessa Cement Corporation entitled Organizational Creativity and its role in the development of intellectual capital in the Algerian Economic Corporation and the findings of others studies in this field.

3-1-Development of interest in intellectual capital

Intellectual capital is an important strategic resource and source for generating the wealth of the organization, so that knowledge and experience are considered intangible assets that achieve a competitive advantage for the organization because they are renewable and sustainable. It also aims to

develop creative capabilities, improve productivity and increase profitability by improving relations with customers and suppliers through providing services and distinctive products, this helps her to excel and institutional innovation at various levels.

This concept is considered a recent emergence as it appeared in the nineties of the twentieth century, and has become the strong pillar on which the ambition to succeed is built because it is based on knowledge assets of experiences, skills, work techniques, procedures, performance methods, information and relationships, and Ralph Stayer, director of the company Johnson Ville (1990) "In the past, natural resources were the most important components of national wealth and the most important corporate assets. After that, capital became represented by cash and fixed assets were the most important components of companies and society and their assets. Now, all of these have replaced intellectual capital, which is the most important component of wealth." Nationalism and the most valuable corporate assets" (Amer, 2014, p. 12), Studies confirm that it was previously referred to by Adam Smith-1776 and Alfred Marshall in 1890, until the end of the fifties of the twentieth century, the theory of human capital appeared at the hands of Schultz and Mincer (AAanzi, 2008, p. 137).

3-2-Characteristics of intellectual capital and its components:

Intellectual capital differs from physical capital by a set of characteristics that make it unique based on the fact that it depends on intangible and immeasurable assets, and it is represented in the cognitive assets present in the minds of human elements, which are talent, skills, technical knowledge, internal and external relationships, knowledge in computers and information systems and the head is distinguished Intellectual money by renewal, development and permanence, Its characteristics are classified into a comprehensive organizational structure for all organizational levels and be under a flexible organizational structure and decentralization of a decision with the inclusion of informal and professional relations so that it is characterized by high skill and cumulative experience and enjoys organizational learning, enrichment training and self-learning with independence in guessing, discussion and self-confidence, in addition to the

ability to creativity (Alrashidi, 2017, p. 31), and Al-Enezi and Saleh add in their book the characteristic of complementarity that makes all its components of human, relational and structural capital complement each other to give an important return on investment (AAanzi, 2008, p. 179). Sveiby defines its components in three main points: the efficiency of workers, the internal structure, and the external structure of the organization (Alrashidi, 2017, p. 39). and classified by Thomas Stewart into human capital, meaning individuals who possess the mental capacity, skills and experiences necessary to find practical solutions appropriate to the requirements and desires of customers because they are the source of innovation and innovation in the organization, and social capital. It means the general climate of the organization, i.e. the reality of interaction and relations between internal and external with customers according to the values of respect and appreciation that achieve a competitive advantage for the organization, and structural capital means the extent of the organization's ability to transfer, disseminate and employ the knowledge, skill and experience available to the workers of the organization to the actual reality, and it is about The path of an appropriate organizational structure, clear powers and responsibilities, and competence in applying knowledge, skill and experience in the organization (Hassan, 2002, p. 368).

3-3-Methods of developing intellectual capital in organizations:

Intellectual capital is based on knowledge in all its forms and wherever it is found and its development is focused on the optimal use of it and on how to invest in it, and this is by caring for and preserving the human resource and working on its development and promotion as the main engine of all the organization's resources and able to create, develop and adapt knowledge in line with the requirements of development and excellence By creating an appropriate, open work environment dominated by mutual trust for the smooth flow of information and the provision of all material capabilities that facilitate its circulation, exchange and sharing with all parties, thus achieving the characteristic of integration that achieves excellence in products and services, according to a network of social relations and strong internal link between all organizational units and external with customers, this requires a

correct understanding of the characteristics of the local culture by creating a general organizational culture that mimics in all its variables the nature of these characteristics, such as embodying concepts of mutual respect and appreciation based on inherited standards and values stemming from religious beliefs or customs and traditions, so that real relationships are created by individuals in their personal lives in addition to the necessity of the presence of leadership Strong in applying the scales of justice in granting rights and duties, with correct and comprehensive attention in all work sites to the efforts made by the worker and to value them through objective evaluation methods and to motivate him with everything that opens the way for him to advance career. Hamshari believes that "intellectual capital stems from educated, smart organizations that work to create knowledge jobs, choose the best competencies to fill them and carry out all the operations that enable them to be preserved, as well as improve investment in what it carries in its minds and in what the organization's structures and information systems carry, for this is the competition today between organizations." It is to win smart creative minds to reach the equation of the smart organization, which is: the smart organization = intellectual capital (smart people) + information technology + values" (Hamshari, 2013, p. 254), And Abdullah Muslim believes that the development of intellectual capital is through continuous identification of the cognitive capabilities stored in the minds of individuals and working to develop them with correct guidance, training, motivation and pursuit To extract the latent knowledge and turn it into a declared and valuable knowledge, and this is by documenting all the intellectual processes by planning, designing, changing, developing and codifying the way the organization benefits from them, then converting the intellectual capital into a market value through creativity and innovation, and he adds that whenever the work of the human resource is close to the customers, a product of their desires and a realization To their satisfaction, the realized value was high (Muslim, 2015, p. 88). Al-Enezi talked about building intellectual capital and saw that it depends on two important points, namely its polarization and industry, so that strategies are developed to attract competencies that the institution works to implement, including searching for bright and rare minds

