

ABSTRACT

The application of knowledge based business or business based on knowledge in a company to provide excellence along with the rapid competition between businesses, will depend on how the ability of management to utilize the values of intangible assets in creating added value or value added. One approach used in measuring intangible assets is intellectual capital. Measurements used are based on the pulic method, namely using components from Value Added Intellectual Coefficient (VAICTM) in the form of Value Added Capital Employed (VACA), Value Added Human Capital (VAHU), and Structural Capital Value Added (STVA).

This study aims to determine the effect of intellectual capital on profitability and productivity. The independent variable in this study is intellectual capital which is proxied by Value Added Capital Employed (VACA), Value Added Human Capital (VAHU), and Structural Capital Value Added (STVA). The dependent variable in this study is profitability which is proxied by Return On Assets (ROA) and productivity which is proxied by Asset Turn Over (ATO).

The population used in this study is the infrastructure, utilities, and transportation companies listed on the Indonesia Stock Exchange for the period 2014-2017. The number of samples used was 19 companies with a study period of 4 years to obtain 76 observation data. The data analysis technique used is quantitative analysis with panel data regression analysis methods and uses the Eviews 9.0 application.

Based on the results of testing, simultaneously showing intellectual capital has a significant effect on profitability and productivity. Partially shows Value Added Capital Employed (VACA) has a significant positive effect on Return On Assets (ROA) and Asset Turn Over (ATO). Variable Value Added Human Capital (VAHU) has a significant negative effect on Return On Assets (ROA) and has no effect on Asset Turn Over (ATO). Variable Structural Capital Value Added (STVA) has a positive effect on Return On Assets (ROA) and has no effect on Asset Turn Over (ATO).

For further researchers it is recommended to use other variables on the factors that influence the financial performance. For company management, it is recommended to consider the application in the management and utilization of the company's intellectual capital to improve financial performance and increase the attractiveness of investors to invest.

Keywords: *Return On Asset (ROA); Asset Turn Over (ATO); Value Added Capital Employed (VACA); Value Added Human Capital (VAHU); Structural Capital Value Added (STVA)*