



## THE EFFECT INTELLECTUAL CAPITAL ON SHARIA COMPANIES FINANCIAL PERFORMANCE IN TWO COUNTRIES IN 2012-2016

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### Abstract

The purpose of this study is to determine whether there is influence or not intellectual capital on the financial performance of sharia companies JII Indonesia and BMHSI Malaysia. The research samples were 28 JII companies and 6 BMHSI companies in 2012-2016. The data analysis method used in this study is the multiple regression analysis. The results showed that the VACA variable regression coefficient was 12,232 with a sig value of 0,000 on JII and 2,112 with a sig value of 0,045 on BMHSI; VAHU variable regression coefficient of 2.841 with a sig value of 0.005 on JII and 5.591 with a sig value of 0.000 on BMHSI; and STVA variable regression coefficient of 1.874 with a sig value of 0.063 on JII and -0.505 with a sig value of 0.618 on BMHSI. The conclusion of this study is that VACA and VAHU have a positive and significant effect on the financial performance of sharia JII companies as well as BMHSI and STVA which have a negative and no significant effect on the financial performance of sharia companies JII and BMHSI.

## INTRODUCTION

The higher level of competition forces companies to increase their assets with the aim of earning large profits. Correct and appropriate strategies are needed by the company to improve the company's performance to achieve its objectives. The aim of the company is to improve the welfare of the owner by optimizing the value of the company (Haryanto, 2014). In reality, there is an agency relationship that occurs, namely the relationship between managers and company owners (Yulianto et al., 2014). Even though there are differences in interests between the two parties, they have one common goal, which is to produce profits as much as possible.

The company has various alternative funding sources, both inside and outside the company (Wijayanto, 2010). One source of corporate funding from within the company is profit, while external capital can come from debt (Nugroho,

2014). The benefits of the company other than as an indicator of the company's ability to fulfill its obligations for those who have funds and also elements in the creation of company value that show the company's future prospects (Veronica, 2013). Every company seeks to maintain its survival by using company resources effectively and efficiently in maximizing the company's returns and capabilities in the face of a competitive business environment (Wahyuni, 2012).

Progress from various sectors in a company has resulted in many companies switching their business strategies. For the sake of business continuity in modern competition, a company must change its business strategy based on labor (business based business), now it must be replaced by a knowledge-based business. This makes the main characteristics of the company change into the characteristics of science in order to create corporate value and corporate competitive advantage.

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Knowledge, in its various form, is an important resource (Grant, 1996). Ngatno (2014) revealed that the most important and fundamental difference is that a resource-based view only implicitly refers to knowledge, while a knowledge-based view provides extensive elaboration on the nature and definition of knowledge and methods manage it.

Pramelasari (2010) reveals that labor-based business holds the principle of labor-intensive companies, in the sense that the more employees owned by the company will increase the productivity of the company so that the company can develop. Meanwhile, companies that implement knowledge-based business will create a way to manage knowledge (knowledge management) as a means of earning income. Thus, the income obtained by the company by implementing this knowledge-based business can provide added value to the business continuity of a company.

Knowledge-Based View (KBV) is a new extension of Resource-Based View (RBV) from the company and provides strong theoretical support for intellectual capital. KBV originates from the RBV and shows that knowledge in its various forms is in the interest of resources (Grant, 1996b; Machlup, 1984). The basic assumption of the knowledge-based theory of companies comes from a view of company-based resources. However, the company's resource-based outlook does not provide adequate recognition of knowledge.

According to Fleming in Wahdikorin (2010), a knowledge-based view is the role of companies developing new knowledge that is important for competitive advantage from unique combinations of knowledge.

Sawarjuwono and Kadir (2003) state that in this knowledge-based management system, conventional capital such as natural resources, financial resources and other physical assets becomes less important than capital based on knowledge and technology, because according to Hamidah et al. (2014), competitiveness lies not only in ownership of tangible assets but also in innovation, information systems, organizational management, and human resources. If the theory of resource-based companies shows that entrepreneurs expand the company by creating value for customers, knowledge-based theory from the company takes it to another level by concentrating on high-performance business practices on knowledge and knowledge management (Anantadjaya, 2008).

