

THE IMPACT OF HUMAN CAPITAL WITH EMPHASIS ON CANDIDNESS IN THE INTELLECTUAL CAPITAL MANAGEMENT IN INSTITUTIONS OF HIGHER LEARNING AN EMPIRICAL STUDY WITH SPECIAL REFERENCE TO SELECT UNIVERSITIES OF ANDHRA PRADESH STATE

Shaik Rahamath Bee¹ & P. Sree Devi², Ph. D.

¹Professor, Sri Indu PG College Hyderabad. dr.shaik06@gmail.com

²Hod, Bs & Hss, Jntuk-Ucev, Vizianagaram

Abstract

Intellectual Capital is knowledge that creates value and strength to an individual as well as institution. It is a tradable entity. An organization can accumulate wealth with the help of intangibles. Intellectual Capital is knowledge that can be transformed into usefulness which has worth. Almost all the latest developments in every sector is a byproduct of knowledge. The knowledge that can be used which is present in the minds and nature of individuals need to be tapped and has to be converted. For the conversion of tacit knowledge into explicit Candidness of an individual is very essential. Candidness makes an individual to share and gain knowledge for the advantage of self as well as the organisation. This study brings together the relevant factors of human capital with emphasis on Candidness in the Intellectual Capital Management in the effective performance in Institutions of higher learning. To accomplish these objectives data is collected with the help of Questionnaire and Schedule and administered to permanent teaching fraternity of select universities in Andhra Pradesh using random sampling technique and the data is analysed using SPSS.

Findings: *From this study it has been established that Candidness variable of human capital has significant impact on the intellectual capital management in institutions of Higher Learning.*

Keywords: *Intellectual capital ,Human Capital ,Intangible Asset, Candidness.*



[Scholarly Research Journal's](http://www.srjis.com) is licensed Based on a work at www.srjis.com

Introduction:

Intangibles are treated as assets that do not have substantial existence, that bestow rights and privileges to an enterprise and that are indivisible from the enterprise. Intangibles are assets

for which the purpose and timing of future benefits is very difficult. Its subsistence depends on the presence or expectation, of earnings. They typically appear last in the development of a business and disappear first in its demise. Intellectual Capital is an intangible asset which has many components Human Capital is a core component of Intellectual capital Management.

2.Literature Review: Edvinsson & Sullivan¹ treats human resources as human capital, the fruits of intellectual labour can be assigned to various branches of a tree which is like a golden tree where each fruit is a golden fruit which never loses its value because the innovations produced by the Human capital, are converted into intellectual assets which can be further patented. Bontis² *et.al.*, the investment in intellectual capital creates two fold profits in comparison with assets which have physical existence. Intellectual Capital aids in improved performance in an organization. Intellectual Capital can be broadly categorized into

1. Human Capital
2. Structural Capital
3. Relational Capital

Human Capital: Human capital refers to knowledge and skills of human resources. Universities are meant for the transfer of knowledge and enhancement of skills. There are many factors that form human capital. In the present study pertaining to universities one variable is taken for the study in Intellectual Capital to analyse the role of human capital on the effective performance of select universities that is Candidness

(i). Candidness: It refers to the degree of free and fair learning environment in Universities whether a conducive learning environment is created or not, To what extent the teaching professionals are satisfied with the pace of learning and recognition of their skills. It is an exposure to various knowledge and learning aspects, and whether they are enriched .in learning and imparting beneficial research. Whether the facilities that are available match to the world class and whether their knowledge skills and abilities are recognized in the form of awards. It is in the form of having projects, in India and in foreign countries. Whether enough number of research publications is seen. This investment in knowledge and skills by the University is qualitative in nature as it enhances the quality of persons and institutions. Human Capital in institutions of higher learning constitutes Teaching skill, experience, knowledge, satisfaction level, competency, number of visiting fellows, research skill, teaching potential etc.

2.Review of Literature This research seeks to develop theoretical links and empirically examine the association between Human capital and effective performance. So as to have a better insight, the review of literature is provided on various universities worldwide which shows an impact of human capital in the management of intellectual capital. universities' main goals are the production and diffusion of knowledge and their most important investments in Human Capital is the degree of free and fair working environment.

