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PENGARUH KAPITAL INTELEKTUAL DAN UKURAN PERUSAHAAN TERHADAP KINERJA KEUANGAN (Studi Empiris Perusahaan Perbankan yang Terdaftar di Bursa Efek Indonesia 2020-2023)

THE INFLUENCE OF INTELLECTUAL CAPITAL AND COMPANY SIZE ON FINANCIAL PERFORMANCE (Empirical Study of Banking Companies Listed on the Indonesian Stock Exchange 2020-2023)

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Abstract

Financial performance is one of the important aspects for a company because it is a guideline for describing the financial condition. Factors that can affect financial performance are Intellectual capital and company size. Good intellectual capital will create added value and improve the company's financial performance, likewise company size is also important in the financial reporting process, because large companies basically have greater financial strength in supporting performance. This study aims to determine the effect of intellectual capital on financial performance and the effect of company size on financial performance in banking companies listed on the IDX for the period 2020 - 2023. This study uses descriptive research with a quantitative approach. The data collection technique used in this study is secondary data. The population in this study was 47 Banking Companies. The sampling technique used was purposive sampling so that the sample in this study was 37 companies, the observation period was 4 years, so the amount of data used in this study was 148. Data analysis using classical assumption tests, multiple linear regression analysis, coefficient of determination and hypothesis testing using partial tests with t-tests. The results of the study show that there is a significant influence of intellectual capital on financial performance and there is no significant influence of company size on financial performance.

Keywords : *Intellectual Capital, Company Size, Financial Performance.*

Abstrak

Kinerja keuangan merupakan salah satu aspek penting bagi suatu perusahaan karena berfungsi sebagai pedoman untuk menggambarkan kondisi keuangan. Faktor-faktor yang dapat mempengaruhi kinerja keuangan antara lain modal intelektual dan ukuran perusahaan. Kapital intelektual yang baik akan menciptakan nilai tambah dan meningkatkan kinerja keuangan perusahaan, demikian pula ukuran perusahaan juga penting dalam proses pelaporan keuangan, karena perusahaan besar secara umum memiliki kekuatan keuangan yang lebih besar dalam mendukung kinerja. Penelitian ini bertujuan untuk menentukan pengaruh kapital intelektual terhadap kinerja keuangan dan pengaruh ukuran perusahaan terhadap kinerja keuangan pada perusahaan perbankan yang terdaftar di IDX untuk periode 2020–2023. Penelitian ini menggunakan metode penelitian deskriptif dengan pendekatan kuantitatif. Teknik pengumpulan data yang digunakan dalam penelitian ini adalah data sekunder. Populasi dalam penelitian ini adalah 47 perusahaan perbankan. Teknik sampling

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yang digunakan adalah purposive sampling, sehingga sampel dalam penelitian ini adalah 37 perusahaan. Periode pengamatan adalah 4 tahun, sehingga jumlah data yang digunakan dalam penelitian ini adalah 148. Analisis data menggunakan uji asumsi klasik, analisis regresi linier berganda, koefisien determinasi, dan uji hipotesis menggunakan uji parsial dengan t-test. Hasil penelitian menunjukkan bahwa terdapat pengaruh yang signifikan dari modal intelektual terhadap kinerja keuangan, dan tidak terdapat pengaruh yang signifikan dari ukuran perusahaan terhadap kinerja keuangan.

Kata kunci : Modal Intelektual, Ukuran Perusahaan, Kinerja Keuangan.

1. INTRODUCTION

Financial performance indicates how well a company's management can manage and oversee its assets over a specific period (Gede, 2024). Strong financial performance will enable a business to achieve maximum profitability and generate a high return on investment. To improve its financial performance, every company must be able to generate profits. Profitability requires competent employees who can contribute to the business. To maintain public and investor trust and ensure stable profit growth, company executives and staff also focus more on maximizing business performance. Financial Accounting Standards state that net profit is often used as a performance indicator (Saragih & Sihombing, 2021). Profit shown in financial statements is an important indicator for evaluating a company's financial health in the context of performance evaluation. This report provides a basis for external parties, such as investors, to make informed investment decisions.

