



Photo by Dan Rios

KNOWLEDGE *ECONOMICS*

Your thoughts are worth a lot more than a penny

By Michel Mersereau

Hart Beat sat down with Dr. Nick Bontis Ph.D., Associate Professor of Strategic Management, McMaster University for an enlightening perspective on trends in intellectual capital valuation and the future of management. Dr. Bontis is one of Canada's leading up-and-coming management gurus; he is recognized by the former editor of Harvard Business Review and Fortune Magazine as "a pioneer and one of the world's real experts in intellectual capital."

Q. Your area of expertise is intellectual capital—what is that?

A. Intellectual capital in a nutshell is the brainpower of an organization. Let us take a business, for example, and assume this business has fifty employees. Normally when we value a business we look at indicators such as cash flow, sales and revenue. However, beyond these factors there is an intangible element to every organization and that is the expertise of its employees. This “intellectual capital” is a very important part of our economy and what I am interested in is how it can be effectively measured and managed.

Knowledge management involves protecting these assets within an organization because people try to steal ideas from one company to another.

Q. What do you believe are the major challenges that organizations will face in the knowledge era and how will they deal with them?

A. One of the biggest challenges or concerns facing organizations in the knowledge era is the idea of ownership in relation to intellectual property rights. Upon entering an organization, a lot of young graduates are asked to sign an employment contract. Unfortunately, most tend not to read all of the legal jargon included in these documents, but there you will find information regarding intellectual property ownership. In many cases what is stated is that by signing this contract the organization actually owns your emails, your database, your hard drive, even your ideas. This scenario makes it very difficult for young graduates to moonlight...because it becomes very difficult to discern whether an employee figured out an idea when they were working for company A or when they were moonlighting for company B.

Q. In your opinion what major changes will current students face in their future work environments?

A. One of the things that I find quite interesting is how current graduating students define what a career is. A few generations ago, students typically would graduate from university and begin working for companies that they would remain with for the rest of their careers. Of course we know that trend no longer holds true. Average university graduates will now finish university, start with their first employer and will remain with that employer for only eighteen months. They will then migrate to another employer, and another... Not only will they migrate to multiple employers within the first 10 years of their career but they may even migrate to a totally different industry. This brings us to the idea of the “free agent nation”. Free agency is a very appealing model because some people just don’t know what they want to do when they grow up, including myself. [smile] Today’s students in their final year of university are asking, “Why do I have to sign a permanent employee contract?” This is

a figment of a previous generation. The current generation might say, “I want to work for a law firm...on Mondays. On Tuesdays I want to work in advertising. On Wednesdays I want to work in the steel industry.” Technology has made this a viable option and students find the idea of working as a free agent for multiple organizations simultaneously a very attractive alternative. *

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Dr. Nick Bontis at Hart House

On Wednesday, February 4th Hart House gave a warm welcome to Dr. Nick Bontis, the guest speaker for the 2009 edition of the annual Hancock Lecture. The Hancock Lecture series is so named in honour of Margaret Hancock who, during her two terms as the ninth Warden of Hart House, exhibited a fervent commitment to fostering student development. In keeping with the spirit of this Hart House tradition this year’s lecture, “Calibrating Your Future: The Balancing Act between Social and Technological Pressures”, provided unique insight into the future working conditions of today’s university graduates.

As a Professor at McMaster University, a world-renowned expert on intellectual capital and a father of three, Dr. Bontis spoke earnestly about the importance of maintaining a healthy balance between work and life despite the increased opportunities for messaging brought about by newer technologies such as smart phones. As an example of one method to achieve this balance those who attended the lecture were asked to participate in a speed-reading test. The exercise not only shed light on the wide array of reading comprehension and speed levels present within any given group, but also demonstrated the significant improvement in efficiency that practise could yield.

Although Dr. Bontis’ ability to educate and entertain audiences was never in question, it was fitting that the day following the event, February 5, 2009, 3M Canada in partnership with the Society for Teaching and Learning in Higher Education announced Dr. Nick Bontis as one of the ten 2009 recipients of the 3M National Teaching Fellowship. Congratulations Dr. Bontis and thank you for making the 2009 Hancock Lecture such a memorable and rewarding experience!

The average university graduate will finish university, start with their first employer, and will be at that first employer for only eighteen months.

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