



# Analysis of Human Capital and Intellectual Capital Disclosure of The Margin on Net Income

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## ABSTRACT

The survey results on disclosure of financial statements, there were managers who did not disclose their intangible assets. Judging from the development of financial accounting standards No. 19 which states that not many companies have disclosed it. The phenomenon develops along with these standards. The aim of the study is to assess the intellectuals of this standard. The purpose of this study is to analyze the relationship between human capital and financial statement disclosure on net profit margins. The objects of this research are eleven insurance business units. Collect data from reference books and journals and financial reports. Data analysis was used with the help of partial tests and concurrent tests. Based on processed data, capital capital has no impact on margins. Meanwhile, the disclosure of financial statements has an impact on net income. And the results together have an effect on the net profit margin.

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## 1. Introduction

Insurance companies Tbk are companies that have a strategic role for the economy (Fahmi & Irham, 2016, p. 12). But the growth of this insurance company does not guarantee that many are involved in the disclosure of intellectual capital, especially in financial statements.

Based on report data (Otoritas, 2018), it can be seen that the net profit margin of Asuransi Harta Aman Pratama Tbk for the 2016 period was 0.14%, an increase of 0.073% in the 2018 period to 0.067%. Multi Artha Guna Tbk Insurance for the 2016 period of 0.14%, a decrease of 0.06% for the 2018 period to 0.08%. Asuransi Bintang Tbk for the 2016 period of 0.08% decreased by 0.05% then decreased again in 2018 to 9.03% (Bursa Efek, 2018). Then the industry in business development efforts will continue to increase with innovation by paying attention to human resources. If the essence of human intellectual capital is an insurance company, the insurance company will present its intangible assets (Rachmawati, 2017).

Based on the survey results in the field, the importance of paying attention to intangible business strategies, including technology development, trademarks based on the statement of accounting standards (PSAK) No. 02 of 2000 can lead to a knowledge based business. Based on the results of research (Rachmawati, 2017) a company, the better the intellectual capital, the better the assets (Dwipayani & Chandar, 2017).

Disclosure of intellectual capital has no significant effect on financial performance (Safitri, 2017). This shows that Indonesia still uses physical and financial capital in contributing to the company's financial performance (Boujelbene et al., 2017). Based on a survey from the latest PSAK No. 19 (Revised 2017) regarding the disclosure of intellectual capital carried out by voluntary business units (Melani & Suwarni, 2018). However, there are some managers who do not want to disclose total intellectual capital, thus seeing the advantages of the business unit (Faradina, 2018). Based on the initial phenomena that have been disclosed and the problems that have been found, this research is related to "Analysis of human capital and intellectual capital disclosure of the Margins on Net Profits in Insurance Companies".

## 2. Foundation Theory

### 2.1 Net Profit Margin Ratio

Net profit margin is the ability to measure profit after tax with net sales generated by the company (Kasmir, 2018, p. 67).

### 2.2 Definition of Intellectual Capital

Intellectual capital is a stage that is owned by staff, namely an asset in the form of knowledge, a business process, the development of business activities and rewards from performance results (Sangkala, 2017, p. 17). Capital owned by business units in the form of staff ability to face global competition (Bontis et al, 2018).

### 2.3 Intellectual Capital Components

The intellectual capital component is divided into 3 major components (Sangkala, 2017, p. 51) including:

- Structural Capital or Internal Capital



Structural capital as increased staff productivity. Among them are organization, process stage, good organizational culture for the business unit civitas (Ulum, 2017).

- b. Customer Capital or Relational Capital  
Relationship capital describes the relationship with one business unit to another, including the number of existing consumer, community and government relations (Ulum, 2017).
- c. Human Capital  
Human capital is business unit staff who have advantages and ideas for development in business units in market competition (Ulum, 2017).

## 2.4 Definition of Intellectual Capital Disclosure

Intellectual capital disclosures are statements related to staff strategy statements, sufficient and complete exposure (Suhardjanto & Wardhani, 2017).

