HUMAN CAPITAL AND ASSETS IN THE NETWORKED WORLD
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Edited by

MEIR RUSS

University of Wisconsin-Green Bay, WI, USA
This book is dedicated to my wife Fay, whose continuous unconditional loving support is a daily miracle and without whom the search for a better human condition would have been a lonely and cold journey.
LIST OF CONTRIBUTORS

Greg Ashley  Bellevue University, United States
Raphael Bar-El  Sapir Academic College, Israel
Sukanto Bhattacharya  Department of Management, Deakin University, Geelong, Australia
Richard J. Boland Jr.  Case Western Reserve University, United States
Michael B. Cohen  Department of Management, Deakin University, Geelong, Australia
David L. Cooperrider  Case Western Reserve University, United States
Elizabeth B. Davis  University of San Francisco, United States
Stephen Gallay  Lakeridge Health Ajax Pickering Hospital, Canada
Leire Gartzia  Department of People Management, Deusto Business School, University of Deusto at Bilbao, Spain
Ilanit Gavious  Guilford Glazer Faculty of Business and Management, Department of Business Administration, Ben-Gurion University of the Negev, Israel
Erik Hellsten  Health Quality Ontario, Canada
Dan Kaufmann  Department of Applied Economics, Sapir Academic College, Israel
Monia La Verghetta  Università degli Studi di Macerata, Italy
Mikel Larreina  Department of Finance, Deusto Business School, University of Deusto at Bilbao, Spain
Joel Lobo  Lakeridge Health Ajax Pickering Hospital, Canada
Farah Nabi  Lakeridge Health Ajax Pickering Hospital, Canada
Federico Niccolini  Università degli Studi di Pisa, Italy
Valentina Pilotti  Università degli Studi di Macerata, Italy
Paul P. Poppler  Bellevue University, United States
Krishna Priya Rolla  Department of Management Science, Dr. Babasaheb Ambedkar Marathwada University, Aurangabad, Maharashtra, India
Dafna Schwartz  Guilford Glazer Faculty of Business and Management, Department of Business Administration, Ben-Gurion University of the Negev, Israel
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Jesse Slade Shantz  Lakeridge Health Ajax Pickering Hospital, Canada
Ernie Stark  Rochester Institute of Technology, United States
Knut Ingar Western  Faculty of Social Sciences, Nord University, Norway
Victoria Choi Yue Woo  Eudaimon, Inc., United States
Daniel J. Worden  Author, United States
Carolyn M. Youssef-Morgan  Bellevue University, United States
Meir Russ is a Professor in Management at the Austin E. Cofrin School of Business at the University of Wisconsin–Green Bay. He also teaches at KEDGE-Bordeaux School of Management, the University of Pisa, GSA Master program, NORD University, Norway, Master of Knowledge Management program, Roma-Tre, Rome, Italy, Ph.D. program as well as the Doctorate in “Economia Aziendale e Management” program at the University of Pisa. His research interests include human capital valuation methods, knowledge-based strategies, and the new-knowledge based economic development, among others. In addition to his academic focus, Dr. Russ serves in a consulting capacity with a number of multinational companies in the area of global strategic management and knowledge management. He is the founding editor of *The International Journal of Management and Business* (IJMB) and at present he is the Chief Editor of *Online Journal of Applied Knowledge Management* (OJAKM). He edited five books and published over 40 papers on the subjects of Knowledge Management and Human Capital, among others. He is also the Frederick E. Baer Professor in Business and the Philip J. and Elizabeth Hendrickson Professor in Business.
ABOUT THE AUTHORS

Greg Ashley is an Associate Professor in the College of Business at Bellevue University and director of the university’s PhD program in human capital management. Prior to entering academia full time, Greg had a lengthy career in the telecommunications industry where he held a variety of management positions. His management work experience includes corporate performance metrics and reporting, gap analysis, performance appraisal, training, project management, and forecasting. He holds master’s degrees in Business and Economics, and received his PhD in Industrial/Organizational Psychology from the University of Nebraska. His research interests include individual differences, statistics, leadership, personnel selection, and issues related to the measurement and development of human capital.

Raphael Bar-El is Emeritus Professor of Ben-Gurion University and the Chair of the Applied Economics Department at the Sapir Academic College. His main areas of interest are innovation and high-tech policy, economic growth, regional development, innovation ecosystems, and the location of economic activity.

Sukanto Bhattacharya has a PhD in Information Technology from Bond University, Australia. He has served as an Assistant Professor of Finance at Alaska Pacific University, Anchorage, USA, and also at Dickinson College, Pennsylvania, USA, prior to taking up a postdoctoral research fellowship at University of Queensland’s UQ-KPMG Centre for Business Forensics. He is currently a senior lecturer at the Department of Management, Deakin
Business School, Deakin University, Australia. His current research focuses on computational models of apex leadership decision-making and role of organizational climate and culture on the propensity of unethical and fraudulent employee behaviour.

