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INTELLECTUAL CAPITAL VALUE AND DISCLOSURE OF INTELLECTUAL CAPITAL ON FIRM VALUE

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ABSTRACT

The purpose of this study was to determine the effect of the value of intellectual capital and disclosure of intellectual capital on the company value of state-owned enterprises which are listed on the Indonesian stock exchange partially. The type of data used in this study is quantitative data in the form of values or numbers obtained from financial reports. The source of data in this research is secondary data. The population in this study are state-owned companies listed on the Indonesia Stock Exchange during the period 2015 -2019. By using the purposive sampling method, the total sample in this study is 45 data from 9 companies. The data in this study will be tested with several stages of testing, namely descriptive statistical tests, classic assumption tests (normality test, heteroscedasticity test, multicollinearity test, autocorrelation test), and testing all hypotheses through the partial test (t test) and coefficient test determination. The research findings lead to several concrete conclusions. Firstly, the study reveals a significant negative effect of intellectual capital value on firm value for state-owned companies in Indonesia. This suggests that intellectual capital alone does not guarantee an increase in firm value. Secondly, the research demonstrates a significant positive effect of intellectual capital disclosure on firm value. Active disclosure of intellectual capital information positively influences stakeholders' perceptions and builds confidence in the company's potential, ultimately enhancing firm value

Keyword: Intellectual capital; disclosure of intellectual capital; the value of the company

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INTRODUCTION

The purpose of establishing a company, according to the theory of the firm, is to maximize the firm's value (Sunarsih & Mendra, 2016). The condition of a company can be characterized by its value As an indication of public confidence in the company and a snapshot of its prospects. Firm value estimates a company's worth by investors, which is often correlated with stock prices (Ahmad & Muslim, 2022). When stock prices are elevated, so is the company's worth. Investors' perception of a company's worth is frequently correlated with stock prices. When stock prices are elevated, so is the company's worth. The company's high value can afford its proprietors or shareholders the most significant possible prosperity. The market price of shares, which reflects decisions regarding investment, financing, and asset management, represents the fortune of shareholders and the company. Consequently, as the stock market price rises, so will the prosperity of shareholders (Entika & Ardiyanto, 2016). The many cases during unfavorable economic conditions eroded public confidence in corporations.

Table 1:
List of BUMN Company Values (PER) incorporated in LQ45.
2014-2017

No	Company name	Code	Price Earning Ratio			
			2016	2017	2018	2019
1	Adhi Karya (Persero) Tbk.	ADHI	6.7	46.54	16.43	48.23
2	Bank Negara Indonesia (Persero) Tbk.	BBNI	10.55	10.25	9.06	13.56
3	Bank Rakyat Indonesia (Persero) Tbk.	BBRI	8.38	11.86	10.99	11.40
4	State Savings Bank (Persero) Tbk.	BBTN	11.37	7.40	8.59	12.48
5	Bank Mandiri (Persero) Tbk.	BMRI	12.65	10.61	19.55	18.10
6	Jasa Marga (Persero) Tbk.	JSMR	34.22	24.19	15.60	5.94
7	State Gas Company (Persero) Tbk.	PGAS	10.27	15.09	12.02	15.61
8	Bukit Asam Coal Mine (Persero) Tbk.	PTBA	13.48	4.81	13.13	5.79
9	PP (Persero) Tbk.	PTPP	13.35	44.75	25.35	31.26
10	Semen Indonesia (Persero) Tbk.	SMGR	15.63	17.63	14.96	13.95
11	Telekomunikasi Indonesia (Persero) Tbk.	TLKM	19.10	19.65	20.31	19.82
	Average		**14.15**	**19.34**	**15.09**	**17.83**

