ENTITY INTELLECTUAL CAPITAL AND FINANCIAL PERFORMANCE: EMPIRICAL EVIDENCE FROM PUBLIC SECTOR ORGANIZATION IN NIGERIA.

BY

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FEBRUARY, 2026

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A PROJECT SUBMITTED TO THE DEPARTMENT OF ACCOUNTING, FACULTY OF MANAGEMENT SCIENCE, UNIVERSITY OF BENIN, IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR POST GRADUATE DIPLOMA IN ACCOUNTING (PGD) HONOURS DEGREE IN ACCOUNTING

FEBRUARY, 2026

CERTIFICATION

We, the undersigned, hereby certify that this research work was carried out by Adesola AJIBODE in the Department of Accounting, Faculty of Management Science, University of Benin, Benin City, Nigeria. It is the adequate scope and quality in partial fulfilment of the requirement for the award of Post Graduate Diploma in Accounting (PGD)

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DEDICATION

This work is dedicated to God almighty the Beginning and the End. The work is also dedicated to my wonderful parents and my siblings.

ACKNOWLEDGEMENTS

I express my profound gratitude to Almighty God for the wisdom, strength and perseverance granted to me throughout the course of this study.

I am deeply indebted to my parents Mr. and Mrs. Ajibode and my siblings and Mr. Patrick Ege for the support, financially and prayerfully.

Also my deepest appreciation goes to my coordinator DR. GABRIEL O AUDU and my supervisor professor OHOMBA for their invaluable guidance, constructive feedback and continuous support that greatly enriched the quality of this research their mentorship and encouragement were instrumental in shaping this work.

My sincere appreciation also goes to the Head, Department of Accounting Prof Obaretin OSASU for his fatherly role and other support, my appreciation goes to all other lecturers who made the university education worthwhile.

Lastly, I extend my heartfelt appreciation to my friends, Esther Jacob, Joy, Amina and everyone who contributed in one way or another to the successful completion of this research, your encouragement and assistance will always be remembered.

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ABSTRACT

The broad objective of this study is to examine the nexus between entity's intellectual capital and financial performance.

The study is a qualitative study which made use data gotten from carefully designed one hundred and seventy-four questionnaires distributed to respondents of a staffs of a hospital in Benin metropolis. The one hundred and twenty responses in data form were annalysed using the ordinary least squares (OLS) regression.

The findings of the study show a direct and inconsequential relationship between social capital and company performance, the result also shows a positive as well as a significant nexus between human capital and company performance, the result reveal a positive and insignificant association between human asset and company performance. Finally, OLS output shows a direct and strong nexus between relational assets and company financial performance.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

A company intellectual asset is the sum total of the intangible resources which are vital to a firm innovative pursuit in other to adapt to ever changing dynamics of production sphere, have a good share of the market while also pursuing its long-term goals. Intellectual the conventional assets, the intellectual assets are not usually disclosed in the statement of financial position, but their proper utilization go a long way in shaping company financial goals attainment.

In the knowledge economy of today, intellectual assets such as unique knowledge, skills, values, and business practices—have displaced physical assets like capital, machinery, and land as the main "economy wealth production factor. The value of knowledge as an organizational resource in the modern, digital, globalized, and fast-paced economy. The intangible resources and capabilities that business organizations manage are the foundation of their long-term viability and competitiveness. Knowledge is frequently referred to as intellectual capital since it has turned into a strategic resource (Buenechea-Elberdin, et al.,2018). According to the knowledge-based perspective, innovation management basically comes down to taking advantage of a company's intellectual capital (IC) (Chowdhury et al.,2018). In fact, it is commonly believed that IC serves as a vital catalyst for innovation because of its three primary constituents—human, structural, and relational capital—all of which stand for important knowledge ingrained in an organisation's personnel, relationships, and structures.

IC is the term used to describe these assets that are not shown on a company's financial records but have the potential to be profitable. This description covers a wide range of information, from

the skills and knowledge held by employees to the knowledge that stays at the company even after they leave. Businesses need to invest in and make effective use of IC if they want to be able to provide high-quality goods and services. As the main source of income creation in contemporary economies, IC is crucial for long-term success and gaining a competitive edge (Bayraktaroglu et al.,2019).IC has been seen as a crucial component in helping businesses succeed as a corporation and improve their ability to compete (Xu & Li,2019). IC has been identified as a crucial value generator for businesses functioning in the new economy, and it has grown to be one of the most potent elements in those businesses' efforts to improve their competitiveness and achieve corporate success (Xu & Li,2022). Companies in knowledge-intensive industries, such as high-technology and service sectors, tend to spend heavily in IC due to the necessity and advantages of this type of investment. The resource-based view holds that having strategic resources, particularly intangible ones, and making effective use of them are the only ways to get a competitive edge and perform at a high level. Intangible or tangible resources can be used as strategic tools. The importance of these resources for maintaining competitiveness and high-performance increases with their value, scarcity, uniqueness, and irreplaceability. The literature also attributes to IC all these characteristics that are used to characterize the aspects of strategic resources (Molodchik et al., 2012; Riahi-Belkaoui, 2003). It is expected that IC, an intangible strategic asset, will be related to high-level company performance (Riahi-Belkaoui, 2003).

1.2 Statement of Research Problem

Modern business entities are increasingly depending on information and communication technology which now drives success of company’s operation. Companies now depend more and more on knowledge, technologies, management abilities, procedures, patents, supplier and

customer information, and traditional experience. According to Xu and Li (2019), knowledge is becoming more and more embedded in everything individuals buy, sell, or do, it is becoming apparent that knowledge is the single most crucial source of future wealth and power. Knowledge is becoming more and more essential for all organizations to operate efficiently. These days, there is a resurgence of interest in the assessment of intangible assets, particularly human "assets" and the ways in which they might provide competitive advantage. These days, intangible knowledge assets are being developed and used to produce and add value rather than only being measured and managed in relation to tangible and financial assets (Sardo et al.,2018).

This is Because these assets now lack a meaningful valuation, some intangible assets are becoming more and more important than tangible assets. This presents issues for managers and investors who are in charge of allocating resources. Extant literature shows mixed results between intellectual capital and organizational performance. Prior studies (Campos et al,2022; Dabić et al, 2019; Khalique et al, 2018) reported a positive relationship between intellectual capital and organizational performance while a negative relationship between knowledge capital is found by s (Sardo et al.,2018). Studies have been carried out in different sectors like textile sector; (2018), SMEs; (2018),Dabić,(2019) and Xu and Li (2019), manufacturing (Xu & Li,2022). Majority of these studies are conducted in pubic and private companies. From literature, similar studies in the government sector are scarce. This study is meant to explore this gap and provide empirical insights.

