# Encouraging Labor Intellectualization as a Tool for Intellectual Capital Development

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#### **Summary**

The article reviews the means of stimulating and motivating to labor intellectualization in diplomatic service employees. The means considered encourage them to raise the effectiveness in achieving goals. Leveling up of intellectual labor of diplomatic services employees, as well as means of motivation of employees are covered in the Law of Ukraine "On Civil Service". The law defines and regulates the conditions for the performance of intellectual labor entrusted to the staff of diplomatic services, namely: defines the direct rights and responsibilities of employees of diplomatic services, protects the interests and assists citizens of Ukraine abroad, meets the needs of all pressing issues and problems for their benefit.

#### Keywords:

diplomatic service employee, intellectual capital, labor intellectualization, motivating, Ukraine.

### Introduction

The distinctive feature of the trends in the development of the information society is information and knowledge, the bearer and owner of which is an individual.

The intellectual capital generated by them acquires a higher degree of development in comparison with traditional forms of institutional capital. Therefore its formation, tools for the successful application and development in the context of activation of high technologies introduction become the key factors in the development of a highly developed society. In this type of society, concepts of continuous scientific and technical, balanced development and growth of competitiveness based on intellectual capital are formed, instead of traditional concepts of obtaining maximum benefits from the use of limited material resources. This reflects the need for modern practice in theoretical positions, built on the analysis of the development of national concepts of intellectual capital in the context of global trends in labor intellectualization.

The capital distribution in a modern society, the use of intellectual potential, and technological advantages in a competitive environment are proportional to human capital as the component of intellectual capital. Transition from the paradigm of human resources management to the management of human capital development is obvious for these trends as such.

The basis of innovative development of any institution is intellectual capital. According L.Melnyk et al. [1], it represents the intellectual abilities of people in combination with the material and non-material means created by them, used in the process of intellectual work. The authors distinguish the intellectual capital of: (i) society (a set of knowledge, experience, connections and information used at the level of society as a whole), (ii) an individual company (a set of assets based on the intellectual abilities of the company employees, which implemented in the process of innovative activity), (iii) an individual. In a highly civilized society, intellectual capital begins to prevail over other forms of capital, acting as the main prerequisite for the accumulation of social wealth.

Among the factors contributing to the functioning of intellectual capital, the following can be distinguished:
1) workforce; 2) intangible assets: intellectual abilities, intellectual potential, information resource, intellectual property; 3) financial and innovative capital; 4) high technologies, information technologies [2].

In addition to the factors listed above, the structure of intellectual capital and the effectiveness of its reproduction are significantly influenced by a number of external factors: the level of development of information environment; availability of modern market infrastructure; the nature of state policy, the state of the institutional, legal, scientific-technical, and innovative environment.

The increase of human capital is an objective necessity for the innovative development of Ukraine. In general, the formation of intellectual capital in Ukraine takes place in conditions of crisis phenomena. It is unfortunate and paradoxical, but recently there has been a decrease in human intellectual potential in Ukraine.

The global transition of most developed countries to the intellectual economy has led to the definition of main intellectualization indicators, i.e., intellectual capital. These include:

- Country innovativeness commercialization of intellectual products, their intensification (the total amount of research and development works, their share in GDP);
- Expenses for the development of the country's intellectual capital; the number of patents registered per one million population; population ingenuity ratio;
- The capacity of knowledge market and the dynamics of international knowledge exchange;

international cooperation in the field of science and high technologies;

- The number of foreign students in national universities;
- The quality of human capital indicators of the system of education, health care, the share of scientists in the total number of employees; migration of highly qualified workers;
- The level of development of the national information infrastructure information-computer and telecommunication technologies [3, 232–234].

The most important areas of intellectual capital development policy are:

- Observance of the priority principle of the value of human creative potential as the main one in the policy;
- Adoption of the principle of individual human development;
- Formation and development of an individual's active behavior, ability to compete, establishment of principles of independence and self-responsibility, development of desire to implement creative potential;
- Gradual liberation of all spheres from unskilled labor:
- Dissemination of various methods and forms of organization and stimulation of labor;
- Gradual leveling of general education, raising its level and quality, i.e. modernization of material-technical base, strengthening the motivation to improve the quality of education, control the quality of knowledge, improving the organization of the educational process, mastering the level of practical training;
- Stimulating the population to obtain higher education by specializations;
- Development of a new policy that would guarantee access to knowledge for all groups of population, regardless of wealth;
- Improvement of the system of professional development and retraining of personnel;
  - Motivating to labor intellectualization.