**Richard J. Boland Jr.,** PhD, before joining the Weatherhead School in 1989, was Professor of Accountancy at the University of Illinois at Urbana-Champaign. He has been a visiting Professor of Management at UCLA, and has held the Malmsten Chair as Visiting Professor at the Gothenburg School of Economics, University of Gothenburg, Sweden. Concurrently, and he has been a Fellow of the Judge School of Business at the University of Cambridge since 1999. Boland’s research emphasizes interpretive studies of how individuals experience the design, implementation, and use of information technologies.


**Michael B. Cohen** is a senior lecturer in the Deakin Business School where he teaches topics in Management and Leadership. Michael’s PhD thesis was on the problem of the valuation of intangible assets and he has previously held teaching posts at Victoria University in Melbourne, the University of Cape Town, and the University of the Witwatersrand. In addition to teaching, Michael has also been employed as an executive consultant for Ernst & Young (London) where he was part of the Risk
Management Group and consulted with firms on the financial risks in the management of business operations.

David L. Cooperrider, PhD, is Distinguished University Professor and holds the Fairmount Santrol - David L. Cooperrider Professorship in Appreciative Inquiry, at the Weatherhead School of Management, Case Western Reserve University, where he is the faculty founder of the Fowler Center for Business as an Agent of World Benefit. David is also the Honorary Chairman of Champlain College’s David L. Cooperrider Center for Appreciative Inquiry at the Robert P. Stiller School of Business. David is best known for his original theoretical articulation of “AI” or Appreciative Inquiry with his mentor Suresh Srivastva. David has served as advisor to prominent leaders in business and society, including projects with five Presidents and/or Nobel Laureates such as William Jefferson Clinton, His Holiness the Dalai Lama, Kofi Annan, and Jimmy Carter. David is also a founding board member of the Taos Institute and the International Association of Positive Psychology. David has published 25 books and authored over 100 articles and book chapters. He has served as editor of both the Journal of Corporate Citizenship with Ron Fry and the current academic research 4-volume series on Advances for Appreciative Inquiry, with Michel Avital.

Elizabeth B. Davis has been the Dean of the School of Management since August 2014, and is the first female Dean in the School’s 92-year history. She is an expert in strategic management, organizational dynamics, sustainability, and business policy.

Prior to her appointment at USF, she was Dean of the College of Business and a Professor of Management at the University of New Haven in Connecticut, an Associate Professor and Chair of the Department of Organizational Sciences and Communication,
and Director of the Women’s Leadership Institute at George Washington University. She spent 12 years at the faculty of the School of Business at St. Joseph’s University in Philadelphia. During her industry career, she was a researcher at Duke University Medical School, and then CEO and COO of the National Disease Research Interchange, a biomedical research and technology firm based in Philadelphia.

Davis received her PhD in Systems Sciences from The Wharton School, University of Pennsylvania, and her BA in Sociology, with Honors from Barnard College, Columbia University.

**Stephen Gallay** completed both a B.Sc. in Physiology and an M.D. degree at McGill University. Thereafter, he went on to train in Orthopedic Surgery at the University of Toronto and completed a fellowship in Upper Extremity Reconstructive Surgery at St. Michael’s Hospital, Toronto.

He joined Lakeridge Health Ajax/Pickering (LHAP), formerly known as Rouge Valley Health System, in 1997 and after serving for many years as Chief of Orthopedic Surgery, he has recently taken on the role of Chief of Surgery for the Ajax and Pickering campus. He is also a Consultant Shoulder Surgeon with the Working Condition Program at Sunnybrook hospital’s WSIB Shoulder and Elbow program, and co-founder of mySmartSimulations (a US company specializing in simulation-based virtual reality training for healthcare).

Although Stephen’s clinical passion has always been Arthroscopic and Reconstructive Surgery of the shoulder, he is also equally passionate about improving the healthcare system through the development of novel models of care.

Stephen’s healthcare system learning has been enriched by having been the President of the Ontario Orthopedic Association, a member of the 2008 Ontario Medical Association Negotiations Team and various subsequent trilateral working groups with the
Ontario Ministry of Health (MOH) and Local Health Integration Networks (LHINs). He has also served on Health Quality Ontario’s Panel on quality-based procedures for degenerative conditions of the shoulder. Currently he is a provincial clinical Champion and member of two key MOH committees dedicated to improving musculoskeletal access to care for Ontarians. Furthermore, Stephen has co-founded The Shoulder Centre Integrated Shared-Care Network in the Central East LHIN and has overseen its development into one of the three priority MSK models of care for Ontario.

