EFFECT OF COMPONENTS INTELLECTUAL CAPITAL, COMPANY SIZE AND THE MECHANISM OF GOOD CORPORATE GOVERNANCE ON FINANCIAL PERFORMANCE

(Empirical Study on Company, Property and Real Estate listed on Indonesia Stock Exchange Period 2015-2017)

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ABSTRACT

This study aims to examine the Effect of Intellectual Capital, Company Size (size) and the mechanism of Good Corporate Governance on Corporate Financial Performance at Property and Real Estate Companies listed on the Indonesia Stock Exchange (IDX). This study uses secondary data, namely from the category of property and real estate companies listed on the Indonesia Stock Exchange. The sample used was 63 companies with an observation period of 3 years from 2015-2017 through a purposive sampling method. The analytical method of this study uses multiple regression analysis. Based on the results of multiple linear regre ssion analysis, the results show that the variables that influence the company's financial performance are Human Capital (HC) and the size of the board of directors. Whereas Capital Employe (CE), Structure Capital (SC), Company Size (size) and Board of Commissioners Size do not affect the company's financial performance.

KEYWORDS: *Intellectual Capital, Company Size (size), Good Corporate Governance, ROA*

INTRODUCTION

The company's performance is an overview of the financial condition of a company analyzed with financial analysis tools, so it can be known about both the financial situation of a company that reflects the performance of the work In certain periods. Wrong One way used to assess and measure financial performance is to look at financial statements. By looking at the financial report of a company, it will be shot in the company's activities. Therefore, the company's financial statements are the result of an accounting process that can be used As a tool for communication and is also used as a performance measuring instrument of the company. The development of Property and Real Estate is one of the investment industry that provides advantages for investors because every year the price of land tends to increase. Investment in this

industry is long term because the level of demand for housing is increasing, as well as increasing population every year. The economic growth and growth factor in a country and the purchasing power of the community are the main drivers of the growing property and real estate sectors today.

As such, economic conditions and government regulations are continuously changing every year, this can affect the performance and the circumstances of the property and real estate companies. As an example of government regulation on taxation. The new rules of tax on income tax (PPH) on the goods are very luxurious number 90/PMK. 03/2015 which was signed by the Minister of Finance on 30April 2015 forcing the developer not dare to touch the upper class market that resulted in declining turnover from Sales. In addition, there is a regulation on

licensing where government regulations for low-income communities (MPR) in the regulations essentially trim a number of unnecessary permits such as location permits, permits and other licenses The fact that the field is decided by the central government is not necessarily run by the local government. The growth of the real estate industry Indonesia this year still shows optimistic developments. The Association of Real Estate Indonesia (REI) Housing developers through DPD REI DKI Jakarta conducts property research related to the development of the Real Estate industry (properti.rmol.com).

According to Amran Nukman (http://www.housing-estate.com, 2018) chairman of DPD REI DKI Jakarta, from a survey conducted by REI DKI Jakarta, 55 percent of its members stated, the condition of this year 2018 property will remain the same as the year 2017 ago. While the other 45 percent, optimistic this year will be better. In Indonesia, Intellectual Capital phenomenon began to develop especially after the advent of PSAK 19 (revised 2010) in which the PSAK revised from PSAK No. 19 (revised2000) about intangible assets and adopted from IAS 38 (2009). Although not explicitly stated as Intellectual Capital, but more or less Intellectual Capital has gained attention, Ulum et al (2008). Intellectual Capital is a very valuable asset in the modern business world. Financial statements should be able to reflect the intangible assets of intellectual capital and the magnitude of the recognised value. Accountants are required to seek more detailed information on matters relating to the management of intellectual capital ranging from identification, measurement up to its disclosure in the company's financial statements (Sawar Juwono and Kadir, 2003:37).