Awareness of specificities and patterns, the ability to select the optimal mechanisms for achieving goals, communication skills, decisiveness in decision-making and the ability to make compromises become important factors of successful activity at the international arena [4].

Nowadays, the intellectualization becomes one of the main factors in the successful implementation of public administration, and the professional and intellectual potential of employees is its main component [5].

Consideration of the intellectualization of human capital depends significantly on the motivational factor that causes the desire to perform intellectual activity.

There is no doubt that employers are interested in attracting highly qualified employees with high intellectual abilities, capable to perform creative, innovative, research and other types of activities. The issue of raising the level

of labor intellectualization of DSE deserves special attention, since they play an important role in promoting and implementing effective foreign and domestic policy. One of the strategic tasks of the diplomatic service of Ukraine is the creation of an intellectual, material, professional foundation on which personnel capital will be formed, developed and functioned, without which it is impossible to develop foreign relations and build a civilized society. This highlights the issues of mastering the process of training, selection, and motivating the DSE to labor intellectualization, contributing to the transformation of old and the emergence of new mechanisms of intellectual capital formation.

The aim of the paper is to introduce into the context of means of DSE motivation to labor intellectualization. Research methods applied: analysis and synthesis of scientific literature (to clarify the key concepts of the study), systematization (to identify existing scientific approaches to the problem solving), theoretical generalization (to formulate conclusions).

### **Theoretical Consideration**

The professionalism and intellectual level of diplomats has a powerful influence on any state development. Diplomatic service employees (DSE), being the vanguard of foreign policy, are to make use of "smart power": the full range of tools at disposal – diplomatic, economic, military, political, legal, and cultural – picking the right combination of tools for each particular situation [6].

The diplomatic service functionally solves except political tasks, many administrative and management tasks of a professional nature regarding the professional support of efficient functioning of foreign policy departments of Ukraine. It includes information-analytical, organizational-management labor as well as legal, protocol, documentation, administrative-technical, financial and economic support of foreign policy structures. Diplomatic service is carried out exclusively at the state level within the framework of the powers of a special body of state power – the Ministry of Foreign Affairs of Ukraine

The state's foreign policy depends on the level of its diplomats' effective work. At the same time, transformations in the system of activities of foreign services are impacted by constant changes in international relations, globalization and integration processes, increasing the role of technical innovations and information [7]. Thus, it necessitates the leveling up of professionalism of DSE, the effective accumulation and use of intellectual capital [8].

The use of intellectual capital by the diplomatic services of Ukraine is carried out with the aim to:

- Guarantee the protection of national interests;

- Implement foreign policy and ensure international cooperation between Ukraine and foreign partners, ensure mutual relations with foreign public associations within the framework of implementation of domestic and foreign policy of Ukraine;
- Ensure the protection of the rights and interests of citizens and legal entities outside Ukraine;
- Implement the foreign policy course and foreign policy activities of Ukraine;
- Assess the economic and political situation in the world, internal / external policy of other states;
- Assess and analyze the activities of international organizations and associations;
- Provide the state bodies of Ukraine with information necessary for the implementation of internal and external policy;
- Organize negotiations with other states, international organizations and international associations regarding the conclusion of international agreements;
- Ensure consular and diplomatic relations with other states, international organizations and international associations:
- Improve the legislation of Ukraine regarding the implementation of domestic and foreign policy;
- Ensure the development of international scientific, technical and educational cooperation.

The formation of intellectual capital of the diplomatic service directly depends on the level of theoretical and professional training of an employee, as well as on the psychological stability and flexibility of an employee. To level up the intellectualization of DSE, it is necessary to ensure the selection of employees who have:

- Professional skills based on modern special knowledge;
- Analytical abilities for the adoption and successful implementation of management decisions;
- Ability to introduce democratic values of the legal state and civil society;
- Ability to steadfastly defend human and citizen rights

At the same time, professional training is not the only requirement for a modern DSE.