Leire Gartzia, PhD, is Professor of Leadership at Deusto Business School, Spain. She earned a joint European PhD in Organizational Psychology with the Rotterdam School of Management and was a postdoctoral fellow at Northwestern University, USA. She has collaborated as a Visiting Scholar in several research projects about people management at relevant business schools, including the Technische Universität München School of Management (Germany), the Hanken School of Economics (Finland), or the Haas School of Business, University of California, Berkeley. Her research has been recognized by international awards including the Academy of Management Best Paper and the Dorothy Harlow distinction in Gender Studies. Next to her academic activities, Leire Gartzia has combined research with the business world, giving lectures and courses about organizational behavior to employees, managers, and politicians. Her research focuses on organizational behavior and psychology, including topics such as leadership, organizational change/innovation, and gender issues in management.

Ilanit Gavious is an Associate Professor of Accounting and Finance at the Guilford Glazer School of Business and Management, Ben-Gurion University of the Negev. She is the Head of the MBA Program of Ben-Gurion University at Eilat and
a Commissioner in the Israel Securities Authority (the Israeli Securities and Exchange Commission). She is also a Certified Public Accountant and has operated as Senior Accountant at a Big-4 Accounting firm (Deloitte & Touche) and at a leading commercial bank in Israel. Her research interests include firm valuation, valuation of intangible assets, and earnings management.

Erik Hellsten is the Manager of Strategy for Health Quality Ontario’s Quality Standards program where he leads the development, implementation, and evaluation of evidence-based clinical standards for the Ontario health care system. His recent work has included the development of Health Quality Ontario’s three-year strategic plan for health technology assessment and quality standards, as well as a variety of projects related to Ontario’s quality-based procedures hospital payment system reforms. Prior to joining Health Quality Ontario, Erik led the Hospital Funding Reform project under the Excellent Care for All Strategy at the Ontario Ministry of Health and Long-Term Care.

Erik is also a research associate with the Centre for Health Services and Policy Research at the University of British Columbia, where his research focuses on the design, evaluation, and implementation of health care provider payment reforms and the exploration of the clinical and economic impacts of regional variations in care and utilization.

Dan Kaufmann is an Associate Professor at the Sapir Academic College. His research is focused on innovation and innovation policies with specific focus on SMEs. He is also a member of the governmental committee for advancing innovation within SMEs of the traditional sector. Before entering the academia, he managed the Innovation and Growth unit at the Jerusalem Institute for Israel Studies and consulted the World Bank on R&D Policies.
Monia La Verghetta is PhD in Economics and Management at University of Macerata (Italy). Her research concerns organizational theory and behavior. Main works and researches focus on organizational vision outlined from different perspectives: from the field of studies on network to the ones related to leadership and gender issue.

Mikel Larreina, PhD is a Professor in Finance and the Associate Dean for postgraduate programs at Deusto Business School. He teaches on topics related to Financial Institutions and Instruments in a number of international business schools. He has also taught in executive education programs for financial firms.

Larreina’s research involves two different areas: wine economics and the financial system. He has published several books and dozens of papers. He has chaired reports commissioned by regional governments, and has advised the Basque Parliament, the Consejo Regulador of Rioja, and the European Committee of the Regions, among others. He has recently participated in a Report on the Role of Financial Regulation in the Provision of Security funded by the European Union 7th Framework Programme. His research on the economic relevance of the Scottish financial industry was used as evidence in public documents of both sides of the 2014 Scottish independence referendum.

Joel Lobo completed his medical school and residency in Orthopaedic Surgery at the University of Toronto, and subsequently, two fellowships: Trauma and Upper Limb Reconstruction and Sports Medicine and Arthroscopy. His current practice at Lakeridge Health, Ajax-Pickering Hospital includes reconstruction of sports-related knee injuries, as well as Arthroscopy and open reconstruction of the shoulder with a special interest in complex shoulder instability and complex rotator cuff surgery. He also serves as an operative consultant for Ontario’s Workplace Safety and Insurance Board’s Shoulder and
Elbow Working Condition Program at Sunnybrook Health Sciences Centre. He is a former Division Head of Orthopaedic Surgery at Rouge Valley Ajax and Pickering hospital.

Dr. Lobo is an educational consultant for Arthrex, Inc. and Tribe Medical Group. He regularly instructs at surgical skills labs in Canada and in the United States to teach advanced arthroscopic surgical reconstructive techniques to residents, fellows, and other practicing international orthopaedic surgeons. As part of his educational outreach, he mentors surgeons in the Greater Toronto Area by hosting them at Lakeridge Health and visiting their primary hospitals to assist them with innovative procedures. He has a special interest in Patient Reported Outcome Measures and is among the pioneering group to implement a commercially available online tool to track PROMs.

