IMPROVEMENT OF FIRM PERFORMANCE AND INTELLECTUAL
CAPITAL THROUGH INNOVATION AND COMPETITIVE ADVANTAGE

Oleh:

Siska Maya[1]
Atikah[2]
Ana Rusmardiana[3]

Program Studi Pendidikan Ekonomi[1]
Program Studi Teknik Informatika[2,3]
Universitas Indraprasta PGRI

Email:

may3110@yahoo.com
atikahmardi1@gmail.com
ana.irawan@yahoo.co.id

ABSTRACT

Business is undergoing a change called the new wave, which is a change in (traditional) production-based economies into a knowledge-based economy. Usually, Intellectual Capital is considered as a source that incorporates a competitive advantage for a company. Information technology (IT) gives numerous benefits for companies that utilize it well. One of the competitive advantages turns out that Intellectual Capital by Small and Medium Enterprises (SMEs) in Indonesia has not been utilized as an asset that can improve company performance. The method used in this study is quantitative. The purpose of this study is to explain the influence of Intellectual Capital and IT Competence on Innovation in improving Competitive Advantage and explain the moderating relationship between IT Competence and Knowledge Base View on Firm Performance. Intellectual Capital and IT Competence do not affect Innovation in improving Competitive Advantage. Innovation serves as a full mediation of intellectual capital with firm performance. Likewise, the competitive advantage functions as a full mediation towards IT Competence and firm performance.

Keywords: Competitive Advantage, Firm Performance, Innovation, IT Competence, Knowledge Management

A.   INTRODUCTION

At this time the business is experiencing a change called the *new wave* that is a change from a production-based economy (traditional) to a knowledge-based economy. Cash, buildings, and equipment cannot be considered as differentiators in competitive advantage (Saeed, Shekoofeh, & Mahnaz, 2013). In the past, the company only measured and created the value of the company based on physical resource assets or tangible assets (*tangible assets*) instead of building knowledge that is non-physical resources or (*intangible assets)* (Widiastuti & Sulistyandari, 2013). One approach used to measure intangible assets is to use the concept of *Intellectual Capital.*

This is because *Intellectual Capital is* considered as a source that has a competitive advantage for a company (Jardon & Martos, 2012). It was even stated that *Intellectual Capital* is a resource that has a *competitive advantage* for SMEs compared to large scale companies, this is because the tangible resources owned by SMEs are smaller when compared to large scale companies (Jardon & Martos, 2012). *Intellectual Capital* as intangible capital can bring up the competitive advantage which will lead to *firm performance* because these resources are resources that are difficult to imitate and can even be considered as strategic resources (Thom, 2008). According to (Suraj & Bontis, 2012) it is stated that intangible assets are more able to create added value for a company to achieve a *competitive advantage*.

Empirically there are differences in research results between IT relations and competitive advantage. (Bhatt & Grover, 2005) IT and competitive advantage have an insignificant relationship. Meanwhile, (Gordon & Tarafdar, 2007) IT and competitive advantage have a significant relationship. From the differences in the results of this study, there is a gap in the research.

B.   LITERATURE REVIEW

According to the *Intellectual Capital theory*, the main function of *Intellectual Capital* is creating value-added products and services through proactive management of tangible resources that positively affect organizational performance (Khalique, Shaari, Isa, & Ageel, 2011). Edvinson and Malon, (Fathi, Farahmand, & Khorasani, 2013) stated that *Intellectual Capital is* defined as knowledge that can be converted to firm value. (Stewart, 1997) states that *Intellectual Capital* is an overall inventory of several knowledge, experience, information, technology owned by the organization, intellectual property rights, organizational learning and competence, team communication systems, customer relationships, and brands that can create value for the company (Kalkan, Bozkurt, & Arman, 2014). *Intellectual Capital* is a valuable resource that organizations consider in developing *Innovation* (Michalski and Javier Vazquez, 2008 in Azmi, Ansari, Ologbo and Rezaei, 2013).

