

# The Influence of Intellectual Capital on Organizational Financial Performance in Selected Banks in Southeast Nigeria

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**Abstract:** *This study investigated of intellectual capital and its influence on organizational financial performance. The sources of the data used for this research were primary source data. The study covers selected banks in the southeast region of Nigeria. A population of fourteen thousand eight hundred and twenty nine employees was dived fit and qualified for this research study. Out of which four thousand seven hundred and ninety two 4792 respondents were randomly selected as the sample size from a total of six thousand five hundred and thirty seven 6537 employees that completed and returned their questionnaires. The descriptive method was applied to analyze the data generated for the research questionnaire. The hypotheses were tested using goodness- of-fit, general regression and correlation analysis. From the findings, the researcher came to a final conclusion that human capital, structural capital and customer relational capital are determinants of intellectual capital. Also that return on assets and total net profits are factors to consider when measuring an organization's financial performance. From the findings, the researchers also concluded that intellectual capital greatly influences any organizational financial performance.*

**Keywords:** *Intellectual Capital, Human capital, Financial Performance, Organization.*

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## 1. INTRODUCTION

Borneman, Knapp, Schneider, & Sixl, (1999) argues that intellectual capital is obtained from the total value of three indicators: Human capital (knowledge and skills), structural capital (databases and organizational structure) and customer capital (customer and supplier relationships). These components are the three major determinants of Intellectual Capital considered by many scholars in various research works. Goh & Ryan (2005) claimed that though physical capital is crucial for financial institutions' operations, it is eventually the intellectual capital that determines the quality of services provided to the customers. It is therefore clear that the drivers of firm value in modern competitive environments lie in a firm's intellectual resources rather than its physical and financial capital.

There has been an increasing level of interest on knowledge capital. Organizations found themselves in knowledge-based economy where physical cash, physical structures/buildings and equipment could no longer be considered as competitive advantage differentiator in the ever changing business environment. Edvinson & Malon (1997) defined intellectual capital as knowledge that can be converted to a value. Intellectual capital is that gap between book value and market value of an organization. This gap is increasingly widening on day to day activities in organizations. It is becoming glaring to the common eyes and more fascinating to organizations. This increasing gap between book value and market value has attracted the attention of many researchers, to try and find the missing link, the relationship and the influence of Intellectual Capital on financial performance.

Financial performance can be said to be an act of performing financial activity(s). In further explaining the above definition, financial performance is the degree to which financial objectives has been accomplished. It is used to measure a firm's overall financial status over a specific period of time and could also be used to compare similar firms across the same industry or to compare industries or sectors in aggregation. It is the process of measuring the results of a firm's policies and operations in monetary terms.

### **Objective of the Study**

The main aim of this research work is to investigate the influence of Intellectual Capital on organizational financial performance on some selected banks in southeast region of Nigeria.

### **Hypotheses**

1. Human capital has no positive influence on organizations total return on assets.
2. Structural capital has no positive influence on organizations total net profits.

## **2. REVIEW OF RELATED LITERATURE**

According to Bharathi Kamath (2015) many scholars have carried out research activities in a similar work to this. Notably, Maditinos (2009) in his study on firms in Greece, found that human capital is significant and positively associated to customer capital. Structural capital was seen to have a higher influence especially in non- service industries though the evidence was found in both service and non-service type of industry. This was carried out using the Value Added Intellectual Capital VAIC methodology. Maditinos, Chatzoudes, Tsairidis, & Theriou, (2011) researched impact of Intellectual Capital and its components on financial performance and Market Value for 96 firms listed on Athens Stock Exchange (ASE), from four different economic sectors and reported that only human capital component has significant impact. The empirical evidence failed to show the impact of Intellectual Capital on financial performance for the banks listed in Milan stock exchange as reported by Puntillo (2009).

Bozbura (2004) researched firms in turkey and reported that human capital and relational capital have positive relationship with market-book value; it was observed that structural capital was correlated with human and relation capital. Chen, Cheng, & Hwang, (2005) researched firms listed on Taiwan Stock exchange for the year 1992-2002. There was sufficient evidence on impact of intellectual capital on performance of firms. They also studied the impact of

intellectual capital with a lag on the performance of the firms, which also confirmed the impact. Another study of Taiwanese firm also observed that profitability and disclosure frequencies of external capital were positively correlated, whereas human capital was negatively correlated (Chang, 2007).

Some other studies found a positive relation between intellectual capital and profitability and inverse relationship with productivity (Shiu, 2006); another study found a positive relationship between intellectual capital and corporate value. (Tseng & Goo, 2005) Researchers from China found empirical evidence for a positive relationship between corporate performance and intellectual capital disclosure (Yi, Davey, & Eggleton, 2011). The research on firms in Spain observes that there is an increase in sales growth because of human and structural capital variables. However, the research does not find any significant relation between Intellectual capital components and productivity or return on assets.

Kamath (2008) studied value added by Intellectual capital (VAIC) for top 25 firms in the drug and pharmaceutical industry in India, for a ten-year period from 1996 to 2006, and its impact on profitability, productivity and market value. The author found evidence for human capital having an impact on Intellectual capital, though other components and overall Intellectual capital failed to show any significant empirical impact. The research on firms listed Hong Kong Stock Exchange for the period 2001-2005, found no conclusive evidence for any relation between Intellectual capital and financial performance; however, the researcher finds a very moderate association between Intellectual capital and profitability (Chan, 2009).

