

ASSESSING THE RELATION BETWEEN INTELLECTUAL CAPITAL AND EXPORT PERFORMANCE AN EMPIRICAL EXPLORATION OF BSE 500 COMPANIES IN INDIA

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ABSTRACT

Purpose

This paper investigates the influence of intellectual capital (IC) on international performance. The paper focuses on the relationship between intellectual capital and export performance across 8 industries over the period of 2006-2017.

Design/methodology/approach

The Value Added Intellectual Coefficient (VAIC) method is used for evaluation of intellectual capital for a period of 12 years. In addition to considering the aggregate VAIC as an intellectual capital indicator, its constituents Capital Employed Efficiency (CEE), Human Capital Efficiency (HCE) and Structural Capital Efficiency (SCE) have also been used to gauge the relationship between VAIC components with the export performance. Sample of 96 companies across 8 industries were selected from BSE-500 companies. Empirical analysis is conducted using correlation and regression models to test the hypotheses.

Findings

OLS regression analysis shows that intellectual capital has a significant association with the export performance of Indian exporting companies. The results of VAIC components (CEE, HCE and SCE) also show a statistically significant association with export performance.

Research limitations/implications

The study is conducted on a sample of only 96 companies across 8 industries from BSE-500 companies. Different types of knowledge intensive industries can further be studied by using a larger sample with focus on individual industries.

Practical implications

The study may serve as a useful input for academicians and managers, so that they make proper utilization of the IC resources in enhancing the value creation capabilities of the firms.

Originality/Value

The study is an attempt to examine the influence of intellectual capital on the export performance that helps in better understanding and utilization of intellectual capital in enhancing the export performance.

Key Words: *Intellectual Capital; Export Performance; Value Added Intellectual Coefficient; Capital Employed Efficiency; Human Capital Efficiency; Structural Capital Efficiency.*