

# The Influence of Intellectual Capital and Corporate Social Responsibility on Company Performance (Empirical Study on Banking Companies Listed on the Indonesia Stock Exchange in 2013 - 2017)

Yunia Oktari<sup>1)\*</sup>, Liugowati<sup>2)</sup>

<sup>1)2)</sup> *Buddhi Dharma University*

*Jl. Imam Bonjol No 41 Karawaci Ilir, Tangerang, Indonesia*

<sup>1)</sup>yunia.oktari@ubd.ac.id

<sup>2)</sup>liugowati1206@gmail.com

---

## Article history:

Received 15 January 2019;  
Revised 25 January 2019;  
Accepted 5 February 2019;  
Available online 21 February 2019

---

## Keywords: s

Intellectual Capital  
CSR  
Performance  
Company

---

## Abstract

In the current era of globalization, the world economy is growing so rapidly. Companies must change their business moving towards a knowledge-based business. Therefore, companies increasingly emphasize the importance of knowledge assets. One approach used in the assessment and measurement of knowledge assets is Intellectual Capital (IC). The company's performance is a major factor in determining the success of a company. A good company determined by a good performance. The purpose of this research was to obtain empirical evidence about the influence of intellectual capital and corporate social responsibility to company's performance. Intellectual capital is measured by VAIC<sup>TM</sup>. Corporate social responsibility is measured by CSRIj. Meanwhile, company performance is measured by Return on Equity (ROE).

The sample used in this research are 22 banking companies listed on the Indonesia Stock Exchange in 2013–2017 and using the secondary data from their listed and published annual report at Indonesia Stock Exchange. The method used in the determination of sample is purposive sampling. Data analysis technique in this research is classical assumption test and hypothesis test by using multiple linear regression analysis.

Based on the results it shows that intellectual capital has a positive and significant impact to company's performance. Corporate social responsibility has a positive and significant impact to company's performance. Intellectual capital and Corporate social responsibility certainly stimulate to give a significant effect to company's performance

---

## I. INTRODUCTION

In the current era of globalization, the world economy is growing so rapidly, which is marked by technological progress, scientific innovation and the intensity of increasingly competitive business competition. The world community continues to change as times change and also compete with each other in order to improve their competence to face various global competition. Companies continue to compete with each other in order to get the maximum profit and value of the company which is the main goal of a company.

In research journals (Prabowo, 2014, p. 1) states that:

"In order to continue to survive in an industry, companies must quickly change their business based on labor (business-based business) so that the company's main characteristics become a company based Science."

In a research journal (Aisah, 2016, p. 2) states that:

"Labor-based business holds the principle of labor-intensive companies, in the sense that the more employees owned by the company it will increase the productivity of the company so that the company can develop better. Meanwhile,

\* Corresponding author

companies that implement Knowledge-based business will create a way to manage knowledge (knowledge management) as a means to earn company income. "

Knowledge-based companies apply knowledge management concepts that are tasked with finding information about how to select, manage and utilize resources efficiently and economically. So that the company has the characteristics or competitive advantage compared to other companies that ignore knowledge. Many challenges must be faced by companies to maintain their existence in business competition. The company's current competitiveness lies not only in tangible asset ownership, but also in innovation, information systems, management of the organization and its resources. Therefore companies increasingly focus on the importance of knowledge assets. One approach used in the assessment and measurement of knowledge assets is Intellectual Capital (IC). Intellectual capital is knowledge that is owned by a company's human resources or employees that are intangible, so that it can provide added value to a company. Science is needed and important for the survival of a company, so the role of intellectual capital is very important for a company.

Corporate Social Responsibility is a widely discussed issue because it deals with environmental issues that are getting the main spotlight, because the company is in the middle of an environment where its activities have a direct and indirect influence on the surrounding environment. The implementation of CSR is believed to be able to improve company performance, where investors tend to invest in companies that carry out CSR activities. Therefore, companies that have social concerns can use social responsibility information (CSR activities) as one of the company's competitive advantages. One example of implementing CSR activities in the banking industry is Bakti BCA. This paper examines the effect of intellectual capital and corporate social responsibility on company performance, by taking research samples at banking companies in Indonesia listed on the Indonesia Stock Exchange (IDX). Because the type of industry that is the most intensive use of Intellectual Capital and Corporate Social Responsibility is the banking service industry. In developing countries like Indonesia, the existence of a banking company has a very important role especially in supporting the movement and economic growth in a country and also researching with the latest period compared to previous studies to be more accurate.

