

Intellectual Capital in Malaysian Non-Profit Organisation

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ABSTRACT

The NPOs have received increasing demand of services from the society which caused them to operate in a highly competitive environment due to the increasing competition in securing resources, less number of volunteers and limited government funding. There are suggestions that the existence of intellectual capital can lead the NPO to become a leader in the social network. Intellectual capital can be a new lens for the NPO in increasing and sustaining its performance. A review of the literature has shown that most studies in the intellectual capital literature have focused on profit organisations, leaving the examination on the link between intellectual capital and NPOs largely unexplored. Thus, this study aims to examine the relationship between intellectual capital and the performance of the Malaysian NPOs. Specifically, this study examines three components of intellectual capital namely, human capital, organisational capital and relational capital. This study applied the quantitative approach using questionnaire survey. Sixty seven representatives from various NPOs in Malaysia participated in this study. The results of this study demonstrate that intellectual capital provides a significant effect on the performance of the NPOs. The results indicate that organisational capital and relational capital significantly influence the performance of the NPOs whereas human capital does not stimulate the performance of the NPOs. Organisational Capital which includes organisation routines, structure, values and practices proves to increase NPO's performance. Relational capital focuses on both internal and external relationship and communication. When there is an effective internal communication, it leads to a satisfaction and successful of external communication.

Keywords: Intellectual capital, Human capital, Organisational capital, Relational capital, Non-profit organization (NPO)