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THE INFLUENCE OF CORPORATE DISCLOSURE: CORPORATE GOVERNANCE, INTELLECTUAL CAPITAL, ASSET UTILIZATION, AND FINANCIAL PERFORMANCE ON CORPORATE VALUE IN INDONESIA

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Abstract
This study aimed to determine the influence of corporate governance, intellectual capital, asset utilization, and financial performance on corporate value. This study was quantitative research. The population of this research was manufacturing companies listed on Indonesia Stock Exchange in 2015-2019. This research used data panel with a fixed-effect model. The first model of this study showed that intellectual capital disclosure, asset utilization and financial performance had a positive impact on the corporate value which tested using Tobin's Q. Corporate governance had a negative impact on Tobin's Q. Meanwhile, different results were obtained from corporate value which tested using PBV. The second model of this study showed that only intellectual capital disclosure and financial performance had a positive impact on PBV. However, corporate governance and asset utilization had no impact on PBV. This research can be used as a reference for investors, companies, and financial service authorities in Indonesia to obtain higher relevance of disclosure on financial report.
***Keywords**: Tobin's Q, PBV, corporate value, corporate governance, intellectual capital, asset utilization, financial performance.*

INTRODUCTION

Firm value is the investor's perception of the company's performance success rate, which is reflected in the stock price (Sujoko & Soebiantoro, 2007). The high value of the company determines the level of market confidence in the company's current performance and the company's opportunities in the future. According to signaling theory, if management wants an increase in the value of the company, they will provide a signal in the form of future earnings expectations to shareholders through an account in the financial statements which has implications for changes in investors' investment decisions which are reflected by price fluctuations and the volume of selling shares on the stock exchange (Godfrey et al., 2014). Therefore, signaling theory estimates that the company will disclose more data and information than is required to increase company value. Stakeholder in this case the creditors and investors are separate parties that are connected through an agency relationship *(Jensen & Meckling, 1976)*, possible information asymmetry with management as the party controlling the information. On the other hand, management is also faced with the consideration of the cost to provide information that must be less than benefit information disclosed.

Company value is increasingly difficult to compare due to changes in the accounting reporting environment during the Industrial Revolution 4.0. Changes in industrial patterns that are entering the era knowledge-based shifting the company's investment expenditure from the dominant physical fixed assets to intangible assets is not able to be accommodated by traditional accounting *(Sawarjuwono & Kadir, 2003).*

The volatility of firm value is also caused by the volatility of stock prices. Stock prices have high volatility so they can change at any time and changes are difficult to predict *(Anastassia & Firnanti, 2014).* Share prices in the Indonesian capital market are influenced by many aspects, including elementary aspects, global and national economic conditions, government regulations, confidence and investors' perceptions of prospects in the capital market (Atmaja, 2018 quoted in (Yusuf & Firmansyah, 2018)).

One of the factors that can affect the value of the company is intellectual capital. Today, businesses realize that competition is not only about the ownership of tangible assets. Companies begin to understand the importance of the contribution of intangible assets, one of which is knowledge assets as a new engine in business development. Influence research intellectual capital as well as disclosure intellectual capital to corporate value has been done in various countries, including Denmark (Bukh et al., 2005); Srilanka (Abeysekera, 2011a); Malaysia *(Ahmed Haji & Mohd Ghazali, 2012)*; Nigeria (Anifowose et al., 2017a) dan Irlandia (Brennan, 2001). The results of these studies still showed inconsistency of influence intellectual capital dan intellectual capital disclosure to corporate value and the low level of compatibility among financial reports that tends to the incomprehension of users of financial statements of the information presented (Daulay, 2019).

Besides intellectual capital, other variable that is considered to have an effect on firm value is corporate governance. According to (OECD, 2016) corporate governance is a series of control activities and monitoring systems to achieve maximum performance. Corporate governance trying to minimize information asymmetry and create a harmonious relationship between commissioners, directors, employees and stakeholder. Corporate governance is expected to increase trust stakeholder and new investors which have implications for increasing the value of the company. Previous research related to influence corporate governance to corporate value found mixed results. Research by (Ntim, 2013) in South Africa and (Purbawangsa, Solimun, Fernandes, & Mangesti Rahayu, 2019) who conducted comparative studies in India, China, and Indonesia, showed that corporate governance positive effect on corporate value. This was contradictory to research in Indonesia by (Suhadak, Mangesti Rahayu, & Handayani, 2019) which concluded that corporate governance with independent commissioners and managerial ownership has a negative effect on stock return and corporate value.

Asset utilization be the next indicator chosen as a variable that affects corporate value. According to resource-based theory, the company's ability in managing its resources properly will result in a competitive advantage that contributes to the creation of value-added for the company (Wernerfelt, 1984). Research by (Bukit et al., 2018a) concluded that companies that are better at utilizing assets will produce higher corporate value.

