

Conference Paper

The Effect of Intellectual Capital Disclosure, Corporate Governance, and Firm Size on Firm Value

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Abstract

This study aims to analyze the effect of intellectual capital, corporate governance and firm size towards firm value. The research method used is panel data regression analysis, by using purposive sampling method, there are eighty one companies from 2012 – 2017 period and listed on the Indonesia Stock Exchange. The result show that, intellectual capital disclosure and firm size have a significant negative effect on firm value. Furthermore, institution ownership have a significant positive on firm value. Intellectual capital disclosure, institution ownership and firm size simultaneously have a significant on firm value, with the value of the coefficient of determination (R²) of 0.90, indicate that all independent variables can explain the variation of firm value of 90%, whereas the remainder of 10% is explained by other factors not included in the model.

Keywords: intellectual capital disclosure, corporate governance, firm size, firm value

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1. Introduction

The development of technology and economic growth which is currently growing, make the business competition between some companies increasing. This causes the company to be required to continue improving its innovation in order to maintain the value of the company. According to Aldino (2015), company value is a certain condition that has been achieved by a company as an illustration of public trust in the company after going through its process for several years, that is, since the company was first established until this moment. The company's main purpose according to the theory of the firm is to maximize the wealth or value of the company. Tarjo (2008) said that the corporate value which also the shareholder value reflects the size of the stock market reaction to the company. The greater the value of the company which also the shareholder value reflects the public's assessment of the stock market price above the book value. Therefore, majority owners are very interested in the value of the company, which is also the shareholder value, that can be done by pushing the management to

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maintain the reputation of the company which has an impact on rising costs incurred by the company to provide the information to the public.

Rahmi and Harnovinsah (2013) said that in order to the company to survive and be able to compete, the company must change its business strategy which usually implement the business based on labor into business based on science, this kind of business knowledge is also called the intellectual capital. According to Li et al (2008), intellectual capital ownership of knowledge and experience, professional knowledge and skills, good relations, and technological capacity, which if it is applied, it will provide a competitive advantage for the organization. Orens et al (2009) stated that company with high intellectual capital disclosure will reduce asymmetric information and capital costs and also show a higher corporate value. With the existence of intellectual capital disclosure, according to Rahmi and Harnovinsah (2013), it is expected that prospective investors, investors, and creditors will get more comprehensive information and provide the information which can attract some potential investors to invest in the company.

Here in after, Rahmi and Harnovinsah (2013) revealed that in 2013 Toyota became the company that had the highest market value in Asia, and that year Toyota also became the largest automaker in the world. This fact shows that Toyota can manage its intellectual capital such as creating innovations in the form of new products, the creation of new products is also supported by competent employees to increase the value of the company. This is suitable with the result of Anna and Dwi's research (2018) which stated that the more revealing intellectual capital will affect the value of the company. This thing is in line with the signaling theory which explains that the positive signal given by the company is an effort to minimize the information gap so that it gets a good response from the stockholders and will encourage companies to do more complete intellectual capital information disclosure.

A good corporate governance can also affect firm value. Hidalgo et al. (2011) revealed that special characteristics of corporate governance mechanisms such as independent board of commissioners are expected to improve the quality of supervision and reduce profits for managers who have more information. Pratiwi (2017) stated that Good Corporate Governance (GCG) is a system that regulates and controls companies that create value-added. The company's mechanisms which help to realize about the corporate governance consist of managerial ownership, institutional ownership, board of commissioner size, composition of independent commissioners, audit committees, and seeing how large the size of the company plays a role in the implementation of Good Corporate Governance in the company.

One of the factors that influence the firm value is the firm size. A company size is a scale in determining the size of assets owned by the company. Pratiwi (2017) argued that the larger the size of the company, there is a tendency for more investors to pay attention to the company. This is because large companies tend to have more stable conditions. The stability attracts investors to own the company's shares. This condition is the cause of the increase in the price of the company's shares in the capital market. Rahmawati et al (2015) revealed that the size of a company is a major factor in determining the profitability of a company. The higher of the level of profitability will make the market price of a company's stock increase, so the value of the company also increases.