Innovation is the presence of information technology (IT) because IT will increase the ability of managers to innovate to collaborate and find relevant information and knowledge (Gordon & Tarafdar, 2007). Information technology (IT) has been touted as providing many benefits for companies that use it well.

For example, studies show that IT can improve product quality, improve workflows, increase company flexibility to respond to customer needs, and improve communication between companies and customers and suppliers. Technology is an important resource and is a sub-system of the organization. Thus, technology has critical implications for *Competitive Advantage* and *Firm Performance*. To survive and excel in market competition, companies need to pay attention and be able to gain an advantage from technological opportunities to support business strategies and improve operations and services. Therefore the company needs to build IT competence to build *Innovation* so that the company has a competitive advantage amid increasingly fierce market competition (Gordon & Tarafdar, 2007).

The existence of *Innovation* for a company is very important. *Innovation* can distinguish between one company and another company (Supriyadi & Ekawati, 2014); (Kalkan, Bozkurt, & Arman, 2014). *Innovation* is a tool to exploit change as an opportunity to make businesses and services different. *Innovation* can also be considered as a science that can be learned and practiced, as well as covering various aspects of both processes, products, and management (Supriyadi & Ekawati, 2014). *Innovation is* defined as "the implementation of new ideas that can create value" (Schermerhorn, James G, & Richard N, 2006); (Kalkan, Bozkurt, & Arman, 2014).. This means that every creative idea they find in every business activity ideally contributes to improving organizational performance (Supriyadi & Ekawati, 2014). A study conducted by Tidd (2001), mentions that *Innovation* is a way to open *Competitive Advantage* both globally and internationally through: providing markets with new or unique products/services (Akgun, et al., 2009).

Competitive Advantage occurs when organizations need or develop attributes or a combination of various attributes that allow *Firm Performance to* exceed compared to its competitors (Taie, 2014). *Competitive Advantage* itself is considered as an ability, obtained through various attributes or resources that show higher performance than competitors (Taie, 2014).

The influence between the *Intellectual Capital variable* on *Innovation* showed mixed results, wherein the research (Akgun, et al., 2009) showed that of the three factors that formed *Intellectual Capital* namely *Human Capital, Organizational Capital, and Relational Capital is* only *Organizational Capital* that influences *Innovation*. As for *Human Capital, and Relational Capital does not affect Innovation.* (Garcia & Calantone, 2002), (Subramaniam & Youndt, 2005); (Wu, Chang, & Chen, 2008); (Al-Dujaili, 2012); (Al-Khalil, Dahiyat, & Al-dalahmeh, 2014), shows that the variable *Intellectual Capital* has an influence and plays an important role in supporting *Innovation*. The influence of *Intellectual Capital* on *Competitive Advantage* shows a significant positive influence (Taie, 2014), this contrasts with (Ahangar, 2011), where there was no influence of *Intellectual Capital* on *Competitive Advantage* in the motor industry. Research examining the effect of *IT Compete* on *Innovation* shows significant positive influences and is a major determinant (Gordon & Tarafdar, 2007). As for the influence on *Competitive Advantage*, *IT Competence* has a significant effect considering that with IT, companies have a competitive advantage in the face of

increasing competition. On the influence of *IT Competence* on *Firm Performance, the* results of the study showed a significant effect.

As one of the competitive advantages, it turns out that *Intellectual Capital* by Small and Medium Enterprises (SMEs) in Indonesia has not been utilized as one of the assets that can improve company performance. This can be seen in the *Global Competitiveness Report* (2006) issued by the World Economic Forum (WEF), where Indonesia ranks 50th and based on the Human Development Report, Indonesia's position in terms of quality *human development* is 108th out of the 177 countries (Widiastuti & Sulistyandari, 2013).

