

DYNAMIC RELATIONSHIP BETWEEN INTELLECTUAL CAPITAL AND COMPANY'S FINANCIAL PERFORMANCE

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Abstract

The purpose of this study was to determine the dynamic relationship between intellectual capital and company's financial performance. This study used two independent variables. The two independent variables were VAICTM and ROGIC measured by using Pulic's Model. The dependent variables was company's financial performance measured by ROE and EPS. Moreover, population on this study consisted of all listed companies in Indonesia Stock Exchange during 2013. Companies in the financial sector were excluded from the study. However, the samples were 53 companies. These samples were chosen by purposive sampling criterions. Partial least square was used for analyzing the data. The result showed that VAICTM was positively related to company's financial performance. In the future, VAICTM was also related to company's financial performance, positively. However, in the future time, ROGIC was not significance toward financial performance.

Keywords: Value Added Intellectual Coefficient, Rate of Growth of Intellectual Capital, Company's Financial Performance, Partial Least Square

INTRODUCTION

We are now in globalization era. The all existed companies in this global are intensively competed to win in the world market. Using tangible asset as the only strategy to win a competition is now left behind. Many companies have changed their strategy to optimize the usage of intangible assets to win a competition the global market. The growth of science and technology is increasingly rapidly make the company had to adjust to all forms of development of knowledge and technology. Application of technology and knowledge to the output produced by the company is expected to make the company survive and make it a force to master the market. One factor not to be ignored by many companies is the intellectual capital or the Intellectual Capital (IC).

Financial performance is used to assess the financial condition and achievements of the company with the most commonly measure. The measurements commonly used are ratio and index. Both connect two financial data between one another (Sawir, 2005). One ratio that is often used as an analysis tool is a profitability ratio that concerns the company's ability to earn a profit. Determining the size of the high profitability of the company may be observed using several of ratios which can be an important indicator, such as Return on Equity (ROE) and Earnings per Share (EPS).

ROE shows the return on the shareholders' money that is in terms of accounting. The higher the ROE the results of a company then the company's financial performance will be the better. According to Syamsuddin (2009), EPS is a ratio that describes the amount of rupiah gained for each share of common stock. EPS is one of the conditions required in the

disclosure of financial statements. EPS provides a profitability measure that combines decisions from operating, investing, and financing (Stikney and Weil, 1997 in Tan et al., 2007). The larger the value, the greater EPS is ready to share the company's profits to the shareholders of each share outstanding.

Various means will be made by the company in order to maintain and increase profitability, such as by utilizing IC. Knowledge and technology are applied to the output of the company should be tailored to each company. Such an adjustment should look at various aspects, especially on their financial capabilities for investment in knowledge and technology will be spending a lot of fund and a long time. In Indonesia, there are still many companies that do not apply the knowledge and technology as a form of investment in the present and future that will impact on the increase in corporate profits. This is evidenced by the number of products in the country which can be considered not to have high competitiveness when compared with similar output outside companies.

According to Bontis (2000), the researchers identified the IC involves three main components, namely human capital, structural capital and customer capital. Measurement IC can use methods of non-monetary and monetary methods. One monetary method is a model developed by Pulic in 1997 of Value Added Intellectual Coefficient (VAICTM). The result will show how much the use of IC of a company. Additionally Rate of Growth Intellectual Capital (ROGIC) is a growth rate of VAICTM that can be used to measure the IC.

In Indonesia, the financial sector generally still distributes their funds in financial assets, so it will be difficult to assess the effect of intellectual capital on its financial performance. Cross section data will be helpful in terms of adequate observation unit. Research conducted by Kusdiat (2012) with a sample of companies listed property sector on the Stock Exchange concluded that IC and ROGIC not affect the performance of the company both the present and the future. Ulum (2008) took samples of banking companies listed on the Stock Exchange conclude that IC affects the financial performance of both the present and the future, but ROGIC no effect on future financial performance. Firer and Williams (2003), which examines the companies listed on the Johannesburg Stock Exchanges could not find a strong relationship between intellectual capital with profitability, but the overall physical capital into an influential factor. Belkaoui (2003), Chen et al., (2005), and Tan et al., (2007), who studied in the US, Taiwan, and Singapore concluded that intellectual capital has positive effect on company performance. Based on the above background, this study aims to determine the effect of IC on the financial performance of the company.

