Empowering Women through Intellectual Capital – A Croatian Case Study

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Dragica Jerkov:
President of the Croatian Business Women’s Association KRUG

Short video clip - message
Intellectual Capital – A Life’s Mission

1998:
2nd Intellectual Capital Congress
McMaster University, Canada
Austrian Team for Intellectual Potential

2001: Challenging IC-Related Projects in Croatia:
• APENIK – Increasing National Intellectual Capital
• Empowering Women through Intellectual Capital
European Strategy – Theory versus Croatian Reality

**Smart Growth:**
- Strengthening knowledge and innovation as drivers of future growth
- Strengthening connections - political, familiar, business connections (project funding)
- Knowledge, skills, innovation, creativity – not a priority
- Focus primarily on money (EU funding), smart technology, land (parking, building)
- Improving the quality of education, must be combined with entrepreneurship
- Academia and entrepreneurship (SME) – weakly linked, information transfer inadequate

**Sustainable Growth:**
- Promoting a more resource efficient, greener and more competitive economy
- Resource inefficient - intellect (knowledge, skills, innovation, creativity)

**Inclusive Growth:**
- Empowering people through the acquisition of new knowledge & skills
- Raising work productivity
- Share of women entrepreneurs (make only 20%)
- Lacking knowledg and skills for value creation
IC Reporting – Labour Productivity

Value Addedd = Income - Expenditures + Wages + Amortisation
Reflects the ability to create value

Value Addedd in Croatian Kunas

Value Creation Efficiency of Human Capital = VA / Wages
HCE : VA created per 1 Croatian Kuna invested in employees

Human Capital Efficiency

Results for the economy of Split – Dalmatia county.
In 2015 less VA was created than in 2009 and much less than in 2012. Drastic fall in 2012. Slightly rising. However, still below the VA level reached in 2009.

Results for the economy of Split – Dalmatia county.
In 2009 HCE was 1.90, meaning that employees have created 90 lipa (0.9 Croatian Kunas) per invested 1kn (Croatian kuna) into employees through their salaries. In 2015 the HCE was 1.60 – (0.30 Cro Kn) less than before

Summary: Economic Analysis of Split-Dalmatia County from 2009 - 2015
- Drop of Value Added
- Drop of Human Capital Value Creation Efficiency (2012 - 2015)

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Karmen Jeličić, Intellectual Capital Center / Center of Economics
Today’s Economic Context

Non-material/intangible business factors –
The basis of value creation & competitive advantage
Women Entrepreneurs & Intellectual Capital

Potential for Value Creation, Growth and Development

- Financial capital
- Physical Assets
- Natural capital

- Material / Tangible
  - Limited
  - Center of interest
  - Managed carefully
  - Overused/exploited

- Non-material / intangible
- Unlimited
- Marginalised
- Managed randomly
- Underutilized
The Project
„Development of Women’s Entrepreneurship through Intellectual Capital as a Potential“

Focus: Women and non-material business factors

Short Term Goals:
Education, networking, KN exchange, motivation

Long Term Goals:
Change of: focus, mindset, way of doing things
Increase of competitive advantage and productivity

Shift:
From cost to adding value through intellect (& heart)
From material to the non-material/intangible
From renting properties to creating experiences (tourism)

Learning:
Women intuitively understand and utilise IC
However, awareness creation, visualisation & learning are necessary

Partners: Croatian Chamber of Commerce, R&D Bank, Split County
Support: The President of Croatia, University of Economics Split
Financing – Mission „almost impossible“
Utilising the Non-Material

Conceptual Framework – Visualisation of the invisible

Emotional capital
Social capital

Non-material cultural heritage

Self assessment

Business context

Vocabulary

Consulting

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Tourism of Experience and Emotion

Knowledge, Creativity & Innovation:
Valuable intangible capital
in creating experience and emotions
Activities

2016: From a „Foggy“ Idea to a Project:
• Preparation of project documentation
• Lobbying for financial support

2017: Programme finalisation:
• 6 lectures and workshops related to non-material business factors
• Lectures took place in two locations: Split (county capital) and Makarska (tourist region)
• Networking & knowledge exchange (different energy without men)
• Promotional activities (press, TV, radio, web portals)
• Final conference under the patronage of the Croatian President, Mrs Kolinda Grabar Kitarović
• Dinner party – celebrating our strenght, persistance, knowledge & skills
Women 4 Women
International Support