### a. Measurement of the Intellectual Capital Disclosure

Intellectual capital disclosure grouping consists of 36 items with a cumulative score (Aprisa, 2016).

## 2.5 Previous Research

Previous research results include:

- a. (Gregorio & Castro, 2017) intellectual capital from various prospects. Based on the intellectual capital based view of the company, most of these issues are related to the conceptualization and typology of IC, its measurement and limitations of the most numerous problems as well as some possible directions for future development.
- b. (Francisca Tejedo Romero, 2018) Management strategy and intellectual capital disclosure: influence of corporate governance. This difference has become one of the main reasons companies voluntarily manage and disclose them.
- c. (Yong Quan, Lia Chih Hsin, & Sam Liu, 2018) The role of problem identification and intellectual capital in the management of hotels' competitive advantage - an integrated framework. The results of this study support a structural model where the indirect effect of intellectual capital on the competitive advantage of a hotel is determined through a problem identification mechanism.
- d. (Aino et al, 2018) The practice of knowledge and innovation-based resource management states positively mediating the relationship between knowledge-based human resource practices and innovation performance and illustrates the important role of intellectual capital.

## 2.6 Research Model

Based on the theoretical basis, the research model is:

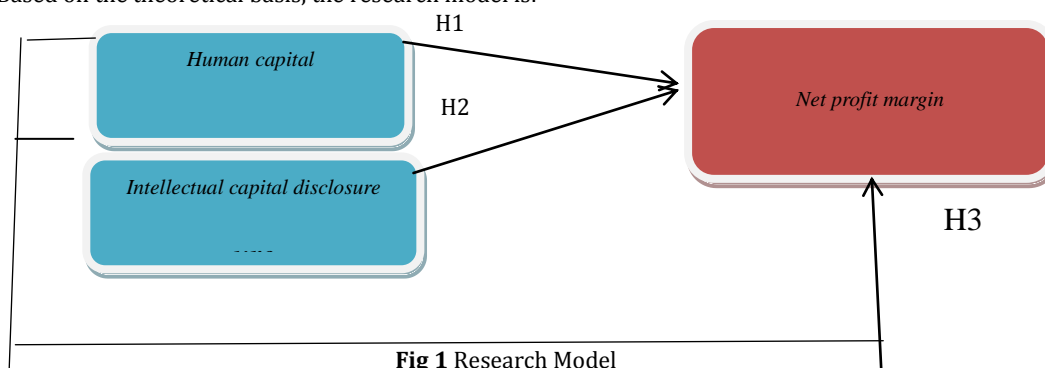


Fig 1 Research Model

## 2.7 Research Hypothesis

The hypothesis is described below:

- a. Human capital has a positive effect on the margin on net profit in the insurance business unit
- b. The disclosure of intellectual capital has a significant effect on the margin on net profit of the insurance business unit
- c. Human capital together on the margin on net profit in the insurance business unit.

## 3. Research Methods

This research method by collecting financial data on the number of insurance companies.

### 3.1 Population and Sample

All insurance companies in 2014-2019 selected population objects consisting of 14 companies. The following is shown the insurance company:

The sample selection criteria are as follows:

- a. Register on the IDX
- b. Non Sharia Shares



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- c. Complete financial statements presenting ended December 31st
  - d. Has complete research data
- So from the total population of 14 companies, researchers took a sample of 11 companies that meet the requirements set out above.

## 3.2 Data Collection Techniques

The data collection stage uses reference books and journals and financial report data.

## 3.3 Data Collection Instruments

The instrument that will be used is the financial data of the insurance business unit, the documentation related to the insurance business unit data

## 3.4 Analysis Method

The analysis process used is to use each independent test and simultaneous testing.

## 4. Research Results and Discussion

### 4.1 Research Result

The research used analyzes human capital and intellectual capital disclosure with its impact on net profit margins.

