ANALYSIS OF INTELLECTUAL CAPITAL INFLUENCE ON MARKETS PERFORMANCE AND FINANCIAL OF THE FIRM

By:

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The objective of this research is to investigate the influence of intellectual capital on markets performance and financial of the firm. The Value Added Intellectual Capital (VAIC™) method is used to measure intellectual capital. Markets performance in this research is measured with price to book value (PBV) ratio and financial of the firm determined by return on asset (ROA). The sample of this study is the manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the years 2010 to 2012. The whole sample of this study consisted of 63 samples from 21 manufacturing companies listed on the Indonesia Stock Exchange (IDX) during 2010 to 2012.

The analytical tool used to analyze the problems is the simple linear regression analysis. The magnitude of the effect of independent variable (intellectual capital) which affects the dependent variable (markets performance) by 28.6% and the remaining 71.4% is influenced by other factors not included in the research model. Independent variable (intellectual capital) which affects the dependent variable (financial of the firm) by 32.2% and the remaining 67.8% is influenced by other factors not included in the research model.

The results of this study indicate that intellectual capital has a positive and significant effect on the markets performance and intellectual capital has a positive and significant effect on the financial of the firm.

Keywords: Intellectual Capital, Markets Performance and Financial of the Firm.