



# **Value-Based Management as an Opportunity to Increase Performance of Higher Education Institutions in Romania: Discovering Successful Methods and Representative Models of Measurement for Intellectual Capital**

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## **Abstract**

*The new intensively developed economy, focused on multiple knowledge, diversified, refined and strongly supported by the explosion of the information society, is based on a multitude of strategies that prove to be emerging disciplines of management with increasing importance for the century of speed, proving essential not only in the activity of tertiary education providers but also of all other entities, aiming to occupy a special and reforming place in the knowledge economy. Competitive advantage, value-based management and increasing performance in all areas become the priorities that focus the spotlight on the intellectual capital of any company, focused on cognitive knowledge, outstanding skills, advanced ability to understand the new systems available, creative and innovative skills willing to develop and direct them not only in their immediate personal interest but also from the perspective of shareholders. This research is aimed at presenting the advantages and importance of value-based management, as an opportunity to increase performance of higher education institutions in Romania, while discovering successful methods and representative models of measurement for intellectual capital. Thus, the work examines the results obtained by using the following research methods in both public and private higher education institutions in Romania: surveys, interviews, focus groups. Firstly, this paper shows that Value-Based Management and Intellectual Capital play a paramount role in the field of educational in Romania, in general, and in the higher education institutions in Romania, in particular. Secondly, this paper emphasizes the strengths and opportunities brought by Intellectual Capital in Romanian in higher education institutions. Thirdly, this paper has addressed selectively a few successful methods and representative models of measurement for Intellectual Capital in Romanian higher education institutions.*

**Keywords:** *Intellectual capital, human capital, performance, higher education institutions, intangible variables, quality of education*

## **1. Introduction**

Recent developments in the field of economic sciences and business administration – with a particular emphasis on business administration, economics, management, accounting and finance fields, have led to the key idea that the world's new intensively developed economies decided to become more and more focused on multiple and critical issues, such as, intangible assets, human capital, knowledge, intellectual capital, intellectual property, and other related and interconnected elements [1, 5-9].

Because of these new trends, top specialists worldwide have noticed that today's society is becoming more diversified, highly refined and strongly supported by the explosion of the information (thus, the new name attached to it, "the information society"), which, in the end, turned out to be based on a multitude of strategies that proved to be emerging disciplines of management with increasing importance for the century of speed [10-13].

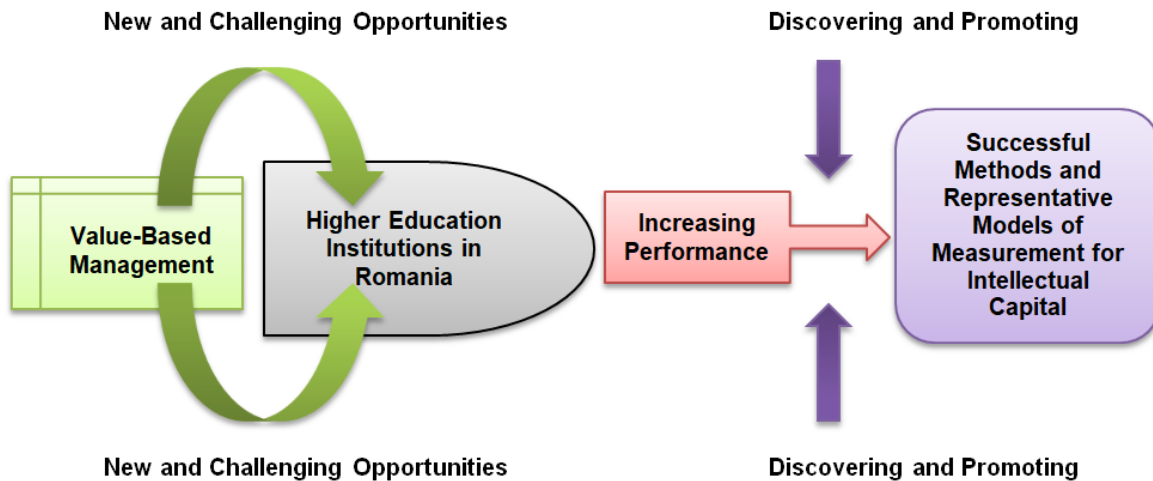
What is more, due to these emerging challenges, reputed scholars worldwide have come to the conclusion that value-based management represents an opportunity to increase performance at a general level and, in particular, should be regarded as a major asset for education institutions – in particular, for higher education institutions, proving essential not only in the activity of tertiary education providers but also of all other entities, aiming to occupy a special and reforming place in the knowledge economy [18, 19].



## 2. Literature review

A large and growing body of literature has investigated the importance and the vital role of higher education institutions in increasing nations' competitive advantage [20]. However, it seems that these days both value-based management and increasing performance in all areas become the priorities that focus the spotlight on companies' intellectual capital, especially when addressing individuals' cognitive knowledge, outstanding skills, advanced ability to understand the new systems available, creative and innovative skills meant to develop people's creative and work capacity (see Figure 1) [14-16].

Fig.1. Value-based management as an opportunity to increase performance



Legend: This figure underlines the importance of Value-based management as an opportunity to increase performance of higher education institutions in Romania.

Seeing that, protecting people and economies with the aid of integrated policy responses as well as with coordinated governmental actions capable to ensure sustainability, resilience, environmental protection and ecology, the social, economic, and environmental impact of all human actions must be at all times seriously considered and thoroughly monitored [2-4].

## 3. Methodology

To date, various methods have been introduced and described to measure the processes responsible for managing Intellectual Capital [5-17].

It should be pointed out that this research is aimed at presenting the advantages and importance of value-based management, as an opportunity to increase performance of higher education institutions in Romania, while discovering successful methods and representative models of measurement for intellectual capital.