One of the small and medium business industries that has great potential is located in the south Jakarta area. There are problems related to the development of the industry in micro small and medium businesses. These problems include the average human resource has a low level of education and difficult to be invited to work together, cooperation that occurs between members of a cluster (both cooperation between batik entrepreneurs and cooperation between batik entrepreneurs and suppliers) is still less effective, does not have good skills in marketing the products produced, as well as the government's role in the development of the Batik Industry Cluster is still considered lacking (Susanty, Handayani, Naniek, & Jati, 2013). The existence of these problems is interesting to do a study of SMEs in Indonesia mainly to test the effect of intangible assets *(intangible)* on *Firm* Performance. (Ngah, Ibrahim, & Hoo, 2008) the empirical study provides insight into the importance of SMEs by identifying their internal resources, namely intellectual capital, thus, the use of IC to produce innovation. *Intellectual Capital* is a valuable resource that organizations consider in developing *Innovation*. The influence between variables *Intellectual Capital* on *Innovation* shows mixed results, wherein the research Akgün, Ali Ekber, Koçoglu, Ipek, Salih Zeki Imamoglu, and Hüseyin Ince (2009) show that of the three factors that make up *Intellectual Capital* namely *Human Capital, Organizational Capital, and Relational Capital is* only *Organizational Capital* that influences *Innovation.* As for *Human Capital, and Relational Capital does not affect Innovation.* In the (Garcia & Calantone, 2002) study, (Subramaniam & Youndt, 2005); (Wu, Chang, & Chen, 2008); (Al-Dujaili, 2012); (Al-Khalil, Dahiyat, & Al-dalahmeh, 2014), shows that the variable *Intellectual Capital* has an influence and plays an important role in supporting *Innovation.*

H₁: Positive relationship between Intellectual Capital to Innovation

(Jardon & Martos, 2012) said that there is a positive relationship between intellectual capital and innovation. The scheme of competitive advantage in the cluster industry in Latin America shows that resources affect organizational capability; territories and organizational capabilities influence strategic factors that can improve company performance. In the proposed model scheme, human capital influences structural capital and structural capital influences relational capital. The tangible resources of SMEs and relational capital build organizational capabilities. (Kalkan, Bozkurt, & Arman, 2014).

H₂: A positive relationship between Intellectual Capital and Competitive

Advantage

IT Competence itself is defined as knowledge management, which demands, among other things, buying the right software and understanding the process of implementing these tools (Gordon & Tarafdar, 2007). Companies to build IT competencies to build *Innovation* so that companies have a competitive advantage amid increasingly fierce market competition (Gordon & Tarafdar, 2007). IT competencies in information and knowledge management, project management, collaboration and communication, and business involvement tend to increase an organization's ability to innovate. Effect of *Intellectual Capital* on *Competitive Advantage* shows significant positive influence (Taie, 2014).

H_3: Positive relationship between IT Competence and Innovation
H_4: Positive relationship between IT Competence and Competitive Advantage

Technology is an important resource and is a sub-system of the organization. Thus, technology has critical implications for *Competitive Advantage* and *Firm Performance*. Tidd (2001), mentions that *Innovation* is a way to open *Competitive Advantage* both globally and internationally.

H_5: Positive relationship between Innovation and Competitive Advantage
H_7: Positive relationship between IT Competence and Firm Performance

(Mohammad, Ansari, Ologbo, & Rezaei, 2013) said that the results of the analysis found that human capital, structural capital, and relational capital affect entrepreneurial orientation. Likewise, entrepreneurial orientation influences organizational performance. This shows that capital, structural capital, and relational capital indirectly have an influence on organizational performance and the results indicate that the Entrepreneurial Orientation variable is intervening. (Kalkan, Bozkurt, & Arman, 2014) there is a positive relationship between intellectual capital and firm performance. (Ngah, Ibrahim, & Hoo, 2008) provide insights on the importance of SMEs by identifying their internal resources, namely intellectual capital as a result organizations have higher performance, especially in generating profits, which is the concern of SMEs. (Kalkan, Bozkurt, & Arman, 2014) there is a positive relationship between innovation and firm performance.

