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INVESTMENT POTENTIAL ESSENCE OF INSTITUTIONS OF HIGHER EDUCATION

Annotation

The article investigates the concept essence “investment potential of an institution of higher education”, which is determined by the multiplicity of components. The characteristics of each of the proposed components and their economic characteristics have been presented. The above structure of the IHE investment potential gives an idea of possible directions of qualitative changes in the IHE activity through the indicators of the listed components.

Keywords: IHE, investment potential, IHE investment activity, IHE investment attractiveness.

1. Target setting

The activities analysis of institutions of higher education (IHE) of the developed world countries and more than twenty years of experience of functioning of Ukrainian universities shows the affinity of the systems of management of IHE and their approaching the features of management systems of business entities. This phenomenon is caused by the existence of a market environment, which is characterized by competition and a wide range of opportunities for functional activities [1].

One of the effective mechanisms of support and development of economic entities is the investment in their activities by external counter parties, that depends on the level of the respective investment potential. However, not only certain participants in economic relations but also education institutions and scientific institutions fall into the area of investment interests of potential investors. Investors are aware that education and science continue to play a decisive role in the overall development of the country. High educational and scientific potential provides the country with progressive development, economy modernization, balance of political and social relations [2].

The main investor of educational and scientific activity both in Ukraine and in other countries is the state. The share of investments of legal entities and individuals depends on the IHE investment attractiveness: the higher it is, the greater the chance for the education institution to achieve qualitative and quantitative growth of investments.

The approaching of Ukrainian IHEs to the European standards of educational and scientific activities, which are now based on the application of the requirements of the Bologna process, requires improvement of the organizational and economic mechanism of investment management [3].

The scarcity of investment resources causes the IHE to constantly increase the level of its investment attractiveness, which is determined by the economic category “investment potential”. This category is associated with multi-element filling, cross-linking, diversity in the interaction of IHE with its investors. Therefore, the term “investment potential of an institution of higher education” (“IHE investment potential”) is considered as an important scientific category that needs studying.

2. The statement of basic research materials.

Based on the affinity of the IHE management systems and economic entities in the market economy in general, let us characterize the theoretical and methodological aspects of the category “investment potential” in its general economic interpretation.

Generalizing different approaches to defining the concept “investment potential” as an economic category, we can distinguish the following attributes: it is a sum of objective prerequisites for investments, which depend on the availability and diversity of areas and objects of investment, and their economic status.

The various definitions of the term “investment potential” reflect the particular points of view of scholars and practitioners. But in the end, it is an opportunity to invest in an entity, provided that it has the opportunity [4]:

- investing personal resources in the economy (investment potential as an indicator of free cash availability);
- attracting free cash (investment potential as a numerical indicator of investment attractiveness);
- having investment capacity (investment potential as an indicator of physical capacity and willingness to accept investment funds).

Considering IHE in market conditions of economy as a market subject and generalizing different points of view of scientists and practitioners, in the field of research we will consider that the term “investment potential of an
institution of higher education” has the following meaning: it is the aggregate ability of own and attracted economic resources to provide the IHE investment activity for the implementation of the development concept, which is determined by many components which include [1-4]:

- material and technical (conditions of organizing educational and research processes);
- functional (cumulative result of educational and scientific activity);
- personnel (qualitative level of academic staff);
- innovative (level of development and implementation of fundamental and applied developments);
- institutional (the degree of development of institutional entities of the country’s economic system);
- infrastructure (multiple elements of functional and social infrastructure);
- financial (ensuring the investment process at the expense of internal sources);
- marketing (promotion of educational services and scientific products).

The above components of the IHE investment potential are characterized by a number of indicators that refine them [5].

Let us consider the following components of the IHE investment potential in more detail.

The material and technical component of the IHE investment potential reflects the material and technical capabilities of the IHE, which allow organizing full-fledged educational and research activities in specific socio-economic conditions. The component under consideration determines the prerequisites for the educational areas of preparation and fundamental and applied IHE studies that are capable of being maintained and developed, shaping its investment attractiveness and benefits [4; 5].

An indicator characterizing the material and technical component of the IHE investment potential for the investor may be the value of the fixed assets of the education institution.