Ren (2009) reveals that relational capital is an important factor that positively influences corporate performance, followed by structural capital and human capital in case of firms in China. However, it was found by the researcher that human capital has an indirect impact on performance through relational capital and structural capital. Yet another study on 80 firms listed on Indonesian stock exchange, found that the intellectual capital efficiency has a significant effect not only on the current but also future performance of the firms (Pasaribu, 2012). Another study related to technology intensive listed on Malaysian stock exchange reported by Gan & Saleh (2008), found moderate relationship between Intellectual capital and profitability & productivity; however, their research did not show any evidence for impact on market valuation.

### **3. METHODOLOGY**

#### **Participants**

These are those that fit the qualification or category set by researchers. 14,829 employees of some selected banks in the Southeast region of Nigeria were fit or qualified as participants for this research work. It could be said to be the population of the study. Out of the said population, 10,942 were available as at the time of this research work. They were given questionnaires directly or by proxy. Only 6537 employees got the questionnaires, completed and returned the questionnaire at a stipulated time and date set as the deadline for submission. Random sampling technique was used to determine the sample size for this research work. Out of the total of returned questionnaires, 4792 were randomly selected for this research work.

**Hypotheses:** Goodness-of-fit statistical tool, correlation Analysis and other relevant and appropriate statistical techniques would be used to validate the significance of the hypotheses.

**Decision Rule**

If the calculated value is greater than the significant values of 0.05, the null hypothesis would be accepted; otherwise the alternative hypothesis would be accepted.

**4. PRESENTATION AND ANALYSIS OF DATA**

The presentation, analysis and interpretation of all the data collected are presented and analyzed here. They are based on the aims, research questions and hypotheses that guided this research study. It also conducts a detailed analysis with the help of standard statistical technique of the data collected.

**Biographical Information on the Respondents**

**Table 2 Respondents on Gender Distribution**

<i>GENDER</i>	<i>NO OF RESPONSES</i>	<i>% OF RESPONSES</i>
<i>Male</i>	2357	49
<i>Female</i>	2435	51
<i>Total</i>	4792	100

Source: Field Survey (2017)

From the table above, it was observed that 2357(49%) respondents were male while 2435(51%) respondents were females. This implies that gender equality was put in consideration in order to get different but relatively equal opinion from both genders.

**Table 3 Respondents Age Distribution**

<i>Age</i>	<i>No of Respondents</i>	<i>% of Respondents</i>
<i>18 - 25</i>	394	8.2%
<i>26 – 35</i>	1847	38.5%
<i>36 – 45</i>	1729	36.1%
<i>46 – 55</i>	465	9.7%
<i>56 - 70</i>	357	7.5%
<i>Total</i>	4792	100%

Source: Field Survey (2017)

The above table depicts that 394(8.2%) of the respondents fall between the age of 18 – 25, 1847 (38.5%) respondents fall between 26 – 35 of age while 1729 (36.1%) respondents falls between

36 – 45 years old. More so, 46 – 55 years has 465 (9.7%) respondents and 56 - 70 has 357 (7.5%) of the respondents.

**Table 4 Respondents by Marital Status**

<i>MARITAL STATUS</i>	<i>No of Respondents</i>	<i>% of Respondents</i>
<i>Married</i>	2967	61.9%
<i>Single</i>	1825	38.1%
<i>Total</i>	4792	100

Source: Field Survey (2017)

In the above table, it shows that 2967 (61.9%) respondents are married while 1825 (38.1%) of the respondents are single. It shows that the organizations under study have higher number of married staff to that of single staff.

**Table 5 Educational Qualification of Respondents**

<i>Educational Qualification</i>	<i>No of Respondents</i>	<i>Percentage</i>
<i>SSCE or its equivalent</i>	419	8.7%
<i>NCE/OND or its equivalent</i>	842	17.6%
<i>B.Sc/HND or its equivalent</i>	2009	41.9%
<i>MBA/M.Sc and above</i>	1522	31.8%
<i>Total</i>	4792	100%

Source: Field Survey (2017)

The table above shows the educational qualifications of the respondents. There are 419 or 8.7% of the total sample size possess SSCE or its equivalent, 842 (17.6%) of the respondents possesses NCE/OND or its equivalent while 2009 (41.9%) possesses B.Sc/HND or its equivalent. Only 1522 (31.8%) of the respondents possess MBA/M.Sc and above. The above table shows that most of the workers are higher institution graduates of different levels. This shows that workers in the organizations under study has higher rate of first degree graduates and fewer SSCE graduates that responded and were selected for this study

**Table 6** Category of Staff

Category of Staff	No of Respondents	Percentage
Junior staff	726	15.2%
Middle staff	2173	45.3%
Senior staff	1893	39.5%
Total	4792	100%

Source: Field Survey (2017)

On the category of staff, the table above indicates that 726 (15.2%) respondents are junior staff, 2173(45.3%) respondents are middle staff, while 1893 (39.5%) of the respondents are senior staff. The above table shows that the organizations under study have higher number of middle staff and lower number of junior staff that was selected based on the study.