Company size (size) is the size or magnitude of the assets owned by the company. Company size in-proxy with a natural logarithmic value of total assets (Indriani and Widyarti, 2013). The larger the assets that the company has, allowing the financial performance that occurs in the operation of a company the greater the benefits that can be. Losses and costs that can be suppressed may differ from companies with smaller assets, Bukhori and Raharja (2012). Good Corporate Governance in Indonesia began to be well known in the year 1997, when the economic crisis hit Indonesia. It is difficult to be denied, over the last ten years, the term Good Corporate Governance (GCG) increasingly popular. Not only popular, the term is also placed in honorable positions. First, GCG is one of the key success of the company to grow and profitable in the long term, while winning global business competition. Secondly, economic crises in Asia and Latin America are believed to arise due to the failure of GCG implementation

LITERATURE REVIEW
Stakeholder Theory

Stakeholders are parties interested in the company that can influence or can be influenced by the company entity, such as shareholders, creditors, consumers, employees, suppliers, government, community, capital market analysts, Competitors, and others. The stakeholder theory says that the company is not an entity that only operates for its own benefit but should provide benefits for stakeholders. Thus, this stakeholder groupis the main consideration for the company in disclosing and or not disclosing information in financial statements, so the company will strive to achieve optimal performance. As expected by the stakeholders (Ulum, 2016).

Resource-Based Theory

Resource Based Theory (RBT) discusses the resources that the company has, and how the company can develop the competitive advantage of its resources (Zulmiati, 2012). Resource Based Theory explains that there are two views on the company's strategic drafting device, market-based and resource-based (Dewi, 2011).

Agency Theory

Agency theory emphasizes the importance of corporate owners (shareholders) submitting company management to professional personnel (called agents) who understand in conducting their daily business. The purpose of the separated management from the company's ownership is to make the most profitable profit with the cost as efficiently as possible with the company managed by the professional personnel.

Intellectual Capital

Intellectual Capital includes all the knowledge of employees, organizations and their ability to create added value and lead to a sustained competitive advantage. Intellectual capital has been identified as an intangible set (resources, capabilities, and competence) that drives organizational performance and value creation (Pangestika, 2010). While according according to Puspitasari (2011), Intellectual Capital is a science or mindset owned by the company, has no physical form (intangible), and in the presence of such intellectual capital, the company will gain additional profit or establishment of business processes and provide the company with more value than competitors or other companies.

Intellectual Capital Measurement

There are two ways to measure Intellectual Capital, which is through monetary and non monetary measurements. For the monetary-based measurement, used is (Ulum, 2007). But the method that is widely used to do Intellectual Capital calculation is currently a method of VAIC™ (Value Added Intellectual Coefficient).

The advantage of the VAIC™ method is that the required data is relatively easy to obtain from various sources and types of companies (Rambe, 2012). The main component of VAICTM developed by Pulic can be seen from the company's resources, namely human capital (VAHU – Value Added Human Capital), Physical capital (VACA– Value Added Capital Employed), and structural capital (STVA – Structural Capital Value Added). The calculations begin with the company's ability to Create Value Added (VA). The VA is derived from the difference between output and input. The output value (OUT) is the total revenue and covers all the products and services Generated by the company for sale, while the input (IN) covers all the burden that the company uses to produce goods or services. Pulic (2005) states that the components of the VAICTM is: Capital Employed Efficiency (CEE) is an indicator for VA Created by one unit of physical capital. Pulic (2005) assumes that if one unit of Capital Employed (CE) generates a greater return than other companies, then the company is better at utilizing CE. This better CE utilization is part of IC company. Human Capital Efficiency (HCE). Did Pulic (2005), HCE shows how much VA is generated with the issuance of funds for the workforce. Relationship between VA and human capital (HC) indicates HC's ability to create more value within the company. Structural Capital Efficiency (SCE) based on Pulic (2005), SCE demonstrates the contribution of Structural Capital (SC) in the creation of values. SCE measures the amount of SC required to produce VA.

Company size

According to Joni and Lina (2012), the size of the company is a description of the company's financial capabilities at a certain period. Through this, it can be said if a company has financial capability The company is believed to be giving a high return rate to its investors. The size of the company in this study will be calculated using the logarithmic of total company assets. Total assets can describe the size of the company. The larger the asset is usually the bigger the company (Prasetyantoko, 2008:257). Meanwhile, according to Bukhori & Raharja, (2012) Large corporations have a greater financial power in supporting performance, but on the other hand, the company is faced with larger agency issues.

