

Intellectual Capital, trust, cultural traits and reputation in the Romanian education system

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Abstract: The contemporary approach to the concept of 'intellectual capital' has transformed. The three components (human, relational and organizational capital) are not enough to reflect reality, as the static perspective was replaced by an integrative vision: intangible resources, actions and process that contribute to sustainable competitive advantage. However, this theoretical division provides solid ground for explaining the close bond between trust, cultural identity and cooperation, 'soft concepts', and intellectual capital in knowledge-based organizations. Therefore, we consider it is of high interest to identify the nature of the relational and organizational capital, and trust association. Is it first trust and then the two intellectual capital components, or the other way around? Also, we can take one step further and consider the intellectual capital formation process and architectural scheme behind it. This paper aims firstly at offering a theoretical framework for the liaisons between the concepts previously mentioned and intellectual capital, underlying specific characteristics for the Romanian educational system, especially for tertiary /higher education. The second objective is to provide new research directions, comparing the findings with situations of other cultures, like Japan and USA. The research methodology comprises a thorough literature review of scientific studies and of the 2011 National Romanian Education Law. It focuses on the changes and challenges for the intellectual capital formation phase. Also, it involves an empirical investigation of an evaluation of the current intellectual capital formation route. The research instrument is a questionnaire, collecting information for both quantitative and qualitative research purposes. The findings of this paper seek to identify the structure and dynamics of the intellectual capital formation process in the Romanian higher education system. As well, we hope to lead to concrete solutions for improving general dynamics, and acknowledgment of trust, cooperation and cultural aspects as corner stones in education intellectual capital formation area.

Keywords/Key Phrases: Intellectual Capital, trust, cooperation, education, organizational culture, human capital, sustainable competitive advantage.

1 Introduction

This paper aims at offering a theoretical framework for the liaisons between the trust, culture, reputation and intellectual capital, underlying the specific characteristics in the case of the Romanian educational system, especially for the tertiary /higher education situation. The research methodology is based on a thorough literature review of the scientific studies and of the new National Romanian Education Law adopted in 2011. The paper also involves an empirical investigation of a concrete evaluation of the current intellectual capital formation route. The instrument used is a *questionnaire* chosen due to the possibility of collecting information for both quantitative and qualitative research purposes. The findings of this paper seek to identify the structure and dynamics of the intellectual capital formation process in the Romanian higher education system. We hope these might offer some practical solutions for improving the general dynamics, and contributing to acknowledgment of trust, cooperation and cultural aspects as corner stone in the education intellectual capital formation area. We consider this approach important as it provides some arguments for a brief explanation of the close link between trust, cultural identity and cooperation, as '*soft concepts*', and intellectual capital, as the source of a long-run sustainable competitive advantage for the knowledge-based organizations.

2 Theoretical perspective

2.1 Intellectual capital: human relational and organizational dimensions

Intellectual Capital has been explained in a multitude of ways however the definition put forward by Edvinsson and Malone is, at the moment, the most generally accepted one.

Intellectual Capital implies human, system and market elements. Human capital refers to what people can do individually and collectively. The system component represents the knowledge in the firm which is independent of people and includes patents, contracts, databases, and information and production technology. The market component consists of the relationships between the organization and outsiders, e.g. suppliers, distributors and customers. According to this definition the components of Intellectual Capital were divided into 3 parts: human capital, organizational capital, relational capital.

This division was done to show the economic behavior of the various Intellectual Capital components.

2.1.1 Human capital

Human capital can be defined as the employees characteristics that can be transformed into resources for the organization and which cannot be replaced by machines or cannot be transformed into codified knowledge. It is comprised of: top management experience and quality, employee loyalty and attitude, ability to execute a strategy, personnel reputation.

In higher education system possible measurements of human capital can be represented by the number of registered students for different degrees and of those who graduate, articles and papers published by professors and students, researchers, academic degrees, training programs designed and delivered, seminars and conferences; also, the number of collaborators and students attending different courses from other national and international educational institutions.

Still most significant for universities, both in Romania and European countries, is the number of students. More educated persons contribute to increased productivity, they stimulate the innovation process in many economic sectors and also technical and technological development and transfer. On the other hand, due to issues regarding measurement frameworks and instruments there has not been satisfactory proof of a direct connection between investments in human capital and national economic growth (the Board of Secondary Education Rajasthan (BSER)).

According to European Commission Eurostat, the statistical office of the European Union, tertiary education is the type of education delivered and received in universities, institutes of technology and institutions where academic degrees and other kind of professional certificates are granted. And it is noticeable a encouraging tendency with regard to young people – two thirds (61.3 %) of people with ages between 20 and 24 years were enrolled in tertiary education in 2010. As for Romania, as presented by Eurostat, in 2010 it stands on the first position of the hierarchy, reporting an increase in the number of students compared to the number of residents, especially the capital Bucuresti, and the adjacent area, Ilfov, followed by other academic cities like Prague in the Czech Republic, Bratislava in Slovakia or Vienna, Austria. But the percentage decrease as the age of individuals increases. Therefore, only 33.6% of the 30-34 years European population graduated from tertiary education in 2010. Still, the Eurostat appreciates an overall positive trend that it is also encompassed as objective for the Europe 2020 strategy, aiming at a 40% by 2020 (Eurostat's regional educational statistics, 2012).