1.3 Research Questions

The following research questions are raised to provide direction for this study

1 What is the nexus between social capital and organisational performance in public sector?

2 To what extent does human capital affect organisational performance in public sector?

3 What is the relationship between structural capital and organisational performance in public sector?

4 To what extent does relational capital affect organisational performance in public sector?

1.4 **Objectives of the Study**

The broad objective of the study is to examine the relationship between intellectual assets and organizational performance. The specific objectives of the study are to:

1 .examine the relationship between social capital and organizational performance in public sector;

2 determine the relationship between human capital and organizational performance in public sector;

3 ascertain the relationship between structural capital and organizational performance in public sector; and

4 investigate the relationship between relational capital and organizational performance in public sector.

1.5 Hypotheses of the Study

The following hypotheses have stated in null form.

H01: There is no significant relationship between social capital and organisational performance in public sector.

H02: There is no significant relationship between human capital and organisational performance in public sector.

HO3: There is no significant relationship between structural capital and organisational performance in public sector.

HO44: There is no significant relationship between relational capital and organisational performance in public sector.

1.2 Scope of the Study

The topic of the study is intellectual assets and organizational performance with emphasis in public sector. The independent variables of the study are social capital, human capital, structural and relational capital while dependent variable is organizational financial performance. This study is conducted is carried out with questionaries administered to staffs of public sector organization in Benin City in Nigeria

1.7 Significance of the Study

1. Management of Public entities: The findings of the studying will help the management of organization in public sector to understand the relevance of intellectual assets and how it contributes to the organisation.
2. Academic Literature: The study advances the fields of intellectual capital by bringing empirical data to the literature. It enhances scholarly debate on practices, intellectual, and its consequences while acting as a reference for future research.
3. Corporate Organisations: The results of this study hold great significance for the administration of organisations since they offer a framework for these organisations to utilise their strategic assets in an effort to enhance their performance in the face of various obstacles.

4. Strategic management practitioners and consultants: The findings are relevant to officials in the consultants. Strategic management practitioners and consultants, as well as managers in general and stakeholder management, will greatly benefit from this study, which emphasizes the importance of intellectual capabilities in organisation management that lead to the creation of inclusive policies that ultimately improve organisational performance.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter deals with conceptual review, theoretical review and empirical review. In the conceptual review deal with the organizational performance, intellectual capital, the components of intellectual capital such as social capital, human capital, structural capital, and relational capital. The theoretical review deals with stakeholder theory, human capital theory, and resource-based theory. The last section of the literature review deals with empirical review.

2.1 Conceptual Review

2.1.1 Organisational Performance

Financial performance is the capacity of a company to generate new resources from its daily operations over a specific period, as indicated by net income and cash flow from operations (Poudel, 2012). It serves as a key measure of a company's overall financial health during a particular timeframe and allows for comparison between similar companies in the same industry or across different industries and sectors. Additionally, the Inter-American Institute (2016) defines financial performance as a company's ability to direct and manage its resources.

Performance is an object's capacity to generate outcomes in a dimension that is established in connection to a target. Organizational performance has been defined by other academics as the efficacy and efficiency in terms of resource usage and goal attainment (Ogaga, 2017). Organisational performance is viewed as a multifaceted notion that gauges an organization's success in achieving its objectives through both financial and non-financial metrics. performance

contributes to organisational effectiveness by leveraging employee skills, knowledge and various competencies. The performance of an organisation's workforce determines its success or failure (Hermawati & Mas, 2017; Jabeen & Rahim, 2021; Mathis & Jackson, 2016) .Performance is a crucial variable in organisational behavior and HRM studies (Afshan et al, 2012; Ogbonnaya & Messersmith, 2019; Oravee *et al*., 2018). Guan and Frenkel (2018) define organisational performance as the level of ability to accomplish a specific task within the context of their knowledge, expertise and job needs. Al-Busaidi, Alias, and Alam (2021) contend that the efficiency and effectiveness of an organization's personnel directly affect its level of growth and success. Previous studies have analyzed the mediating role of employee performance using perceptual nonfinancial or financial measures (Chua et al. 2018; Venkatraman & Ramanujam, 1986; Williams *et al*., 2018). The studies of Jiang and Liu (2015) and Otoo (2020) focused on nonfinancial measures (goal attainment, systems resource, system constituency and competing value).An and Kim (2019) use perpetual financial measures (sales growth, market share, profitability, return on asset and return on investment and return on equity).

Concept of Intellectual Capital

As coined by Galbraith in (1969). Intellectual capital refers to a group of talents that might potentially affect an organization's future course of action. It represents resources and knowledge base assets which organization used to create value. Intellectual capital is a knowledge-based organizational resource that lacks physical form but has the potential to increase value inside an organization through the interplay of its constituent parts (Bordianu, 2014). An organisation's intellectual capital consists of its workforce's knowledge, skills, and creativity as well as the information resources embedded in databases, systems, processes, and culture. The idea of intellectual capital (IC) has undergone significant development and modification since Stewart's

seminal definition, which was the accumulation of "everything people know which can give competitive advantage to a firm. This evolution has required the transition from a one-dimensional understanding of IC, which was primarily centered on the idea of human capital, to a multi-dimensional understanding of the relational, structural, and human capital that collectively comprise IC. Intellectual capital is the sum of all knowledge or a set of intangibles firms utilize for superior performance (Han & Li,2015). In the past, academics, regulators, investors, and other organizational stakeholders have shown interest in intellectual capital (IC), which is a valuable asset for companies. Even while the term "intellectual capital" (IC) is gaining traction, it could not be used or even recognized in the day-to-day operations of the business. Nonetheless, controlling information culture (IC) is still necessary to be competitive and keep up with the changing business environment. Since 1999, the world economy has evolved as a result of knowledge and information advancements. Due to the fact that IC is credited with enabling the shift to knowledge-based work through technological advancement, the adoption of IC has significantly increased as a result of this trend change.

