

ABSTRACT

Researches in Intellectual Capital have been conducted in many countries and in many aspects, but in Indonesia study of Intellectual Capital and its effect to firms' growth and firms' market value is still limited. Previous researches are also have many differents in its findings. The purpose of this research is to investigate the influence of Intellectual Capital of firm toward their growth and market value.

The Value Added Intellectual Coefficient (VAIC™) method is used to measure of Intellectual Capital. The samples of this study taken from banking companies listed in Indonesian Stock Exchange, with observation period of 2009 until 2010. The samples are collected by purposive sampling method and resulted 25 observation as samples. This study is an empirical study using Partial Least Square (PLS) for the data analysis.

The result show that Intellectual Capital influences positively to both firms' growth and firms' market value.

Keyword: Intellectual Capital, VAIC™, firms' growth, firms' market value, Partial Least Square (PLS)