The functional component of the IHE investment potential is its ability to organize the educational process in certain areas of preparation, scientific research of fundamental and applied directions, training of higher-level personnel — candidates and doctors of science, retraining and advanced training of personnel, etc. The main purpose of the IHE is to prepare graduates and scientific and technical products that are in demand in the economic market of the country. This, in turn, aims to predict the most demanded areas of training, to respond promptly to changes in standards, programs and curricula, as well as to improve the relevant skills of scientific and teaching staff in restructuring the educational process.

The main features and characteristics of the functional component of the IHE investment potential are the purposeful functioning of the elements, their interchangeability in the case of short or long-term removal, close interconnection and high versatility.

The relationship between the functional and logistical components of the IHE investment potential is indisputable. The better the logistical support of an institution of higher education, the more opportunities for organizing its functioning and, accordingly, more products of educational and scientific activities that this IHE can provide to society. That is, the volume of its educational and scientific and technical activities are conditioned and determined by the state of the fixed assets. Their deterioration or suitability can be seen as a component of the material and technical component of the IHE investment potential, which in Ukrainian realities is a very forcible indicator: the depreciation of fixed assets in institutions of higher education reaches 50-70%.

The personality component of the IHE investment potential is directly related to the functional and is the most important among all others. The qualitative composition of scientific and teaching staff (the number of candidates and doctors of sciences, associate professors and professors) is one of the main indicators that shape the IHE attractiveness. It is the personnel component of the IHE investment potential that is the basis for: conducting qualitative theoretical, practical and laboratory classes at modern methodological and methodological levels; formation, support and development of scientific schools, basic and applied research; organization and carrying out of educational and cultural mass work among the citizens of the country [4; 5].

The quality of the personnel component of the IHE investment potential determines its competitiveness both domestically and internationally. The human resources component to which scientific and technological progress (STP) imposes ever greater demands has the greatest influence on the IHE investment attractiveness in modern conditions [4; 5; 6].

The influence that informatization exerts on all lifestyles also has a significant impact on the requirements for the personnel component of the IHE investment potential. Modern computer and communication tools of local and global networks, technologies for office work, special software, which include operating systems, programming languages, database management systems, application software (search engines, process-oriented systems special purpose, etc.) is not a complete list of components of computer literacy, which a modern teacher-scholar of higher education should possess [6].

Numerical indicators can be used to evaluate the personnel component of the IHE investment potential: the number of candidates and doctors of science, publications in specialized scientific publications, monographs, speeches at conferences of different levels (international, all-Ukrainian, regional), citations in publications included in scientometrical bases, etc.

The innovative component of the IHE investment potential provides an idea of the development and implementation level in its educational and scientific activities of functional and applied developments, as well as the achievements of scientific and technological progress. This component characterizes the ability of IHE to develop, using in its work the achievements of STP and its own developments. The characterized component
directly influences the choice of directions of investment activity. The innovative component of the investment potential of the IHE is considered as the degree of its readiness for innovation or as a set of factors that determine the possibility of improving the quality of educational, scientific and management activities through the use of STP achievements. The implementation of the innovative component of the IHE investment potential is the ability of an education institution to train specialists in new areas of training using modern methods, techniques and tools, to conduct fundamental and applied research in accordance with modern market needs, to apply modern management concepts in management activities [5; 6].

The following can be considered as a quantitative assessment of the innovative component of the IHE investment potential:

- the ratio of intangible and total assets;
- the number of open areas for specialist training and innovative scientific development over a period of time.

The institutional component of the IHE investment potential provides an idea of the development degree of the country's institutional units, which ensures the effective implementation of the investment mechanisms of the IHE operation. The current conditions of a market economy are characterized by a high intensity of institutional changes, which significantly affect the mechanisms of formation and reproduction of investment potential of higher education at all levels of the investment process.

The mega- and macroeconomic levels of the institutional environment are characterized by the formation of specialized investor markets, their classification, clustering and diversification, the identification of the most significant factors influencing the formation and development of investment potential [6].

The formation of the institutional component of the IHE investment potential is characterized by the realization of the goals of expanded reproduction of investment processes, such as:

- improvement and development of methodological and instrumental means of organizing and conducting the educational process;
- increased investment in scientific and pedagogical composition and social component;
- clear allocation of revenues and transparent allocation of investment resources;
- increasing the influence of external institutions on the investment process, intensive monitoring of the investment environment, etc.

