

INTELLECTUAL CAPITAL AND ITS IMPACT ON HIGH PERFORMANCE OF ORGANIZATIONS

Latif Abdulridha Atiyah

University of AL- Qadisiyah. Faculty of Administration and
Economics Department of Accounting

latef.abdalrtha@qu.edu.iq

Abstract

This study focuses on the impact of the dimensions of Intellectual Capital (IC) which include (Structure-ST, Human-HU, Relational-RE) on the High Performance (HP), of organizations, which includes the dimensions (Participation-PA, Strategic-ST, Efficiency-EF). Information and data for the target sample that the researcher obtained in his study by using a questionnaire form and distributing it to workers in Baghdad Mall / Iraq. Their number was (96), and (4) were incorrect questionnaires, and (92) were valid questionnaires. The researcher used SPSS to reach the basic results of the study. In this study, positive and important results of high quality were proven, and the influence of the dimensions of intellectual capital on high performance in the organization was confirmed. Researcher uses SPSS statistical analysis in this study and (7) point Likert scale. The researcher had broad and useful interests and information in his research, in further expanding the link between the dimensions of intellectual capital and the high performance of organizations.

Keywords: intellectual capital, high performance, structure, Human, Relational.

Introduction

The researcher works to obtain results of positive value. Emphasis on determining the effectiveness of the dimensions of intellectual capital on the high performance of organizations in the targeted sample of workers in Baghdad Mall / Iraq (Ngan & Yang, 2022; Kadhim & Ahmad, 2021). The researcher Aljasir & Hariri, (2020), focused on the results he obtained, and the idea was similar to this study in fully preparing to develop basic plans and increase the organizations production to eliminate the obstacles and problems facing the organizations (Zhou et al., 2019; Stor, 2021; Amer et al., 2021; Kumar Pandey, 2020). The necessity of adopting modern technology, a single work team, and constant cooperation through continuous communication between top management and workers to develop performance to compete with organizations and confront obstacles (Martinaityte et al., 2019; Sadiku et al., 2019; Kadhim & Ahmad, 2019). The researcher also focuses on the necessity of providing the required basic data for continuous meetings between top management and employees in the organization (Ghani & Obeidat, 2020; Al-Baidhani & Alsaqqaf, 2022; Ahmed et al., 2020). Activating to Obeidat et al (2021) the impact of employees on the performance of organizations to develop intellectual capital. Empowering employees to determine the effectiveness of intellectual capital on the high performance of organizations (Saeidi et al., 2021; Dhar & Thesis, 2021; Matos et al., 2018). The relationship between intellectual capital and the high performance of organizations and the

information collected by the researcher in support of his (3) theories is that it will be supportive (Subramanian & van, 2019; Al-Jinini et al., 2019; Kadhim & Ahmad, 2022).

1. Research problem

In this study, the dimensions of intellectual capital and their impact on the high performance of organizations were chosen to increase their profits with the rest of the institutions in order to solve obstacles and problems (Vătămănescu et al., 2019; Martín et al., 2019; Kadhim & Jassmy, 2019). The researcher works to find the appropriate solution to the problems faced by organizations (Hasan, 2021; Ali & Anwar, 2021; Yassin, 2021; Kadhim & Hani, 2024). Choosing the best modern methods to expand companies' work, Choosing the best modern methods to expand companies' work, and using the most advanced path to increase the organizations' production and capital because many organizations are profitable in their performance (Susanti et al., 2020; Capital et al., 2020).

2. Research hypotheses

The researcher created (3) hypotheses in this study to determine the role of the impact of intellectual capital on the high performance of organizations (Abdullah & Othman, 2019; Miao & Cao, 2019). The impact of the dimensions of executive capital on the high performance of organizations is very necessary to reach the desired goals, shown Figure 1, and these hypotheses are:

1. There is a statistically significant effect of Structure (ST) on Intellectual Capital (IC).
2. There is a statistically significant effect of Human (HU) on Intellectual Capital (IC).
3. There is a statistically significant effect of Relational (RE) on Intellectual Capital (IC).