Good Corporate Governance

The word Governance derives from the French gubernance, which means control. In the development of the word governance is widely used in the context of the company's activities to become corporate governance when translated in Bahasa Indonesia is the governance or governance of the company (Sutojo and Aldridge, 2008). Good Corporate Governance was first introduced by the Cadbury Committee in 1992 which used the term in their report which became known as Cadbury Report. The report is regarded as a decisive turning point for Good Corporate Governance practices around the world. According to the National Committee on Governance Policy (KNKG), Good Corporate Governance is one of the pillars of the market economic system. Corporate Governance is closely related to the company's trust and the business climate of a country. The implementation of Good Corporate Governance (GCG) encourages the creation of healthy competition and conducive business Iklmim (KNKG in Diah Kusuma Wardani, 2008:7)

Financial Performance

Financial performance is an achievement achieved by the company in a certain period. The company's financial performance is one of the basic assessments of financial conditions that can be conducted based on financial ratios analysis. (Minister of Finance RI No.740/KMK. 00/1989). Financial performance can be measured using financial and non-financial information, such as customer satisfaction of company services. While in traditional accounting generally the size used to measure the performance of the company is a measure of finances, because it is assessed easily in its measurements. But doing so means that the aspects that drive the company's value increase, such as employee capability, customer trust to the company's products and services, and the company's goodrelationship with external parties and cost effectiveness are not Can be measured in traditional management.

Determining the success factor of a company is: the process of learning for the company, a strong commitment to build Intellectual Capital employees, the possibility to capitalizes the development of technology in the short term framework and maintains relationship with the client. The use of financial elements to measure the company's performance in this study is Return on Asset (ROA).

Theoretical Framework
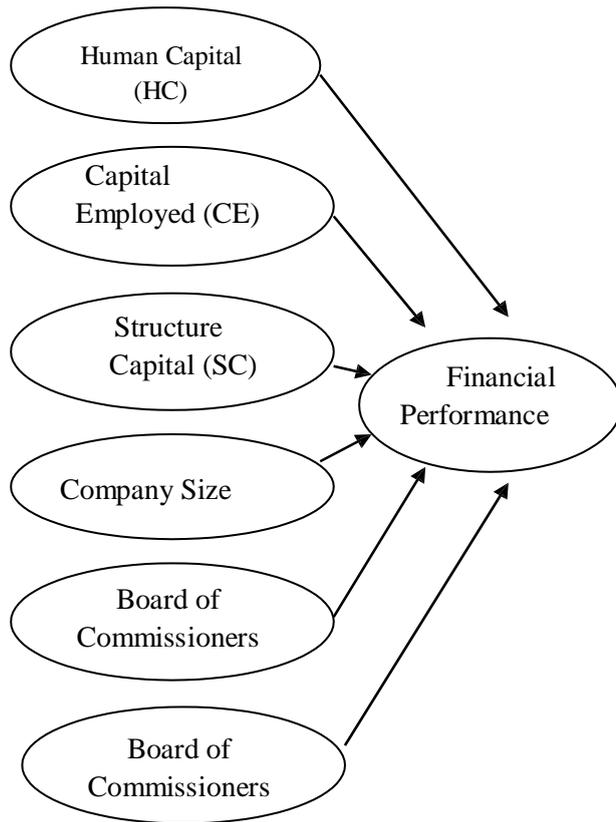
Hypothesis

Based on this theory, empirical evidence and problems that occur, it can be expressed a temporary answer that is, as follows:

- H1: Human Capital (HC) has an effect on ROA.
- H2: Structural Capital (SC) affects ROA.
- H3: Capital Employed (CE) has an effect on ROA.
- H4: The size of the company affects ROA.
- H5: The size of Board of Commissioners affects ROA.
- H6: The size of the board of directors affects ROA.

RESEARCH METHODS

This research is causal research using a quantitative approach. Casual research is a study that aims to test hypotheses about the influence of one or more free variables (independent variables) against other bound variables (dependent variables). In this research, researchers find out whether intellectual capital variables, company size and good corporate governance mechanisms as independent variables affect the company's performance as dependent variables.