He is a co-founder of The Shoulder Centre, an innovative central intake and assessment model for shoulder care in the Province of Ontario. He is involved in educational outreach to family physicians, training of Shoulder Champions in the family physician community, development of the electronic referral form for The Shoulder Centre, and the physician lead for the Ajax Pickering Foundation for fundraising activities related to The Shoulder Centre.

His hobbies and interests include woodworking, music, graphic design, coding in JavaScript, electronics, and cooking gourmet food. He is a student of enology and high performance driver education, and an avid fan of professional hockey.

Farah Nabi is the Manager of “The Shoulder Centre” and Ambulatory Care Clinics at Lakeridge Health Ajax Pickering Hospital, in Ontario, Canada.

Farah holds a combined BA in Economics and Psychology from McMasters University and a Certified Management Accountant designation from Toronto, Canada. For the past 6 years, Farah has worked in management positions at both Rouge Valley and
Lakeridge Health Systems, both acute care community hospitals supporting the communities of East Toronto, Pickering, and Ajax. With strong management and analytical skills, Farah has utilized lean methodologies within the surgical program to strategically attain targeted operational efficiencies while focusing on enhancing core clinical priority services. She has also had numerous opportunities to lead strategic transformational initiatives within the organization’s clinical units (Manager of “The Shoulder Centre”). Introducing innovative and transformative models of care within the surgical program has entailed evaluating strategic business opportunities, redesigning service delivery pathways, implementing system wide cost saving initiatives, reporting benchmarked operational performance, and publishing the performance outcomes achieved for Ministry reporting. Thus, Farah has been able to make effective and useful contributions to the surgical program.

Federico Niccolini is Associate Professor of Organizational Science at the University of Pisa (Italy). He has been Professor of Organizational Theory and Behavior at the University of Macerata from 2011 to 2015 and researcher from 2005 to 2010. His research interests are focused on protected areas management and organization, organizational dynamics related to sustainable development, organizational vision, and knowledge management. He has been visiting scholar or professor at universities in United States, including Stanford. Since 2007, he has been affiliated with the Department of Natural Resource Recreation and Tourism at the Colorado State University (USA).

Since 1999, Niccolini is a member of the World Commission on Protected Areas (WCPA) of the International Union for Conservation of Nature (IUCN). He participated in the International Visitor Leadership Program sponsored by the US Department of State — Bureau of Educational and Cultural Affairs.
Valentina Pilotti has a Master Degree in Economics and Management at University of Macerata (Italy). She is an expert of organizational vision, mission, core values, and storytelling.

Paul P. Poppler is a Professor in the College of Business at Bellevue University (Nebraska). He holds degrees from the University of St. Thomas (Minnesota), the University of Minnesota, and the University of Nebraska, Lincoln. Paul has taught courses and has served in administrative and committee roles at Minnesota State University, St. John’s University (New York City), and Bellevue University. Paul’s contributions to knowledge development include roles and presentations in over 30 conferences, seven conference proceedings, a professional development workshop, two book chapters, and co-authored journal articles in Employee Rights and Responsibility Journal, Society for Advanced Management, People and Society, Journal of Behavioral and Applied Management, Personnel Review, and Journal of Applied Psychology. His contributions to university program development include faculty and advising assignments in Lithuania for St. Johns University’s collaboration with Vilnius University and development roles a Human Capital PhD program.

Krishna Priya Rolla is an alumnus of Indian Institute of Management, Ahmedabad for its Faculty Development Programme. She has authored more than 15 research articles published in some of the reputed conference proceedings across globe. The author has accomplished her PhD in Human Resource Accounting, wherein observations were made on its prevalence in manufacturing sector(s). With an experience of more than seven years in academics, she intends to continue her work in the field of human capital quantification methods.

Dafna Schwartz (Economist), Associate Professor. She is the Head of the MBA track in Entrepreneurship, High-Tech and Innovation
at the Department of Business Administration and the Chairperson of the Bengis Center for Entrepreneurship and Innovation, Guilford Glazer Faculty of Business and Management, Ben Gurion University of the Negev. Her specialization areas are innovation, entrepreneurship, high-tech, SMEs, regional and local economic development. She is an economic consultant and has experience as a board member of many leading Israeli corporations. She is a member of the “Israel National Council for Research and Development.”

**Jesse Slade Shantz** is a sports and shoulder surgeon and is a past Chief Medical Officer for OMSignal, a wearable tech company and co-founder of spxtrm, a healthcare tech company. He is interested in applying technology and management principles (Lean, etc.) to create a more patient-centered healthcare system focused on increasing value to users.

