

Intellectual Capital Practices in Higher Education System: A Theoretical Frame Work

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Abstract

It has been demonstrated that intellectual capital enhances the performance of all types of enterprises, including institutions, and it has been established as an exciting notion that is regularly discussed by academics and professionals. It is envisaged that this research would enable reflection on the critical role of intellectual capital management in developing an organization's competitive achievement in higher education through a methodical literature evaluation. other businesses. Ten papers from national and international journals were chosen as the research data for a theme analysis. The results show that managing intellectual capital paves the way for modern educational institutions to successfully plan their strategies and conduct business. Academic administrators must reevaluate processes and reshape knowledge to improve their competitive advantage, internal strength, organisational structures, and educational programme success, particularly with regard to how these factors affect operational tactics.

Key Words: *Intellectual Capital, Higher Education, Knowledge Management.*

Introduction

In the new higher education paradigm, there have been significant developments. The potential for offering higher education to Indian universities and other government institutions is another change. Innovative collaboration, technology adaptability and competence, and intellectual asset management are the concerns that universities need to solve in order to remain competitive in the increasingly globalised world. These obstacles aid in demonstrating the requirement for the use of intellectual capital. By enabling educational institutions to assess the capacity of their resources for reuse of current knowledge and for expediting the creation of new knowledge from existing knowledge, intellectual capital will be beneficial to them. The intellectual capital of an organisation determines its viability and competitiveness. Play a part in disseminating

and gathering information. In an era of fiercer competition, controlling one's intellectual property is essential to creating excellent, inventive, and flexible businesses. There is no denying that information is a significant asset that distinguishes one person from another in higher education, even though knowledge cannot be simply quantified. A key component of boosting competitiveness is knowledge creation and dissemination (Sopandi & Sa'ud, 2016). However, learning about knowledge management in Indian schools demonstrates how much education is provided in Indian institutions. However, a small number of businesses have embraced knowledge management as a tactical strategy for accomplishing all-encompassing objectives. However, businesses and their managers have only recently begun to recognise its significance and impact on business outcomes. Intellectual

capital has always been present in all facets of life, in the most difficult decisions, and in the very existence of humans (Widiyaningrum, 2014). With the advancement of social development and radical reform in employment relations, the remarkable currency known as the information age or information society has transformed into intellectual capital, and as a result, its application in talent management in businesses, regardless of size and category of activity, has shaped tremendous knowledge. It makes competitive, high-performing organisation as a priority (Kuryanto & Syafruddin, 2008). Companies are experimenting with numerous approaches to quantify the human capital of their personnel, the support of their internal and external systems, the interest of their customers, and the quality and timeliness of their services in order to better understand their invisible assets. These forms of capital include complementary skills, skill management, and silent knowledge. The phrase "knowing how to be" was introduced into business jargon so that the company could focus its efforts on increasing staff education efficiency. Knowledge-based assets must be closely scrutinised for corporate success (Soetrisno, 2016).

Having good people is insufficient. To develop corporate strategy and retain a sustainable competitive edge, new skills must be used wisely. Knowledge is more value to a product or service when it is shared with the world, so knowledge is also more valuable to the users when it is shared. The value of investing capital exceeds that of investment (Randa, 2012). How knowledge is communicated with others depends on a variety of elements, including influence, cultural context, favorable and unfavorable circumstances, and many more.

