

CORPORATE INFRASTRUCTURE MANAGEMENT AFFECTING INTELLECTUAL CAPITAL

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Abstract: To support the success of company activities, it is necessary to complete facilities and reliable infrastructure. This paper aims to review and analyze concepts, definitions, research models, and development of infrastructure management models and intellectual capital from several pieces of literature that have been implemented in various companies. The writing approach used is to conduct a literature study that reviews the concepts and explains them. This paper also tries to describe the relationship or influence between infrastructure management and intellectual capital. Academically this paper is useful for the development of conceptual models in the direction of research and research discourse that is developed, as well as providing an understanding and in-depth understanding of the conception of infrastructure management and intellectual capital. Being an effective HR professional doesn't just change from operational work to strategy. This means learning to master the operational and strategic processes and people. Success in this role requires an understanding of the results, metaphors, and specific actions in each role. The role of corporate infrastructure management in shaping an efficient corporate infrastructure is as an administrative expert who can help in reducing unnecessary costs, increasing efficiency, and continuously finding new ways to work better.

Keywords: Corporate Infrastructure Management, Intellectual Capital

INTRODUCTION

Globalization and world economic recession that occur have a significant impact on various aspects of life, including the survival of an organization/company. Besides, the pressure to rationalize a business, reduce costs, and increase flexibility in business processes is another demand that needs to be done to improve the management of corporate infrastructure.

To support the success of the business activities of an organization/company, it is necessary to complete reliable facilities and infrastructure. The reliable company infrastructure consists of human resources, assets, and goodwill. Human resources as part of the company's infrastructure consist of employees, managers, owners, and the community around the company environment that supports the company in making a positive contribution to the progress and achievement of the company's goals. To encourage the contribution of human resources, and organizational

infrastructure must be created as a supporting tool. Organizations should be understood as a system because it requires a mechanism that is built through bureaucratic structures and personnel practices that are planned effectively and efficiently to maintain the stability of institutional performance.

HRM means managing, managing HR based on the company's vision so that organizational goals can be achieved optimally. Therefore, HRM is also a part of Management Science (Management Science) which refers to the management function in carrying out the processes of planning, organizing, staffing, and leading.

If the next agenda is to create value in the business of Human Resources, then a new role for HR professionals needs to be determined. For HR professionals, to be able to add value to increasingly complex businesses, they must display increasingly complex and paradoxical roles. HR professionals must fulfill operational and strategic roles, HR

professionals must be both controllers and partners, and they must be responsible for qualitative and quantitative objectives over the short and long term. Then Dave Ulrich called it a change like human resources: a model for various roles (The Changing Nature of Human Resources: A Model for Multiple Roles). Dave Ulrich divides the changing nature of Human Resources into four models for various roles.

To create value and produce something, HR professionals must start by not focusing on HR activities or work but by determining the results of the work. With the results, the roles and activities of business partners can be determined.

The importance of infrastructure management that will affect organizational success efficiently and effectively and produce a competency is explained by Ulrich (1997), namely: About professional resources, ability development, assessment, forms of appreciation (appreciation), and promotion for employees.

One aspect that needs attention in anticipating changes in the business environment is the management of corporate infrastructure. This is because the management of the company's infrastructure is one of the important parts of achieving the company's goals. Besides, the company's infrastructure management is a tool for members of the organization to support their activities to contribute to the company. This illustrates that the company's infrastructure is a supporting tool for human resources in carrying out their functions and duties.

METHODS

This paper uses the literature study method which is a survey and discussion of literature in a particular field of research, conducted a literature study such as peeling, comparing, summarizing, and collecting literature then a conclusion is made.

RESULT & DISCUSSION

Management of Firm Infrastructure

Company Infrastructure Management is determined that HR professionals design and produce effective HR processes for staffing, training, appraisal, rewards, promotions, and regulating the entry and exit of employees in the organization. As the person in charge of the company's infrastructure, HR professionals ensure that organizational processes are designed and produced efficiently. The result of the company's infrastructure management role is administrative efficiency.