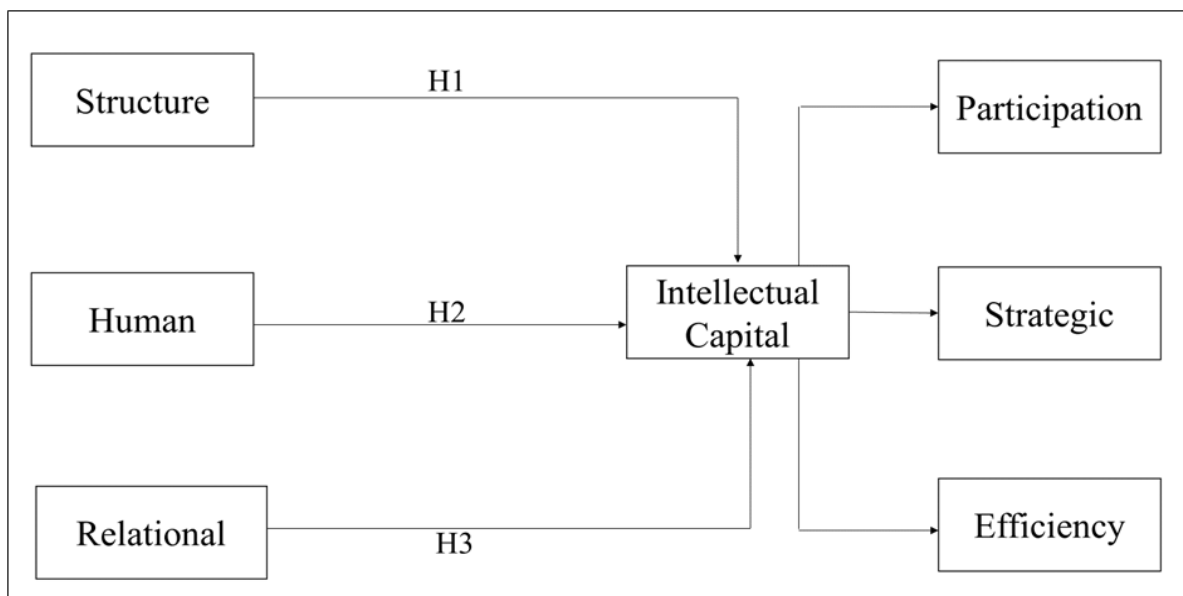


Figure 1: Framework

4. Methodology

In this study, the researcher used the quantitative method to collect data for workers in Baghdad Mall / Iraq (Elkordy, 2014). The researcher emphasized the use of quantitative surveys to obtain the results required in this research study (Ahmed et al., 2020). The researcher also relied on encouragement to use experimental research to obtain information for organizations. Rresearcher uses SPSS statistical analysis in this study and (7) point Likert scale (Asiedu & Doe, 2022; Kadhim & Habeeb, 2024).

5. Results

The statistical measurement of the results is determined by the standard model that demonstrates reliability (Samad & Ahmed, 2021). Table 1 shows that the loadings of all factors exceed Cronbach's alpha of 0.825, and the table (Pakurár et al., 2019; Kadhim & Atiyah, 2019). Cronbach's alpha is a measure of how items relate to each other as a group, shown Table 1.

Table 1. Cronbach's alpha result

Travels	Cronbach's alpha
ST	0.825
HU	0.947
RE	0.770
IC	0.884

Table 2, shows that it is used by companies of different sizes and records the highest levels of 5.3125 among organizations (Tarsakoo & Charoensukmongkol, 2020). The dimensions of intellectual capital by different companies work on design and manufacturing in organizations. Total analysis, matrix diagram and relationships, shown Table 3, minimum and maximum results (Hernández et al., 2021).