Source: www.idx.co.id

Due to unfavorable economic conditions, the company's value, which should always be at its peak, becomes unstable. Table 1, demonstrates that the company's value, as measured by the price-earnings ratio (PER) over the past four years, has yet to meet the objective of establishing a company due to fluctuations in maximizing its value each year. Companies are competing to maximize corporate value by shifting from a labor-based to a science-based knowledge-based business model (Artati, 2017) due to the escalating speed of competition and the continuous growth of innovation. Companies that implement knowledge-based businesses will develop a method for managing knowledge to generate revenue, thereby altering the organization's value creation. Because a company's competitive advantage depends not only on the

ownership of tangible assets but also on innovation, information systems, organizational management, and resources, companies are emphasizing the significance of knowledge assets. This has caused a shift in the company's focus from utilizing physical capital to a group of assets, of which the most critical component is intangible assets, namely intellectual capital, comprised of skills, knowledge, and organizational systems and procedures (Faradina, 2015). The high corporate value will indicate the shareholders' great prosperity. To create corporate value, businesses require value added (VA). This added value can be generated by enhancing the firm's intellectual capital (Sari & Arisanti, 2018). Numerous groups, particularly accountants and academicians, have paid considerable attention to the concept of intellectual capital. This phenomenon necessitates that they seek additional information on matters about intellectual capital management, beginning with the method of identification and measurement and ending with the disclosure of intellectual capital in a company's financial statements.

Since introducing PSAK No. 19 concerning intangible assets, which alludes implicitly to intellectual capital, in Indonesia in 2000, the phenomenon of intellectual capital has begun to develop. Nevertheless, in the world of intellectual capital practice, it still needs to be well-known in Indonesia, so businesses continue to give less attention to human capital, structural capital, and customers. These are all components of the firm's intellectual capital constructor. According to Ardianto (2018), companies in Indonesia can compete if they utilize competitive advantages attained through creative innovations generated by their intellectual capital. This will encourage the development of consumer-perceived, more profitable products. Intellectual capital is an intangible asset, but it is vital for companies because it creates corporate value to attain a competitive advantage (Prasetyanto & Chariri, 2015). Therefore, research on intellectual capital is intriguing. Companies whose preponderance of assets consists of intellectual capital do not disclose misleading information in their financial statements because it could influence company policy. Jacub (2015) discovered a positive correlation between intellectual capital, firm value, and intellectual capital disclosure. This study employs the same variables as Jacub's (2015) study, but for the independent variable, namely disclosure of intellectual capital, the researchers employ the disclosure index derived from previous research (Devi et al., 2017; Oktavianti, 2014). The researcher believes that it is necessary to test the research conducted by Jacub to determine whether there is a positive relationship between intellectual capital and firm value and whether disclosure of intellectual capital and firm value when using other research objects, such as state-owned companies, is significant. Furthermore, government-owned companies differ from private companies in the form of ownership and monopoly over specific resources.

Stakeholders' theory assumes the value is an explicit and undeniable component of business activities (Freeman, 2004; Lestari & Sapitri, 2016;

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Nurwanah et al., 2021; Arsyad et al., 2021). Even if they choose not to use it, stakeholders can receive information about how the company's activities affect them. When there are various stakeholder groups within a corporation, stakeholder theory explicitly considers the impact of corporate disclosure policies. In addition, this theory implies that organizational accountability is not limited to economic or financial performance, thereby requiring companies to disclose intellectual capital and other information beyond what regulatory bodies require. In order to elucidate the concept of intellectual capital, stakeholder theory must be examined from the ethical (moral) and management perspectives. According to Wang (2014), the discipline of ethics argues that all stakeholders have the right to be treated fairly by the organization, and managers must run the business for the benefit of all stakeholders. When managers can optimally manage the organization, particularly to create value for the company, they have met the ethical requirements of this theory. Utilizing the company's employees (human capital), physical assets and structural capital generates value in this context. Good management of all this potential will generate added value for the company, which can drive its financial performance to the advantage of stakeholders.

Intellectual Capital is frequently interpreted inconsistently. As a concept, intellectual Capital refers to non-tangible (immaterial) Capital associated with human knowledge and experience and applied technology. Dumay (2016) defines intellectual Capital as an organization's capacity to generate, transmit, and implement knowledge. Intellectual Capital is defined by Hsu and Wang (2016) as the added value of a company that can be attributed to intangible assets resulting from the company's organizational functions, information technology processes and networks, the competence and efficiency of its employees, and the quality of its customer relationships. Intellectual Capital is the results of new knowledge and innovation, the application of existing knowledge to address issues and concerns that develop employees and customers; the packaging, processing, and distribution of knowledge; the acquisition of existing knowledge created through research and learning.

