

ABSTRACT

This study aims to examine the effect of intellectual capital on corporate financial performance. The components of intellectual capital used are the efficiency of human capital /HCE, structural capital efficiency/SCE, and capital employed efficiency/CEE. Indicators of the corporate financial performance used are return on assets (ROA) and asset turnover (ATO).

This study was conducted using a documentation study with secondary data. The analytical method in this study is a quantitative approach. The population in this study are companies listed on the Indonesia Stock Exchange (IDX) which are included in the LQ45 Index consistently in 2016-2018 and have published financial statements.

The results showed that: (1) human capital efficiency / HCE did not affect the rate of return on assets / ROA and had a significant negative effect on asset turnover / ATO. (2) structural capital efficiency/ SCE did not affect the rate of return on assets and asset turnover. (3) capital employed efficiency/ CEE had a significant positive effect on the rate of return on assets and asset turnover.

Keywords: Intellectual Capital, Corporate financial performance, Return on Assets (ROA), Asset Turnover (ATO).