3. Need and Importance of the study

Intellectual Capital Management has emerged as the best practice in helping universities to achieve the effective performance in situations of enhanced competition and policy changes by the government. It helps the human capital to be proactive in decision making and enhancing of knowledge through systematic acquisition, creation, sharing and use of knowledge Human Capital helps in the best conversion of tacit knowledge into explicit thus catering to the needs of the universities in the era of globalization, liberalization and privatization.

4. Research Method and Design

4.1 Objectives of the Study

1. To identify the importance of intellectual capital management in institutions of higher learning.
2. To study the impact of Candidness variable of human capital in intellectual capital management in effective performance of universities.
3. To analyse the factors in effective performance of universities.

4.2Research Hypothesis

H₁.Candidness of human capital in intellectual capital management has positive impact in effective performance of universities

4.3Nature of Research It is empirical and descriptive in nature

4.4Research Design Process

The research design process followed a three stage approach, i)questionnaire design ii)a pilot survey and (3)main survey. The first step involved the operationalisation of measures,which was achieved using the literature review to measure the constructs and design the draft questionnaire for pre testing. In step two 200 draft questionnaires and schedules were directly administered to permanent teaching fraternity in select universities of Andhra Pradesh.124 questionnaires and schedules were perfectly filled and complete data collected and assessed

using Factor analysis and Reliability testing to refine and finalise the questionnaire administered to the main survey. For the last step, final questionnaire and schedules were used to collect data from 267 permanent teaching fraternity from select universities in Andhra Pradesh.

4.5 Sample Frame

In this study, the sampling frame is based on the list of all universities located in Rayalaseema region of Andhra Pradesh.

4.6 Sampling technique

Simple Random sampling technique is used for collecting information from the selected respondents.

4.7 Method of Data Collection

In this research data is collected from the sample respondents with the help of administration of structured questionnaire and schedule

4.8 Tools of Data Analysis

The collected data is analysed with the help of SPSS (20 version). In this research both descriptive and Inferential statistics were used.

5. Analysis and Implication

Table 1-Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.856	.868	14

Interpretation of Reliability: The research has been put to statistical processing and found that table 1 presents Cronbach's Alpha which is .856 which is a valid construct. Higher the value more reliable is the construct. For Valid Cronbach's Alpha the minimum value is 0.6. Hence the construct is valid with a value of 0.8 for fourteen items.

Table 2-KMO and Bartlett's Test			
Kaiser-Meyer-Olkin Adequacy.	Measure of	Sampling	.647
Bartlett's Test of Sphericity	of	Approx. Chi-Square	5082.527
		Df	91
		Sig.	.000

Interpretation of KMO Index: For factor analysis a valid KMO index is 0.6 to perform factor analysis and three components which are exposure to Knowledge acquisition and

dessimination, Facilities, Performance indicators have been extracted from factor analysis for further factor loading with an approximate chi square value of 5082.527.

Table 3-Statistical Responses of respondents on the ‘Candidness’ variable of Human Capital in Sample Universities

S. No	Statements	χ^2	D. F	Sig. lvl	Mean
1	I am exposed and learn from visiting fellows from other universities	40.103 _a	9	.000	3.9588
2	I am enriched and learn from visiting fellows from international arena.	59.566 _a	9	.000	3.5543
3	I have definite number of researchers per field	53.605 _a	9	.000	3.8052
4	I have students coming from other universities for research regularly	82.986 _a	12	.000	2.5618
5	I have an opportunity to regularly upgrade my knowledge	26.582 _a	6	.000	4.2547
6	I couldn't compete with world class because it is situated in rural university.	16.034 _a	6	.014	1.6330
7	I am the best in the teaching area in the world	19.816 _a	6	.003	3.4831
8	I am equipped with all the knowledge, skills and abilities	49.924 _a	9	.000	2.1610
9	I have the world class facilities.	16.633 _a	3	.001	4.3708
10	I am recognized for my knowledge, skills and abilities	58.051 _a	12	.000	2.0225
11	I have been nominated for awards	54.628 _a	9	.000	2.1423
12	I have been nominated to State Bodies/National Bodies/International	60.133 _a	15	.000	3.5768
13	I had an opportunity to stay abroad on sabbatical leave for teaching/research/exchange programme(not for employment)	8.844 ^a	6	.183	2.6442
14	I have authored books and published	53.574 _a	12	.000	3.5393

