

Intellectual Capital in Baitul Maal Wa Tamwil

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Keywords: Baitul Maal Wa Tamwil (BMT), Intellectual Capital and Return on Asset (ROA).

Abstract: This study to determine the description of Intellectual Capital value and its effect on profitability which is measured by using Return On Asset (ROA) ratio. This research is based on the phenomenon of Baitul Maal Wa Tamwil (BMT) occurrence among many people, but the newly emerging BMT can not survive in this financial institution business which eventually will be collapse (bankrupt). The research method used is descriptive and verifikatif. The object of this study was conducted in five BMTs that are still active in West Bandung regency. This research uses secondary data type, the data is the result of the annual Members Meeting report from year 2010 - 2016, obtained from Cooperation Office and UMKM Regency of West Bandung. Data analysis technique used in this research is multivariate regression model for panel data. The results showed that the three elements of Intellectual Capital which are Value Added Capital Asset (VACA) have a positive and significant effect on profitability, Value Added Human Capital (VAHU), positively and significantly influence to profitability, Structure Capital Value Added (STVA) profitability and simultaneous test results of VACA, VAHU, STVA have a positive and significant effect on profitability. Implication of this research as evaluation to increase added value for BMT which was produced through Capital Asset, Human Capital and Capital Structure to achieving BMT's goal.

1 INTRODUCTION

The development of BMT in Indonesia from year to year has been increasing, from 3,200 BMTs in 2006 (Sakti, 2013), became 5,500 BMTs in the end of 2015 which are spread in all over Indonesia (republika.go.id). But the increase of BMTs is only written in data, because the reality tells the otherwise. Due to the hardship of islamic financial institution business which is being executed, some BMTs couldn't survive and they began to collapse (Sumiyanto, 2008).

We know there is no doubt that one of the causes of how vulnerable the BMT will be collapse, is because the amount of profit / income-received is not like we expected. Based on the results of pre-research, conducted on five BMTs located in West Bandung regency, the financial statements of 2016 which is shown the BMT category based on the calculation of ROA (Return on Asset), explain that BMT *Dana Ukhuwah*, followed by BMT *Mustama*, they are in unhealthy category while BMT *el Dana Manfaat*, BMT *Rabbani* and BMT *Al-Qinan* are in very unhealthy category.

Table 1: The Value of BMT's ROA in West Bandung regency.

ROA Assessment Criteria	Name BMT				
	<i>Dana-Ukhu-wah</i>	<i>Mustama</i>	<i>El Dana Manfaat</i>	<i>Rabbani</i>	<i>Al-Qinan</i>
≥ 10 (Healthy)					
≤ 7 - 9.9% (Fit)					
≤ 3 to 6.99% (less healthy)					
≤ 1 - 2.99% (Unhealthy)	1.4%	1.2%			
<1% (Sick)			0.85%	0.71%	0.17%

2 LITERATURE REVIEW

Intellectual Capital is defined as knowledge resources in the form of employees, customers, processes or technologies that companies use in the process of creating the value for the company (Ulum, 2009).

Intellectual Capital has three component first Capital Asset, Capital assets is the capital that company has, whose function is to support the entire operations of the company. Second Human Capital,

Human capital is the lifeblood of intellectual capital as a source of innovation, improvisation, knowledge, skills and competencies within an

organization or company. However, this component is difficult to measure. Third Capital Structure, Capital structural relates to the mechanisms and organizational structures that help support employees in improving optimally the intellectual performance or overall business performance.

3 METHODOLOGY

This research was conducted on BMT financial institutions in West Bandung, there are BMT Dana Ukhuwah, BMT Mustama, BMT El Dana Manfaat, BMT Rabbani and BMT Al-Qinan. The data used in this study are the financial statements of the years 2010-2016. Method used in this research is descriptive and verification. Analysis of the data in this study used test analysis through multiple regression of panel data.

4 RESULTS

Based on calculations results and the category of Intellectual Capital will be presented as follows:

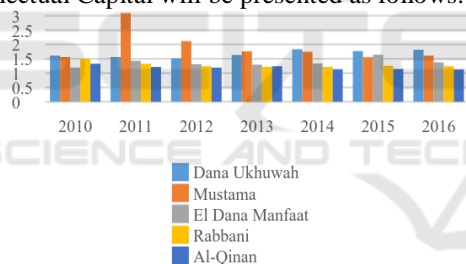


Figure 1: Results of BMT VAIC calculation in West Bandung regency.

The average of VAIC in those five BMTs is 1.49 which means that on a Bad Performers category.

The value based on the calculation of ROA and categories will be presented as follows:

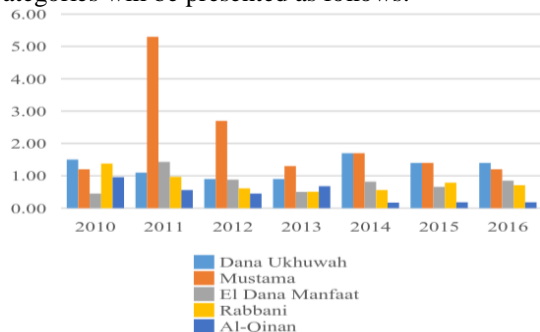


Figure 2: The result of the calculation of VAIC in West Bandung regency BMT.