**Presentation and Analysis of Data Based on Research Question**

**Research Hypothesis 1**

Human capital has no positive influence on organizations return on assets.

**Table 6:** Questionnaire on the influence of human capital on organizations return on assets

S/N	Questionnaire Items	Responses	No of Responses	Percentage
1	Does the knowledge an employee acquire on-the-job influence the organizational financial performance?	Yes	4211	87.9
		No	581	12.1
		Total	4792	100
2	Do the knowledge an employee acquires off-the-job have any influence on the organizational financial performance?	Yes	4108	85.7
		No	684	14.3
		Total	4792	100
3	Is return on assets an element or factor considered to be one of the determinants in measuring any organization's financial performance?	Yes	4638	96.8
		No	154	3.2
		Total	4792	100
4	Do you think that employees' skills influence an organizational financial performance?	Yes	4219	88
		No	573	12
		Total	4792	100

The above table shows that 4211 (87.9%) of the respondents are of the opinion that the knowledge an employee acquires on-the-job have an influence on the organizational financial performance, while 581 (12.1%) disagreed with the opinion. Also, 4108 (85.7%) of the respondents opined that the knowledge an employee acquires off-the-job have a major influence on their organizational financial performance while 684 (14.3%) disagreed. Furthermore, 4638 (96.8%) of the total respondents agreed that Return on Assets is an element to be considered when measuring an organizational financial performance, while 154 (3.2%) of the respondents disagreed. However, 4219 (88%) of the respondents are positive that an employee’s skill have an influence on organizational financial performance while 573 (12%) disagreed.

**Test of Hypothesis One**

Here the researchers test the hypothesis one as to verify and validate the research work using descriptive analysis, general regression statistical tool and Goodness-of-fit statistical tool.

**Table 7: Descriptive Statistics**

Descriptive Statistics									
	N	Range	Minimum	Maximum	Sum	Mean		Std. Deviation	Variance
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic
YES RESP.	4	530	4108	4638	17176	4294.00	117.419	234.838	55148.667
NO RESSP.	4	530	154	684	1992	498.00	117.419	234.838	55148.667
Valid N (listwise)	4								

The above Descriptive analysis table shows the statistical analysis of the data for Yes response and No response. The analysis revealed that the Yes Response has the range of 530, minimum of 4108, maximum of 4638, the sum of 17176, mean of 4294, standard error of 117.42, standard deviation of 234.84 and standard variance of 55148.66. It also shows the No Response has the range of 530, minimum of 154, maximum of 684, the sum of 1992, mean of 498, standard error of 117.42, standard deviation of 234.84 and standard variance of 55148.66.

**General Regression Analysis: YES RESPONSE versus NO RESPONSE**

Regression Equation

YES RESPONSE = 4792 - 1 NO RESPONSE

Coefficients

Term	Coef	SE Coef	T	P
Constant	4792	0.0000000	4.53898E+17	0.000
NO RESPONSE	-1	0.0000000	-5.09524E+16	0.000

Summary of Model

S = 7.982949E-15 R-Sq = 100.00% R-Sq(adj) = 100.00%  
 PRESS = 0 R-Sq(pred) = 100.00%

Analysis of Variance

Source	DF	Seq SS	Adj SS	Adj MS	F	P
Regression	1	165446	165446	165446	*	*
NO RESPONSE	1	165446	165446	165446	*	*
Error	2	0	0	0		
Total	3	165446				

General Regression is the model used to predict the yield variable. The model summary reveals the rate of coefficients of determination of the variables. The summary shows a relationship of 100% to the variables.

**Table 8:** Correlations Output on the Influence of human capital on organizations return on assets

Correlations			
		YES	NO
YES	Pearson Correlation	1	-1.000**
	Sig. (2-tailed)		.000
	N	4	4
NO	Pearson Correlation	-1.000**	1
	Sig. (2-tailed)	.000	
	N	4	4
**. Correlation is significant at the 0.01 level (2-tailed).			

The above correlation analysis reveals that Human capital has a positive impact on organizations total return on assets.

Another analytical tool was used to its significance.

**Goodness-of-Fit Test for Poisson distribution**

Data column: YES RESPONSE

Frequency column: NO RESPONSE

Poisson mean for YES RESPONSE = 4210.94

YES RESPONSE	Poisson Observed	Poisson Probability	Contribution Expected	to Chi-Sq
<=4108	684	0.056758	113.061	2883.1
4109	0	0.001794	3.573	3.6
4110	0	0.001838	3.661	3.7
4111	0	0.001882	3.750	3.7
4112	0	0.001928	3.840	3.8
4113	0	0.001974	3.931	3.9
4114	0	0.002020	4.024	4.0
4115	0	0.002067	4.118	4.1
4116	0	0.002115	4.213	4.2
4117	0	0.002163	4.309	4.3
4118	0	0.002212	4.406	4.4
4119	0	0.002261	4.504	4.5
4120	0	0.002311	4.604	4.6
4121	0	0.002362	4.704	4.7
4122	0	0.002413	4.806	4.8
4123	0	0.002464	4.908	4.9
4124	0	0.002516	5.012	5.0
4125	0	0.002568	5.116	5.1
4126	0	0.002621	5.222	5.2
4127	0	0.002675	5.328	5.3
4128	0	0.002728	5.435	5.4
4129	0	0.002783	5.543	5.5
4130	0	0.002837	5.651	5.7
4131	0	0.002892	5.761	5.8
4132	0	0.002947	5.871	5.9
4133	0	0.003003	5.982	6.0
4134	0	0.003059	6.093	6.1
4135	0	0.003115	6.205	6.2
4136	0	0.003171	6.317	6.3
4137	0	0.003228	6.430	6.4
4138	0	0.003285	6.544	6.5