The public created the VAICTM method in 1998 to provide information about the value-creation efficacy of tangible and intangible assets owned by businesses (Kim et al., 2016). This model begins with the company's capacity for value creation. The value added (VA) is the efficacy of human capital, structural capital, and employed capital (CE). Public (Wang et al., 2014) identifies three relationships between value-added, human capital, structural capital, and employed capital: The connection between VA and CE. Value-added capital employed (VACA) measures the value added (VA) produced by one unit of tangible capital. The assumption is that if one unit of CE (available funds) generates a higher return than other companies, the company is more adept at utilizing CE (available funds)—the relationship between the VA and

HC. Value-added human capital (VAHU) indicates how much value added (VA) can be generated with labor costs. VAHU indicates HC's capacity to create value for the organization (Anna, 2018). The relationship between the structural capital coefficient (STVA) and the contribution of structural capital (SC) to value creation. STVA measures the number of SC required to produce 1 rupiah from VA. The more significant the contribution of HC to value creation, the lesser the contribution of SC. SC is VA minus HC.

The majority of researchers divide intellectual capital into three primary components (Purnomo & Marcelia, 2016): Human capital is the lifeblood of a company and a source of innovation and development; it consists of human resources and a variety of factors, such as education, knowledge, and job-related competencies, as well as other employee-related characteristics. 2. Structural capital (organizational capital) is the capacity of a company to carry out its routine processes and structures and to support employee efforts to produce optimal intellectual performance and overall business performance; it consists of two essential elements, namely intellectual property and infrastructure assets. 3. Relational capital (customer capital) is a component of intellectual capital that provides actual value. Relational capital refers to a company's positive relationships with its external constituents, such as customers, distribution networks, business collaboration, franchise agreements, etc.

According to Rivandi (2018), a company is said to have good value if its performance is also excellent. Firm value is the investor's perception of a company's worth of its stock price. If a company's share price is high, then the company's overall value is also high (Lestari, 2017). The high corporate value will indicate that the stockholders are prosperous. This investigation used the price-to-earnings (P/E) ratio to determine a company's value. According to Bagya (2016), the price-earnings ratio refers to the ratio between the market price of each ordinary share and earnings per share. This ratio is determined by comparing the market price per share to the per-share net income. This ratio indicates how investors perceive the company's future profits. The higher this ratio, the more confident the market is in the company's prospects.

Utilizing company resources effectively can reduce expenses and increase profits. Stakeholders will benefit if the company can develop and utilize its existing knowledge to increase profits. Therefore, if a company can manage and develop highly trained and competent human resources (intellectual capital) that are well-owned, it will demonstrate improved financial performance, resulting in profits and a competitive advantage. The VAICTM research method and multiple linear regression concluded that VAICTM is related to company performance as measured by ROA, ATO, and MB (Wijayanti, 2016). If the market value is efficient, investors will place a higher value on the company and increase their investment in companies that spend more on investment or intellectual capital. Therefore, investors presume that intellectual capital is a source of competitive advantage-

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generating company strength. The company's market perception will increase its value if its intellectual capital is effectively managed. The greater the company's efficiency in managing its intellectual resources (physical capital, human capital, and structural capital), the greater its financial performance (Sunarsih & Mendra, 2016). Companies with improved financial performance will receive a higher rating from the market, which will be positively received by the market and increase the company's value. According to Entika (2016), intellectual capital positively impacts a company's market value. Market perceptions of a company's value will rise if intellectual capital grows in the sense that it is appropriately managed. According to Artati (2017), intellectual capital has a considerable positive impact on the value of a company. If the company effectively manages its intellectual capital, the market will perceive it as having more excellent value.

H1: The value of intellectual capital significantly positively affects firm value.