Knowledge-Based Theory of companies maintains a strong understanding that entrepreneurs and managers are rational. When additio-

nal information is obtained, human resources will increase their awareness. Higher levels of consciousness lead to higher knowledge. When additional knowledge is obtained, additional competencies are obtained. Additional competencies affect the quality of higher human resources for the company. Thus, knowledge has become a priority for companies to secure their sustainability in the long future (Anantadjaya, 2008).

Along with the development of science and technology, which is now increasingly increasing, researches on knowledge assets continue to be carried out by researchers. One approach used in assessing and measuring knowledge assets is Intellectual Capital (IC), which has become the focus of attention in the fields of management, information technology, sociology, and accounting.

Intellectual Capital (IC) is an intangible value created by human resources through knowledge, skills, experience, and motivation of staff and company resources including software, information technology and other resources (Stewart, 1997 in Khanhini et al., 2010). In addition, Intellectual Capital is an intangible asset with the ability to provide value to companies and communities including patents, intellectual property rights, copyrights, and franchises (Andriana, 2014).

In general, the term Intellectual Capital (IC) is used to refer to intangible assets or intangible business factors, which have a significant impact on overall business performance and success, even though they are not explicitly listed on the balance sheet (Mondal & Ghosh, 2012). Intellectual capital is considered as a source of knowledge which has an important role in increasing the wealth of the company. The role that intellectual capital has led to increasingly advanced technological developments and increasingly competitive business competition (Hamidah et al., 2014).

In general, the components of intellectual capital include (Bontis et al., 2000) Human Capital (HC) is the expertise and competence of employees in producing goods and services and their ability to be able to relate well to customers. Included in human capital are education, experience, skills, creativity, and attitude. 2) Structural Capital (SC) is an infrastructure owned by a company in meeting market needs. Included in structural capital are technology systems, company operational systems, patents, trademark, and training courses. 3) Customer Capital / Capital Employed (CE) are people associated with the company, who receive services provided by the company. Customer capital is the organizational

relationship of the people who do business with the organization.

Pulic (1998) developed an indirect measure of intangible assets in the form of intellectual capital using the Value Added Intellectual Capital (VAIC TM) method. The concept of value added is an overall objective indicator of business success and shows the company's ability to create value by including investment in resources including salaries and interest for financial assets, dividends, taxes, and research and development costs.

This measurement tool or model is a model that measures intellectual capital through added value generated through Value Added Capital Employed (VACA), Value Added Human Capital (VAHU), and Structural Capital Value Added (STVA) owned by the company (Pulic, 2000).

The purpose of this study is to determine whether there is an influence of intellectual capital (capital employed, human capital and structural capital) on the financial performance of sharia companies listed in the Jakarta Islamic Index (JII) and Bursa Malaysia Hijrah Sharia Index (BMHSI) for the period 2012-2016.

## DEVELOPMENT OF RESEARCH HYPOTHESES

The Capital Employed in this research is measured by an indicator, Value Added Capital Employed (VACA). Capital Employed is defined as the total capital used in a company's fixed and current assets (Pulic, 1998). The capital used is an asset value that contributes to the company's ability to generate income (Wahdikorin, 2010), so that if the capital used by a company is large, then the total assets of a company are also large, which results in increased corporate income. This can increase the company's profit on a number of assets owned by the company as measured by Return on Assets (ROA) so that it can be said that the company has good financial performance. So, the higher the VACA, the higher the Return on Assets (ROA) in a company. Therefore, Value Added Capital Employed (VACA) has a positive effect on ROA. Based on the theory and previous explanation, the hypothesis proposed in this study are as follows :

Ha1 : Capital Employed (VACA) has a positive effect on Return on Assets (ROA)

Human Capital is a source of innovation and development (Sawarjuwono & Kadir, 2004). To be able to improve company performance, the human capital itself must be managed and developed properly by a company.

