

L'importance du capital immatériel des sociétés cotées à la Bourse de Casablanca

The importance of the intangible capital of companies listed on the Casablanca Stock Exchange

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Abstract

Currently, we live in an economy that has changed considerably since the 1990s. This is the time when economies moved from the industrial age to the information age. For the past ten years, companies have moved to the intangible economy in addition to the physical value (fixed assets: buildings, workshops, computers, vehicles, etc.) and the cash value (cash, receivables, etc.). There is a gas value, which is intangible capital.

This new notable concept is the purpose of this article, which consists in calculating the intangible capital of a sample of listed Moroccan companies, according to an approximate approach, based on data accessible to the public on the site of the Casablanca Stock Exchange. The aim of this research is to answer the following questions: What is intellectual capital? What are the components of intangible capital? What is the weight of intangible capital in Moroccan companies?

Keywords: Intangible capital; human capital; structural capital; organizational capital; goodwill; intellectual capital.

Résumé

Nous vivons dans une économie qui a considérablement changé depuis les années 90, c'est à ce temps que les économies sont passées de l'ère industrielle vers l'ère de l'information. Depuis un peu plus d'une décennie, les entreprises ont basculé dans une économie à dominante immatérielle. Ainsi, et en plus de la valeur solide (immobilisation : immeubles, ateliers, ordinateurs, véhicules, etc.) et la valeur liquide (trésorerie, créances, etc.), il existe une valeur gazeuse qui est le capital immatériel.

Cette nouvelle notion notable fait l'objectif de cet article, qui consiste à exposer le capital immatériel d'un échantillon de sociétés marocaines cotées en bourse, selon une approche approximative, en se basant sur les données publiquement disponibles sur le site de la bourse de Casablanca. Ainsi, l'objet de cette recherche est de répondre aux questions suivantes : Qu'est-ce que le capital immatériel ? Quelles sont les composantes du capital immatériel ? Et quel est le poids du capital immatériel dans les entreprises Marocaines ?

Mots clés : Capital immatériel ; capital humain ; Capital structurel ; Capital organisationnel ; Goodwill ; Capital intellectuel.

Introduction

The rise of new information and communication technologies has consecrated the entry of globalized societies into a new era: the new economy and the computer, its standard-bearer erected as a direct extension of the brain, supplants the industrial economy and marks the end of the motor role of muscle in the functioning of the steam engine.

We are indeed witnessing the transition from an economy based on physical effort, belonging to the tangible domain, to that diametrically opposed to knowledge, belonging to the intangible domain. This change is reflected in continuous and instantaneous information flows, in the context of the globalization of trade and the tertiarization of activities and jobs. This profound change is observable at the very heart of financial statements, where we are witnessing the increasing appearance of intangible assets.

The emergence of the new economy thus marks the advent of what should now be called "intangible capital", "goodwill", "human capital", "intellectual capital", so many synonymous terms that refer to this new an accounting concept that arouses the curiosity of economists, analysts and financiers.

Intangible resources are the hidden side of business; they are the main differentiating factor for companies and, indeed, little taken into account in the accounts. They represent on average two thirds of the assets of a company and are today more than ever the source of its competitiveness.

It is therefore essential to take into account this hidden wealth when valuing companies, which is at the heart of finance.

Until now, intangible assets have been considered, and therefore treated, as expenses and not as assets. This is the case for R&D, creative efforts, human capital, brands, etc.

The creation of a brand, for example, generates particularly heavy investments: communication agency, registration or patent protection. These costs will have a direct impact on the income statement but will never appear on the balance sheet.

This research, partly exploratory and tackling the problem of the valuation and management of the intangible capital of companies, will aim to answer the following questions: What is intangible capital? What are the components of intangible capital? What is the rating and invoice for the various intangible credits?

The problem of our subject is as follows: What importance should be given to Moroccan companies listed on the Casablanca Stock Exchange intangible assets? Do their intangible assets have the same weight as their European counterparts?

To answer this problem, we proceeded to calculate the weight, the importance and the evolution of the intangible capital of a sample of Moroccan companies listed on the Casablanca Stock Exchange in order to expose the intangible value.

This research involves a brief review of the specialized literature, then the methodology of the work used will be presented, and finally, the results will be analyzed and discussed.