In Romania, the National Institute of Statistics provides through the statistical yearbook, some of the most important data on education, including tertiary education. According to its methodology, this section includes number of faculties, enrolled students, graduates and teaching staff, also short term higher education (colleges), and foreign students who study in Romania; Romanian students who study in other countries are not considered (Statistical yearbook 2010, Education, Methodological notes). In relation to Figure 1, it is noticeable that the educational staff working in 2010 has mostly graduated from secondary education (50.3%), while only 11.6% has also graduated from tertiary education institutions. In contrast, the total number of graduates from tertiary education overcomes those individuals with secondary or vocational and apprenticeship certificates.

This imbalance ought to be solved as the economic crisis put extra pressure by imposing austerity measures, affecting education too. Except from severe budgetary cuts of funds allocated to this sector, employment was restricted therefore forcing universities to manage more students with the same number of academic staff.

As for research and innovation activities, according to the National Institute of Statistics, most employees are active in tertiary education, while the funds for financing this activity are once again coming for the most part from the state budget, with limited foreign investments or enterprises' support.

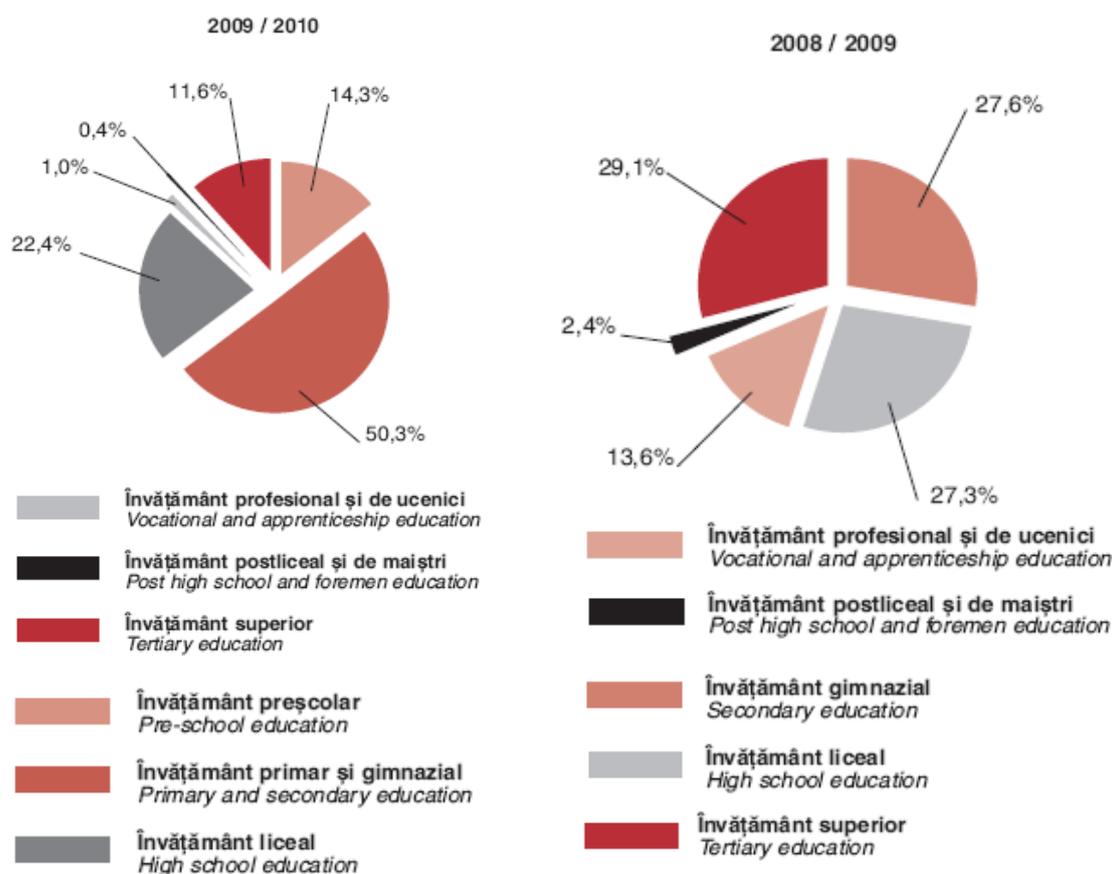


Figure 1: Teaching staff, by level of education vs. Graduates, by level of education in Romania

Source: Adapted from the Statistical yearbook 2010, Education, [online]

http://www.insse.ro/cms/files/Anuar%20statistic/08/08%20Educatie_ro.pdf, [17/06/2012]

2.1.2 Organizational Capital

Organizational Capital encompasses all the intangible elements internal to the company that cannot be expressed directly on the balance sheet. This includes *structural appropriateness, informal processes, quality of organizational governance or R&D productivity, tacit knowledge and brands* but isn't limited to this list and can include virtually any type of employee knowledge that has been internalized by the company and can be transferred to others', this includes intellectual property and processes.

