

## **Intellectual Capital on Financial Performance**

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### **Abstract**

Intellectual Capital (IC) plays a major role of achieving competitive advantages in organizations. Through IC firms can assess their real firm value. This study investigates the impact of IC on financial performance of Consumer Service sector companies listed in CSE. IC is a critical aspect for the business because there are different relationships between IC and firm's financial performance. But Managers ignore IC when calculating the financial performance. Managers must examine the changes in IC, as their decisions depend on the financial performances. Therefore, the findings of this study offers a better understanding on the impact of IC on Financial Performance of Consumer Service sector companies listed in CSE. The sample of the study consists of 20 Sri Lankan companies which belong to the Consumer Service sector of CSE. Companies were selected based on highest market capitalization and availability of information. Data collection is done for 8 year period covering from 2012 to 2019. Multiple regression technique will be used to conduct the data analysis. The findings of this study will provide useful insights to top level positions of the consumer service sector companies to make effective and efficient economic decisions regarding profitability of their companies based on the determinants of the IC because, most of the prior studies have focused to a multiple range of sectors but there is no direct attention given to the Consumer Service sector in Sri Lanka.

**Keywords:** Intellectual Capital, Financial Performance, Consumer Service sector