When HR is managed well, it will increase employee productivity of a company where this has a positive impact on the company, namely increasing revenue and company profits. With increasing income and company profits, it can be said that employees are better at running the asset management process. So, the higher the VAHU, the higher the Return on Assets (ROA) in a company. Therefore, Value Added Human Capital (VAHU) has a positive effect on ROA. Based on the theory and previous explanation, the hypothesis proposed in this study are as follows :

Ha2 : Human Capital (VAHU) has a positive effect on Return on Assets (ROA)

Structural Capital is the organization's ability to fulfill routine processes and corporate structures that support employee efforts to produce optimal intellectual performance and overall business performance (Sawarjuwono & Kadir, 2003). Structural Capital is a supporting tool for Human Capital in improving company performance. When the STVA value is high, it means that the company has been able to fulfill the company's routine process and its structure efficiently so that it can be said that the company is getting better at managing company assets which are expected to increase company profits with a Return on Assets (ROA) proxy. So, the higher the STVA, the higher the Return on Assets (ROA) in a company. Therefore, Structural Capital Value Added (STVA) has a positive effect on ROA. Based on the theory and previous explanation, the hypothesis proposed in this study are as follows :

Ha3 : Structural Capital (STVA) has a positive effect on Return on Assets (ROA)

## METHOD

This study uses a quantitative approach and a type of descriptive research. Research design is a hypothesis testing research, namely by examining the relationship between variables hypothesized in the study. Data sources were obtained from secondary data with documentation techniques obtained from the annual financial statements of sharia-based companies listed in the Jakarta Islamic Index (JII) and Bursa Malaysia Hijrah Sharia Index (BMHSI) in 2012-2016.

The population in this study were 36 companies in JII and 10 companies in BMHSI. The samples used in this study were 28 JII companies and 6 BMHSI companies, which were determined using purposive sampling technique. The

companies selected as samples in this study are companies that meet the following criteria: 1) Companies that have sharia-based shares listed in the Jakarta Islamic Index (JII) and Bursa Malaysia Hijrah Sharia Index (BMHSI) during the 2012 period -2016; 2) Companies with complete financial statements for the period 2012-2016.

The dependent variable in this study is financial performance. The company's financial performance describes the financial condition of a company that is analyzed by financial analysis tools so that it can be known about the good or bad financial condition of a company that reflects work performance in a certain period (Safitri & Yulianto, 2015).

In Martono et al. (2018), performance indicates anything performed by employees, which may be in the forms of their task completion effectiveness, cooperation relationship with other parties, quality, and quantity of their job output, and their attendance at work. Individual performance can also be influenced by internal and external factors. The internal factors include intellectual ability, work discipline, job satisfaction, and job motivation. Meanwhile, the external factors involve the type of leadership, work environment, compensation, and the management system applied in the company (Emerald & Genoveva, 2014).

The dependent variable is proxied by Return on Assets (ROA). ROA is one of the profitability ratios that measure a company's effectiveness in generating profits by utilizing its assets. The financial ratio can be used to evaluate the company's financial condition and its performance (Rahmawati & Khoiruddin, 2017). Return on Assets (ROA), according to Safitri (2013) is a comparison between assets and profits. According to Maftukhah (2013), Return on Assets (ROA) is also often called Return on Investment (ROI) is a profitability ratio that is used to measure the effectiveness of a company in generating profits by utilizing assets it has. ROA reflects business profits and company efficiency in utilizing total assets (Chen et al., 2005). The formula used to calculate ROA is as follows:

$$ROA = (\text{earning before interest tax}) / (\text{total assets}) \times 100\%$$

The independent variable in this study is all the components of intellectual capital by Public (2000), including capital employed, human capital, and structural capital. The formula for calculating intellectual capital components is as follows:

Calculating Value Added (VA)

$$VA = OUT - IN$$

Where :

VA : Difference between output and input

OUT : Total revenue / total sales

IN : Operating Expenses (selling expenses and other costs)

