

ABSTRACT

The increasingly fierce competition between companies caused by the development of technology, science, and innovation makes companies forced to make changes in managing business, managerial systems, and determining strategies so that companies can continue to compete. One of the strategies undertaken by the company is to change its business from labor-based business to knowledge-based business. Companies that have implemented a knowledge-based strategy must be able to manage the hidden value that exists in intangible assets in order to create added value. Through intellectual capital, companies can use it in measuring and assessing intangible assets.

This study aims to determine the effect of intellectual capital on the financial performance of property and real estate companies listed on the Indonesia Stock Exchange for the 2015-2019 period. The independent variables in this study were VACA, VAHU, and STVA, while the dependent variable was ROA. The literature review used in this study is stakeholder theory, resource-based theory, company financial performance (return on assets), intangible assets, intellectual capital, components intellectual capital, and the VAIC method.

This study uses quantitative methods and the sampling technique used is purposive sampling, in order to obtain 30 property and real estate companies listed on the Indonesia Stock Exchange for the 2015-2019 period. The data analysis technique used in this research is panel data regression.

The results of this study indicate that simultaneously VACA, VAHU, and STVA have a positive effect on financial performance as proxied by ROA. Partially VACA and VAHU have a positive effect on ROA, while STVA has no effect on ROA.

For future researchers, it is recommended to add years of research and use different objects. It is recommended for companies to be able to maximize employee expenses and make better use of their physical capital so that the company excels in competition and increases sales, so as to obtain good profits and produce optimal financial performance. It is recommended for investors to be able to consider their decisions by looking at how the company utilizes and manages its human capital and physical capital, because these two things have an important role in increasing the company's profitability so that it will have an impact on financial performance.

Keywords: Return on Assets (ROA), Structural Capital Value Added (STVA), Value Added Capital Employed (VACA), Value Added Human Capital (VAHU)