Investors assess a company's success and prospects based on its financial performance. Evaluating financial success also contributes to increased public and customer trust in the company's legitimacy. Financial performance reported in financial statements assists internal stakeholders in decision-making and provides information about the company's financial condition (Saragih & Sihombing, 2021).

Return on Assets (ROA) is a profitability ratio used in this study to measure financial performance. This ratio evaluates how well a business generates profits from its assets. Yogasnumurti (2023) emphasized that many consider the Return on Assets (ROA) ratio to be an important indicator of a company's management success. This ratio evaluates how well a business generates income from its assets. This ratio provides information on a company's financial stability and long-term growth potential, as well as an overview of operational efficiency.

A Sahara (2024) article in Investor Daily stated that the banking sector experienced a significant decline in profits in early 2024, with a net profit of IDR 20.88 trillion. Compared to January 2023, when net profit reached IDR 22.06 trillion, this figure represents a 5.35% decrease. The inability to maintain financial performance was cited as the cause of the decline in profitability. Therefore, Indonesian banks are driven to improve their financial performance, particularly by increasing profitability.

Leverage, business operations, accounting conservatism, intellectual capital, good corporate governance, company size, and capital structure are some of the variables that can influence a company's financial performance. Company size and intellectual capital are the variables examined in this study to determine their impact on financial performance.

According to Crisnadani et al. (2021), intellectual capital is knowledge-based capital

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that helps businesses create value, such as employees and technology. Because banks rely on trust to manage the finances of their owners and the public, intellectual capital is crucial to the banking industry. Banking companies need highly qualified individuals with high moral standards to maintain trust. To be competitive, banks must have strong intellectual capital, which ensures they have highly skilled, creative, and forward-thinking members to handle any future obstacles.

Saragih & Sihombing (2021) continued that management strategies must change due to the rapid development of globalization, information technology, innovation, and intense competition. The implementation of a knowledge-based approach in practice is transforming the way companies create value. Management's ability to efficiently utilize resources to create value is crucial to company growth. Employees are the operational strength and crucial in making decisions that ensure long-term business survival.

The Value Added Intellectual Coefficient (VAIC™) approach was used in this study to measure intellectual capital. This approach was chosen because it assesses intellectual capital, which includes structural capital, human capital, and relational capital. A company's financial statements can be used to determine the necessary calculations. Effective management of structural capital, human capital, and relational capital creates value for the business and ultimately improves its financial performance, according to stakeholder theory (Saragih & Sihombing, 2021). This is in line with research by Permata et al. (2021), which found that intellectual capital significantly improves a company's financial performance.

A company's total assets are typically used to measure its size because they represent its capital, rights, and responsibilities. A company's overall growth and development are influenced by its size (Saragih & Sihombing, 2021). According to research by Injayanti et al. (2020), company size has a significant impact on financial performance, with larger companies often receiving greater public attention.

2. RESEACRH METHOD

This research uses a quantitative approach combined with a descriptive approach. According to Sugiyono (2019) Descriptive research is related to the examination of the condition of a group of people, an object, a series of circumstances, ways of thinking, or categories of events at a certain time, research on banking sub-sector service companies listed on the Indonesia Stock Exchange (IDX) during the period 2020 to 2023. Annual financial reports can be obtained from the official IDX website (www.idx.co.id) or access the company's data through the Indonesia Capital Market Directory (ICDM), The research variables in this study are divided into two (2) groups:

Dependent Variable (Y)

The profitability ratio formula using Return On Assets (ROA) used by Agustina et al, (2023) on financial performance is measured by:

$$ROA = \frac{Earnings\ After\ Interest\ and\ Tax}{Total\ Asset\ t}$$

Independent Variable (X)

a. *Intellectual Capital* (X1)

VAICTM = VACA+VAHU+STVA

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Information :
VAICTM = *Value Added Intellectual Coefficient*
VACA = *Value Added Capital Employed*
VAHU = *Value Added Human Capital*
STVA = *Value Added Structural Capital*

The following is the formula for these components:

1. *Value Added Capital Employed* (VACA)

$$VACA = \frac{VA}{CE}$$

Information:
VA = *Value Added*
CE = Available funds (Total equity and net profit)