Intellectual Capital or intellectual capital is considered a knowledge with a potential value. When such knowledge has been confirmed by the ownership of values that can be measured depending on its use. Knowledge that has a specific value and its specific use for a particular purpose becomes an intellectual asset to its owner (Wijaya, 2012). Intellectual Capital is measured by Value Added Intellectual Coefficient (VAIC™), where there are several components consisting of HumanCapital, Structural Capital, and Capital Employed. There are 4 steps to calculate Intellectual Capital which has been introduced by Pulic (1998) Using VAIC™ method: The first step is to find a company's Value Added with the formula:

OUTPUT-INPUT = VA

Description:

Output = sales + other revenue

Input = expense and expense (other than employee cost)

After that, the second step is to calculate Human Capital Efficient, Structural Capital Efficient, and Capital Employed Coefficient. To calculate each of these components, the formula is:

HU = employee expense

SC = VA-HU

CE = equity + Net profit

The third step is to calculate Value Added Human Capital, Value Added Capital Employed and Structural Capital Value Added.

VAHU = VA/HU

VACA = VA/CE

STVA = SC/VA

Step four is, Calculate VAIC™. The formula is:

VAIC™ = VACA + VAHU + STVA

The company size is a variable that is widely considered in many financial research. This is due to the alleged decision/financial results are affected by the size of the company. Generally, size orsize of the company is proxy with total assets (Kelana, 2005:274). The company size is calculated by using the following formula:

Company size = ln of total asset

The mechanism of Good Corporate Governance in this research only uses 2 components of 4 components of good corporate governance namely the size of the Board of Commissioners and the size of the board of Directors.

I. Size of Board of Commissioners

The size of the board of Commissioners is measured using the number of Commissioners from both internal and external companies. The size of the board of Commissioners is calculated using the following formula:

Board of Commissioners = Σ Independent Commissioner/Σ Board of Commissioners

II. Size of Board of Directors

The board size is calculated using the following formula:

Board of directors = Σ members of the Board of Directors

The dependent variables in this study are the company's performance, which is defined through the profitability ratio, Return on Asset (ROA).

Return on Asset (ROA) is a ratio that reflects the business advantage and efficiency of the company in the utilization of total assets to generate profit. ROA can be calculated using the following formula:

$$ROA = \frac{EBIT}{Total\ assets}$$

Population and Research Samples

The population in this research is the company's entire property and real estate sector listed on the Indonesia Stock Exchange (IDX) in 2015-2017 as many as 63 companies, The sampling method used by the researchers is a non-probability sample method i.e. Purposive sampling method which means that the researcher determines their own samples to be taken because there are certain considerations and criteria regarding the sample. The criteria are as follows:

1. Company registered in idx.co.id period 2015-2017.

2. The company uses rupiah currency in the company's financial statements during the period from 2015 to 2017.

3. Companies that have complete data to be used in the calculation of variable data during the period from 2015 to 2017.

Data Collection Techniques

The method for data retrieval in this study was the study of documentation conducted by collecting, recording, and calculating the data related to the study. The process of collecting data in this study uses several techniques:

1. Documentation Techniques

This technique of documentation is data collection techniques by viewing and conducting data collection in the form of financial statements of the company's property and real estate that obtained from www.idx.co.id year period 2015-2017.

2. Literature Research

The literature research is conducted by studying books and scholarly articles/journals that can support as research materials as well as the foundation for analyzing problems.

Methods of analysis

In this research analysis of data using descriptive statistical techniques. Data analysis techniques used in this study with SPSS 25.

RESULTS AND DISCUSSION

Descriptive Statistics

Descriptive statistics are a way of describing and presenting information from a large amount of data. With statistical descriptive data raw can be converted into information that can describe the phenomenon or characteristic of the data. Descriptive statistics can give an overview of the data viewed from the minimum, maximum, average (mean) and standard deviations generated from the research variable

Table 4.1 Deskriptive Statistical Test

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
HC	162	,22	46,51	7,5786	7,47358
CE	162	,00	272,42	1,8991	21,38665
SC	162	-3,58	,98	,7007	,46114
SIZE	162	25,11	32,21	29,1198	1,46405
UK_DIR	162	2,00	12,00	5,2037	1,75216
UK_KOM	162	,17	4,00	,5430	,55951
ROA	162	-24,88	35,89	4,6033	6,31605
Valid N (listwise)	162				

Based on the results of the descriptive statistical test in table 4.1, it can be seen that the Human Capital variable has a minimum value of 0.22 while the maximum value of 46.51 occurred in the company FMII (PT. Fortune Mate Indonesia TBK) in 2016 With a mean or average value of 7.5786 in the period 2015 – 2017 and the standard deviation of 7.47358.