The importance of IC is further emphasised by four development patterns. The ability to store, retrieve, analyze, and communicate information in any form without being constrained by volume, time, location, or rising costs is made possible by rapid scientific advancements, the convergence of computing and communication technologies, and big data analytics. This is the first revolution in information technology and information society. The way firms function and communicate has been altered by this development. Additionally, knowledge is becoming more and more important, especially in the knowledge-based economy where managing the growing demands of globalisation requires specialized expertise. This material pertains to the organization's information core (IC), where personnel skills, knowledge, and inventiveness are

essential for meeting the demands of globalization, which include processing speed, flexibility, competition, and innovation. Thirdly, the ways in which the network society and interpersonal connections are changing, as well as the manner in which organizational structures have evolved to accommodate and accommodate these developments. The phrase "network society" was created by social theorists to characterize the manner in which the proliferation of digital, networked ICTs has changed social, political, economic, and cultural facets of daily life. Think about how important it is to train or hire employees who possess interpersonal skills such as communication, persuasion, and employee management. It also calls for intellectual capability, which includes traits like foresight, analytical prowess, and sound commercial judgment (Becker, 2011). Innovation is now the main factor influencing competitiveness. Innovation comes before IC and is thought to be crucial to sustaining a competitive advantage over time.

Social Capital and organisational financial performance

A fundamental element of IC is human capital (HC). It represents the knowledge, skills, education, interpersonal skills, and values of an employee (Chowdhury et al., 2018). SC is the information that an organization holds onto after employees depart. It is primarily concerned with "non-human stocks of codified knowledge in an organization. SC establishes the infrastructure required for human capital to utilize, distribute, and transfer the knowledge already present within the organization in order to create value. The organizational structures, procedures, cultural components, and practices that enable the collection, organization, enhancement, and dissemination of the knowledge and skills generated by human capital constitute the company's social capital (SC). It can even be transformed into a form of intellectual property. Organisations lack human capital, however social capital (SC) is an organisational component. The knowledge, competence, experience, and abilities of an organization's members make up its human capital. It

is the collective knowledge and strength that an organization gets from its members. In developed and developing nation studies, social capital—the glue that ties institutions together—has drawn more and more attention from academics (Agyaponget al., 2017). Social capital is the whole of the available resources, either real or potential, that are connected to having a strong network of mutually familiar and acknowledged relationships. Its definition is the whole of the assets a company amasses as a result of its enduring network of connections with other companies. This social capital is also known as the networks of people that entrepreneurs use to acquire the material and immaterial resources needed to run their businesses. Informal entrepreneurs are able to recognize business opportunities and mobilize financial and human resources thanks to the resources they have access to through their network and social connections. The ability of individuals inside an organization to share information and ideas with one another is improved by social capital, and social capital also helps firms acquire resources that could boost their performance.

Dženopoljac et al. (2016) examine Intellectual capital and financial performance in the Serbian ICT industry. 13,989 Serbian ICT businesses are included in the analysis between 2009 and 2013. The degree of intellectual capital (IC) contribution to value creation was measured using the value-added intellectual coefficient (VAIC). Return on equity, return on assets, return on invested capital, profitability, and asset turnover were the financial performance metrics used in the study. The results show that the only factor that significantly affects financial performance when firm size and leverage are used as control variables is capital-employed efficiency. Ultimately, the study verifies that there were no appreciable variations in the financial outcomes of various ICT subsectors.

Sardo et al. (2018) examine intellectual capital and financial performance in Portugal.This study looks at the effects of intellectual capital from 2007 to 2015 on the financial performance of small and medium-sized hotels. This study employs the GMM system (1998) estimator and a sample of 934 small and medium-sized Portuguese hotels to examine dynamic panel data. The findings show that hotel financial performance benefited from the three forms of intellectual capital: relational, structural, and human. Human and relational capital seem to be crucial elements for hotel success since they are the foundation of excellent service in the hospitality sector. Moreover, the results show that leveraging both structural and human capital requires the development and maintenance of long-term relationships with significant players.

Khattak and Shah (2020) investigate intellectual and financial capital in competitiveness and performance. Self-administered survey is used to collect data from 178 registered ventures in the regions of Rawalpindi and Islamabad. The study's findings demonstrate that SMEs' performance is greatly enhanced by IC and FC, and that there is a strong positive association between CA and FP. In the relationship between the performance of SMEs and both IC and FC, the CA is a key mediator. According to the research, SMEs should concentrate on both FC and IC to be competitive in the market.

Anifowose et al. (2018) examine intellectual capital efficiency and corporate book value. This study compares ICE and corporate book value, also known as cash flow from operations and economic value added (EVA), utilizing information from 91 listed businesses on the Nigeria Stock Exchange's main board for the fiscal years 2010 through 2014. This two-step generalised method of moments (GMMs) for dynamic systems accounts for the potential influence of endogeneity on the expected parameters. The 89results show that corporate book value (EVA) and total ICE (cash flow from operations) have a significant positive association. The value and

significance of the information communicated in investor and other interested stakeholder communications (IC) are furthered by this study.

Human capital and organization financial performance

A company's human capital reflects the value that its employees contribute. It is made up of workforce components like as staff stability or employee satisfaction as well as specific components related to employees' knowledge, skills, and competencies. This type of intellectual capital is not owned by the company, and a loss of knowledge within the company caused by an employee's departure can put the organization in danger (Bordianu, 2014). The first study on human capital theory was published in 1958, however human capital studies have advanced much since the beginning of the economics and business literature. This idea is then developed by Becker and Schultz (Titei, 2020). Early on in its development, human capital research focused on three dimensions: "education, training, and experience." Aman-Ullah et al. (2022) emphasise education and training as parts of human capital and linked variations in individual income to human capital discrepancies. Similarly, Schultz (1961) recognized health and internal migration as strands of human capital, in addition to education and training. Brinckmann, et al, (2019) note that human capital can be enhanced by purposeful funding along with investments in the growth and improvement of their abilities. Human capital, which is defined as employees' productive abilities, knowledge, and skills, has been found to be a crucial driver of an organization's performance. Previous research indicates that one can use human capital as leverage (Hitka et al., 2019). However, a large number of previous studies examined human capital as a concept in its entirety, whilst other studies concentrated on certain aspects of human capital. It enhances managerial and organizational characteristics as well as learning processes, human capital is crucial for organizational development (Al-Asheq et al., 2021). Learning

capacity is currently required in order to collect and disseminate knowledge and to enhance the facilitation and transformation of an organization's business capabilities (Park & Chung, 2019). Businesses might investigate new production alternatives for organizational performance and growth by pursuing the learning capacity. It also helps companies adjust to a chaotic and unpredictable business environment. Learning capacity, according to Mallen et al. (2016), improves the process of information dissemination and absorption throughout an organization's departments, which results in improved product or service development. Fraj et al. (2015) claim that learning capacity has a direct impact on the performance of hospitality businesses.

