

CHAPTER V

CLOSING

5.1 Conclusion

This study aims to determine the effect of the intellectual Capital component on the company's financial performance as measured by the productivity ratio Asset Turnover (ATO) and the profitability ratio Return on Asset (ROA) and Return on Equity (ROE).) in industrial companies textile and garment listed on the Indonesia Stock Exchange. Based on the results of testing that have been described in the previous chapter, this research results as follows:

1. There is no significant influence between Human Capital Efficiency (HCE) on Asset Turnover and Return on Equity, but HCE has an effect on ROA.
2. There is no effect of Structural Capital Efficiency (SCE) on company productivity and profitability. Thus SCE in the company can be said not to affect the company's financial performance.
3. There is an influence of Capital Employed Efficiency (CEE) on Asset Turnover (ATO) and Return on Assets (ROA), which means that if the company makes maximum use of capital assets, it will increase value added and increase company productivity and increase company profitability in returning capital to assets. However, the effect of CEE was not found on the profitability ratio of Return on Equity (ROE).
4. Simultaneously, intellectual capital has a significant positive effect on financial performance as measured by using the indicators of ATO, ROA, and ROE.

In general it can be concluded that, intellectual capital partially has a small role in determining the company's financial performance as indicated by the overall financial performance indicators that are used when measured by many financial performance measurement indicators. Intellectual capital only has a significant effect when measuring financial performance using the ROA as indicator which is indicated by a significant influence between human capital efficiency and capital employed efficiency on ROA. However, if seen from the relationship between the components of intellectual capital and financial

performance indicators simultaneously, it was found that the components of intellectual capital have a positive effect simultaneously on all financial performance indicators used. And it can also be concluded that not all components of intellectual capital have an influence on the company's financial performance and not all indicators of company financial performance have a correlation with the components of intellectual capital.

5.2 Research Limitations

In this study there are several limitations that the author encountered during the process of completing the research which will provide a reference for further researchers who will also carry out the same research including:

1. This research only examines manufacturing companies in the textile and garment sector during the 2016- 2019 so that the companies used as the sample are relatively few, only 18 companies with a total of 72 observations.
2. The years of observation in this study used a period of 4 years, namely 2016 to 2019. Differences in the results from differences in the time span in the study may occur.

5.3 Suggestions

Given the limitations of this study, the researcher provides several suggestions that can be used further, namely:

1. The next research sample may be expanded to other types of sectors or other industries to obtain more comprehensive results.
2. It is hoped that further research can increase the time span in the observation period in order to see the effect of the Intellectual Capital component in a longer period of time.
3. In addition to using productivity ratios and profitability ratios, researchers can then add other dependent variables such as Net Profit Margin (NPM), Profit Margin on Sales, earnings per share or Market Value to produce diversity in research.



5.4 Research Implications

The implications that can be given by the author related to the results of this study are as follows:

1. For companies to achieve the desired productivity and profitability they can focus more on the management of intellectual capital in order to compete with other companies and achieve competitive advantage.
2. For investors and potential investors, this research helps investors and potential investors to consider intellectual capital as an aspect that needs to be considered in investing in companies.
3. For academics, this study to be a reference and literature on the relationship between Intellectual Capital and the company's financial performance for the research to be conducted in the future.