Dumay (2016) indicates that intellectual capital disclosure informs external and internal stakeholders by combining reports in the form of statistics, visualizations, and narratives as value creation. Investors will only make accurate assessments of the company's shares and market capitalization if more information is disclosed. The greater the intellectual capital disclosure, the greater the company's value. According to Purnomo (2016), the failure of conventional financial reports is due to their incapacity to provide information about the factors contributing to the company's value creation. The research results (Faradina, 2015) on the disclosure of intellectual capital in public companies indicate that company size and leverage are substantially related to intellectual capital disclosure. Sari (2018) discovered that company size and profitability, as measured by ROA, significantly impact the level of disclosure in the annual report. Ardianto (2018) asserts that intellectual capital disclosure increases the value of a company. The greater the company's intellectual capital disclosures, the greater the market's perception of the company's performance, which will increase the company's value. According to Lestari's (2016) research, intellectual capital disclosure is the primary factor in creating corporate value. Based on this explanation, the hypothesis formed is:

H2: Disclosure of intellectual capital significantly positively affects firm value.

RESEARCH METHODS

This study is an example of quantitative research. This study's demographic consists of state-owned firms on the Indonesia Stock Exchange. Because not all state-owned companies listed on the Indonesia Stock Exchange were included in this study, the sample was chosen using purposive sampling based on specific criteria. These are the sampling criteria for this study: a. Companies registered in 2015 5 and remain registered until 2019 9; b. Companies that published a complete annual report during the study period of 2015-5; and c. Companies with complete data related to the study's

variables. Based on these criteria, nine samples obtained between 2015 and 20199 will be included in the study, presented in table 2.

Table 2:
State-Owned Enterprises as Samples

No	Company name	Code
1	PT Pembangunan Perumahan Tbk	PTPP
2	PT Bank Negara Indonesia Tbk	BBNI
3	PT Bank Mandiri Tbk	BMRI
4	PT Jasa Marga Tbk	JSMR
5	PT Kimia Farma	KAEF
6	PT Bukit Asam Coal Mine Tbk	PTBA
7	BT State Savings Bank Tbk	BBTN
8	PT Telekomunikasi Indonesia Tbk	TLKM
9	PT Wijaya Karya Tbk	WIKA

Source: www.bumn.go.id

This study utilizes documentary data in the form of an annual report obtained from the website of the Indonesia Stock Exchange and several company websites. This study relies on secondary data sources from the Internet by obtaining each State-Owned Enterprise company's annual report from its website and the Indonesia Stock Exchange. Four phases of testing will be performed on the data that has been collected. The initial step involves conducting descriptive statistical analyses. The second stage is the testing of the research instrument, which includes (a validity test and reliability test). The third step is the classical assumption test (normality test, multicollinearity test, and heteroscedasticity test). The fourth step is to test all the hypotheses proposed in this study, which will be demonstrated using moderation and coefficient of determination tests.

Table 3:
Operational Variables

Variables	Indicators	Major Reference
Intellectual Capital Value (X1)	VA = OUT – IN	(Devi et al., 2017; Jacub, 2015)
Disclosure of Intellectual Capital (X2)	$\text{ICD Index} = \frac{\sum in}{M} \times 100\%$	(Purnomo & Marcelia, 2016)
Firm Value (Y)	$\text{Earning per share} = \frac{\text{Net Income}}{\text{Weighted-Average Common Shares Outstanding}}$	(Artati, 2017; Entika & Ardiyanto, 2016)

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RESULT AND DISCUSSION

The first phase of statistical analysis is descriptive. The purpose of descriptive statistics is to display the quantity of data (N) used in this study as well as the maximum value, minimum value, average value (mean), and standard deviation () for each variable belonging to the company that is the subject of the study. This study seeks to examine the relationship between the price-earnings ratio (PER) and the value of intellectual capital (IC) and disclosure of intellectual capital (PIC) as independent variables.

Table 4:
Descriptive Statistics

	N	Minimum	Maximum	Means	std. Deviation
IC	45	1.78	5.43	3.5131	.94723
pic	45	22	35	29.58	2,360
PER	45	4.81	57.29	17.5004	10.94803
Valid N (*listwise*)	45				

