

THE RELATIONSHIP BETWEEN VALUE CREATION ACTIVITIES AND BUSINESS MODELS IN ISFAHAN CARPET MANUFACTURING COMPANIES

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Abstract

The type of business is a key factor in determining the value creation activities of a company. This study examines the effect of different types of businesses on value creation activities. The study uses a sample of companies from the Iranian manufacturing sector. The results show that the type of business has a significant effect on value creation activities. Specifically, companion businesses are more likely to engage in value creation activities than other types of businesses.

Keywords: Type of Business, Value Creation Activities, Companion Business, Iranian Manufacturing Sector

1. Introduction

The type of business is primary core of competitive reply of every companies to market, definition of value proposition, demand activities, source and partnership and customer's knowledge, cost or profit linked in operation of company (Aaron, 2000).

The appearance of communications technology is cause of communication facilities, companies associate, and creation networks value and hide increasing border of industry and superseded the concept type of business unit analyses instead of industry (Arenas and Lavanderos, 2009).

Companion business is important business that could create content of chance jobs and income, if necessary technology, society and economy infrastructure of country get ready (Brooking, 1996), (Chang, 2011).

Considering on continuous changing place business, they emphasis on achieve advantage of stable competition, and this is necessary that parallel with changing technology and rules of market, because of survival, and the companies who choose better type of business than their competition could be continues and assessment considering on stability and development of market (Cho et al., 2006).

The type of business recognizing and comply different demands of customers, and determinate the station of company with the other network companies, and getting ready value continuum and the process of incoming distribution between them, and this is being necessary for those companies to explained.

As we said, this research is going to find a solution to show how different kinds of business could effect on activities of value creation?

Ghayori Moghadam (2012) searched about affections of intellectual capital on performance as criterion of business operation. The results of these research shows: Also intellectual capital had negative affect

on the operation in all forthcoming industry that this affect just usable for production of car part in car industry.

Concerning on achieve results in different industries; we can concluded that in the type of an industry, an intellectual capital couldn't effects a lot on operation (Clayton, 1998).

Jigal and Malol (2010) pay attention on an intellectual capital with index of value added and checking results of financial and economical and value market in 300 English companies. They used the model factor of intellectual value added to measuring intellectual capital.

The results of exam show that the operation of intellectual capital have positive relation with economic and financial operation, but in case of operation value market just relation is important in technology industry and also employed capital (material and financial) has negative relation with economical operation, but employed capital has positive relation with value market and financial operation.

Research process: This research had done in 2015 until 2016 in manufacturing carpet companies in Esfahan province. Also the subject of the research is about affection of different kind of business on activities of value creation in intellectual capital.

At last the research is going to be usable, and the research is descriptive and from type of solidarity in process of research, and the research is qualitative in type of data (Derek, 1980).

Whereas one of the companies that intellectual capital can lead to useful achievements are manufacturing carpet companies in Esfahan province.

We are going to read the method of collecting information is documentary-library in chapter 1 and 2. The method of collecting information is fieldwork. First, necessary information had collect from documentation in archive. Then the information of theoretical foundations and history of research had collect from library. Also necessary information had collect from Internet. And also the intended information had collect by visiting manufacturing carpet companies in Esfahan province (Gary, 2000). In this research, Bontis questionnaire had use because of measuring intellectual capital. The Bontis questionnaire is containing 52 question-reply packages with Licoot 5 degrees scale included very little=1, little=2, average=3, much=4, very much=5, that because of some similar question decrees to 42 questions. This questionnaire has three Component included human capital, structural capital and Relationship (customer) capital.

They use descriptive and Inferential Statistics for analyzing data. Frequency table, average and standard deviation are using in descriptive Statistics. Simple variable linear regression and multi variable linear regression and T exam are using in Inferential Statistics. The credibility factor of this questionnaire estimated based on Cronbach's alpha 84 percent that shows much credibility of measurable tools (Joan, 2002).

2. Materials and methods

Frequency and percentage of participants, who answered the questionnaire, were categorized according to the variable associated to each occasion, where showed in table 1.

Table 1. Frequency and percentage of participants, who answered the questionnaire, were categorized according to the variable associated to each occasion, where showed in table 1.

options		Frequency	Percentage of participant	cumulative percentage
Gender	male	66	55	55
	Female	54	45	100
	Sum	120	100	
age	Under 30 years old	5	4.16	4.16
	31-40 years old	32	26.66	30.82
	41-50 years old	41	34.16	64.98
	Over 51 years old	42	35	100
	Sum	120	100	
work experience	1-5 years	15	12.5	12.5
	6-10 years	20	16.66	29.16
	11-15 years	52	43.33	72.49
	16-20 years	21	17.5	89.99
	Over 21 years	12	10	100
	sum	120	100	
degree of education	High school dropout & diploma	31	25.33	25.33
	Associate Degree	42	35	60.33

	BA	25	20.833	81.163
	MA	19	15.833	96.996
	PhD	3	2.5	100
	Sum	120	100	

Data in table (1) shows that 66 participants (managers in carpet productive companies) are (55%) male and 54 participants are (45%) female.