and attracting them to the organization to increase its knowledge balance, working to develop the element of the ability of workers by investing in skills and energies Existing appropriately, encouraging and benefiting from it in expanding knowledge within organizations, then paying more attention to individuals who carry knowledge that achieve distinction by opening all means for them to grant them more privileges and powers, work to develop the element of the ability of workers by investing in the skills and energies present in an appropriate manner, encouraging them and benefiting from them in expanding knowledge within organizations, then paying more attention to individuals who carry knowledge that achieves distinction by opening all the means for them to give them more privileges and powers, and work with work teams that include distinguished individuals, they interact with each other and then dissolve once the project ends (AAanzi, 2008, p. 123).

4- Results and Discussion:

4-1-The reality of developing intellectual capital and its obstacles in the Algerian economic establishment:

Since its independence, Algeria has worked to mobilize its efforts and capabilities to build the economic sector and advance it in order to achieve a comprehensive development of society, and the economic institution has formed an important position among its interests as one of the main pillars on which the economy is based.

Therefore, at every stage of its development, it gave it more opportunities to develop its tools and capabilities to move forward from self-management to the socialist management of institutions to the stage of independence, in which it tried to make tremendous efforts in applying modern methods of management and allocated large budgets to develop its capabilities and resources, but in reality it did not achieve the desired success, Many studies confirm that they applied imported methods each time in an environment of different data and characteristics. Self-management failed because workers lacked the slightest administrative and technical knowledge with the lack of material resources and the failure of socialist management for the same reason with tension in relations as a result of the struggle of workers and officials, and the struggle of technocrats as a result of different

ideas and attitudes, this is due to the different training methods that are far from the Algerian reality, in addition to the exaggeration in the social aspect that led to the emergence of pathological phenomena such as laziness, dependency, carelessness, lack of discipline and lack of respect for time ... etc. Today, the independent economic institution suffers from many problems as a result of its inability to adapt to the requirements of the current market. Boufalja Ghiyat believes that Algeria, despite the changes and modifications made to the methods of organization and management which moved from a capitalist system inherited from the colonialists to self-management to socialist management and then the independence of institutions, However, it did not use any scientific method to develop the organization and help workers cope with the changes, because it relied on political discourse with an ideological orientation far from the real goals of the desired development, which led to the failure of many projects and plans as a result of excluding scholars and specialists from them (Boufaldja, 2016, p. 70), Nasser Dadi also points out that "one of the most important problems of the independent economic establishment is the deficiency of the training system in Algeria, and it is intended for all training centers, whether professional or scientific in universities and higher schools, to provide competencies that meet the needs of institutions according to the requirements of success, in addition to the complexity of the administrative system which permits decentralization but interferes in the affairs of institutions and paralyzes their work with laws and controls that make them idle in the midst of market changes and fluctuations" (Adoun N. , 2004, p. 183), the results of field studies carried out by the researcher at Tebessa Cement Corporation in the context of preparing for a PhD under the title "Organizational Creativity and Intellectual Capital Development", "Reality of Investing in Human Capital" and "Obstacles to Investment in Intellectual Capital" confirms a case study that sheds light on a group of methods which are management by goals, reengineering, organizational learning and organizational confidence and its role in the development of intellectual capital, that although the institution under study allocates huge budgets for the implementation of programs for renewal and development of the physical

and moral work environment, however, it was noticed that the employees were not satisfied as a result of many subjective practices in some work sites by some supervisors or some officials who lacked competence and were promoted by other means, also, the exaggeration in flexibility with employees, the tyranny of the social aspect and the distance from the application of organizational rules, making the organization deviate from the correctness in the recruitment processes (selection), promotions, training, compensation, punishment and freedom of dealing, which allowed for the emergence of different conflicts between the old and the new generations, the gender of females and males, and between organizational units, the thing that caused the work to lose its integrity, and this caused many errors, technical failures and many problems in product marketing, In light of the lack of work in actual coordination between the units, this created a chasm between the efforts made by the institution and the results achieved, and considering the demoralized human resource as the main driver of all resources, this was reflected in the internal and external public relations that became tense, this caused the institution to lose its social balance that it owned, which shook its position in the market and made it suffer from a bad situation from the escape of customers.