The metaphor for work on infrastructure management is "Administrative Experts. The implications of infrastructure management, HR professionals who act as administrative experts find unnecessary costs, develop efficiency, and consistently find new ways to do things better.

Activities or actions of the company's infrastructure management as administrative experts are necessary to carry out activities that result in reengineering the ongoing work processes that they do.

The role of human resources is crucial for the achievement of organizational goals as outlined through a strategic focus that is supported by the smooth process of activities that are reflected through the involvement of employees in carrying out their activities.

In the new economic world, the success of an organization will depend on organizational capabilities such as speed, ability to respond, intelligence, learning capacity, and employee competence. Besides, organizational success also depends on the speed of implementing strategies in action, managing processes based on intelligence and efficiency, maximizing employee contributions and commitment, and creating conditions that follow the change. They need to realize this, encourage organizations to carry out the role of HRM strategically,

one of which is: becoming an administrative expert.

The role of an administrative expert is much emphasized in processing and storing records. Maintain workforce records and related databases, process profit claims, answer questions including company policies on leave and collect and submit documents needed by organizations/companies. All these activities must be carried out efficiently and on time.

In the previous decade, HR professionals had been labeled as administrators. But now they must be able to carry out their new role as administrative experts. For this reason, HR staff must be able to improve the efficiency of their functions and the organization as a whole. In the function of human resources, many processes that can be done become better, faster and cheaper. Finding and defining processes like this is part of the work of "new human resources". Many companies have implemented flexible automation and beneficial programs where employees can manage paperwork, use of technology to reduce time in recruiting new employees, and the use of electronic bulletin boards that make it easier for employees to communicate with senior executives.

In these cases, the quality of HR work has increased and costs have decreased. This cost reduction not only benefits HR is becoming an organization's administrative expert but also increases efficiency in building HR credibility which will open the door to becoming a partner in implementing the strategy. HR executives can also enhance their value as administrative experts by rethinking how work can be done throughout the organization. For example, they can design and implement a system that can be used by departments to share administrative services and can create centers of expertise that collect, coordinate, and disseminate important information about market trends, or organizational

processes. Groups can also be grown as internal a consultant, which not only save company finances but also improves the competitive situation between them.

Ulrich (1997) explains that corporate infrastructure management is concerned with building an efficient infrastructure through the organization's re-engineering process so that even employee contributions can be realized for each employee in carrying out their obligations to achieve organizational goals. This suggests that business reengineering must be carried out on all external and internal aspects of the organization.

Intellectual Capital

Effective global competition not only requires more than creating a home market product and delivering it to a new market, but it requires a network of global excellence. Fast-moving products, people, information and ideas to meet local needs, and management paradox of the global economy about the scale of local reaction capabilities, this requires a global mindset and a local commitment.

Another issue that is no less important for global business is the uncertain politics of global markets, economic power can be influenced by religion, revolution, family, political parties, or even rebellion. All of this is what underlies the new global challenges companies must face. To be able to compete in a rapidly developing time cycle, organizations/companies must build global capabilities such as the ability to talent, ideas and information worldwide to create products or services that are faster and better than competitors, they must also have a common global mindset that supports freely exchange ideas, and must build an employee infrastructure to use, recruit, train and motivate employees globally.

Global capabilities also include consideration of the implications of global business regarding economic

decisions taken by a country. Global capability requires a different format for the management of thinking and acting. In the global world, social and leadership contracts will also be changed. A company that works hard to create global organizational capabilities must start with a basic assessment, both funding perspectives, and unique skills to become competitors, the existence of team management, how an incentive system that will encourage employees to not move to another place. Operating managers and HR professionals who struggle with this issue must create new ways of thinking about organizations.

A successful company will attract many experts, develop and maintain individuals with enough skills, perspectives, and experience to run a global business. The managers sought will master intellectual capital as the basis for personal productivity needed to create and distribute global business products and services. Safeguarding intellectual capital means increasing the leadership bench, safeguarding intellectual capital also involves a variety of ideas and information through the company quickly.