Based on the analysis above, the researcher wants to re-examine the Effect of Intellectual Capital Disclosure, Corporate Governance, and Firm Size on the Value of Manufacturing Companies Listed on the Indonesia Stock Exchange in 2012 – 2017. The objectives of this study are: 1) for academics, to contribute for the development of studies by providing empirical evidence about the effect of intellectual capital disclosure, corporate governance and the firm of size on the firm of value; 2) for investors and future investors who make investments in the companies, this research is expected to provide input for making investment decisions; 3) for IAI and the Financial Services Authority (*Otoritas Jasa Keuangan/ OJK*), it is expected that the existence of this research there will be further study and consider making a guideline for more accommodating intellectual capital that is in accordance with the conditions in Indonesia. And also, to encourage more issuing regulations regarding intellectual capital by companies to the public.

2. Literature Review and Hypothesis

2.1. Grand Theory

2.1.1. Agency Theory

Jensen and Meckling (1976) stated that agency relationships arise when one or more individuals (principals) employ other individuals (agents) to provide services and then delegate power to agents to make decisions on behalf of the principal. Agency theory implies the existence of asymmetric information between managers as agents and owners (in this case shareholders) as the principal. The asymmetric information arises when managers know more about future internal information and company prospects than shareholders and other stakeholders. Regarding the increase in the value of the company, when there is an asymmetric information, managers can provide signals about

the condition of the company to investors to maximize the value of the company's shares. The given signal can be done through the disclosure of accounting information (Rahmawati et al, 2006).

2.1.2. Resource Based Theory

Resource Based View (RBV) analyzes and interprets organizational resources to understand how organizations achieve sustainable competitive advantage (Madhani, 2009). According to Barney et al (1991), company resources must have four attributes: (a) it must be valuable, in the sense that it takes advantage of opportunities and/ or neutralizes threats in the corporate environment, (b) it must be rare among company competitions at the moment and potency, (c) it must not be easy to imitate (imperfectly imitable), and (d) there cannot be an equivalent strategic substitute for these resources which are valuable but not rare or not easy to replicate. This attribute is useful for generating sustainable competitive advantage. According to Kusuma and Mahmud (2014), intellectual capital is a part of the resources owned by a company. If a company can measure its resources in the form of intellectual capital, then the intellectual capital will contribute to the company's performance and market value.

2.1.3. Legitimacy Theory

According to Deegan (2002) legitimacy theory, just like a number of other theories such as political economy theory and stakeholder theory, this theory is considered a system-oriented theory. In a system-oriented perspective, the entity is assumed to be influenced by, and in turn has influence over, the community in which it operates. The company's disclosure policy is the influence of external perceptions about their organization. Whiting and Miller (2008) also explained that legitimacy theory is based on the idea of social contracts and emphasizes that organizations will react to people's expectations and concerns, and take action to ensure that their activities are considered legitimate. According to Guthrie et al (2003), legitimacy theory is closely related to intellectual reporting. Companies are more likely to report their intellectual capital if they feel it will legitimize their status in certain groups. The tangible assets of a company are more likely to have the need to do this because they cannot legitimize status through hard assets that are recognized as a symbol of the success of traditional companies.

2.1.4. Stakeholder Theory

According to Deegan (2004) in Widarjo (2011), stakeholder theory states that all stakeholders have the right to obtain information about company activities that affect them. Stakeholder theory emphasizes organizational accountability far beyond simple financial or economic performance. Stakeholders have the authority to influence management in the process of utilizing all the potential possessed by the organization. As only with good and maximum management of all of this potential, the organization will be able to create added value to encourage financial performance and corporate value which is the orientation of stakeholders in intervening in management (Widarjo, 2011). Neysi et al. (2012) said that companies have stakeholders not just shareholders to explain. This means that groups that have interests in the company can include shareholders, employees, customers, suppliers, leaders, government and so on. Thus, this theory emphasizes that: organizations must disclose information on intellectual capital for the benefit of all stakeholders.

