



THE IDENTIFICATION OF INDONESIA AND MALAYSIA COMPANY PERFORMANCE BASED ON INTELLECTUAL CAPITAL



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ABSTRACT

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Indonesia and Malaysia are Southeast Asian countries that have similar growth rates in business performance. Both countries have experienced the global financial crisis and recovered from the economic downturn. This study examined the performance based on intellectual capital of Indonesian and Malaysian companies listed on the Indonesian and Malaysian Stock Exchanges from 2013 until 2016 using an analysis based on the "Independent Sample t-test" to evaluate the Intellectual Capital value which consists of the variables Value Added Capital Employed (VACA), Value Added Human Capital (VAHU), and Structural Capital Value Added (STVA), (Pulic, 1998). Based on the Value Added Intellectual Coefficient (VAIC)TM approach, the study found several performance differences between Indonesian and Malaysian companies involving the capital employment (VACA), human capital (VAHU), structural capital (STVA) and also a significant decline in company performance.

Contribution/ Originality: This study contributes to practical perspectives of investment investigation and decision making for listed companies on the Indonesian or Malaysian Stock Exchange.

1. INTRODUCTION

There has been a decline in international economic growth since the Global Financial Crisis, where investment activities worldwide were stopped and commodity prices in the global market were dropped. While global debt increased, productivity gains remained low and inflation continued until the money value was reduced below the value set by the central bank. These crises often take place in states which face political uncertainty.

Similarly with reference to Table 1, there was a difference between the market cap values of countries in several regions of Southeast Asia, and one of the states in Indonesia was ranked second in the Southeast Asia Stock Exchange after Singapore in this matter (third quarter period, 2017).

Indonesia's economic growth improved by 4.88 percent in 2015 and reached 5.02 percent in 2016. Indonesia exhibited the best stock market performance in a number of countries and ranked second in the Asia Pacific regions (CNNM, 2017). The Composite Stock Price Index or IHSG was close to Indonesia in this ranking, with 15.32 percent and 5,296.71 points in terms of economic growth. Initially, the national economic growth increased from 6.3 points to 5,290.39 by 0.12 percent in early 2017. However, during the third quarter of 2017, the national