Informative Content Intellectual Capital Details over Market Values Research

Abolfazl Aminian¹*, Hedayat Mosazade², Shiroye Mohebbi³

¹MSC ACCOUNTING, Higher Education Center for Applied Scientific Agriculturalof Damghan, Institute OF Applies Scientific Education of Jihade Agricultural-Tehran
²Msc Accounting, Karj Health Care & Social Security Administration
³Msc Accounting, Islamic Azad University of kashan

ABSTRACT

In Today’s Economy Income, profit and Capital are reflecting as the small portion of the company’s Success. The increase gap between market value and companies offices have caused a lot of researches regarding the reason of such facts that removed from the financial list. Increasing the market value in respect to company’s office value approved that company’s market value doesn’t affect by the financial statement. Quite understanding the intellectual value and way to measure it’s been, and also how the effect of mental capital affects to company’s performance is difficult. So college crew & managers are needed a frame of reference to help them quickly measure the cause effects in an organization. Main hypothesis regarding Regression’s efficient for $t = 0.713$ and $t < 1.96$ gained for VAIC = zero exam. Hypothesis is meaningfully accepted for 0.05 levels. Thus, assumption 1&2 for company’s depended variable income achieved from investment doesn’t approve, but 2 and three sub-assumptions for each share’s depended variable does approve. Also, it could say it shows our positive correlation between depended variable & independent coefficient investment proficient.

KEY WORDS: Intellectual capital, market value, human resources investment, investment proficiencies.

1. Introduction

In today’s world, knowledge is considered as advance competition fact. And it counts as one of the most important production elements which it needs guiding and management. Knowledge, however, is not visible used as an organization innovation fact for the performance mechanism. During past decays many goods and service's productions have involved in so many changes and services. Production’s Traditional facts such as natural resources, manpower, and treasures gradually are losing their brightness attendance and some invisible facts like information and intelligence showing organization on their way of success.

In today economy the items such as wealth, profit and income reflecting only on small piece of organization while, the real wealth is focus on attracting and using increasing gap between market value and company office value caused.

In the today economy, the items such as wealth, profit and income reflecting only on a small piece of organization while, the real wealth is focus on attracting and using preferred human skilled and knowledge. Increasing gap between market value and company office value caused.

Several researches have been done to detect the item/s that has been taking off from the financial statement. Existing Limitation on financial statements explain the company evaluation also exploring the truth that the economic value source is not the same as goods production in the past, but caused by so many other facts. Intellectual capital is the meaningful management’s knowledge provider who helps to specify and categorize the information of the organization management items.

2. LITERATURE REVIEW AND HYPOTHESIS

The term “intelligence capital” first presented by: “John Kent Galbraith.”

In 1969, but “Stewart” did in 1958 while “Itamy” in 1980 published the history of capital intelligent movements and invisible unchangeable wealth in Japan. Related Intelligence Capital lots of definitions have been offered by different researchers such as:

*Corresponding Author: Abolfazl Aminian, Higher Education Center for Applied Scientific Agricultural of Damghan, Institute of Applies Scientific Education of Jihad e Agricultural-Tehran, Iran.
“Ed vinson”, “Scandia” and “Sullivan” (1969). European management Magazine said: Capital Intelligence is a Knowledge that can convert to Value. Capital Intelligence consists of entire process and wealth that commonly and Furthermore, which they don’t show in their balancing budgets. Also they included as an invisible capital (such as; Trade mark, emblem and operating license number, etc.) they consider in modern accounting.

In the recent decade regarding the connection between intelligence capital and market value plenty research had done that explain a positive and meaningful relation between them. Among these reports; William and Firer in 2003 in South –Africa, Jang J Jan and his Associates; China in 2006, Ahmad Riahi Boloki in the U.S.A 2003 and Seed Najibollah 2005 in Bangladesh have pointed out. Measuring the intellectual capital capability different models have been offered. One of them is the profit (margin) model. To measure the company capital intelligence; Pollack offers using the coefficient capability of income profit caused by capital intelligence, which also resulted achieved based on Pollack’s model/method. Statistic’s research results show the positive and meaningful relation between the capital intelligence profit (investments) and market value /office value ratio.

