






# Designing a Model of Internal Relations in the Insurance Industry Using Interpretive Structural Modeling (ISM)

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## Abstract

Intellectual capital is a combination of intangible assets, human assets and infrastructures that enable the organization to perform its tasks. Structural, human, and relational capitals are the components of intellectual capital, which are a combination of intangible assets, human assets, and infrastructures that enable the organization to perform its duties. Based on this, the main goal of the current research is to design internal relationships between structural, human and relational capitals in the insurance industry using Interpretive Structural Modeling (ISM). The method in this research is quantitative (descriptive-survey) and by using the snowball method, 15 experts in the field of public administration and organizational behavior who were effective in the field of intellectual capital and social capital and also had management experience in the insurance industry as The statistical sample of the research was selected and the internal relationships between the research components were identified by the Interpretive Structural Modeling (ISM) method.

The findings of the research showed that the dimension of human capital (including communication skills, work experience and tacit knowledge of people) as the basis of the model affects all other dimensions and is located at the bottom level, which is the basis of intellectual capital and an essential element. It is considered in the implementation of its duties. At the middle level of the dimension of relational capital (including trust and honesty, informal participation, political participation, social participation, economic participation) and at the last level is structural capital (including communication and network links and network capitals), which two other dimensions have an effect on it. As a result, the structural, human and relational capitals are a set of knowledge, information, intellectual assets, experience, competition and learning of the organization, which managers, paying attention to this factor, can be a suitable platform for promoting capitals. Provide an idea in the organization.

**Keywords:** Structural Capital, Human Capital, Relational Capital, Insurance Industry.

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## Introduction

Intellectual capital is currently one of the main factors in the organization that causes growth and competition. Intellectual capital is a combination of intangible assets, human assets and infrastructures that enable the organization to perform its tasks (Olarojio and Asdembiso, ۲۰۲۱). According to many researchers and experts, intellectual capital includes three dimensions of human capital, structural capital and relational capital. Human capital refers to the capabilities, skills and expertise of organizational members. The most important indicators of human capital are: the professional and specialized competence of key employees, education, experience, the number of people in the organization related to the previous field, as well as the exact distribution of responsibilities in relation to customers. Relational capital includes extra-organizational dependencies such as client loyalty, good reputation, and relationships with resource providers. This issue is defined through the value received by a customer from doing business with the organization. Structural capital is related to the mechanism and structure of a business unit and can help employees in optimal intellectual performance and thus the organization will be able to improve its performance. The organization remains, belongs to the whole organization, can be reproduced and shared with others (Lu et al., 2015). In this research, the design of internal relationships between the causes and strategies of political behavior in the insurance industry was discussed using Interpretive Structural Modeling (ISM).

In this regard, Bontis (1998) considered for the first time the dimensions of intellectual capital including structural, human and relational capital .

1- Human capital: Human capital is very important because it is the source of creativity and strategic renewal of the organization. The basis of the existence of human capital is the intelligence and talent of the organization's people. The extent of human capital is limited to the knowledge that exists in the minds of its employees, and this capital can be measured according to the three dimensions of size, place, and time. Human capital includes factors such as employees' knowledge, skills, abilities and attitudes.

2- Structural capital: Structural capital includes all the non-human reserves of knowledge in the organization, including databases, organizational charts, executive instructions for processes, strategies, executive plans, and in general, everything whose value for the organization is higher than the value of its material. be, is Structural capital is defined as hardware, software, databases, organizational structure, rights of organization members, trademarks, and all organizational capabilities that support employee productivity. Structural capital is what remains in the organization when employees go home at night. In other words, structural capital includes all non-human accumulations of knowledge in an organization.

3- Relational capital: Bontis believe that relational capital refers to the current value of the organization's relationships with customers and the immediate value of these relationships. The essence of customer capital lies in the knowledge that lies in marketing channels and customer relationships.

In the meantime, some studies that were somehow related to the topic of the article have been presented. Tahriri Fard et al. (1402), in a research on the management of human, structural and communication capital and its impact on the performance of the



organization. The results showed that among these three dimensions, human capital is considered the basis of intellectual capital and an essential element in the implementation of its duties. Human capital refers to the capabilities, skills and expertise of human members.

Nikofer et al. (1400) investigated the effects of structural capital on relational capital by considering organizational performance and human capital in Saderat Bank of Chaharmahal and Bakhtiari province. The results of the research showed that the impact of employees' human capital on structural capital was confirmed; The effect of human capital of employees on the job performance of employees and the effect of relational capital on structural capital were confirmed, and considering that this positive coefficient was obtained, it can be concluded that an increase in relational capital causes an increase in structural capital.

Noor and Nawangsari (2021), in a research on the effect of intellectual capital (human capital, structural capital and communication capital) on organizational sustainability in regionally owned companies in Jakarta. The results showed that human capital, structural capital and communication capital have a positive and significant effect on organizational sustainability.

Linda et al. (2018), conducted a research titled the impact of intellectual capital (human capital, structural capital and communication capital) on organizational performance: empirical evidence from Islamic banking in Indonesia. The research results of the two dimensions of human capital and communication capital have an effect on organizational performance, while structural capital has no effect on organizational performance.

## Method

This research is quantitative (descriptive-survey) in terms of nature and method. The statistical population of this research includes experts in the field of public administration and organizational behavior who have had an impact in the field of intellectual capital, social capital, structural capital, human or relational capital, and have had managerial experience in the insurance industry. 15 people were selected by snowball sampling.

## Findings

In order to implement the interpretive structural modeling technique and obtain the internal relationships and priorities of the variables in a system, the following process must be followed:

### Identification of components

In this research, the components related to structural, human and relational capitals were identified by reviewing previous studies and relying on research backgrounds.

Relational capital includes: trust and honesty, informal participation, political participation, social participation, economic participation, moral and religious norms, social obligations.

Structural capital includes: network connections and links, network capital

Human capital includes: communication skills, work experience and tacit knowledge of people, collective contributions



### Discussion and conclusion

The most successful organizations are those that use intangible assets in a better and faster way. Today, structural, human and relational capitals are used to create and increase organizational value, and the success of an organization depends on its ability to manage this scarce resource. Intellectual capital providers are a combination of intangible assets, human assets and infrastructures that enable the organization to perform its duties. The main goal of this research is to design the internal relationships between structural, human and relational capitals in the insurance industry using Interpretive Structural Modeling (ISM). The findings of the research showed that the dimension of human capital (including communication skills, work experience and tacit knowledge of people) as the basis of the model affects all other dimensions and is located at the bottom level, which is the basis of intellectual capital and an essential element. It is considered in the implementation of its duties. At the middle level, the dimension of relational capital (including trust and honesty, informal participation, political participation, social participation, economic participation) is located, and at the last level is structural capital (including communication and network links and network capital), which Other dimensions have an effect on it. The results obtained are in line with the results of the following research: Tahriri Fard et al. The results showed that among these three dimensions, human capital is considered the basis of intellectual capital and an essential element in the implementation of its duties. Human capital refers to the capabilities, skills and expertise of human members. Nikofer et al. (1400)

In the end, it is suggested that future researchers measure the degree of internal relationships between human, structural and relational capitals by distributing questionnaires in the insurance industry.