Organizational culture, with its specific norms, values, organizational learning process and beliefs; technological and IT infrastructure of universities, doctoral institutes and other tertiary education institutions; procedures and rules, the trademark, management systems too, are vital for developing the organizational capital.

An obvious feature of Romanian organizational capital in tertiary education is a very rigorous organizational structure. Defined and made compulsory at national level by the National Law of Education (in Romania there is yet a degree of centralization of education), it is usually fully detailed and acknowledged by a set of unique documents at each institution hereafter named, though this is not an exhaustive list:

- Charter of the university
- Ethical Code
- Operational, Quality and Strategic Plans

The activity of universities is ruled based on these documents and other internal but not available to the public. But what it is missing is that in Romania there is no active model or other framework for reporting, evaluating and measure and finally disclosing intellectual capital, including organizational capital. So there is little empiric proof of its development and relevance for the education sector.

2.1.3 Relational Capital

Relational Capital can be considered to be external to the company. It comprises the outside connections that a company has; this includes customers, suppliers, partners or other types of stakeholders or organizations that are in some way relevant to the companies' activity.

This type of capital is the hardest to build and to manage because it requires both time in which it can grow as well as trust on both sides. The concept of trust will be discussed in more detail further in the paper.

Also known as client capital, it is quite similar to human capital, as none of them belongs entirely to the organization but they must be shared with the other stakeholders – students, employees, management team, investors, etc. Therefore both types of human and relational intangibles need special attention from the educational systems in order to develop and increase. Especially because loyalty from beneficiaries (students and researchers), reputation and image of an university and the quickness of response in order to adapt to the changes in the educational environment (supply and demand relationship) are influenced by the level of development of the relational capital assets.

2.2 Trust – as a ‘soft concept’

After illustrating the dimensions of the intellectual capital – the relational and organizational components, considered of major importance for the theme of this paper, another ingredient must be included: trust. As mentioned in the abstract, it is of great importance to determine whether trust or the relational capital and organizational capital is the first to be shaped, as they are relevant in the creation of the sustainable competitive advantage within a knowledge organization.

Therefore, the concept of trust is essential. It influences dramatically the cultural identity, the organizational culture in general as well as knowledge flow in today knowledge society. Both intellectual capital components and trust are intangible elements, so that they all are quite difficult to be managed in practice. However, trust must be strictly and attentive managed as it represents raw material for intellectual capital, as we are going to demonstrate in the following parts of this study.

Being interdisciplinary considered trust has various definitions and features identified so far. Summarizing the findings, trust can be characterized as being (Huotari, Iivonen 2004):

- *Cognition-based trust* (rational perspective, based on competence, responsibility, integrity);
- *Affect-based trust* (involves emotional aspects such as altruism, concern, etc.).

This concept of trust is connected to the intellectual capital through very strong links. Firstly, trust is a key-part for the relational capital (a set of all relationships—market relationships, power relationships and cooperation—established between firms, institutions and people that stem from a strong sense of belonging and a highly developed capacity of cooperation typical of culturally similar people and institutions (Capello and Faggian 2005). In this context, it is obvious that the development and business potential of a business or organization depends increasingly on its relational assets (Dyer and Singh 1998). On the other hand, as any assets, the relational assets involve opportunity costs that have to be addressed when evaluating the potential; in this case the costs are represented by the limits of their relational network meaning that there are certain opportunities that cannot be exploited as access is limited to them. But the bond is trust.

From this theoretical analysis, it is clear that. Firstly, it is the normative trust that involves rules and identity created by the sense of belonging and shared values, models and visions. Secondly, predictive trust is involved as high trustworthy relationships are required for the relational capital to be productively exploited by an organization.

Another significant liaison is between trust and organizational capital. As well as the social or organizational capital, this capital is formed of intangible assets- rules, norms, routines and organizational culture, that help to form a way of making the aforementioned, and takes to the development of organizational competence (Bueno-Campos, 1998).

Therefore its concrete contribution to an organization success cannot be financially quantified, at least not in a satisfying manner. Still, it can be observed that rules and norms, as well as other constituents are closely connected to trust as they could not exist in its absence.

Practically, the sources of trust associated to the organizational and relational capital, as well as to the social capital, are mainly social relations and shared norms. Fukuyama (1995) defines trust as *'the expectation that arises within a community of regular, honest, and cooperative behavior, based on commonly shared norms, on the part of other members of the community'*.

Table 1: Sources of Trust

Trust Type	Belief	Structure	Norms	Social Institutions
Individual	Belief in good intent, competence, reliability, openness (Nahapit and Ghoshal, 1998)			
Collective		Embedded with structure (Granovetter 1985); Social structure (Coleman, 1988)	Mutual obligation (Wolfe, 1989); Reciprocity (Putnam 1993; Misztal 1996);	
Social System				Characteristics of system (Fukuyama 1995; Fox 1974); Create rules & incentives (Farrell & Knight 2003)

Source: Fu, Q (2004) 'Trust, Social Capital, and Organizational Effectiveness', Major paper submitted to the Faculty of the Virginia Polytechnic Institute and State University in partial fulfillment of the requirements for the degree of Master of Public and International Affairs, p. 18