Source : Field Survey

Findings:

Data Interpretation: The research embarks here on interpretation as an offshoot of the statistical processing, table 3 illustrates the outcomes in the form of Mean and Standard Deviation, conceptually higher SD indicates high deviation, moderate SD indicates moderate deviation, and a low SD of 0-2 as observed indicates low deviation. The table 3 presents Experience wise responses on human capital in the selected respondent universities. Irrespective of years of Experience, Age and Gender the respondents have a highly positive opinion that they are equipped with knowledge, skills and abilities, and regularly have an

opportunity to upgrade their knowledge. Moderately positive opinion is seen in the aspect of their exposure and learning from the visiting fellows from other universities in India and outside India, they are enriched and learn from visiting fellows from international arena, have definite number of researchers under their guidance, they are the best in the teaching area in the world and have authored and published books, But it is to be noted that irrespective of experience respondents have exhibited a moderately negative opinion on the students seeking research from other universities, world class facilities, recognition for their knowledge, skills and abilities, faculties who have an opportunity to stay abroad for teaching/research/exchange programmes, being nominated for awards. A highly negative opinion is observed pertaining to the aspect faculties couldn't compete with world class because it is a university located in rural area.

Testing of Hypothesis: The Chi-Square values in table 3 on various aspects of human capital like inter-university knowledge sharing and learning from other universities, number of researchers from other universities and opportunity for the up gradation of knowledge, having world class facilities, equipped with knowledge, skills and abilities, nominated for awards, authored and published books etc are higher than the table values hence null Hypothesis which states that there is no impact of human capital on the effective performance of select universities has been rejected and the alternate Hypothesis which states that there is an impact of human capital on the effective performance of select universities is accepted.

6. Conclusion.

In the era of globalization, privatization, liberalization where the world is shrunk into a global village it is the knowledge which is an intangible asset, is to be taken as a tool to face the uncertain world in the times of ever changing technology and ideas it is the knowledge that is embedded in human capital that forms the basis for the enhanced development through candidness in institutions of higher learning which helps in the identification of fair practices that build the institution hence human capital with candidness in operations and functions should be utilized as a competitive edge in the world of cut-throat competition.

References

-
- Dr.Ramakanta K.Patra(2011)"Strategic Human Resource Management and Organisational Development" Himalaya Publishing House.p 242
.Bontis, N. (1998) 'Intellectual capital: an exploratory study that develops measures and models',*Management Decision*, Vol. 36, No. 2, pp.63–76

- Carla Curado and Nick Bontis, 'Managing intellectual capital: the MIC matrix' *Int. J. Knowledge and Learning*, Vol. 3, Nos. 2/3, 2007
- Stewart, T.A. 1998, *Intellectual Capital-The Wealth of Organizations*. Nicholas Brealey Publishing House
- Edvinsson, L., Malone, M. S. (1997), *Intellectual Capital: Realizing Your Company's True Value by Finding Its Hidden Brainpower*, Harper Collins Publishers, New York
- Edvinsson, L. (1997), "Developing intellectual capital at Skandia", *Long Range Planning*, Vol. 30 No. 3, pp. 266-373.
- Bontis, N., Fearon, M. and Hishon, M. (2003) 'The e-Flow audit: an evaluation of e-mail flow within and outside a high-tech firm', *Journal of Knowledge Management*, Vol. 7, No. 1, pp.6-19.
8. Carla Curado and Nick Bontis, 'Managing intellectual capital: the MIC matrix' *Int. J. Knowledge and Learning*, Vol. 3, Nos. 2/3, 2007