Eurasia: Economics & Business, 8(74), August 2023
DOI https://doi.org/10.18551/econeurasia.2023-08

UDC 332

THE EFFECT OF INTELLECTUAL CAPITAL AND GOOD CORPORATE GOVERNANCE ON FINANCIAL PERFORMANCE AND FIRM VALUE

Oktawiandari Made Suryati*, **Dewi Sayu Ketut Sutrisna**
Faculty of Economics and Business, University of Udayana, Bali, Indonesia
*E-mail: suryatioktawiandari@gmail.com

ABSTRACT
Firm value is important for a manager and investor which is associated with the success of a company. The implementation of Intellectual Capital and Good corporate governance is expected to increase firm value. This research aims to provide empirical evidence of the influence of Intellectual Capital and Good corporate governance on Company Value with Financial Performance as a mediating variable. The population in this research is non-cyclical consumer sector (IDXNONCYC) listed on the Indonesia Stock Exchange from 2018 to 2021. The sampling is done by purposive sampling with total sample of 148 observations. The data analysis method used path analysis and processing using SPSS (Statistical Product and Service Solution). The results of the research show that Intellectual Capital and Good corporate governance have positive and significant effect to Firm Value and Financial Performance. Financial Performance is able to mediate the effect of Intellectual Capital to Firm Value and Good corporate governance to Firm Value. This research is expected to be used as a consideration in an effort to maintain and increase the value of the firmy and is expected to be used as a consideration for investment decisions by looking at the implementation of Intellectual Capital and Good corporate governance in the Firm.

KEY WORDS
Firm value, intellectual capital, good corporate governance, financial performance.

A company is an organization that is established to achieve a goal. The main objective of the company is to increase company value through increasing the welfare of owners or shareholders (Mariana et. al., 2020). Company value is important for both managers and investors. For managers, the value of a company is a benchmark for work performance that has been achieved. For investors, an increase in company value is a good perception of a company.

The importance of company value for investors, so management will try to increase company value through company performance. Firm value is reflected in the share price of a company in a certain period which is associated with investor perceptions as the company's success rate (Purbawangsa et. al., 2019). If an investor has a good view of the company, the investor will be interested in investing so that the company's stock price increases (Noviantika et. al., 2022). Company value according to Wulandari (2022), Indriastuti & kartika (2021), and Sembiring & Trisnawati (2019) can be measured by several indicators, including using the Price to Earnings Ratio (PER), Price Book Value Ratio (PBV) and Tobin's Q Ratio. In this study using Tobin's Q Ratio as an indicator to measure firm value. Tobin's Q is considered better than other ratios because the Tobin's Q ratio in calculating the market value and book value of the company includes the value of the company's debt. According to James Tobin, the Tobin's Q ratio is a very valuable concept because it shows the current financial market estimate of the return value of each additional investment (Anik et. al., 2021). Companies that have Tobin's Q with a higher value indicate better prospects for company growth (Indriastuti & Kartika, 2021).

This study focuses on firm value in non-cyclical consumer sector companies (IDXNONCYC). According to the Indonesia Stock Exchange (2021), companies included in the primary consumer goods sector are companies that carry out the production or distribution of goods and services sold to consumers and are anti-cyclical or primary goods where the demand for goods and services is not affected by economic growth, such as

DOI https://doi.org/10.18551/econeurasia.2023-08

primary goods retail companies, food stores, drug stores, supermarkets, food manufacturers, packaged beverages, sellers of agricultural products, cigarette manufacturers, household goods and personal care items, but this does not match the conditions that occur. The non-cyclical consumer sector is the sector with the second largest market capitalization after the financial sector, reaching Rp. 3,213 trillion (38.9 percent of the market capitalization on the Indonesia Stock Exchange). Companies in the primary consumer goods sector listed on the Indonesia Stock Exchange in 2018-2021 show a decrease in company value as shown in Figure 1.

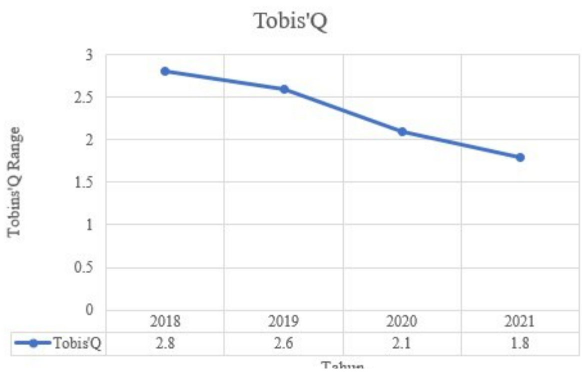

Figure 1 – Average Tobin's Q of non-cyclical consumer sector companies, 2018-2021
(Source: www.idx.co.id, 2023)

Figure 1 shows that the Tobin's Q value in non-cyclical consumer sector companies has decreased every year. The average Tobin's Q of companies in the 2018-2021 period actually decreased from 2.8 in 2018 and to 1.8 in 2021. The decline in company value in the primary consumer goods industry sector can be seen as a phenomenon. In 2021, stocks in the non-cyclical consumer sector performed sluggishly, this is reflected in the data from the Indonesia Stock Exchange (IDX) which recorded that the primary consumer goods sector weakened 7.43 percent year to date (Kontan, 2021). The primary consumer goods sector, which includes stocks with large market capitalizations, has tended to decline since the beginning of 2021. The market capitalization of the non-cyclical consumer sector in 2021 reached IDR 1,039 trillion (12.6 percent of the market capitalization on the Indonesia Stock Exchange).