There are many arguments and quite diverse on the relationship between trust and intellectual capital components. May trust be considered as a precondition of relational and organizational capital, or all the way around? But, a product or a prerequisite, it cannot be denied that intellectual capital depends on its formation process on the existence of trust. The relationships, the cooperation and the organizational development cannot exist without it. But on the other hand, trust must be understood as more than 'a concept', it must be also represented by action. As the intellectual capital-organizational, human and structural, is built up inside an entity, trust must become alive. The logic behind is quite simple: though most of us consider it as an abstract notion, scientifically analyzed and reasoned, in reality trust cannot exist unless is felt by every member of a community or an organization. In case of ambiguity, lack of clarity and confidence, tacit knowledge remains at individual level, without being completely valued. It is a system, that shows how a trusting ambience allows tacit knowledge to develop and to be shared, and finally it significantly contributes to intellectual capital expansion.

2.3 Organizational culture and identity

The concept of trust has a significant impact over the context of an organization. Therefore, it influences the organizational culture and its identity, connecting with the relational and organizational capital. It also determines a specific architectural system applied into practice both for knowledge and information circulation and formation process. But as the economical development and globalization transformed entities, including a well-built international component, organizational culture involves also identifying cultural traits so that they can be valued at their maximum potential.

For example, the employees of a multinational company will adhere to the practices and norms of the entity, but they will still preserve their values, that are the values specific to their belonging culture and

that also define them as individuals. The main reason for which cultural traits are essential is that these are expressed directly through the way they interact with their colleagues and superiors, through their desire to act or on the contrary through inactivity, having a great weight on the long run results of the organization as a whole.

In the case of Romania as in the case of other Eastern European countries that were under a communist regime, it must be considered the dichotomy existing between the national identity and the European identity. This may be the corner stone of the European architectural system on which future development of the Union is depending on. Though having a common cultural heritage up to a point in time, the Western and Eastern Europe have evolved into two dissimilar life styles and conceptual patterns.

Under these circumstances, organizational culture in the Romanian organizational environment has very different connotations than in other European countries, imposing also particularities for the intellectual capital- organizational and relational, as well as social capital. But trust and dialogue are the key-elements (Huotari and Iivonen, 2004) for developing a healthy organizational culture and encouraging knowledge creation and sharing.

In the following lines are going to be illustrated the three main Romanian organizational culture traits as they were identified in a study performed on 34 Romanian companies (Human Synergistics România, 2004-2006), taking into account the major transformations taking place before the economic crisis.

Firstly there might be an *exaggerated competitiveness*. Being the best of employees is crucial, but many times this does not imply attaining the organizational goals as well. Also, this is true even for less important aspects such as discussions or presenting an idea; everyone has to be ready to fight and demonstrate that he or she is right. However, this is disrupting the activity and it affects the entity's results, it causes stress and conflicts, while in the end the organization is divided into small factions or even segregated according to personal agendas.

The second issue is represented by *conventionalism*. Rules and procedures are of high interest and must be respected, as sometimes they weight more than new ideas. According to the one of the managers saying- '*This is a very good idea, unfortunately we have a rule that forbids it*'. Therefore, changing the norms when they do not support any longer the well being of the organization is a complicated task.

The last concern is the *self-developing*. Of course, it comes with a great surprise as it is synonym with orientation towards the future, creative surpassing the obstacles, and even the desire to have things done in a professional manner. But this is a present reality for all the companies involved in the study, revealing the key-role of the organizational environment in the formation and progress of the work practices.

Yet, most of the multinational companies function based on the division of labor, as Adam Smith in the Pin Making Factory from the Wealth of Nations (1776) showed its numerous advantages. However, trust is limited: though the organizational structure includes managers and supervisors, even they are distrusted. Most of the profit and non-profit organizations are periodically subjected to the evaluation process performed by certified accounting companies. And though it may be justified as a necessary component for demonstrating a solid financial position, another reason is distrust. Managers are also presumed to commit errors. But there are certain negative implications. As any system the division of labor shows certain flaws. Firstly, a person performing the same task endlessly limits his or her ability to solve new situations, which cannot occur under such circumstances artificially controlled. Secondly, as Adam Smith himself mentions, it makes the individual incapable of '*forming any just judgment concerning many even of the ordinary duties of private life*'.

On the other hand, differences are not only due to the political regimes inheritance. Such a case is the one of USA and Japan (Yamagishi, 2011). It is well known that Japanese are considered as having more trust when it comes to business contacts and relations; somehow this is considered an axiom. Though trust is the main ingredient when considering Japanese society and relationships among its members, sometimes even replacing contractual obligations so familiar to western nations, Yamagishi's studies (1988, 1989) indicate that this is not always the case. On the contrary, Americans

seem to be more ready to trust people who are unfamiliar to them than Japanese are. An explanation could be the cultural stereotypes, though they seem not to fit the reality anymore.

3 The Romanian educational system at a turning point

On the other hand, the European educational systems and the beneficiaries, the students, are not differently treated with regard to trust and general perception of how things should be carried out. This results from the challenges that educational systems are confronted with and more precisely from the architectural structure of the Romanian system.

