

ABSTRACT

This research aims to investigate the relationship between Intellectual Capital and profitability by using a model of modified value added intellectual capital (MVAIC) on manufacturing companies that listed on BEI from 2017 – 2021. This research using Modified Value Added Intellectual Capital (MVAIC), Human Capital Efficiency (HCE), Structural Capital Efficiency (SCE), Relational Capital Efficiency (RCE) and Capital Employed Efficiency (CEE) as independent variables and Return On Assets (ROA) as dependent variable. In addition, Firm Size and Leverage are used as a control variables.

82 manufacturing companies in 2017-2021 were used as a sample of research on which sample selection was based on a sampling method. The multiple linear regression analysis method was selected to test relationships on this research.

The results of this research show that Modified Value Added Intellectual Capital (MVAIC), Human Capital Efficiency (HCE) and Capital Employed Efficiency (CEE) has a positive impact and significant effect on profitability that measured by Return On Assets (ROA). Relational Capital Efficiency (RCE) has a negative impact and significant effect on Return On Assets (ROA) in addition, this research found there is no effect between Structural Capital Efficiency (SCE) and profitability that measured by Return On Assets (ROA).

Keywords : Intellectual Capital, Profitability, MVAIC, Human Capital, Structural Capital, Relational Capital, Capital Employed.