**Table 1**  
Descriptive

	Jumlah	Min	Max	Mean	Deviation
X1_HumanCapital	55	.02	88.00	17.3000	22.324
X2_Intellectualcapitaldisclosure	55	7000.00	456.00	7000.2000	1960.7375
Y_Netprofitmargin	55	-18.00	140.00	27.0182	5.421
	55				

Source: Processed data, SPSS 25, 2020

In table 1 above, it can be seen that Human Capital and Intellectual Capital Disclosure on Net Profit Margin. This net profit margin is the profit of a business in managing revenue. With an average value of 27.0182. The minimum value is -18.00 and the maximum value is 140.00 as well as for the standard deviation of 5.421.

Human Capital is the advantage that is owned by the thoughts of each employee. In table 1 above the minimum value is 0.02 and the maximum is 88.00, and the standard deviation is 17.3000.

Intellectual Capital Disclosure is the disclosure of financial information related to internal business such as number of employees, research, technology etc. In table 1 it can be said that the minimum value is 7000.00 and the maximum value is 456.00, and the deviation is 1960.73.

### 4.2 Hypothesis testing

#### a. T test results

It is used to see the analysis of the independent variables on the dependent variable.

**Table 2**  
T test results

	Unstandardized		Standardized	t	Sig.
	B	Error	Beta		
X1_HumanCapital	33.589	19.1890		1.976	.097
X2_Intellectualcapitaldisclosure	.177	.298	.188	8.990	.020
	.009	.007	.679	3.056	.000

Source: Processed data, SPSS 25, 2020

From the data above, it can be said that all independent variables have a significant effect on net profit margins, namely capital capital and disclosure of financial capital significantly below 0.05.

#### b. Simultaneous Test Results

As for the results of data processing through collectively.

**Table 3**  
Concurrent testing

	Squares	Df	Square	F	Sig.
Regression	776.532	4	767.312	37.009	.000 <sup>b</sup>
	543.796	50	312.623		
Total	1.320,328	54			

Source: Processed, SPSS 25, 2020

It can be said above that it can be said to be significant at 0.000, so together human capital and financial capital disclosure to net profit margins.

#### c. Determinant Test Results

This test (Chandrarin, 2017: 141), is to predict from research results that affect the dependent factor.



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**Table 4**

Determinant test

R	R Square	Adjusted R Square	Estimate
.890 <sup>a</sup>	.860	.780	59.32745

Source: Processed data, SPSS 25, 2020

With the above data R<sup>2</sup> has a value of 0.860 or 86.0% while the rest is not examined in this study.

## 4.3 Discussion

The summary in this study has an impact on net profit margins.

### a. Human Capital Affects the Margin of Net Profit in Insurance Companies

From the processed data, the t count is 8.990 greater than 2.00856 and the sig value is below 0.05. So that the first hypothesis is accepted. The amount of profit generated by the company already has value added in the form of salaries and benefits provided by employees to increase income. Research results (Pratiwi, 2016) that the added value of intellectual capital has an impact on the return on capital gains in business units.

### b. Disclosure of Financial Statements Affects the Margin of Net Profits in Insurance Companies

The research results are below 0.05, so the fifth hypothesis is accepted. The result of processed data has a significance of 0.000, less 0.05. So that the fourth hypothesis is accepted. One form of financial statement disclosure that is still not widely used by organizations includes employee knowledge, customer relationships and business unit value. Research (Pratiwi & Sudarso, 2018) intellectual capital, relationship capital and structural value added have an impact on the margin on net income.

### c. Intellectual capital, structure capital, relationship capital and disclosure of financial statements have an impact on the margin on net profit in insurance companies

Based on the processed results that together the value is 0.000 < 0.05. So that the fifth hypothesis is accepted. Expansion of information asymmetry between owners and potential investors to increase value in the long term. Research (Febrianty & Febriantoko, 2018) said that the performance of financial statements will have an impact on intellectual capital in companies.

## 5. Conclusion

The essence of research in this study, including:

- Human capital sig value is below 0.20 above 0.05, so the first hypothesis is not accepted.
- Disclosure of financial statements has a smaller value of 0.000, 0.05, so the second hypothesis is accepted.
- Human capital and intellectual capital disclosure together have a significant value of 0.000, less than 0.05. Then the third hypothesis is accepted.

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