LITERATURE AND HYPOTHESIS

In March 2015 there were 511 companies listed on the Indonesia Stock Exchange (IDX), which is divided into ten sectors. 2013 is the right year for research in 2015. This is because in this study using the future financial performance that the financial performance in 2014. If VAICTM 2014 will examine the future financial performance should use the data in 2015 when the data of the year not yet available.

Performance is a picture of achievement in the company's operational activities. The achievement can be related to various aspects such as financial aspects, marketing aspects, aspects of fund raising and disbursement of funds, technological aspects, as well as aspects of human resources (Jumingan, 2006).

Performance can be defined as the achievements of companies in a given period which reflects the level of health of the company (Sukhemi, 2007). The financial performance of the company can be seen through the financial statements. According Munawir (2000), the financial statements is an important tool to obtain information related the financial position and the results that have been achieved by the company. Financial ratios into data analysis tools are most commonly used in the financial world. The results of the analysis of financial ratios will have meaning when they are associated with a certain standard. Four kinds of ratio analysis is standard in the industry average, most companies excel, historical data, and budget and realization (Mardiyanto, 2009). One aspect of financial interest to be measured is a profitability ratio that is a ratio showing a group of combination of the effect of liquidity, asset management, and debt on operating results "(Brigham & Houston, 2013).

Measurement of profitability can use ROE and EPS. ROE measures the amount of profit that can be produced by the company to any shareholder capital invested. This ratio indicates the strength of earnings from the investment book value of shareholders and can be used as a comparison between two or more firms in an industry continually (Van Horne, 1989 in Tan et al., 2007). EPS is a ratio showing how much capability per share profit (Syafri, 2008).

The management company should know the importance of using intellectual capital in order to increase profits or income. Intellectual capital is the information and knowledge that is applied in the work to create value (Williams, 2001). According to Stewart (1997), intellectual capital is a concept that refers to capital related intangible capital with the knowledge and human experience and the technology used.

Perspective intellectual capital or intellectual capital (IC) according Bontis (1998), describes the company's intangible assets can be classified into three main categories: human capital, structural capital, and customer capital. Stakeholder theory explains that every management in an organization have the obligation to perform activities that are considered important by stakeholders (Ulum, 2009). Stakeholders have a right to all the information that should they get even though they may not use such information or can not directly play a role in such information (Ulum, 2009).

Resource-Based Theory (RBT) by Nothnagel (2008), said that the company has the resources to make the company has a competitive advantage and be able to direct the company has good long-term performance. Resources are scarce and valuable can be directed to create a competitive advantage.

There are different methods of measuring IC. One method is to VAIC™ measurement IC developed by Pulic in 1997. Key of Pulic models is to treat labor as an entity of value creation (value creating entity) and not examined as costs. The Excellence

of VAIC™ method is data required is relatively easily obtained from various sources and types of companies. ROGIC was a growth rate of three components, namely VAIC™ VACA, VAHU, and STVA.

Hypothesis

Utilization of IC can improve the effectiveness and efficiency. Effectiveness involves time to produce the firm's output becomes shorter. Efficiency concerns the costs incurred by the company to produce the output can be suppressed or smaller. Increasing the effectiveness and efficiency will affect profits. When profit rises and grows, it will foster the confidence of investors and potential investors. The trust will attract investors to invest to the company so that the financial performance will increase.

It is desired by all stakeholders. As postulated in Resource Based Theory, which states that the company has the resources that make it have a competitive advantage and were able to direct in order to have a good long-term performance, the hypothesis is:

Ha1: Intellectual Capital proxied by VAIC™ has positive influence on the financial performance of the Company.

The positive influence of intellectual capital not only on financial performance of the present situation but also the future financial performance of the company. Utilization of intellectual capital will be able to maximize the effectiveness and efficiency of the company. Through increased earnings, the company will be able meningkatkan financial performance. Investor confidence will be higher if the company continues to explore and exploit the IC as well as possible. The company will continue to maintain and even improve its financial performance both in the present and the future so that investors will believe in the company not only the present but also the future. Based on this, the hypothesis structured as follows:

Ha2: Intellectual Capital proxied by VAIC positive effect on the Company's future financial performance.

