The effects of intellectual capital components on various valuation methods

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ABSTRACT

The knowledge has become a key asset for firms in order to build a sustainable competitive advantage. The intellectual capital of a firm is positively related to its value creation and operating performance, but few studies have considered the service industry. This study used the Taiwanese service industry as a research sample to examine the effects of intellectual capital components on various intellectual capital valuation methods. The dimensions of intellectual capital variables were analyzed using principle component analysis to extract factors as independent variables, and finally stepwise regression identified and analyzed the important influence factors related to the different intellectual capital valuation methods. The results showed that six important influence factors are related to intellectual capital valuation, including the ability to control costs, profitability, employee productivity, employee resource allocation, revenue growth, and firm assets.

Keywords:

Intellectual capital components, Intellectual capital valuation methods, Principle component analysis, Service industry, Stepwise regression.