Source: SPSS 23 *output (processed data)*

Based on the data in table 4, the lowest (minimum) value of the intellectual capital (IC) variable is 1.78, derived from the IC value of PT Kimia Farma Tbk in 2017, while the highest (maximum) IC value is 5.43 derived from IC PT Pembangunan Perumahan Tbk in 2019. The mean IC value is 3.5131, and the standard deviation is .94723, so the data from the IC variable during the observation period (201 5 -201 9) can be good because the standard deviation is lower than the mean. The intellectual capital (PIC) disclosure variable has the lowest (minimum) value of 22 disclosures originating from PT Bank Tabungan Negara Tbk in 2016 and the highest (maximum) value of 33 disclosures originating from PT Pembangunan Perumahan Tbk in 2017. The average (mean) value of 29.58 with a standard deviation value of 2.360 indicates that the standard deviation value is lower than the average value (mean). This indicates that the data from the intellectual capital disclosure variable during the observation period is reasonable. The variable price earning ratio (PER) has an average value (mean) of 17.5004 with a standard deviation value of 10.94803 which indicates that the standard deviation value is lower than the average value (mean). This indicates that the data from the variable price earning ratio (PER) during the observation period 201 5 -201 9 is good. The lowest value (minimum) of 4.81 comes from the PER value of PT Tambang Batubara Bukit Asam Tbk in 2018, and the highest value (maximum) of 57.29 comes from the PER of PT Kimia Farma Tbk in 2019. The second stage is the classical assumption test intended to determine whether using a simple linear regression model in analyzing meets the classical assumptions. Four classical assumption tests are used to test the linear regression model: the normality

test, multicollinearity test, heteroscedasticity test, and autocorrelation test. The normality test is used to see whether the dependent and independent variable regression models are normally distributed.

Table 5:
Kolmogorov – Smirnof (KS) test

		Unstandardized Residuals
N		45
Normal Parameters [a,b]	Means	.0000000
	std. Deviation	9.25549793
Most Extreme Differences	absolute	.115
	Positive	.115
	Negative	-.074
Test Statistics		.115
asymp. Sig. (2-tailed)		.162 [c]

Source: Outputs SPSS 23 (data processed)

Kolmogorov – Smirnov test in table 5, where the Sig. of 0.16 is greater than the value of (0.05), it can be concluded that the regression model is appropriate for use in this study because it satisfies the assumption of normality. In addition, the multicollinearity test examines whether the regression model discovered a strong or ideal correlation between the independent variables.

Table 6:
Multicollinearity Test Results

Model		Collinearity Statistics	
		tolerance	VIF
1	(Constant)		
	Intellectual Capital (IC) Value	0.950	1,051
	Disclosure of Intellectual Capital (PIC)	0.95 0	1,051

Source: SPSS Output 23

Based on table 6, there are no independent variables with a tolerance value below 0.10 and the VIF calculation results also show the same thing, namely that none of the independent variables has a VIF value greater than 10. It can be concluded that there is no multicollinearity relationship in the two independent variables in the regression model and it can be used to predict PER during the 2013-2017 observation period. Furthermore, the autocorrelation test is a test of assumptions in regression where the dependent variable is not correlated with itself. Autocorrelation is a test of assumptions in regression where the dependent variable is not correlated with itself.

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Table 7:
Autocorrelation Test Results

Model	Durbin-Watson
1	2, 1 7 2

Source: SPSS 23 output (processed data)

Table 7 shows that the Durbin-Watson value is 2.17.2. This value falls between 1.65 and 2.35, so there is no autocorrelation in this study's regression model. In addition, the heteroscedasticity test examines whether there is an inequality of variance between residual observations in the regression model. A decent regression model needs heteroscedasticity.

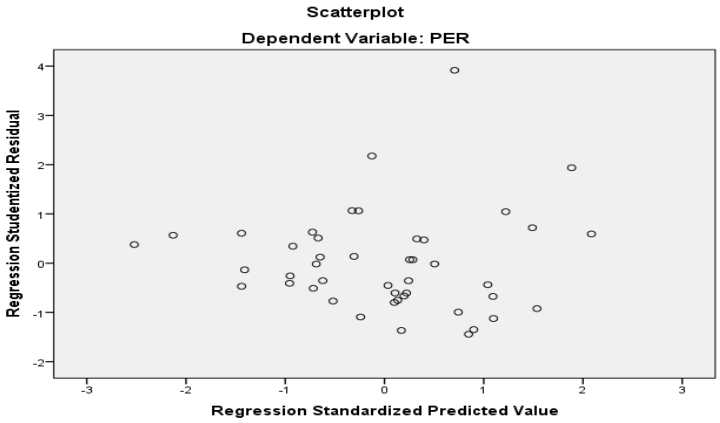

Figure 1:
Scatterplot Graph

Figure 1 shows no heteroscedasticity issue in this regression test since the data (dots) are evenly distributed above and below the zero line and do not cluster in any area. Third test, we use multiple linear regression analysis to determine whether each independent variable has a positive or negative impact on the dependent variable and to foretell the value of the dependent variable as a function of changes to the independent variables.