2.1.5. Signaling Theory

Studies on signaling theory have shown that the most valuable message is to show valuable management credibility, centered on the focal point of the relationship (Bini et al, 2011). In signaling theory, companies provide signals to the users of financial statements in the form of disclosure of information about everything that management does to realize the desires of the owner or shareholder. Signal theory explains that the signaling is done by the managers to reduce asymmetric information. Managers provide information to stakeholders through disclosure of financial statements in the form of additional records regarding the condition of the company (Suhendah, 2012).

2.2. Intellectual Capital Disclosure

Intellectual capital is an intangible asset. According to Bontis et al (2000) in Ulum et al (2008) stated that in general, the researchers identified three main constructs of IC, namely: human capital (HC), structural capital (SC), and customer capital (CC). Mangena et al (2010) in knowledge-intensive economics, the company's intellectual capital, whether it comes from employees, customer databases or brands, undoubtedly contributes to the company's success and core values. Most intangible assets cannot

be included in company balance sheets and intellectual capital disclosures in annual reports and financial statements have become much voluntary.

2.3. Corporate Governance

Corporate governance is an extension of the concept that regulates the relationship between management and investors that allows agency problems to arise (Priharta, 2017). According to Arifin et al (2014), in a simple way, corporate governance basically talks about two aspects, namely: governance structure and governance mechanism in the company. Thus, according to Shleifer and Vishny (1997) in Priharta (2017) corporate governance is a concept based on agency theory and is expected to function as a tool to provide confidence to investors that they will receive returns on the funds they have invested.

2.4. Firm Size

The firm size is commonly used by investors as an indicator in assessing company assets or performance. The firm size is a scale which can be classified as large or small by various companies, including total assets, log size, total sales, stock market value, and others. Ashari and Putra (2016) stated that the greater the size of the company, the higher the demand for information disclosure compared to smaller companies. By disclosing more information, the company tries to signal that the company has implemented good corporate management principles.

2.5. Firm Value

The main goal of the company according to the theory of the firm is to maximize the wealth or value of the company (Aldino, 2015). A company has good value if the company's performance is also good. Maximum corporate value will have an influence on increasing prosperity and prosperity for stakeholders. Octaviany (2015) explains that the value given by investors to the company will be reflected in the company's stock price.

2.6. Hypothesis

2.6.1. Intellectual Capital Disclosure and Firm Value

Resource Based View (RBV) refers to resources and capabilities within an organization in order to develop sustainable competitive advantage (Madhani, 2010). Whiting and Miller (2008) said that in legitimacy theory is based on the idea of social contracts and emphasizes that organizations will react to people's expectations and concerns, and take action to ensure that their activities are considered legitimate. In stakeholder theory, according to Deegan (2004) states that emphasizing organizational accountability far exceeds simple financial or economic performance. Furthermore, Widarjo (2011) explained that, with good and maximum management of all of these potentials, the organization would be able to create added value to encourage financial performance and corporate value which is the orientation of stakeholders in intervening in management. Based on signal theory, companies that voluntarily disclose additional information about conditions in the company can reduce asymmetric information and potentially increase company value. Some research results from Widarjo (2011), Utomo and Chariri (2015), Anna et al (2018), stated that intellectual capital disclosure has an influence on company value. This can prove that companies that express intellectual capital can increase the value of the company. Based on the description, the first hypothesis can be formulated as follows:

H₁: Intellectual Capital Disclosure has an Influence on Firm Value

2.6.2. Institutional Ownership and Firm Value

Based on Agency Theory (Jensen and Meckling, 1976) which stated that institutional ownership has a very important role in minimizing agency conflicts that occur between managers (agents) and shareholders (principal). The existence of institutional investors is considered capable of being an effective monitoring mechanism in every decision taken by the manager. This is because institutional investors are involved in strategic retrieval so it is not easy to believe in the act of profit manipulation. Rahmi and Harnovinsah (2013) stated that with a more effective level of monitors it is expected that it will increase the value of the company in the future. In line with the research results of Sukirni (2012), Rahmi and Harnovinsah (2013), Raharja (2014), Lestari (2017), Darmayanti et al (2018), and Widyaningsih (2018) stated that institutional ownership has a positive effect on firm value. Based on the description, the second hypothesis can be formulated as follows:

H₂: Institutional Ownership has an Influence on Firm Value

2.6.3. Independent Board of Commissioners Size and Firm Value

Prastuti and Budiasih (2015) argued that the Independent Board of Commissioners is a commissioner who has no business ties or family relations with shareholders or directors. The interests of managers and shareholders can be harmonized by the existence of a board of commissioners, because they represent the main internal mechanism to monitor behavior exploiting short-term opportunities or benefits and ignore the long-term benefits of management, this can be seen from the perspective of agency theory. Firdausya et al (2013) revealed that the existence of independent commissioners is very necessary as one of the elements of corporate governance that helps increase the accountability of the board of commissioners. According to Widyaningsih (2018) independent commissioners can supervise and advise the directors objectively. With such supervision, it will affect the performance of the directors so that they can increase the value of the company. Some research results from Raharja (2014), Onasis (2016), Arifin (2017), and Widyaningsih (2018) state that the board of commissioners has a positive effect on firm value. Based on the description, the third hypothesis can be formulated as follows:

H₃: The size of the Board of Independent Commissioners has an Influence on Firm Value

2.6.4. Firm Size and Firm Value

In signaling theory, companies provide signals to the users of financial statements in the form of disclosure of information about everything that is done by management to realize the desires of owners or shareholders (Suhendah, 2012). The size of the company is commonly used by investors as an indicator in assessing company assets or performance. According to Rahmawati (2015), company size can be said as the company's ability to provide the number and variety of production or service capacity. The size of a company is a major factor in determining the profitability of a company. The higher the level of profitability, will make the market price of a company's stock increase, so the value of the company also increases. Results of research by Nuraina (2012), Rahma (2014), Rahmawati et al. (2015), and Pratiwi (2017) concluded that firm size has a positive influence on firm value. That is, the larger firm size will increase the firm value. This is because the firm size is valued by the total assets of the company to operate the company. Based on the description, the forth hypothesis can be formulated as follows:

H₄: The Firm Size has an Influence on Firm Value

2.6.5. Intellectual Capital Disclosure, Institutional Ownership, The Board of Commissioners Size, Firm Size and Company Value

Corporate governance, which is proxied by institutional ownership, the size of independent board of commissioners has a positive influence on company value. That is, good management makes operational activities in the company run smoothly not only to improve performance but also the value of the company. In addition, two of the Corporate Governance proxies still have intellectual capital disclosure and company size that can affect the value of the company. At present the company is required to provide information not only financially but also non-financial comprehensively. Companies that more fully disclose information can describe the overall condition of the company to create corporate value. Furthermore, the size of the company has a positive influence on the value of the company. According to Nuraina (2012), large companies can easily access the capital market. The ease of access to the capital market means that the company has the flexibility and ability to obtain funds, because of the ease of accessibility to the capital market and its ability to raise more funds. The convenience is captured by investors as a positive signal and good prospects so that the size can have a positive influence on the value of the company.

Based on the description, the fifth hypothesis can be formulated as follows:

H₅: Intellectual Capital Disclosure, Institutional Ownership, Independent Board of Commissioners Size, and Firm Size have an Influence on Firm Value

3. Methods and Equipment

This research used the quantitative research methods and the analysis used was causal analysis which aims to determine the effect of intellectual capital disclosure, corporate governance and firm size on firm value. The population in this study are manufacturing companies listed on the Indonesia Stock Exchange for the period of 2012 – 2017. The determination of this research sample used the purposive sampling technique which aims to obtain a representative sample according to the specified criteria.