The intellectual labor of DSE is considered to be difficult, rather often stressful, as working conditions require making informed decisions and responsibility for the final result, in some cases in conditions of uncertainty or lack of time. The expenditure of mental energy determines the level of intellectual labor. Thus, intellectual labor is represented by the following key components:

- Regulated (the content of work is to be carried out by the job description);
- Informational (constitutes the basis of intellectual activity and is aimed at the invention of substantiated information);

- Motivational (application of approaches in the form of both material and non-material incentives to encourage performing of intellectual work);
- Cognitive (the ability to make an analysis and the ability to prove and argue effective consensus decisions that open up new opportunities and help solving specific problems);
- Creative (making clear and well-founded decisions applying new approaches);
- Organizational and technological (the ability to consciously think, evaluate and influence the course of situations) [9].

Knowledge and information as the main resources are displayed in the growth of human capital and new technology, which is reflected in the increase of technological capital. A component of technological capital is intellectual property – universal intellectual assets and innovations embodied in scientific, technical and technological objects. The peculiarity of intellectual property relations is that they consist of the results of intellectual work, that is, they are the result of creative activity of an individual. It is the elements of creativity as components of intellectual work that determine the individual character of its products and constitute a qualitative criterion for distinguishing intellectual activity.

The intellectual labor of DSE is aimed at the social and economic development of the country. It is ensured by the following key factors by the Law of Ukraine "On Diplomatic Service" [10]: protection of Ukraine's national interests; implementation of the foreign policy course of Ukraine aimed at the development of political, economic, cultural, humanitarian, scientific, and other relations with foreign countries and international organizations.

The management can apply appropriate means of stimulation and motivation to the DSE. Stimulation corresponds to the needs, interests and abilities of DSE.

Motivation corresponds to the internal motives and factors of DSE and involves the formation of certain working conditions and can positively influence the labor. Motivation affects the DSE' productivity and focus on achieving organizational goals. Thus, it plays an important role in needs satisfying and is aimed at achieving the goals and objectives.

When analyzing the motivation system of the diplomatic service, we single out the characteristic features and traits inherent in the labor of DSE, in particular: creative nature of work; a wide range of job responsibilities; intensive contacts with different people; high moral responsibility; irregular working day; insufficient mobility; increased emotional and psychological tension; the need for continuous improvement of the professional and cultural level [11].

Motivating DSE can be effective when applying forms and methods of both material and non-material

incentives. Based on Chapter 7 of the Law of Ukraine "On Civil Service" [12] it includes:

1. Financial support: basic salary (allowances, bonuses, additional salary); compensation payments (for additional burden according to the legislation of Ukraine).

V.Sladkevych [13] notes other incentive and compensatory payments, which stimulate group interests, encourage the team to achieve the final production results (most often distributed according to the coefficient of labor contribution):

- (i) Material assistance paid from the material incentive fund at the expense of profit in order to ensure social guarantees and benefits for employees at the expense of the enterprise;
- (ii) Remuneration for final results paid for the implementation of annual or quarterly plans by individual structural divisions or enterprises as a whole.
- 2. Social welfare: material assistance for annual basic paid leave; material assistance for solving social and household issues and additional paid leave. Motivation includes expenses for the cost of accommodation renting; the cost of accommodation booking; the cost of issuing entry permits (visas); the cost of mandatory vaccination according to the requirements of the World Health Organization or the legislation of the country of destination, etc. Expenses are paid from the state budget of Ukraine.
- 3. Medical support: provision of medical assistance or medical insurance in the form of emergency, primary and secondary (specialized) medical assistance. Motivation is addressed to the desire to satisfy the needs to be healthy, to have a comfortable life that corresponds to the essence of an individual, especially in the current conditions of pandemic that continues in the world.
- 4. Moral and psychological support: awards of the state body with certificates, certificate of honor, etc.; announcement of thanks in mass media; presentation for recognition with state awards; atmosphere of mutual respect and trust; care for personal interests. It should be noted that moral-psychological support is stimulated differently and depends on the term of position holding.
- 5. Organizational support: favorable working conditions; prospects of professional growth and desire to make a career; the prestige of the status of a civil servant, etc. It should be noted that career growth motivation combines two components: economic aimed at receiving high wages; organizational determines the meaningfulness of the work.

In general, it reflects the recognition of the level of intellectual labor of DES through merit and authority as an individual. However, this method of motivation is internally somewhat limited by such factors as: passing the competition, special conditions of appointment and passing it; small number of vacant positions, since there

are limited vacancies in the civil services on the ground; not every individual aspires to rule.

At the same time, when there are few vacancies or few job offers in the market, the feeling of fear of being out of work sometimes serves as a strong motive that ensures a certain desired productivity.