Dabić et al. (2019) examine intellectual capital, organisational climate, innovation culture, and SME performance. An online questionnaire was used to collect data from a non-probability quota sample of 253 Croatian SMEs for this empirical investigation. To evaluate the intellectual capital of the SMEs and look into the interaction between these dimensions, the innovation culture, OC, and IC measures were developed. The study demonstrates how important and highly associated an organization's performance is with the core elements of innovation culture, OC, and IC. Muftiasa, Wibowo,

Campos et al. (2022) examine intellectual capital and business performance. The conceptual model is evaluated using a structural equation model on a sample of 533 Portuguese businesses. It illustrates the relationship between intellectual capital and corporate success. Moreover, this only happens indirectly through the mediating chain, which is influenced by the following factors: network competence, innovative performance, technological proficiency, absorptive capacity, and dynamic capacities. The responders are either firm managers or have in-depth understanding of the business operations of the company. The inquiry was completed using the

Google Forms platform, and email correspondence is sent directly to the firms. These data are processed using SPSS 22.

Xu et al. (2023) examine Intellectual capital efficiency and firms' financial performance. The study uses data from Chinese manufacturing listed companies between 2014 and 2018. The modified value added intellectual coefficient (MVAIC) methodology is used to measure the IC efficiency. Lastly, multiple regression analysis is used to assess the study hypotheses. This study shows that depending on the stage of the life cycle, IC has different impacts on FP. Specifically, at the infant stage, innovation capital (INC), structural capital (SC), and human capital (HC) all have a favorable impact on FP. Every element of IC improves FP throughout the growth and maturity stages. While both HC and SC are important during the resurrection stage, only HC has a positive effect on FP during the fall.

Han and Li (2015) examine intellectual capital and innovative performance. Using a sample of 217 Chinese companies, this study empirically examines the relationship between intellectual capital and inventive performance, as well as the function of knowledge-based dynamic capability. The research hypotheses are tested using regression analysis. The findings indicate that knowledge-based dynamic capability functions as a mediator rather than a moderator in the relationship between intellectual capital and inventive performance, and that intellectual capital has a positive impact on innovative performance.

Xu and Li intellectual capital and firm performance .953 manufacturing companies that are listed between 2012 and 2016 on the Shenzhen and Shanghai Stock Exchanges provided data for the study. IC efficiency is calculated using the modified value-added intellectual coefficient (MVAIC) model. Lastly, the study hypotheses are evaluated using multiple regression analysis. According to this report, IC can improve business performance in China's manufacturing

industry. Relational capital, structural capital (SC), human capital (HC), and physical capital all frequently have an impact on earnings. They also have an impact on productivity and profitability. The single most significant factor influencing a company's performance is its physical capital. Moreover, manufacturing firms in China's eastern region outperform their counterparts in the country's central and western regions in terms of IC; additionally, high-tech manufacturing companies outperform non-high-tech manufacturing companies in terms of IC. These findings are consistent with the idea that IC has a greater impact on firm performance in state-owned businesses than in privately held businesses.

Wang et al. (2018) examine Intellectual capital and firm performance. The authors assess the method by applying structural equation modeling to data collected from 328 high-tech Chinese enterprises. The results show a positive correlation between innovation speed and quality and which enhances a firm's operational and financial success. The effects of human and structural capital on financial performance are totally mediated by innovation speed and quality, whereas the influence of relational capital is somewhat mediated. Innovation quality and tempo play a semi-remedial role in the relationship between IC and operational performance

Structural capital and organization financial performance

Structural capital is the term used to describe the knowledge that has been amassed and established within the organization. Structural capital includes databases, infrastructure, product technologies, process handbooks, organizational procedures, organizational structure, and intellectual property components including brands, patents, and trademarks. Additionally, structural capital includes all forms of innovation and R&D that a company performs. Structural capital (SC) is the infrastructure of support that keeps healthcare companies operating efficiently. Perpetual capital is the capital that remains in the company even after employee changes. SC

enables improved workplace practices, knowledge exchange, internal networking, increased productivity, and a market-driven approach (Chowdhury, 2018). SC can be a source of innovation and a competitive advantage by using IC to create value while concurrently enhancing work practices, organiSational culture, and knowledge, even though it cannot improve an organization's performance on its own.

Brinckmann et al. (2019) note that structural capital is made up of a variety of network connections, network configurations, and network appropriateness. Knowledge sharing within the company helps to foster interpersonal relationships. The success of a company's operations is attributed to its network linkages, which are the connections and information that employees have among themselves and with one another. Either formal or casual engagement is possible. Structural social capital is the pattern of relationships that exist between individuals within and outside of the company. The way individuals are connected to one another helps to establish interpersonal trust and determines the strength of the social network. On the other hand, the success of an organisation depends on the relationships—which may be written, spoken, or electronic—that exist between its employees. The network's interconnectedness was impacted by a number of elements, including density, centralization, and structural gaps. The company's information flow may have an impact on strong network seizing. Network connections amongst members of the network constitute the primary component of the structural social dimension. Network relationships can be quantified using network density, connectivity, hierarchical number of contracts, diversity of contract, configuration, and network stability. It is determined by the network's strength and density (Brinckmann et al., 2019).

Scafarto et al. (2016) examine Intellectual capital and firm performance in the global agribusiness industry: The moderating role of human capital. This study examines if there is a

positive relationship between each IC component and conventional business performance metrics using correlation data from a sample of worldwide agriculture enterprises observed over a five-year period and multiple regression analysis. The empirical findings support the idea that PrC and RC improve business performance. InnC alone shows a negative connection with output, which is contrary to expectations. The hypothesis that HC directly and favorably influences performance was likewise disproved by the results. On the other hand, HC modifies the positive association between InnC and performance, indicating that companies that heavily invest in HC are more likely to get a return on their R&D expenditure.

Khalique et al. (2018) examine Intellectual capital and organisational performance in Malaysian knowledge-intensive SMEs. Data is collected from 237 respondents who are chosen from targeted small and medium-sized firms (SMEs) using a validated survey instrument. Cronbach's alpha and confirmatory factor analysis were used to evaluate the study instrument's validity and reliability. Structural equation modeling was used to assess the proposed study hypotheses. The results demonstrate that organisational success is significantly impacted by each of the numerous elements of intellectual capital, including human, consumer, structural, social, technological, and spiritual capital.