4139	0	0.003342	6.657	6.7
4140	0	0.003399	6.771	6.8
4141	0	0.003457	6.886	6.9
4142	0	0.003514	7.000	7.0
4143	0	0.003572	7.115	7.1
4144	0	0.003630	7.230	7.2
4145	0	0.003687	7.345	7.3
4146	0	0.003745	7.460	7.5
4147	0	0.003803	7.575	7.6
4148	0	0.003861	7.690	7.7
4149	0	0.003918	7.805	7.8
4150	0	0.003976	7.920	7.9
4151	0	0.004033	8.034	8.0
4152	0	0.004090	8.148	8.1
4153	0	0.004147	8.262	8.3
4154	0	0.004204	8.375	8.4
4155	0	0.004261	8.488	8.5
4156	0	0.004317	8.600	8.6
4157	0	0.004373	8.711	8.7
4158	0	0.004429	8.822	8.8
4159	0	0.004484	8.933	8.9
4160	0	0.004539	9.042	9.0
4161	0	0.004594	9.151	9.2
4162	0	0.004648	9.258	9.3
4163	0	0.004701	9.365	9.4
4164	0	0.004754	9.470	9.5
4165	0	0.004807	9.575	9.6
4166	0	0.004858	9.678	9.7
4167	0	0.004910	9.780	9.8
4168	0	0.004960	9.881	9.9
4169	0	0.005010	9.980	10.0
4170	0	0.005059	10.078	10.1
4171	0	0.005108	10.175	10.2
4172	0	0.005156	10.270	10.3
4173	0	0.005202	10.363	10.4
4174	0	0.005248	10.455	10.5
4175	0	0.005294	10.545	10.5
4176	0	0.005338	10.633	10.6
4177	0	0.005381	10.720	10.7
4178	0	0.005424	10.804	10.8
4179	0	0.005465	10.887	10.9
4180	0	0.005506	10.967	11.0
4181	0	0.005545	11.046	11.0
4182	0	0.005584	11.122	11.1

4183	0	0.005621	11.197	11.2
4184	0	0.005657	11.269	11.3
4185	0	0.005692	11.339	11.3
4186	0	0.005726	11.406	11.4
4187	0	0.005759	11.471	11.5
4188	0	0.005790	11.534	11.5
4189	0	0.005821	11.595	11.6
4190	0	0.005850	11.653	11.7
4191	0	0.005878	11.708	11.7
4192	0	0.005904	11.761	11.8
4193	0	0.005929	11.811	11.8
4194	0	0.005953	11.859	11.9
4195	0	0.005976	11.904	11.9
4196	0	0.005997	11.947	11.9
4197	0	0.006017	11.986	12.0
4198	0	0.006036	12.023	12.0
4199	0	0.006053	12.057	12.1
4200	0	0.006069	12.089	12.1
4201	0	0.006083	12.117	12.1
4202	0	0.006096	12.143	12.1
4203	0	0.006108	12.166	12.2
4204	0	0.006118	12.186	12.2
4205	0	0.006126	12.204	12.2
4206	0	0.006133	12.218	12.2
4207	0	0.006139	12.229	12.2
4208	0	0.006144	12.238	12.2
4209	0	0.006146	12.244	12.2
4210	0	0.006148	12.246	12.2
4211	581	0.006148	12.246	26415.0
4212	0	0.006146	12.243	12.2
4213	0	0.006143	12.237	12.2
4214	0	0.006139	12.228	12.2
4215	0	0.006133	12.216	12.2
4216	0	0.006125	12.202	12.2
4217	0	0.006117	12.184	12.2
4218	0	0.006106	12.164	12.2
>=4219	727	0.452653	901.685	33.8

N N\* DF Chi-Sq P-Value  
 1992 0 110 30297.0 0.000

15 cell(s) (13.39%) with expected value(s) less than 5.