Measuring reported capital intellectual

In according to traditional accounting, measuring capital intelligence includes important nonmaterial subjects such as human resources investment, customer satisfactions and renovation. So, Capital Intelligence for who wanted to be well aware of their work performance is a necessity. Measuring the capital intelligence focus on generating values while financial accounting showing the past accounting and cash transaction follow ups. According to Nick Bounties and Associates in 1999 which the facts involved are as human resources.

Human Resources Accounting

According to Hermanson classic studying in 1964, process of wealth evaluation, some debating and discussions made among human

Dependent Variable (ROA)

Resources accountant’s opinions and idealist. Accountant aim on human resources is personnel “economical quantity care” in order to provide requests for organization management and financial decision. Human resources accounting models, evaluate human capital in the material frame. This model mostly used in places or services in human capital that an organization has specified and meaningful corner for it. In addition accounting human resources models just related to human capital and has no care for other important factors such as customer, company interior management net, organization culture and innovation.

Giving Adjusting Privilege Cards

Norton & Couplan category in 1992 presented in giving privileged adjusting card. This frame first measures the organization operation under four factors as customer, internal processing, and growth, learning and financial. Furthermore, displaying the cause and caused relationship collections between output scale and organization turnover's motivator, and it could simultaneously control and measure the financial results. With a take look at the specification frame suggested in which customer view is the same as recommended capital, growth view and learning is about human capital and internal processing views is the same as built and financial view is the same as capital finance, and it is clear. This frame is very well accepted since wide usage strategy programming

Turnover measurement and invisible wealth.

Financial view

Customer point of view

Outlook & strategy

Internal processing view

Learning & growth views

Capital intelligence understanding in Norton & Kaplan views

Intelligence capital benefit coefficient

Comparing historical background and practical to Intelligence capital evaluation that express financial reporting needs measuring effective scale …….. Pollack measured company efficiency sources & present the economy benefit values. It focuses to make value and explain two important sources in the company make benefits or profits which they listed as:
1) Capital Engaged (CE) including Physical and financial
2) Intelligence Capital (IC) included human (man) power & built capital.
   Capital intelligence coefficient benefit method, information in regard to efficient value, prepares visible and invisible capitals.
Instead of intelligence capital evaluation, capital intelligence coefficient method directly measures three capitals efficient as:
1) Physical and financial capital,
2) Manpower capital
3) Built capital.
Now, if:
   VACA= physical and financial efficient capital,
   VAHU= human power efficient capital,
   STVA= Built efficient capital
   Their total is equal to capital intelligence. Higher Profit is the coefficient representing the optimum benefit from making value in commercial units. The VAIC considered the capability reference index factor for invisible company factor.
Farer Williams explain two VAIC prefer factors as follows:
   Easy VAIC Calculating, Unique computing base, causes effective comparison analysis nationwide in all companies.
Pulling out needed data in the calculation from computed financial statements.
VAIC calculation procedures:
(VA): Value added calculated based on beneficiary view count as follows: VA = Out Put – Input
Per this view, everyone or group that got affected from a business unite should be benefited from such transaction (business). This beneficent/s
Consist of share holder, employees, financial supporter, government & and society. So, in measuring operational scale such as
Beneficient value adds is better than the accounting benefit this just presents share's holder performance.
According to Belkoei 2003, VA calculated through following equation:
   R=profit variation
   S=net profit
   B=sold goods total cost
   DP= depreciation
   W=labor cost
   I= profit
   DD=shared benefit
   T=taxes
Above equation could arrange as bellow:
S-B = DP+W+I+DD+T+R
   This equation’s results presenting the impure value add (VA). And if arrange as following, it presented value add (VA) pure income (profit):
S - B – DP = W + I + DD + T + R

   Above equation left side presenting the impure VA. If above equation rearrange as bellow it represents the Pure VA as:
S-B- DP=W+I+DD+T+R

Left side of equation presents pure VA & right side presenting the distribution of the company which consists of employees, financial supporter, share holder, and Government. We offer VA for the whole year for pure value since DD plus R equal pure income therefore last equation could rewrite As: VA+S-B- DP=W+I+T+NI in which NI = pure income – Taxes.