The data sources used in this study are secondary data which obtained from several sources, namely, the official BEI site at www.idx.co.id, the company's official website and Indonesia Capital Market Directory (ICMD). This research will use panel data analysis

TABLE 1: Research Samples.

Criteria	Amount
Manufacturing company listed on the BEI	145
The companies which do not publish annual reports accompanied by audited financial statements in a row from 2012 to 2017.	(50)
The companies which experienced delisting during the observation period.	(0)
The companies which have financial data that are related to the complete research variable.	(14)
Total Sample	81
Year of Observation	6
Total Data Observed	486
Source: Data processed, 2019	

method which is processed using version 9 E-views program. Panel data is a combination of data that has time series and cross section properties, so that it consists of several objects and covers several periods. Before using the regression model in this study testing assumptions of heteroskedastitas (Winarno, 2015) will be conducted. According to Ghozali and Ratmono (2013), occurring heteroskedastitas causes the estimator to be inefficient and BLUE again and the standard error of the regression model becomes biased causing a statistic t value and misleading F. The final impact is the statistical conclusions for testing hypotheses are invalid.

There are three models to estimate the panel data regression, namely common effect, fixed effect, and random effect. In determining the right model, a paired test approach will be carried out for each of these models using the Chow Test, Lagrange Multiplier Test, and Hausman Test. Furthermore, testing determination coefficient (R^2) is used to determine the percentage contribution of the influence of the independent variable (X) simultaneously on the dependent variable (Y). Below is a panel data regression model:

$$NP = \alpha + \beta_1 ICD_{it} + \beta_2 KI_{it} + \beta_3 DKI_{it} + \beta_4 UKPER_{it} + \epsilon$$

Explanation:

NP: Nilai Perusahaan (Firm Value)

α : Constant Value, the value of Y if X = 0

β : Regression coefficient, the value of the increase or decrease in the dependent variable

(Y) based on the independent variable (X)

KI: Kepemilikan Institusional (Institutional Ownership)

DKI: Dewan Komisaris Independen (Independent Board of Commissioners)

UKPER: Ukuran Perusahaan (Firm Size)

After fulfilling the requirements of the panel data regression model, the next step is to test the hypothesis. According to Ghozali (2013: 99), the way to do a t test is if the number of degrees of freedom (df) is 20 or more, and the degree of trust is 5%, then H_0 which states $b_i = 0$ can be rejected if the value of t is greater than 2 (in absolute value), the alternative hypothesis is accepted which states that an independent variable individually (partial) affects the dependent variable.

4. Results

4.1. Estimated Panel Data Regression

There are three models to estimate panel data regression, namely common effect, fixed effect, and random effect. Below is table 4.1 of that paired test results.

TABLE 2: The Conclusion of Testing Panel Data Regression Model – The Company Value as The Dependent Variable.

No	Method	Testing	Result	Resolution
1	<i>Chow Test</i>	<i>Common Effect vs Fixed Effect</i>	Prob. Cross-section Chi-square < alpha, that is $0,000 < 0,050$	<i>Fixed Effect</i>
2	<i>Langrange Multiplier</i>	<i>Common Effect vs Random Effect</i>	Prob. LM Test Breusch-Pagan < alpha value is $0,000 < 0,05$.	<i>Random Effect</i>
3	<i>Hausman Test</i>	<i>Fixed Effect vs Random effect</i>	Prob. Cross-section random < alpha value is $0,000 < 0,05$.	<i>Fixed Effect</i>

Source: Data processed, 2019

To strengthen the conclusions of the paired testing, an estimation of the three panel data regression models was conducted. The test results that recommend the use of Fixed Effect Model will be further analyzed in this study.

4.2. Test of Assumptions of the Regression Model

In this model, the problem of heteroscedasticity must be eliminated by applying the residuals using white-heteroscedasticity. The test can be seen in table 4.2 below.