People, in their social interactions, build their knowledge and share it with other people in the community (Gea, 2011). Work in an organization where you need to think about managing your intellectual capital and retaining knowledge. You need to think about how to change your internal strategy (Huda & Martanti, 2018). Knowledge

management creates systems and processes that help people get and share intellectual assets. Eventually, these systems and processes show how much knowledge is used, making it a competitive advantage from success. When a company has a good knowledge base, it shows that it's not just a set of products or services but a group of people who know how to get things done (Sisca et al., 2021). The secret to a company's competitive advantage with its target customers, meanwhile, is intellectual capital since it helps employees develop critical and distinctive abilities and improves their performance (Anshori, 2013). People's abilities and skills help to create human capital, which may then be strategically used to advance essential differences depending on each organization's management structure. As a result, the organisational management model needs to be modified into a democratic and innovative framework with a focus on skill development for its personnel (Lepak & Snell, 1999). It is undeniable that prosperous businesses develop into knowledge- and education-aggregated organisations that foster and advance organisational learning through clever management techniques. In a way, the purpose of knowledge construction is virtually a return when considering new management technologies for higher education institutions. With a plan that emphasizes optimization and full implementation, human capital management in this scenario is totally committed to boosting intellectual capital and implementing it more and more (Prasojo et al., 2017).

In essence, colleges and other institutions are just groups of people who have come together for the goal of learning and applying information. To accomplish their objectives, they manage more effectively and efficiently. Accomplish their goal. Companies are engaged in this area (Fadhli, 2020). As a result, it becomes crucial to concentrate on intellectual capital in the future. Knowledge managers are given top attention in this framework for businesses that want to succeed (Kasmawati, 2017). In order to retain and expand knowledge, this new intellectual capital

perspective demonstrates the necessity of providing collaborators with a tough task, a stimulus that continuously adds fresh experiences and expertise to its collaborators. The company's expertise and growth are its most valuable assets, thus they must develop a clear human resource plan to quickly attract and keep employees motivated. Above all, correctly build and deploy using organisational tools based on a pragmatic viewpoint.

Prior research on intellectual capital and knowledge management in higher education institutions has been discovered in a variety of contexts and across several countries (see Antosova & Csikosova, 2011; AbuRumman, 2019; Iqbal et al., 2018; Ling, 2013). This suggests that this topic has received a lot of academic interest since it positively affects higher education institutions' ability to compete globally. The current study emphasises the idea, application, and obstacles to such practises in light of their significance. Higher institution practitioners' ability to enhance their intellectual capital and knowledge management quality is anticipated to benefit from this study.

The commitment of Educational Institutions

The educational process must be dedicated to the holistic development of the learner; students should be prepared to cultivate independent and critical thinking as well as to shape their evaluations in order to be able to handle the various situations that will arise in real life and come to their own conclusions. It entails developing their skills and talents as well as their freedom to reason, discern, experiment, and dream about being masters of their own fate. The political commitment that education has to society is another important aspect to take into account, which is why it is important to constantly reflect on what it already has and what it wishes to offer. Finding the right balance between students' actual social practises and the potential of instructors' and other teaching professionals' educational approaches raises a worry. If the pursuit of education is the means by which humans attain

full humanity, then it is the responsibility of schools to give the next generation access to a world of structured, systematic knowledge. Thus, organisation is the primary educational focus. Process and choose an appropriate format. Because it is systematized independently of educational institutions and reproduced from social relations, material in this context does not serve as the process' central focus (Djatola, 2021). Systematic knowledge poses the following challenge to pedagogy: how to make knowledge easier for a new generation to digest, that is, so that people who in any way contribute to its formation as social agents, in some way, examine the ramifications of historical trajectories. To put it another way, the social creation of knowledge is a historical and human inheritance, and the problem of pedagogy enables new generations to learn the information that mankind develops and generates without having to go through the same process (Ulum, 2012).

Existing knowledge is assumed when discussing the socialisation of knowledge, but this does not imply that it is static or full. It is knowledge that is susceptible to change and is under the influence of social agents. As a result, it is possible to formulate educational ideas whose focus is on the growth and evolution of society rather than its static upkeep. From a sociological perspective, culture establishes how a society is structured in a way that all patterns, values, and ideas have a connection to language and where organisations are unable to occupy a certain position as an epistemological system. As a result, relationships are formed by human values like meaning, commitment, and symbolic representation and the essential elements of these connections are sharing and teaching. Thus, the company's environment and its subcultures are used to examine organisational culture; in this way, countless options and variations are perceived, which defining characteristic of businesses aiming for competitive performance (Budiastuti, 2012).