The Capital Employe variable has a minimum value of 0.00 occurring in the company MYRX (PT. Hanson Internasional TBK) and a maximum value of 272.42 occurred in the company MTLA (PT. Metropolitan Land TBK) in 2017. The mean or average value of 1.8991 and its deviation standard is 21.38665.

Structure Capital has a minimum value of-3.58 occurred in the company BKDP (PT. Bukit Darmo Property TBK) in 2017 and a maximum value of 0.98 occurred in the company RDTX (PT. Roda Vivatex TBK) in 2015 with the value of mean or An average of 0.7007 and a standard deviation of 0.46114.

Variable size company has a minimum value of 25.11 occurred in the company MTSM (PT. Metro Realty TBK) in the year 2017 while the maximum value of 32.21 occurred in the company WSKT (PT. Waskita Karya TBK) in the year 2017. With a mean or average value of 29.1198 and a standard deviation of 1.46405.

The size variable of the Board of Commissioners has a minimum value of 0.17 occurred in the company SSIA (PT. Surya Semesta Internusa Tbk) and maximum value of 4.00 occurred in the company LCGP (PT. Eureka Prima Jakarta Tbk) with mean or average value of 0.5430 and its standard deviation of 0.55951.

Variable size of Board of Directors has a minimum value of 2.00 occurred in GAMA Company (PT. Gading Development Tbk) & TARA (PT. Sitara Propertindo TBK) while the maximum value of 12.00 occurred in the company CTRA (PT.

Ciputra Development TBK) With a mean or average value of 5.2037 and a standard deviation of 1.75216.

The company's financial performance variable (ROA) has a minimum value of-24.88 occurring in the company DGIK (PT. Nusa Kontruksi Enjinering TBK) in 2016 and a maximum value of 35.89 occurred in the company FMII (PT. Fortune Mate Indonesia TBK) on Year 2016 and mean value or average of 4.6033 and the standard deviation of 6.31605.

Double Regression Linear Test

Multiple linear regression is a measuring instrument of influence that occurs between a bound variable or a dependent variable with two or more free variables or independent variables. It can be concluded that the regression model can be used in data management. Based on the data-processing of table 4.9 above, it can be concluded regression equation as follows:

Table 4.2 Partial regression calculation result (Test T)

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	9,905	8,879		1,116	,266
	HC	,458	,058	,542	7,887	,000
	CE	,024	,019	,083	1,308	,193
	SC	1,803	,990	,132	1,820	,071
	SIZE	-,474	,332	-,110	-1,427	,155
	UK KOM	-,052	,777	-,005	-,067	,947
	UK DIR	,717	,279	,199	2,574	,011

a. Dependent Variable: ROA

Y = 9.905 + 0, 458HC + 0, 024CE + 1, 803SC − 0.474 SIZE − 0, 052UKKOM + 0, 717UKDIR + E

A. Constant value of 9.905 states that if the variable is independent CE, HC, SC, Uk. Board of Directors, Uk. Board of Commissioners and Uk. Company = 0, then the company's financial performance (ROA) amounted to 9.905.

B. The value of Human Capital (HC) regression coefficient of 0.458 means showing positive results which means any increase in Human capital (HC) by 1% will increase ROA by 0.458%.

C. The value of a regression coefficient of Capital Employe (CE) of 0.024 means showing positive results which means any increase in Capital Employe (CE) by 1% will increase ROA by 0.024%.

D. The value of Structure Capital (SC) regression coefficient of 1.803 means showing positive results which means that any increase in structure Capital (SC) by 1% will increase ROA by 1.803%.

E. Value of regression coefficient company size (size)-0.474 means showing a negative result which means that every increase in size of the company by 1% will decrease ROA by 0.474%.

F. Value of regression coefficient the size of the board of Commissioners-0.052 means showing negative results which means any increase in the Uk. The Board of Commissioners is 1% hence lowering ROA by 0.052%.

G. G. Value of regression coefficient the size of the board of Directors of 0.717 means showing positive results which means any increase in the Uk. The Board of Directors is 1% hence increasing ROA by 0.717%.