TABLE 3: The Estimation of Factors Which Affecting Company Values - Fixed Effect White Cross-Sections (No-Heteroscedasticity) Method (Source: Data processed, 2019).

Dependent Variable: NP?				
Method: Pooled EGLS (Cross-section weights)				
Date: 05/09/19 Time: 20:56				
Sample: 2012 2017				
Included observations: 6				
Cross-sections included: 81				
Total pool (balanced) observations: 486				
Linear estimation after one-step weighting matrix				
White cross-section standard errors & covariance (d.f. corrected)				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.731912	0.486106	11.79148	0.0000
ICD?	-2.126810	0.284640	-7.471939	0.0000
KI?	0.345925	0.054158	6.387269	0.0000
DKI?	-0.541656	0.276945	-1.955826	0.0512
UKPER?	-0.259505	0.031968	-8.117781	0.0000
Fixed Effects (Cross)				
Effects Specification				
Cross-section fixed (dummy variables)				
Weighted Statistics				
R-squared	0.917881	Mean dependent var	4.264845	
Adjusted R-squared	0.900680	S.D. dependent var	4.308632	
S.E. of regression	0.806526	Sum squared resid	260.8439	
F-statistic	53.35935	Durbin-Watson stat	1.850149	
Prob(F-statistic)	0.000000			
Unweighted Statistics				
R-squared	0.673518	Mean dependent var	1.587141	
Sum squared resid	283.1796	Durbin-Watson stat	1.744039	

4.3. Goodness of fit test

To test the goodness of fit of the regression model used the coefficient of determination (R²). Based on table 4.2, it is known that the adjusted R-squared value of 0.90 means that the independent variable has a contribution of 90% to the dependent variable and the remaining 10% is influenced by other variables which not examined in this study. ANOVA test shows a significance value of 0.00 smaller than alpha value of 0.05, it can be concluded that this regression model is suitable for predictive models.

4.4. Panel Data Regression Model

The estimation results of the effect of Intellectual Capital Disclosure, Institutional Ownership, Independent Board of Commissioners, and Company Size on Company Values with Fixed Effect Model are as follows below.

$$NP = \alpha + \beta_1 ICD_{it} + \beta_2 KI_{it} + \beta_3 DKI_{it} + \beta_4 UKPER_{it} + \epsilon$$

$$NP = [C_i + 5,731912] - 2,12681 * ICD + 0,345925 * KI - 0,541656 * DKI - 0,259505 * UKPER$$

C_i = The Constant of Fixed effect of the company to-I and so on, i = 1,...,11.

4.5. Test of The Hypothesis

4.5.1. The Effect of Intellectual Capital Disclosure on Firm Value

Based on table 4.2, it is known that the probability value is smaller than the alpha value which is $0,000 < 0,05$, so the hypothesis is accepted. This means that the Intellectual Capital Disclosure has an influence on Firm Value.

4.5.2. The Effect of Institutional Ownership on Firm Value

Based on table 4.2, it is known that the probability value is smaller than the alpha value which is $0,000 < 0,05$, so the hypothesis is accepted. This means that Institutional Ownership has an influence on Firm Value.

4.5.3. The Effect of the Independent Board of Commissioners on Firm Value

Based on table 4.2, it is known that the probability value is greater than the alpha value of $0.0512 < 0.05$, then the hypothesis is rejected. This means that the Independent Board of Commissioners has no influence on Firm Value.

4.5.4. The Effect of Firm Size on Firm Value

Based on table 4.2, it is known that the probability value is smaller than the alpha value which is $0,000 < 0,05$, so the hypothesis is accepted. This means that Company Size has an influence on Firm Value.

4.5.5. The Simultaneous Significance Test (Statistic F Test)

Based on table 4.2, it is known that the probability value F is smaller than the alpha value of $0,000 < 0,05$, so the hypothesis is accepted. This means that Intellectual Capital, Institutional Ownership, Independent Board of Commissioners, and Firm Size simultaneously have an influence on Firm Value.

