The Influence of Intellectual Capital on Corporate Performance: Evidence from European Companies over the period 2004-2014

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We manage knowledge over full life-cycle of nuclear technology.
• IDLAB explores intangible-driven strategic behavior of companies in the new economy and implements networking technologies to develop a geographically and topically distributed research center with three cores.

Petersburg, Russia  
Center for studies on large corporations (EU)

Perm, Russia  
Center for studies on Russian companies

Vigo, Spain  
Center of studies on Sport economics
Research questions

• Do intellectual resources have impact on company performance?

• Do companies have intangible-intensive profile?

• Does intangible-intensive profile allow to outperform generic strategy?
### Database

**Sources**
- Bureau Van Dijk (Amadeus) and Bloomberg
- Reports and websites of companies

**Countries**
- five European countries: United Kingdom (44%), Germany (24%), France (25%), Spain (5%) and Italy (2%).

**Industry**
- professional, scientific and technical activities (26%), manufacturing (19%), finance and insurance activities (17%), information and communication (10%) and others (28%).

**Companies**
- 1700 public companies over the period 2004-2014
How we measured intellectual resources?

**HUMAN CAPITAL**
- Human resource capabilities
  - Productivity
  - Number of employees
  - Corporate UNI
  - Brand as employer

**STRUCTURAL CAPITAL**
- Internal process capabilities
  - ERP system
  - KM system
  - Qualification of board of directors
  - Strategy implementation

**RELATIONAL CAPITAL**
- Networking capabilities
  - Associations
  - Subsidiaries
  - Foreign capital

**Management capabilities**
- Qualification of board of directors
- Owners-directors ratio
- Cost of employees

**Innovation capabilities**
- Intangible assets
- R&D expenditures
- Patents
- Awards for innovation

**Customer loyalty**
- Brand
- Advertising expenditures
- Citation in search engines

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How we tested hypotheses?

• Software: Stata 13

• Econometric techniques: principal component analysis, structural equation modelling, 3 stage least square

• Econometric specification:

  \[
  \text{Market value added} = f(\text{Economic Value Added, Intangibles, Control variables})
  \]

  \[
  \text{Economic Value Added} = f(\text{Intangibles, Control variables})
  \]
Results: managers prone to accumulate the resources that are positively recognized by investors

ECONOMIC VALUE ADDED — MARKET VALUE ADDED

- Human Resource Cap.
- Innovation Capabilities
- Customer Loyalty
- Int. Process Capabilities
- Networking Capabilities

Sig. positive  Sig. negative  Not significant

Results: 2 intangible-intensive profiles are revealed

Distribution of companies in 3 profiles (100 quantiles of Market Value Added)

Before the crisis

Conservative profile

Innovative profile

Generic profile

During the crisis

Conservative profile

Innovative profile

Generic profile

After the crisis

Conservative profile

Innovative profile

Generic profile

Mean value

Distribution of companies in 3 profiles (100 quantiles of Economic Value Added)

Before the crisis

<table>
<thead>
<tr>
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Information-analytical system «Monitor of Intangible Resources of Companies» is an open web-source that provides users with information on quantity, quality and efficiency of the intangible resources of public companies and encourages companies to greater disclosure and transparency.
Questions and comments are welcome

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