Abstract: The objective of the research was to find out and to analyze the influence of intellectual capital on stock price with profitability as intervening variable in banking companies listed in IDX (Indonesia Stock Exchange). The research used quantitative method. Secondary data were the companies’ financial statement, obtained from BEI in the period of 2013-2017. The population was 43 companies, and 29 of them were used as the samples, taken by using purposive sampling technique with the period of the research of 5 years so that there were 145 research units all together. The data were analyzed by using multiple linear regression analysis and path analysis with an SPSS statistic program. The result of the research showed that first, Value Added Capital Employed (VACA), Value Added Human Capital (VAHU), and Structural Capital Value Added (STVA) simultaneously had positive and significant influence on stock price. Second, VACA had positive and significant influence on stock price. Third, VAHU and STVA did not have any significant influence on stock price. Fourth, profitability was intervening variable in the influence of VACA and STVA on stock price, and fifth, profitability was not intervening variable in the influence of VAHU on stock price.

Keywords: Intellectual Capital, Stock Price, Profitability

1. Introduction
The dynamics that occur in the current era of globalization have led to changes in the pattern of the global industry and economy which has the effect of changing the management of a business, especially management to achieve company goals. The main goal of the company is not only to get the maximum profit, but also to increase the value of the company through increasing the prosperity of the owners or shareholders (Brigham and Gapenski, 1996). Sujoko and Soebiantoro (2007) state that company value is "investor perceptions of the level of success of the company which is often associated with stock prices."

Stock prices are a very important factor and must be considered by investors in making investments because stock prices show the performance of the issuer. In other words, stock prices are an indicator of management's success in managing the company (Kamarudin, 2004:105).

The performance of a company is usually reflected in the company's financial statements. For investors, financial statements are a very important source of information, because by using the information contained in financial statements, investors can find out the condition of a company at a certain time or period of time (Harahap, 2007: 105). With financial statements, investors can also find out a company's profitability ratio. This is because an investor always expects profit in his investment, so the company's profitability growth ratio becomes a matter of concern for investors (Amanda, 2013). One of the profitability ratios is Return on Equity (ROE).
Hery (2015: 110) states that ROE is one of the main tools of investors that is most often used in valuing a stock. According to Salim (2010: 140), ROE is a comparison between net income and capital that describes the ability of a company to manage funds or capital entrusted by shareholders. Shareholders certainly want to get a high rate of return on the capital they invest, thus, ROE is expected to show the rate of return they will get. If ROE is high, then stock prices also tend to be high and actions that increase ROE are likely to increase stock prices too (Brigham and Houston, 2001: 133). The importance of the company's profitability for investors, reflected in ROE, makes the company's financial statements a source of fundamental information. Theoretically, if the company's performance which is proxied by ROE has increased, then the stock price will reflect it with an increase in stock prices and vice versa (Ang, 1997: 18). However, the increase in financial performance is certainly very influenced by the quality of resources within a company.

One of the company's resources that plays an important role in business today is intellectual capital. Suhendah (2012) states that intellectual capital plays a very important role in enhancing the ability of companies to create competitive advantages because in addition to communicating their superiority, companies can also attract value-added resources for the company. In addition, intellectual capital is the ability to transform knowledge and intangible assets in creating a source of wealth (Edvinsson, 1997). In Indonesia, intellectual capital began to develop after the emergence of PSAK No. 19 (revised 2000) concerning intangible assets. However, in fact, intellectual capital disclosure in Indonesia is still low. This is due to the low awareness of Indonesian companies on the importance of intellectual capital in creating and maintaining competitive advantage and shareholder value (Suhardjanto and Wardhani, 2010). In fact, an increase in the introduction and understanding of intellectual capital will help to improve financial performance so that stakeholder trust in going concern also increases which can affect the company's stock returns (Artinah and Muslih, 2011). This means that there is a direct or indirect relationship between intellectual capital and stock prices.

Intellectual capital is expected to have a positive effect on profitability which will ultimately increase stock prices. In addition, this research also focused on banking companies as the object of the research because according to Investor Daily Indonesia (2017), the share price of banks in the Indonesia Stock Exchange still carries impressive performance amid the economic slowdown and is one of the issuers that investors still believe to invest. Based on the explanations of some experts and the available phenomena, the objectives of the research were as follows:

1. To find out and to analyze the influence of intellectual capital (VACA, VAHU, dan STVA) on stock prices partially and simultaneously in banking companies listed in the Indonesia Stock Exchange.
2. To find out and to analyze the role of profitability as intervening variable in the influence of intellectual capital (VACA, VAHU, dan STVA) on stock prices in banking companies listed in the Indonesia Stock Exchange.