Buenechea-Elberdin et al. (2017) examine intellectual capital drivers of product and managerial innovation in high-tech and low-tech firms. The population of the research consists of Spanish enterprises that employ 100 people or more. The SABI database, which includes the registered yearly accounts of roughly 2,500,000 Spanish and Portuguese enterprises, is searched in order to locate corporations. Sistema de Analisis de Balances Ibéricos is another name for the System of Iberian Balance Sheet Analysis. The lead author conducted a phone poll with 700 of the 1,289 businesses that initially satisfied the predetermined criteria between October 2013 and February

2015. Structural equation modeling is used to analyse the data for the study. The findings show that the degree of technology used by the company and the kind of innovation have an impact on how IC affects innovation performance. The results open the door to a more contextually aware and contingency-aware understanding of innovation and knowledge-based value creation, contributing to a knowledge-based perspective on innovation.

Relational Capital and organization performance

Relational capital is defined as the value of all the relationships a company has with its different stakeholders, such as suppliers, rivals, customers, and trade or industry associations. It clarifies the organization's ability to identify and locate market opportunities that have the potential to create value. A company's relationships with its clients are its most important source of value creation. This is due to the fact that the company's capacity to stay in operation depends on how eager its clients are to buy its products. Relational capital (RC) is a function of endurance and a firm's capacity to react to market knowledge (Chowdhury, 2018). The link between a company's external interactions and value chain process stakeholders is the basis of relationship capitalism (RC). Stakeholder commitment and trust are common manifestations of RC, which improves a business's reputation and encourages customer brand loyalty. These elements subsequently affect the business's operational and financial results. Relational capital is the collective term for social norms, obligations, and trust. Strong network linkages are seen to contribute to the development of interpersonal trust and reciprocity among people. High levels of interpersonal trust among the organisation's stakeholders boost the organization's performance and the worth of the work completed by the other parties. Brinckmann et al. (2019) note trust between individuals who are outside the organization, such as suppliers, customers, or any other interested parties about the organization, is essential. To develop interpersonal trust among people within the organization or

outside the organization, intention, openness, competence, and reliability are required. Relational capital focuses on the qualities of interpersonal interactions and illustrates the different kinds of relationships that social actors or units form throughout time. Through social contact, relational social capital also demonstrates interpersonal trust. In relational analysis, trust is a critical component. The company views relational social capital as an asset (Priyanath & Premaratne, 2015). Relational social capital, according to Grinner (1973), is a connection that is characterized by a high degree of confidence. Thus, trust and relational social capital are frequently linked. Relational social capital facilitates resource sharing, enhances interpersonal communication, and promotes teamwork. High levels of relationship social capital can be developed, cooperation can be fostered, and organizational functioning can be enhanced (Soesanto & Setiadi, 2017).

Ajienka et al. (20220) investigate intellectual capital and performance. The study's purposive sample includes the University of Port Harcourt, Rivers State University, and University of Benin—three of Nigeria's top universities. The sample drawn from the university population in Nigeria consisted of 361 individuals. In this study, a cross-sectional research design is used. The study includes structured questionnaire for data collection, and partial-least square estimation is utilised for structural equation modeling as a method of data analysis. The research validates that the many constituents of intellectual capital, including human, structural, relational, and client capital, exert a significant influence on augmenting university efficacy, specifically concerning discipline referral and teacher contentment.

Chowdhury et al. (2019) examine Intellectual capital efficiency and organisational performance. Hand-selected data from five years' worth of annual reports were examined for the study. Through the effective use of used capital, structural capital, and human capital, the relationship between the successful operation of a firm and the efficient use of intellectual capital was

investigated. Their effect on return on equity, market-to-book value, asset turnover, and return on assets was evaluated using multiple regressions. While human capital, structural capital, and capital employed—components of the value-added intellectual coefficient—explained asset turnover and return on assets quite well, they were unable to predict the return on equity outcome. Furthermore, whereas structural capital had a negative impact on asset turnover, capital employed had a positive effect. Variations in human capital mostly affected the return on assets.

Nimtrakoon (2015) examines intellectual capital, firms' market value and financial performance. Data from 213 technology companies listed on five ASEAN stock exchanges are used in the study. Relational capital efficiency (RCE) is a new component added to Pulic's Value Added Intellectual Coefficient model. The concepts have been assessed using multiple regression analysis and the Kruskal-Wallis one-way ANOVA. Based on the available data, it can be concluded that there are no significant variations in the Modified Value Added Intellectual Coefficient (MVAIC) among the five ASEAN nations. To create corporate value, businesses in every nation, however, often give varying degrees of priority to various MVAIC components. The findings confirm the hypothesis that companies with higher IC typically have higher market values by showing a positive correlation between IC and market value. Similarly, there is proof that IC and financial performance metrics have a beneficial relationship. Specifically, it is found that there is a positive correlation between IC and the margin ratio as well as return on assets. It is discovered that capital employed efficiency and human capital efficiency are the two most important value drivers for market value and financial performance, with structural capital efficiency and relational capital efficiency having less importance.

Hurriyati and Rahayu (2023) examine intellectual capital and firm performance. In the post-COVID-19 period, this study examines the effects of intellectual capital—which encompasses

human, structural, and relational capital—on company success in the telecommunications sector. This study used a questionnaire survey and quantitative research methods. A reliable research tool is used to interview 115 employees of all Indonesian telecommunications companies listed on the Indonesia Stock Exchange between 2019 and 2021. An analysis is conducted on the correlation between structural, relational, and human capital, all of which are believed to have a positive effect on corporate success. It is found that corporate performance and intellectual capital has a positive and statistically significant relationship.

Bayraktaroglu et al. (2019) examine intellectual capital and firm performance in Turkey. Multiple regression analysis has been used to identify which IC components predict the firm's performance and which IC components have a moderating effect on the relationship between IC components and firm performance. The financial records of Turkish manufacturing companies from 2003 to 2013 include the corporate performance factors required to calculate the IC components. The results show that the profitability-structural capital efficiency (SCE) link is moderated by innovation capital efficiency in the Turkish manufacturing sector. This implies that the impact of SCE on profitability increases in tandem with R&D expenses. Nonetheless, it has been found that the innovation capital efficiency has a direct bearing on business productivity.

Theoretical Framework

Human Capital Theory

Becker and Schultz primarily developed the human capital theory in the 1950s and early 1960s.Human capital theory posits that an organisation's contribution of human knowledge is substantial and eventually generates revenue and valuable outputs. By "generating new ideas and techniques that can be embodied in production equipment and procedures; by equipping workers

to utilize the new production techniques and initiate changes in production methods; by improving the links among consumers, workers, and managers; and by extending the useful life of the stock of knowledge and skills that people embody. This knowledge increases output in a number of ways. Irving Fisher said, any constitution of a stock (material or immaterial) can be qualified as capital so long as it gives rise to income," in his Capital Theory (1906) as cited in (Wee, 2017). By applying Fisher's definition of "capital" at the time, some arguments that had defined capital products in terms of materiality, monetary value, robustness, or reusability might be settled. This concept sees the intellectual resources of the company as its "stock," which qualifies them for use as "capital" as long as they generate revenue.