Within the primary consumer goods sector, there are ten consumer goods companies that have the largest market capitalization, including: Unilever Indonesia Tbk (UNVR), H.M. Sampoerna Tbk (HMSP), Indofood CBP Sukses Makmur Tbk (ICBP), Charoen Pokphand Indonesia Tbk (CPIN), Gudang Garam Tbk (GGRM), Mayora Indah Tbk (MYOR), Indofood Sukses Makmur Tbk (INDF), Sumber Alfaria Trijaya Tbk (AMRT), Astra Agro Lestari Tbk (AALI), Multi Bintang Indonesia Tbk (MLBI) (Indonesia Stock Exchange, 2021). Some of the bigcaps listed in this sector include UNVR and HMSP. UNVR's stock movement decreased by 30.95 percent year to date, while HMSP decreased by 23.26 percent year to date (Kontan, 2021).

The increase or decrease in company value can be influenced by external factors and internal factors. Internal factors are factors that arise from within the company such as company performance, financial projections, and the effectiveness and efficiency of the company in achieving company goals with performance measurements that describe company activities and achievements (Josephine et. al., 2019). In this study, the factors to be studied are intellectual capital and good corporate governance.

Intellectual capital is one of the factors that can affect firm value. Intellectual capital can also be said to be a resource-based knowledge concept that describes intangible assets. Good and correct resource management can increase company value (Kartika & Indriastuti, 2021). Intellectual capital is related to the company's ability to create, apply, and measure intangible resources to create value that can be used to improve practice growth and company performance (Castro et al., 2021). Resource-Based Theory (RBT) states that

DOI https://doi.org/10.18551/econeurasia.2023-08

companies have resources that can make companies have a competitive advantage and are able to direct companies to have good long-term performance (Ulum, 2017: 23).

Stewart (1997) defines intellectual capital as the sum of everything in the company that can help the company to compete in the market, including intellectual material, including: knowledge, information, experience, and intellectual property, which can be used to create wealth (Ulum, 2017: 79). The components of intellectual capital consist of human capital, structural capital, relational capital that are managed and obtained to produce high-value assets (Robiyanto et. al., 2021). Companies that implement knowledge-based businesses will be able to create ways to manage knowledge as a means of increasing company value (Anik et. al., 2021).

The next factor is good corporate governance, where the presence of Good corporate governance is absolutely necessary for a company, considering that a good governance system can help build shareholder trust and ensure that all stakeholders are treated equally. A good system will provide effective protection to shareholders to recover their investment fairly, appropriately and efficiently, and ensure that management acts in the interests of the company (Mahrani & Soewarno, 2018).

Company management knows more about the company's business conditions based on the Agency Theory concept. Competitive advantage is an advantage that must be possessed by a company in order to win the competition in an industry. This can be achieved if the company has professionals who are ready to manage the company. If the company can manage and utilize the potential of employees properly, the company can minimize costs efficiently to increase company profits managed by company professionals (Muhammad et. al., 2020).

Agency theory according to Jensen and Meckling (1976) is a contract in which one or more principals engage another person (agent) to perform some services on their behalf which involves delegating some decision-making authority to the agent (Laili et. al., 2019). The definition of agency theory as a relationship in which managers are given power by shareholders, but both of them are vulnerable to differences in interests that can lead to agency problems (Nurazi et. al., 2020).

Several studies have been conducted to determine the relationship between Intellectual Capital and Good corporate governance on firm value. Research conducted by (Deniswara et. al., 2019), (Anggraini, 2020) and (Wahyuni et. al., 2021) shows that intellectual capital has a significant effect on firm value, while research conducted by (Subaida et. al., 2018), (Josephine et. al., 2019) and (Wafiyudin et. al., 2020) states that intellectual capital has no significant effect on firm value.

The results of research conducted by (Fatoni & Sulhan, 2020), (Rukmana & Widyawati, 2022) and (Ekasari & Nugroho, 2020) show that good corporate governance has a significant effect on firm value. In contrast to the research conducted (Kartika & Wiwik, 2019), (Arribaat, 2021), Laili et. al., 2019) states that good corporate governance has no significant effect on firm value.

The difference in findings in previous studies is a gap to re-examine the relationship between intellectual capital and good corporate governance on firm value so that other variables are indicated that affect the relationship between the two. In this study, financial performance is used as a mediating variable because financial performance is an aspect that can assess the company's ability to earn profits and generate company sustainability (Rudianto, 2013: 189). Several studies have been conducted to determine the relationship between Intellectual Capital and Good corporate governance on firm value using financial performance mediating variables, including research conducted by (Baroroh et. al., 2017), (Nuryaman, 2015), (Nafiroh & Nahymury, 2016), (Septiana, 2018), (Siti at. al., 2020), (Patmawati, 2017) and (Trisnaningsih & Rahmasari, 2022).

Financial performance in the perspective of signaling theory is a variable that is used as a reference by investors (Widnyana et. al., 2020). Financial performance is a periodic determination of the operational effectiveness of a company or organization as well as employees based on predetermined standards, goals, and criteria (Fahmi, 2010: 2). The company's financial performance is one of the factors seen by potential investors to determine stock investment. For a company, maintaining and improving financial performance is one of the musts so that these shares continue to exist and remain in demand by investors (Santoso, 2017).