Companies that have implemented good intellectual capital will get a good financial performance also through earnings growth, then so does the rate of growth of intellectual capital or ROGIC. Companies that have gained increased profit and financial performance increased as well, will tend to maintain and even increase the profits in the future. Improved financial performance through increased profit this will be done by increasing the growth of intellectual capital. Hypotheses are constructed are:

Ha3: Intellectual Capital proxied by ROGIC positive effect on the Company's future financial performance.

RESEARCH METHODS

Types of research

The approach used in this research is quantitative approach using data-shaped figure in the statistical analysis. The dependent variable in this study using a proxy Financial Performance indicators Return on Equity (ROE) and Earnings Per Share (EPS). ROE measures the amount of profit that can be produced by the company to any shareholder capital invested. (Van

Horne, 1989 stated in Tan et al., (2007). Return on Assets (ROA) was not used because, according to Tan et al., (2007) the company's assets are used to obtain VACA (in the calculation VAICTM), so that the selected ROE in order to minimize the possibility of multicollinearity. ROE can be formulated as follows:

$$\text{ROE} = \frac{\text{Laba bersih}}{\text{Ekuitas biasa}}$$

Or,

$$\text{Return on Equity} = \text{Net Income/Shareholder's Equity}$$

According to Syamsuddin (2009), EPS is a ratio that describes the amount of rupiah gained for each share of common stock.

$$\text{EPS} = \frac{\text{Laba bersih}}{\text{Jumlah saham beredar}}$$

Or,

$$\text{Earnings per share (EPS) ratio} = \frac{\text{Net income - Preferred dividend}}{\text{Weighted average number of shares outstanding}}$$

The independent variables in this study were proxied by the Intellectual Capital Value Added Intellectual Coefficient (VAICTM) and Growth Rate of Intellectual Capital (ROGIC). VAICTM is a model that is designed to provide information about the value creation efficiency of tangible assets (tangible assets) and intangible assets (intangible assets) owned by the company and developed in 1997.

Calculation Pulic, VAICTM begins by calculating Value Added (VA).

$$\text{VA} = \text{OUT} - \text{IN}$$

OUT is the output, the total sales and other revenues. IN is the input that is a load sale and other expenses cost (other than personnel expenses).

$$\text{VACA} = \text{VA} / \text{CE}$$

VACA (Value Added Capital Employed) is the ratio of MVA to CE. CE is Capital Employed: available funds (Equity).

$$\text{VAHU} = \text{VA} / \text{HC}$$

VAHU (Value Added Human Capital) is the ratio of VA to Human Capital (HC) or in personnel expenses.

$$\text{STVA} = \text{SC} / \text{VA}$$

STVA (Structural Capital Value Added) is the ratio of the Structural Capital (SC) against the VA. SC is calculated from VA minus HC.

$$\text{VAIC}^{\text{TM}} = \text{VACA} + \text{VAHU} + \text{STVA}$$

ROGIC can be gauged from the growth VACA: $RVACA = VACA_t - VACA_{t-1}$
 Then calculate the growth of VAHU : $RVAHU = VAHU_t - VAHU_{t-1}$
 Next calculate growth of RSTVA : $RSTVA = STVA_t - STVA_{t-1}$
 The latter can be calculated ROGIC : $ROGIC = RVACA + RVAHU + RSTVA$

Time and Place of Research

This research was conducted at the company that has been and still is listed on the Stock Exchange in addition to the financial sector period of 2013. The data used was data Indonesian Capital Market Directory (ICMD) published in www.idx.co.id. Data retrieval was conducted in March 2015 until April 2015.

Population and Samples

The populations in this study are all companies that have been and are still listed in the Indonesia Stock Exchange in addition to the financial sector period of 2013. The sampling technique in this research is purposive sampling with criteria: 1) the company in addition to the financial sector which publishes full financial statements during the period of observation and financial statements in the currency of Indonesia. 2) The company in addition to the financial sector is not doing turn of the board of commissioners and board of directors during the observation period. 3) The company in addition to the financial sector are not doing mergers and acquisitions in the period of observation. Then come the number of samples used in this study are 53 financial statements.

RESULT AND DISCUSSION

Descriptive Statistics

The following table shows the descriptive statistics of the variables VAICTM along with its components.