The challenges that lie ahead for the educational systems are extremely diverse. The most important ones are related to the national specific of educational systems and the suzerainty belonging to the state. Though the inclination was to adhere to a common approach to education, especially in Europe as the European Union consolidated its institutions and increased the number of members, there are obvious signs that things are evolving. Such examples are Germany, organized in territorial-administrative units, 'Bundesländer', or Switzerland, where is the sub-regional administration and evaluation of the educational process which focuses on specific local conditions is a reality. Similar situations can be found in Spain or Belgium.

Another problematic aspect is connected to the intercultural socialization which is more directly than ever to education, as the migration phenomenon takes amplitude. Considering Romania and other European states that are not ready to face it and the educational system even less. Mixed classes are a contemporary practice, both in elementary and superior education. However many institutions are overwhelmed by the situation and the only rapid solution was to form foreigners' classes. The scholars require support from the professors in order to learn the language, norms and so the teaching process is difficult. Additionally, the lack of legal and administrative provisions complicates also things (Suciu et al 2011).

More specifically, in Romania the educational system has been modified significantly over years. However, the studies confirmed recently the fact that in the case of Eastern Europe countries the financial support offered for developing and investing in human capital and intellectual capital is quite dispersed, diminishing the amplitude of results. From the communist époque of education, between 1968 and 1978, when the number of compulsory years of school was increased to 10, while the curriculum was established at the level of national authority, and Information and Communication Technology was introduced as study discipline in 1970, along with a very useful educational instrument – the educational press (Neagu, 2009).

After a series of essential political changes in 1990, free access to education was guaranteed for every citizen and a new Education Law was enforced in 1995. Four years later Romania adhered to the Bologna Declaration, integrating and modernizing the Romanian education system: it was developed a national framework of qualifications compatible with the European Qualifications Framework by the National Agency for Qualification in Higher Education, the decentralization process was amplified and culminated in 2011 with the new National Law of Education.

As mentioned before, changes have not succeeded completely in submitting a new and better foundation for education. Therefore, lack of trust does not allow tacit knowledge transfer and codification, or creativity. As there still are many universities where most classes are represented by courses delivered with the help of PPT presentations and a list of books, followed by tests and other evaluation papers wherein students are expected to reproduce more or less accurately the content of the lectures. The consequences are dramatically, as mentioned above, after the students graduate and become employees. Distrusted as students by their professors and the educational system, they confront once again with a similar attitude from their employer. Not knowing how to deal with a new situation that has mainly no connection with the books they learnt by heart, low level of trust and conventionalism, the vicious cycle seems to continue uninterrupted.

3.1 Research methodology

For this paper have been employed two different research instruments. As we consider both qualitative and quantitative research of great use in this type of study, we made use of triangulation of methods. Therefore, it was performed a thorough literature review of national and international relevant papers (theoretical and empirical literature about earlier research in the intellectual capital field, methodological literature), followed by a analysis of the National Law of Education from 2011, as it is the decisive factor of change for the Romanian education system and also with great impact over the intellectual capital, namely the human capital, formation process. As quantitative data was required for the empirical part of the research, it was used a questionnaire that focused on the appropriate features of the process previously mentioned, at the level of tertiary economic education in Romanian economic universities.

The decision to combine these methods was due to the need to obtain knowledge and information on the issue which is broader than one approach only, and also because it is an opportunity to reciprocally validate the findings of both approaches.

In addition, a questionnaire is a rapid and less expensive instrument that can be made available to the target group in various manners, both printed and through an on-line application or e-mails.

Firstly, the main piece of literature that was of great importance is the one that set the new coordinates both for the education system and for the human capital investment national policy, the National Law of Education. Some of the adjustments enforced through the education reform in January 2011 and which matter for the future are: *quality assurance* (for the bachelor degrees and master programmes, it is now obligatory for universities to be accredited by the Romanian Agency for Quality Assurance in Higher Education (ARACIS), whose main mission is the external evaluation of the Romanian higher education's quality, at the level of study programmes, as well as from the institutional point of view [8], or another national or international agency of quality insurance, which is registered in The European Quality Assurance Register for Higher Education (EQAR), *higher education finance* (the weight of expenditures on education in GDP incurred a positive trend until 2008, but never reached the European level nor the one during the communist regime, the new law of education allowed the old sources of financing- basic, complimentary and supplementary, while for the budgetary funds it was decided to allocate them on a average cost per student criterion; also, supplementary financing is given for the private higher education institutions in supporting excellence), *Lifelong Learning process* (it has special provisions dedicated, and it stipulates creating lifelong education community centres, under the authority of the local public administration, in partnership with the education and training suppliers, and they will be financed from public and private funds) and several changes for *the academic personnel in higher education* (Suciu et al., 2011).