„NCP WOMEN TASKFORCE”
http://new-club-of-paris.org

Members:
Eunica Mercier Laurent (FR)
Waltraut Ritter (D/HK)
Pyrjo Stahle (FIN)
Paola Paoloni (I)
Sladjana Cabrilo (Taiwan)
Karmen Jelcic (CRO)
Strengths

- Keepers of tradition (KN, skills, recepies)
- Social competence, heart, people skills
- Creativity + innovativeness (depending on education /environment)
- Small improvements (step by step)
- Attention to intangibles (design, atmosphere, stories, experience, emotions)
- Relationship capital (collaboration, synergy, win-win strategy, fair value for service/product)
- Customer satisfaction oriented
- Taking criticism, being open to suggestions
- Healthy values
- Multitasking (family, business, community)
- Higher goals & social benefit vs. ambition
- Green, eco-friendly

Weaknesses

- Professional knowledge (ignorance)
- Doers - not thinkers (routine work)
- Rural area: less innovative /creative (golden hen & blue cow)
- Uncomfortable with big change
- Role of intangibles underestimated
- CRM (spontaneous, not managed)
- Weak vision, customer based strategy
- Time – learning, business networking
- Men (earnings, power, workload)
- Formal position vs. role in business

Sacrificing themselves for the well-being of others
Money seen as a means, rather than a goal
(family survival, education of kids, self realisation, community needs)
Comments

Have some new ideas and goals, now. Never thought before that this was really important.

I am thrilled! Have already been practicing most of the mentioned but it helps bringing structure into all of it. I agree, our people lack culture and creativity so that good employees are hard to find. Once you do, they are priceless.

Useful and interesting. Pointing out the most common mistakes we do. We are basically aware of all of this. But it is helpful to have it summarised and to hear that it is important. Confirmation that we are going in the right direction.

Congratulations on the quality of communication, the atmosphere and opportunity of exchanging experience. Hope that education like this will be organised more often.

Relaxed atmosphere, positive spirits, interesting women – all of it influenced the success of the workshop. Helpful for further communication and work.

The systematic layout of non financial business factors helped me to structure my own thoughts. Now I can better plan future actions.

Useful advice presented in simple language which we could understand. Inspiring presenters. It was a combination of both work and pleasure.
Duška Zaninović: Apartment House Lavanda Divona

Competitive disadvantage:
- Property location
- Lack of funds
- Fluency in foreign languages

Competitive Advantage - Intellectual Capital:
- **Knowledge** - created a welcoming atmosphere through original arts & design
- **Skills** - cooking, entertaining, singing
- **Social capital** - family, friends, neighbours
- **Customer capital** - happy / loyal guests
- **Innovation capital** - dishes based on sardines
Miranda Paić: Skradinske delicije

SKRADIN CAKE = IC
An original, decorative, edible & reusable souvenir

Aunt’s Recipe (non-material heritage) +

a) INNOVATION: Cake filled with mulberry jam (*mulberry - a rediscovered local fruit*)
b) CREATIVITY: Design elements, traditional local embroidery, almond flower
c) ECOLOGY: Reusable packaging
Lada Karninčić: Trenton

• Every company or enterprise depends on smart and engaged people, on its Human Capital.

• At Trenton, we have been aware of that from the very beginning. We care about teamwork, but also about building personal relationships with each employee.

• It is important to us that everyone feels that they are part of our business family & that their work is appreciated by both, co-workers and management.

• Under such condition, our employees will use their Intellectual Capital for the benefit of the company and themselves.
Women entrepreneurs want to be treated as equal to men.

Due to prejudice and our patriarchal society, women face more obstacles.

The percentage of women in propriety and leadership structures has improved but it is not yet satisfactory.

Data implies that companies owned/managed by women are more successful (by 38%).

Only 14% of women hold high profile management positions and only 4% have reached the top.

Talents and capabilities of women greatly enhance the economy. It requires further promotion.

Institutional support is crucial.

The Croatian Chamber of Commerce in Split has embraced this project with much enthusiasm.
Thank you for your attention!

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