2. Literature Review and Hypothesis
2.1. Stakeholder Theory
Stakeholder theory states that all stakeholders have the right to be provided with information about how organizational activities affect them even when they choose not to use the information and even when they cannot directly play a constructive role in the survival of the organization (Deegan, 2004).
2.2. Legitimacy Theory
Legitimacy theory states that organizations are continually looking for ways to ensure their operations are within the limits and norms that apply in society (Deegan, 2004:252). According to Deegan (2004:254), in the perspective of legitimacy theory, a company will voluntarily report its activities if management considers that this is expected by the community.

2.3. Signalling Theory
Signalling theory emphasizes the importance of information released by companies on parties' investment decisions (Miller, 1999). Signaling theory states that there is an information content on the disclosure of information that can be a signal to investors and other potential parties in making economic decisions.

2.4. Resource-Based Theory
Wernerfelt (1984) explains that in the view of Resource-Based theory, companies will excel in business competition and obtain good financial performance by owning, mastering, and utilizing important strategic assets (tangible and intangible assets).

2.5. Knowledge-Based Theory
Knowledge-Based theory is a theory based on human resources but emphasizes the importance of corporate knowledge. It considers knowledge as a resource that is very important for the company, because knowledge is an asset that if managed properly will improve company performance.

2.6. Stock Prices
The definition of stock prices according to Widiatmojo (2000:45) is the price or value of money that is willing to be issued to obtain a share. The stock price reflects the value of a stock. The stock price is the market value of a share of a company at a certain time.

2.7. Intellectual Capital
Intellectual capital according to Stewart (1997: 1) is a resource in the form of knowledge available to companies that produce high value assets and future economic benefits for the company. Whereas Pulic (1998) defines intellectual capital as all employees, companies, and their ability to create added value for the company.

VAICTM is a method developed by Pulic (1998) and is designed to present information about the value creation efficiency of tangible assets and intangible assets owned by the company. The main components of VAICTM developed by Pulic (1998) can be seen from company resources, namely physical capital (VACA), human capital (VAHU), and structural capital (STVA). VACA illustrates how much value added is generated from physical capital used. VAHU indicates the ability of the workforce to generate value for the company from the funds spent on the workforce. STVA shows the contribution of structural capital in the formation of added value.

The accumulation of the three components above (physical capital, human capital, and structural capital) will provide more value in the future and be reflected in VAICTM or intellectual capital. This study will focus on the influence between intellectual capital components, namely capital employed, human capital and structural capital on stock
prices. The focus was carried out with the aim of obtaining a pattern of utilization of the intellectual capital component in banking companies in Indonesia in more detail.

2.8. Profitability
Sartono (2001:122) defines profitability as the company's ability to earn profits in relation to sales, total assets, and own capital. While the profitability ratio is used to measure the performance of a company in its efforts to obtain profits. This study uses Return on Equity (ROE) to measure profitability ratios because ROE reflects the company's ability to generate profits based on its equity.

Conceptual Framework
Conceptual framework of the research was as follows:

H1: Intellectual capital (VACA, VAHU, dan STVA) partially and simultaneously had a positive influence of stock prices in banking companies listed in the Indonesia Stock Exchange.

H2: Profitability was an intervening variable in the influence of Intellectual capital (VACA, VAHU, dan STVA) on stock prices in banking companies listed in the Indonesia Stock Exchange.

3. Method
The research used associative causal design and quantitative method. Secondary data were the companies’ financial statement, obtained from Indonesia Stock Exchange in the period of 2013-2017. The population was 43 banking companies, and 29 of them were used as the samples, taken by using purposive sampling technique with the period of the research of 5 years so that there were 145 research units all together.

While the variables used in this study were as follows:
1. Independent variable
   The independent variable in this study was intellectual capital which was measured by the value added created by the intellectual capital component
consisting of physical capital (VACA), human capital (VAHU), and structural capital (STVA).

2. Dependent variable
   The dependent variable used in this study was the stock price that was proxied from the closing price of stock of each company in a certain period.

3. Intervening variables
   The intervening variable in this study is profitability that was proxied by Return on Equity (ROE).

4. Control Variables
   The control variables used in this study were company size and company growth. Company size is an indicator used by investors in classifying the size of a company that was proxied by the company's total assets at the end of each year of observation. While the company's growth is the impact of the flow of corporate funds from operational changes caused by growth or a decrease in business volume.