Furthermore, Marr and Shciuma (2004) explained that intellectual capital is "it is composed of all knowledge-based assets, divided between organizational actors (relationship, HR) and infrastructure (virtual and physical).

From the opinions of these experts, it can be concluded that the security of intellectual capital is very important for an organization, both in terms of responding to customers and innovation as well as being an actor in infrastructure. Therefore, HR professionals must frame what they do in terms of the abilities they must create, and managers need to constantly look for abilities that are important for success and provide stakeholder satisfaction.

The definition of intellectual capital according to some experts is as follows:

1. Boudreau & Ramstad (1997) consider that IC is closely related

to human resource management that is needed by the organization to provide the necessary impetus for future development and growth.

2. Rastogi (2003) Intellectual capital "IC may properly be viewed as the holistic or meta-level capability of an enterprise to co-ordinate, orchestrate, and deploy its knowledge resources towards creating value in pursuit of its future vision"
3. Mouritsen et al. (2004) Intellectual capital mobilize 'things' such as employees, customers, IT, managerial work and knowledge. IC cannot stand by itself as it merely provides a mechanism that allows the various assets to be bonded together in the productive process of the firm
4. Sveiby (1997) IC has three dimensions (employee competence, internal structure, and external structure)
5. Nahapiet & Ghoshal (1998) as "knowledge and knowing capability of a social collectivity, such as an organization, intellectual community or professional practice"
6. Brennan & Connell (2000) Intellectual capital "Knowledge-based equity of a company"
7. Harrison & Sullivan (2000) Intellectual capital "Knowledge that can be converted into profit"
8. Sullivan (2000) Intellectual capital "IC is the knowledge that can be converted into profit"
9. Petty & Guthrie (2000) Intellectual capital IC are indicative of the economic value of two categories (organization and human capital) of IA of a company
10. Pablos (2003) Intellectual capital "A broad definition of intellectual capital states that it is the difference between the company's market value and its book value. Knowledge-based resources that contribute to the sustained

- competitive advantage of the firm from intellectual capital”
11. Pike and Roos (2000), Intellectual capital is the knowledge, applied experience, enterprise process, and technology customer relationships and professional skills which are valuable assets to an organization...Assets like employee knowledge, expertise, and creativity, customer confidence in the company and its products, brands and franchises, information and knowledge management systems, administrative procedures, copyrights, patents and trademarks, the efficiency of company business processes and the effectiveness of company planning, forecasters and strategy-making.

The ability of organizations to deal with the global competition requires redefinition to support and integrate individual abilities. Personal productivity is the basis for competitiveness. Personal productivity is something that is in the person who always does things better than competitors. Unique abilities among employees, including performance, productivity, flexibility, superior innovation and the ability to provide excellent service to customers are ways in which employees provide an important element in developing an organization's competitive position.

In successful organizations, whatever the industry or area, individual abilities are transformed into organizational abilities which are to reward individuals. The ability possessed by individuals is an intellectual capital asset that is very important for the organization.

Besides Ulrich (2001) says that:

$$\text{Intellectual capital} = \text{competence} \times \text{commitment}$$

Starting from the explanation above, it can be concluded that intellectual capital is the overall value of an organization that describes the intangible assets of a company sourced from human, structural and customer capital. Furthermore, Bernard et.al (2004) states that Human Capital is divided into three namely: Competency (consisting of skills and education), attitude (in the form of behavioral components of employees), and intellectual agility (in the form of the innovation ability of employees) while structural capital is a combination of Relationship Capital), Organization Capital, and Renewal and development value.

What is concerned with Relationship Capital is the relationship between the company and consumers, suppliers, shareholders, and other stakeholders. While Organization Capital covers all organizational resources, including database, manual process, culture, management style. And from the side, Renewal and development value are all intangible assets that can contribute to the formation of future value, for example investing in employee training, reengineering and corporate restructuring, research and development. When explored further these three aspects are the total value of the company that can be used for the formation of the company's competitive advantage. Schematically, this can be illustrated as shown in the following figure.