Table 2. Extent level of travels tools and techniques

Items	No.	Mean	Interpretation	Standard Deviation	Rank
ST	92	5.3043	High	1.22353	1
HU	92	4.1185	Moderate	1.38928	4
RE	92	5.1730	High	1.06778	2
IC	92	5.1630	High	1.06778	3

Table 3: External level minimum and maximum

Items	No.	Minimum	Maximum	Sample
ST	92	1.75	7.00	5
HU	92	1.00	7.00	5
RE	92	1.60	7.00	5
IC	92	1.60	7.00	5

Intellectual capital in organizations works to develop the high performance of institutions through the results obtained. Shown Table 4, in finding an interconnected relationship correlation between dimensions (Malik et al., 2020; Ahmad & Kadhim, 2020).

Table 4: Correlations for dimensions

	Items	ST	HU	RE	PA	STR	EF
ST	Pearson Correlation	1	.416**	.365**	.365**	.609**	.382**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	Sum of Squares and Cross-products	136.228	64.408	43.335	43.335	79.937	46.583
	Covariance	1.497	.708	.476	.476	.878	.512
	N	92	92	92	92	92	92
HU	Pearson Correlation	.416**	1	.611**	.611**	.674**	.804**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	Sum of Squares and Cross-products	64.408	175.639	82.523	82.523	100.495	111.526
	Covariance	.708	1.930	.907	.907	1.104	1.226
	N	92	92	92	92	92	92
RE	Pearson Correlation	.365**	.611**	1	1.000**	.613**	.879**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	Sum of Squares and Cross-products	43.335	82.523	103.754	103.754	70.291	93.668
	Covariance	.476	.907	1.140	1.140	.772	1.029
	N	92	92	92	92	92	92
PA	Pearson Correlation	.365**	.611**	1.000**	1	.613**	.879**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	Sum of Squares and Cross-products	43.335	82.523	103.754	103.754	70.291	93.668
	Covariance	.476	.907	1.140	1.140	.772	1.029
	N	92	92	92	92	92	92
STR	Pearson Correlation	.609**	.674**	.613**	.613**	1	.677**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	Sum of Squares and Cross-products	79.937	100.495	70.291	70.291	126.582	79.710
	Covariance	.878	1.104	.772	.772	1.391	.876
	N	92	92	92	92	92	92
EF	Pearson Correlation	.382**	.804**	.879**	.879**	.677**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	Sum of Squares and Cross-products	46.583	111.526	93.668	93.668	79.710	109.426
	Covariance	.512	1.226	1.029	1.029	.876	1.202
	N	92	92	92	92	92	92

In this study, the researcher obtained Skewness and kurtosis which is a statistical factor that is necessary to extract to determine the effect between variables (Albadry et al., 2020). Shown Table 5.

Table 5: Obtained Skewness and kurtosis

Items	ST	HU	RE	PA	STR	EF
No.	92	92	92	92	92	92
Missing	0	0	0	0	0	0
Skewness	-1.333	-.777	-.889	-.889	-.896	-.854
Kurtosis	1.629	.289	.854	.854	.464	.958

The researcher obtained and sum R²-Squers, and F²-Sequers which is a statistical factor that must be extracted to determine the effect between variables, shown Table 6.

Table 6: Sum R²-Squares and F²-Squares

Items	Sum.	D.F.	R ² . Square	F ² Square	Sig
Between People	514.579	91	5.655		
Within People	19.157	5	3.831	7.239	.000
Residual	240.805	455	.529		
Total	774.540	551	1.406		

Grand Mean = 5.0542

CONCLUSIONS

1. Determine the relationship between intellectual capital and high performance of the organization.
2. It was found that there is a positive relationship between intellectual capital and high investment.
3. The researcher worked on choosing the appropriate questionnaire form in this study to confirm the impact of intellectual capital on the organization's high investment.
4. Emphasizing the role of variables in this research and the importance of intellectual capital on high investment.
5. Implementing intellectual capital on the organization's high investment through training for employees works to increase and improve the performance of employees within institutions.
6. The researcher explained through his findings that institutions rely heavily on intellectual capital while applying modern technology in the work of companies.
7. Giving wide importance to the use of intellectual capital in institutions through positive results.

7. RECOMMENDATIONS

1. The use of intellectual capital in high investment in organizations works to raise the productive efficiency of organizations.
2. Continuous training must be adopted for employees to improve their performance and focus on the role of intellectual capital to encourage productive institutions.
3. Continuous encouragement of the use of modern technology to increase the effectiveness of companies and provide what they need in their performance.
4. Using the latest methods to expand organizations' production by providing financial abundance to create a positive policy among organizations and help solve problems.