Individual Parameter Significance (Test T)

The T (partial) statistical test essentially shows how far the influence of a single explanatory or independent variable individually in describing variables dependent. The output result of the T test in this study can be seen in table 4.9. Based on the statistical test results in the table 4.9 above, it can be known between individual variables independent of the dependent variables that can be described as follows:

A. Human Capital (HC) has a significant value of 0.000 < 0.05 and positive double regression coefficient indicates that Human Capital (HC) has a positive influence on the company's performance (ROA) so that hypotheses 1 is acceptable.

B. Capital Employe (CE) has a significant value of 0.193 > 0.05 and positive double regression coefficient indicates that the Capital Employe (CE) has no influence on the company's financial performance (ROA) so that hypotheses 2 is rejected.

C. Structural Capital (SC) has a significant value of 0.071 > 0.05 and positive double regression coefficient indicates that Structural Capital (SC) has no influence on the company's financial performance (ROA) so that hypotheses 3 is rejected.

D. Company size (size) has a significant value 0.155 > 0.05 and double regression coefficient is negative it shows that the size of the company (size) has no influence on the company's financial performance (ROA) so that the 4 hypothesis is rejected.

E. The size of the Board of Commissioners has a significant value 0.947 > 0.05 and the double regression coefficient is negative it shows that the size of the Board of Commissioners has no influence on the company's financial performance (ROA) so that the 5 hypothesis was rejected

F. The Board of directors ' size has a significant value of 0.011 < 0.05 and a positive double regression coefficient indicates that the size of the board of Directors has a positive influence on the company's financial performance (ROA) so that the 6 hypothesis is acceptable.

Discussion
A. Influence of Human Capital (HC) on financial performance of the company (ROA)

Hypothesis 1 (H1) hypothesis testing results show that Human Capital (HC) has a significant positive impact on the company's financial performance with a significance value of 0.000 < 0.05. Thus the hypothesis states that HC has an effect on the company's financial performance (ROA) is acceptable.

Human Capital reflects the collective ability of the company to produce the best solutions based on the knowledge owned by the people in the company. In accordance with resource based theory, Human Capitaal (HU) or a value-added human resource is a competitive advantage that competitors do not have. So the company must further optimize existing human capital so that the company is better in terms of improving the company's financial performance.

The results of the study differed from the research results of Olivia Sirapanji and Saarce Elsye Hatane (2015) showing that Intellectual Capital (HC) has no influence on the company's financial performance (ROA).

B. Influence of Capital Employed (CE) to the company's financial performance (ROA)

The hypothesis 2 (H2) hypothesis testing results show that CE has no significant effect on the company's financial performance with a significance value of 0.193 > 0.05. Thus the hypothesis states that CE had no effect on the company's financial performance (ROA) was rejected.

Pulic in Ulum (2007:4) mentions this intellectual capital as Capital Employeed. Where this capital employed describes the capital that the company has a harmonious relationship to the partners, and the management of physical capital is the form of material or electronic assets of measured values (computers, software, vehicles etc.) To help create value added for the company.

In this research, there is a possibility that the company in the field of property and realestate tends to lack the optimal physical capital, so it can be said that the capital employed that has no influence on Profitability resulting in the company's financial performance is not optimal. It is expected that the utilization of the physical capital sangant important and must be made by the company with the most desirable so that the company can improve its financial performance and able to grow and remain to survive in every way. With the utilization of capital employed optimally expected to be accompanied by better growth of the company's financial performance (goddess, 2011)

The results of this research are different from the research results of Deepa Venugopal (2015) which shows that Intellectual Capital (CE) has an effect on the company's financial performance (ROA).

C. Effect of Structure Capital (CE) on financial performance of the company (ROA)

The 3 hypothesis (H3) hypothesis testing results show that SC has no significant effect on the company's financial performance with significance values 0.071 > 0.05. Thus the hypothesis states that SC had no effect on the company's financial performance (ROA) was rejected.

Structural Capital is the ability of a company in fulfilling the company's routine process and its structure relating to employees ' efforts to produce optimal corporate intellectual performance as well as business performance Overall. For example, an individual has a high inteltiality, but if the company has a bad operating system and procedures then intellectual capital can not achieve optimal performance and the potential there can not be utilized Increase in ROA.