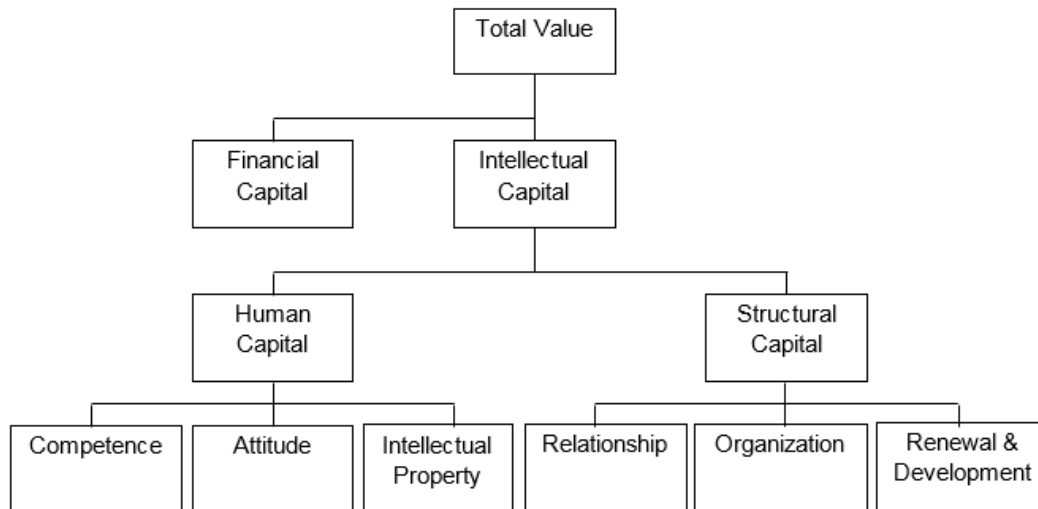


Figure 1. Intellectual Capital Tree
 Source: Adopted from Bernard, 2004

As stated earlier, intellectual capital is the total value of a company that represents the company's intangible assets. About these intangible assets, Sveiby (1997) suggests three categories of these assets, namely:

1. Intangibles are representatives of aspects of Employees Competence
2. Intangible regarding the internal structure of the organization
3. Both of the above relates to the internal structure of the organization which includes brand names, images, and relationships

with suppliers and more importantly the relationship with consumers.

These three aspects can be further displayed in the form of a matrix in the form of measurement of Intellectual Capital to monitor the company's internal assets. These three aspects can be further displayed in the form of a matrix in the form of measurement of Intellectual Capital to monitor the company's internal assets. The monitor matrix is displayed in the following table:

Table 1. Intellectual Capital Measurement Matrix In Monitor Company Internal Assets

	Human Competence	Internal Structure	External Structure
Indicator of growth/renewal	Years in profession; Education level; Training cost; Turnover	Investments in the internal structure; Customers contributing to system/process building	Profitability per customer; Organic growth
Indicator of efficiency	The proportion of professionals in the company; Leverage effect; Value added per professional	The proportion of support staff; Sales per support person; Corporate culture poll	Satisfied customer indexed; Win/loss index; Sales per customer
Indicator of stability	Average age; Seniority; Relative pay position; Professional turnover rate.	Age of organization; support staff turnover rate; Rookie ratio	The proportion of big customers: Age structure; Devoted customer ratio; Frequency of repeat orders.

Source: Adopted from Bernard, 2004

The table above illustrates that the three intangible assets of the company can be monitored through the development of these three measuring tools (growth/renewal, efficacy, and stability). The monitoring of intangible assets will provide added value for the creation of Intellectual Capital in the company.

