

ABSTRACT

This study aims to determine the effect of intellectual capital and good corporate governance on company financial performance. In this study, Return on Assets (ROA) is used as a proxy of the company's financial performance. ROA is used to measure the effectiveness of the company in utilizing assets so that it can generate profits. Intellectual capital and good corporate governance will help companies improve their performance. The population in this study are financial sector companies listed on the Indonesia Stock Exchange in 2016-2018. Samples were obtained by purposive sampling method, obtained by 52 financial sector companies from 2016-2018. The total number of samples in this study were 156 study samples. This study uses multiple linear regression analysis as a data analysis tool. The results showed that the board of the institutional ownership, the board of commissioners, the proportion of independent commissioners, and the audit committee have no effect on company financial performance. The greater of the institutional ownership, the proportion of independent commissioners, and the audit committee have no effect on the level of financial performance. While intellectual capital and the board of commissioners have a positive effect on the company's financial performance. The greater intellectual capital and the board of commissioners influence the level of financial performance.

Keywords: Intellectual capital, Good corporate governance, Financial performance, Firm size