The research was then analyzed by using multiple linear regression analysis and path analysis with SPSS statistic program. Therefore, the hypothetical test was as follows:

1. First Hypothetical Test
   The first hypothetical test was used to find out the influence of the independent and control variables on the dependent variables partially and simultaneously. The regression equation was as follows:

   \[ HS = \alpha + \beta_1 \text{VACA} + \beta_2 \text{VAHU} + \beta_3 \text{STVA} + \beta_4 \text{Size} + \beta_5 \text{Gro} + e \]

2. Second Hypothetical Test
   The second hypothetical test was performed using path analysis. It required a standardized beta coefficient value that resulted from three equations as shown in the equation below, because decision making on the hypothesis might compare the standardized beta coefficient value of the direct influence of intellectual capital on stock prices with the standardized beta coefficient value of the indirect influence of intellectual capital on stock prices through profitability as an intervening variable.

   The direct influence regression equation was as follows:

   \[ HS = \alpha + \beta_1 \text{VACA} + \beta_2 \text{VAHU} + \beta_3 \text{STVA} + e \]

   The indirect influence regression equation was as follows:

   \[ ROE = \alpha + \beta_1 \text{VACA} + \beta_2 \text{VAHU} + \beta_3 \text{STVA} + e \]

   \[ HS = \alpha + \beta_4 \text{ROE} + e \]

Explanation:
- HS : Stock Price
- VACA : Value Added Capital Employed
- VAHU : Value Added Human Capital
- STVA : Structural Capital Value Added
- ROE : Profitability
- Size : Size
Gro : Growth
\( \alpha \) : Constant
\( \beta \) : Regression Coefficient
e : Error

If the standardized beta coefficient value of the direct influence is smaller than the standardized beta coefficient value of the indirect influence, then the hypothesis is accepted and vice versa. Moreover, the coefficient of determination was used to find out the correctness of predictions from the regression, while the F-test and t-test were used to support the hypothesis.

4. Result and Discussion
4.1. Result
4.1.1. Coefficient of Determination Test

Table 1

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.753(^a)</td>
<td>.567</td>
<td>.547</td>
</tr>
</tbody>
</table>

*Source: Result of data processing with SPSS*

Table 1 showed that the Adjusted R Square value was 0.547 which indicated that 54.7% of the dependent variable could be explained by independent variables, while the remaining 45.3% was explained by other variables.

4.1.2. F-Test

Table 2

<table>
<thead>
<tr>
<th>Model</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>29.015</td>
<td>.000(^a)</td>
</tr>
<tr>
<td>1 Residual</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Result of data processing with SPSS*

Table 2 showed that \( F_{test} \) of 29.015 > \( F_{table} \) of 2.296 and the significance of 0.000 < 0.05, thus, it could be concluded that VACA, VAHU, STVA, size, and growth simultaneously had a positive and significant influence on stock price.

4.1.3. t-Test

Table 3

<table>
<thead>
<tr>
<th>Model</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>-9.523</td>
<td>.000</td>
</tr>
<tr>
<td>SqrtVACA</td>
<td>3.484</td>
<td>.001</td>
</tr>
<tr>
<td>SqrtVAHU</td>
<td>1.871</td>
<td>.064</td>
</tr>
<tr>
<td>SqrtSTVA</td>
<td>.499</td>
<td>.619</td>
</tr>
<tr>
<td>SqrtSize</td>
<td>9.060</td>
<td>.000</td>
</tr>
<tr>
<td>SqrtGrowth</td>
<td>2.214</td>
<td>.029</td>
</tr>
</tbody>
</table>

*Source: Result of data processing with SPSS*
Based on the table above, it could be concluded that VACA, size, and growth had a positive and significant influence on stock price because the $t_{test} > t_{table}$ (1.9806) and the significance value < 0.05. While VAHU and STVA had no significant influence on stock price because the $t_{test} < t_{table}$ (1.9806) and the significance value > 0.05.

4.1.4. Result of the Second Hypothetical Test

<table>
<thead>
<tr>
<th>Variable</th>
<th>Standardized Beta Coefficients</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Direct</td>
<td>Indirect</td>
</tr>
<tr>
<td>VACA</td>
<td>0.307</td>
<td>0.355</td>
</tr>
<tr>
<td>VAHU</td>
<td>0.171</td>
<td>0.0353</td>
</tr>
<tr>
<td>STVA</td>
<td>0.169</td>
<td>0.257</td>
</tr>
</tbody>
</table>

Source: Result of data processing with SPSS

Based on the tables above, it could be concluded that profitability was intervening variable in the influence of VACA and STVA on stock price because the indirect influence value was greater than the direct influence value. Meanwhile, profitability was not intervening variable in the influence of VAHU on stock price because the indirect influence value was smaller than the direct influence value.