Table 8:
Results of Multiple Regression Analysis
Coefficients[a]

Model		Unstandardized Coefficients		standardized Coefficients		
		B	std. Error	Beta	Q	Sig.
1	(Constant)	-38,316	18011		-2,129	039
	IC	-3,763	1,557	-.335	-2,437	.01 8
	pic	2,344	.63 0	.494	3,758	.00 0

a. Dependent Variable: PER
Source: SPSS Output 23

Based on table 8, the regression model used is as follows:

PER = -38.3 16 – 3.7 63 IC + 2.3 44 PIC + e

In table 8, coefficients of the multiple linear regression equation can be understood as a constant regression coefficient of -38.3 16, which means that if the Intellectual Capital Value and Intellectual Capital Disclosure variables are both zero, then the Firm Value is -38.3 16 (with all other factors being held constant). With a coefficient of -3.7 63%, IC is one of the few independent variables that may be expected to reduce PER (while all other factors remain constant, of course). Since PIC's coefficient is 2.344, we know that for every 1% increase in PIC, the PER will rise by 2.344 percentage points (presuming no changes in the other independent variables). The altered R2 coefficient of determination should then be tried. Determinant coefficient (R2) values range from 0 to 1, indicating the extent to which the independent factors explain the observed variation in the dependent variable. The level of explanation a model provides for a dependent variable is represented by the coefficient of determination (Adjusted R2).

Table 9:
Results of the Coefficient of Determination (R2)

Model	R	R Square	Justice R Square	std. Error of the Estimates
1	.540[a]	0.390 _	0.256	9.47755

Predictors: (Constant), PIC, IC
Dependent Variable: PER
Source: SPSS Output 23

The correlation coefficient (R) and determination coefficient (R square) are displayed in Table 9. The R-value characterizes the degree of association between the independent variables (x) and the dependent variable (y). Based on the computed data, the correlation coefficient value is 0.54 or equal to 5.4 percent, indicating that the relationship between the x variable (IC and PIC) and the y variable (PER) falls within the strong category. R square explains how much variation in y is attributable to x; based on the calculation results, the R2 value is 0.39 or 39%. Adjusted R Square is an adjusted R2 value that brings the image closer to the quality of the assessment model, as determined by the calculation of 0.25 6 or 25.6% for the adjusted R square value. The coefficient of determination (Adjusted R2) is 25.6%, which indicates that the ability of the two independent variables, intellectual capital (IC) and disclosure of intellectual capital (PIC), to influence the variable price-earnings ratio (PER) simultaneously is 25.6%. At the same time, external factors influence the remaining variables. Therefore, it can be concluded that the variable value of intellectual capital (IC) and disclosure of intellectual capital (PIC) affects variations in the variable price-earnings ratio (PER).

In addition, the purpose of the t-test is to examine the impact of each independent variable (value of intellectual capital (IC) and disclosure of intellectual capital (PIC)) on the dependent variable of firm value (price

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earning ratio). The proposed hypothesis is accepted or deemed significant if the significance value is less than 0.05 or 5%.

Table 10:
T-test results (partial)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	std. Error	Betas			tolerance	VIF
1	(Constant)	-38,316	18011		-2,129	039		
	IC	-3,763	1,557	-.335	-2,437	.01 8	0.950	1,051
	pic	2,344	.63 0	.494	3,758	.00 0	0.95 0	1,051

a. Dependent Variable: PER
Source: SPSS Output 23

The sign and significance of each IC and PIC variable can be used to determine its impact on PER. The IC variable indicates a negative direction, while the PIC variable indicates a positive direction. The two independent variables included in the regression, namely the value of intellectual capital (IC) and disclosure of intellectual capital (PIC), have a significant effect. With a significance level of 0.05, the IC variable has a significant effect on PER, and the PIC variable also has a significant effect on PER. This is evident from the significance probability of 0.018 for the value of intellectual capital and 0.000 for its disclosure. It is possible to infer the effect of the independent variables on the dependent variable based on the model's goodness of fit.

