

# INTELLECTUAL CAPITAL REPORTING PRACTICES IN THE NON-PROFIT SECTOR

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名誉

*Meiyo*  
*Honor*  
*Честь*

良心

*Ryoushin*  
*Conscience*  
*Совесть*

高貴

*Kouki*  
*Nobility*  
*Доброе имя*

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Yet, the IC framework was originally conceived for the for-profit sector and empirical experiences of measuring and reporting IC have been mainly carried out by for-profit organizations, even if NPOs are aware of the relevance of IC as the key element on which to create and maintain their competitive advantage. Nowadays, in a knowledge-based economy, knowledge is critical to for-profit organizations as it is to NPOs (Kong, 2008). In a new competitive environment, NPOs are requested to manage existing resources efficiently and effectively and to create, maintain and develop new resources based on knowledge. If existing management tools of the for-profit sector can be imported within the non-profit sector to manage existing resources (Barman, 2007; Moxham, 2009), new frameworks and new tools will be required by for-profit and non-profit organizations to manage knowledge-related resources. The literature identifies IC as the right framework to define and systematize intangible resources, since it can be viewed as the dynamic and firm-specific system of knowledge-related resources. On the other hand, the IC report can be considered the right strategic tool to measure, manage and report IC information to organizations' stakeholders.

## 2. THE CONTRIBUTIONS

The contributions of the book focus on the IC reporting within the non-profit sector, summarizing the state-of-the-art in relation to the management and application of intellectual capital in non-profit organizations. In detail, the third sector, the public sector, the health sector and the university sector have been investigated. A brief introduction to the key ideas of the chapters is presented here.

Chapter 1 focuses on the definition and classification of Intellectual Capital (IC) and on the relevance of this concept within the non-profit sector.

Chapter 2 points out that IC measurement for internal (management) and external (reporting) is a potential approach for non-profit organizations. Considering the lack of specific IC measurement and reporting models (ICMRM) tailored on non-profit organizations, the chapter describes the *ad hoc* ICMRM models, illustrating also their evolution (from pioneering to advanced models) and the peculiarities of IC report for the non-profit sector, the state-of-the-art of the empirical researches on its implementation within the non-profit sector and the problems encountered by organizations whose objective is to implement an *ad hoc* IC measurement system.

Chapter 3 focuses on the main features of the third sector and on the main changes that drove third sector organizations towards considering implementation of IC measurement and reporting systems as strategic management tools. The chapter then examines previous IC report archival research and the intellectual capital reporting practices of an Italian third sector organization, ANPAS Piemonte, providing, in addition to the IC reports data on the three year period 2005-2007 in terms of human, organizational and relational capital, the notion of

IC underlined, the IC report model utilized, the main aim and the IC indicators used. The author includes his study in the framework provided by chapter 2, concluding that the ANPAS Piemonte IC report refers to a pioneering model.

Chapter 4 focuses on the public sector, illustrating the IC framework within the public sector and illustrating several IC framework models developed in the IC literature. The chapter concludes with the analysis of IC reporting practices in the public sector of Northern Ireland.

Chapter 5 focuses on the health care sector, illustrating the IC framework within the health sector and providing some examples of IC reporting in various health care organizations in the Italian health sector. In detail, the health care organizations analyzed are: the University Hospital “Santa Maria della Misericordia” of Udine (AOU), local health trust of Florence (LHTFL), the provincial health services of Trento (APSS), the local health trust of Feltre (LHTFE). The analysis show that the human capital subcategory is the most reported IC subcategory within the health care sector.

Chapter 6 focuses on the higher education sector. After illustrating the definition of human, organizational and relational capital in the higher education sector, the chapter illustrates the main changes that have happened therein. The focus of the chapter is the analysis of two experiences of reporting IC in the higher education sector, the experience of the University of Ferrara and the experience of the Autonomous University of Madrid. The two experiences have been selected because they refer, respectively to a pioneering IC measurement model and to an IC measurement advanced model, in order to highlight the differences existing when the same models are applied in practice and analyzed under a theoretical profile.

The book concludes providing some considerations on the IC reporting practices examined and highlighting several future research directions.

Overall, the selection of papers covers a good sample of non-profit organizations from different countries. As intellectual capital is a relatively new research stream in non-profit strategy research, this book can be considered as a starting point for other researchers who want to examine the management and application of intellectual capital within the non-profit context.

The main value of the book lies in the consideration that IC research on non-profit organizations is rare and has so far been rather generic and conceptual. Instead, the book makes a contribution by presenting empirical and industry-specific findings related to IC reporting in the non-profit setting.

## REFERENCES

- 1 Barman E. (2007), “What is the bottom line for nonprofit organizations? A history of measurement in the British voluntary sector”, *Voluntas*, No. 18, pp. 101-115.