**CE (starting Capital), HU (Human power Capital), SC (built capital)**
In regard to Paliko’s and Williams articles, three main parts of a company
As: CE, HU, SC defines as:
CE= invisible capital- total capital =financial wealth + Physical capital
HU= Total Manpower
SC=VA-HU
Company’s source distributed as CE & HU according to company’s view sources. The Company’s view Sources is based on company’s out-put and safe & preferred competition. These sources, including known (obvious) and hidden (invisible) wealth (capitals). CE is known used capital indicator. And HU is hidden main source scale.

**Computing VACA:**
Above is the company's physical and financial assets coefficient index to generate the Profit. It calculates via following equation as:
VACA=VA: CE

**Computing VAHU:**
This is company's proficiency coefficient of Human power capital for profit calculates as follow:
VAHU=VA: HU

**Computing STVA:**
Said above a coefficient indicates the built capital to make profit as calculate below:
STVA=SC:VA

**Computing VAIC:**
This is the intellectual capital efficient to make the profit. It’s the result of 3 efficient as: 1) physical and financial benefit, 2) human power proficiency the profit and 3) built capital profit. It calculates through following equation as:
STVA + VAHU + VAIC=VACA

3. RESEARCH METHOD

Presented research; goal-wise: it is practical, systematically is discusssable.

The way it data gathered. This research considered integrated. Through that to present, explain, and prove the relationship between intellectual capital and market value by examining and using multiple variables coefficient correlation and regression. Concerning the nature of the subject, research is the type of experiment and logic analysis and study the degree of relationship between dependable and undependable parameters through correlation analysis in statistics parametric?

These research statistic communities gathered from Tehran Stock market through years 1387-1383 Persian calendars or/ (1997-2003).

Statistic figures:
Among listed companies in research statistical communities with imposing all kinds of following restrictions finally 139 companies have selected. 19 companies among them randomly picked up and used for experience and research study.

4. Hypothesis Research Examination

Research Hypothesis explains as following:
Main Hypothesis1: those companies which their proficiency Coefficient, Intelligence capital is bigger than market value over office value Ratio.

Sub Hypothesis 1.1 companies which that their capital proficiency, Physical capital is higher; their market value to office value is also higher.

Sub hypothesis 1.2 those companies that their human Capital, Proficiency coefficient is higher; their market value to Office value ratio is higher.

Sub hypothesis 1.3 companies that their proficiency efficient built, Capital is higher; their market value to the office value ratio is higher.

Main hypothesis 2: companies that their capital intelligence Proficient, Coefficient is higher; they are having better company Turnover.

Sub Hypothesis 2.1 those companies that their physical capital proficiency, It is higher, having better company turnover.
Sub hypothesis 2.2 those companies that their human capital, Proficiency coefficient is higher; having the better turnover.
Sub hypothesis 2.3 companies that their built capital proficiency coefficient is more; they are having the better company turnover.

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<th>Table 1: Pearson’s Correlation Coefficient &amp; viewers’ estimated (predicted) amount</th>
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**. Correlation is significant at the 0.01 level (2-tailed).

Results gained from main 1st. hypothesis:
F statistic’s amount in Variance analysis Chart in the model 1 equal 0.073. And regarding to probable amount (0.79) Zero assumption does not reject. So, it can be said model being inline doesn’t approve. Nevertheless, is show the model is not appropriate. Regarding Regression (regions) estimated coefficient (in chart) the t amount for experiment, (at VAIC = Zero) is = 0.271 and < (smaller) than 1.96. Which is show not rejected meaningful level of 0.05. Possible amount represented (0787) also support this fact. Thus, 1st. Hypothesis is not going to accept, and between the ratio of market value to the office. Value (the right of the share holder) and the proficiency coefficient of intelligence capital is not any inline meaningful equation.