Table 1. Descriptive Analysis of VAICTM

	N	Min	Max	Mean	Stdev
VACA	53	-0,09233	4,068815	0,518771	0,647386
VAHU	53	-0,31873	21,86336	3,307531	3,588706
STVA	53	-0,13566	4,137439	0,572310	0,415157

The mean value is equal to 0.518771 VACA indicators which show that the assets of the company are able to provide added value amounted to 0.518771 times the value of the assets held. The value of the indicator amounted to 3.307531 VAHU which means that any salary payments amounting to Rp1 will be able to create added value amounted to 3.307531 times. STVA indicator value of 0.57231 means that structural capital can provide added value to the company's 57.231%. The highest value is an indicator VAHU which means that

out of the three indicators, VAHU represented by employees, an indicator that contributed most to create added value.

The following table shows the descriptive statistics of variables of Financial Performance.

Table 2. Descriptive Analysis of Financial Performances

	N	Min	Max	Mean	Stdev
ROE	53	-0,00367	0,399815	0,117074	0,090840
VAHU	53	-58,28000	17,621000	445,064057	2333,861646

The mean value of 0.117047 ROE shows a company's ability to produce a profit of 11.7047% for every rupiah of funds invested shareholders. The mean value of 445.064057 EPS, indicating a substantial profit companies that are ready to share to the shareholders of each shares outstanding amounted Rp445,064057.

Outer Test Model

This study assumes a formative construct an indicator which is not correlated to the size of the internal consistency reliability (Cronbach alpha) are not required to test the reliability of the formative construct (Ghozali, 2008).

Outer Test Model Hypothesis 1

Table 3. Outer Weight Hypothesis 1

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistic (O/STERR)
EPS _t < PERF	0,3016	0,2886	0,1761	0,1761	1,7125*
EPS _t <- PERF	0,8490	0,8334	0,1081	0,1081	7,8557*
STVA <- VAIC	0,4254	0,4287	0,0429	0,0429	9,9136*
VACA <- VAIC	0,2443	0,2267	0,1079	0,1079	2,2641*
VAHU <- VAIC	0,5432	0,5367	0,0490	0,0490	11,0883*

The table above shows the results of statistical variables forming T VAICTM independent variables and the results of statistical variables forming T dependent variable Financial Performance. VACA indicator has a value of t statistic of 2.2641. Indicators VAHU_t subset of the statistics has a value of 11.0883. STVA indicator has a value of t statistics 9.9136. VAHU that have contributed most. ROE indicator has a value of t statistic of 7.8557 which means that ROE provides significant values above t table. EPS indicator has a value of 1.7125, which means significant because of the above t table of 1.675. The test results indicate that the outer model all indicators declared eligible explained construct.

Outer Test Model Hypothesis 2

According to the table 4, three indicators forming VAICTM has a value t statistically significant or above t table which means the three indicators worth to explain the construct.

VACA indicator has a value of 2.0721. VAHU indicator has a value of 2.0907. STVA indicator has a value of 2.2256. On the financial performance of companies dependent variables, indicators ROE_{t+1} has a value of 3.4252 statistically significant ROE_{t+1} provides significant values above t table. Indicators EPS_{t+1} has a value of 0.3364 which means insignificant because under t table of 1.675. The results of testing the outer model that does not significantly affect the results of the testing of inner models. Its influence can be seen in the results of the coefficient of determination or R square and T values between variables statistically low.

Table 4. Results of Outer Weight Hypothesis 2

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistic ((O/STERR))
$EPS_{t+1} < PERF_{t+1}$	0,0958	0,2849	0,2849	0,3364	0,0958
$EPS_{t+1} <- PERF_{t+1}$	0,9629	0,8712	0,2811	0,2811	3,4252*
$STVA < VAIC$	0,3762	0,3881	0,1690	0,1690	2,2256*
$VACA < VAIC$	0,5204	0,4646	0,2512	0,2512	2,0721*
$VAHU < VAIC$	0,3894	0,3590	0,1862	0,1862	2,0907*

Outer Model Test Hypothesis 3

The table 5 shows the two indicators forming ROGIC not show significant results that RVACA RSTVA by 0.0322 and 1.25. These results suggest that RVACA and RSTVA is not worth explaining construct. Indicators forming the future financial performance that is ROE_{t+1} and EPS_{t+1} each showed a significant result. Indicators ROE_{t+1} has a value of 2.3022 t statistics and indicators EPS_{t+1} has the value t statistic of 1.8103. Testing outer model 3 indicators were not significantly so that will have an impact on the outcome of the inner workings of the model, the low value of the coefficient of determination (RSquare) and value t statistics among variables.