Data in table (1) had shown 5 participants (41/6%) are under 30 years old, 32 participant (26.66%) between 31 to 40 years old, 41 participant (34.16%) between 41 to 50 years old and 42 participant (35%) over 50 years old (Johannessen, Olsen and Olaisen, 2005).

Data in table (1) had shown 15 participants (12/5%) had records between 1 to 5 years old, 20 participants (16.66%) between 6 to 10 years old, 52 participants (43/33%) between 11 to 15 years old, 21 participants (17/5%) between 16 to 20 years old and 12 participants (10%) over 21 years old. Data in table (1) had

shown 31 participants equal to (25/33%) have high school dropout and diploma, 42 participants equal to (35%) have associate degree, 25 participants (20/833%) have BA, 19 participants (15/833%) have MA and 3 participants (2.5%) have PhD.

2.1 Chapter two: Inferential Result

Main hypothesis: business models effect on value creating activities to investigate hypothesis with one variable linear regression model was used.

Table 2. Representation of regression model

Options	R	ᵣ²	Dorbin Watson test
Model	0.27	0.073	2.2

Considering the value of Dorbin Watson test which is the index of 2.2 and is between 1.5 to 2.5, It has been concluded that linear regression formula is suitable for data and analysis, because the value of \hat{r}^2 is 0.073, So business models are able to justify 7.2 percent of changes in value creating activities.

Table 3. Regression factor

Model	Beta	The amount of T	sig
Constant amount	46.42	1.531	0.128
Business models	0.27	3.043	0.003

Considering the value Beta which is the index of 0.27, It has been explained the affection of business models on value creation activities. Because the amount of sig= 0.003 and it is less than 0.05 acceptable mistake, So business models effect on value creating activities.

3. Discussion and results

3.1 First secondary hypothesis main producers of equipment effect on value creating activities.

Table 4. Representation of regression model

Options	R	ᵣ²	Dorbin Watson test
Model	0.282	0.079	2.24

Considering the value of Dorbin Watson test which is the index of 2.24 and is between 1.5 to 2.5, It has been concluded that linear regression formula is suitable for data and analysis, because the value of \hat{r}^2 is 0.079, So main producers of equipment are able to justify 7.9 percent of changes in value creating activities (Lim and Dallimore, 2004).

Table 5. Regression factor

Model	Beta	The amount of T	sig
Constant amount	18.69	1.284	0.202
Business models	0.181	1.332	0.005

Because the amount of sig= 0.005 and it is less than 0.05 acceptable mistake, so main producers of equipment effect on value creating activities.

Second secondary hypothesis main brand producers effect on value creating activities (McGill, 2006).

Table 6. Representation of regression model

Options	R	ଠିକ୍	Dorbin Watson test
Model	0.6	0.36	1.53

Considering the value of Dorbin Watson test which is the index of 1.53 and is between 1.5 to 2.5, It has been concluded that linear regression formula is suitable for data and analysis, because the value of r^2 is 0.36, So main brand producers are able to justify 36 percent of changes in value creating activities (Michael, 2001), (Venkataraman and John, 1998).

Table 7. Regression factor

Model	Beta	The amount of T	sig
Constant amount	18.69	1.284	0.202
Business models	0.181	1.332	0.005

Because the amount of sig= 0.005 and it is less than 0.05 acceptable mistake, so main brand producers effect on value creating activities.

4. Conclusion

The results of statistical analysis shows that 66 participants (managers in carpet productive companies) are (55%) male and 54 participants are (45%) female.

The results of statistical analysis shows 5 participants (41/6%) are under 30 years old, 32 participant (26.66%) between 31 to 40 years old, 41 participant (34.16%) between 41 to 50 years old and 42 participant (35%) over 50 years old.

The results of statistical analysis shows 15 participants (12/5%) had records between 1 to 5 years old, 20 participants (16.66%) between 6 to 10 years old, 52 participants (43/33%) between 11 to 15 years old, 21 participants (17/5%) between 16 to 20 years old and 12 participants (10%) over 21 years old. The results of statistical analysis 31 participants equal to (25/33%) have high school dropout and diploma, 42 participants equal to (35%) have associate degree, 25 participants (20/833%) have BA, 19 participants (15/833%) have MA and 3 participants (2.5%) have PhD.

The result of this research in line with the result of the research of Jigal & Malol (2010) and also the result of the research of ghayori Moghadam (2012)

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