REFERENCES

1. Abdullah, N. N., & Othman, M. B. (2019). Examining the effects of intellectual capital on the performance of Malaysian food and beverage small and medium-sized enterprises. *International Journal of Civil Engineering and Technology*, 10(2), 135–143.
2. Ahmed, S. S., Guozhu, J., Mubarik, S., Khan, M., & Khan, E. (2020). Intellectual capital

- and business performance: the role of dimensions of absorptive capacity. *Journal of Intellectual Capital*, 21(1), 23–39. <https://doi.org/10.1108/JIC-11-2018-0199>
3. Ahmad, F., Kadhim, S. A., Hamid, N. A., Ahmad, A. N. A., Ruslan, R., Rahman, N. A. A., R., Abdullah, A. S., Nawi, M. N. M. (2020). A Study of Barriers and Challenges of Industry 4.0 in Malaysia Manufacturing Companies. *Int. J Sup. Chain. Mgt.* Vol. 9, No. 5.
 4. Albadry, H. F., Abbas, Z. M., Al Dulaimi, Z. Y. S., Kadhim, S. A., Ahmad, F. (2020). The Impact of Branding on the Marketing Advantage and the Role of Sustainable Competitiveness as Mediator. *International Journal of Advanced Science and Technology*. Vol. 29, No. 11s.
 5. Al-Baidhani, P. D. A., & Alsaqqaf, A. (2022). Investigating the Impact of Performance Appraisal and its Dimension, Directions and Objectives to Staff, on Employees' Job Satisfaction in INGOs in Yemen. *SSRN Electronic Journal*, April. <https://doi.org/10.2139/ssrn.4097670>.
 6. Al-Jinini, D. K., Dahiyat, S. E., & Bontis, N. (2019). Intellectual capital, entrepreneurial orientation, and technical innovation in small and medium-sized enterprises. *Knowledge and Process Management*, 26(2), 69–85. <https://doi.org/10.1002/kpm.1593>.
 7. Ali, B. J., & Anwar, G. (2021). Intellectual capital: A modern model to measure the value creation in a business. *International Journal of Engineering, Business and Management*, 5(2), 31–43. <https://doi.org/10.22161/ijebm.5.2.4>.
 8. Aljasir, D. G. A., & Hariri, P. H. B. (2020). The Reality of the Applying of the Dimensions of the (Senge) Model for Learning Organizations from the teaching staff members' viewpoint in Saudi University. *Journal of Research in Curriculum Instruction and Educational Technology*, 6(4), 207–240. <https://doi.org/10.21608/jrciet.2020.117124>.
 9. Amer, F., Hammoud, S., Khatatbeh, H., Lohner, S., & Boncz, I. (2021). *Title Page 1-*.
 10. Asiedu, M. A., & Doe, J. K. (2022). *Conceptualization of Absorptive Capacity Dimensions in Higher Education Institutions: A Qualitative View*. 11(6), 326–336. <https://doi.org/10.11648/j.edu.20221106.13>.
 11. Capital, N. I., Transformation, D., Union, E., & Divide, D. (2020). *u of Int ell ec tu al Ca ta pi l u Jo rn of Int ell ec tu al Ca ta pi l*.
 12. Dhar, B. K., & Thesis. (2021). the Impact of Intellectual Capital on Organizational Performance in the Banking Sector of Bangladesh. *Universiti Sains Islam Malaysia*, 11(2), 1–30.
 13. Elkordy, M. (2014). *The impact of crm capability dimensions on organizational performance*. 2(10), 128–146.
 14. Ghani Al-Saffar, N. A., & Obeidat, A. M. (2020). The effect of total quality management practices on employee performance: The moderating role of knowledge sharing. *Management Science Letters*, 10(1), 77–90. <https://doi.org/10.5267/j.msl.2019.8.014>.
 15. Hasan, K. K. (2021). The Relationship between Intellectual Capital and Organizational Trust and Its Impact on Achieving the Requirements of Entrepreneurship Strategy (The Case of Korek Telecom Company, Iraq). *International Journal of Multicultural and Multireligious Understanding*, 8(2), 130. <https://doi.org/10.18415/ijmmu.v8i2.2405>.
 16. Hernández-Linares, R., Kellermanns, F. W., & López-Fernández, M. C. (2021). Dynamic