2. *Value Added Human Capital* (VAHU)

$$VAHU = \frac{VA}{HC}$$

Information:
VA = *Value Added*
HC = Employee salary and benefits

3. *Value Added Structural Capital* (STVA)

$$STVA = \frac{SC}{VA}$$

Information:
SC = VA-HC
VA = *Value Added*

b. Company Size (X2)
Company Size = Ln (*Total Assets)*

The population of this study is 47 Banking Services Companies listed on the Indonesia Stock Exchange (IDX) and the research sampling uses *a purposive sampling technique.* The samples used in this study (Sugiyono, 2019) : Banking services companies listed on the Indonesia Stock Exchange (IDX) in 2020 to 2023 , Types and Sources of Data are Secondary data including the company's annual financial reports published and sourced from the Indonesia Stock Exchange (IDX) database for 2020-2023.

Data Collection Procedures : Because the data in this study are expressed as numerical values indicating the magnitude of the variables being studied, the data are quantitative. Quantitative data is used to understand the events behind the data. Primary data is the data source that directly provides data to the data collector (Sugiyono, 2019) .

Data analysis techniques are methods used to obtain research results and reach conclusions. In analyzing data, descriptive and verification analysis methods are used.

Descriptive analysis method is used to describe the characteristics of respondents and research variables,

While the verification analysis method is used to test the research hypothesis by developing relevant statistical tests, verification analysis is a research approach used to

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assess the validity of the hypothesis before statistical analysis is carried out to obtain conclusions. In the verification analysis, classical assumption tests are carried out consisting of multicollinearity tests, autocorrelation tests, heteroscedasticity tests , and normality tests. Then, the coefficient of determination, multiple regression analysis, and Kd hypothesis tests and t-tests are carried out. These statistical calculations are carried out with the help of a computer, namely the SPSS (*Standard Product and Service Solution*) program.

3. RESULT AND DISCUSSION

Using data from www.idx.co.id, this study examines how Intellectual Capital influences the financial performance of banking companies, how company size influences financial performance, and how both factors collectively influence the financial performance of banking companies listed on the Indonesia Stock Exchange between 2020 and 2023.

The data in this study are secondary data, namely data obtained from other parties or data obtained indirectly from the first source. The data processed and used in this study are sourced from the financial reports of banking companies listed on the Indonesia Stock Exchange for the 2020-2023 period. The banking companies that are the samples in this study are as follows:

No	Information	Amount
1	Number of banking services sector companies listed on the Indonesia Stock Exchange	47
2	Financial service providers who have published financial reports periodically.	1
3	Banking financial reports that do not have complete research data from 2020 to 2023.	9
4	Inaccessible banking financial reports.	0
Number of sample companies		37
Research Observation Year		4
Total number of samples during the study period		148

Source: Processed Secondary Data, 2024

4.1 Descriptive Analysis

Financial performance is the dependent variable of the study, while company size and Intellectual Capital are the independent factors.

Table 4.2

Descriptive Statistical Test

Descriptive Statistics

	N	Minimum	Maximum	Mean	Standard Deviation
Intellectual Capital	148	-42.30	572.24	30.2096	44.68498
Size	148	28.00	35.24	31,5002	2.76906

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Financial performance	148	-18.06	8.48	.6730	3.70491
Valid N (listwise)	148				

Based on Table 4.2, the average (mean) intellectual capital value is 30.209, indicating the average level of company capability in terms of knowledge, ability, development, management, and expertise. The company with the highest (maximum) intellectual capital is Bank Rakyat Indonesia Agro Niaga Tbk in 2023 at 572.24, indicating that Bank Rakyat Indonesia Agro Niaga Tbk's capability level in 2023 is the highest among the other sample companies. Meanwhile, the lowest (minimum) value is found in Bank Maybank Indonesia Tbk. in 2023 at -42.30, indicating that Bank Maybank Indonesia Tbk.'s capability level in 2023 is the lowest among the sample companies. The standard deviation value for the intellectual capital variable is 44.684. This value is greater than the average (mean) value, thus indicating it is higher than the mean. This implies that there is substantial diversity in the data, indicating varying levels of intellectual capital among the companies in the sample.