1. Review of Literature

There is no definition of intangible capital unanimously accepted by experts and financiers (OCDE, 2006). Some speak of intangible capital, while others prefer to use the term "intellectual capital" or "intangible capital". Many definitions of this term reflect the diversity of actors, such as investors, accountants, academics and consultants, and their particular interest in solving the problem (Boujelben,2010).

In addition, many researchers do not distinguish between related notions of intangible capital, hence the importance of defining the contours of the terminologies used Tzu,Roos et Pike (2007).

Before defining intangible capital from a practical point of view, it is preferable to be able to differentiate intangible assets from their intangible cousins, which have more accounting parentage and are often used as synonyms.

1.1.Intangible or property credits

Intangible and property credits are defined by International Accounting Standard (IAS) 38 as « an identifiable non-monetary asset without physical substance, held for use in the production or supply of goods or services, for rental to others or for administrative purposes ... An intangible asset is a resource controlled by an enterprise as a result of past events and from which future economic benefits are expected to flow ». Smith and Parr (1989) defined intangible assets as "all the elements of an organization that exist after the tangible and monetary assets have been identified; these are the elements that, after current capital and fixed assets, enable the business to be carried on and contribute to the earning power of the organization".

Baruch Lev (2002) defines intangible assets as "knowledge assets" and classifies them into four categories:

- Innovation, research, and development;
- Brand image: this makes it possible to consider a different product or service from the competition and sell it more expensively in the market;
- Structural Assets: These are not inventions or strong innovations, but skills to work better;
- Monopoly or oligopoly: these are the entry barriers for competitors. They can be legal like the operating licenses of an Internet operator. Market leadership often provides a strong competitive advantage that is an easily identifiable intangible asset.

The intangible asset that has attracted the most attention is goodwill. The French translation of "goodwill" is "survaleur", which corresponds better to its real meaning than the American term that explicitly refers to the relationship between the firm and its customers. This goodwill is only the balance that separates the actual value of the firm from the sum of the assets it owns at the time of its acquisition. This component generally includes several intangible items that could not be accounted for separately. Indeed, these resources cannot be defined or isolated, let alone measured.

1.2. Intellectual capital

Intellectual capital is a term that has been developed by human resources experts to highlight the importance of the human factor in the value of companies (J- Pépin, 2006). This capital is closely associated with "knowledge management". It is made up of all staff knowledge and all other intellectual resources acquired through experience or learning in order to be used for the purpose of wealth creation (Hussi 2004).

According to **Moon and Kym**, intellectual capital is the combination of human and structural capital. Human capital consists of the knowledge, skills, and abilities of employees to provide solutions to clients; structural capital consists of everything that remains when employees go home (database, client records, software, manuals, market research, organizational structures.

1.3. Intangible capital

A new discipline was born in Sweden called the science of measuring "intangible" economic value. There are many authors who have published on intangible capital and we will not quote them all.

The definition of the intangible assets they offer and their identification varies from one to another and, to date, no international standard has yet emerged in this area. In their book *Intangible Corporate Capital*, **Michael Malone** and **Leif Edvinsson** do not propose a precise definition of the notion of intangible assets but present a decomposition of the value of the company into a cascade of tangible and intangible assets that has the value of definition. According to Christian Pierrat, an intangible asset is an element of a company's assets that simultaneously presents several characteristics:

- Absence of physical substance ;
- Indefinite lifespan;
- Uniqueness, or at least strong specificity;
- High uncertainty of future earnings;
- Difficult to separate from other assets.

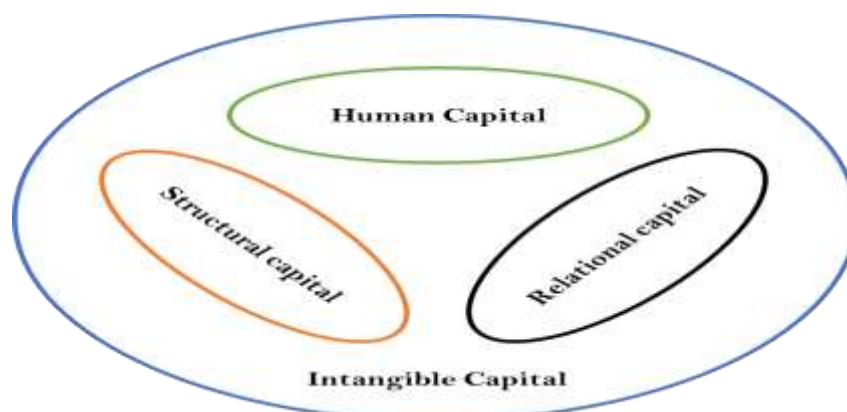
According to **Alan Fustec** and **Bernard Marois**, an intangible asset is a separately identifiable component of a company that participates in operations that generate present or future profitability, but whose value does not appear on the balance sheet.