The objectives of this study are as follows:

1. To find out whether intellectual capital has an effect on company performance in Banking Companies listed on the Indonesia Stock Exchange in 2013-2017
2. To find out whether corporate social responsibility affects the company's performance in Banking Companies listed on the Indonesia Stock Exchange in 2013-2017
3. Does Intellectual Capital and Corporate Social Responsibility have a simultaneous influence on company performance in Banking Companies listed on the Indonesia Stock Exchange in 2013-2017

## II. RELATED WORKS/LITERATURE REVIEW (OPTIONAL)

### **Resource Based Theory**

Resource Based Theory was first delivered by Wernerfelt (1984) in his pioneering article entitled "A Resources - based view of the firm" in research (Jayati, 2016, p. 28). Resources Based Theory is a resource for companies that can be made an advantage in competing in the business world and is able to direct companies to have long-term sustainable performance. This theory discusses the resources that the company has and how the company can process, manage and utilize the resources it has

### **Knowledge Based Theory**

Knowledge based theory is part of a resource based theory that supports the existence of other resources besides physical resources. Knowledge based theory provides a theoretical foundation for the importance of intellectual capital for a company in accordance with the inherent characteristics of knowledge that provides the most strategic meaning in the company, activities and production processes in the company involve the application of knowledge, and individuals in the organization are responsible for making, holding and sharing knowledge in research (Kartikasari & Hadiprajitno, 2014).

### **Intellectual Capital**

According to the Organization for Economic Cooperation and Development (OECD, 1999) states that: "Intellectual Capital is the economic value of two categories of intangible assets, namely Organizational (structural) capital which refers to things such as software systems, distribution networks, and supply chains. Human capital includes human resources within the organization (i.e. labor resources / employees) and external resources related to organizations, such as consumers and suppliers. "

### **Corporate Social Responsibility**

CSR is a form of corporate regulation that is integrated in a business model, and corporate responsibility as an impact of activities carried out on the environment, customers, workers, stakeholders, and other users (Safitri, 2012, p. 21)

### Company Performance

According to Mahoney et al in the research conducted (Safitri, 2012, p. 21) states that:  
"Company performance is the result of work that can be achieved by a person or group in an organization, in accordance with the authority and responsibility of each in order to achieve organizational goals. Companies must continue to improve the quality and performance of the company, so that the company's goals are achieved. "

### III. METHODS

The object of research in this study is data about intellectual capital, corporate social responsibility, and company performance contained in the financial statements of banking companies listed on the Stock Exchange in 2013-2017. In order to test the hypothesis that has been proposed, the variables to be examined in this study can be classified into 2 (two), namely: the dependent variable (Y) and the independent variable (X).

To find out more clearly about operational variables, here is a table of operational definitions for this research measurement:

Table 1. Operationalization of Research Results

Variable	Indicator	Scale	Sources																		
<b>Kinerja Perusahaan</b>	$ROE = \frac{Net\ profit}{Equity} \times 100\%$	Ratio	Financial statements																		
	<table border="1"> <thead> <tr> <th>Criteria</th> <th>Ranking</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>ROE &gt; 15%</td> <td>1</td> <td>Very good</td> </tr> <tr> <td>12,5% &lt; ROE ≤ 15%</td> <td>2</td> <td>Good</td> </tr> <tr> <td>5% &lt; ROE ≤ 12,5%</td> <td>3</td> <td>Pretty good</td> </tr> <tr> <td>0% &lt; ROE ≤ 5%</td> <td>4</td> <td>Not Good</td> </tr> <tr> <td>ROE ≤ 0%</td> <td>5</td> <td>Poor</td> </tr> </tbody> </table>			Criteria	Ranking	Score	ROE > 15%	1	Very good	12,5% < ROE ≤ 15%	2	Good	5% < ROE ≤ 12,5%	3	Pretty good	0% < ROE ≤ 5%	4	Not Good	ROE ≤ 0%	5	Poor
	Criteria			Ranking	Score																
	ROE > 15%			1	Very good																
	12,5% < ROE ≤ 15%			2	Good																
	5% < ROE ≤ 12,5%			3	Pretty good																
	0% < ROE ≤ 5%			4	Not Good																
ROE ≤ 0%	5	Poor																			
Source : (Fahmi, 2013, p. 137)																					
<b>Intellectual Capital</b>	$VAIC^{TM} = VACA + VAHU + STVA$	Ratio	Financial statements																		
	VAIC <sup>TM</sup> : Value Added Intellectual Coeficient																				
	VACA: Value Added Capital Employed																				
	VAHU: Value Added Human Capital																				
	STVA: Structural Capital Value Added																				
Source : (Ulum, 2009, p. 90)																					
<b>Corporate Social Responsibility</b>	$CSRI_j = \frac{\sum X_{ij}}{n_j}$	Ratio	Financial statements																		
	CSRI <sub>j</sub> : Corporate Social Responsibility Disclosure Index company j																				
	n <sub>j</sub> : number of items for the company j (n <sub>j</sub> ≤ 78)																				
	X <sub>ij</sub> : dummy variable. 1, if item i is disclosed and 0, if item i is not disclosed																				
	Source: (Karina, 2013, p. 40)																				

Table 2. Sample Determination Process

Criteria	Number of Companies
Banking company listed on the IDX	44
Delisting company from IDX	(1)
Companies that do not disclose CSR reports	(3)
Companies that do not issue consecutive annual financial statements	(9)
Companies that suffer losses in financial statements	(9)
Number of Research Object Samples	22
Number of Research Object Samples for 2013-2017	<b>110</b>

Based on data that has been obtained, from 44 banking companies listed on the Indonesia Stock Exchange (IDX) in 2013-2017, which can be the object of research and have met the criteria to be used as research samples are as many as 22 companies, namely companies that publish annual financial reports in a row, disclose reports on corporate social responsibility and do not experience losses in their financial statements, and researchers take 5 years of research so that the number of samples becomes 110 samples of financial statement data.

The following is a table listing the names of companies used as samples in this study:

Tabel 3. Daftar Nama Perusahaan Sampel Penelitian

No	Kode	Nama Perusahaan	Tanggal IPO
1	AGRO	Bank Rakyat Indonesia Agro Niaga Tbk	08-Agust-2003
2	BACA	Bank Capital Indonesia Tbk	08-Okt-2007
3	BBCA	Bank Central Asia Tbk	31-Mei-2000
4	BBMD	Bank Mestika Dharma Tbk	08-Juli-2013
5	BBNI	Bank Negara Indonesia Tbk	25-Nov-1996
6	BDMN	Bank Danamon Indonesia Tbk	06-Des-1989
7	BINA	Bank Ina Perdana Tbk	16-Jan-2014
8	BJBR	Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	08-Jul-2010
9	BJTM	Bank Pembangunan Daerah Jawa Timur Tbk	12-Jul-2012
10	BNBA	Bank Bumi Arta Tbk	31-Des-1999
11	BNGA	Bank CIMB Niaga Tbk	29-Nov-1989
12	BNII	Bank Maybank Indonesia Tbk	21-Nov-1989
13	BSIM	Bank Sinar Mas Tbk	13-Des-2010
14	BTPN	Bank Tabungan Pensiunan Nasional Tbk	12-Mar-2008
15	BVIC	Bank Victoria International Tbk	30-Jun-1999
16	INPC	Bank Artha Graha International Tbk	29-Agust-1990
17	MAYA	Bank Mayapada International Tbk	29-Agust-1997
18	MCOR	Bank China Construction Bank Indonesia Tbk	03-Jul-2007
19	MEGA	Bank Mega Tbk	17-Apr-2000
20	NAGA	Bank Mitraniaga Tbk	09-Jul-2013
21	NISP	Bank OCBC NISP Tbk	20-Okt-1994
22	SDRA	Bank Woori Saudara Indonesia 1906 Tbk	15-Des-2006