H_6: Positive relationship between Intellectual Capital and Firm Performance
H_8: Positive relationship between Innovation and Firm Performance
H_9: Positive relationship between Competitive Advantage and Firm Performance

C. RESEARCH METHOD

The type of research used in this study is *explanatory* by using a quantitative approach. The quantitative approach is in line with research conducted by Bontis (1998); Carlos (2012); (Khalique, Shaari, Isa, & Ageel, 2011). In this approach to see and test the forming factors and their effects on *Firm Performance* SME using a survey method to SME owners/managers. Data management using SEM PLS. The location of this research is UKM in Depok and South Jakarta. The data used in this study are primary. Primary data were obtained from questionnaires and *in-depth interviews* with respondents from the study sample. In quantitative data collection, Teknik used is the survey to the owners/managers of SMEs conducted by using questionnaires is done either by going alone to each of the respondents also by way of email and telephone. The scale used is to use a 5-point Likert scale (Bontis, 1998), with a weighting rating from very unsupportive to very supportive.

D. RESULTS AND DISCUSSION

The distribution of questionnaires was given to 30 respondents of micro small and medium enterprises located in Depok and South Jakarta. Micro, small and medium businesses obtained from the results of the questionnaire engaged in culinary (more than 60%). The average business running time is more than 5 years with an average income of 5 million per month.

Convergent validity is measuring reflexive indicators as a measure of variables that can be seen from the outer loading of each indicator variable. An indicator is said to have good reliability if the value is outer loading above 0.70 (Sarwono, 2014). While the outer value loading can still be tolerated up to 0.5 and below the 0.5 value can be dropped from the analysis (Ghozali & Latan, 2015).

Table 1. Outer Loading

	Competitive Advantage	Firm Performance	IT Competence	Innovation	Intellectual Capital
$X_{1.1.1}$					0,803
$X_{1.1.2}$					0,870
$X_{1.1.3}$					0,893
$X_{1.2.1}$					0,793
$X_{1.2.2}$					0,518
$X_{1.2.3}$					0,645
$X_{1.3.1}$					0,456
$X_{1.3.2}$					0,151
$X_{1.3.3}$					0,197
$X_{2.1}$			0,878		
$X_{2.2}$			0,917		
$X_{2.3}$			0,735		
$X_{3.1}$				0,873	
$X_{3.2}$				0,832	
$X_{3.3}$				0,858	

$X_{4.1}$	0,778	
$X_{4.2}$	0,933	
$X_{4.3}$	0,925	
$X_{5.1}$		0,909
$X_{5.2}$		0,933
$X_{5.3}$		0,824

Source: Research Result

From the table above it can be seen that the cross-loading between the indicators and the construct of the measurement of variables is above 0.7. Except Indicator $X_{1.2.2}$; $X_{1.2.3}$; $X_{1.3.1}$; $X_{1.3.2}$; $X_{1.3.3}$ below the number 0.7. But according to (Ghozali & Latan, 2015) that the outer loading value can still be tolerated up to 0.50. This opinion

provides an opportunity for $X_{1.2.2}$ and $X_{1.2.3}$ can be used in research. The first criterion for discriminant validity reflexive measurement can be seen in the cross-loading between the indicator and its construct.