As well as holding a medical degree from the University of Western Ontario, with his residency in Orthopaedic Surgery at the University of Manitoba, he completed fellowships in bone biology research and orthopaedic trauma at the University of California, San Francisco, and shoulder and sports at the University of Toronto. His research focuses on technology, simulation and clinical trials. Concurrently, he holds an MBA from the Ivey School of Business. With his cross-enterprise training he advises start-up companies in the digital health field specializing in data use and privacy issues.

**Ernie Stark** holds a master’s degree in Industrial Relations from Iowa State University and a PhD in Community and Human Resources from the University of Nebraska, Lincoln. Semi-retired, he serves as an international visiting lecturer for Saunders College of Business at Rochester Institute of Technology. He has published in *The Journal of Applied Management and Entrepreneurship*, *Journal of Managerial Issues*, *The Journal of Workplace*

Knut Ingmar Westeren has been a Professor of Economics at Nord University in Norway since 2001. He received his Master in Economics from the University of Oslo and PhD in Regional Science from the University of Minnesota/NTNU (Trondheim). He teaches knowledge management, knowledge and competitiveness and public economics at Nord University and also teaches philosophy of science at EDAMBA (European Doctoral Programmes Association in Management and Business Administration). He is also a professor at UNIOESTE in Parana, Brasil, and a visiting professor at the University of Wisconsin. He has written numerous books and publications dealing with several aspects of the knowledge economy, such as the business sector and the public sector, and in 2012 he published the book “Foundations of the knowledge economy.” He has been working with several companies in Norway, Denmark, Brasil, Kuwait, and Sri Lanka to analyze how to improve competitiveness by utilizing knowledge more efficiently.

Victoria Choi Yue Woo has 20 years experience in start-ups and international business development, she has experienced and led change efforts, and learned that Thriving can become a “normal”
outcome of experiencing change. She lectures at Stanford and UCHastings Law School.

She is an entrepreneurial spirited professional with broad experience in start-ups, global marketing, business development, and executive education. She had primary responsibility for marketing products and services and managing teams in more than 20 countries for technology companies and financial and academic institutions. Eudaimon Inc., her sixth start-up, leverages findings from her doctoral research.

Research: Her research focuses on mechanisms that help an increasingly mobile and entrepreneurial workforce thrive.

Passion: Development of games, tools, and workshops to help individuals find purpose and meaning in an increasingly complex and dynamic world, where a cohesive thread connects them to their past, present, and possibilities.

Daniel J. Worden <ideas@metacogni.com> has gained a wealth of experience working with emerging computer and communications technologies since 1982 and through focusing on their commercialization since 2000. He has published five books on topics ranging from Storage Networks to Java and relational databases. His work has been translated into Chinese and Japanese language versions. Currently, his research interests include smart contracts and provenance using blockchain technologies, as well as leveraging social media to create double loop learning dynamics as an integral part of organizational development and project management.

Carolyn M. Youssef-Morgan is the Redding Chair of Business at Bellevue University, Nebraska, USA, a core faculty member in the Human Capital PhD program, and a leading researcher, author, speaker, and consultant on positivity. Besides co-authoring Psychological Capital: Developing the Human Competitive Edge (Oxford University Press, 2007) and Psychological Capital and
Beyond (Oxford University Press, 2015), her research was published in the Journal of Management, Journal of World Business, Organizational Dynamics, International Journal of Human Resource Management, Journal of Leadership and Organizational Studies, Journal of Organizational Behavior Management, and numerous recognized references such as the Handbook of Positive Psychology and the Handbook of Positive Organizational Scholarship. She serves as a voting member on the U.S. Technical Advisory Group, designated by the American National Standards Institute (ANSI) and the International Organization for Standardization (ISO) to create and represent the United States’ view on global HR standards. She received her PhD from the University of Nebraska.
ACKNOWLEDGMENT

The call for chapters for this book challenged the authors to consider the subject of human capital in the networked global economy from the connectionist epistemology of knowledge. The authors were invited to contribute chapters to the book based on proposals approved by the editor. Each complete chapter received external, blind review in addition to the editor review. The editor wishes to thank the Philip J. and Elizabeth Hendrickson Professorship in Business at UW-Green Bay for partial financial support.
INTRODUCTION