4.2. Discussion

a. Influence of Intellectual Capital on Stock Price

Based on SPSS output, the test results showed that the intellectual capital component simultaneously had a positive and significant influence on stock price. This was because high intellectual capital indicates that the company has invested in these resources in running the company so that investors will feel more confident in investing their capital. Investors will rate the company higher if the company has high intellectual capital. Thus, the higher the intellectual capital, the higher the stock price.

As for partial testing, the results of the tests showed that VACA had a positive and significant influence on stock price. This is in line with Signaling Theory and Legitimacy Theory, which explains that when a company can make maximum use of owned physical capital, the market will respond positively to this as indicated by the increase in the company's stock price. In addition, based on Resource-Based Theory and Knowledge-Based Theory which explain that a company will excel if it owns and manages tangible and intangible assets effectively and efficiently. Thus, investors have a tendency to invest in companies that have large asset capitalization, because the greater assets owned by the company, the greater resources that the company can use and so the greater return the company can expect. This is supported by Stakeholder Theory which explains that the market will provide a higher value to the company with the use of maximum assets. Thus, companies that are able to manage company assets to the fullest will be able to create value added and cause the increase in stock prices.

The other results of this research showed that VAHU and STVA did not have any significant influence on stock prices. This could be caused by the Indonesian market that has no interest in the composition of the company's human capital in assessing company performance so that it tends not to respond to the company's strategy in utilizing human capital. Furthermore, markets also tend not to respond to investments made by companies.
to increase the potential of structural capital. The market has not considered the structural capital optimization as a factor that can provide more returns for shareholders. This is because the investors has not seen the importance of human capital in a company so that all of the company's ability to support employees' efforts to produce optimal intellectual performance (structural capital) does not affect investors' decisions to invest in the company.

b. Influence of Intellectual Capital on Stock Price through Profitability as Intervening Variable

The path analysis test results showed that profitability was intervening variable in the influence of VACA and STVA on stock price, but profitability was not intervening variable in the influence of VAHU on stock price. This was because capital employed and structural capital are resources that can be utilized to increase a company's profitability. Capital employed is one of the intellectual capital that describes how much value added of a company is generated from the capital used. This shows that good capital management will increase income so that profits will increase. The increase in profits will attract the trust of stakeholders and investors to invest their capital so that the stock price will finally increase. While structural capital is the ability of an organization or company to fulfill the company's routine processes and structures that support employees' efforts to produce optimal intellectual performance and business performance. This shows that companies that are better at managing the company's structural capital will be able to produce good performance. In the end, this will increase the trust of stakeholders and investors in the company so that stock prices will rise.

Unlike human capital which cannot be mediated by profitability, it is because stakeholders and investors do not consider employee salaries, which are the main indicators of human capital as a factor that influences the profitability of a company. There are indications of other factors such as the use of physical and financial assets that still dominate the company's profitability. In addition, Kartika and Hartane (2013) revealed the existence of innovations owned by banking companies by tending to use operational tools, so they can reduce human resources, for example, in Bank Central Asia banking company, during 2007 - 2011 there was a decrease in the number of permanent employees. There were 20.389 employees in 2007, there were 20.303 employees in 2008, there were 20.173 employees in 2009, there were 19.687 employees in 2010, and there were 19.962 employees in 2011. The decreasing movement of employees showed that BCA used its physical assets and reduced employee costs. There are also other factors that can lead to human capital can not provide value added to the company. For example, the lack of quality of human resources owned, lack of salaries and benefits provided by the company, lack of motivating employees to increase company income and profits. Therefore, profitability cannot mediate the influence of VAHU on stock price, but profitability can mediate the influence of VACA and STVA on stock price.

5. Conclusion and Suggestion
5.1. Conclusions

Based on the results of the research, it could be concluded that:

a. Intellectual capital (VACA, VAHU, and STVA) simultaneously had positive and significant influence on stock prices. While partially, VACA had positive and significant influence on stock price, however, VAHU and STVA did not have any significant influence on stock price.
b. Based on the path analysis, profitability was intervening variable in the influence of VACA and STVA on stock price. Profitability was not intervening variable in the influence of VAHU on stock price.

5.2. Suggestions

Some suggestions would be given as follows:

a. The next researcher is advised to use other companies listed in the Indonesia Stock Exchange which have a relatively larger number of companies.

b. Future research should add the research period to get better results.

c. Future research can use other data collection methods, such as questionnaires so that the data collection is more extensive.

d. Future research needs to identify other intervening variables that might mediate the relationship of intellectual capital and stock prices, such as financial performance or earnings quality.

e. Future research should use other profitability measurement ratios that are expected to provide better comparisons.

References


