**THE RELATIONSHIP BETWEEN THE LEVEL OF INTELLECTUAL CAPITAL DISCLOSURE AND THE PERFORMANCE OF BAHRAINI LISTED FIRMS**

**Sameh M. Reda Reyad**

**Associate Professor, Accounting and Economics Department, College of Business & Finance, Ahlia University – Bahrain. Email:** [**sreyad@ahlia.edu.bh**](mailto:sreyad@ahlia.edu.bh)

**Abstract**

Intellectual capital is considered to be important tool in managing and improving organization’s value and performance. Additionally, Intellectual capital is important because it helps to build a strong organization that can compete in today competitive environment.

This study examines the Relationship Between the level of Intellectual Capital Disclosure and the Performance of Bahrain bourse listed firms. Meanwhile, extensive literature reviews were carried out. Moreover; the researcher had adopted a checklist contains 73 points which applied in the listed companies in Bahrain; in order to measure the relationship between level of intellectual capital and performance. For the intellectual capital index, dummy variables used in order to calculate the average and measure the independent variable and dependent variable of the study, moreover, multi regression model used in order to test the relationship between levels of intellectual capital and performance. The finding indicates that there is a weak relationship between the performances of the companies and intellectual capital in the Bahraini listed companies. The main reason is because the companies in Bahrain are not consider the importance of intellectual capital. Furthermore, according to knowledge-based economy the GCC and Bahrain especially they do not take much care about it. the study recommends that Bahrain Bourse and Ministry of Industry and Commerce and National Corporate Governance Committee have to encourage companies to disclose information about intellectual capital in order to minimize the asymmetry in information and to increase the awareness about the knowledge based economy.

**Key Words:** Intellectual Capital; ROA; ROE; Performance.