2.3.3 Resource Based Theory

Resource-based theory is propounded and developed by (Barney, 1991). Resource-based theory posits that the organisation is viewed as a unique collection of abilities and resources. The idea holds that firms compete based on unique resources that are difficult for competitors to imitate and cannot be substituted by other resources. Consequently, rather than possessing superior resources, a firm may be able to establish a long-lasting competitive advantage due to its distinctive competency, which comprises utilizing its resources more effectively. It is acknowledged that these resources are implicit, varied, and frequently intangible. Such resources are equivalent to intellectual resources, which are widely defined as abilities, organizational procedures, and people-based capabilities (Muftiasa et al., 2023) The RBV looks at how a company's internal strengths and shortcomings relate to its performance (Barney, 1991). Barney (1991) posits that a company can leverage its own advantages and assets to create a long-term competitive advantage. Barney (1991) notes that a "resource" encompasses all the competencies, expertise, resources, and data that an organization requires to devise a winning and efficient plan.

This method, which is also known as the resource-based view, makes it clearer how internal resource creation of value differs from an organization's overall business performance.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter provides a full overview of how the study will be conducted, as well as the research methods that will be used. This chapter consists of research design, population of the study, sample size and sampling technique, validity and reliability of the instrument, method of data collection, model specification, measurement of variable, and method of data analysis

3.2 Research Design

The research design is structured to ensure relevance of the data collected. The research design used in this research work is the survey research design is employed to collect responses from the study participants. The nature of the research and the need to relate the impact of leadership style in the organisation led to the selection of this study design

This design was adopted because the design enabled the researcher to use a representative sample of hospitals staffs to accurately describe the perception of the entire population of the study. The design was also considered because the variables of the study were not manipulated under controlled conditions. However, data collected as perceived by a representative sample of hospital staffs are presented in their natural setting to draw inferences.

3.3 Population of the Study

The group of people that a researcher wants to study is referred to as the population. Three hundred workers at the St Philominal hospital in Benin City, do State, Nigeria, make up the study's population.

3.4 Sample Size and Sampling Technique

The sample size of the study is scientifically determined using the Yaro Yamani formulae.

Yamane (1967) is stated as follows:

$n = \frac{1}{1+N(e)^2}$

where, n = sample size, N = population, e = latitude of error, population = 250,

e = 0.05 $n = \frac{300}{1+300(0.05)^2}$

$n = \frac{300}{1+300(0.0025)}$

$n = \frac{300}{1+0.75}$

$n = \frac{300}{1.75}$

n = 171

171 respondents are selected by means of a random sample procedure. It is not possible to collect questionnaire responses from every member of the study population; thus this is done to ensure that every member of the research population has an equal chance of being selected.

3.5 Pilot Test

Before administering the questionnaire to the study, a pre-test was undertaken to assess its relevance, clarity, and understanding. The pilot test was conducted using 1% of the sample. According to Fapohunda (2018), the pilot test sample should account for 10% of the total sample size. A pilot test is a small-scale preliminary study that assesses feasibility, timeliness, cost, adverse events, and study design prior to conducting a full-scale research project. A research study should be both valid and reliable. A pilot study allows you to see if your research approach is dependable. In other words, it lets you to see if your procedures are precise and your

conclusions are easy to replicate. Pilot testing is a trial run for your research project that allows you to evaluate your method with a small sample of test subjects before launching your main study. Instead than solving specific research questions, the goal of a pilot study is to prevent costly and time-consuming mistakes in large-scale studies. A pilot study assesses the study's viability by evaluating participant inclusion and exclusion criteria, drug preparation, instrument storage and testing, and researcher and assistant training.

3.5.1 Validity of the Instrument

The project supervisor at the Department of Business Administration assesses the instrument's face and content validity. The supervisor's suggestions are used to improve the questionnaire.

3.5.2 Reliability of the Instrument

Reliability refers to a measure's consistency. It reflects how well the result can be replicated if the experiment is carried out under the same conditions. Reliability indicates how likely a research instrument is to give the same result if used again. The research supervisor verifies the instrument used in research. The research supervisor validates the research equipment. Cronbach Alpha will be used to determine the instrument's reliability. If an instrument's Cronbach alpha coefficient is higher than 0.70, it is considered reliable (Cronbach, 1951).

3.6 Validity of the Instrument

The content validity of this instrument was carried out by my project supervisor and two other experts in accounting. This was done to ensure that the items in the questionnaire are precise, unambiguous and relevant in measuring what it is intended to measure.

3.7 Method of Data Collection

The researcher personally administered the questionnaire to the staffs of the hospitals with more emphasis on HR department and account department A letter to respondents was attached to further explain the purpose of the research exercise to solicit their support in providing responses to the items in the questionnaire. The questionnaires were collected immediately after administration to enhance the return rate. It addressed the respondents' sociodemographic profiles in addition to the four study questions and objectives However, a total of 120 of the 174 copies of the questionnaire were completely filled, recovered and used for the analysis. This gave a return rate of 78.75 percent.

3.8 Model Specification

To examine the relationship between intellectual capital and organisational performance, the following regression model is developed.

$OFP = f(SC, HC, STC, RC)$

$OP = b_0 + X_1SC + X_2HC + X_3STC + X_4RC + \ldots\ldots\ldots\ldots\ldots\varepsilon$

3.8 Method of Data Analysis

The instrument was coded into an appropriate format for analysis after being checked for completeness to make sure participants responded to all of the questions. The Statistical Package for Social Sciences was used to analyze the study's data. Descriptive statistics, such percentages and frequencies, are used in the study to answer its research aims and clarify the demographic features of the respondents. Ordinary least square(OLS) regression was used to analyse the data for the study.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This focuses on the data presentation, analysis, and interpretation. Questionnaire was used to collect the data for the study. The collected data was annalysed using simple percentage, descriptive statistics, and ordinary least squares(OLS) regression. 171 of questionnaire are distributed to respondents in St Philominal Hospital in Benin City, do State, Nigeria but 120 valid responses are received. This implies that 72 response rate was accomplished.