From the above explanation, it can be deduced a formula that intellectual capital as an intangible asset has a big contribution to the creation of the company's competitive advantage. This is a contribution from the employee as an intangible asset of the company in the formation of added value for the organization through its realization as human capital formed from the competencies that they build and possess; from attitudes and behaviors at work; and from the innovation capabilities possessed by employees in supporting activities and work processes in the organization (intellectual agility).

Furthermore, Bernard et al (2004) states that Human Capital is divided into three namely: Competency (consisting of skills and education), attitude (in the form of behavioral components of employees), and intellectual agility (in the form of the innovation ability of employees) while structural capital is a combination of Relationship Capital, Organization Capital, and Renewal and development value whereas matters relating to relationship capital are relationships between companies and consumers, suppliers, shareholders, and other stakeholders. While Organization Capital covers all organizational resources, including database, manual process, culture, management style. And from the side, Renewal and development value are all intangible assets that can contribute to the formation of future value, for example investing in employee training, reengineering and corporate restructuring, research and development.

In successful organizations, whatever the industry or area, individual

abilities are transformed into organizational abilities which are to reward individuals. The ability possessed by individuals is an intellectual capital asset that is very important for the organization. Human capital is competencies, mindsets, and the ability of individuals and teams to apply solutions to customer needs. This is the ultimate potential realized in some form of wealth. Customer capital is the customer relationship, superior customer-perceived value, increasing customizing which are made up of codified knowledge bases, business processes, and technology infrastructure), the shared culture, values, and norms.

The Role of Management of Firm Infrastructure against Intellectual Capital Professional resources will make infrastructure improve the process of human resources, and therefore will implement good practices. The company will try to develop new human resource practices so that it can find economies of scale from its human resource activities.

The result of this infrastructure role is an efficient infrastructure building that is efficient in the human resource process and efficient in the overall business by appointing managers who can increase productivity.

In matters relating to the company's infrastructure are administrative experts. An administrative expert is a professional human resource who will try to avoid unnecessary costs and will increase efficiency, and commitment and competence. According to Ulrich (2001), Intellectual capital = commitment x competence.

From the opinions of experts, it is concluded that securing intellectual capital is very important for an organization, both in terms of responding to customers and innovation as well as being an actor in infrastructure. From the explanation above, the company's infrastructure management plays an important and

influential role in intellectual capital (Intellectual capital).

Research Model

From the explanation above, the research model can be described as follows:

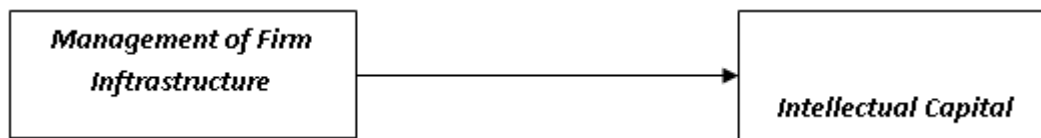


Figure 2. Research Model

Source: data that has been processed by the author

CONCLUSION

Being an effective HR professional doesn't just change from operational work to strategy. This means learning to master the operational and strategic processes and people. Success in this role requires an understanding of the results, metaphors, and specific actions in each role.

For line managers, there are new HR roles, each of which includes: results, metaphors, and actions requiring specific responses: Determine desired results and can be done easily from HR activities; Operationalize measure and communicate the value created by HR; Determine who has responsibilities and is held accountable for HR activities; HR professionals in meeting the demands of new roles must learn to act in new ways and with new expectations, with the following objectives; Stop talking about being a business; Define business partners in the context of the value created for the business; Describe accurately with client participation, the quality of existing and desired results.

For current HR professionals who want to give value to the company, they must fulfill a variety of roles, must determine the outcome of each role in the company, determine the image that characterizes this role, and act to achieve sustained results in the role. They must also recognize their paradoxical position within the company, accepting responsibility for achieving

results while forming the commitment needed to achieve those results.

The role of corporate infrastructure management in shaping an efficient corporate infrastructure is as an administrative expert who can help in reducing unnecessary costs, increasing efficiency, and continuously finding new ways to work better.

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