Chapter 6

Valuing Intellectual Capital at the Postgraduate Level in Higher Education Institutions

Mayra Alejandra Vargas Londoño
https://orcid.org/0000-0001-7453-0037
Instituto Politécnico Nacional, Mexico

Edgar Oliver Cardoso Espinosa
https://orcid.org/0000-0001-7588-9439
Instituto Politécnico Nacional, Mexico

ABSTRACT

Knowledge management has become an essential part of today’s society. Since organizations and society in general are starting to realize the importance of knowledge for the development of the economies, higher education institutions are appearing as the central tool to develop knowledge and consequently develop society. But normally, these institutions focus on teaching and learning as their main processes and give all of their attention to developing and improving these processes. Nonetheless, higher education institutions have recognized the importance of intellectual capital to respond to the new needs of society and to improve the quality of education, so they start talking about models to measure intellectual capital, although these models, as it was previously mentioned, are being developed for production companies. The objective of this chapter is to state the importance of developing models to value intellectual capital in higher education institutions, especially at the postgraduate level.

INTRODUCTION

Knowledge Management has become an essential part of today’s society. Since organizations and society in general are starting to realize the importance of knowledge for the development of the economies, higher education institutions are appearing as the central tool to develop knowledge and consequently, develop society.

DOI: 10.4018/978-1-7998-5772-3.ch006
In this way, intellectual capital, a concept that was first mentioned by Edvinsson (1993) to refer to the set of intangible and hidden variables which generate a tangible value to organizations, starts to be related to Knowledge Management, and brings the question of how are organizations valuing this intellectual capital in order to be more efficient and successful.

To start with, intellectual capital is divided into three components, which are: human capital, structural capital and relational capital. Human capital refers to the capacities that have the individuals, who are part of an organization, to innovate and to offer solutions to the problems that are presented inside the organization (Stewart, 1997).

Structural capital is known as the intangible infrastructure which allows the organization to work and to give the new employees the opportunity to integrate easily. In other words, it is the knowledge that belongs to the organization and that works as a map for all of the employees (Scarabino et al., 2007).

Finally, relational capital is, as the name indicates, the value that an organization gives to its relations with clients, providers and other people, and the way it takes these relations and works with them in order to innovate and empower itself to share its success with society.

Nonetheless, this intellectual capital needs to be valued in some way. For this reason, many authors have developed models to value intellectual capital in organizations, as it is the case of the Skandia Navigator Model, the Balanced Business Scorecard Model, the Technology Broker Model, the Canadian Imperial Bank Model, the West Ontario University Model, the Nova Model, the Dow Chemical Model, the Nonaka and Takeuchi Five Phases Model, the Intelect Model, and the Intellectus Model, among others.

All of these models to value intellectual capital have been created by some authors who wanted to give organizations an easy way to know the intangible assets they have and to use them in order to be more efficient. However, all of these models have been created to use them in productive organizations, which have a different mission and vision than those of educational organizations or educational institutions as they are better known.

In every society, higher education institutions are in charge of educating the human capital that is going to work in the productive sectors, so it is necessary to know how higher education institutions are working on developing all of this knowledge. But normally, these institutions focus on teaching and learning as their main processes and give all of their attention to developing and improving these processes.

Therefore, given this scenario, higher education has become a fundamental basis for the development of human capital that will generate value in organizations within the new paradigm of the knowledge society. As Cárdenas (2002) states, higher education has been transformed into the cement of the economy, since it is in higher education institutions (HEIs) where specialized personnel are trained that will give value to organizations and generate higher productivity; in the same way, it is within the HEI where knowledge will be developed and generated through its researchers, which will allow the development of countries, because in the knowledge society, the economy is based on scientific and technological developments, which are derived from the knowledge that is generated within HEIs.

Due to these changes, higher education institutions have recognized the importance of intellectual capital to respond to these new needs and to improve the quality of education, so they start talking about models to measure intellectual capital, although these models, as it was previously mentioned, are being developed for production companies. However, HEIs have seen the need to start measuring their intangible assets to give additional value to the personnel trained within them (Arrieta, Gaviria and Consuegra, 2017).

Additionally, in the postgraduate level, higher education institutions have most of the scientific productivity, which is why it is important to start with models for valuing intellectual capital at the
Related Content

Cultivating a Public Sector Knowledge Management Community of Practice
www.irma-international.org/chapter/cultivating-public-sector-knowledge-management/25439

Spam Detection Approaches with Case Study Implementation on Spam Corpora
www.irma-international.org/chapter/spam-detection-approaches-case-study/49222

Application of Methodology Evaluation System on Current IS Development Methodologies
www.irma-international.org/article/application-of-methodology-evaluation-system-on-current-is-development-methodologies/204604

Data Quality and Knowledge/Information Management in Service Operations Management: Regional Supermarket Case Study
www.irma-international.org/article/data-quality-and-knowledgeinformation-management-in-service-operations-management/90453

www.irma-international.org/chapter/knowledge-intensive-evolutionary-algorithms-for-solving-a-healthcare-fleet-optimization-problem/199614