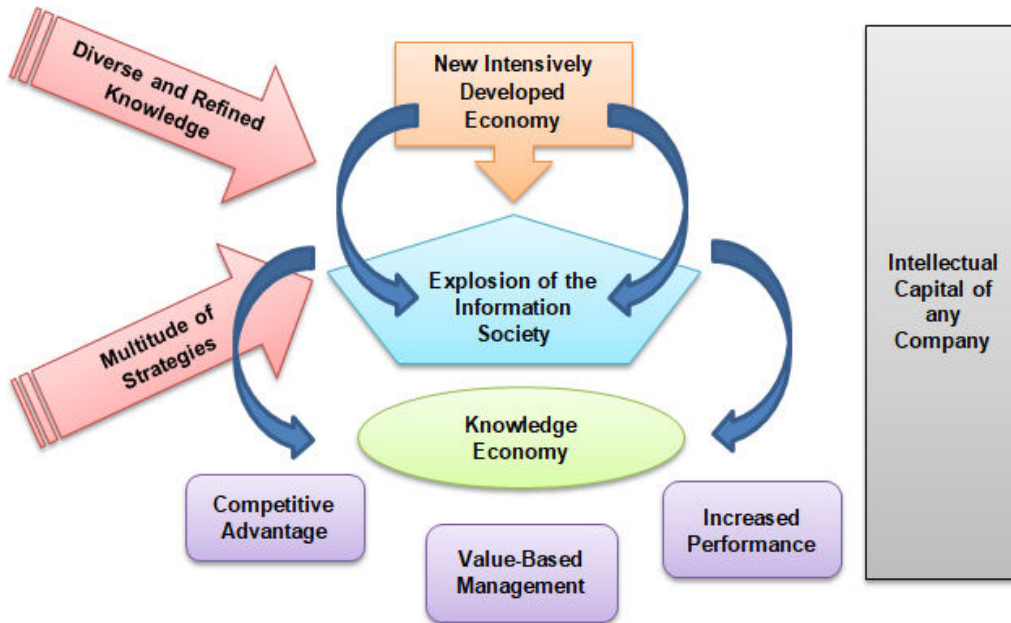
Consequently, this current work examines the results obtained by using several research methods in both public and private higher education institutions in Romania: surveys, interviews, focus groups.

## 4. Data analysis and discussions

In terms of data analysis and discussions this scientific paper suggestively entitled "Value-Based Management as an Opportunity to Increase Performance of Higher Education Institutions in Romania: Discovering Successful Methods and Representative Models of Measurement for Intellectual Capital" points out fundamental results obtained using surveys, interviews, focus groups in both public and private higher education institutions in Romania (see Figure 2 and see Figure 3).

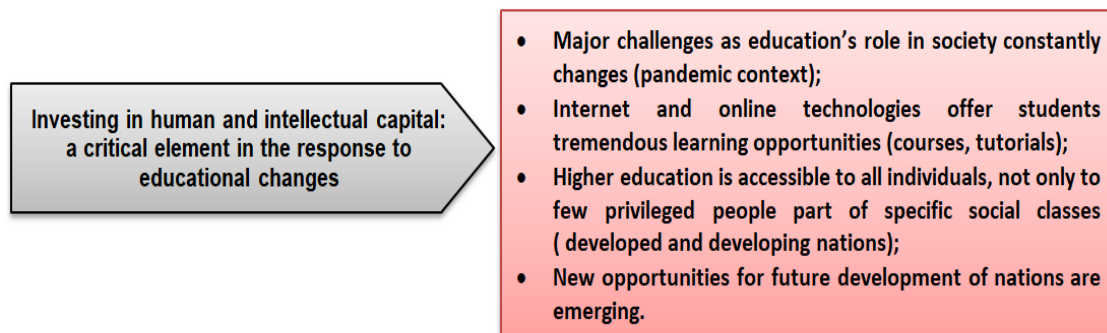


Fig.2. Assessing and managing Intellectual Capital in the knowledge economy: focusing on cognitive knowledge, outstanding skills, advanced abilities, creative and innovative skills



Legend: This figure underlines the outstanding importance of assessing and managing intellectual capital in the knowledge economy.

Fig.3. A scientific model capable to value intellectual capital in Romanian higher education institutions



Legend: This figure describes a scientific model capable to value intellectual capital in Romanian

### 5. Conclusions, limitations and future work

In terms of significant conclusions, the following elements should be emphasized: firstly, this paper shows that value-based management and intellectual capital play paramount roles in the field of educational in Romania, in general, and in the higher education institutions in Romania, in particular; secondly, this paper emphasizes the strengths and opportunities brought by intellectual capital in Romanian in higher education institutions; thirdly, this paper has addressed selectively a few successful methods and representative models of measurement for intellectual capital in Romanian higher education institutions. The general conclusions of this study are shown in the figure below (see Figure 4 and Figure 5).

These results come to complete previous works and research on intellectual capital [21-24], as well as the interpretation of intellectual capital's crucial role in knowledge based society [25-26].

Fig.4. Managing Intellectual Capital: conclusions



Results obtained from surveys, interviews, focus groups:		
Human capital and Intellectual capital play a decisive role in:		
- generating long term human development benefits	- reducing the carbon footprint	- supporting individuals' adaptation to constant challenges
- ensuring sustainability and resilience	- favoring governmental climate actions	- ensuring positive behavior changes
- reducing greenhouse gas emissions	- increasing labor productivity	- enabling access to low carbon services
Value-Based Management and Intellectual Capital play a crucial role in Romania' educational field and in higher education institutions in Romania.		

Legend: This table underlines the results of assessing and managing Intellectual Capital.

Fig.5. Managing Intellectual Capital: solutions



Legend: This table underlines the results of assessing and managing Intellectual Capital.

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