- capabilities and SME performance: The moderating effect of market orientation. *Journal of Small Business Management*, 59(1), 162–195. <https://doi.org/10.1111/jsbm.12474>.
17. Kadhim, S. A., Ahmad, F. (2019). Proposed Framework for Total Quality Management and its Impact in High Schools. *Int. J. Sup. Chain Mgt.* Vol. 8, No. 3.
 18. Kadhim, S. A., Ahmad, F. (2021). The role of TQM in education: an empirical investigation of preparatory schools of Iraq. *International Journal of Services and Operations Management*, Vol. 39, No. 1.
 19. Kadhim, S. A., Ahmad, F. (2022). The impact of total quality management by mediator's compliance and information technology on education performance in secondary schools Iraq. *International Journal of Services and Operations Management*, Vol. 41, No. 1-2, 82-10.
 20. Kadhim, S. A. Hani, R. I. (2024). Total Quality Management and Its Role In Developing Banking Institutions Through Compliance As A Mediating Factor. *Journal of Theoretical and Applied Information Technology*. 31. Vol.102. No 2.
 21. Kadhim, S. A., Jassmy, B. A. K., (2024). Effectiveness of Total Quality Management on Strategic Planning and the Importance of Stakeholders as a Mediator. *American Journal of Economics And Business Management*. Vol. 7, No.2.
 22. Kadhim, S. A., Habeeb, L. M., (2024). Role Of Comprehensive Total Quality Management In Enhancing The Importance Of The Insurance Company-An Applied Study In The National General Insurance Company/Iraq. *International Journal of Studies in Business Management, Economics and Strategies*. Volume 03, Issue 02.
 23. Kadhim, S. A., Atiyah, L. A., (2024). Green Human Resources Practices and Impact on Possibility of Applying Total Quality Management. *International Journal on Economics, Finance and Sustainable Development*. Volume: 6 Issue: 2.
 24. Kumar Pandey, P. (2020). Review on the Dimensions of Career. *Journal of Critical Reviews*, 7(04), 1968–1977.
 25. Malik, S. Y., Cao, Y., Mughal, Y. H., Kundi, G. M., Mughal, M. H., & Ramayah, T. (2020). Pathways towards sustainability in organizations: Empirical evidence on the role of green human resource management practices and green intellectual capital. *Sustainability (Switzerland)*, 12(8), 1–24. <https://doi.org/10.3390/SU12083228>
 26. Martín-de Castro, G., Díez-Vial, I., & Delgado-Verde, M. (2019). Intellectual capital and the firm: evolution and research trends. *Journal of Intellectual Capital*, 20(4), 555–580. <https://doi.org/10.1108/JIC-12-2018-0221>
 27. Martinaityte, I., Sacramento, C., & Aryee, S. (2019). Delighting the Customer: Creativity-Oriented High-Performance Work Systems, Frontline Employee Creative Performance, and Customer Satisfaction. *Journal of Management*, 45(2), 728–751. <https://doi.org/10.1177/0149206316672532>
 28. Matos, F., Vairinhos, V., Selig, P. M., & Edvinsson, L. (2018). Intellectual capital management as a driver of sustainability: Perspectives for organizations and society. *Intellectual Capital Management as a Driver of Sustainability: Perspectives for Organizations and Society*, January, 1–242. <https://doi.org/10.1007/978-3-319-79051-0>