Information related to the company's performance or condition is generally shown in the financial statements. This proves that in evaluating the performance of a company, investors will be more interested in seeing the financial performance of the company which is reflected through financial ratio analysis (Josephine et. al., 2019). The financial ratio used in this study is Return on Assets (ROA). ROA is able to calculate company wealth through asset ownership which can be obtained not only through capital alone, but also from corporate debt. ROA has a significant influence on firm value. Where the higher the ROA, the higher the company value in the eyes of investors (Josephine et. al., 2019).

Research results in various countries (including in Indonesia) show that intellectual capital has a role in driving firm value. Intellectual capital has a positive effect on the company's financial performance - which is a short-term measure and the easiest to see, both now and in the future. This means that IC can also be used in predicting the company's financial performance which can affect the company's value (Ulum, 2017: 131).

Good corporate governance can also show the importance of company management in disclosing all information on the company's financial performance independently, accurately, on time, and transparently. Good corporate governance aims to allocate (company) resources in a way that maximizes (Braendle et. al., 2017). The creation of Good corporate governance is expected to improve the company's financial performance so that it will increase the value of the Company and will attract investors to invest in the company.

Further testing is needed to overcome this research gap, therefore the authors conducted research on the relationship between Intellectual Capital and Good corporate governance on firm value and added financial performance variables as mediating variables. Based on the background, controversy of influence, and research gap regarding the relationship between intellectual capital and good corporate governance on firm value and financial performance used as a mediating variable, the researcher wants to review it to clarify and emphasize the effect of intellectual capital and good corporate governance on firm value with financial performance as a mediating variable. Based on the background, theory and previous research, the hypothesis that can be proposed is as follows:

- H1: Intellectual Capital has a positive effect on Firm Value;
- H2: Good corporate governance has a positive effect on Firm Value;
- H3: Intellectual Capital has a positive effect on Financial Performance;
- H4: Good corporate governance has a positive effect on Financial Performance;
- H5: Financial Performance has a positive effect on Company Value;
- H6: Financial Performance is able to mediate the Effect of Intellectual Capital on Company Value;
- H7: Financial Performance is able to mediate the Effect of Good corporate governance on Company Value.

METHODS OF RESEARCH

This research uses a quantitative descriptive method. This research was conducted on companies listed on the Indonesia Stock Exchange and classified as non-cyclical consumer sector companies by retrieving data through the website www.idx.co.id by recording financial statement information for the period 2018-2021. The exogenous variables in this study are Intellectual Capital (X1) measured by VAIC (Value Added Intellectual Coefficient) and Good corporate governance (X2) measured by the proportion of managerial ownership. The mediating variable in this study is Financial Performance (Y1). The assessment of financial performance in this study is proxied by the Return on Assets (ROA) ratio. The endogenous variable in this study is Firm Value (Y2) as measured by Tobin's Q.

The population in this study were 55 companies in the non-cyclical consumer sector on the Indonesia Stock Exchange in 2018-2021. Sampling using purposive sampling method.

DOI https://doi.org/10.18551/econeurasia.2023-08

The criteria that are taken into consideration in sampling this study are non-cyclical consumer sector companies that are listed consecutively during the study period, namely 2018-2021. Non-cyclical consumer sector companies that present and publish annual financial reports completely and consistently during the study years, namely 2018-2021. Non-cyclical consumer sector companies (IDXNONCYC) whose financial statements use other than rupiah currency in the 2018-2021 research period. Based on the criteria, 37 non-cyclical consumer sector companies that meet the criteria are obtained as samples with 4 years of observation so that the number of observations obtained is 148.

The data collection method used in this research is the non-participant observation method, namely observing the documents needed as research data. The statistical technique used in this research is path analysis. Based on the relationship between these variables, an equation model can be formed which is called a structural model as follows:

$$\text{Structural 1: } Y_1 = \beta y_1x_1 + \beta y_1x_2 + \beta y_1e_1$$
$$\text{Structural 2: } Y_2 = \beta y_2x_1 + \beta y_2x_2 + \beta y_2y_1 + \beta_{y2}e_2$$

Where: β_i (x 1,2,3,4,5) = Path coefficient; e_i (1,2) = Standard error of the estimate.

RESULTS AND DISCUSSION

The data analysis technique used in this study is path analysis using the SPSS (Statistical Package for Social Science) version 25 program to determine the effect of exogenous variables, namely Intellectual Capital (X1) and Good corporate governance (X2) on Firm Value (Y2) as an endogenous variable using Financial Performance (Y1) as a mediating variable.

Classical assumption tests used in this study include normality test, multicollinearity test, heteroscedasticity test and autocorrelation test. The normality test shows that the kolmogorov smirnov value in structure 1 is 0.167 with an asymp. sig (2-tailed) value of 0.145. These results indicate that the regression equation model of structure 1 is normally distributed because the asymp. sig (2-tailed) value is greater than 0.05. The Kolmogorov Smirnov value in structure 2 is 0.232 with an asymp. sig (2-tailed) value of 0.102. These results indicate that the structure 2 regression equation model is normally distributed because the asymp. sig (2-tailed) value is greater than 0.05. The results of the multicollinearity test of structure 1 and structure 2 show the results that the value of tolerance and Variance Inflation Factor (VIF) has a tolerance value of more than 0.10 and a VIF value smaller than 10, which means that structures 1 and 2 in this study do not have multicollinearity problems, so it is feasible to do further analysis tests.