The results of the study were similar to the research results of Rulfah M. Daud and Abrar Amri (2008), indicating that Intellectual Capital (SC) has no influence on the company's financial performance (ROA).

D. Effect of company size (size) on financial performance of the company (ROA)

Hypothesis 4 (H4) The results of the hypothesis test show that the company size (size) has no significant effect on the company's financial performance with significance value 0.155 > 0.05. Thus the hypothesis states that the size of the company (size) has no effect on the company's financial performance (ROA) was rejected.

This results in explaining that the small assets owned by a company will be more complex as well as their agency problems. It will not affect the company's financial performance. According to

Bukhori & Raharja, (2012) Largecorporations have a greater financial power in support of performance, but on the other hand, the company is faced with greater agency problems that can impede the performance of Financial.

The results of this research are different from the research results of Ardi Wiranata (2017) which shows that the size of the company has an influence on the company's financial performance (ROA).

E. Influence of the size of Board of Commissioners to Company's financial performance (ROA)

The 5 hypothesis (H5) hypothesis testing results show that the size of the Board of Commissioners has no significant effect on the company's financial performance with significance value 0.947 > 0.05. Thus the hypothesis stated that the size of the Board of Commissioners had no effect on the company's financial financial performance (ROA) was rejected

These results explain that the proportion of more independent commissioners will not increase the performance opportunities of higher or better companies. Through the role of independent Commissioner in conducting supervisory function to the company's operations by management, the number of independent Board of Commissioners membership can provide supervision on the outcome of the report drafting process Quality financial statement or the possibility of spared the financial report fraud so that the manager will lead more to better performance. Nevertheless, more and more independent commissioners were less effective in supervision.

The results of this research are similar to the research results of Filia Puspitasari and Endang Ernawati (2010) which shows that the size of the Board of Commissioners has no influence on the company's financial performance (ROA).

F. Effect of Board of Directors on financial performance of the company (ROA)

The hypothesis 6 (H6) hypothesis testing results show that the size of the board of Directors has a significant effect on the company's financial performance with a significance value of 0.011 < 0.05. Thus, the hypothesis stating that the size of the board of directors affects the company's financial performance (ROA) is acceptable.

Referring to a Stakeholder Teory who mentions Stakeholder is an interested party on the company that can influence or be affected by the company entity. The total membership of the Board of directors may be referred to as stakeholders in a company very influential in the advancement of financial performance of companies. Because of the many board of directors in a company is expected to create policies or regulations of the company in the process of decision making company. Therefore, in order to make decision making can be done precisely

and quickly, then the composition of the number of Board of directors should be considered.

The results of this research are similar to the research results of Melia Agustina Tertius and Yulius Jogi Christiawan (2015) which indicates that the size of the board of directors has an influence on the company's financial performance (ROA).

CONCLUSION AND SUGGESTION
Conclusion
Based on the problem formulation, the hypothesis testing and the discussion presented in previous chapters can be concluded that:

1. An Intellectual Capital variable human capital component (HC) has a positive and significant influence on the company's financial performance.
2. Variable Intellectual Capital component capital employed (CE) has no positive and significant influence on the company's financial performance.
3. A variable Intellectual Capital component of the structure capital (SC) does not have a positive and significant influence on the company's financial performance.
4. The size variable of the company (size) has no positive and significant influence on the company's financial performance.
5. A variable of Good Corporate Governance mechanisms on the size of the Board of Commissioners component has no influence and significance to the company's financial performance.
6. A variable of Good Corporate Governance mechanisms in the size of the board of Directors has a positive and significant influence on the company's financial performance.

SUGGESTION
Based on the conclusion outlined above, the authors try to give advice that will be given to the next researcher:

1. For companies to be expected to increase the performance of Intellectual Capital that is owned by the company in an effort to improve the quality of the resources owned by the company, optimizing structure Capital so that employees can deliver optimal performance and overall business performance well, and increasing Capital Employed for maximum Capital management will increase performance and will impact the return of shares to be obtained Investors.
2. The company also needs to better improve the application of mechanisms Good Corporate Governance to be able to increase shareholder value. This is to further enhance the maximum financial performance of the previous period or years.

3. Suggestions for subsequent research is expected to increase the number of samples and increase the number of research periods and consider the factors that may be related to the company's financial performance. Thus, the results of subsequent studies will be more accurate.

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