29. Miao, R., & Cao, Y. (2019). High-performance work system, work well-being, and employee creativity: Cross-level moderating role of transformational leadership. *International Journal of Environmental Research and Public Health*, 16(9), 1–24. <https://doi.org/10.3390/ijerph16091640>
30. Ngan, C. K., & Yang, B. (2022). An Ensemble-Based Weight-Learning Framework and Algorithm for Imputing Missing Values on High-Dimension Low-Sample Size Datasets. *2021 IEEE 23rd International Conference on High Performance Computing and Communications, 7th International Conference on Data Science and Systems, 19th International Conference on Smart City and 7th International Conference on Dependability in Sensor, Cloud and Big Data Systems and Applications, HPCC-DSS-SmartCity-DependSys 2021, December 2021*, 1139–1146. <https://doi.org/10.1109/HPCC-DSS-SmartCity-DependSys53884.2021.00176>
31. Obeidat, U., Obeidat, B., Alrowwad, A., Alshurideh, M., Masa'deh, R., & Abuhashesh, M. (2021). The effect of intellectual capital on competitive advantage: The mediating role of innovation. *Management Science Letters*, 11, 1331–1344. <https://doi.org/10.5267/j.msl.2020.11.006>
32. Pakurár, M., Haddad, H., Nagy, J., Popp, J., & Oláh, J. (2019). The service quality dimensions that affect customer satisfaction in the Jordanian banking sector. *Sustainability (Switzerland)*, 11(4), 1–24. <https://doi.org/10.3390/su11041113>
33. Sadiku-Dushi, N., Dana, L. P., & Ramadani, V. (2019). Entrepreneurial marketing dimensions and SMEs performance. *Journal of Business Research*, 100(March), 86–99. <https://doi.org/10.1016/j.jbusres.2019.03.025>
34. Saeidi, P., Saeidi, S. P., Gutierrez, L., Streimikiene, D., Alrasheedi, M., Saeidi, S. P., & Mardani, A. (2021). The influence of enterprise risk management on firm performance with the moderating effect of intellectual capital dimensions. *Economic Research-Ekonomiska Istrazivanja*, 34(1), 122–151. <https://doi.org/10.1080/1331677X.2020.1776140>
35. Samad, S., & Ahmed, W. A. (2021). Do strategic planning dimensions and transformational leadership contribute to performance? Evidence from the banking sector. *Management Science Letters*, 11, 719–728. <https://doi.org/10.5267/j.msl.2020.10.037>
36. Stor, M. (2021). The configurations of HRM bundles in MNCs by their contributions to subsidiaries' performance and cultural dimensions. *International Journal of Cross Cultural Management*, 21(1), 123–166. <https://doi.org/10.1177/1470595821997488>
37. Subramanian, A. M., & van de Vrande, V. (2019). The role of intellectual capital in new product development: Can it become a liability? *Journal of Operations Management*, 65(6), 517–535. <https://doi.org/10.1002/joom.1045>
38. Susanti, N., Widajatun, V. W., Sumantri, M. B. A., & Nugraha, N. M. (2020). Implications of Intellectual Capital Financial Performance and Corporate Values (Studies on Goods and Consumption Sector 2013-2017 period). *International Journal of Psychosocial Rehabilitation*, 24(07), 6588–6599.
39. Tarsakoo, P., & Charoensukmongkol, P. (2020). Dimensions of social media marketing capabilities and their contribution to business performance of firms in Thailand. *Journal of Asia Business Studies*, 14(4), 441–461. <https://doi.org/10.1108/JABS-07-2018-0204>

-
40. Vătămănescu, E. M., Gorgos, E. A., Ghigiu, A. M., & Pătruț, M. (2019). Bridging intellectual capital and SMEs internationalization through the lens of sustainable competitive advantage: A systematic literature review. *Sustainability (Switzerland)*, *11*(9). <https://doi.org/10.3390/su11092510>
41. Yassin, A. T. (2021). Intellectual Capital Dimension Important Measurement in Industrial Project. *Webology*, *18*(Special Issue), 241–252. <https://doi.org/10.14704/WEB/V18SI04/WEB18125>
42. Zhou, S. S., Zhou, A. J., Feng, J., & Jiang, S. (2019). Dynamic capabilities and organizational performance: The mediating role of innovation. *Journal of Management and Organization*, *25*(5), 731–747. <https://doi.org/10.1017/jmo.2017.20>.