Table 4.1. Bio Data of Respondents

ITEMS	Frequency	Percentage	Cumulative Frequency
Gender			
Female	70	58%	70
Male	50	42%	120
Total	120	100%	
Age			
Below 25years	20	17%	20
25-30years	25	21%	45
31-35years	35	29%	80
35-40years	30	25%	110
41years and above	10	8%	120

TOTAL	120		
Qualification			
ND/NCE	30	25%	30
B.SC.	70	58%	100
Masters	18	15%	118
Ph.D	2	2%	120
Total	120	100%	
Working Experience			
Below 2 years	40	33%	40
2-5 years	30	25%	70
above 5 years	50	42%	120
Total	120	100%	

Source: Field Study (2026)

Researcher compilation 2026

Table 4.1 shows that 70(58%) of the respondents are female while 42(43%) of the respondents are male.20(17%) of the respondents are below 25years, 25(21%) of the respondents are between 25-30years, 35(29%) of the respondents are between 31-35years, 30(25%) of the respondents are 35-40years and 10(8%) of the respondents are 41years and above. In term of qualifications, 30(25%) of respondents have ND/NCE, 70(58%) of respondents have B.SC. 18(15%) of respondents' have masters' degrees, 2(2%) respondents have Ph.D. In term of working experience,40(33%) of the respondents have working experience of below 2years,300(25%) of

the respondents have working experience of 2-5years, and 50 (42%) of the respondents have working experience of above 5years.

Table 4.2 Table 4.2 Descriptive Statistics of Social Capital

S/N	ITEM	SD	A	U	D	SD
1	Our organisation encourages the sharing of ideas, knowledge and practices	50(42%)	30(25%)	20(17%)	10(8%)	10(8%)
2	Our employees generally understand the target markets and customer profiles	40(33%)	35(29%)	25(22%)	10(8%)	10(8%)
3	Our organisation recognizes the importance of knowledge as a strategic asset	45(38%)	35(29%)	10(8%)	20(17%)	10(8%)
4	Our organisation implements a large portion of great new ideas	50(42%)	40(33%)	5(4%)	15(13%)	10(8%)

Source: Field Study (2026)

Table 4.2 shows that 50 (42%)of the respondents of the strongly agreed, 30(25%) of the respondent agreed,20(17%)of the respondents are undecided, 10(8%) of the respondents disagree and 10(8%) of the respondents strongly disagree that our organisation encourages the sharing of ideas, knowledge and practices with mean value of. 40(42%)of the respondents of the strongly agreed, 35(29%) of the respondent agreed,25(22%)of the respondents are undecided, 10(8%) of

the respondents disagree and 10(8%) of the respondents strongly disagree that Our employees generally understand the target patronage and patients profiles with mean value of. 45(38%)of the respondents of the strongly agreed, 35(29%) of the respondent agreed,10(8%)of the respondents are undecided, 20(17%) of the respondents disagree and 10(8%) of the respondents strongly disagree that Our employees generally understand the target patronage and patients profiles with mean value of. 50(42%)of the respondents of the strongly agreed, 40(33%) of the respondent agreed,5(4%)of the respondents are undecided, 15(13%) of the respondents disagree and 10(8%) of the respondents strongly disagree that Our organisation implements a large portion of great new ideas with mean value of 42%.

Table4.3: Descriptive Statistics of Human Capital

S/N	ITEM	SD	A	U	D	SD
5	Our employees are highly skilled at their jobs	45(38%)	35(29%)	10(8%)	20(17%)	10(8%)
6	Our employees are highly motivated in their work	48(40%)	32(27%)	20(17%)	10(8%)	10(8%)
7	Our employees have a high level of expertise.	52(43%)	30(25%)	18(15%)	10(8%)	10(8%)

Source: Field Study (2026)

Table 4.3 shows that 45(38%) of the respondents of the strongly agreed,35(29%) of the respondent agreed,10(8%)of the respondents are undecided, 20(17%) of the respondents disagree and 10(7%) of the respondents strongly disagree that our employees are highly skilled at their jobs with mean value 5. 48(40%)of the respondents of the strongly agreed,32(27%) of the respondent agreed,20(17%)of the respondents are undecided, 10(8%) of the respondents disagree

and 10(8%) of the respondents strongly disagree that our employees are highly motivated in their work with a mean value of. 52(43%)of the respondents of the strongly agreed,30(27%) of the respondent agreed,18(15%)of the respondents are undecided, 10(8%) of the respondents disagree and 10(8%) of the respondents strongly disagree that our employees have a high level of expertise.

Table 4.4: Descriptive Statistics of Structural Capital

S/N	ITEM	SD	A	U	D	SD
8	Our hospital has efficient and relevant information systems to support daily operations	48(40%)	32(27%)	20(17%)	10(8%)	10(8%)
9	Our hospital has tools and facilities to support cooperation between employees	46(38%)	34(28%)	10(8%)	10(8%)	20(17%)
10	Our hospital has a great deal of useful knowledge in documents and databases.	42(35%)	33(28%)	10(8%)	10(8%)	20(17%)
11	Existing documents and solutions are easily accessible.	40(33%)	35(29%)	25(22%)	10(8%)	10(8%)

Source: Field Study (2026)

Table 4.2 shows that 48(40%)of the respondents of the strongly agreed,32(27%) of the respondent agreed,20(17%)of the respondents are undecided, 10(8%) of the respondents disagree and 10(8%) of the respondents strongly disagree that our company has efficient and relevant

information systems to support business operations with mean value of. 46(38%)of the respondents of the strongly agreed,34(28%) of the respondent agreed,10(8%)of the respondents are undecided, 10(8%) of the respondents disagree and 20(17%) of the respondents strongly disagree that our company has tools and facilities to support cooperation between employees. 42(35%)of the respondents of the strongly agreed,32(28%) of the respondent agreed,10(8%)of the respondents are undecided, 10(8%) of the respondents disagree and 20(17%) of the respondents strongly disagree that our company has tools and facilities to support cooperation between employees.40(33%)of the respondents of the strongly agreed,35(28%) of the respondent agreed,25(22%)of the respondents are undecided, 10(8%) of the respondents disagree and 10(8%) of the respondents strongly disagree that our company has tools and facilities to support cooperation between employees

Table 4.5: Descriptive Statistics of Relational Capital

S/N	ITEM	SD	A	U	D	SD
12	Our organisation discovers and solves problems through intimate communication and effective collaboration	45(38%)	35(29%)	10(8%)	20(17%)	10(8%)
12	Our organisation maintains appropriate interactions with its stakeholders	50(42%)	40(33%)	5(4%)	15(13%)	10(8%)
13	Our organisation maintains long-term relationships with	48(40%)	32(27%)	20(17%)	10(8%)	10(8%)

	customers					
14	Our company has many excellent suppliers	52(43%)	30(25%)	18(15%)	10(8%)	10(8%)
15	Our organisation has stable and good relationships with the strategic partners.	50(42%)	30(25%)	20(17%)	10(8%)	10(8%)

Source: Field Study (2026)

Table 4.2 shows that 45(38%)of the respondents of the strongly agreed,35(29%) of the respondent agreed,10(7%)of the respondents are undecided, 20(17%) of the respondents disagree and 10(8%) of the respondents strongly disagree that our company discovers and solves problems through intimate communication and effective collaboration. 50(42%)of the respondents of the strongly agreed,40(33%) of the respondent agreed,5(4%)of the respondents are undecided, 15(13%) of the respondents disagree and 10(8%) of the respondents strongly disagree that our company maintains appropriate interactions with its stakeholders. 48(40%)of the respondents of the strongly agreed,30(25%) of the respondent agreed,20(17%)of the respondents are undecided, 10(10%) of the respondents disagree and 10(8%) of the respondents strongly disagree that our company maintains long-term relationships with customers.