IV. RESULTS

Coefficient Test

Table 4. Determination Coefficient Test Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.535 <sup>a</sup>	.286	.273	.043175

a. Predictors: (Constant), CSR, IC

From the results of calculations using the SPSS for Windows version 21.0 program, it can be seen that the coefficient of determination (R<sup>2</sup>) obtained is 0.286. by referring to the equation below and by calculating using the values obtained from the calculation using SPSS then:

$$KD = R^2 \times 100\%$$

$$KD = (0.535)^2 \times 100\%$$

$$KD = 0.286 \times 100\%$$

$$KD = 28.6\%$$

This means that 28.6% of company performance can be explained by the Intellectual Capital and Corporate Social Responsibility variables. While the rest is 71.4% (100% - 28.6%) company performance (ROE) is influenced by other variables not examined in this study.

Test of Partial Analysis Hypothesis

Table 5. Partial Hypothesis Test Results (t Test)

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.008	.014		.544	.587
	IC	.016	.003	.438	5.349	.000
	CSR	.100	.029	.280	3.421	.001

a. Dependent Variable: ROE

Based on these outputs to find out which hypotheses are rejected or accepted first, the t-table values that will be used must be determined. This value depends on the degree of freedom (df) and the level of significance used. By using a 5% significance level and df value of  $n-k-1 = (22-2-1) = 19$ , the t-table value is 2.09302. Then the explanation is described as follows:

**1. Effect of Intellectual Capital on Return On Equity (ROE)**

Referring to the results of the t test as shown in table IV.9 for the variable X<sub>1</sub> (Intellectual Capital), the value of t count = (5,349) with a significance level of 0,000. By using a significance limit of 0.05, t table is obtained at 2.09302. This means t count > t table. In other words, there is a significant influence between Intellectual Capital and Return On Equity (ROE). The conclusion of the results of this test can be stated that H1 is accepted.

**2. Effect of Corporate Social Responsibility on Return On Equity (ROE)**

Referring to the results of the t test as shown in table IV.9 for the variable X<sub>2</sub> (Corporate Social Responsibility) the value of t count = (3.421) with a significance level of 0.001. By using a significance limit of 0.05, t table is obtained at 2.09302. This means t count > t table. In other words there is a significant effect between Corporate Social Responsibility and Return On Equity (ROE). The conclusion of the results of this test can be stated that H2 is accepted.

### Simultaneous Analysis Hypothesis Test

Table 6. Simultaneous Hypothesis Test Results

ANOVA <sup>a</sup>					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	.080	2	.040	21.478	.000 <sup>b</sup>
Residual	.199	107	.002		
Total	.280	109			

a. Dependent Variable: ROE

b. Predictors: (Constant), CSR, IC

Testing the effect of independent variables together on the dependent variable is done using the F test. The results of statistical calculations show the value of F count = 21,478 > F table = 3.49 and significance of 0,000 < 0.05. In other words, it can be concluded that Return On Equity (ROE) is influenced jointly and significantly by Intellectual Capital and Corporate Social Responsibility variables.

### Multiple Linear Regression Analysis

Table 7. Summary of Regression Results

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.008	.014		.544	.587
	IC	.016	.003	.438	5.349	.000
	CSR	.100	.029	.280	3.421	.001

a. Dependent Variable: ROE

Based on the results presented in table IV.11 if written in the standardized form the regression equation is as follows:

$$Y = 0.008 + 0.016 X_1 + 0.100 X_2 + e$$

The regression model used is as follows:

$$ROE = 0.008 + 0.016IC + 0.100CSR + e$$

Information:

IC = Intellectual Capital

CSR = Corporate Social Responsibility

ROE = Company performance

The multiple regression equation can be explained as follows:

1. Constants of 0.008, meaning if IC ( $X_1$ ) and CSR ( $X_2$ ) the value is 0, then ROE (Y) value is 0.008.
2. IC variable regression coefficient ( $X_1$ ) is 0.016, meaning that if the other independent variables are fixed values and IC increases by 1%, ROE (Y) will increase by 0.016. The coefficient is positive, meaning that there is a positive relationship between IC and ROE, the more the IC rises, the ROE increases.
3. The regression coefficient of CSR variable ( $X_2$ ) is 0.100, meaning that if the other independent variables are fixed values and CSR increases by 1%, ROE (Y) will increase by 0.100. The coefficient is positive, meaning that there is a positive relationship between CSR and ROE, the higher the CSR, the more ROE increases

### Effect of Intellectual Capital on Company Performance (ROE)

Based on the results of the analysis indicate that the variable that has the greatest influence on Company Performance (ROE) is Intellectual Capital. By referring to the results of the t test as shown in table IV.9 for the variable  $X_1$  (Intellectual Capital) the value of t count = (5,349) with a significance level of 0,000. By using a significance limit of 0.05, t table is obtained at 2.09302. This means t count > t table, or 5,349 > 2.09302. In other

words it can be concluded that there is a significant influence between Intellectual Capital and Company Performance (ROE). So that this research is in line with the hypothesis that has been explained in the previous chapter, namely Intellectual Capital has a positive effect on company performance or Return On Equity. And the results of this study are not in line with the results of research conducted by (Safitri, 2012, p. 21) which states that intellectual capital does not affect the performance of the company. However, the results of this study are in line with the results of the research journal Ariantini et al. (2017) which state that high intellectual capital will cause the company's performance to be high which causes intellectual capital to influence the performance of the company.

#### **Effect of Corporate Social Responsibility on Company Performance (ROE)**

Based on the results of the analysis indicate that the variable Corporate Social Responsibility has an influence on Company Performance (ROE). This gives an indication that the right Corporate Social Responsibility is an important factor in company performance (ROE). Based on the results of regression analysis and t-test it can be seen that Corporate Social Responsibility has a positive and significant effect on Company Performance (ROE). By referring to the results of the t test as shown in table IV-9 for variable  $X_2$  (Corporate Social Responsibility) the value of t count = (3.421) with a significance level of 0.001. By using a significance limit of 0.05, t table is obtained at 2.09302. This means t count > t table. Or 3.421 > 2.09302. In other words, it can be concluded that there is a significant effect between Corporate Social Responsibility and Corporate Performance (ROE).

So that this research is in line with the hypothesis that has been explained in the previous chapter, namely Corporate Social Responsibility has a positive effect on company performance or Return On Equity. The results of this study are also in line with the results of research conducted by Nurhudha et al. (2015) which states that corporate social responsibility has an effect on company performance. And the results of this study are not in line with the research journal conducted by Iqbal (2016) which states that corporate social responsibility does not affect the performance of the company. Because disclosure of corporate social responsibility by manufacturing companies is lower than banking companies.

#### **Effect of Intellectual Capital and Corporate Social Responsibility on Company Performance (ROE)**

Based on the results of the analysis, the Intellectual Capital and Corporate Social Responsibility variables have a significant influence on Company Performance (ROE). This gives an indication that Intellectual Capital is assisted by implementing the right Corporate Social Responsibility is an important factor in the estimation of company performance or Return On Equity. In other words, company performance or Return On Equity in this case is strongly influenced by the two independent variables mentioned above.

This is as evidenced by the results of data processing using SPSS where testing the effect of independent variables together on the dependent variable is done using the F test. The results of statistical calculations show the value of F count = 21,478 > F table = 3.49 and significance of 0,000 < 0.05 with a coefficient of determination of 28.6%. Then from these results the company's performance or Return on Equity is influenced jointly and significantly by Intellectual Capital and Corporate Social Responsibility variables even though the percentage is below 50%. So that this research is in line with the hypotheses that have been explained in the previous chapter, namely Intellectual Capital and Corporate Social Responsibility together have a positive effect on company performance or Return On Equity.

This result is also in line with the results of research conducted by Agustina et al. (2015) which states that intellectual capital and corporate social responsibility affect the performance of the company. However, this result is not in line with the results of Safitri's (2012) study which states that intellectual capital and corporate social responsibility do not affect the company's performance.