Calculating VACA

$$VACA = VA / CA$$

Where :

VACA : Ratio of VA to physical capital working Capital Employed (CA)

VA : Difference in output with input

CA : Available funds (equity and net income)

Calculating VAHU

$$VAHU = VA / HC$$

Where :

VAHU : Ratio of VA to Human Capital (HC)

VA : Difference in output with input

HC : Employee Expenses

Calculating STVA

$$STVA = SC / VA$$

Where :

STVA : The ratio of Structural Capital (SC) to VA

SC : Difference between VA and human capital (employee expense)

VA : Difference in output with input

This study Total Asset Turnover (TATO) was used as a control variable. Total Asset Turnover (TATO) is a comparison between sales and total assets (Barus & Leliani, 2013).F According to Mondal and Ghosh (2012), this is the ratio of total turnover to total assets. This ratio is used to control the impact of total assets on company performance. The TATO calculation formula is as follows:

$$TATO = \text{Total Sales} / \text{Total Assets}$$

The data analysis method used is multiple



regression analysis to test the effect of independent variables VACA, VAHU, STVA, and TATO control variables on the dependent variable ROA. The multiple regression analysis models in this study are:

$$ROA = \alpha + \beta_1 VACA + \beta_2 VAHU + \beta_3 STVA + \beta_4 TATO + \varepsilon$$

Where :

$\alpha$  : Constants

$\beta_1$  : VACA variable coefficient

$\beta_2$  : VAHU variable coefficient

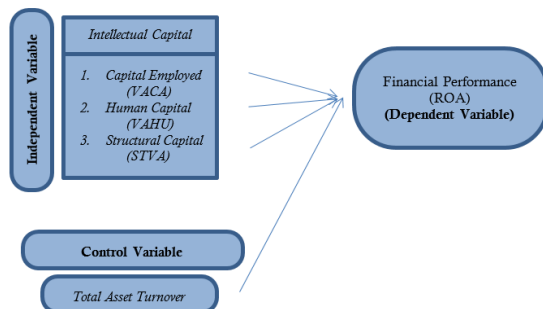
$\beta_3$  : STVA variable coefficient

$\beta_4$  : TATO variable coefficient

$\varepsilon$  : Standard Error

Estimation of regression models in this study using a partial test (t-test). Before the regression hypothesis test is used, the classic assumption test that underlies the use of the regression equation. The classic assumption test includes a normality test, autocorrelation test, multicollinearity test, and heteroscedasticity test.

**Figure 1. Research Model**



## RESULT AND DISCUSSION

### INDONESIA

Before testing the hypothesis, a descriptive analysis of data research statistics is first performed. The results of the descriptive analysis of statistical research can be seen in Table 1.

**Table 1. Descriptive Statistics Results**

	N	Min	Max	Mean	Std. Dev
ROA	139	-4,32	34,48	9,5392	7,99897
VACA	139	-,02	,65	,2662	,13424
VAHU	139	-,78	33,08	5,6621	4,71426
STVA	139	-2,38	3,47	,7669	,50127
TATO	139	,08	2,43	,8618	,47584

Table 1 shows that the VACA variable has the lowest value of -0,02 obtained from Aneka Tambang (Persero) Tbk, and the highest value of 0,65 is obtained from Surya Citra Media Tbk. The average value of the VACA variable is 0,2662 with a standard deviation of 0,13424. The VAHU variable obtained the lowest value of -0,78 owned by the Indika Energy Tbk company while the highest value of 33,08 was obtained from Pakuwon Jati Tbk. The average value of the VAHU variable is 5,6621 with a standard deviation of 4,71426.

The STVA variable obtained the lowest value of -2,38 owned by the Indika Energy Tbk company while the highest value of 3,47 was obtained from the Aneka Tambang (Persero) Tbk company. The average value of the STVA variable is 0,7669 with a standard deviation of 0,50127. ROA Variable is known as the lowest value, which is equal to -4,32 obtained from the company Charoen Pokphand Indonesia Tbk while the highest value obtained is 34,48 obtained from the company Surya Citra Media Tbk. The average value of ROA is 9,5392 with a standard deviation of 7,99897.