4-2-The problems of the economic institution through the organizational reality:

By browsing the theoretical heritage and previous studies, we conclude that the economic institution allocates huge budgets for the development of intellectual capital according to new methods of work such as total quality, management by objectives, organizational learning ... etc., but it suffers from problems as a result of its focus on the general appearance and its neglect of content As a result of its distance from a correct understanding of the requirements of distinguished work and how to deal with its human resources according to correct, supportive and stimulating methods that take into account its sociotechnical characteristics, which made it live in a cycle of recurring problems at a time when it has important resources that enable it to shine, and we summarize its most important problems in:

- The application of imported administrative methods in a work environment with different and different characteristics, which created the gap between ambition for success and continuity and the results achieved.
- It is concerned with planning and organizing and neglecting the control and coordination element, so it does not give the organizational process its desired fruits.
- Exaggerations in adhering to the application of laws and regulations sometimes make the work lose the element of flexibility that enables it to adapt to emergency situations.
- The application of decentralization in which there is almost no element of coordination and control, so that the institution becomes a fertile field for endless conflicts between individuals, groups and departments, which made the work lose its complementarity.
- The latest technology in communication and information is applied, but the information does not reach the required specifications.
- It opens the doors of employment to young people and is interested in training and promoting them, but according to subjective grounds, the institution has been deprived of the distinguished competencies that strengthen its competitive balance.
- It allocates huge budgets for material and moral stimulation, but it is far from understanding the real psychological and social needs of individuals.
- Promotion according to subjective grounds that prevented the institution from benefiting from the tacit experiences and knowledge carried by the minds of its members.
- Indifference to the organizational culture according to the characteristics of the sociocultural work environment, creating a kind of chaos, conflicts and dissatisfaction.
- The lack of interest in the levels of supervision, the flow of information and its flow in a timely manner, with clarity and transparency, made the worker feel alienated between the scarcity of information and the flow of rumors.

5- Conclusion:

The general political and economic trends of the Algerian state, which were and still are a product of its impact on the global climate and the visions

and trends of the balance of power in it towards certain policies, imposed on it to change the general management patterns that were reflected on the economic institution from one stage to another in ways far from studying reality and its requirements. The formally application stage according to imported administrative methods that did not take into account the characteristics of the Algerian society, in addition to that it did not care to promote the infrastructure of the society on correct grounds that take into account the characteristics of the social reality and the characteristics of its sociocultural human formation, Starting with the development of the educational system in all its stages according to correct values based on cultural resources rooted in the Algerian society, with attention to their scientific content that keeps pace with scientific and technical developments, to build an efficient, educated generation that carries positive values, which makes it a strong pillar to bring about comprehensive development and be a valuable resource for economic institutions, To developing the economic reality in accordance with clear and specific laws that give way to the flexibility required by market fluctuations, so that the economic institution can raise challenges to competition by adopting the latest methods to develop its resources, which knowledge is one of the most important of all, and implicit knowledge requires special methods to translate it into a distinguished practical reality by applying fair methods in granting rights and duties, as well as material and moral stimulation, It also requires intelligent leadership that spreads a culture of teamwork according to the values of cooperation, harmony and constructive dialogue, and supports social relations inside and outside the institution in order to be able to make the most of the intellectual capital that it owns.

Suggestions and recommendations:

Through what has been presented, we propose a set of recommendations represented in the following points:

- The necessity of actual training of competencies in universities or in vocational training centers through programs that are in line with scientific and technical development, such as including the scale of the organization's management and the management of competencies in all disciplines so that

everyone receives the general concepts and tools necessary for leadership techniques and dealing with the human resource, in addition to the technical standards, so that they have a solid base of useful knowledge.

- Work to create real bridges of communication between the university and economic institutions so that the actual requirements of the types of human resources are known.
- Attempting to support the economic institution for scientific research projects according to its needs for excellence.
- The need to pay attention to education and training according to the values of teamwork, respect, cooperation and dialogue according to the real needs of individuals.
- Adapting methods and methods of developing intellectual capital according to the sociocultural characteristics of the local community in order to ensure positive interaction for individuals to achieve results that match expectations and aspirations.
- The institution must apply the scientific method according to the actual work requirements in the recruitment, selection, appointment, training and promotion processes in order to gain a highly qualified and high morale human capital.
- The need to pay attention to the levels of supervision and supervisors because they are responsible for implementing the vision and mission of the institution, and they are responsible for providing a supportive, comfortable and stimulating work environment for the flow of information and the use of it.
- The need to pay attention to social capital that brings the competitive advantage to the institution.

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