Table 4.2 also shows that the average value (mean) of company size is 31.50, indicating the average level of company performance capability in identifying areas of improvement and strategic decision-making. The company with the highest (maximum) company size value is Bank Mandiri Tbk at 35.24, indicating that Bank Mandiri Tbk's capability level is the highest among the other sample companies. Meanwhile, the lowest (minimum) value is found in PT Krom Bank Indonesia Tbk in 2020 at 28.00, indicating that PT Krom Bank Indonesia Tbk's capability level in 2022 is the lowest among the sample companies. The standard deviation value for the company size variable is 2.769, this value is smaller than the average value (mean), thus indicating that there is a distribution of data with small deviations. So the smaller the distribution value, the more similar (homogeneous) the variation in data values and there is no too high difference between one data and another.

Furthermore, Table 4.2 shows that the average (mean) value of company performance is 0.673, indicating the efficiency and effectiveness of the company's operations. The company with the highest (maximum) company performance is Bank BTPN Syariah Tbk in 2022 at 8.48, indicating that Bank BTPN Syariah Tbk's capability level in 2022 is the highest among the other sample companies. Meanwhile, the lowest (minimum) value is found in Bank Raya Indonesia Agroniaga Tbk in 2021 at -18.6, indicating that Bank Raya Indonesia Agroniaga Tbk's capability level in 2021 is the lowest among the sample companies. The standard deviation value for the company performance variable is 3.704, which is greater than the average (mean) value. This implies that there is substantial diversity in the data, indicating varying levels of financial performance among the companies in the sample.

4.2 Verification Analysis

4.2.1 Normality Test

The normality test is carried out using the histogram graph test, the P-Plot graph and the Kolomogrov-Smirnov (KS) test. In this normality test, there are two ways to

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detect whether the residuals are normally distributed or not, namely by graphical analysis and statistical tests. Normal or near-normal distribution is a good regression model (Ghozali, 2018) . *One-Sample Kolmogorov-Smirnov* is a normality test, residual data is normally distributed if *the Asmp. Sig. (2-tailed) value* is greater than 0.05. The results of the normality test with the Kolomogrov-Smirnov (KS) nonparametric statistical test can be seen in the following table:

Table 4.3

Data Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		148
Normal Parameters [a,b]	Mean	.0000000
	Standard Deviation	.45487412
Most Extreme Differences	Absolute	.153
	Positive	.297
	Negative	-.064
Test Statistics		.097
Asymp. Sig. (2-tailed)		.200 [c,d]

a. Test distribution is Normal.

b. Lilliefors Significance Correction.

Based on the results of the normality test in Table 4.3, it is known that the KS value for the intellectual capital, company size, and financial performance variables is 0.97 with an Asymp. Sig. (2-tailed) of 0.200 greater than 0.05. This means that the intellectual capital, company size, and financial performance data are normally distributed. In this study, in addition to using the Kolmogorov-Smirnov (KS), the data normality test also uses a histogram graph. The following is a histogram graph of the normality test results:

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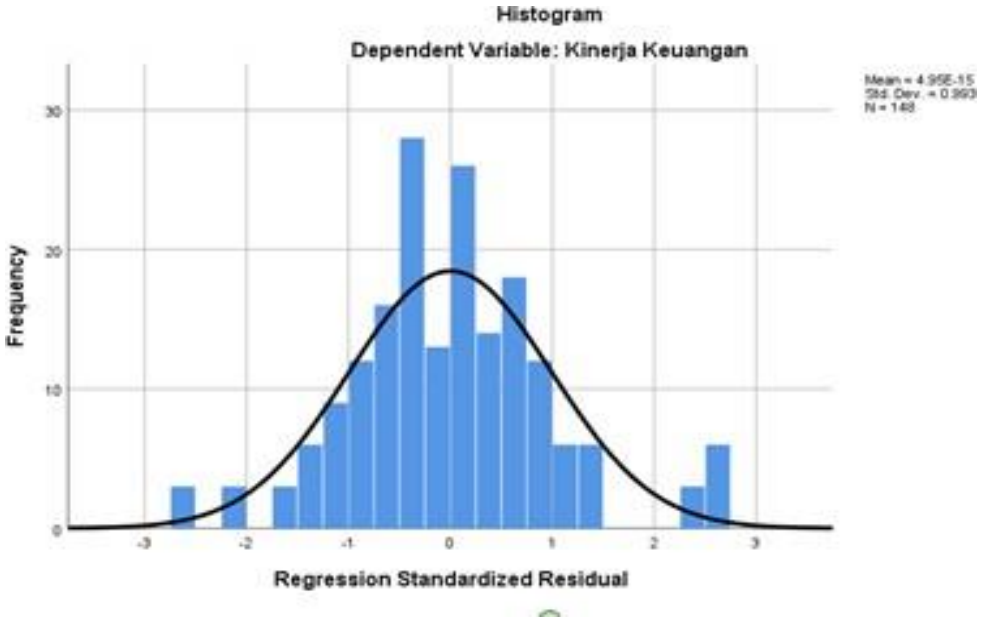