### Classic Assumption Test of JII

Before doing the hypothesis test, first, do the classic assumption test. The classic assumption test results from JII companies in this study are as follows :

**Table 2. Kolmogorov-Smirnov Test Result**

Unstandardized Residual	
K o l m o g o r o v -	0,050
Smirnov	
Asymp. Sig (2-tailed)	0,200

Table 2 shows that the regression model used has a K-S statistical value of 0,050 with a significant probability of 0,200, which is greater than the value of  $\alpha = 0,05$ . It can be concluded that the data is normally distributed.

**Table 3. Multicollinearity Test Result**

	Tolerance	VIF
VACA	0,773	1,293
VAHU	0,801	1,249
STVA	0,883	1,133
TATO	0,777	1,287

Table 3 shows that the Tolerance value of all independent variables (VACA, VAHU

& STVA) is greater than 0,10, and the VIF value shows a value of less than 10. So, it can be concluded that the regression model used in this study does not occur multicollinearity between variables.

**Table 4.** Durbin-Watson Test Result

Std. The error of the Estimate	Durbin-Watson
5,02759	2,118

Table 4 shows that the Durbin-Watson value is 2,118 and the value of  $d_u = 1,7830$ , so the value of  $d_u < d < 4-d_u$  is  $1,7830 < 2,118 < 2,217$ . From the results of these calculations, the results of the Durbin-Watson regression study equation are not autocorrelated.

**Figure 2.** Scatterplot Test Result

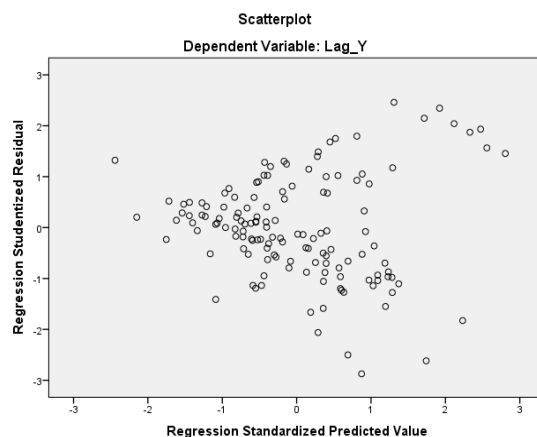


Figure 2 results from scatterplot testing; it can be seen that the points spread randomly around point 0 on the Y-axis. It can be concluded that there was no heteroscedasticity in this study.

### Multiple Regression Analysis of JII

$$\text{LagROA} = -3,805 + 44,347 \text{ VACA} + 0,288 \text{ VAHU} + 1,703 \text{ STVA} - 1,624 \text{ TATO} + e$$

The results show that if the VACA, VAHU, STVA, and TATO variables are 0, then the financial performance variable (ROA) is -3,805. Each increase in the VACA variable is 1 unit while other variables are considered constant, so it will increase the average financial performance variable (ROA) by 44,347. Each increase in the VAHU variable is 1 unit while the other variables are considered constant, so it will increase the average variable financial performance (ROA) by 0,288.

Each increase in the STVA variable by 1 unit while the other variables are considered constant, then it will increase the average variable financial performance (ROA) by 1,703.

### MALAYSIA

The results of the descriptive analysis of statistical research can be seen in Table 5.

**Table 5.** Descriptive Statistics Results

	N	Min	Max	Mean	Std. Dev
ROA	29	,02	,16	,0851	,04889
VACA	29	,07	,50	,2310	,14283
VAHU	29	,09	5,56	3,0667	1,99584
STVA	29	-,03	,80	,4994	,26903
TATO	29	,16	,55	,3295	,11478

Table 5 shows that the VACA variable has the lowest value of 0,07 obtained from Axiata Group Bhd, and the highest value of 0,50 is obtained from Maxis Bhd. The average value of the VACA variable is 0,2310 with a standard deviation of 0,14283. The VAHU variable obtained the lowest value of 0,09 owned by the Malaysian Telekom company while the highest value obtained was 5,56 obtained from Petronas Gas. The average value of the VAHU variable is 3,0667 with a standard deviation of 1,99584.

