

ABSTRACT

This study aims to determine the relationship between intellectual capital and market value of companies with the performance of financial companies as an intervening variable. The results of this study will show whether intellectual capital affects the market value of companies either directly or indirectly with the company's financial performance as an intervening variable.

This study uses secondary data in the form of financial reports obtained through the Indonesian Stock Exchange (IDX) website. This study used purposive sampling as the sampling method. The population in this study are service companies listed on the Indonesia Stock Exchange in 2020-2021. A total of 148 companies were selected as research samples from a total of 656 companies during 2020-2021. The analytical method used in this research is partial least square analysis.

This study uses stakeholder theory, resource-based theory, and signalling theory to formulate hypotheses that lead to the results of research analysis. The results showed that intellectual capital had an effect on the company's financial performance but had no effect on the company's market value. The results also show that the company's financial performance influences the company's market value. In addition, the results of this study indicate that the company's financial performance as an intervening variable is not able to mediate the influence of intellectual capital on the market value of the company.

Keywords: Intellectual capital, financial performance, market value, service company, partial least square.