Table 5. Result of Outer Weight Hypothesis 3

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistic ((O/STERR))
$EPS_{t+1} < PERF_{t+1}$	0,5652	0,4198	0,3122	0,3122	1,8103*
$EPS_{t+1} <- PERF_{t+1}$	0,6528	0,7013	0,2836	0,2836	2,3022*
$RSTVA <- ROGIC$	0,2429	0,2517	0,1943	0,1943	1,2500
$RVACA <- ROGIC$	0,0122	0,1589	0,3794	0,3794	0,0322
$RVAHU <- ROGIC$	0,7849	0,6170	0,3686	0,3686	2,1293*

Inner Model Test

The original value would show the predicted sample is positive or negative. Results of t is statistically greater than t table (1.675), showing that the hypothesis can be accepted. The table shows that $VAIC^{TM}$ positive and significant impact on the financial performance of companies with the original sample values of 0.5052 and 4.9969 for statistical t greater than

t table of 1.675. VAICTM positive and significant effect on the performance of the company's financial future with the original sample values of 0.288 and 2.342 for T statistically greater than t table of 1.675. ROGIC negative and not significant to the company's future financial performance is not due to the results of the original value of -0.1784 sample which showed a negative direction and results of T statistics show a smaller value than t table (1.4531 < 1.675). Results T statistic that less than t table would indicate that ROGIC not yet have an important role in the company indicate that the contribution of the future financial performance of companies listed on the Indonesia Stock Exchange in 2013 was still dominated by the use of tangible assets are physical assets and financial assets.

Table 6. Inner Weight Result

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (O/STERR)
ROGIC -> PERF _{t+1}	-0,1784	-0,1805	0,1228	0,1228	1,4531
VAIC -> PERF	0,5052	0,5415	0,1011	0,1011	4,9969*
VAIC -> PERF _{t+1}	0,2880	0,3075	0,1230	0,123	2,3420*

Each test models powered by the coefficient of determination. Based on table 7, the variable of VAICTM was able to explain the company's financial performance variable of 0.2569 or 25.69%. Variable of VAICTM was able to explain the company's financial performance variables the future of 0.1076 or 10.76%. ROGIC was able to explain the company's financial performance variables the future of 0.0232 or 2.32%. Evaluation inner models also performed with Q-square predictive analysis relevant. Results Q-square greater than 0 was equal to 0.2169 indicates that the model had predictive relevance.

Table 7. The results of the R-square and Q-square

Model	Original Sample (O)	Sample Mean (M)
VAIC -> PERF	0,2569	0,2169
VAIC -> PERF _{t+1}	0,1076	
ROGIV->ERF _{t+1}	0,0232	

Discussion

Testing with the processing of the data showed that VAICTM the company's financial performance had a significant relationship with the value of t statistic of 4.9969 (above 1,675). Hypothesis 1 had the R-square value of 0.2569, which means that the power of intellectual capital presented by VAICTM was able to explain the financial performance of the company amounted to 25.69%, while the remaining 74.31% was explained by other

variables outside of research. Based on these explanations, the first hypothesis can be accepted.

The results of this study demonstrated conformity to the research conducted by Tan et al., (2007) that all the indicators had significant value. That was different from research conducted by Tan et al., (2007) that the study used two indicators of the company's financial performance of ROE and EPS for both indicators which was already able to explain the construct. The most contributed indicators VAICTM was VAHU. Human capital is represented by employees that showed that firms in Indonesia listed in the Indonesia Stock Exchange in 2013 had been successfully used and maximized the knowledge, creativity, expertise, as well as employees in the power of thought to create added value so as to improve the financial performance of the company. Companies that successfully maximizes VAHU in creating meaningful financial performance demonstrated the ability of management to manage the company so as to provide profits for shareholders.

This study was not consistent with research done by Kusdiat (2012) which stated that intellectual capital has no significant effect on the financial performance of the company, but this study was consistent with the research conducted by Firer and Williams (2003), Belkaoui (2003), Chen (2005), and Ulum (2008).

