

ABSTRACT

The purpose of this study was to determine the effect of intellectual capital toward firm value with the financial performance as the intervening variable. The independent variable applied in this study was the intellectual capital which was measured by value added intellectual coefficient (VAICTM). The dependent variable in this study was the firm value is measured by using price-to-book value (PBV), while financial performance as an intervening variable is measured by using return on asset (ROA).

The samples of this study were the banking companies listed by the Indonesia Stock Exchange (IDX) within the period of 2007-2011. Data were collected by using purposive sampling method. Based on the mentioned criteria, 22 companies were selected as the population of this study. The data analysis tool used in this study was path analysis with AMOS software 16.0 version.

The finding shows that (1) intellectual capital has positive and significant effect to the financial performance. (2) intellectual capital has no effect on firm value. (3) the financial performance has positive and significant effect to mediate the relationship between intellectual capital and firm value.

Keywords: intellectual capital, VAICTM, financial performance, firm value, path analysis