Tabel 2. Discriminant Validity

	Competitive Advantage	Firm Performance	IT Competence	Innovation	Intellectual Capital
$X_{1.1.1}$	-0,040	0,548	0,298	0,576	0,803
$X_{1.1.2}$	0,189	0,586	0,457	0,643	0,870
$X_{1.1.3}$	0,393	0,603	0,566	0,582	0,893
$X_{1.2.1}$	0,167	0,483	0,378	0,495	0,793
$X_{1.2.2}$	-0,082	0,278	0,335	0,362	0,518
$X_{1.2.3}$	0,093	0,453	0,440	0,564	0,645
$X_{1.3.1}$	0,505	0,126	0,329	0,071	0,456
$X_{1.3.2}$	0,765	0,014	0,373	-0,11	0,151
$X_{1.3.3}$	0,770	-0,037	0,349	-0,118	0,197
$X_{2.1}$	0,367	0,588	0,878	0,705	0,647
$X_{2.2}$	0,418	0,420	0,917	0,553	0,489
$X_{2.3}$	0,458	0,228	0,735	0,409	0,234
$X_{3.1}$	-0,186	0,761	0,487	0,873	0,588
$X_{3.2}$	0,018	0,630	0,510	0,832	0,589
$X_{3.3}$	0,266	0,642	0,729	0,858	0,555
$X_{4.1}$	0,778	0,262	0,508	0,258	0,392
$X_{4.2}$	0,933	0,027	0,394	-0,068	0,157
$X_{4.3}$	0,925	0,088	0,367	-0,068	0,184
$X_{5.1}$	0,059	0,909	0,431	0,818	0,682
$X_{5.2}$	0,236	0,933	0,545	0,714	0,599
$X_{5.3}$	0,074	0,824	0,388	0,534	0,354

Source: Research Result

From the table above it can be seen that the correlation between variables x1 with the indicator is higher than the correlation of indicator Y with other variables. This shows that latent variables predict indicators on their blogs better than other blog indicators. The second criterion for discriminant validity is to compare the roots of Average Variance Extracted (Root Root) for each construct with the correlation between constructs and other constructs in the model. The model has sufficient discriminant validity if the AVE root for each variable is greater than the correlation between other constructs.

Table 3. Construct Reliability and Validity

	Cronbach's	*rho*_A	Composite Reliability	Average Variance Extracted
Competitive Advantage	0,853	0,856	0,912	0,777
Firm Performance	0,871	0,917	0,919	0,792
IT Competence	0,803	0,842	0,883	0,717
Innovation	0,815	0,817	0,890	0,730
Intellectual Capital	0,872	0,882	0,908	0,666

Source: Research Result

The AVE root value must be greater than the correlation value of the latent variable. A good AVE value if it is above 0.50. The square root values of AVE (0.777, 0.792, 0.717, 0.730, and 0.666) are greater than the correlations of each construct.

Table 4. Construct Reliability and Validity

	Cronbach's	*rho*_A	Composite Reliability	Average Variance Extracted
Competitive Advantage	0,853	0,857	0,912	0,777
Firm Performance	0,871	0,915	0,919	0,792
IT Competence	0,803	0,842	0,883	0,717
Innovation	0,815	0,817	0,890	0,730
Intellectual Capital	811,000	0,892	0,845	0,420

Source: Research Result

In addition to the construct validity test, construct reliability is also measured by 2 criteria: Cronbach's Alpha and Composite Reliability. This value reflects the reliability of all indicators in the model. The ideal value is 0.8 or 0.9 (table data). In addition to Cronbach's Alpha, a composite reliability value is used that is the same interpretation as the Cronbach's Alpha value. The composite

values reliability in the table is above 0.8 which has reliability high.

Table 5. Path Coefficients

	Original Sample	Sample Mean	Standart Deviation	T Statistic	P Values
Competitive Advantage --> Firm Performance	0,164	0,183	0,205	0,799	0,425
IT Competence --> Competitive Advantage	0,769	0,641	0,274	2,807	0,005
IT Competence --> Firm Performance	-0,676	-0,214	0,251	0,844	0,399
IT Competence --> Innovation	0,431	0,484	0,177	2,434	0,015
Innovation --> Competitive Advantage	-0,676	-0,546	0,345	1,958	0,051
Innovation --> Firm Performance	0,824	0,841	0,230	3,576	0,000
Intellectual Capital --> Competitive Advantage	0,292	0,312	0,418	0,698	0,486
Intellectual Capital --> Firm Performance	0,158	0,161	0,212	0,746	0,456
Intellectual Capital --> Innovation	0,429	0,290	0,415	1,036	0,301

Source: Research Result

From the estimation results, it can be seen that the influence of Intellectual Capital on Innovation has a path coefficient of 0.429. Where the effect is significant (t = 1.036: p <0.005). This shows that the relationship of intellectual capital is positive towards innovation. Prove that the first hypothesis or H_1 is rejected.