. 52(43%)of the respondents of the strongly agreed,30(25%) of the respondent agreed,18(15%)of the respondents are undecided, 10(10%) of the respondents disagree and 10(8%) of the respondents strongly disagree that our company has many excellent suppliers.

Table 4.6: Descriptive Statistics of Organisational Performance

S/N	ITEM	SD	A	U	D	SD
1	The business has increased its growth in sales	42(35%)	33(28%)	10(8%)	10(8%)	20(17%)
2	The business has increased its growth in profit	45(38%)	35(29%)	10(8%)	20(17%)	10(8%)
3	The business has increased its gross revenue	50(42%)	30(25%)	20(17%)	10(8%)	10(8%)
4	The business has increased its inventory turnover	45(38%)	35(29%)	10(8%)	20(17%)	10(8%)

Source: Field Study (2026)

Table 4.6 shows that 42(35%) of the respondents of the strongly agreed, 33(28%) of the respondent agreed,10(8%) of the respondents is undecided, 10(21%) of the respondents disagree and 20(17%) of the respondents strongly disagree that the business has increased its growth in sales with mean value 5. 45(38%) of the respondents of the strongly agreed, 35(29%) of the respondent agreed,10(8%)of the respondents are undecided, 20(17%) of the respondents disagree and 10(8%) of the respondents strongly disagree that the business has increased its growth in profit. 50(42%) of the respondents of the strongly agreed, 30(25%) of the respondent agreed,20(17%) of the respondents is undecided, 10(8%) of the respondents disagree and 10(8%) of the respondents strongly disagree that. 45(38%) of the respondents of the strongly agreed, 35(29%) of the respondent agreed,10(8%) of the respondents is undecided, 20(17%) of the

respondents disagree and 10(8%) of the respondents strongly disagree that the business has increased its inventory turnover.

Table 4.7 Regression Result

Dependent Variable: OP

Method: Least Squares

Date: 01/27/26 Time: 11:50

Sample (adjusted): 1 120

Included observations: 120 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	19.66321	6.484488	3.032346	0.0030
SC	0.011494	0.116796	0.098414	0.9218
HC	0.200897	0.098585	2.037796	0.0439
STC	0.026620	0.113695	0.234132	0.8153
RC	0.454669	0.142091	3.199838	0.0018

R-squared	0.138693	Mean dependent var	38.73333
Adjusted R-squared	0.108735	S.D. dependent var	5.765346
S.E. of regression	5.442882	Akaike info criterion	6.267268
Sum squared resid	3406.871	Schwarz criterion	6.383414
Log likelihood	-371.0361	Hannan-Quinn criter.	6.314435
F-statistic	4.629507	Durbin-Watson stat	1.566352

Prob(F-statistic)	0.001677

Source: Eview v.8

Table 4.7 shows that R2 of 0.138 indicates 14% of the systematic variation of the dependent variable. The F-statistics value of 4.6 and the associated p-value of 0.00 indicate that the hypothesis of a joint significance of the model cannot be rejected at 5%. The result shows that SC (0.011) has Positive and insignificant (p-value of 0.92<0.05) with OP. The result also shows that HC (0.200) has a positive and significant (P-V=0.04 > 0.05) relationship with OP. Furthermore, STC (0.026) has a positive and insignificant (0.81<0.05) relationship with OP. Finally, RC (0.454) has a positive and significant (0.00<0.05) relationship with OP. The Durbin-Watson statistics of 1.56 shows absence of serial correlation

4.2 Discussion of Findings

The broad objective of the study is to examine the relationship between intellectual capital and public sector organizational financial performance. The findings of the study are as follows. First, the results show a positive and insignificant relationship between social capital and organisational performance. This result is in agreement with Sardo et al. (2018) that find a positive nexus between social capital and organisational performance.. Also, the result shows a positive and significant relationship between human capital and organisational performance. This result is consistent with Li et al. (2015) which report that a positive and significant relationship between human capital and organisational performance. The result is inconsistent with Xu et al.

(2023) that find a negative relationship between human capital and organisational performance. Third, the result shows a positive and insignificant relationship between structural and organisational performance. The result shows a positive and significant relationship between relational capital and organisational performance.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION, RECOMMENDATIONS AND SUGGESTIONS FOR FURTHER STUDIES

5.0 Introduction

This chapter deals with summary of findings, conclusion, recommendation and suggestions for further studies.

5.1 Summary of Findings

The following are the findings made from the study.

1. There exist a positive and insignificant relationship between social capital and public sector organisational financial performance.
2. There exist a positive and significant relationship between human capital and public sector organizational financial performance.
3. There exist a positive and insignificant relationship between structural and public sector organisational financial performance.
4. There exist a positive and significant relationship between relational capital and public sector organizational financial performance.

5.2 CONCLUSION

The objective of the study is to examine intellectual capital and public sector organisational financial performance. 174 numbers questionnaire were distributed to respondents in publicly owned hospital in Benin City, do State, Nigeria but 120 valid responses are received. (OLS) regression of the data revealed that a positive and insignificant relationship between social capital and organisational performance. The result shows a positive and significant relationship between human capital and organisational performance. Third, the result shows a positive and insignificant relationship between structural capital and organisational performance. Finally, the result shows a positive and significant relationship between relational capital and organisational performance.

5.3 Recommendations

Flowing from the empirical analysis, this study recommends the following:

The study recommends that public sector organisation should intentionally strive to contribute to social assets in order to enhance organizational financial performance. Similarly, the study recommends that public sector organisation should contribute to human capital in order to enhance organizational financial performance and, the study recommends the public sector (hospital) organisation should contribute to structural capital in order to enhance organizational performance.

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