The infrastructure component of the IHE investment potential is interconnected with the institutional component and is a set of functional and social infrastructure elements that provide the conditions for effective implementation of the investment process. The isolation of the infrastructure component is associated with the need to involve a large number of structural units to implement the functions of planning, accounting, analysis, adjustment and direct execution of investment processes [4; 5].

The infrastructure component of the IHE investment potential is formed in the form of links between existing functional elements and complexes of infrastructure elements, as well as with potential entities. The quantitative assessment of the infrastructure component of the investment potential of the IHE has certain features [4; 5], which include: territorial-geographical branching; organization of communication; information awareness in the region, country, world.

The development degree of the infrastructure component of the IHE investment potential in the modern society, which scientists call information, depends on the level of using information systems and technologies. In a broad sense, information systems and technologies are organizational and technical information capabilities that provide input, storage, processing and provision of data to make effective management decisions at all functional levels [6].

The financial component of the IHE investment potential is considered to be the amount of financial resources that an institution can allocate to ensure the investment process through internal and external sources of investment [3; 5].

Financing sources of investment projects are accepted to be classified as own (revenues from the provision of educational services and sales of scientific and technical products), raised and borrowed. The feasibility of using these sources is evaluated through the monitoring and analysis of the IHE financial soundness, which is characterized by the degree of its availability to internal and external financing sources. The high financial sustainability of an institution of higher education is the key to financing more investment projects, not only at the expense of own funds, but also of raised or borrowed funds. The explanation is obvious: financial institutions will not lend to IHE, which is not able to pay for loans, and investors will not invest in an unstable, risky institution. It is advisable to use the following indicators to evaluate the IHE financial sustainability [4]: the amount of financing from general and special funds of the state budget; their ratio; retrospective (increase / decrease) of revenues from the special fund of the state budget.

The marketing component of the IHE investment potential is determined by the existing organizational, technical, communication, intellectual, management resources that contribute to improving the competitiveness of the areas of training, scientific and technical products and IHE in general among institutions and establishments of the region, country, world [4].

It is this component of the IHE investment potential that allows assessing the demand of graduates in the labor market and the relevance of scientific and technical products to modern needs, which facilitates informed decision-making regarding the choice of the concept of further development of higher education.
The principles of realization of the marketing component of the IHE investment potential are [4; 5]:

- systemacity — the application of inseparable elements of marketing elements to obtain synergistic effects from their use;
- commitment — formulation of strategic goals and evaluation of the achievement of the set goals;
- informativeness — structuring and accounting of marketing information in accordance with topical issues of improving the IHE competitiveness: market requirements, employers' needs, competitors' features, contracts' regulations with contractors, etc.;
- comprehensiveness — the inseparable parallel of all elements of marketing: quality of education and scientific activity, price, advertising, informative content, etc.;
- coordination — the interconnections of the decisions made regarding the organization of the educational process and the production of scientific and technical products with decisions regarding pricing, communications and service;
- flexibility — prompt review of management decisions as needed.

Using the marketing component of the IHE investment potential, it is possible to predict the volumes of licensed recruitment for training specialists in different directions during a specific period, depending on the general market conditions, social security of the population and its business activity [4; 5].

3. Conclusions

The above structure of the IHE investment potential gives an idea of possible directions of changes in its quantitative indicator through the indicators of the listed components. And since the individual components are in some cases certain areas of the IHE activity, it is necessary to have the tools to manage them effectively.

The investment activity of an institution of higher education is carried out by its structural subdivisions, which perform different types of it and form a set of characteristics that determine additional possibilities of activity of the education institution in attracting and practical use of investments.

Thus, the IHE investment activity is impossible without its investment potential. The investment potential of an institution of higher education is a measurable amount that allows management to evaluate investment opportunities and identify strategic development directions.

In assessing the IHE investment potential, its current internal investment opportunities are determined using economic criteria. Effective management of the IHE investment activity requires a reliable assessment of the investment potential level at the moment and the dynamics of the retrospective changes for further development.

There are many different methods in the scientific literature to calculate an entity's investment potential. However, most of them are not adapted to the specific operating conditions of institutions of higher education. The reliability of the investment potential assessment is ensured by the choice of a system of indicators that collectively characterize the investment potential on different grounds. But choosing such indicators is a difficult task. They do not always guarantee the receipt of the necessary and sufficient information on the state of the IHE innovation potential.

Список використаних джерел та літератури


References