Knowledge Management as Implementation of Intellectual Capital in Higher Education

Higher education must keep up with the rate of development in order to respond to changes in the global economy and the environmental movement. This situation demands that colleges concentrate their efforts on developing intellectual capital through knowledge, creativity, and invention (Rahayuningtyas & Triana, 2017). Faced with this challenge, the OECD (2009) claimed that higher education promotes and propels globalisation. A nation's workforce must be well educated and have access to cutting-edge research and innovation skills if it is to compete in the global knowledge-based economy. It makes it possible to cooperate and communicate across cultures. The landscape of higher education is changing as a result of cross-border ideas, student, staff, and funding flows as well as developments in ICT. Cooperation and competition are getting more linked as the market's power increases and new rivals enter the fray.

In order to adapt to changes in the world, universities must work to raise the standards of all of their collaborators while fostering the production of new knowledge, which will serve as the intellectual foundation for innovation. Universities must adopt innovative curricula in light of current changes (Narimawati, 2011).

In order to facilitate new learning transfers between teachers and students, research is therefore a source of knowledge creation in universities. In the first example, the teacher prepares their class with scientific production by using scientific articles, book chapters, and reviews; as a result, it is connected to the teaching function. Second, research initiatives foster connections between the corporate world and the broader community and universities, building on the development of spin-offs whose significance lies in the creation of new technologies, the outcome of high-quality jobs, the capacity to produce high added value in economic activities, and the ability to contribute to regional development, which improves the outreach function.

Given that learning is valued in the knowledge industry, the abovementioned is crucial to knowledge management. They therefore aspire for competitive and long-lasting success in higher education. This organisation aims to excel in scientific, technical, and human training and to provide top-notch services by generating practical knowledge through teaching, research, and extension operations.

Higher education institutions need knowledge management to be able to reorganise and strengthen their activities, particularly during the stages of knowledge generation, transmission, and transfer. Nevertheless, despite its significance, prior study in numerous nations throughout the world has demonstrated that such firms lack a defined knowledge management plan, which prohibits them from significantly improving their processes. Universities are viewed as businesses set apart by their intangible goods. As a result, all knowledge creation and management ideas and principles can be used (Oliva & Kotabe, 2019). The author of this study proposes a knowledge management model for higher education that starts with a research activity and connects it with instruction and counselling in 4 crucial steps,

The model begins with the research activity and moves on to the knowledge identification phase, where two activities—visualizing the study through internal and external sources—are included. First, a bibliometric study that identifies research groups, paths, leaders, and researchers is carried out, and publications are then ranked by region or regions. The second is a cooperative network of outside professionals, which includes researchers, educators, and administrators.

After finding persons with various types of implicit and explicit knowledge, one takes a specific action, learning from one another in order to absorb knowledge from various sources. To learn more about the knowledge and abilities of educators, researchers, and administrators, conduct surveys, interviews, and focus groups. Social networking technologies like Flickr, Facebook, and YouTube are used during this procedure. As a result, storytelling and other

digital narrative examples have become increasingly popular. SharePoint technology solutions for the learning transfer process. The college developed autonomous research, academic, and administrative groups as a result of the previous sentence to create assignment schedules that allowed for knowledge compilation, classification, and feedback. Articles, research papers, and administrative documents are all the products of this activity.

The following step is to organise the dissemination of explicit learning through articles, research papers, and administrative documents, which must be stored using a variety of ICT tools, such as digital workspaces with SharePoint functionality that support teamwork and the transfer of academic knowledge. Scientific databases and collections like Scope, Web of Science, and IEEE, intranets, and learning management systems like Moodle are additional technologies used in the workplace. Finally, The knowledge measuring phase also considers indicators of human, structural, and relative capital.