The effective employment and deployment of intellectual capital and human assets in organizations are widely recognized as a critical characteristic of successful economies and organizations. Their abilities to respond to changing environments, to “learn,” and to be efficient and competitive all depend, to some extent, on the individuals within their boundaries. It is the management of those individuals and their interactions with other actors and systems, in a way that is consistent with the goals and policies of the entities, that creates value for the organization and results in the creation of human and social capitals as an asset that will be the focus of this book. A number of developments are making human and social assets management and measurement increasingly salient to today’s executives, including changing characteristics of the labor force, the rapid pace and implementation of technological innovation, greater international competition, new experiments with organizational structures, and greater attention to customers’ relationships. Following a recent advanced definition of human and social capitals (among other forms of capital) using information, energy, and entropy, the focus of this book will be on the impact of new technologies (e.g., mobile, blockchain, and Internet of things) on the intersection of human and social capital, being grounded on the ensuing understanding of the importance of information and information processing as well as the perspective of humans as “being their data.” Some of the recent resulting changes are the growth of direct bartering within the social exchange economy (e.g., Collaborative Commons or Sphere of Reciprocity), creation of new alternative currencies (e.g., Bitcoin),
and growth of outsourcing and the “gig” economy. Research needs to be done at the macro, mezzo, and micro level (including multiple levels), from numerous perspectives and disciplines, focusing on different and diverse units of analysis (country, region, organization, groups, and individuals).

This book is going beyond the current literature by providing a platform for a broad scope of discussion regarding human capital and assets, and, more importantly, by encouraging a multidisciplinary fusion between diverse disciplines. Multilevel and multidiscipline chapters are represented, as well as, when appropriate, plurality of empirical methods from diverse disciplines that are enhancing the building of a holistic theory of human capital and assets in the new networked society are reported.

The book’s chapters discuss human capital and human assets from a connectionist (e.g., Russ, Fineman, & Jones, 2010) perspective, focusing on the growing infusion of the traditional human capital and social (e.g., Nahapiet, 2011; Nyberg, Moliterno, Hale, & Lepak, 2014) and knowledge-based systems (e.g., Kasabov, 2015), organizational capital perspectives. The book extends the discussion of the interaction between the three (and other) types of capital among different actors over different time frames (e.g., Wright, Coff, & Moliterno, 2014), assuming that the nature of such interaction is revolutionized; and continuously and dynamically changing resulting from the application of new networked technologies. As such, this book is going beyond the classic network building perspective of using knowledge when the individual, team, and organizations are the unit of analysis. The proposed alternative perspectives are viewing humans alternatively as homo economicus, technologicus (Puech, 2008), sustabiliticus (Russ, 2014b) or socialis (Helbing, 2014), inforgs (Floridi, 2014); interacting in a multilevel system which is enabled by the pervasive mobile technologies and the Internets of things and “blockchain” technologies. This book broadens the human capital praxis introduced and used in Russ (2014a, 2014b, 2016),
into the new networked society (e.g., Floridi, 2014) focusing on definitions, management, value creation, valuation, and reporting of human capital and assets.

Chapter 1, written by Knut Ingar Westeren and titled “Epistemological Perspectives in the Analysis of Human Capital and Human Assets and the Development of the Knowledge-Based Economy,” discusses the use of the three epistemologies: cognitivism, connectionism, and autopoiesis, in the context of knowledge management. The author reviews the use of the three epistemologies in the academic literature and suggests that a combination of the three might be more fruitful while studying different aspects of knowledge management and human capital in the knowledge-based economy.

Chapter 2, also written by Knut Ingar Westeren and titled “Knowledge Transfer Networks, Value Creation, and Cultural Aspects of Industrial Production,” studies knowledge transfer in meat producing firms in five different countries. The author found the connectionist epistemological platform as the most conducive for knowledge transfers in this traditional manufacturing industry, with a characteristic routinization of production. The most effective knowledge shared was typically: short, explicit, logic, and at the equivalent shared knowledge level; when there was shared understating of the operational context, the receiver’s unique situation, the context of cooperation and allowing the receivers a space of finding a new solution when disagreeing with the proposed decision. At the organizational level of analysis, the author suggests that the autopoietic perspective was the most fruitful, when considering that the firm’s organizational system is a quasi-closed system that mainly reproduces itself by sharing knowledge. Finally, the author suggests that productive companies must invest in human capital in order to benefit from the knowledge exchanged.

Chapter 3, written by Daniel J. Worden and titled “Emerging Technologies for Data Research: Implications for Bias, Curation,
“and Reproducible Results,” investigates the positive and negative impact of big data and artificial intelligence on how individuals specifically researchers scan their environment. The author considers different biases facing the researcher while scanning the environment and their risks. The use of recently developed tools that employ artificial intelligence (which are based on visualization) and cognitive analytics is demonstrated. The author also revises some of the networked world tools and web services available to researchers. The chapter suggests that such tools can enhance the value of human capital of a researcher, and their productivity by using such tools effectively and efficiently on a continuous basis.