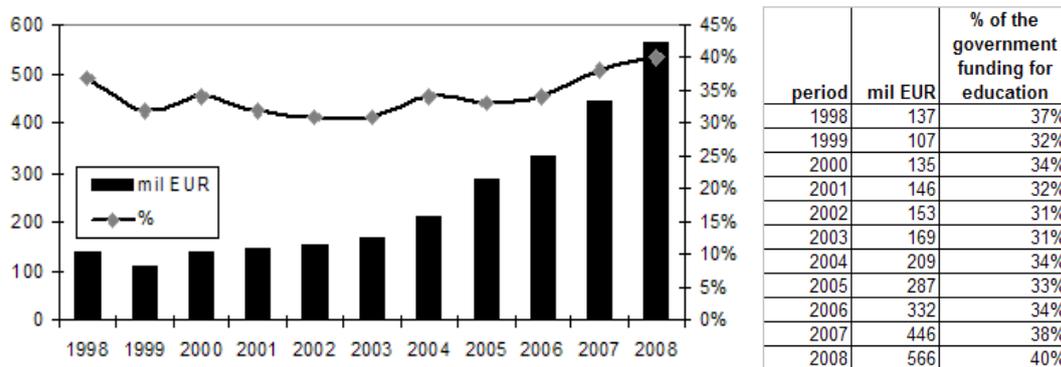


Figure 2. Government funding for higher education in Romania

Source: 'Public Expenditure on Higher Education. Case Study: Romanian Universities', *International Review of Business Research Papers*, Vol.5, No. 1 January 2009, p. 31

The questionnaire's items targeted two-choice questions and statements measured on the 7-point Lickert scale. It was separated into five sections that focused on the critical aspects of the research. It included also an opening part in which some concepts were presented, mainly those that could raise difficulties in understanding. The questionnaires were distributed over a three months period, to a

number of 200 respondents, students from the Academy of Economic Studies, Faculty of Business Administration teaching in foreign languages (FABIZ). The validation rate of the filled questionnaire was of almost 87%, and significantly from a socio-demographic perspective as the interviewed individuals were a diverse statistical sample, aged between 19 and 36 years old. As the interest was in tertiary education, a significant part of the volunteers were attending the Master's degree taught in English in the "Business Administration" Master programme within the same faculty, FABIZ. We eliminated the 10% of foreign students who responded to the questionnaire as they were not representative for the matter.

3.2 Human capital formation process

Starting from several empirical studies with regard to human capital investments and formation process, it is the risk associated to the financial efforts that undermines the development and formation process of human capital in the Eastern European countries. The main reasons behind are reduced values of human capital investments, increased taxation affecting both general well being of the population and the business environment, reducing labor productivity even more.

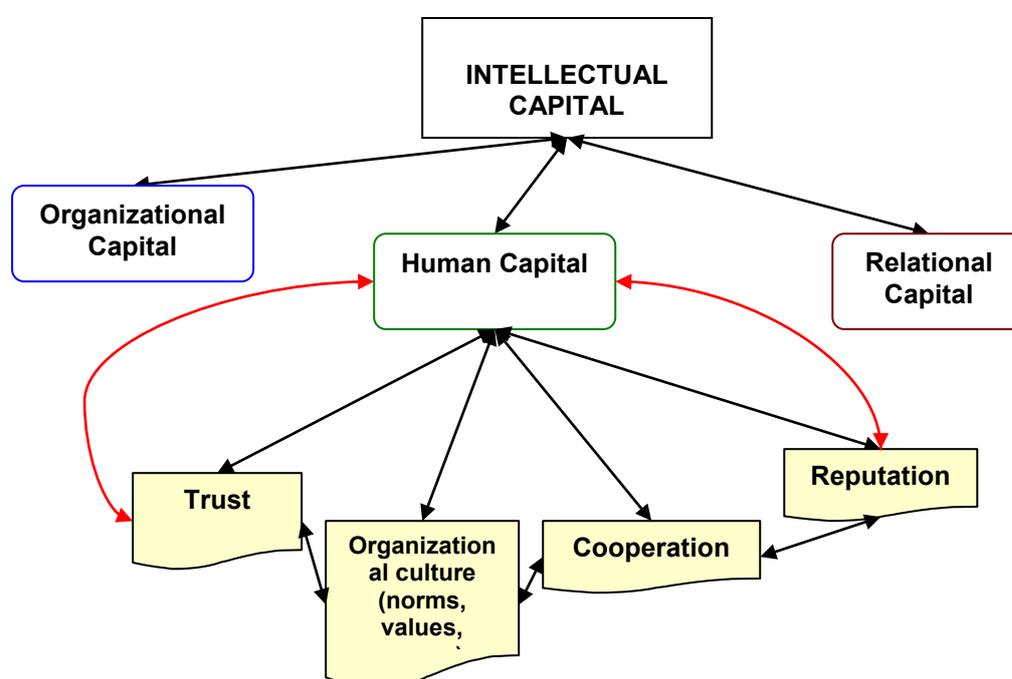


Figure 3. Intellectual capital formation process

But there may be additional ways to enhance human capital formation, by maximizing the utility of less acknowledged factors such as trust, organizational culture, cooperation and reputation.

Building Intellectual Capital is intrinsically connected with the running of the company, this is true even more so when it comes to human capital. This is done in two simple ways: either by creating the capital over time or by attracting it.

Reputation is the first element that comes to mind and it is easily proven through the use of empirical evidence that people will want to work for an organization that has a good standing. The reasons for this can be quite different ranging from the desire to contribute to such an institution on one end to enjoying the personal social prestige associated with such a place of work.