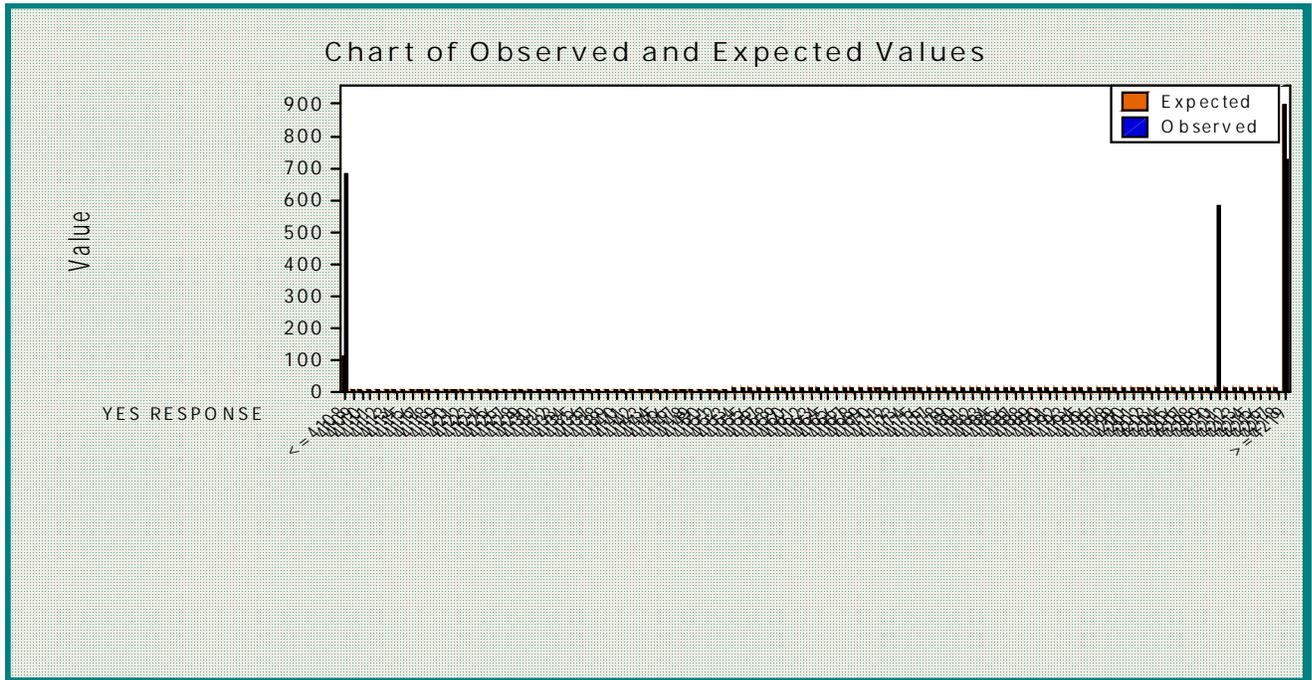


Figure 1: Source: Field Survey (2017)

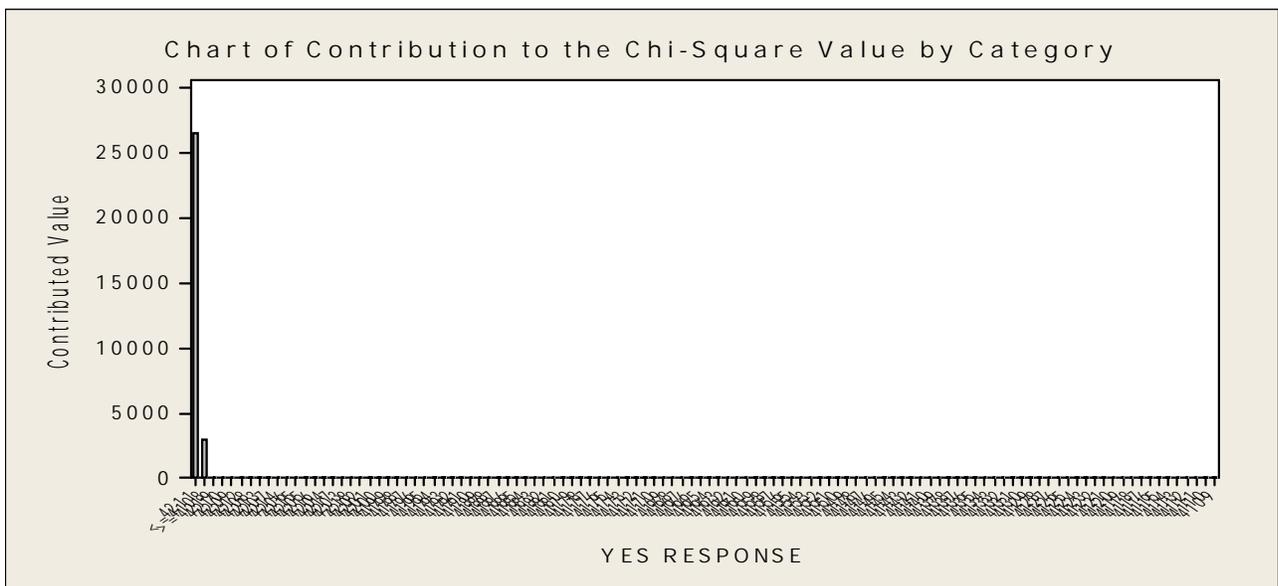


Figure 2: Source: Field Survey (2017)

**Decision rule:**

From the above analysis, the P-value which is the significance value is 0.000 which is less than the 0.01 significance level; therefore we reject the null hypothesis and accept the alternative which says that, Human capital influences any organizations total return on assets positively.

**Research Hypothesis 2**

Structural capital has no positive influence on organizations total net profits.