From the estimation results, it can be seen that the effect of Intellectual Capital on competitive advantage has a path coefficient of 0.292. Where the effect is not significant (t = 0.698: p <0.005). This shows that the relationship of positive intellectual capital to competitive advantage.

Prove that the second hypothesis or H_2 is rejected. From the estimation results, it can be seen that the influence of IT Competence on innovation has a path coefficient of 0.431. Where the effect is significant (t = 2,434: p <0.005). This shows that the relationship of IT Competence is positive towards innovation.

Prove that the third hypothesis or H_3 is accepted. From the estimation results, it can be seen that the influence of IT Competence on Competitive Advantage has a path coefficient of 0.769. Where the effect is significant (t = 2.807: p <0.005). This shows that the relationship between IT Competence is positive towards Competitive Advantage.

Prove that the fourth hypothesis or H_4 is accepted. From the estimation results, it can be seen that the effect of Innovation on competitive advantage has a path coefficient of -0,546. Where the effect is not significant (t = 1.958: p <0.005). This shows that the relationship of IT Competence is negative towards Competitive Advantage.

Prove that the fifth hypothesis or H_5 is rejected. From the estimation results, it can be seen that the influence of Intelectual Capital on firm performance has a path coefficient of 0.158. Where the effect is significant (t = 0.746: p <0.005). This shows that the positive intellectual capital relationship to firm performance.

Prove that the sixth hypothesis or H_6 is rejected. From the estimation results, it can be seen that the influence of IT Competence on firm performance has a path

coefficient of -0.212. Where the effect is not significant ($t = 0.844$: $p < 0.005$). This shows that the relationship of IT Competence is negative towards Competitive Advantage.

Prove that the seventh hypothesis or H_7 is rejected. From the estimation results, it can be seen that the influence of Innovation on firm performance has a path coefficient of 0.824. Where the effect is significant ($t = 3.576$: $p < 0.005$). This shows that the positive innovation relationship with firm performance.

Prove that the eighth hypothesis or H_8 is accepted. From the estimation results, it can be seen that the effect of competitive Advantage on Firm Performance has a path coefficient of 0.164. Where the effect is not significant ($t = 0.799$: $p < 0.005$). This shows that the relationship of positive competitive advantage to firm performance.

Prove that the ninth hypothesis or H_9 is rejected. Based on the Path Coefficients table, the original sample estimate is obtained that has the most influence on intellectual capital is firm performance (0.158). Innovation functions as full mediation of intellectual capital with firm performance. Likewise, competitive advantage functions as a full mediation of IT Competence and firm performance. This conclusion was obtained because it has a loading factor above 0.6.

E.   CONCLUSION

Intellectual Capital and *IT Competence do not affect Innovation* in increasing *Competitive Advantage*. Likewise, the relationship between innovation and competitive advantage has no effect. Innovation functions as full mediation of intellectual capital with firm performance. Likewise, competitive advantage functions as a full mediation of IT Competence and firm performance.

REFERENCES

Ahangar, G. (2011). The Relationship Between Intellectual Capital and Financial Performance: An Empirical Investigation in an Iranian Company. *African Journal of Business Management, 5*(1).

Akgun, Ekber, A., Kocoglu, Ipek, Imamoglu, S. Z., & Ince, H. (2009). The Relationship Between Firm Intellectual Capital and The Competitive Advantage. *Journal of Global Strategic Management, 6*.