Secondly, trust is a key element. It is impossible to outright buy trust and as such it develops on its own as time progresses. In a way it can be considered to be the product of maintaining a good relationship with another individual or company over time. The advantage to building trust is that it can in itself lead to improving the reputation by presenting the organization as being "trustworthy" and as such it can more easily develop its relational capital through the contacts it already has or at the same time nurture its own human capital by creating a good environment in which it can develop.

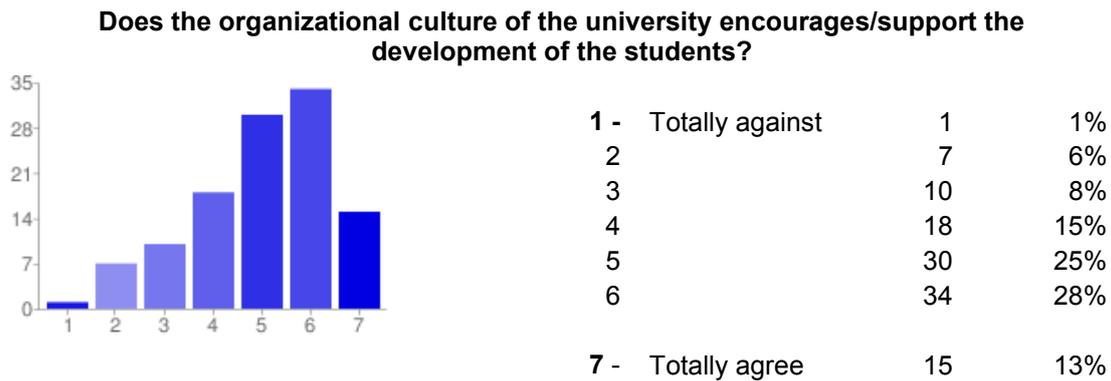
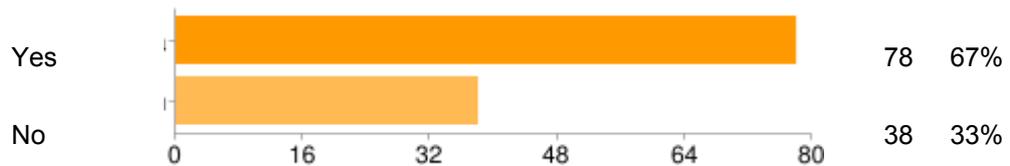


Figure 4. Organizational culture of the university and development of students

Cooperation works by building on trust. In an environment that justly rewards performance, supports its members and is well known for it than cooperation is more likely. This is because, by supporting trust among employees on all levels this will help to lower focusing personal demands due to the fact that they will, from the beginning, know that their work will be appreciated to a just level and so instead of focusing on idea ownership this will promote the sharing of ideas which will in turn lead to improved communication, improved networks and faster breakthroughs because people will focus on what needs to be done instead of who needs to do it.

Is there a mentor for you at least one faculty mentor among your professors?



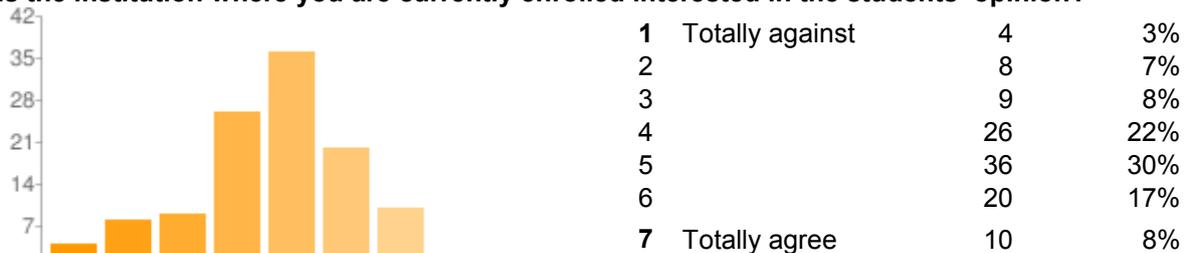
People may select more than one checkbox, so percentages may add up to more than 100%.

People may select more than one checkbox, so percentages may add up to more than 100%.

Figure 5. Mentorship

Obviously this is an ideal case and it is virtually impossible to achieve such an environment at any level. The situation is even further complicated when certain security measures have to be enforced. However this does not mean that it cannot be an ideal towards which the company can work. An ultimate key aspect in this is retention. After building a reputation and creating a good work environment a final step that must be taken is establishing these as company rules. It is important to understand that these rules have a purpose and are not a purpose onto them. Internal regulations are there to establish an order, to help new people get acquainted faster with the work and to have clear solutions for problems that have already been solved.

Is the institution where you are currently enrolled interested in the students' opinion?



People may select more than one checkbox, so percentages may add up to more than 100%.

Figure 6.University– students communication

All these three components are integrated within the organizational culture, as they shape and re-shape it every time they change. Ideologies, shared values and norms as well as common objectives define the culture of an entity. More and more studies are focusing on its meaning, as it can act both as a trigger for performance, as well as a obstacle to success (Kefela, 2012). Such a possibility is analyzed by Theory Z, developed by William Ouchi (1993), having as source of inspiration Douglas McGregor's (1960) Theory X and Theory Y. According to Ouchi, the essence is to observe and identify the differences that organizational culture causes (Luneburg, 2012). This theory was applied to schools in 1980s showing the importance of trust and cooperation, closeness and other traits mentioned in the figure above.

