

Document details

[< Back to results](#) | 1 of 1[Export](#) [Download](#) [Print](#) [E-mail](#) [Save to PDF](#) [Add to List](#) [More... >](#)[Full Text](#) [View at Publisher](#)Journal of Applied Accounting Research
Volume 19, Issue 1, 2018, Pages 42-59

The role of intangible assets and liabilities in firm performance : Empirical evidence (Article)

Haji, A.A., Ghazali, N.A.M.

Department of Accounting, International Islamic University Malaysia, Kuala Lumpur, Malaysia

Abstract

[View references \(46\)](#)

Purpose - The purpose of this paper is primarily to explore the extent of intangible assets and liabilities of large Malaysian companies. The authors also examine whether intangible assets and liabilities of a firm have similar or contrasting roles in firm performance. **Design/methodology/approach** - Using a direct and straightforward measure of intangible assets and liabilities, the authors examine a large pool of data from large Malaysian companies over a six-year period spanning from 2008 to 2013. **Findings** - The longitudinal analyses show a significant number of the sample companies, between 34 and 59.33 percent, have a consistent pattern of intangible liabilities. The authors also find firms with intangible liabilities have significantly underperformed financially than a control group of firms. In addition, the authors find that intangible liabilities have significant negative impact on firm performance whereas intangible assets have a contrasting positive impact on firm performance. **Research limitations/implications** - One limitation of this study is that the authors have only used a single measure of intangible assets and liabilities. Albeit the measures used are straightforward and more objective, there could be other measures to capture intangibles. **Practical implications** - The research findings have several theoretical as well as policy implications. Theoretically, the authors extend the resource-based view to the intangible asset-liability mix, affirming the crucial role of intangible resources in financial performance whilst introducing the unfavorable role of intangible liabilities in corporate financial performance. In terms of policy implications, the research findings provide initial empirical input to emerging calls for broader perspectives of intangibles, beyond intangible assets to include intangible liabilities, and therefore belong to an emerging paradigm toward the nature of intangibles. **Originality/value** - This study documents a rare empirical account of the contrasting roles of intangible assets and liabilities in corporate financial performance. © 2018 Emerald Group Publishing Ltd. All rights reserved.

Author keywords

[Firm performance](#) [Intangible assets](#) [Intangible liabilities](#) [Malaysia](#) [Resource-based view](#)

ISSN: 09675426

Source Type: Journal

Original language: English

DOI: 10.1108/JAAR-12-2015-0108

Document Type: Article

Publisher: Emerald Group Publishing Ltd.

References (46)

[View in search results format >](#)
 All [Export](#) [Print](#) [E-mail](#) [Save to PDF](#) [Create bibliography](#)

Metrics

0 Citations in Scopus

0 Field-Weighted
Citation Impact

PlumX Metrics

Usage, Captures, Mentions,
Social Media and Citations
beyond Scopus.

Cited by 0 documents

Inform me when this document
is cited in Scopus:[Set citation alert >](#)[Set citation feed >](#)

Related documents

A look on the other side:
Investigating intellectual
liabilitiesde Santis, F. , Giuliani, M.
(2013) *Journal of Intellectual
Capital*Trend of hidden values and use of
intellectual capital information:
Evidence from MalaysiaHaji, A.A.
(2016) *Accounting Research
Journal*Grand theories as barriers to
using IC conceptsDumay, J.C.
(2012) *Journal of Intellectual
Capital*[View all related documents based
on references](#)Find more related documents in
Scopus based on:[Authors >](#) [Keywords >](#)