Discussion

The t-test between Intellectual Capital Value and Firm Value (as assessed by the Price Earnings Ratio) shows that Intellectual Capital Value significantly reduces Firm Value. This suggests that H1 cannot be correct. The results contradict Stakeholder Theory, which holds that stakeholders want the company to maximize its value-creation potential. This disproved the findings of Lailiyah (2016) and HS Lestari (2017). It is speculated that Indonesian investors do not react to data about Intellectual Capital value because they believe that Intellectual Capital value has little to no bearing on the value of a company. This may be because the companies in this research are state-owned, where stakeholders typically invest more faith and where variables other than intellectual capital can affect the company's value. However, management downplays Intellectual Capital's contribution to the company's bottom line. They view intellectual capital as a "virtual" investment and give priority to tangible assets. Management is hesitant to invest extensively in intellectual capital because of the dangers involved. This view is consistent with the research conducted by Lailiyah (2016), who discovered that an increase in intellectual capital (which includes physical capital, human capital, and structural capital) could negatively impact a company's value if it is not optimally utilized and managed. Jacob (2015) and Rivandi (2018), on the other hand, discovered a positive impact of intellectual capital on business value.

Now we can see a positive and substantial relationship between the intellectual capital disclosure variable and the firm value as assessed by the price earning ratio thanks to the partial test results between these two variables. This provides evidence in favor of accepting the null hypothesis (H0). When a firm records or declares the intellectual capital it owns, it does so to reduce the likelihood of miscommunication and demonstrate that it is meeting its obligations to its stakeholders. Investors and other interested parties can have more favorable opinions of a firm and its intellectual capital potential if the company discloses more of its intellectual property. This confidence and favorable opinion help the business succeed. These results are consistent with Stakeholder Theory, which stresses the significance of aligning the interests of all stakeholders with the organization's management and optimizing the organization's capacity to produce and grow firm value. The results align with those found by Ardianto and Rivandi (2018) and Jacub (2015). The value of state-owned firms in Indonesia is impacted when intellectual capital is disclosed. There is a clear correlation between the level of intellectual capital disclosed and the valuation of a company in the market. More importantly, for state-owned firms in Indonesia, intellectual capital disclosure satisfies the information needs of parties not involved in the report's preparation. In contrast, Lailiyah's (2016) research on enterprises in the property and real estate industry indicated that disclosing intellectual capital had no impact on the value of those businesses.

CONCLUSION

The research findings lead to several concrete conclusions. Firstly, the study reveals a significant negative effect of intellectual capital value on firm value for state-owned companies in Indonesia. This suggests that intellectual capital alone does not guarantee an increase in firm value. Secondly, the research demonstrates a significant positive effect of intellectual capital disclosure on firm value. Active disclosure of intellectual capital information positively influences stakeholders' perceptions and builds confidence in the company's potential, ultimately enhancing firm value. Based on these conclusions, several suggestions can be made. Companies should focus on effectively managing their intellectual capital and optimizing its utilization to maximize its impact on firm value. Stakeholder engagement should be prioritized to involve them in the process of utilizing intellectual capital, thereby creating value-added opportunities. Transparent reporting practices, specifically regarding intellectual capital, should be implemented to minimize information asymmetry and meet stakeholders' information needs, enhancing stakeholder perceptions and trust.

The implications of the research are twofold. Firstly, the findings challenge the assumptions of Stakeholder Theory in the context of state-owned companies in Indonesia, highlighting the influence of factors beyond intellectual capital value on firm value. Secondly, it suggests a need for

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investor education and awareness regarding the value of intellectual capital in evaluating company performance and long-term value creation. Furthermore, sector-specific considerations and strategic resource allocation between physical and intellectual investments should be taken into account to optimize decision-making and enhance firm value. In summary, actively managing and disclosing intellectual capital, engaging stakeholders, and recognizing the nuances of sector-specific dynamics are crucial for maximizing the potential impact of intellectual capital on firm value.

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