**Table 9:** Questionnaire on the influence of structural capital on organizations total net profits.

S/N	Questionnaire Items	Responses	No of Responses	Percentage
1	Does your organizational structure in your organization have any positive influence on the Total Net Profit of your organization?	Yes	4318	90.1
		No	474	9.9
		Total	4792	100
2	Do the business policies within your organization have any positive influence on your company's financial performance?	Yes	4128	86.1
		No	664	13.9
		Total	4792	100
3	Is Total Net Profit an element or factor considered to be one of the determinants in measuring any organization's financial performance?	Yes	4218	88
		No	574	12
		Total	4792	100
4	Do you think that your administrative laid down process affects your organizational financial performance positively?	Yes	4014	83.8
		No	778	16.2
		Total	4792	100

The above table shows that 4318 (90.1%) of the respondents are of the opinion that the organizational structure in their organizations have positive influence on the Total Net Profit of the organization, while 474 (9.9%) disagreed with the opinion. Also, 4128 (86.1%) of the respondents opined that the business policies within their organizations have positive influence on their company's financial performance while 664 (13.9%) disagreed. Furthermore, 4218 (88%) of the total respondents agreed that Total Net Profit is an element to be considered when measuring an organizational financial performance, while 574 (12%) of the respondents disagreed. However, 4014 (83.8%) of the respondents are positive that the administrative laid

down processes in their organizations affects their organizations’ financial performance positively while 778 (16.2%) disagreed.

**Test of Hypothesis Two**

**Descriptive Statistics**

	N	Range	Minimum	Maximum	Sum	Mean	Std. Deviation	Variance	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	
YES	4	304	4014	4318	16678	4169.50	64.748	129.495	16769.000
NO	4	304	474	778	2490	622.50	64.748	129.495	16769.000
Valid N (listwise)	4								

The above Descriptive analysis table shows the statistical analysis of the data for Yes response and No response. The analysis revealed that the Yes Response has the range of 304, minimum of 4014, maximum of 4318, the sum of 16678, mean of 4169.50, standard error of 64.74, standard deviation of 129.49 and standard variance of 16769. It also shows the No Response has the range of 304, minimum of 474, maximum of 778, the sum of 2490, mean of 622.50, standard error of 64.74, standard deviation of 129.49 and standard variance of 16769.

**General Regression Analysis: YES RESP. versus NO RESP.**

Regression Equation

YES RESP. = 4792 - 1 NO RESP.

Coefficients

Term	Coef	SE Coef	T	P
Constant	4792	0.0000000	8.42358E+16	0.000
NO RESP.	-1	0.0000000	-1.11187E+16	0.000

Summary of Model

S = 2.017247E-14 R-Sq = 100.00% R-Sq(adj) = 100.00%  
 PRESS = 0 R-Sq(pred) = 100.00%

Analysis of Variance

Source	DF	Seq SS	Adj SS	Adj MS	F	P
Regression	1	50307	50307	50307	*	*
NO RESP.	1	50307	50307	50307	*	*
Error	2	0	0	0		
Total	3	50307				

General Regression is the model used to predict the yield variable. The model summary reveals the rate of coefficients of determination of the variables. The summary shows a relationship of 100% to the variables.

**Table 10: Correlations Output**

Correlations			
		YES	NO
YES	Pearson Correlation	1	-1.000**
	Sig. (2-tailed)		.000
	N	4	4
NO	Pearson Correlation	-1.000**	1
	Sig. (2-tailed)	.000	
	N	4	4

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The above correlation analysis reveals that structural capital has a positive influence on organization total net profit.

Another analytical tool was used to its significance.

### **Goodness-of-Fit Test for Poisson distribution**

Data column: YES RESP.

Frequency column: NO RESP.

Poisson mean for YES RESP. = 4149.30

YES RESP.	Poisson Observed	Probability	Contribution Expected	to Chi-Sq
<=4014	778	0.0177982	44.3175	12146.2
4015 - 4017	0	0.0021690	5.4009	5.4
4018 - 4021	0	0.0032365	8.0588	8.1
4022 - 4025	0	0.0036659	9.1282	9.1
4026 - 4029	0	0.0041359	10.2984	10.3
4030 - 4033	0	0.0046476	11.5726	11.6
4034 - 4037	0	0.0052020	12.9530	13.0
4038 - 4041	0	0.0057995	14.4408	14.4
4042 - 4045	0	0.0064400	16.0357	16.0
4046 - 4049	0	0.0071231	17.7366	17.7
4050 - 4053	0	0.0078476	19.5404	19.5
4054 - 4057	0	0.0086116	21.4430	21.4
4058 - 4061	0	0.0094129	23.4381	23.4
4062 - 4065	0	0.0102483	25.5182	25.5
4066 - 4069	0	0.0111139	27.6737	27.7
4070 - 4073	0	0.0120054	29.8935	29.9
4074 - 4077	0	0.0129176	32.1648	32.2
4078 - 4081	0	0.0138447	34.4732	34.5
4082 - 4085	0	0.0147802	36.8026	36.8
4086 - 4089	0	0.0157172	39.1359	39.1
4090 - 4093	0	0.0166484	41.4545	41.5
4094 - 4097	0	0.0175660	43.7393	43.7
4098 - 4101	0	0.0184619	45.9701	46.0
4102 - 4105	0	0.0193279	48.1265	48.1
4106 - 4109	0	0.0201559	50.1881	50.2
4110 - 4113	0	0.0209376	52.1347	52.1
4114 - 4117	0	0.0216652	53.9465	53.9
4118 - 4121	0	0.0223312	55.6047	55.6
4122 - 4125	0	0.0229285	57.0918	57.1