The STVA variable obtained the lowest value of -0,03 owned by the Malaysian Telekom company while the highest value of 0,80 was obtained from the Petronas Gas company. The average value of the STVA variable is 0,4994 with a standard deviation of 0,26903. The lowest ROA variable is 0,02 obtained from IHH Healthcare companies while the highest value obtained is 0,16 obtained from Maxis Bhd and Petronas Gas companies. The average value of ROA is 0,0851 with a standard deviation of 0,04889.

### Classic Assumption Test of BMHSI

The classic assumption test results from BMHSI companies in this study are as follows :

**Table 6.** Kolmogorov-Smirnov Test Result

Unstandardized Residual	
Kolmogorov-Smirnov	0,112
Asymp. Sig (2-tailed)	0,200

Table 6 shows that the regression model used has a K-S statistical value of 0,112 with a significant probability of 0,200, which is greater

than the value of  $\alpha = 0,05$ . It can be concluded that the data is normally distributed.

**Table 7.** Multicollinearity Test Result

	Tolerance	VIF
VACA	0,725	1,379
VAHU	0,119	8,385
STVA	0,118	8,504
TATO	0,750	1,334

Table 7 shows that the Tolerance value of all independent variables (VACA, VAHU & STVA) is greater than 0,10, and the VIF value shows a value of less than 10. So, it can be concluded that the regression model used in this study does not occur multicollinearity between variables.

**Table 8.** Durbin-Watson Test Result

Std. The error of the Estimate	Durbin-Watson
0,01631	1,880

Table 8 shows that the Durbin-Watson value is 1,880 and the  $d_u$  value is 1,7386, so the value of  $d_u < d < 4-d_u$  is  $1,7386 < 1,880 < 2,2614$ . From the results of these calculations, the results of the Durbin-Watson regression study equation are not autocorrelated.

**Figure 3.** Scatterplot Test Result

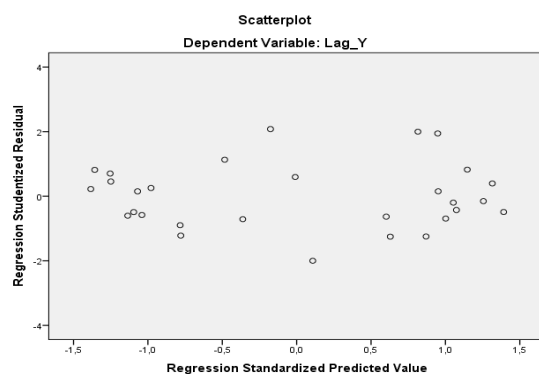


Figure 3 results from scatterplot testing; it can be seen that the points spread randomly around point 0 on the Y-axis. It can be concluded that there was no heteroscedasticity in this study.

### Multiple Regression Analysis of BMHSI

$$\text{LagROA} = -0,016 + 0,054 \text{ VACA} + 0,025 \text{ VAHU} - 0,017 \text{ STVA} + 0,062 \text{ TATO} + e$$

The results show that if the VACA, VAHU, STVA, and TATO variables are 0, then the financial performance variable (ROA) is -0,016. Each increase in the VACA variable is 1 unit while other variables are considered constant, so it will increase the average variable of financial performance (ROA) by 0,054. Each increase in VAHU variable is 1 unit while other variables are considered constant, so it will increase the average financial performance variable (ROA) by 0,025. Each increase in the STVA variable by 1 unit while the other variables are considered constant, it will reduce the average variable financial performance (ROA) by -0,017.