By extension, tangible assets that are visible on the balance sheet may carry an intangible value or invisible goodwill. It can thus be argued that intangible capital is everywhere. As soon as an element of the company has a value higher than its cost, it carries intangible value.

2. The components of intangible capital

Intangible assets are a source of energy and a singular world, which are difficult to compare from one company to another, according to **Jérôme JULIA**. They fall into three categories (as shown in Figure 1):

- Human capital covers skills, collective experience, key people (what is in the heads of the company's employees);
- Organizational or structural capital included patents, information systems, databases, values...;
- The relational capital, finally, includes customers, suppliers, networks, shareholders, regulators... (What connects the organization to its environment).

Figure 1: Components of intangible capital

Source : CIGREF, 7 jours pour comprendre. P : 31

3. Methodology

Following a methodology of the famous accounting and financial auditing firm Ernest & Young, one of the Big Four and the third worldwide network in terms of turnover, which conducted a study on intangible capital on a sample composed of a hundred European companies, listed on the Casablanca stock exchange, we proceeded in the same way to calculate the weight, importance, and evolution of intangible capital for a sample of Moroccan companies listed on the Casablanca stock exchange.

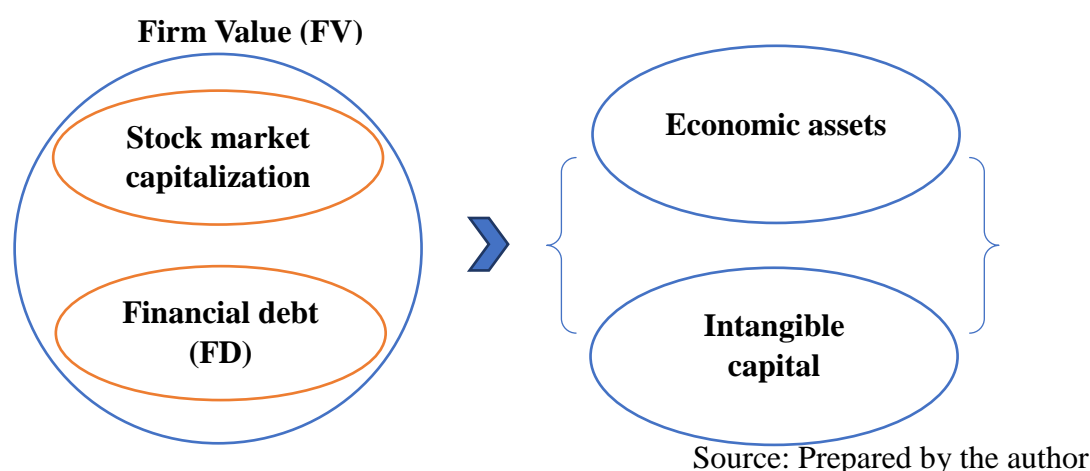
To conduct this study, it was necessary to go through the Casablanca Stock Exchange, which was the only publicly available source of data collection. Our sample includes more than thirty companies operating in several sectors: real estate, construction, distribution, etc. This allowed us to draw a global vision, to compare companies in the same sectors and to compare sectors between them.

The value of the intangible assets of each company is obtained by the difference between, on the one hand, the value of the company (EV) based on its market capitalization (BC) and its financial liabilities (FD) on the same date and, on the other hand, the book value of the assets shown in the balance sheet (as shown in Figure 2):

$$\text{Market capitalization} + \text{Financial debt} = \text{Economic assets} + \text{Intangible capital}$$

This approach is an approximation insofar as it is tantamount to considering that the entire difference between the market value of companies and the value of the accounting items corresponds to intangible assets, without forgetting to specify that the revaluation items for other types of (tangible) assets are insignificant.