Figure 4.1
Results of Normality Test with Histogram Graph

Figure 4.1 shows the results of a normality test using a histogram. The histogram shows that the data is normally distributed because it is neither skewed to the left nor to the right. This is in line with (Ghozali, 2018) , who stated that a histogram is considered normal if the data distribution forms a bell shape, neither skewed to the left nor to the right.

Figure 4.2
Normal Plot Graph

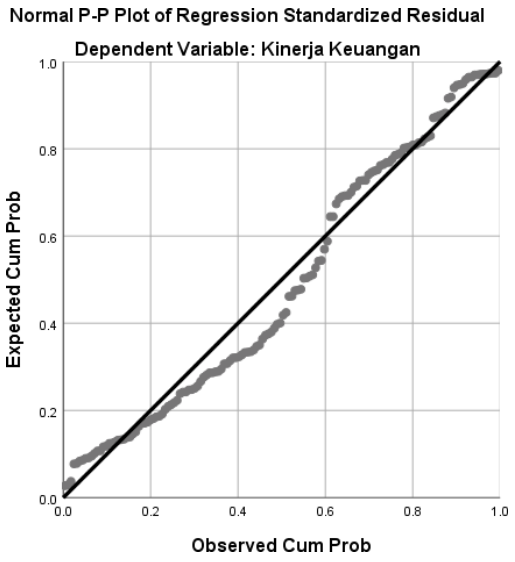

Figure 4.2 above shows a P-Plot graph showing data distribution points located on a straight line spreading along the diagonal line. A PP Plot graph is said to not meet the normality assumption requirements if the items are spread far from the diagonal line and do not follow the diagonal line direction (Ghozali, 2018). The graph above provides

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an explanation of the curve showing the shape of the PP Plot around the regression line. The PP Plot graph above shows that the data is spread around the diagonal line and follows the direction of the diagonal line. Thus, the regression model is normally distributed or meets the normality assumption requirements.

4.2.2 Multicollinearity Test

The multicollinearity test aims to test whether the regression model finds a correlation between the independent variables.

Table 4.4

Multicollinearity Test Results

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	3,287	.230		7,524	.000		
	Intellectual Capital	4,318	3,001	.231	3,052	.001	.793	1,422
	Size	-.164	.298	-.083	-.510	.752	.793	1,422

a. Dependent Variable: Financial Performance

Based on Table 4.4, the results of the multicollinearity test indicate that intellectual capital and company size have a VIF value <10 and the tolerance value calculation results are >0.1. If the VIF value <10 and the tolerance is greater than 0.1, it indicates that the regression model does not experience multicollinearity. Therefore, it can be concluded that there is no multicollinearity between the independent variables in the regression model.

4.2.3 Heteroscedasticity Test

To test for heteroscedasticity, look at the *scatterplot graph* between the predicted value of the dependent variable (ZPRED) and its residual (SRESID). The results of the heteroscedasticity test are as follows:

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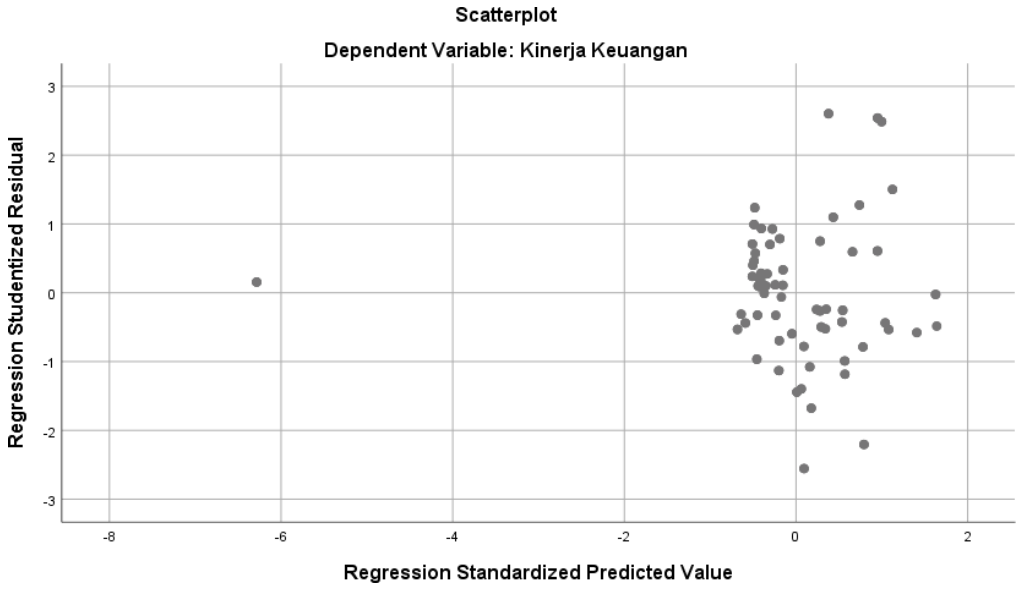

Figure 4.3
Scatterplot

Based on Figure 4.3, the scatterplot graph above can determine whether a regression model experiences heteroscedasticity. If a specific pattern is found in the graph, it indicates heteroscedasticity. Figure 4.3 shows that the points are above and below the zero point of the horizontal line, and to the left and right of the zero point of the vertical line. Therefore, it can be concluded that there is no heteroscedasticity in the regression model in this study.

4.2.4 Autocorrelation Test

The autocorrelation test is used to determine whether or not the regression model under study has an influence. Autocorrelation testing can be performed by comparing the Durbin-Watson calculated statistic values in the regression calculation with the Durbin-Watson table statistics, namely DU and DL.

Table 4.5
Autocorrelation Test Results
Model Summary [b]

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson
1	.532 [a]	.283	.296	.35241	1,960

a. Predictors: (Constant), Size, Intellectual Capital
b. Dependent Variable: Financial Performance

Based on table 4.5, the DW value is 2.360 with the number of independent variables (K) = 2, the number of observed data is 148 from the DW table, the value of dl = 1.7041 and du = 1.7588. So it can be concluded that the value of du < DW < 4 – du or 1.758 < 1.960 < 2.241 means there is no positive and negative autocorrelation.

4.2.5 Multiple Linear Regression Analysis Test

When all independent variables are taken into account, a significant regression

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result indicates that the variable significantly influences the dependent variable. Researchers use multiple regression to predict how the dependent variable (criterion) will behave (rise or fall) when two or more independent variables, acting as predictors, are manipulated (raised or lowered). The following are the results of a multiple regression analysis:

Table 4.6
Results of Multiple Linear Regression Analysis
Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	3,287	.230		7,524	.000
	Intellectual Capital	4,318	3,001	.231	3,052	.001
	Size	-.164	.298	-.083	-.510	.752

a. Dependent Variable: Financial Performance

Based on the analysis results in table 4.6, it can be seen that the multiple regression equation is as follows:

$$Y = 3.287 + 4.318X_1 + -0.164X_2 - e$$

1) If the constant value in the regression model is 3.287 and has a positive sign , it indicates that *intellectual capital* and company size are zero, then financial performance (Y) has a value of 3.287 .
2) *intellectual capital* constant (X1) is 4.318 and is positive. This means that if *intellectual capital* (X1) increases by one unit, financial performance will increase by 4.318, and vice versa, that every decrease in the *intellectual capital variable* (X1) by one unit will decrease financial performance by 4.318, assuming that other variables are constant.
3) The constant of company size (X2) is -0.164 and has a negative sign. This means that if the company size (X2) increases by one unit, the financial performance will decrease by -0.164 and vice versa, that every decrease in the company size variable (X2) by one unit will increase the financial performance by -0.164 assuming that other variables are constant/fixed.