Table 1 – Results of Path Analysis First Regression Equation

Coefficients[a]

Model	*Unstandardized Coefficients*		*Standardized Coefficients*		
	B	*Std. Error*	*Beta*	t	Sig.
1 (Constant)	-0,065	0,015		-4,360	0,000
Intellectual Capital	0,027	0,003	0,601	9,648	0,000
Good corporate governance	0,158	0,033	0,296	4,758	0,000
R. Square = 0,438, F Hitung = 56,549 Sig. = 0,000					

a. Dependent Variable: Y1

Source: processed, 2023

The results of the structural path analysis 1, the structural equation is as follows:

$$Y_1 = 0{,}601\ X_1 + 0{,}296\ X_2 + e_1$$

The results of the hesteroscedasticity test in structures 1 and 2 show results with a significance value in the hesteroscedasticity test greater than 0.05 where the Intellectual Capital variable (XI) has a sig. 0.711 while Good corporate governance (X2) has sig. 0.984, it

DOI https://doi.org/10.18551/econeurasia.2023-08

can be concluded that the first model is free from symptoms of hesteroscedasticity and the Intellectual Capital variable (XI) has a sig value. 0.529 while Good corporate governance (X2) has Sig. 0.413 and Financial Performance (YI) has a Sig value. 0.061, it can be concluded that the second model is free from Hesteroscedasticity symptoms. The results of the autocorrelation test for structure 1 Durbin-Watson value of 1.949 and structure 2 Durbin-Watson value of 1.962, so the regression model created does not contain Autocorrelation symptoms.

Table 2 – Path Analysis Results of Second Regression Equation

Coefficients[a]					
	Unstandardized Coefficients		*Standardized Coefficients*		
Model	B	*Std. Error*	*Beta*	t	Sig.
1 (Constant)	1,015	0,179		5,685	0,000
Intellectual Capital	0,057	0,023	0,153	2,513	0,013
Good corporate governance	2,930	0,399	0,501	7,338	0,000
Financial Performance	6,522	1,511	0,276	4,317	0,000
R. Square = 0,634, F Test = 83,038 Sig. = 0,000					

a. Dependent Variable: Y2.

Source: processed, 2023.

The results of the structural path analysis 2, the structural equation is as follows:

$$Y_2 = 0{,}153\ X_1 + 0{,}501\ X_2 + 0{,}276\ Y_1 + e_2$$

The results of the path analysis of substructure 1 and substructure 2 have been calculated with the known values of R12 = 0.438 and R22 = 0.634, so the final path diagram model can be compiled. The standard error value is calculated first before compiling the final path diagram model, which is as follows:

$$e_1 = \sqrt{1 - R1^2} = 0.7497$$
$$e_2 = \sqrt{1 - R2^2} = 0{,}6050$$

Standard error (e) has been calculated, then the results of the effect of error (e1) are 0.7497 and the effect of error (e2) is 0.6050. the calculation of the total coefficient of determination is as follows:

$$R_m^2 = 1 - e_1^2 e_2^2 = 0{,}7943$$

The total coefficient of determination is 0.7943 which means that 79.43 percent of the variation in firm value is influenced by variations in Intellectual Capital, Good corporate governance and Financial Performance while the remaining 0.2057 or 20.57 percent is explained by other factors not included in the model.

Table 3 – Recapitulation of the Results of Direct Effect, Indirect Effect and Total Effect

Variable Effect	Direct effect	Indirect Effect through Financial Performance	Total Effect
X1 → Y1	0,601		0,601
X1 → Y2	0,153	0,166	0,319
X2 → Y1	0,296		0,296
X2 → Y2	0,501	0,082	1,321
Y1 → Y2	0,276		0,276

Source: processed, 2023.

The direct effect of the Intellectual Capital variable on Firm Value has a beta coefficient value of 0.153 and the indirect effect mediated by Financial Performance shows a beta coefficient value of 0.166. These results prove that Financial Performance is able to mediate the effect of Intellectual Capital on Firm Value with a total effect of 0.319. The direct effect of

Good corporate governance on firm value has a beta coefficient value of 0.501 while the indirect effect mediated by Financial Performance shows a beta coefficient value of 0.082 These results prove that Financial Performance is able to mediate the effect of Good corporate governance on Firm Value with a total effect of 1.321.

The simultaneous or simultaneous significance test shows the ability of the independent variable to simultaneously influence the dependent variable, this test can be said to be a model feasibility test. The simultaneous significance test can be accepted if the significance value in the F value. Structure 1 provides the results of the calculated F value of 56.549, where the significance value of 0.000 is smaller than the significance value (α) = 0.05. The results of the significance value indicate that Intellectual Capital and Good corporate governance have a significant positive effect on Financial Performance. In Structure 2, the calculated F value is 83.038 with a significance value of 0.000 smaller than the significance value (α) = 0.05. This means that Good corporate governance and Financial Performance have a significant positive effect on Firm Value.

Intellectual capital relates to the company's ability to create, implement, and measure intangible resources to create company value. The results in this study indicate that the significance value of Intellectual Capital is 0.013 smaller than 0.05 with a t value of 2.513. This value means that Intellectual Capital has a significant positive effect on Firm Value. This result means that the better the company manages resources or intangible assets proxied by VAIC (Value Added Intellectual Coefficient), the higher the company value proxied by Tobin's Q. The results of this study support the research conducted by the authors. The results of this study support research conducted by Deniswara et. al., (2019), Anggraini, (2020), Wahyuni et. al., (2021) which concluded that Intellectual Capital has a positive and significant effect on Company Value.