Figure 2: Estimation of the value of intangibles



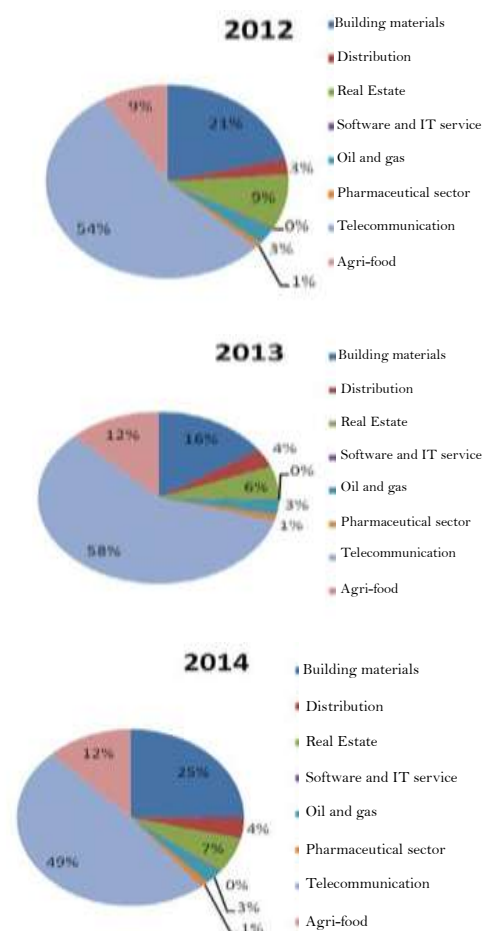
4. Results and Discussion

Following the creation of the database, and the preparation of the reports, we have arrived at the following disaggregated results:

- The telecommunications sector represented by Itissalat-Al-Maghreb, which is the leading telecommunications company in Morocco, holds a 54% (as shown in Figure 3) share of the value of the intangible assets in our sample. This is explained by the nature of the services offered, its large size, and the fact that it is the only representative of the telecommunications sector that is heavily endowed with intangible capital.

- With a slight variation between 2012 and 2013 (as shown in Figure 3), some sectors were able to develop their intangible capital to the detriment of others, the leader in telecommunications still maintains its position, while other sectors such as real estate, which deteriorated due to the economic situation.

Figure 3 : Sectoral trends between 2012 and 2014



Source : Made by the authors.

The sample, composed of 30 Moroccan companies listed on the stock exchange operating in 8 different sectors of activity, shows the following results:

- The share of intangibles represents on average more than 50% of their total value.
- On average, 23% of the value of intangibles will be recorded on the balance sheet in 2012, compared to 29% in 2014.
- Intangible assets increased on average from 52.31% in 2012 to 55.49% of their value in 2014.
- The building and construction materials sector deteriorated in 2013 due to a drop in these intangible assets.

It should be noted that the variations observed are due to several factors, which cannot be identified in an absolute manner, but among the variables that can explain these variations; we can note the market value of equity capital that results from multiplying the number of shares making up the company's capital by the stock market price. When the latter falls, because of the confrontation of supply and demand, the value of intangible capital also falls. This is the case of the Buildings and Building Materials sector, which saw its intangible capital remarkably depreciated in 2013 (as shown in Figure 4), with almost all companies in this sector losing a part of their intangible value because of depreciation in their share price.

Figure 4: History of Ciments du Maroc's share price between 2012 and 2014



Source: Casablanca Stock Exchange website.

Conclusion

The objectives of this research were to understand intangible assets, how they are identified and measured, and what value Moroccan companies place on intangible assets.

Intangible capital or intangible heritage is a non-monetary element without physical substance, consisting of information and knowledge held, and having a positive value, for an organization.

It thus integrates the concept of knowledge capital in knowledge management and is recognized today as the major lever of value creation in all companies.

This research confirms that the intangible is indeed the company's primary asset. This gaseous wealth arouses the appetite of today's analysts, financiers, and directors even if it is not unanimously agreed upon. This concept, which is in its infancy in Sweden, was created to deal with the synergies that can arise from interactions within the company...

Our problem was to grasp the importance and weight of intangible capital in Moroccan companies listed on the stock exchange and to compare it with the results of the European study, following the same approach of the renowned financial audit firm Ernest & Young. This approach is an approximation insofar as it is tantamount to considering that the entire difference between the market value of companies and the value of the accounting items corresponds to intangible assets, without forgetting to specify that the revaluation items for other types of (tangible) assets are insignificant.

The results showed that gaseous wealth has an average that exceeds 50% of the total value of the company, and is constantly increasing, without forgetting that today companies are becoming aware of this hidden value, given that the share of intangibles recorded on the balance sheet is constantly evolving.

Companies must go beyond this world of ambiguity and try to understand their intangible capital, its components, its levers while designing tools and measurement indicators to better steer them to create value.

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