4.2.6 Coefficient of Determination Test

The coefficient of determination analysis is used to measure the extent to which independent variables (intellectual capital and firm size) simultaneously or jointly influence the dependent variable (financial performance). A value of 0 indicates that the model cannot explain any variation in the dependent variable, while a value of 1 indicates that the model is able to explain all variance. The more accurately the model predicts the dependent variable from its independent variables, the higher the R2 score in the regression analysis. It is important to remember that a high R2 score does not necessarily indicate a good model because overfitting can occur when the model is too complex to be applied to data other than the sample used. Therefore, when evaluating a

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regression model, additional variables, including significance tests and model assumptions, must be considered in addition to the R2. The following are the results of the coefficient of determination test:

Table 4.7

Results of the Determination Coefficient Test

Model Summary [b]

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.532 [a]	.283	.296	.35241

a. Predictors: (Constant), Size, Intellectual Capital

b. Dependent Variable: Financial Performance

Based on table 4.7, the results of the coefficient of determination test show an r value of 0.532, while the Adjusted R Square value is 0.283. After knowing the r and Adjusted R Square values, the following formula can be used to determine the contribution of intellectual capital and company size to financial performance:

KD = R^2 x 100%

= 0.532 2 x 100%

= 28.30%

Based on the calculations above, it can be seen that the contribution of intellectual capital and company size to financial performance is 28.30% and the remaining 71.70% is determined by other variables not included in this study.

4.2.7 Hypothesis Testing

The t-statistic test essentially shows the significant influence of one independent variable individually in explaining the variation of the dependent variable. This hypothesis test is used to test the *intellectual capital hypothesis* and company size on financial performance. This test is conducted to partially test the hypothesis to test between X and Y.

Table 4.8

t-Test Analysis Results

No	Variables	t count	t table	Sig.
1.	*Intellectual Capital*	3,052	1,655	0.001
2.	Company Size	-.510	1, 655	0.752

Based on Table 4.8, we can conclude regarding the partial hypothesis testing of each independent variable on the dependent variable. From Table 4.8, we can see that the t-value for the intellectual capital variable is 3.052 with a significance level of 0.011. Because the t-value is greater than the t-table, i.e., 3.052 > 1.655, and the significance value is 0.001 < 0.05, H1 is accepted. This means that there is a significant influence of intellectual capital on financial performance.

From Table 4.8, we can see that the t-value for the company size variable is -0.510 with a significance level of 0.752. Since the t-value is <t-table, i.e., -0.510 <1.655, and the significance value is 0.752 >0.05, H2 is rejected. This means that there is no

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significant influence of company size on financial performance.

DISCUSSION

The Influence *of Intellectual Capital* on Financial Performance

The results of the study show that the $_{calculated}$ t value for the *intellectual capital variable* is 3.052 with a significance level of 0.011. Since the $_{calculated\ t\ value}$ is greater than the t $_{table}$, i.e., 3.052 > 1.655, and the significance value is 0.01 < 0.05, H1 $_{is}$ accepted. This means that *intellectual capital* has a significant influence on financial performance. This is because the company needs to focus on investing in human resource development, supporting technology, and customer relationships to optimize *intellectual capital* for sustainable financial performance.

Overall, effective management and utilization of *intellectual capital can have a significant impact on a company's financial performance. Companies that focus on investing in human resource development, improving supporting technology, and maintaining good relationships with external parties have a greater chance of achieving sustainable financial performance. Companies must continuously innovate in the management of their intellectual capital* to ensure long-term survival and success. A crucial resource for enhancing a company's competitiveness is its *intellectual capital* , which includes the knowledge, skills, experience, and creativity of its employees. Companies must create an atmosphere that encourages collaboration and the exchange of ideas among staff members to realize this potential, as well as processes that facilitate efficient knowledge management and innovation. Furthermore, it is crucial to invest in employee training and development to ensure that their knowledge and skills continue to meet changing market needs. Companies can improve operational effectiveness and develop new products and services that meet consumer demand by optimally managing their *intellectual capital , which will enhance their position in a competitive market.*

This aligns with Gede's (2024) research , which states that *intellectual capital* influences financial performance . To improve company performance, investing in human resources **,** supporting technology **,** and customer relationships is a strategic step for companies to optimize *intellectual capital* .

