

Association between Intellectual Capital and Cost Characteristics

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Abstract

Despite the very fact that there are a spread of definitions regarding the term intellectual capital, there's also a consensus over the economic oriented and knowledge-oriented approaches in order that a substantial number of researchers have identified human capital, structural capital and client capital because the potential comments of the intellectual capital.

Keywords: Innovation, Technology, Intellectual capitals

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Introduction

The intellectual capital offers variety of benefits like profitmaking, improving the strategic position, increasing the market share, innovation and exclusive technology, developing the quality and recognizing the trademark, increasing organizational fame, reducing the expenses, increasing client loyalty and improving the productivity. One of the advantages of intellectual capital for organization is that the reduction of costs. The value reduction is performed through the management of costs. Cost management involves the efficiency and optimal use of the organization resources so as to make the values, norms and social behaviors which have an impression on the behavior and attitudes of people within the organization.

Generally speaking, culture is claimed to be supportive of data management when it creates value for the knowledge and encourages it sharing, creation, and application. Thus, developing a comprehensive definition of organizational culture and knowledge management may be a key step towards the event of intellectual capitals. Edwinston considers the cultural and organizational values because the outcomes of firm's human capitals. The researchers believe that culture shapes various cultures and makes them associated with each other. Affecting all dimensions of organization, organizational culture is of such significance that the management scientists take into consideration the most tasks of leaders as change and assigning proper cultural values. Generally, the organization culture has impacts on organizational improvement more than the environmental factors.

Hajiha and Kharatzade during a study were administered to match the organizational culture and its dimensions among the businesses which make use of the management accounting innovations and people who avoid using them. There was found to be a big difference between the organizational culture of the businesses which make use of the management accounting innovations and corporations which refrain from using them.

Therefore, one can state that organizational culture has an impact on the utilization of management accounting innovations like the value management, and one can draw the eye towards examining the association between the organizational culture and price characteristics. Additionally, considering the effect of intellectual capital and price management on the financial performance of firms, one can investigate the effect of intellectual capital in cost characteristics. Also, since the culture is taken into account because the strategic touchstone for a successful company, one can explore the influence of intellectual capital on organizational culture, accordingly.

Thus, the aim of this study is to examine the effect of intellectual capital on cost characteristics with respect to the role of organizational culture because the mediator variable. Intellectual capital. Today, management of intellectual capital would lead the organizations towards higher levels of success across competitive markets. The primary attempts handling the concepts of intellectual capital were achieved by the studies of Fritz Machlupin; however, the invention of the intellectual capital term is attributed to Galbrais.

In recent decades, companies (firms) have devoted their attention towards measuring the intellectual capital for offering reports for the beneficiary parties where they plan to determine methods for assessing the local intangible assets and extracting the intangible values across organizations.

The intellectual capital offers a replacement comprehensive model for observing the important values of organizations through the utilization of which one can evaluate the longer term values of the corporate. Most of the experts consider the intellectual capital as involving client capital, human capital and structural capital.

The intellectual capital are often defined because the set of all knowledge which is used by the workers of companies, which also creates competitive advantage. Putting into other words, the intellectual capital is defined

because the intellect axis including the knowledge, information, assets and intellectual analysis through the utilization of which companies can enjoy the advantage towards the generation of wealth.

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