

Abstract

The objective of this study is to investigate the relationship between coefficient of value added to intellect capital and its different parts with performance assessment indices. Different classifications have been presented to measuring the intellectual capital that one of them has been presented by PULIC which is famous as Value Added Intellectual Capital (VAIC) that is comprised of three different constituents of human capital efficiency, structural capital efficiency and physical capital efficiency. In this investigation first the value of the intellectual capital of the companies listed on the basis of VAIC model, on Pahang Stock Exchange for a 7-year-time-period between 2008 to 2014 has been calculated and then the relationship between the components of intellectual capital and financial return of the companies have been assessed. Eight performance indices in 5 groups presenting market value, profitability, activity, capital return, orientation on value creation have been used for calculating the financial performance. In this research the statistical method was employed for data analysis with multiple regression and correlation coefficients. The considered sample of research included 73 corporations in regular manner for 7 years and the size of the company has been regarded as a control variable. The obtained findings show a positive significant relationship between intellectual capital and financial performance of corporations and the positive impact of company size on availability rate of intellectual capital and financial performance of a firm. Getting into view of these findings, we can suggest the administrators, managers, shareholders, investors and other stakeholders to focus their attention on the internal resources and capabilities of an economical organization and making use of this pattern for achieving a higher financial return and obtaining the actual value of companies.

Keywords: Pahang Stock Exchange, intellectual capital, financial performance, company size, multiple- regression,