Chapter 4, written by Victoria Choi Yue Woo, Richard J. Boland Jr., and David L. Cooperrider and titled “Thriving Transitional Experiences: Self-knowledge Improvisation and Transformation Quotient in a Highly Dynamic World,” studies the adaptation of individuals to the fast-changing environment. The authors suggest that a transition in life can be viewed in terms of the magnitude of change and the individual’s ontological experience of change. The proposed and studied four-quadrant framework represents different approaches to living in a highly dynamic and complex world. Specifically, the four types of individuals are identified as Survivor Incremental, Survivor Radical, Thriver Incremental, and Thriver Radical. In the chapter, the authors identify social, cognitive, psychological, and behavioral factors that contribute to thriving transition experiences, embracing dynamic stability. The chapter also offers two new constructs: (1) Transformation Quotient — measures the receptivity to change and (2) Thriving Transitional Experiences — measures the range of responses to transitions from surviving to thriving. The authors use quantitative and a mixed-methods study methodology to examine individual’s responses to life transitions. Finally, the authors suggest that individuals can use the four-quadrant framework to mobilize resources to design a response and hypothesize a
desired outcome, so when facing change they embrace and engage proactively with transitions.

Chapter 5, written by Sukanto Bhattacharya and Michael B. Cohen and titled “Tacit Knowledge and Intra-Firm Teams: Reaping the Benefits of Co-operation in a Networked World,” explores the conditions under which intra-organizational network’s learning might be feasible and successful by using a Monte Carlo simulation model. The chapter’s focus is on sharing tacit knowledge, since, according to the authors, the conditions under which the ability to share this form of knowledge between individuals and/or teams are yet to be understood. The authors frame their study using transaction cost economics, explaining the boundary of the firm, as well as the formation of teams within firms. The simulation examines and demonstrates the effects of costs and benefits that can be expected from “learning” in a multi-team firm. The authors consider for simplicity two extreme scenarios: (1) there is almost no specialization between teams and (2) the specialization is extreme. They conclude that only in cases of very large differences in tacit knowledge between teams is the transfer of such knowledge profitable, and as a rule, the existence of separate silos within firms should not be excluded, since in many cases, the loss in operational efficiency is not offset by the gains from network learning.

Chapter 6, written by Federico Niccolini, Elizabeth B. Davis, Monia La Verghetta, and Valentina Pilotti and titled “ Integrating Values, Purposes, and Visions for Responsible Development,” documents a study revealing that knowledge sharing and envisioning processes can have positive effects on human and social capital growth within an international network. The chapter compares the responsible development perspective with the sustainability perspective regarding integrating values, purposes, and visions of organizations in such a context. The authors conducted a study using the “Participatory Action Research” methodology analyzing a process of building a strategic vision within a network of
organizations with the goal of improving their responsible development orientation. Specifically, the implementation of the envisioning process was studied via quantitative/qualitative research tools, confirming the importance of envisioning processes in building social and human capital at the inter-organizational level. The authors also suggest that the relevant “learning-by-interacting” experience can create a growth process for the human and social capital of entire communities. The project was selected as a best practice by a European Union Commission.

Chapter 7, written by Mikel Larreina and Leire Gartzia and titled “Human Capital Gone into the Dark Side: XXI Century’s Financial Centres: Is FinTech a Solution?,” reviews the recent and current challenges of the financial industry from the lens of human and social capital. The authors survey some of the factors that allowed unethical behavior and a short-term financial focus in the financial sector, and exposes, how, in their opinion, the compensation structure and an extremely competitive culture became key elements that favored greedy and manipulative behavior and ultimately generated socially detrimental human and social capital in the financial sector. Finally, the authors suggest that a number of emergent game-changers (e.g., Brexit, FinTech, the growing weight of ethical standards, and the increasing participation of women and millennials in the FinTech industry) might represent an opportunity for change and help restructure and reshape the financial industry.

Chapter 8, written by Farah Nabi, Stephen Gallay, Erik Hellsten, Joel Lobo, and Jesse Slade Shantz and titled “Transforming Shoulder Care with Innovative Networks and Shared-Care Accountability Models,” studies a new model of collaboration in the Canadian healthcare system introduced by The Shoulder Centre (TSC) in Ontario. According to the authors, the TSC is a transformative novelty that addresses the healthcare system’s constraints through the development of an innovative and comprehensive model of care which builds on (1) novel
collaborative and legal partnerships between community providers and the Centre’s clinical team, (2) A Patient-Centered Specialty Practice (PCSP), and (3) leveraging existing technology solutions. The collaborative arrangement has transformed the system and the health services by converting service providers into partners with shared accountabilities, ensuing in economic value through human capital optimization and improved system efficiencies through the building of social capital. The authors found that TSC’s performance results proved measured system savings, increased patient and provider satisfaction, and targeted knowledge growth. This innovative solution confirms that the healthcare system contains a greater than expected abundance of human and financial resources, if combined appropriately with social capital and supported by legal arrangements to provide access to high quality and timely care without any further system investment. This chapter suggests that with the suited leadership and available legal and organizational space for innovation, the mix of human, social, organizational, and financial capital can be rearranged synergistically benefiting all constituents.