Good corporate governance is a management system used to bridge agency conflicts. The results in this study indicate that the significance value of Good corporate governance is 0.000 less than 0.05 with a t value of 7.338. This value means that Good corporate governance has a significant positive effect on Firm Value. This result means that the better the Good corporate governance of a company proxied by managerial ownership, the higher the company value proxied by Tobin's Q. In agency theory, this result means that Good corporate governance has a significant positive effect on Company Value. In agency theory, this result means that the role of Good corporate governance, namely managerial share ownership, can help unify the interests between shareholders and managers and can reduce agency conflicts because all decisions made by the manager will be felt directly by the manager. The results of this study support research conducted by Fatoni & Sulhan, (2020), Rukmana & Widyawati (2022), Ekasari & Nugroho (2020), Rahmadani & Wahyudi (2021) which concluded that Good corporate governance has a significant positive effect on Firm Value.

Intellectual capital is human capital, structural capital, relational capital, and capital used that is managed and obtained to produce high-value assets. The results in this study indicate that the significance value of Intellectual Capital is 0.000 less than 0.05 with a t value of 9.648. This value means that Intellectual Capital has a significant positive effect on Financial Performance. This result means that the higher the Intellectual Capital proxied by VAIC (Value Added Intellectual Coefficient), the higher the company's financial performance proxied by ROA because it can create added value that will support better financial performance. Resource-Based Theory (RBT) explains how companies should manage and develop human capital by providing the potential to develop through ideas and innovations that are different from other companies, so as to create added value that will support better financial performance. The results of this study support research conducted by Muhammad et. al., (2020), Rahayu & Widiati, (2018), Suryani & Nadhiroh, (2020) which concluded that Intellectual Capital has a significant positive effect on Financial Performance.

Good corporate governance can show the importance of company management in disclosing all information on the company's financial performance independently, accurately, on time, and transparently. The results in this study indicate that the significance value of Good corporate governance is 0.000 smaller than 0.05 with a t value of 4.758. This value

DOI https://doi.org/10.18551/econeurasia.2023-08

means that Good corporate governance has a significant positive effect on Financial Performance. This result means that the higher the Good corporate governance of a company proxied by managerial ownership, the higher the company's Financial Performance proxied by ROA. The implementation of good governance will minimize agency conflicts, so as to improve the company's financial performance for the better. The results of this study support research conducted by Mahrani & Soewarno (2018), Nurhidayah (2020), and Wijaya et. al. (2020) concluded that Good corporate governance has a positive effect on financial performance.

Financial performance is a result or achievement that has been achieved by company management in managing company assets effectively, this can have an influence on company value. The results in this study indicate that the significance value of Financial Performance is 0.000 less than 0.05 with a t value of 4.317. This value means that Financial Performance has a significant positive effect on Firm Value. This result means that the better the Financial Performance of a company proxied by ROA, the better the company's value proxied by Tobin's Q, this is in accordance with signal theory. The results of this study support research conducted by Hendrani & Septyanyo (2021), Jao et. al. (2020), Dandy & Nugroho, (2020) concluded that Financial Performance has a positive value and a significant effect on Firm Value.

The calculated sobel test results show that the z coefficient value is 86.0254> 1.96 so that H0 is rejected and H6 is accepted. These results mean that Financial Performance mediates the effect of Intellectual Capital on Firm Value. The calculated sobel test results show that the z coefficient value is 10.0197 > 1.96 so that H0 is rejected and H7 is accepted. These results mean that Financial Performance mediates the effect of Good corporate governance on Firm Value. Intellectual capital that is utilized effectively and efficiently will increase financial performance, increased financial performance will certainly be responded positively by the market so that the company value will also increase. Financial performance in the perspective of signal theory, is a variable that is used as a reference by investors to assess a company. The results of this study support research conducted by Nafiroh & Nahymury (2016), Septiana (2018), Siti at. al. (2020) concluded that Financial Performance is able to mediate the effect of Intellectual Capital on Firm Value. If agency conflicts in a company can be minimized, it will cause the company's financial performance to be good. Good financial performance conditions will provide signals to investors about the company's condition in accordance with agency theory. The results of this study support research conducted by Patmawati (2017) and Trisnaningsih & Rahmasari (2022) which concluded that Financial Performance is able to mediate the effect of Good corporate governance on Firm Value.

CONCLUSION

Based on the results of data analysis, hypothesis testing and discussion of the research results described in the previous chapter, it can be concluded that Intellectual Capital has a significant positive effect on Firm Value. Good corporate governance has a significant positive effect on Company Value. Intellectual capital has a significant positive effect on financial performance. Good corporate governance has a significant positive effect on Financial Performance. Financial Performance has a significant positive effect on Company Value. Financial Performance is able to mediate the effect of Intellectual Capital on Company Value. Financial Performance is able to mediate the effect of Good corporate governance on Company Value.

Based on the results and limitations of this study, it can be suggested as follows for companies, it is expected to pay more attention to their financial statements, especially in factors that can affect firm value. This financial report is expected to be used better. And it is hoped that the company can increase Intellectual Capital through adding skills, competencies, knowledge of human resources, the company's operational system in creating value added companies. For investors, it is expected to pay more attention to the company's financial statements before investing and can use Intellectual Capital and Good corporate governance as a tool to determine the value of a company. For further research, it is hoped that it can extend the research period and add research variables to determine the factors that affect firm value, such as: Debt Policy, Company Size, Sales Growth, Gender Diversity and Corporate Social Responsibility Disclosure. Future research can also be done by adding or using other Good good corporate governance mechanisms, such as: Institutional Ownership, Board Size, Independent Commissioners and Ownership Concentration and are expected to use other measuring instruments for better measurement.