4126 - 4129	664	0.0234505	58.3918	6281.0
4130 - 4133	0	0.0238918	59.4905	59.5
4134 - 4137	0	0.0242472	60.3756	60.4
4138 - 4141	0	0.0245130	61.0374	61.0
4142 - 4145	0	0.0246862	61.4685	61.5
4146 - 4149	0	0.0247647	61.6642	61.7
4150 - 4153	0	0.0247480	61.6224	61.6
4154 - 4157	0	0.0246361	61.3439	61.3
4158 - 4161	0	0.0244305	60.8321	60.8
4162 - 4165	0	0.0241337	60.0930	60.1
4166 - 4169	0	0.0237491	59.1353	59.1
4170 - 4173	0	0.0232811	57.9700	58.0
4174 - 4177	0	0.0227350	56.6102	56.6
4178 - 4181	0	0.0221168	55.0709	55.1
4182 - 4185	0	0.0214333	53.3689	53.4
4186 - 4189	0	0.0206916	51.5221	51.5
4190 - 4193	0	0.0198995	49.5497	49.5
4194 - 4197	0	0.0190647	47.4712	47.5
4198 - 4201	0	0.0181956	45.3069	45.3
4202 - 4205	0	0.0173000	43.0769	43.1
4206 - 4209	0	0.0163860	40.8012	40.8
4210 - 4213	0	0.0154615	38.4990	38.5
4214 - 4217	0	0.0145338	36.1891	36.2
4218 - 4221	574	0.0136100	33.8889	8608.1
4222 - 4225	0	0.0126967	31.6149	31.6
4226 - 4229	0	0.0118000	29.3820	29.4
4230 - 4233	0	0.0109252	27.2037	27.2
4234 - 4237	0	0.0100770	25.0918	25.1
4238 - 4241	0	0.0092597	23.0567	23.1
4242 - 4245	0	0.0084767	21.1069	21.1
4246 - 4249	0	0.0077306	19.2492	19.2
4250 - 4253	0	0.0070237	17.4891	17.5
4254 - 4257	0	0.0063575	15.8303	15.8
4258 - 4261	0	0.0057329	14.2750	14.3
4262 - 4265	0	0.0051503	12.8243	12.8
4266 - 4269	0	0.0046096	11.4779	11.5
4270 - 4273	0	0.0041102	10.2345	10.2
4274 - 4277	0	0.0036512	9.0916	9.1
4278 - 4281	0	0.0032314	8.0462	8.0
4282 - 4285	0	0.0028492	7.0944	7.1
4286 - 4289	0	0.0025028	6.2319	6.2
4290 - 4293	0	0.0021903	5.4539	5.5
4294 - 4297	0	0.0019098	4.7553	4.8
4298 - 4301	0	0.0016589	4.1307	4.1

4302 - 4305	0	0.0014357	3.5749	3.6
4306 - 4309	0	0.0012379	3.0823	3.1
4310 - 4313	0	0.0010634	2.6478	2.6
4314 - 4317	0	0.0009101	2.2661	2.3
>=4318	474	0.0047094	11.7264	18223.6

N	N*	DF	Chi-Sq	P-Value
2490	0	76	47600.6	0.000

6 cell(s) (7.69%) with expected value(s) less than 5.