- 1 Abdullah, M., Evans, L., Fraser, I., Tsalavoutas, I.
IFRS Mandatory disclosures in Malaysia: the influence of family control and the value (ir)relevance of compliance levels
(2015) *Accounting Forum*, 39 (4), pp. 328-348. Cited 5 times.
http://www.elsevier.com/wps/find/journaldescription.cws_home/703483/description#description
doi: 10.1016/j.accfor.2015.05.003
[View at Publisher](#)
-
- 2 Haji, A.A.
Trend of hidden values and use of intellectual capital information: Evidence from Malaysia
(2016) *Accounting Research Journal*, 29 (1), pp. 81-105.
<http://www.emeraldinsight.com/info/journals/arj/arj.jsp>
doi: 10.1108/ARJ-08-2013-0052
[View at Publisher](#)
-
- 3 Barney, J.B.
Organisational culture: Can it be a source of sustained competitive advantage?
(1986) *The Academy of Management Review*, 11 (3), pp. 656-665. Cited 1328 times.
-
- 4 Barney, J.
Firm Resources and Sustained Competitive Advantage
(1991) *Journal of Management*, 17 (1), pp. 99-120. Cited 17999 times.
doi: 10.1177/014920639101700108
[View at Publisher](#)
-
- 5 Basu, S., Waymire, G.
Has the importance of intangibles really grown? And if so, why?
(2008) *Accounting and Business Research*, 38 (3), pp. 171-190. Cited 20 times.
<http://www.tandfonline.com/toc/rabr20/current>
doi: 10.1080/00014788.2008.9663331
[View at Publisher](#)
-
- 6 Bloom, M.
Accounting for goodwill
(2009) *Abacus*, 45 (3), pp. 379-389. Cited 15 times.
doi: 10.1111/j.1467-6281.2009.00295.x
[View at Publisher](#)
-
- 7 Brennan, N.
Reporting intellectual capital in annual reports: Evidence from Ireland
(2001) *Accounting, Auditing & Accountability Journal*, 14 (4), pp. 423-436. Cited 193 times.
doi: 10.1108/09513570110403443
[View at Publisher](#)
-
- 8 Caddy, I.
Intellectual capital: Recognizing both assets and liabilities
(2000) *Journal of Intellectual Capital*, 1 (2), pp. 129-146. Cited 64 times.
doi: 10.1108/14691930010377469
[View at Publisher](#)
-

- 9 Chen, M.-C., Cheng, S.-J., Hwang, Y.
An empirical investigation of the relationship between intellectual capital and firms' market value and financial performance
(2005) *Journal of Intellectual Capital*, 6 (2), pp. 159-176. Cited 356 times.
doi: 10.1108/14691930510592771
[View at Publisher](#)
-
- 10 Clarke, M., Seng, D., Whiting, R.H.
Intellectual capital and firm performance in Australia
(2011) *Journal of Intellectual Capital*, 12 (4), pp. 505-530. Cited 80 times.
doi: 10.1108/14691931111181706
[View at Publisher](#)
-
- 11 (2015) *Volkswagen Has Plunged 50%: Will It Ever Recover?*
CNN News, ", ", available at: (accessed September 26, 2015
<http://money.cnn.com/2015/09/24/investing/volkswagen-vw-emissions-scandal-stock/>
-
- 12 Collins, J., Hansen, M.T.
(2011) *Great by Choice: Uncertainty, Chaos, and Luck - Why Some Thrive despite Them All*. Cited 54 times.
HarperBusiness, New York, NY
-
- 13 Collins, J., Porras, J.I.
(2002) *Built to Last: Successful Habits of Visionary Companies*. Cited 1435 times.
HarperCollins Publishers, New York, NY
-
- 14 de Santis, F., Giuliani, M.
A look on the other side: Investigating intellectual liabilities
(2013) *Journal of Intellectual Capital*, 14 (2), pp. 212-226. Cited 12 times.
doi: 10.1108/14691931311323850
[View at Publisher](#)
-
- 15 Dumay, J.C.
Grand theories as barriers to using IC concepts
(2012) *Journal of Intellectual Capital*, 13 (1), pp. 4-15. Cited 72 times.
doi: 10.1108/14691931211196187
[View at Publisher](#)
-
- 16 Edvinsson, L.
IC 21: Reflections from 21 years of IC practice and theory
(2013) *Journal of Intellectual Capital*, 14 (1), pp. 163-172. Cited 60 times.
doi: 10.1108/14691931311289075
[View at Publisher](#)
-
- 17 Edvinsson, L., Malone, M.
(1997) *Intellectual Capital: Realizing your Company's True Value by Finding its Hidden Brainpower*. Cited 1547 times.
Harper Collins, New York, NY
-

- 18 Elwin, P.
Discussion of 'Accounting for intangibles - A critical review of policy recommendations'

(2008) *Accounting and Business Research*, 38 (3), pp. 205-207. Cited 5 times.
<http://www.tandfonline.com/toc/rabr20/current>
doi: 10.1080/00014788.2008.9663333