## V. CONCLUSIONS

From the results of research and calculations carried out with simulations using SPSS in this study the following conclusions can be drawn:

1. Intellectual Capital has a positive and significant effect on company performance on banking companies listed on the Indonesia Stock Exchange in the period 2013-2017. H1 can be stated accepted and in accordance with the research conducted by Iqbal (2016) and Ariantini (2017).
2. There is a significant effect of Corporate Social Responsibility on company performance or Return On Equity in banking companies listed on the Indonesia Stock Exchange in the period 2013-2017. It can be stated H2 is accepted and in accordance with the research conducted by Nurhudha et al. (2015) and Agustina et al. (2015).
3. There is a significant influence of Intellectual Capital and Corporate Social Responsibility together on company performance or Return On Equity in banking companies listed on the Indonesia Stock Exchange in the period

2013-2017. It can be stated that H3 is accepted and in accordance with the research conducted by Agustina et al. (2015) and Ariantini et al. (2017).

Implication:

Given the significant influence of Intellectual Capital and Corporate Social Responsibility variables both partially and jointly on company performance or Return On Equity in banking companies listed on the Indonesia Stock Exchange in the period 2013-2017. So that companies should better increase the intellectual capital owned by the company in order to compete with owned and more transparent competitive advantages in presenting annual reports, especially on reporting the use of Corporate Social Responsibility funds issued by the company, this is also based on the company's finding - companies that do not include Corporate Social Responsibility funding reports carried out by these companies in annual reports, so that they can certainly influence stakeholder trust

REFERENCES

- Aisah, D. S. (2016). *Pengaruh Intellectual Capital Pada Kinerja Perusahaan Otomotif Yang Terdaftar Di BEI. Skripsi Sarjana. Surabaya: Sekolah Tinggi Ilmu Ekonomi Indonesia Surabaya.*
- Fahmi, I. S. (2013). *Analisis Laporan Keuangan.* Bandung: Alfabeta.
- Jayati, S. E. (2016). *Pengaruh Intellectual Capital Terhadap Kinerja Keuangan Perusahaan Perdagangan Jasa Yang Terdaftar Di Bursa Efek Indonesia. Skripsi Sarjana. Yogyakarta: Fakultas Ekonomi Universitas Negeri Yogyakarta.*
- Karina, L. A. (2013). *Analisis Faktor-Faktor Yang Mempengaruhi Pengungkapan CSR. Skripsi Sarjana. Semarang: Fakultas Ekonomi dan Bisnis Universitas Diponegoro.*
- Kartikasari, Y., & Hadiprajitno, P. B. (2014). Pengaruh Modal Intelektual Terhadap Kinerja Perusahaan (Studi Pada Perusahaan Perbankan Yang Terdaftar di BEI tahun 2009-2011). *Diponegoro Journal of Accounting.* Vol 3 no.1.
- Prabowo, D. (2014). *Analisis faktor-faktor yang memengaruhi Intellectual Capital Disclosure dan pengaruh Intellectual Capital Disclosure terhadap Market Capitalization ( Studi empiris pada perusahaan Real Estate dan Properti di BEI periode 2010-2012).*
- Safitri, A. N. (2012). *Pengaruh Pengungkapan Intellectual Capital Dan Pengungkapan CSR Terhadap Kinerja Perusahaan (Studi Empiris Pada Perusahaan High Profile Yang Terdaftar Di BEI).*
- Ulum, I. (2009). *Intellectual Capital Konsep dan Kajian Empiris.* Yogyakarta: Graha Ilmu.
- Yanti, L. D., & Oktari, Y. (2018). Pengaruh Tingkat Profitability, Solvability, Ukuran Perusahaan dan Ukuran Kantor Akuntan Publik Pada Penundaan pemeriksaan (Studi Empiris: Perusahaan Manufaktur Terdaftar di BEI Tahun 2013-2016). *eCo-Buss,* 1(2), 15-32. Retrieved from <https://jurnal.kdi.or.id/index.php/eb/article/view/37>