4.6. Discussion

4.6.1. Effect of Intellectual Capital Disclosure on Firm Value

Based on the results of testing the hypothesis that intellectual capital disclosure has a negative and significant effect on firm value. This means that the higher the company reveals intellectual capital will reduce the value of the company. These results are not in line with the Signal Theory and Stakeholder Theory which means that companies by expressing more intellectual capital items will reduce the asymmetric information, with the result that the investors will know the performance of the company more thoroughly and can provide trust thereby increasing the value of the company. Companies that show the full disclosure will actually reduce the value of the company, this is in accordance with the study of Widarjo (2011) which states that the market does not provide a higher value for companies that have high intellectual capital. The absence of standards in measuring intellectual capital is likely to cause the market has not been able to make an appropriate assessment of the intellectual capital owned by the company.

4.6.2. The Effect of Institutional Ownership on Firm Value

Based on the results of testing the hypothesis, it is known that institutional ownership has a positive influence on the value of the company. This can be interpreted that the higher the institutional ownership, the higher the value of the company. The results of this study are in line with Darmayanti et al (2018), Widyaningsih (2018), Lestari (2017), Raharja (2014), Rahmi and Harnovinsah (2013), and Sukirni (2012) which stated that institutional ownership has a positive effect on firm value. In accordance with Agency Theory (Jensen and Meckling, 1976) which stated that institutional ownership has a very important role in minimizing agency conflicts that occur between managers (agents) and shareholders (principal). The existence of institutional investors is considered capable of being an effective monitoring mechanism in every decision taken by the manager. It is because the institutional investors are involved in strategic retrieval so it is not easy to believe in the act of profit manipulation.

4.6.3. The Effect of the Independent Board of Commissioners on Firm Value

The results of hypothesis testing stated that the independent board of commissioners does not have a significant effect on firm value. This is not in line with the results of Widyaningsih (2018), Arifin (2017), Onasis (2016), and Raharja (2014) which stated that the board of commissioners has a positive effect on firm value. This can be interpreted that

the existence of an independent board of commissioners in supervising and advising directors is objectively less effective. Thus, the manager's performance is less controlled so it does not affect the firm value.

4.6.4. The Effect of Company Size on Firm Value

The result of testing the hypothesis which states that firm size has a negative influence on firm value. That meaning is the larger the size of the company, it will reduce firm value. The result of this research is not in line with Pratiwi's research (2017), Rahmawati et al. (2015), Rahma (2014), and Nuraina (2012) which concluded that company size has a positive influence on firm value. Companies that have a high level of operational complexity, thus giving a signal that the risks faced by the company will be greater and the conflicts of interest between management and owners will increase.

4.6.5. The Effect of Intellectual Capital Disclosure, Institutional Ownership, Independent Board of Commissioners, and Firm Size simultaneously on Firm Value

Based on the result of testing the hypothesis, it is known that the influence of intellectual capital disclosure, institutional ownership, independent board of commissioners, and firm size simultaneously have an influence on firm value.

5. Closing

5.1. Conclusions

Based on the results of the research and discussion, it can be concluded that:

1. Intellectual Capital Disclosure has a significant negative effect on Firm Value.
2. Institutional Ownership has a significant positive effect on Firm Value.
3. The Independent Board of Commissioners has no influence on Firm Value.
4. The firm size has a significant negative effect on Firm value.
5. Intellectual Capital Disclosure, Institutional Ownership, Independent Board of Commissioners, and Firm Size simultaneously have an influence on Firm Value.

5.2. Implications

1. For the investors to give more attention to the level of disclosure, institutional ownership, independent board of commissioners and firm size due to these can provide the information regarding the rate of return on their investment returns.
2. For the regulators to be able to make standardization in the measurement of intellectual capital disclosure, so that companies can be more accurate in expressing firm value and having an impact on increasing firm value.

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