

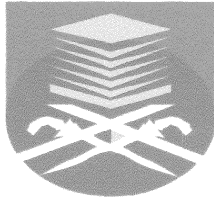
**THE EFFICIENCY OF INTELLECTUAL CAPITAL ON COMMERCIAL BANK'S  
PERFORMANCE IN MALAYSIA**

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**DECLARATION OF ORIGINAL WORK**



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## **The Efficiency of Intellectual Capital on Commercial Bank's Performance in Malaysia**

### **ABSTRACT**

Intellectual capital is a prominent source of competitive advantage of various organizations which influence the level of innovation and creativity that lead to increase the business performance and country's economic growth. The components of intellectual capital is consists of human capital, structural capital and capital employed has been remain particularly as an important source of competitive advantage of various organizations which influence the efficiency of the organizations. The important of the value added to the intellectual capital will help the organizations to improved well their services and be competitive advantage to other competitors. This study therefore tries to evaluate the efficiency of intellectual capital on commercial bank sectors in Malaysia. The results were based on the data taken from eight companies under banking sector for the year 2002 to 2010. It was found that the banking sector relied more on human capital efficiency than to the structural capital efficiency and capital employed efficiency. It is because the banking sectors have involved more in the services sectors that mostly used human capital as the medium to improve the efficiency of the organizations. It was also found that intellectual capital has significant and positive relationships with the organization's performance that measured by Return on Assets (ROA).

*Keywords: Intellectual Capital, Human Capital, Structural Capital, Capital Employed, Return on Asset*

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