Intellectual capital disclosure commitment: myth or reality?

Deborah Branswijck
Department of Accounting and Tax, Faculty of Business Administration and Public Administration, Ghent University College, Ghent, Belgium
Patricia Everaert
Department of Accounting and Corporate Finance, Faculty of Economics and Business Administration, Ghent University, Ghent, Belgium
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Abstract
Purpose
The purpose of this paper is to compare intellectual capital disclosure in the prospectus of an initial public offering (IPO) with the intellectual capital disclosure in the subsequent annual report. The first objective was to investigate whether companies make a commitment toward intellectual capital disclosure. The second objective was to investigate whether companies report more on intellectual capital in the prospectus.

Design/methodology/approach
This study investigated the prospectus and annual report using a sample of 55 firms that applied for an initial listing in Belgium and The Netherlands from 2005-2009. A coding framework of 86 items was used to perform the content analysis.

Findings
The existence of intellectual capital disclosure commitment was confirmed. Moreover, the results demonstrated that companies report more extensively on intellectual capital in their prospectus in comparison to their annual reports.

Originality/value
This paper documents the first study to provide empirical evidence on the existence of intellectual capital disclosure commitment. Therefore, it offers a new path for future intellectual capital disclosure research.

Keywords
Initial public offering, Intellectual capital, Content analysis, Disclosure commitment, Information disclosure

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Congratulations to Deborah Branswijck and Patricia Everaert of Ghent University College, Belgium, whose paper entitled “Intellectual Capital Disclosure Commitment: a Myth or Reality?” was voted Best PhD Paper and to Dolores Sanchez Bengoa of Leeds Metropolitan University, UK whose poster “Tools for Knowledge Sharing in Cultures with High Power Distance” was voted Best Poster. These articles cover a variety of topics including knowledge sharing, social capital, intellectual capital strategy, modelling dynamics, knowledge management, and intellectual capital measurement, which provide various new insights for our readers. Intellectual Capital Reporting: Academic Utopia or Corporate Reality in a Brave New World? Vivien Beattie University of Glasgow, and Sarah Jane Thomson University of Stirling. Intellectual capital creates company value but generally this value is not recognised in financial statements. The debate on whether “intellectual capital” should be recognised or disclosed in the annual reports of companies continues but how can this debate be moved forward and what steps need to be taken by the accounting profession and standard setters? corporate communication for the disclosure of intellectual capital. The results confirmed the view that 50% or more of company value is attributed to intellectual capital. Intellectual capital disclosure commitment: Myth or reality? J. Intellectual Capital, 13: 39-56. Direct Link | Callahan, C.M., C.M. Lee and T.L. Yohn, 1997. Accounting information and bid-ask spreads. Accounting Horiz., 11: 50-60. Direct Link | Factors influencing intellectual capital disclosure by portuguese companies. Int. J. Accounting Financial Reporting, 2: 278-298. Direct Link | Guthrie, J. and R. Petty, 2000. Intellectual capital: Australian annual reporting practices. J. Intell.