In a competitive and fast-paced business environment, companies rely on intellectual and physical assets to gain a competitive advantage. Improving company success, especially in areas such as innovation, operational effectiveness, and customer satisfaction, requires *Intellectual Capital* . The three main components of *Intellectual Capital* are human resources (*Human Capital*) , supporting technology (*Structural Capital*) , and customer relationships (*Relational Capital*) . One strategic way to maximize *Intellectual Capital* is to make the right investments in these elements.

In this study, *Intellectual capital* is measured using the VAICTM method which consists of *Value Added Capital Employed* (VACA) which measures the effectiveness of the use of financial capital or physical assets to create added value, *Value Added Human Capital* (VAHU) which measures the contribution of human capital to create added value, and *Value Added Structural Capital* (STVA) which measures the effectiveness of the company's structural capital, such as systems, processes, and technology used in operations.

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As a result, businesses that successfully manage their *Intellectual Capital* , as determined by VAICTM, have a higher chance of achieving long-term financial performance and increased market competitiveness.

The Influence of Company Size on Financial Performance

The results of the study show that the t-value $_{for}$ the company size variable is -0.510 with a significance level of 0.752. Since the t-value $_{is}$ <t- $_{table}$, i.e. -0.510 <1.655 and the significance value is 0.752 > 0.05, H2 $_{is}$ rejected. This means that there is no significant influence of company size on financial performance. This may occur because financial performance is more influenced by other internal and external factors such as management effectiveness, innovation, cost structure, economic conditions, and industry competition.

Long-term financial performance is not guaranteed by a company's size alone, although it can provide a number of advantages such as economies of scale, industry competitiveness, and the capacity to invest in more resources and infrastructure. Success is often determined by more fundamental and dynamic elements, such as the ability to adapt to market changes, promote continuous innovation, and effectively manage operations and resources. Even smaller businesses that can adapt to changing consumer demands and trends may find it easier to navigate the challenges presented by a rapidly changing market. Sustaining growth and strengthening a company's competitiveness over time depends heavily on efficient strategic management, which prioritizes risk reduction and performance improvement.

Research by Alfiatul Maulida (2021) states that company size does not significantly influence financial performance. Furthermore, successful financial performance depends more on management effectiveness in managing resources than on company size itself. Company size is no longer the sole factor influencing innovation. Small and medium-sized companies have greater flexibility to innovate than large companies. Appropriate innovation is often a more important determinant of financial performance than company size. Companies should focus on deeper, more strategic elements, such as improving operational efficiency, encouraging continuous innovation, and better managing resources and risks, rather than simply growing in size, to maximize financial performance. Businesses can reduce waste and increase productivity by simplifying procedures, and innovation is crucial for competitiveness in an ever-changing market. Businesses can sustain long-term growth and development with the help of strong strategic management, which requires careful planning and responding to market changes. Therefore, there is a greater chance that a comprehensive strategy will lead to the achievement of long-term goals and ensure long-term business continuity.

Company size based on **total assets** measures a company's size in terms of total assets, but this doesn't always reflect how the company manages and utilizes those assets. While large companies with **high total assets** have the potential to enjoy **economies of scale** , not all companies are able to capitalize effectively on these economies. Some large companies may face **bureaucracy** or problems with rapid decision-making, making them unable to flexibly navigate rapidly changing markets.

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4. CONCLUSION

Based on the research results and discussion in the previous chapter, it can be concluded that:

a. *Intellectual capital* significantly impacts financial performance. This is because companies need to focus investments in human resource development, supporting technology, and customer relationships to optimize *intellectual capital* for sustainable financial performance.
b. There is no significant effect of company size on financial performance. This may occur because financial performance is more influenced by other internal and external factors such as management effectiveness, innovation, cost structure, economic conditions, and industry competition.

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