In the model between the dependent variables as Ln (M/B) & undependable variables as STVA, VACA and VAHU regions line we did survey.

The amount of F (statistics) in this model of Variant analyst (chart) is 0.315 and probable equivalent amount with that is 0.81 which doesn’t show inline equation between variables. Furthermore, the amount of coefficient indication coefficient adjustment is -0.027 that it shows the Proportionate relation is not proper at-all. Regarding to expression it can say that all sub hypothesis are rejected & between to the market value to office share holder salary value ratio and physical capital proficient coefficient, human capital proficient coefficient & built capital proficient coefficient no inline meaningful relation equation.

4.1. The Results from main 2nd. Hypothesis

Used Regression method is “Enter”. The “F” statistics in the model no 3 is 1.523 concerning estimated amount (probable0.22) assumptions “zero” doesn’t reject, and therefore, it can conclude being inline. Model doesn’t approve. And Adjusted R Square is 0.007 which is not recommending the model.

Considering the Table 1 amount of the turned around statistic exam for rests assumed independence equal to -1.094 and possible achieved amount equal to 0.274 that shows the validity of the accepted independence hypotheses rests. Concerning the normality of rests, it improves the unrelated dependency result, as well. Therefore, sub hypothesis 1-2 and 2-2 is rejected, but sub 3-2 for each depended variable income is approved. And it could say; our observation shows the positive dependency of the built capital related variable and independent variable proficient coefficient regression method is used in Enter the model. The F Statistics amount in the variance analysis chart in the model 6 equal 0.508 and shows the Proportionate relation is not proper at-all.

Probable amount (0.48) zero assumption doesn’t reject. So, it could say the inline model is not approved. The amount of adjusted R. coefficients is -0.006 which presenting the model is not appropriate. Concerning the
gained regression coefficient, the t statistic amount for independent zero variable coefficient examination (VAIC) is equal to \( t = 0.713 \) and smaller than 1.96 which it shows this assumption is not rejected at meaningful of 0.05. Probable represented amount (0.478) is approving such as subject. Thus, assumption 2 for dependent income resulted from investment doesn’t approve and there is no in-line meaningful connection between this variable and capital intelligent proficiency coefficient.

So, the sub hypothesizes 1-2 and 2-2 is rejected, but sub assumption 2-3 shows for dependable variable and independent variable built capital proficiencies.

**Related variable G.R**

The F content in Variant Analysis chart model 9 is equal to 1.836. And concerning to the probable amount assumed (0.18) zero is not rejected, and therefore, it could say in-line model doesn’t approve.

**Conclusion:**

It hypothesizes with nonparametric Spearman correlation coefficient and Pearson parametric correlation coefficient and Regression analysis one variable and multi tested. Companies in which their intelligent capital proficiency coefficient is bigger than market value to the office value ratio°. It's explaining that there is no meaningful inline relation between the market value to office share holder ratio and capital proficiency coefficient.

The result from 2nd hypothesis research shows that consist of companies is that their capital intelligence proficiency coefficient greater than better company's turnover. Furthermore, telling us sub hypothesizes 1-2, 2-2are rejected. But sub assumptions 2 & 3 approved for each dependent income variable. And it can say our observation shows the positive correlation relation between the dependent variables and independent variable built capital proficient.

5. **DISCUSSION AND CONCLUSION**

Concerning the research results and worldwide products competition, including Iran, in order to produce and expand company's values and paying more attention to human intelligence capital, and their correct management to preserve such sources, producing value seems necessary. Concerning the effect of companies profit on coefficient of capital intelligence by the companies' market value, the necessity of such as concern from capitals and market activist analyst is an obvious.

**REFERENCES**


