

ABSTRACT

This study aimed to examine the effect of the performance of intellectual capital consisting of human capital efficiency (HCE), capital employee efficiency (CEE), structural capital efficiency (SCE), and value added intellectual coefficient (VAIC) on the level the company's profitability as measured by return on equity (ROE). This study used the size of the company as control variable, which consists of total assets and number of employees.

The population in this study is a banking company listed in Indonesia Stock Exchange in 2010, 2011, 2012, and 2013. The sampling method in this research is purposive sampling. Criteria used company is banking companies listed on the Stock Exchange during the study period. The total number of samples in this study were 124 data. After going through the stages of data processing through a transformation, there are only 114 valid data that can be used, so that the proper amount of the final sample is observed that 114 data. The analysis technique used is multiple regression.

The analysis showed that the capital employee efficiency (CEE), structural capital efficiency (SCE), and the value added intellectual coefficient (VAIC) positive and significant effect on the level of profitability of ROE. Human capital efficiency (HCE) is significantly negative effect on the profitability level of ROE.

Keyword : *performance of intellectual capital, the banking sector, ROE, resource based theory*