Knowledge Management Barriers and Challenges in Higher Education

According to the previous explanation, knowledge management is a crucial step in the operation of any business, regardless of the industry in which it engages. For certain colleges, this kind of management turns into a source of long-term competitive success, which is necessary to stand out in this competitive field. Implementing this procedure is a challenging undertaking for these firms, nevertheless, as organisational and technical challenges prevent the realisation of meaningful outcomes in this field. Because the vast volume of information generated within the institution is not properly preserved and remains grey, some constraints are related to the seizure of knowledge. However, codification in public repositories may be advantageous to other academics. Additionally, it may contribute to the absence of a knowledge transfer culture that supports both physical and virtual spaces for

students to keep, consult, and share the knowledge they generate through their academic endeavours. Universities also struggle with research departments lacking the infrastructure and staff needed to produce new knowledge. In addition, some incentives are provided to researchers in lieu of their efforts to boost scientific production. Similar to the previous example, there are times when numerous scholars hoard information out of greed and conceit, preventing its transfer for the benefit of institutions. Knowledge management activities will be ineffective if employees are unwilling to share and transfer knowledge within the organisation.

One of the barriers to knowledge management in higher education is a dearth of suitable technology infrastructure, despite the fact that information and communication technology is a crucial tool in this process. Libraries in some institutions lack the ideal technological infrastructure to communicate the knowledge generated by the academic community, which is problematic when it comes to sharing the different areas of expertise that have been developed. The absence of virtual venues and platforms where the entire academic community can engage with the knowledge produced in universities was also noted (Jones et al., 2009).

To address all of these obstacles, the college's chancellor and chairperson must first assume ownership of the knowledge management strategy and be ready to put it into practise across the entire organisational structure and in accordance with the goals of the college. The directors are in charge of creating the framework for effective knowledge management across all core organisational functions. In order to improve the recognition, development, and dissemination of knowledge, colleges are urged to provide both physical and virtual venues where students can preserve and share the knowledge created in the classroom. Students create projects, research papers, articles, and other academic works that can actually apply information to

other institutional participants and external actors. On the other hand, universities must significantly contribute to the development of human and technology resources in order to take on this crucial duty of resolving issues that are currently facing the research community. The stimulus structure must also be created in a way that encourages the researcher to produce new information and take part in the implementation process. Due to the desire of many academics to use their findings to help solve social issues, stimulation can be both economic and social. Researchers also face difficulties in removing obstacles to selfishness and in creating an atmosphere where information and expertise are naturally shared.

Finally, it encourages colleges to modernise their technical setups for knowledge identification, development, diffusion, and measurement. In order to actively participate in knowledge management, students, teachers, and administrators need access to and usage of information and communication technologies. Universities have a wide range of technical resources at their disposal to address this issue, including intranets, blogs, moodle, wikis, chat rooms, discussion forums, collections, databases, academic networks, and learning management systems. Knowledge management in teaching, research, and extension activities can be facilitated by online training, communication, and learning utilising Microsoft Apps, Dropbox, Google Docs, Mindmeister, and Google Apps.

Conclusion

Intellectual capital and knowledge management are essential in higher education institutions that create natural knowledge given the cutthroat environment in which these organisations compete. It develops and disseminates knowledge to students, faculty, researchers, administrators, the public-private sector, and other interest groups that higher

education needs to be properly managed to achieve its institutional goals. These knowledge-creating activities include teaching, research, and extension. This study argues that the idea of knowledge management is made up of four fundamental steps: identification, creation, distribution, and measurement, which may be used to successfully adapt to the realities of higher education and serve as the foundation for the formation of a particular model. In this theoretical reflection, the study illustrates the idea, application, and challenges of intellectual capital and knowledge management as strategic instruments for universities to build long-lasting competitive successes in their teaching, research, and extension operations. However, the implementation process may not be successful unless the appropriate conditions are provided. To build intellectual capital and knowledge management strategies in Indian higher education institutions, future researchers are encouraged to do operational research at specialised institutions.

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