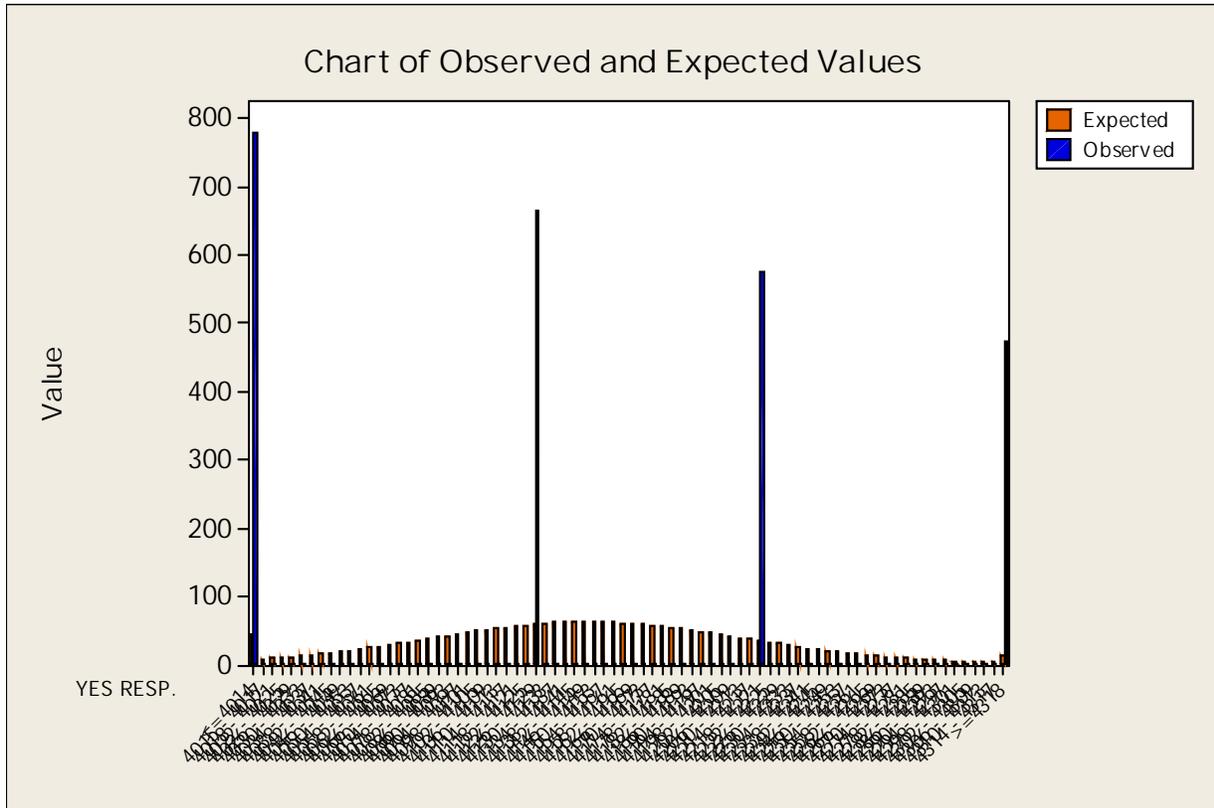


Figure 3: Source: Field Survey (2017)

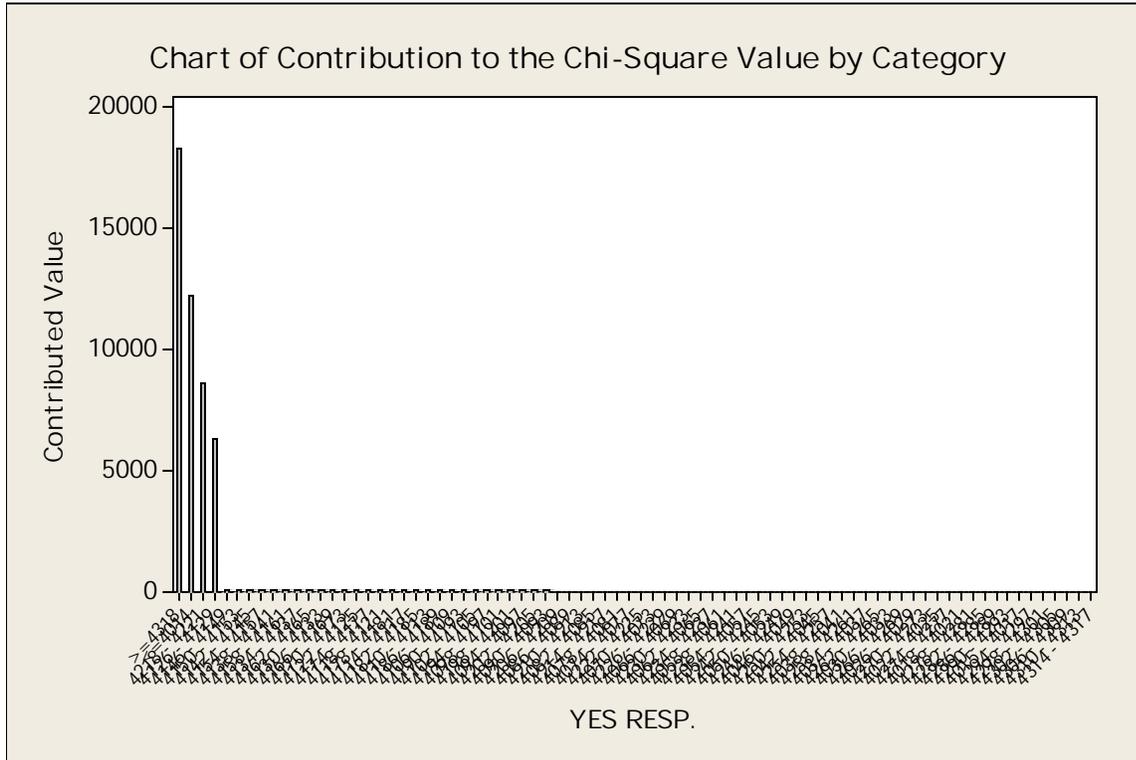


Figure 4: Source: Field Survey (2017)

**Decision rule:**

From the above analysis, the P-value which is the significance value is 0.000 which is less than the 0.01 significance level; therefore we reject the null hypothesis and accept the alternative which states that, structural capital has a positive influence on any organization’s total net profit.

**5. FINDINGS AND CONCLUSION**

From the above analysis of data collected for the research study, serious observations were made as regards to the ambiguous questionnaire presented. The findings revealed that an employee’s skill have an influence on organizational financial performance. The result also shows that many respondents were of opinion that organizational structure has positive influence on the total net profit of the organization.

From the findings also, many respondents were of the opinion that the administrative laid down processes in organizations positively affect their financial performance. However, many respondents were of the opinion that returns on assets is an element to be considered when measuring an organizational financial performance.

In conclusion, from the findings, the study therefore concludes that human capital, structural capital and customer relational capital are determinants of intellectual capital. Also that return on assets and total net profits are factors to consider when measuring an organization’s

financial performance. From the above findings, the study advocates that intellectual capital should be greatly enhanced in any organization to improve financial performance.

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