The above-mentioned types of motivating the labor intellectualization in DSE are demonstrated by the Fig.1.

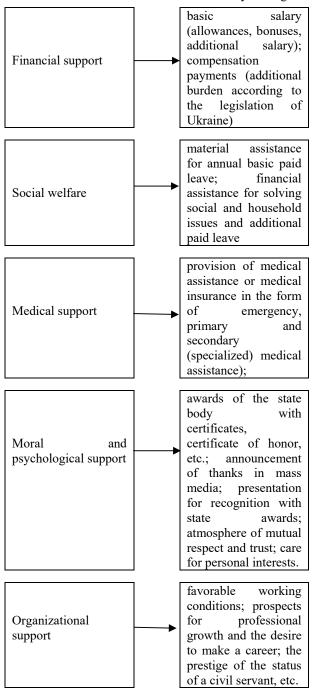


Fig. 1 Motivating the labor intellectualization in DSE

The existing practice in Ukraine of developing and applying personnel motivation methods is mainly focused on the economic aspects of stimulation, while non-material components of the motivation system are not used, and there is also no methodological support for the process of building and implementing effective means of motivation in work practice, based on modern scientific theories of behavior.

Non-material incentives are understood as incentives for highly productive work, which are not given to the employee in the form of cash or non-cash money, but may require the company to invest in the quality of the workforce, namely: the opportunity for development and training, career planning, health improvement, etc. Each person is individual, and people have individual needs they want to satisfy while working in the public service. Based on this, in the process of building a motivation system, a manager should remember that it is not possible to motivate all employees in the same way. The system of non-material incentives should be different not only for employees of different levels. It is also to take into account the social status, age, employee gender, as well as individual psychological characteristics [14].

The listed means of motivating DSE encourage them to work effectively, to demonstrate diligence, conscientiousness and perseverance, to raise their effectiveness in achieving goals, to level up their intellectual labor.

The level of intellectual labor of DSE includes professional and qualification requirements, demonstration of which creates prerequisites for raising the level of their intellectual labor.

Qualification requirements include:

- Education (having a full higher education degree, as a rule, this is a master's degree in the relevant field of study);
- Work experience (in relevant civil service positions); excellent command of the state language (fluency in Ukrainian);
- Proficiency in English and another foreign language (except the language of the aggressor state) to the extent necessary for the performance of official duties.

Professional requirements include:

- Knowledge of legislation;
- Knowledge of special legislation related to the tasks and content of DSE labor in accordance with the job description;
- Professional knowledge necessary to perform tasks in the relevant sphere of activities of diplomatic service bodies (knowledge of diplomatic means and methods of protecting the national interests of the state in international communication, the rights and interests of citizens and legal entities of Ukraine abroad; knowledge of methods of making and implementing foreign policy decisions; methods and means of diplomatic activity;

knowledge of peculiarities of activities of diplomatic service bodies; knowledge of forms and means of diplomatic communication and protocol support of diplomatic activity, etc.).

The main competent requirements for raising the level of intellectual labor are:

- Leadership (the ability to manage and control all processes and actions in order to achieve the necessary strategic goals, make informed decisions and actions and achieve high performance indicators of the desired prospective result);
- Making effective decisions (the ability to make informed decisions in order to achieve the desired longterm result; the need to find time and make decisions in conditions of uncertainty; responsibility for the consequences of decisions made);
- Communication and interaction (ability to build effective partnership relations with various diplomatic missions and international organizations, maintain and develop relations with scientific and public organizations, mass media, etc.; ability to speak in public, if necessary facing a foreign audience, ability to skillfully and effectively convey information);
- Timely implementation of changes (the ability to quickly identify needs and the need for changes, highlighting both positive opportunities and negative consequences; assistance in the preparation and implementation of projects);
- Management of organization of work and personnel (the ability to form simple and complex organizational processes in order to implement relevant strategic tasks; the ability to justify the analysis of the results in activities with the help of current and final control, the ability to influence employees with the help of motivation, taking into account individual characteristics and a personal approach to employees);
- Personal and social responsibility (the ability to form completely new and non-standard ideas or solutions in solving relevant problems; the desire for self-development, the ability to improve oneself in the field of professional self-realization);
- New format for raising the level of intellectual labour: digital technologies; network systems; virtual reality (remote work).

The use of information technologies in the diplomatic sphere can: become positive factor, for example, in the collection and processing of information, set certain obstacles (security factor).

