***ABSTRACT***

This study aims to examine and analyze the effect of intellectual capital performance (ICP) on firm performance (FP), both directly and indirectly through the mediating role of intellectual capital disclosure (ICD) and business strategy (STRG). Measurement of company performance and business strategy uses several dimensions and several indicators. The company's performance consists of three dimensions, namely profitability, market and growth performance. Meanwhile, the business strategy uses four indicators. The population in this study is the banking industry in 2015-2020 and manufacturing in 2017-2020. Based on predetermined criteria, 271 data were obtained. The hypotheses in this study were tested using the Smart PLS structural model bootstrapping method. Overall, the findings of this study support the resource-based theory and signaling theory. The test results show that ICD acts as a mediating variable in the relationship between ICP and FP. The higher the IC performance, it will encourage companies to make wider IC disclosures and the higher the ICD, the higher the company's performance. STRG in this study also proved to act as a mediating variable. The higher IC performance will encourage companies to choose a prospector strategy, which has an impact on high company performance. In contrast, this study found no evidence of a direct effect of IC performance on FP. The same test was also carried out for each sample group, namely the banking and manufacturing industry samples. Consistent with the findings in the general model, the results of tests on samples of the banking and manufacturing industries also show that ICD has a positive effect on firm performance. Consistent results were also found in the results of testing the seventh hypothesis. STRG mediates the effect of ICP on FP in the three sample groups, namely general, banking and manufacturing.

Keywords: intellectual capital performance, intellectual capital disclosure, business strategy, company performance

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