

CHAPTER V

CONCLUSION

5.1 Conclusion

This research aims to examine and to compare the effect of intellectual capital on the performance of manufacturing companies (measured by profitability – ROA and firm value – MBV) that have different intellectual capital intensity. Based on the analysis and discussion that has been done in this research, so the results of this research have the following conclusions:

1. There is significant difference for manufacturing companies' IC in high IC intensive industry and low IC intensive industry.

The preliminary test for hypotheses test shows that the significant value is $0.056 < \alpha (0.10)$. It indicates that there is significant difference. This is due to the effect and contribution of IC can only be compared if it has been proved that there is a significant difference between those manufacturing companies' IC that has different levels of intensity.

2. Intellectual capital (VAIC) has a positive significant effect on the performance of manufacturing companies.

For financial performance, every 1 percent increasing in VAIC will increase ROA value for 0.1499 percent and it has 0.000 probability value. IC influence ROA for 34.02 percent, while the rest is influenced by other factors that not included in this research. While for market valuation, every 1 percent increasing in VAIC will increase MBV value for 5.158 percent and it has 0.0002 probability value. IC influence MBV for 13.28 percent, while the rest is

influenced by other factors that not included in this research. F test value (0.0000) indicates that IC has significant effect to both ROA and MBV.

3. VACA and VAHU as individually have a positive effect on the financial performance and market valuation, while STVA shows the inverse effect.

The effect of IC components as individually for company's performance always gives the different results on each previous research and so did this research. Relates to its effect to company's financial performance (ROA), the coefficient regression for VACA is 0.096, VAHU is 0.1301, and STVA 2.525. The results for IC components effect to company's market valuation (MBV) are VACA 9.276, VAHU 0.3658, and STVA – 0.0135.

4. IC components (VACA, VAHU, and STVA) simultaneously have a significant effect on both company's financial performance and market valuation.

This statement is made based on the F value (0.0000). IC influence MBV for 46.36 percent, while the rest is influenced by other factors that not included in this research. IC has almost similar influence to ROA than MBV for 49.92 percent.

5. Most manufacturing company's IC in high IC intensive industries provide less contribution than those manufacturing companies in low IC intensive industries for company's performance.

To test the contribution of IC for company's performance in high IC intensive industries and low IC intensive industries is using dummy variable. Where 0 represent low IC intensive industries and 1 represent high IC intensive industries. Coefficient regression dummy of VAIC are – 2.369 for market

valuation and -0.0045 for return on asset. The same thing also applies in company's IC contribution for an individual IC component with the value of coefficient regression is -2.2249 for market valuation. Meanwhile, there is inverse result of coefficient regression dummy of individual IC component is 0.0004 for return on asset.

So, this research findings support the previous research findings such as Aziz et al. (2010), Mehri et al. (2013), and Fathi et al. (2013) that there is a positive effect of IC on companies' performance. This research also support the research by Zicheng et al. (2016) that most manufacturing company's IC in high IC intensive industries provide less contribution than those manufacturing companies in low IC intensive industry. But, what Berzkalne and Zelgalve (2014) say is true that further research is required to get the consistent result about the effect of the individual IC components to the company's performance.

5.2 Limitations

This research does have some limitations. Limitations are expected to provide an overview and an opportunity for researchers to come to do better research. Here are the limitations may be considered for future research:

1. This research only used Manufacture Company listed on Indonesia Stock Exchange (IDX) as its sample in order to get specific results.
2. There is a different presentation of financial statements of each company in Indonesia, especially for the employee cost. It can affect the results of the research.

5.3 Suggestions

Based on the limitations as mentioned above, the suggestions for the next researcher are as follows:

1. The next researcher is expected to use other classifications such as Main Sector (A) and/or Service Company (C) in doing the similar research. So, the specific results from each classification can be compared to test whether the results obtained are the same.
2. The next researcher is expected to use other kinds of ratio or other parameters to measure the company's performance.
3. The provision or clarity are needed to calculate VAIC method, especially for which employee costs are included in order to create the consistency of all the data from the company's financial statements are inputted.