Chapter 9, written by Carolyn M. Youssef-Morgan, Paul P. Poppler, Ernie Stark, and Greg Ashley and titled “Human-Derived Capital: The Search for “Yeti” or an Evidence-Based Approach?,” selectively reviews the interdisciplinary literature on exemplars of human-derived capital academic literature. The authors systematically examine specific epistemological strengths, weaknesses, and gaps in academically established theories, measures, and in practices of human capital. Specifically, a multidisciplinary, multilevel, connectionist point of view is utilized by the authors. Their analysis suggests that in many cases the theories and measures are non-binding, non-measureable, idiosyncratic, tautological, and therefore practically impossible to use for any comparative market valuation. The authors conclude that much like “Yeti,” the Abominable Snowman whose footprints are everywhere but itself
nowhere to be seen, unfounded assertions of human capital as valuable contributors to strategic success continue to proliferate.

As a solution, the authors present the case for an evidence-based classification system of human-derived capital at the micro-, meso- and macro-levels. Their framework goes beyond static stock models by emphasizing dynamic human-derived capital flows, as well as their within-level and cross-level linkages, all within the context of a modern technologically intensive society that increasingly is networked, fluent with technology and prodigious with social media.

Chapter 10, written by Krishna Priya Rolla and titled “Human Capital: The Mathematics of Measurement!,” systematically reviews the interdisciplinary studies deliberating the challenge of measuring intangibles, specifically human capital. The author makes a concise mention of research precedents, including among others, the Bhutan’s Gross National Happiness and the Cobb-Douglas Model. The author’s intention is to develop clarity of the concept of human capital measurement by systematically analyzing the literature. The author concludes with a number of recommendations for practitioners and academic researchers.

Chapter 11, written by Raphael Bar-El, Ilanit Gavious, Dan Kaufmann, and Dafna Schwartz and titled “Under-Investments in Innovative SMEs: The Effect of Entrepreneurial Cognitive Bias,” dissents the impact of the CEOs cognitive biases and perception from external financial constraints on innovative SMEs’ growth opportunities. The study proposes that in addition to the shortage of financial capital available to innovative and entrepreneurial SMEs, there exists a twofold problem on the demand side for external financial capital by such companies: the CEO’s over-pessimism and negative cognitive bias. Specifically, the authors find that there is a tendency for these companies to avoid approaching external funding sources, especially ones that gear their investments toward innovation. Also, the authors find a cognitive bias (over-pessimism) affecting the entrepreneurs’ (lack of) demand for
external financing over and above other firm-specific factors. CEO tenure — the study proxy for human and social capital — is significantly lower (higher) in firms that did (did not) pursue external funding. Thus, it seems that the more experience (human capital) the CEO has, the more s/he is aware of the reality of a lack of external funding for SMEs (possibly indicating lack of social capital with financial institutions), which drives the enterprise’s human capital to not exert any effort (in approaching sources) that would ultimately prove irrelevant. The authors, using in-depth interviews with the CEOs of 115 SMEs, also document a negative impact for this finding resulting in under-investment in the company at the microlevel and the macro-level, due to under-realization of the potential for employment, productivity, and growth of the SME firms. Finally, the study also illuminates market failures that are associated with the demand side of external financial capital and encourages creation of policies aimed at encouraging SMEs to make use of different supply options, including more advanced tools such as VCs, mezzanine, or crowd financing, to complement policies directed toward the supply side of financial capital. This final chapter in the book is an illustrious example of using a multidisciplinary approach, combining micro-organizational behavior and financial analyses and utilizing the cognitivist research paradigm.

As the reader can see, the chapters apply diverse epistemologies (and sometimes a mix of them); a very diverse set of research methodologies, covering multiple units of analysis and industries and responding to a very broad scope of research questions, from very basic ones, such as do we need human capital as a construct at all, to very practical and operational ones, such as the role of knowledge transfer in meat processing firms. Regardless, the intersection of human and social capital and the growing role of technology should be obvious to the reader. Their synergies will only become more important in the near future.
I hope you will enjoy reading the chapters and use them in your research as I enjoyed editing it.

BIBLIOGRAPHY


