Scope and Aims of Intellectual Capital Management and Reporting

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Abstract. The concept of IC is a term that has been conceived through practice. IC has also been categorized in different ways by academics and business management since the mid-1990s. It is important to stress the notable efforts that the business world has made in the search for a valid universal classification. However, without doubt, the tripartite classification is the one that has the widest acceptance in the specialized literature and in political language, structuring IC in three blocks that are human capital, structural capital and relational capital. Nevertheless, it is important to note that the real wealth from IC not only resides in the sum of the elements which make up the whole, but in the interconnections between them.

In the context of universities human capital is the knowledge that resides in individuals which includes teachers, researchers, PhD students and administrative staff. Structural capital comprises the governance principles, the organizational routines, procedures, systems, university culture, databases, publications, intellectual property etc. of a university. Finally, relational capital is related to the various types of relations to its stakeholders and very similar to what is known as Third Mission.

Universities are immersed today in an intense transformation process triggered by the need to make universities more flexible, transparent, competitive and comparable. To face these challenges, universities need to consciously manage the processes of creating their knowledge assets and recognize the value of IC to their continuing role in society. The role of HE institutions is particularly relevant in the economic structure of countries and regions as they add value in terms of educated workforce and enhanced entrepreneurship.

Depending on the type of university (e.g. research University versus teaching university) the different elements of IC may have different roles and meanings.

The Impact of Measuring and Reporting IC at University level: mission, performance, national resource allocation and international ranking.

The increasing national and international competition to win students, scientists, research funds and other resources of income as well as ranking and reputation is a continuous challenge for universities. These allow considering at first IC development as a mission for universities and HE Institutions as they are created and funded with the purpose to build the workforce of tomorrow, stimulate organizational and technological innovation, and enhance the network of relationships which cross-fertilize industrial and academic expertise. Second, IC is a metric of performance and the intangible report may well represent for HE and research organizations what the balance sheet
and the income statement are for business companies. Third, IC reporting results could affect the financing of universities by National Ministry through the Financing Fund modalities and the local financial resources assigned by universities to their departments. Finally, IC reporting for universities can impact on the visibility at national and international level. The analysis derived from some identified indicators allow the university governance to set up the strategic directions for his national and international competition changing and setting up new strategic direction to improve resources allocation and international ranking.

Finally, IC reporting is at the basis of the strategic coordination of the universities within a wider national or regional policies policy context. Of course the strategic impact of measuring IC at societal and regional level is not free of risks. The university more involved into these transformations processes distinguish themselves through a market performance orientation as well as a clearly recognizable profile based on their scientific strengths. Under these circumstances many universities will find themselves in a situation of conflict between the growing pressure of commercialization and gain orientation from one side and the wish to fulfill their claim for academic quality on the other. The realization of the right balance requires a responsible and competent leadership, the mobilization of all members of the institution towards the common goal and the bonding of all the stakeholders in the regional context.