REFERENCES

1. Amrani, O., Najab, A., Azmi, M. (2022). The impact of governance structure on bank performance: A cross-country panel analysis using statistical learning algorithms. Procedia Computer Science 20, pp. 520-524.
2. Anik, S., Chariri, A., Isgiyarta, J. (2021). The Effect of Intellectual Capital and Good corporate governance on Financial Performance and Corporate Value: A Case Study in Indonesia. Journal of Asian Finance, Economics and Business Vol 8, pp. 0391–0402
3. Anggraini, F. (2020). Pengaruh Intellectual Capital Terhadap Nilai Perusahaan Dengan Financial Distress Sebagai Variabel Intervening. Jurnal Informasi, Perpajakan, Akuntansi, dan Keuangan Publik Vol 15, pp. 169 - 190.
4. Arribaat, S.K., Yahya, I., Agriyanto, R. (2021). The Determinants of Firm Value and Financial Performance in Islamic Stocks. Equilibrium: Jurnal Ekonomi Syariah, Vol. 9(1), pp. 01-24.
5. Baroroh N., Linda A., Suryarini T. (2017). The Role of Financial Performance To Mediate The Effect of Good corporate governance on Firm Value. IJASOS- International E-Journal of Advances in Social Sciences, Vol. III, Issue 9, pp. 1011-1014.
6. Berliana, G., Bwarleling, T.H. (2021). Peran Intellectual Capital Terhadap Nilai Perusahaan (Kaitan Antara Nilai Tambah, Kinerja Keuangan dan Nilai Perusahaan). Jurnal Syntax Admiration, Vol. 2, No. 5, pp. 843-862
7. Braendle, U., Mozghovyi, Y., Huryna, K. (2017). Corporate Competitiveness and Sustainability Risks. Risk Governance and Control: Financial Markets & Institutions, 7(4-2, pp. 225 - 233.
8. Brigham, E.F. & Daves, P.R., 2018. Intermediate Financial Manajement. 13th ed. Boston: Cengnge Learning Inc.
9. Castro, J.P.G., Ramírez, D.F.D., Escobar, J.M. The relationship between intellectual capital and financial performance in Colombian listed banking entities. Asia Pacific Management Review 26, pp. 237-247.
10. Dandy, P.M., Nugroho,P.I. (2020). Pengaruh Kinerja Keuangan Terhadap Nilai Perusahaan dengan Good corporate governance Sebagai Variabel Moderasi. International Journal of Social Science and Business. Volume 4 (2). pp. 189-196.
11. Deniswara, K., Uyuun, R.M.F., Lindawati, A.S.L., Willnaldo. (2019). Intellectual Capital Effect, Financial Performance, and Firm Value: An Empirical Evidence from Real Estate Firm in Indonesia. Journal The Winners, Vol. 20 No. 1, pp. 49-60.
12. Fahmi, Irham. 2010. Manajemen Kinerja Teori dan Aplikasi. Bandung: Alfabeta.
13. Fatoni, H.A., & Sulhan, M. (2020). Pengaruh Good corporate governance Terhadap Nilai Perusahaan Dengan Profitabilitas Sebagai Variabel Mediasi. Jurnal Ekonomi, Keuangan, Perbankan Vol. 12, No.1, pp. 77-94.
14. Ghozali, Imam. 2018. Aplikasi Analisis Multivariate dengan Program IBM SPSS 25. Badan Penerbit Universitas Diponegoro: Semarang.
15. Harahap, Sofyan Syafri. 2015. Analisis Kritis Atas Laporan Keuangan. Cetakan Ke 12. Rajawali Pers: Jakarta.
16. Hendrani, A., & Septyanto, D. (2021). The Effect of Return on Asset, Debt to Equity Ratio and Company Size on Company Value in Manufacturing Companies in the Food and Beverage Sub-Sector on the IDX for 2014-2018. International Conference on Entrepreneurship (ICOEN), pp. 681-693.

