

ABSTRACT

This research examines the correlation of company's intellectual capital level and the level of intellectual capital disclosure. This research also examines the correlation of intellectual capital components (human capital, structural capital, and relational capital) with its disclosure on companies' annual reports. The sample used is 17 LQ45 companies that listed on Indonesian Stock Exchange (IDX) in 2007-2009. The sampling period is from 2007 to 2009, thus there will be 51 subjects. The method of analysis is by using content analysis and Pearson's correlation analysis. The results show that there is no significant correlation between intellectual capital and intellectual capital disclosure. Moreover, there is a significant correlation between relational capital (RC) level that measured by Herfindahl index of geographic segments (HIGS) proxy and company's relational capital disclosure (RCD). The results also show that human capital is the most disclosed component of intellectual capital in the annual reports of LQ45 companies in Indonesia. Relational capital is the second most disclosed and structural capital is the least disclosed. However, customers is the most disclosed intellectual capital items.

Keyword: Intellectual Capital, Intellectual Capital Disclosure, Human Capital, Structural Capital, Relational Capital