[View at Publisher](#)

- 19 Firer, S., Mitchell Williams, S.
Intellectual capital and traditional measures of corporate performance

(2003) *Journal of Intellectual Capital*, 4 (3), pp. 348-360. Cited 266 times.
doi: 10.1108/14691930310487806

[View at Publisher](#)

- 20 Galbreath, J.
Which resources matter the most to firm success? An exploratory study of resource-based theory

(2005) *Technovation*, 25 (9), pp. 979-987. Cited 159 times.
doi: 10.1016/j.technovation.2004.02.008

[View at Publisher](#)

- 21 Garcia-Parra, M., Simo, P., Sallan, J.M., Mundet, J.
Intangible liabilities: Beyond models of intellectual assets

(2009) *Management Decision*, 47 (5), pp. 819-830. Cited 16 times.
doi: 10.1108/00251740910960141

[View at Publisher](#)

- 22 Giuliani, M.
Not all sunshine and roses: Discovering intellectual liabilities "in action"

(2013) *Journal of Intellectual Capital*, 14 (1), pp. 127-144. Cited 25 times.
doi: 10.1108/14691931311289057

[View at Publisher](#)

- 23 Gowthorpe, C.
Wider still and wider? A critical discussion of intellectual capital recognition, measurement and control in a boundary theoretical context

(2009) *Critical Perspectives on Accounting*, 20 (7), pp. 823-834. Cited 48 times.
doi: 10.1016/j.cpa.2008.09.005

[View at Publisher](#)

- 24 Gujarati, D.N., Porter, D.C.
(2009) *Basic Econometrics*. Cited 5495 times.
5th ed. McGraw-Hill, New York, NY

- 25 Hall, R.E.
Richard T. Ely lecture: Struggling to understand the stock market

(2001) *American Economic Review*, 91 (2), pp. 1-11. Cited 39 times.

[View at Publisher](#)

- 26 Harvey, M.G., Lusch, R.F.
Balancing the intellectual capital books: Intangible liabilities

(1999) *European Management Journal*, 17 (1), pp. 85-92. Cited 63 times.

[View at Publisher](#)

- 27 Kweh, Q.L., Chan, Y.C., Ting, I.W.K.
Measuring intellectual capital efficiency in the Malaysian software sector

(2013) *Journal of Intellectual Capital*, 14 (2), pp. 310-324. Cited 13 times.
doi: 10.1108/14691931311323904

[View at Publisher](#)

- 28 Lev, B.
(2001) *Intangibles: Management, Measurement, and Reporting*. Cited 1102 times.
Brookings Institution Press, Washington, DC

- 29 Lev, B.
A rejoinder to Douglas Skinner's 'Accounting for intangibles - A critical review of policy recommendations'

(2008) *Accounting and Business Research*, 38 (3), pp. 209-213. Cited 18 times.

<http://www.tandfonline.com/toc/rabr20/current>

doi: 10.1080/00014788.2008.9663334

[View at Publisher](#)

- 30 Lev, B., Radhakrishnan, S., Zhang, W.
Organization capital

(2009) *Abacus*, 45 (3), pp. 275-298. Cited 30 times.

doi: 10.1111/j.1467-6281.2009.00289.x

[View at Publisher](#)

- 31 Maditinos, D., Chatzoudes, D., Tsairidis, C., Theriou, G.
The impact of intellectual capital on firms' market value and financial performance

(2011) *Journal of Intellectual Capital*, 12 (1), pp. 132-151. Cited 114 times.

doi: 10.1108/14691931111097944

[View at Publisher](#)

- 32 Marzo, G.
Improving internal consistency in IC research and practice: IC and the theory of the firm

(2014) *Journal of Intellectual Capital*, 15 (1), pp. 38-64. Cited 14 times.

doi: 10.1108/JIC-03-2013-0026

[View at Publisher](#)

- 33 Merkley, K.J.
Narrative disclosure and earnings performance: Evidence from R&D disclosures

(2014) *Accounting Review*, 89 (2), pp. 725-757. Cited 22 times.