Digitization influenced by social media, in turn, affects the preservation, acquisition or loss of public trust in the country and its international partners.

The above-mentioned qualification and professional requirements for the DSE, taking into account the requirements for raising the level of their intellectual labor, are demonstrated by the Fig.2.

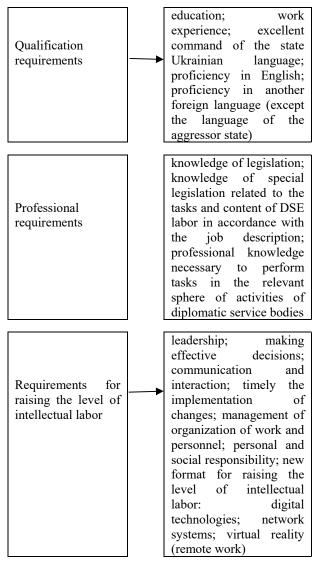


Fig. 2 Qualification and professional requirements for DSE, taking into account the requirements for leveling up their intellectual labor

The personnel selection procedures established in the civil service systems of the EU member states try to combine the two principles, which, in some cases, are required by the country's constitution. One of these principles is the right to equal access of every qualified citizen to public service. Citizens have the right to public employment, provided that they meet the general requirements established by law, as well as the specific requirements established in the vacancy announcement. Another principle concerns the public administration's interest in selecting the best candidates for public service (principle of services) [15]. Some countries lean more towards one of these principles than others. Countries more influenced by the classical French concept of public

administration (Spain, Portugal, Italy, France) tend to emphasize the importance of the principle of equal access, while other countries, such as the Netherlands or the Scandinavian countries, tend to support the selection of the most suitable candidates for this position This is a consequence of general features of their systems, career or work systems. However, it is worth mentioning that both principles are currently present to a greater or lesser extent in all EU countries. The question lies in the predominance of one or the other as the main feature of the system.

In any case, EU Member States, regardless of their particular career system or post-based civil service, have developed selection systems that take both principles into account and have developed procedures designed both to select the best available candidates and to ensure the equal right of access of every citizen. These systems are known as merit-based recruitment systems implemented through open competition.

Differentiation is also observed in some countries between external and internal selection. External selection open to every person who meets the general requirements, established by legislation and on the basis of announcements about the vacancy. The so-called internal selection, as a rule, limited to government employees already in place in office, and is used mainly as a way of promoting training, especially in systems based on career.

The widespread system of civil service in the country affects the content of its selection procedures. In career based systems, the content of these procedures mainly consists of exam, aimed at checking the knowledge of candidates, who are to have a corresponding university degree or academic qualification. This knowledge applies, in particular, to the field of public law (constitutional, administrative, tax and budget systems of the country) and is supplemented by specific items that are considered relevant for a specific field according to the direction of the vacancy.

All mechanisms of selection for civil service in EU member states provide that:

- 1) The selection system is aimed at selecting the most suitable candidate for a certain position within the framework of the state services;
- 2) The legal framework of the country guarantees the right to equal access to public service, based on merit, without regard to race, ethnicity, gender, family origin, religious beliefs or political opinions.

In the presence of the above conditions, the selection structure consists of a set of rules embodying these principles and guarantee effective practical implementation of them in real life.

The following advantages of innovative modernization of international cooperation in Ukraine can be defined:

- The political will of the country's top leadership to change the existing situation.

- The civil position of those who make strategic and tactical decisions on modernization of the state's foreign policy.
- Personnel policy to find non-traditional thinkers, politicians and diplomatic officials, professionals and experts capable of offering innovative, scientifically-based methods and models of fulfilling a socially ripe request.

A significant role here is to be given to intellectual elites, who help to prepare the "field" for the successful implementation of these three components into the modernization processesso

#### **Conclusions**

In the course of our research, we determined the level of intellectual labor of DSE, their qualification and professional requirements. Equally important are concepts of stimulating and motivating of DSE to raise the level of their intellectual work under the influence of different phenomena. In modern conditions of society development, the format of means and tools of work (represented by digital devices, network cybernetic systems, etc.) of DSE has changed, demanding the leveling up of intellectual labor performed. The new format for raising the level of intellectual work requires from DSE to have the technical capabilities of remote work in conditions of new technological, network, digital reality. This should contribute to the formation of new thinking and new worldview in DSE.

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