The average of ROA from those five BMTs in West Bandung Regency is 1.09 then this include into the category of "Unfair".

In this study before determining the model that used for research, we determine the best model through chow test and LM test. Based on the results, the best model used for this research is the Common Model-effect, while the results of the Common-effect model are as follows:

Table 2: Common-effect model Test Result.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.370356	0.695927	-3.406041	0.0018
VACA	7.462430	1.266477	5.892274	0.0000
VAHU	1.798612	0.679019	2.648840	0.0126
STVA	3.478533	0.959135	3.626740	0.0010

From Table 2 it can be concluded that:

VACA (X_{1it}) at significance level of 5% $t_{count} > t_{table}$ is $5,892274 > 2.03693$, then H_0 is rejected. That means VACA influence the ROA positively and significantly. VAHU (X_{2it}) at significance level of 5% $t_{count} > t_{table}$ is $2.648840 > 2.03693$, then H_0 is rejected. That means VAHU influence the ROA positively and significantly. STVA (X_{3it}) at significance level of 5% $t_{count} > t_{table}$ is $3.626740 > 2.03693$.

As for the F test (simultaneously), the result of using Eviews 9 application are as follows:

Table 3: The Results of F Test (simultaneously).

R-squared	0.942718
Adjusted R-squared	0.937174
S.E. of regression	0.225209
Sum squared resid	1.572295
Log likelihood	4.636359
F-statistic	170.0603
Prob(F-statistic)	0.000000

Based on table 3 F_{count} is 170.0603 then the value of F_{table} with 5% significance level. So the result states that $F_{count} > F_{table}$ ($170.0603 > 2.911334$) so the conclusion is VACA, VAHU, STVA together (simultaneously) influence the ROA.

The result shows that the Capital Asset Value Added (VACA) influences the profitability. In the theory of Resource Based Theory (RBT), companies must be able to utilize the resources in the form of Tangible Assets and Intangible Asset so that the results will be in accordance with the utilization of resources owned by the company.

The results are supported by research of Faza (2014), and Kartika and Hartane (2012) which shows that VACA effect on profitability. The results also support the research that has been described by Ulum (2009) stated that the Intellectual Capital does not only affect the company's performance for the year,

even the Intellectual Capital can also predict future financial performance.

VAHU, in this case is human resources (employee), has a very important role in a company. Employees become the determining factor in the success of the company, as employees become single element that operate everything to run the company's operations.

The results are also supported by research of Dian (2012), Nike (2013) which states VAHU effect on profitability but in contrast with Antung (2014) research, VAHU no significant effect on the explained that the companies surveyed use spending on personnel costs too extravagant but had no impact on the value added to increase profits, so in this case BMT in West Bandung regency has been able to regulate the amount of expenditure for the needs of employees

The utilization of Structure Capital is what makes the modern and traditional business different. There was the difference between the purchase price and the selling price, profit is the primary value of success in business. But now that can not be a benchmark, since the creation of the intangibles value such as stakeholders that will either make a firm or developed.

The results showed that Capital Structure Value Added (STVA) affect the profitability. This is supported by Dian (2012) and Nike (2013) researches which state STVA effect on profitability. The results of different studies which is conducted by Chen et al. (2005) who did the research in Taiwan company, shows that STVA no significant effect on profitability due to the tangible assets, in this case VACA dominates to create profits for the company but the impact of STVA in his study had no significant impact.

Intellectual Capital is a combination of VACA, VAHU and STVA components. The results showed that the Capital Asset Value Added (VACA), Value Added Human Capital (VAHU) and Capital Structure Value Added (STVA) together effect on profitability. The results are supported by Kalkana (2014) and Reza (2015) research which states VACA, VAHU and STVA jointly effect on profitability.

Resource Based Theory in the previous chapter outlined the importance of utilization the intangible or tangible resource to achieve company' expectations. BMT in West Bandung regency, in this case, has proven that the Intellectual Capital in a company has a good impact and a significant contribution by adding the value, so it is necessary to take specific evaluation of BMT especially in order to increase the elements which are associated. So in the

end when the value of Intellectual Capital increases, the profitability of the company will also be increased in accordance with the results of this study.

5 CONCLUSIONS

The value of Intellectual Capital owned by BMT located in West Bandung regency, are included into the category of "Bad" Performance. Level of profitability measured by using Return on Assets owned by BMT located in West Bandung regency included into the category of "unhealthy". VACA has an influence in increasing the Return on Assets, VAHU has an influence in increasing the Return on Assets, STVA has an influence in increasing the Return on Assets and VACA, VAHU, STVA are together (simultaneously) have the effect of increasing the Return on Assets.

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