

Abstract

In the era of knowledge economy, intellectual capital plays an important role. It obeys the law of marginal return diminishing in economic. However, it is more important how to create intellectual capital for the companies. In this study, training activities is the representation of intellectual capital creating activities and we study the association between the intellectual capital creating activities and business value.

The samples of this study consist of 124 companies with the listed and OTC companies in high-tech industry during 1995 and 2000. And this study performs multiple regression analysis to know the association between the intellectual capital creating activities and business value, the association between the operating characteristics and business value. The association between the operating characteristics and business value can be divided into the relationship between the capital intensity and business value, the relationship between the compensations and business value, the relationship between the size and business value, the relationship between the business lifecycle and business value.

In the basic empirical analysis, we found a positive relationship between intellectual capital creating activities and business value. In the advanced empirical analysis, these results imply that (1) the size of training activities investment is too small, the time of training activities is too short and the reinforcement of training activities is too weak to work. (2) if employees use valuable or specialized equipment, the training activities can work. (3) if employees' quality is high, the training activities can work. (4) the training activities can work in any size company. (5) in the growth stage, the training activities play important role; in the declined stage, the training activities can slow down decreasing of the business value and can help companies to search for growth opportunities. (6) the intellectual capital creating activities is positively and significantly related to contemporary and subsequent business value. (7) the variation of training expense highly explains business value.

In the operating characteristics aspect, these results imply (1) capital intensity is one of the factors which affect business value, the companies in the high-tech industry should use valuable or specialized equipment, be automated or use less labor. (2) compensation can affect labor performance, and the companies that use high-compensation strategy can recruit high quality employees. And then high quality employees can do high performance. (3) the companies in the high-tech industry should think about benefits of economics of scale. (4) the companies in the high-tech industry should know in which stage of corporate lifecycle the company stay, and operate in the right organizational management.

Key Word: intellectual capital, training activities, business value