

## **The resource that organizations have but fail to recognize**

*When an organization's greatest strategic asset is invisible to it*

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Ask any manager what the organization's available cash balance is, and they'll likely be able to tell you. However, ask what knowledge, experience, and skills are distributed among the people who work there. In most cases, silence will be the most honest answer.

This asymmetry served as the starting point for a study I conducted with professionals working in highly complex organizational units—environments where decisions made based on incomplete information have concrete and immediate consequences. Over the course of fifteen in-depth interviews with experienced managers and analysts, what emerged was not a critique of technology or processes, but something more fundamental: most organizations do not, in fact, know what their people know.

This is not a matter of negligence, but rather a structural blind spot, and it costs more than it seems.

## **The knowledge that no one has mapped**

One of the most common findings in the interviews was the absence of any systematic mapping of available human capital; in other words, managers are familiar with the positions, roles, and organizational charts, but they do not know which competencies are concentrated in which individuals, where the rarest expertise lies, or who would be capable of resolving a particular problem before it even escalates into a crisis.

The result is that the organization's most strategic knowledge circulates invisibly, through personal relationships, hallway conversations, and the goodwill of those who choose to share. One of the interviewees described it accurately: "Applying the Pareto principle, what is official may represent only twenty percent; eighty percent happens through personal relationships." Thus, when the

professional who sustains this network leaves, the network goes with them.

This is not a problem exclusive to public organizations or specific sectors, but rather a pattern that is commonly repeated in different organizational structures, where the main input is human knowledge, and where there is no structure to make it visible and transferable.

### **Turnover as a silent killer**

No topic came up more frequently or with greater intensity in the interviews than employee turnover, which is a major problem in today's organizational structures. It is not turnover itself, which is inevitable in many contexts. The problem is what leaves along with them: years of accumulated experience, professional networks built over time, and problem-solving methods that have never been documented, organized, or transferred. In other words, when an employee leaves, that knowledge disappears, resulting in situations where the organization often doesn't even realize what it has lost.

*"We train him, and then he leaves, and we have to start all over again because the same problems keep cropping up, and usually there's a new analyst assigned to deal with that issue."*

This statement sums up what the literature on intellectual capital management has been documenting for decades: organizations that fail to institutionalize knowledge are constantly reinventing the wheel, because every cycle of turnover erases a cycle of learning.

It should be emphasized that the problem is not the departure of the employee, but rather that the organization never built structures to ensure that what the employee knows would survive beyond them. The knowledge was in the person's head, not in the processes, not in the records, not in the team's culture.

For any manager, the practical question is straightforward: if your best analyst left tomorrow, what would the organization lose besides the salary it would no longer have to pay?

## **Managing human capital is not the same as managing people**

Every organization has people, but few organizations manage human capital, and this distinction is not merely semantic.

Managing people means hiring, assigning, evaluating, and compensating them. Managing human capital, on the other hand, means identifying what these people know, creating conditions for that knowledge to circulate, and building structures that preserve collective learning even when individuals leave. It is the difference between viewing an employee as someone who holds a position and viewing them as the bearer of an asset. Obviously, this is an asset that belongs to the individual, but whose value can be shared with the organization.

The research revealed that, in practice, very few organizations engage in this type of management intentionally. What exists, in most cases, are ad hoc and personalized initiatives, dependent on the profile of a specific manager, on leadership that values sharing, and on an informal culture that, fortunately, fosters exchange. When that manager leaves, the initiative disappears, and this means that the organization's most valuable human capital is, structurally, beyond the organization's control.

### **Where to start?**

Human capital management does not require immediate radical transformation. Above all, it requires the organization to decide to see what is right in front of it.

**Map before you lose:** Develop a simple inventory of the skills existing within the organization. For example: a structured overview of what each employee knows how to do in depth, what problems they have already solved, what knowledge they have accumulated, among other things. This mapping serves as the foundation for all other management actions.

**Create knowledge transfer protocols:** Debriefings after projects are completed, formal mentoring relationships between experienced professionals and newcomers, periodic meetings to exchange experiences, etc. Knowledge that isn't shared depreciates, while knowledge that is shared multiplies and becomes the property of the organization, not just the individual.

**Treat departure as a critical moment:** The departure of an experienced employee should trigger a knowledge preservation protocol, not just an administrative termination process. What knowledge does this professional possess that the organization needs to preserve? Asking this question systematically and in advance prevents years of learning from being lost in a single afternoon of termination.

### **What's at stake?**

Organizations invest in systems, processes, and technology with a precision they rarely apply to their most valuable asset. It was interviews with experienced professionals—not market reports—that most clearly revealed where the real bottleneck lies: the knowledge already exists; people already possess it; but the organization has not yet learned to recognize it

In a context where the complexity of problems is growing faster than organizations' ability to address it, managing human capital has shifted from being the responsibility of the human resources department to becoming a strategic leadership decision.

Before investing in the next system or platform, it's worth pausing to ask a simple question: does the organization truly know what the people who work there bring to the table? If the answer is no—and in most cases it will be—that is the starting point.

### **Further Reading**

HABIB, Ahmad; DALWAI, Tasneem Ali. Intellectual capital efficiency and working capital management: Evidence from the industrial sector of GCC countries. *Journal of Business Research*, v. 144, p. 365-379, 2024.

DE VAL PARDO, Isabel et al. El capital sociotécnico de la empresa. un intangible del bucle: conocimiento humano–inteligencia artificial. Encuentros multidisciplinares, 2024.

DINU, Elena. A systematic review of the literature on intellectual capital management, technology and innovation. Ekonomicko-manazerske spektrum, v. 16, n. 1, p. 58-75, 2022.