17. Husnaini, W., Basuki, B. (2020). ASEAN Good corporate governance Scorecard: Sustainability Reporting and Firm Value. Journal of Asian Finance, Economics and Business, Vol 7 No 11, pp. 315–326.
18. Husnan, Suad dan Pudjiastuti Enny. 2015. Dasar-Dasar Manajemen Keuangan. Edisi Ketujuh. UPP STIM YKPN, Yogyakarta.
19. Indriastuti, M. & Kartika, I. (2021). Improving Firm Value through Intellectual Capital, Good corporate governance and Financial Performance. JIA (Jurnal Ilmiah Akuntansi), Vol. 6 No. 1, pp, 85-101.
20. Jao, R., Hamzah, D., Laba, A.R., Mediaty. (2020). Financial Performance, Reputation, and Firm Value: Empirical Evidence of Non-financial Companies Listed in Indonesia Stock Exchange. International Journal of Academic Research in Accounting, Finance and Management Sciences 10 (1), pp. 117-124.
21. Jensen, M. C., & Meckling, W. H., (1976). Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure. Journal of Financial Economics 3, pp. 305–360.
22. Josephine, K., Trisnawati, E., Setijaningsih, H., T. (2019). Pengaruh Modal Intelektual Dan Tata Kelola Perusahaan Terhadap Nilai Perusahaan Melalui Kinerja Keuangan (Studi Empiris Pada Perusahaan LQ45 Di Bursa Efek Indonesia Periode 2015-2017). Jurnal Muara Ilmu Ekonomi dan Bisnis Vol. 3, pp. 59-70.
23. Laili, C.N., Djazuli, A., Indrawati, N.K. (2019). The Influence of Good corporate governance, Corporate Social Responsibility, Firm Size on Firm Value: Financial Performance As Mediation Variable. Jurnal Aplikasi Manajemen, Vol 17(1), pp. 179-186.
24. Mahrani, M., & Soewarno, N. (2018). The Effect of Good corporate governance Mechanism and Corporate Social Responsibility on Financial Performance with Earnings Management as Mediating Variable. Asian Journal of Accounting Research, Vol. 3 No. 1, pp. 41-60.
25. Mariana., Abdullah, S., Mahmud, M. (2020). Good corporate governance Perception Index, Profitability and Firm Value in Indonesia**.** Scientific Research Publishing Technology and Investment 11, pp. 13-21.
26. Muhammad, R., Mangawing, M.A., Salsabilla, S. (2020). The Influence of Intellectual Capital and Good corporate governance on Financial Performance of Islamic Banks. Jurnal Ekonomi & Keuangan Islam, Vol. 7 No. 1, pp. 77-91.
27. Nuryaman. (2015). The Influence of Intellectual Capital on The Firm's Value with The Financial Performance as Intervening Variable. Procedia -Social and Behavioral Sciences 211, pp. 292 – 298.
28. Kontan. (2021). Sektor consumer non-cyclicals tertekan sejak awal tahun, ini pemberatnya. Diakses pada pada tanggal 10 April 2022 dari https://investasi.kontan.co.id/news/sektor-consumer-non-cyclicals-tertekan-sejak-awal-tahun-ini-pemberatnya.
29. Kurniawati, H., Rasyid, R., Setiawan, F.A. (2020). Pengaruh Intellectual Capital dan Ukuran Perusahaan Terhadap Kinerja Keuangan Perusahaan. Jurnal Muara Ilmu Ekonomi dan Bisnis, Vol. 4 No.1, pp. 64-76.
30. Martin, J.D., Petty J.W., & Wallance J.S. (2009). Value-Based Management with Corporate Social Responsibility. Second Edition. Oxford University Press 2009.
31. Midiantari, P.N., & Agustia, D. (2020). Impact of Intellectual Capital on Firm Value Through Corporate Reputation as A Mediating Variable. Journal of Security and Sustainability Issues, Vol. 9 No. 4, pp. 1203-1213.
32. Nafiroh, S., Nahumuru, Joicenda. (2016). The Influence of Intellectual Capital on Company Value with Financial Performance as An Intervening Variable in Financing Institutions in Indonesia. The Indonesian Accounting Review, Vol. 6, No. 2, pp. 159-170.
33. Noviantika, L., Erlina, & Adnans, A., A. (2022). The Effect of Good corporate governance and Corporate Social Responsibility Disclosure on Firm Value Through Financial Performance As Mediation Variables In Palm Oil Plantation Companies Listed on Indonesia Stock Exchange. International Journal of Economic, Business, Accounting, Agriculture Management and Sharia Administration, Vol. 2, pp. 559-568.

34. Nurazi, R., Zoraya, I., Wiardi, A.H. (2020). The Influence of Good corporate governance and Capital Structure on Firm Value: The Mediation Role of Financial Performance. Media Ekonomi dan Manajemen, Vol. 35 Issue 2, pp. 230-242.
35. Nurhidayah, V. (2020). Pengaruh Good corporate governance terhadap Kinerja keuangan Pada Perbankan Di BEI. Prisma (Platform Riset Mahasiswa Akuntansi), Vol. 1 No. 02, pp 132-142.
36. Patmawati. (2017). Pengaruh Corporate Social Responsibility Disclosure dan Good corporate governance Terhadap Nilai Perusahaan Dengan Kinerja Keuangan Sebagai Variabel Intervening. Jurnal ilmiah ekonomi global masa kini, Vol. 8, pp. 48-58.
37. Peraturan pemerintah Keputusan Menteri Badan Usaha Milik Negara Nomor: KEP-117/M-MBU/2002 Tentang Penerapan Praktek Good corporate governance pada Badan Usaha Milik Negara (BUMN) Menteri Badan Usaha Milik Negara.
38. Peraturan Menteri Negara Badan Usaha Milik Negara Nomor: PER — 01 /MBU/2011 Tentang Penerapan Tata Kelola Perusahaan Yang Baik (Good corporate governance) Pada Badan Usaha Milik Negara.
39. Platonova, E., Asutay, M., Dixon, R., & Mohammad, S. (2018). The Impact of Corporate Social Responsibility Disclosure on Financial Performance: Evidence from the GCC Islamic Banking Sector. Journal of Business Ethics, 151(2, pp. 451–471.
40. Pulic, A. (2000). VAICTM An Accounting Tool for Intellectual Capital Management. International. Journal Technology Management, 20(5/6/7/8), pp. 702–714.
41. Purbawangsa, I. B. A., Solimun, S., Fernandes, A. A. R., & Mangesti Rahayu, S. (2019). Good corporate governance, corporate profitability toward corporate social responsibility disclosure and corporate value (comparative study in Indonesia, China and India stock exchange in 2013-2016). Social Responsibility Journal, pp. 983-999.
42. Puspitaningtyas, Z. (2019). Empirical Evidence of Market Reactions Based on Signaling Theory IN Indonesia Stock Exchange. Investment Management and Financial Innovations, Vol. 16 issue 2, pp. 66-71.
43. Rahayu, Y.S., & Widiati, P.K. (2018). The Effect of Intellectual Capital on Corporate Value. Management And Economics Journal, Vol.2 No. 1, pp. 15-22.
44. Rahmadi, Z.T., & Wahyudi, M.A. (2021). Pengaruh Good corporate governance (Struktur Kepemilikan Institusional dan Kepemilikan Manajerial) Terhadap Nilai Perusahaan Manufaktur di BEI 2017–2019. Jurnal Rekaman, Vol. 5, No.1, pp. 104-114.
45. Rahmawati, E., Fadlurrahman, N., Azzahra F.S. (2021). The Effect of Good corporate governance Mechanism on Intellectual Capital Disclosure of High IC-Intensive Companies in Indonesia and Malaysia. Journal of Accounting and Investment, Vol. 23 No.1, pp. 33-48.
46. Rahyuda, I. K. (2020). Metode Penelitian Bisnis: Based of the research pyramid, edisi 2020. Denpasar: CV. Sastra Utama.
47. Robiyanto, R., Putra, A.R., & Lako, A. (2021). The Effect of Good corporate governance and Intellectual Capital Toward Financial Performance and Firm Value Of Socially Responsible Firms. Contaduría y Administración 66 (1), pp. 1-24.
48. Rudianto, 2013. Akuntansi Manajemen Informasi Untuk Pengambilan Keputusan Strategis. Jakarta: Erlangga.
49. Rukmana, D., & Widyawati. (2022). Pengaruh Good corporate governance Terhadap Nilai Perusahaan. Populis: Jurnal Sosial dan Humaniora, Vol. 7 No.1, pp. 32-47.
50. Santoso, A. (2017). Pengaruh Good corporate governance Terhadap Nilai Perusahaan Dengan Kinerja Keuangan Sebagai Variabel Intervening.
51. Sembiring, S., & Trisnawati, I. (2019). Faktor – Faktor Yang Mempengaruhi Nilai Perusahaan. Jurnal Bisnis dan Akuntansi, Vol. 21 No. 1a-2, pp 173-184.
52. Septiana, G. (2018). Analisis Pengaruh Intellectual Capital Terhadap Nilai Perusahaan Dengan Kinerja Keuangan Sebagai Variabel Intervening Pada Perusahaan Perbankan yang Terdaftar di Bursa Efek Indonesia Periode 2010-2015. Jurnal Pundi, Vol. 02, No. 03, pp. 227-240.