<http://aaapubs.org/loi/accr/>

doi: 10.2308/accr-50649

[View at Publisher](#)

- 34 Penman, S.H.
Accounting for intangible assets: There is also an income statement

(2009) *Abacus*, 45 (3), pp. 358-371. Cited 27 times.
doi: 10.1111/j.1467-6281.2009.00293.x

[View at Publisher](#)

- 35 (2015) *Apple \$1 Trillion Stock Market Value Could Be Years Away*
Reuters, available at
www.reuters.com/article/2015/02/13/us-Apple-marketcap-idUSKBN0LH05E20150213

- 36 Salamudin, N., Bakar, R., Ibrahim, M.K., Hassan, F.H.
Intangible assets valuation in the Malaysian capital market

(2010) *Journal of Intellectual Capital*, 11 (3), pp. 391-405. Cited 17 times.
doi: 10.1108/14691931011064608

[View at Publisher](#)

- 37 Shiu, H.J.
The application of the value added intellectual coefficient to measure corporate performance: Evidence from technological firms
(2006) *International Journal of Management*, 23 (2), pp. 356-365. Cited 77 times.

- 38 Skinner, D.J.
Accounting for intangibles - A critical review of policy recommendations

(2008) *Accounting and Business Research*, 38 (3), pp. 191-204. Cited 73 times.
<http://www.tandfonline.com/toc/rabr20/current>
doi: 10.1080/00014788.2008.9663332

[View at Publisher](#)

- 39 Skinner, D.J.
A reply to Lev's rejoinder to 'Accounting for intangibles - A critical review of policy recommendations'

(2008) *Accounting and Business Research*, 38 (3), pp. 215-216. Cited 10 times.
<http://www.tandfonline.com/toc/rabr20/current>
doi: 10.1080/00014788.2008.9663335

[View at Publisher](#)

- 40 Stam, C.D.
Intellectual liabilities: Lessons from The Decline and Fall of the Roman Empire

(2009) *VINE*, 39 (1), pp. 92-104. Cited 14 times.
doi: 10.1108/03055720910962470

[View at Publisher](#)

- 41 Walker, R.G.
Discussion of Lev, Radhakrishnan and Zhang

(2009) *Abacus*, 45 (3), pp. 299-311. Cited 9 times.
doi: 10.1111/j.1467-6281.2009.00290.x

[View at Publisher](#)

□ 42 Wernerfelt, B.
A resource-based view of the firm
(1984) *Strategic Management Journal*, 5 (2), pp. 171-180. Cited 8760 times.
doi: 10.1002/smj.4250050207
[View at Publisher](#)

□ 43 Wrigley, J.
Discussion of 'What financial and non-financial information on intangibles is value-relevant? a review of the evidence'
(2008) *Accounting and Business Research*, 38 (3), pp. 257-260. Cited 5 times.
<http://www.tandfonline.com/toc/rabr20/current>
doi: 10.1080/00014788.2008.9663337
[View at Publisher](#)

□ 44 Lee, S.
(2009) *Corporate Governance and Firm Performance*. Cited 2 times.
unpublished PhD thesis, The University of Utah, UT

□ 45 Lonergan, W.
Discussion of bloom
(2009) *Abacus*, 45 (3), pp. 390-396. Cited 2 times.
doi: 10.1111/j.1467-6281.2009.00296.x
[View at Publisher](#)

□ 46 Whiting, R.H., Miller, J.C.
Voluntary disclosure of intellectual capital in New Zealand annual reports and the 'hidden value'
(2008) *Journal of Human Resource Costing & Accounting*, 12 (1), pp. 26-50. Cited 60 times.

© Copyright 2018 Elsevier B.V., All rights reserved.

[< Back to results](#) | 1 of 1

[^ Top of page](#)

About Scopus

[What is Scopus](#)
[Content coverage](#)
[Scopus blog](#)
[Scopus API](#)
[Privacy matters](#)

Language

[日本語に切り替える](#)
[切换到简体中文](#)
[切换到繁體中文](#)
[Русский язык](#)

Customer Service

[Help](#)
[Contact us](#)

ELSEVIER

[Terms and conditions](#) [Privacy policy](#)

Copyright © 2018 Elsevier B.V. All rights reserved. Scopus® is a registered trademark of Elsevier B.V.

Cookies are set by this site. To decline them or learn more, visit our [Cookies page](#).

 RELX Group™