VAICTM and the company's future financial performance had a significant relationship with the value of t statistic of 2,342 (over 1,675). Hypothesis 2 had the R-square value of 0.1076, which means the power of intellectual capital presented by VAICTM was able to explain the company's future financial performance of 10.76% and the remaining 89.24% was explained by other variables outside the study. Based on these explanations, the second hypothesis can be accepted.

The results of this study are consistent with research done by Tan et al., (2007). All indicators forming VAICTM are able to explain VAICTM but on future financial performance variables, only value ROE_{t+1} significant to explain the variables. STVA is an indicator that can provide the greatest contribution in creating added value to the company's future financial performance. This means structural capital contributed in the formation of future financial performance. Although human capital can be utilized to maximize the financial performance now but a more prominent role for the company's future financial performance was still displayed with structural management of capital.

This study is also consistent with research done by Firer and Williams (2003), Belkaoui (2003), Chen (2005), and Ulum (2008) which stated that intellectual capital had positive effect on the performance of the company's financial future, but the study was not in line with research conducted by Kusdiat (2012) which stated intellectual capital did not significantly influence the company's future financial performance.

Test with the processing of the data showed that ROGIC the future financial performance of companies had no significant relationship with the value of t statistic below 1.4531 t table (below 1,675). Hypothesis 3 have an R-square value of 0.0232, which means that the power of intellectual capital presented by ROGIC was only able to explain the company's future financial performance of 2.32% and the remaining 97.68% is explained by

other variables outside the study. Based on this explanation, the third hypothesis was rejected.

Research carried out by Tan et al., (2007) claimed that if the intellectual capital affects the performance of the company's financial future, the average growth in intellectual capital (ROGIC) will also have an influence on the performance of the company's financial future, it could mean that the third hypothesis is a confirmation of the hypothesis second. In fact, that occurred at different pitches to previous theories. Based on test using PLS, companies listed on the Indonesia Stock Exchange in 2013 had not been up to take advantage of the company's intellectual assets. Firms in Indonesia are still likely to pay more attention to financial gain or short-term gains shown in the value of t statistical indicators forming the future financial performance that is ROE_{t+1} and EPS_{t+1} are respectively 2.3022 and 1.8103.

Unlike the indicator forming ROGIC, only one indicator that has a value that was statistically significant t RVAHU at 2.1293. This means that although the overall rate of growth of intellectual capital (ROGIC) did not affect the company's future financial performance, the growth rate of human capital remains utilized by the company for future financial gains. The results showed that the two indicators forming ROGIC RVACA and RSTVA showed the results statistically insignificant t. This is because the results of the data obtained from the calculation VACA or RVACA growth and growth STVA or RSTVA on years of observation was fairly small or low. Based on these explanations, the third hypothesis is rejected. This study was consistent with research done by Ulum (2008) and Kusdiat (2012), which stated no ROGIC influence on the performance of the company's financial future. In contrast to research conducted by Chen (2005) and Tan et al., (2007) which stated that the intellectual capital had positive effect on future financial performance.

CONCLUSION

The results showed that: (1) Value Added Intellectual Coefficient had positive effect on the company's financial performance as evidenced by statistically significant t value of 4.9969 which was greater than t table 1.675. The value of the original sample was 0.5052, which means it had a positive direction. (2) Value Added Intellectual Coefficient had positive effect on the company's future financial performance, as evidenced by statistically significant t value is 2,342 bigger than t table 1.675. The value of the original sample was 0.288, which means it had a positive direction. (3) The level of intellectual capital growth negatively affected the company's future financial performance, as evidenced by the value of t statistic was 1.4531 which was smaller than t table 1.675. The value of the original sample was -0.1784, which means it had a negative direction.

Based on the research results, for further research is recommended to add the sample more and using study period longer in order to obtain better results. Investors are expected to consider the use of intellectual capital as a determinant in making decision when they want to invest their money or not, because the intellectual capital began to be counted as one of the factors that affect the company's financial performance of both the present and the future. Also. It is expected that further research can change the size of the indicator variable,

for example, variable indicator of intellectual capital can be put on EVA, balanced score card, etc. Model of predictions for future financial performance could use a longer period such as two or three years or more years so that it can give the accuracy of prediction of intellectual capital to the company's future financial performance.

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