The test results of the coefficient of determination (R-Square) and partial test (t-test) and the research hypothesis decisions on sharia companies of JII and BMHSI in this study are summarized in a table. The following are the results of the R-Square test and Adj. R-Square and partial test results (t-test) :

**Table 9.** Recapitulation of T-Test Results, Determination Coefficient and Hypothesis (Ha)

NO.	TYPE OF TEST	OBJECT OF RESEARCH	OF RESEARCH
		I N D O - NESIA	MALAY-SIA
1	<b>T-Test</b>	T : 1,9775	T : 2,0555
	a. VACA	12,232	2,112
	b. VAHU	2,841	5,591
	c. STVA	1,874	-0,505
	d. TATO	-1,592	2,010
2	<b>Coefficient of Determination</b>		
	- R Square	0,616	0,905
	- Adj. R Square	0,605	0,889
3	<b>Hypothesis (Ha)</b>		
	a. VACA --- ROA	Accepted	Accepted
	b. VAHU --- ROA	Accepted	Accepted
	c. STVA --- ROA	Rejected	Rejected
	d. TATO --- ROA	Rejected	Rejected

Table 9 above shows the following results :

In sharia companies of JII Indonesia, the value of Adj. R Square is 0,605. This shows that only 60,5% of the variation in financial performance (ROA) can be explained by intellectual capital variables (VACA, VAHU, STVA) with one control variable namely TATO, while the remaining 39,5% is explained by other variables outside the research variable. And for sharia companies of BMHSI Malaysia, the value of Adj. R Square is 0,889. This shows that 88,9% of the variation in financial performance (ROA) can be explained by intellectual capital variables (VACA, VAHU, STVA) with one control variable namely TATO, while the remaining 11,1% is explained by other variables outside the research variable.

The results showed that in sharia company of JII, the VACA variable had a t-count value of 12,232 and t-table of 1,9775 with a significance level of 0,000 <0,05. This shows that the VACA JII company has a positive and significant effect on ROA. And in the BMHSI sharia company, the VACA variable has a t-count value of 2,112 and t-table of 2,0555 with a significance level of 0,045 <0,05. This also shows that the BMHSI company VACA has a positive and significant effect on ROA. The results of this study generally indicate that H0 is rejected and Ha1 is accepted which means that Capital Employed proxied by VACA has a positive effect on the company's financial performance (ROA) listed on the Jakarta Islamic Index (JII) and Bursa Malaysia Hijrah Shariah Index (BMHSI).

The results of this study are similar to the research conducted by Chen et al. (2005), Mondal and Ghosh (2012), Wang (2011) and Maesaroh and Rahayu (2015) which state that capital employed has an influence on financial performance (ROA). With the acceptance of Ha1, can be explained that JII and BMHSI companies have been able to utilize resources in the form of capital assets which if managed properly will improve company performance. This condition is very advantageous because it shows management's ability to manage company assets.

VAHU variable in company JII has t-count of 2,841 and t-table of 1,9775 with a significance level of 0,005 <0,05. This shows that VAHU JII company has a positive and significant effect on ROA. And the VAHU variable in the BMHSI company has a t-count of 5,591 and t-table of 2,0555 with a significance level of 0,000 <0,05. This also shows that the VAHU of the BMHSI

company has a positive and significant effect on ROA. The results of this study generally indicate that H0 is rejected and Ha2 is accepted, which means that Human Capital proxied by VAHU has a positive effect on the company's financial performance (ROA) listed on the Jakarta Islamic Index (JII) and Bursa Malaysia Hijrah Shariah Index (BMHSI).

The results of this study are similar to the research conducted by Chen et al. (2005), Mondal and Ghosh (2012), Khanhossini et al. (2011) and Hamidah et al. (2014) which states that human capital has an influence on financial performance (ROA). However, other studies show different results with several previous studies, namely Pramelasari (2010) and Maesaroh and Rahayu (2015). The results of this study provide a strong contribution to the knowledge-based view that makes all the knowledge resources owned by the company able to provide excellence and be able to improve company performance. The more efficient the company in utilizing human capital, the better the company's performance in increasing customer loyalty and corporate income.