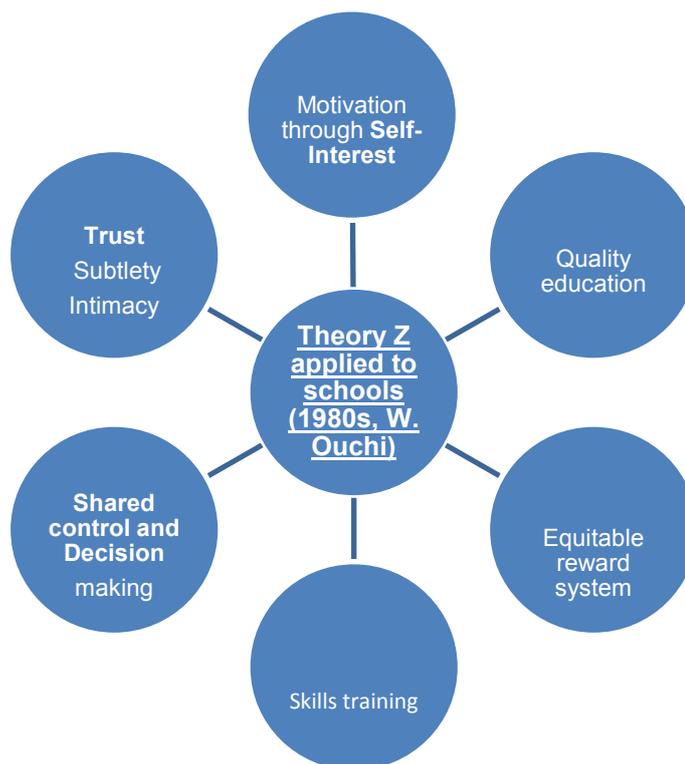


Figure 7. Theory Z applied to schools

Source: Adapted from Luneburg, F. (2011) *Organizational Culture - Performance Relationships: Views of Excellence and Theory Z*, National Forum of Educational Administration and Supervision Journal, Vol. 29, No. 4, pp. 6

The final element that is important in this puzzle, one that isn't present on the above diagrams because all of them encompass, is the management.

Our research results suggest that reputation, trust, cooperation and organizational culture support each other and while they can be objectives, disregarding the ideal situation, they cannot be completed. It is the job of the company management staff to establish achievable objectives on these lines and to make sure they follow through.

4 Findings and final conclusions

This paper aimed to illustrate the connection between trust, cultural identity and traits, on one hand, and intellectual capital (human, relational and organizational) on the other hand. Also, it was one of the research objectives to demonstrate that these soft concepts are of no less importance than intellectual capital and they should be of great interest in the knowledge management activity as they are connected with individuals, who are the main creators of knowledge and information, considered to be the raw materials for intellectual capital components. Also, there is an observable cycle in the

formation of intellectual capital, where trust, cooperation, reputation, innovation and creativity are the triggers and the fuel at the same time.

Based both on the literature review and on our own research findings we conclude that reputation, trust, cooperation and organizational culture support each other. But we consider that it is mostly the job of the company management staff to establish achievable objectives on these lines and to make sure they follow through. Even our research is on introductory level we are fascinated about the topic and we intend to continue this research line. We strongly appreciate feedback, recommendation and we look to identify possible partnership opportunities for co-operating in international teams interested about this new approach. Events such as ECKM and ECIC might be considered as such an opportunity. We look forward to identify among international scientific community and mostly among people participating on these conferences people being interested to develop this topic. We would like to get the opportunity to continue our research and we are looking for similar research and mostly for more relevant research tools and methods to be used for further research in order to investigate and demonstrate in a more pertinent way the complex relationship and connection between intellectual capital, on one hand, and soft concepts such as trust, cultural identity and traits, on the other hand. If possible we would want to explore also the opportunity to add a new dimension to our research with a specific reference to multicultural diverse, complex and dynamic education environments. The moral and ethical dimensions of trust building, cultural identity and diversity management ask also for supporting intercultural sensitivity and intercultural dialogue that might make the difference. We intend to explore this connection for the case of students who study all the topics in a foreign language such as those from the Faculty of Business Administration in foreign languages belonging to the Bucharest Academy of Economic Studies where the first author is directly involved as a teacher. Some research applied quite recently using a survey applied on the majority of the students from this faculty illustrated that they manifest a sort of multicultural sensitivity enjoying not only to be taught on all the topic in a foreign language, but also to interact actively with foreign students with a diverse cultural, social and educational back ground. But there is still an important distance until they will be able to establish an efficient and effective intercultural dialogue. We intend to identify also if the topic studied makes the difference. So we intend to apply a similar survey for humanistic and engineering studies and to compare these with the results from economics. We will enjoy to cooperate with other international researchers interested about similar topic and to develop a sort of international networking based on which to apply further for European and international common research projects based on partnership and trust.

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