53. Setyahadi, R.R., & Narsa, I.M. (2020). Good corporate governance and Sustainability in Indonesia. Journal of Asian Finance, Economics and Business, Vol. 7 No. 12, pp. 885–894.
54. Siti, B., Kusuma, R., Khusniyah, I.N. (2020). The Financial Performance: Mediator of Intellectual Capital and The Firm Value. Eurasia: Economics & Business, 4(43), pp. 39-48.
55. Su, W., Peng, M. W., Tan, W., & Cheung, Y.-L. (2014). The Signaling Effect of Corporate Social Responsibility in Emerging Economies. Springer Science Business Media Dordrecht, pp 1-13.
56. Susanti, N., & Restiana, N.G. (2018). What's the Best Factor to Determining Firm Value? Jurnal Keuangan dan Perbankan, 22(2), pp. 301–309.
57. Susilo, A., Sulastri., Isnurhadi. (2018). Good corporate governance, Risiko Bisnis dan Kinerjakeuangan Terhadap Nilai Perusahaan. Jurnal Analisis Bisnis Ekonomi, Vol. 16 No. 1, pp. 63-72.
58. Swain, R. (2018). Influence Of Capital Structure on Financial Performance. Parikalpana - Kiit Journal of Management, Vol.14(I), pp. 161-171.
59. Subaida, I., Nurkholis., Mardiati, E. (2018). Effect of Intellectual Capital and Intellectual Capital Disclosure on Firm Value. Journal of Applied Management (JAM), Vol. 16 No. 1, pp. 125-135.
60. Trisnaningsih, S., Rahmasari, B.P. (2022). The Effect of GCG on Company Value with Financial Performance as An Intervening Variable. Journal of Tourism Economics and Policy, Vol. 2, pp 203-212.
61. Ulum, Ihyaul. (2017). Intellectual Capital (Model Pengukuran, Framework Pengungkapan, dan Kinerja Organisasi). Cetakan Ketiga. Malang: Penerbit Universitas Muhammadiyah Malang.
62. Wahyuni, H., Melani, E., Miharso, A., Fuadiyah, Z. (2021). Mediating Role of Good corporate governance to Intellectual Capital and Firm Value. Advances in Economics, Business and Management Research, Vol. 183, pp. 173-178.
63. Wergiyanto, Y., & Wahyuni I. (2016). Pengaruh Intellectual Capital Terhadap Nilai Perusahaan dengan Strategi Bersaing Sebagai Pemoderasi. Artikel Ilmiah Mahasiswa, pp. 1-5.
64. Widnyana, I.W., Wiksuana, I.G., Artini., L.G.S., Sedana, I.B.P. (2020). Influence of Financial Architecture on Financial Performance and Corporate Value in the Indonesian Capital Market. International Journal of Productivity and Performance Management.
65. Wijaya, L.I., Welson., Murhadi, W.R. (2020). Ownership Structure, Good corporate governance, and Firm Performance in the Indonesian Capital Market. Advances in Economics, Business and Management Research, volume 115. pp. 256-260.
66. Wulandari, Y., T. (2022). The Influence of Price Earnings Ratio and Price to Book Value on Stock Return in Food and Beverage Companies Listed on Indonesia Stock Exchange in 2016-2020. Jurnal Akuntansi dan Perpajakan, 8(1), pp. 1-15.