In JII companies, the STVA variable has a t-count of 1,874 and t-table is 1,9775 with a significance level of 0,063 > 0,05. This shows that the STVA variable JII company does not have a positive and not significant effect on ROA. And at the BMHSI company, the STVA variable has a t-count of -0,505 and t-table of 2,0555 with a significance level of 0,618 > 0,05. This also shows that the STVA variable of the BMHSI company also has a negative and not significant effect on ROA. The results of this study generally indicate that H0 is accepted and Ha3 is rejected, which means that Structural Capital proxied by STVA negatively affects the financial performance (ROA) of companies listed on the Jakarta Islamic Index (JII) and Bursa Malaysia Hijrah Shariah Index (BMHSI).

The results of this study are similar to the research conducted by Maditinos et al. (2011), Mondal and Ghosh (2012), and Maesaroh and Rahayu (2015) which stated that structural capital does not have a positive effect on financial performance (ROA). Different results are shown by research by Chen et al. (2005), Khanhossini et al. (2011) and Hamidah et al. (2014) which show that structural capital has a significant positive effect on ROA. An individual can have a high level of intellect, but if the organization has poor systems and procedures, intellectual capital cannot achieve optimal performance and the potential that exists cannot be maximally utilized.



So, it can be concluded that the results of the research on the two research object companies have the same results of hypothesis testing (Ha), which are both accepting Ha1 and Ha2 also equally rejecting Ha3 and Ha4.

Companies whose shares are listed as sharia securities are very different from companies whose shares are not included in the list of sharia securities; this is because, in order to be able to enter into the list of sharia securities, a company must be able to meet the criteria of the established sharia securities list. In the financial aspect, there are at least two criteria that must be obeyed (Khoiruddin & Faizati, 2014).

**Table 10.** Average for Characteristics of Sharia Companies in JII and BMHSI

O B J E C T (EMITENT)	SHARIA	SHARE CRITERIA
	DEBT : ASSETS (<45%)	NOT HALAL INCOME : BUSINESS REVENUE (<10%)
JII	32%	1%
BMHSI	31%	1%

Based on the table above, it can be seen that JII and BMHSI companies have met the criteria for sharia stock companies. The first criterion is that companies must have debt (interest-based) less than assets; the amount of debt must be no more than 45%. For JII companies, there is an average debt of 32%, and the BMHSI company has a debt of 31%. The average amount of debt in both of them is less than 45%, so for the first criteria, JII and BMHSI companies are tested and included in sharia share companies.

The second criterion is the amount of non-halal income (interest-based) should not be more than 10%. The table above shows that the amount of non-halal income for companies JII and BMHSI, both of them have an average of non-halal income of 1%. Because non-halal income shows a percentage of number 1 and it is less than 10%, the JII and BMHSI companies pass the criteria of the two sharia stock companies.

## CONCLUSION & RECOMMENDATION

Based on the results of the research that has been done, the conclusions of this study are:

1) Capital Employed which is proxied by VACA and Human Capital which is proxied by VAHU has a positive and significant effect on financial performance (ROA) of companies listed in the Jakarta Islamic Index (JII) and Bursa Malaysia Hijrah Shariah Index (BMHSI) in 2012-2016. This indicates that capital employed and human capital has an influence on the company's financial performance. 2) Structural Capital proxied by STVA has a negative and no significant effect on the financial performance (ROA) of companies listed in the Jakarta Islamic Index (JII) and Bursa Malaysia Hijrah Shariah Index (BMHSI) in 2012-2016. This indicates that structural capital has no influence on the company's financial performance.

The suggestion for further research is to use other Intellectual Capital (IC) measurement models to get more accurate and better results. For investors, they must be more careful in considering the intellectual capital owned by the company because of the important role of the company's intellectual capital to create value for the company. For this reason, companies must develop, manage, and report ICs to improve the company's financial performance and to attract potential investors to invest their capital.

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