Al-Dujaili, M. A. (2012). Influence of Intellectual Capital in the Organizational Innovation. *International Journal of Innovation Management and Technology, 3*(2).

Al-Khalil, S. S., Dahiyat, S. E., & Al-dalahmeh, M. A. (2014). Intellectual Capital Development and its Effect on Technical Innovation in Banks Operating in Jordan. *Journal of Management Research, 6*(1).

Bhatt, G. D., & Grover, V. (2005). Types of Information Technology Capabilities and Their Role in Competitive Advantage: An Empirical Study. *Journal of Management Information Systems, 22*(2).

Fathi, S., Farahmand, S., & Khorasani, M. (2013). Impact of Intellectual Capital on Financial Performance. *International Journal of Academic Research in Economics and Management Science, 2*(2).

Garcia, R., & Calantone, R. (2002, 2). A critical look at technological innovation typology and innovativeness terminology: a literature review. *Journal of Product Innovation Management, 19*.

Gordon, S. R., & Tarafdar, M. (2007). How do a company's information technology competencies influence its ability to Innovate? *Journal of Enterprise Information Management, 20*(3).

Jardon, C. M., & Martos, M. S. (2012). Intellectual Capital as Competitive Advantage in Emerging Clusters in Latin America. *Journal of Intellectual Capital, 13*(4).

Kalkan, A., Bozkurt, O. C., & Arman, M. (2014). The Impact of Intellectual Capital, Innovation and Organizational Strategy on Firm Performance. *Procedia-Social and Behavioral Science, 150*, 700-707.

Khalique, M., Shaari, J. a., Isa, A. B., & Ageel, A. (2011). Role of Intellectual Capital on the Organizational Performance of Electrical and Electronic SMEs in Pakistan. *International Journal of Business and Management, 6*(9).

Saeed, F., Shekoofeh, F., & Mahnaz, K. (2013). Impact of Intellectual Capital on Financial Performance. *International Journal of Academic Research in Economics and Management Sciences, 2*(1).

Schermerhorn, J., James G, H., & Richard N, O. (2006). Organizational Behavior Essentials. Ninth Edition. John Wiley & Sons, New York USA.

Subramaniam, M., & Youndt, M. (2005). The Influence of Intellectual Capital on the Types of Innovative Capabilities. *Academy of Management, 48*(3).

Supriyadi, & Ekawati, R. (2014). The Effect of Strategic Partnership on Innovation Capability and Business Performance of Garment Industry in West JAva-Indonesia. *International Journal of Scientific & Technology Research, 3*(12).

Suraj, O. A., & Bontis, N. (2012). Managing Intellectual Capital in Nigerian Telecommunications Companies. *Journal of Intellectual Capital, 13*(2).

Susanty, A., Handayani, Naniek, U., & Jati, P. (2013). Analisis Faktor-Faktor yang Mempengaruhi Pertumbuhan Klaster Batik Pekalongan (Studi Kasus Pada Klaster Batik Kauman, Pesindo and Jenggot). *J@TI Undip, VIII*(1).

Stewart, T. (1997). Intellectual Capital: The New Wealth of Organizations Doubleday.

Taie, E. S. (2014). The Effect of Intellectual Capital Management on Organizational Competitive Advantage in Egyptian Hospitals. *International Journal of Business and Social Science, 5*(2).

Thom, R. R. (2008). Beyond The Numbers: A Phenomenological Study of Intangible Assets for Small Manufacturing Business Valuation.

Widiastuti, E., & Sulistyandari. (2013). Peningkatan Daya Saing UKM melalui Peran Modal Intelektual dan Kinerja Keuangan. *Sustainable Competitive Advantage (SCA), 3*(1).

Wu, W.-Y., Chang, M.-L., & Chen, C.-W. (2008). Promoting Innovation Through The Accumulation of Intellectual Capital, Social Capital, and Entrepreneurial Orientation. *R&D Management, 38*(3).

(n.d.).