Other variable that is considered to have an affects corporate value is financial performance. According to Vherma (2019) Financial performance refers to the extent to which the company's financial goals are being or have been achieved as well as an important aspect of risk management. Financial performance is used as a subjective measure of how well a company's ability to use assets from its main business operations and as a general indicator of the company's overall health over a certain period. Financial performance is an essential factor for the company's existence. Apart from being a tool of accountability for company owners, financial performance reflected in the accounting numbers in the financial statements is expected to provide a positive signal to company owners regarding the current state of the company and future prospects.

Previous research related to financial performance on corporate value by (Ghosh & Arijit, 2008);*(Asiri & Hameed, 2014)*; and (Purbawangsa et al., 2019) concluded that financial performance positively affects corporate value. Not in line with those, a recent study by (Ekaputra, Fuadah, & Yuliana, 2020) found that ROA has no effect on firm value and only ROE has a positive effect on firm value.

The purpose of this study was to examine the effect of corporate governance, intellectual capital, asset utilization and financial performance on corporate value. These variables are expected to be able to explain company value comprehensively in terms of the elements of corporate disclosure that form company performance. Starting from employee performance and

the company's ability to build relationships with distributors and customers represented by intellectual capital, company performance in operational effectiveness and efficiency represented by asset utilization, company performance in the corporate responsibility hierarchy and directing the parties concerned through governance policies (corporate governance), and the company's performance in creating profit (financial performance) is expected to be able to provide an overview of the actual company performance that is able to create added value for the company in the eyes of stakeholders.

In contrast to previous studies, this study used content analysis to measure overall corporate governance based on disclosure of good corporate governance as regulated by the OECD. In addition, intellectual capital is measured using the disclosure level with a weighted average scoring measure on Likert scale of four (Anifowose et al., 2017b) so that it was expected to be able to capture the quality and quantity of disclosure of intellectual capital by the company.

LITERATURE REVIEW

Agency Theory

(Jensen & Meckling, 1976) describe agency relationships arising from the existence of an agreement contract between the agent (in this case the manager) and the principal or owner of capital to provide services according to their interests. The transfer of control and power from the principal to the agent causes information asymmetry where the agent has better information regarding the company than the principal. Problems emerge when the principal wants the agent to act according to the wishes of the principal, to maximizing wealth and profit for the principal, while the agent as the direct manager of the company has the interest to take opportunistic actions by maximizing personal gain through possible ways that can reduce the company value or the principal's profits.

Signaling Theory

(Suwardjono, 2011) states that signaling theory is information signals used by shareholders to consider and determine whether or not investors will invest their capital in the company. Managers use accounting in the form of numbers in financial statements as signals to investors about their expectations of the company's future conditions. The logical consequence of the signaling theory is that there is an incentive for managers to signal about expectations of future profits. If managers want high company growth in the future then they will reflect positive signals through accounting numbers. If investors trust the codes given by the manager, the share value will increase and the shareholders will receive a profit.

Resource Based Theory

Resource Based Theory is a theory that seeks to explain that competitive advantage will be created if a company has professional resources that other companies do not have (Wernerfelt, 1984). If the company has a competitive advantage, the company's performance will be optimal so that it can contribute to value creation for the company. Kuryanto & Syafruddin (2009) explain that a company with competitive advantage will able to manage its resources effectively and efficiently so as to provide value-added to the company. These resources include everything that is owned and controlled by the company in the form of assets, both tangible and intangible, that can be implemented to achieve its goals.

Corporate Value

Firm value is the company's performance as reflected in the stock price formed through the demand and offering of shares on the stock exchange, which reflects the public's assessment of company performance (Harmono, 2009), while (Noerirawan, 2012) defines company value as a condition achieved by a company as a reflection of public confidence in the company after going through a series of processes and activities from it was established to date.

Intellectual Capital

According to Wahyuni & Gunawan (2013) intellectual capital is defined as an intangible asset including all information and knowledge owned by the company with optimal management so as to create added value and competitive advantage. *(Stewart & Ruckdeschel, 1998)* define intellectual capital as packaged of useful knowledge, an available resource in the form of capital insights that create high value assets and future economic benefits. Meanwhile, intellectual capital disclosure is carried out as a communication tool between management and stakeholders (Subaida et al., 2018). Various forms of intellectual capital disclosure provide valuable information for investors to help reduce uncertainty about future prospects and facilitate a more accurate corporate assessment (Bhasin, 2012, quoted in Subaida, Nurkholis, & Mardiati, 2018).

Corporate Governance

Khan (2011) defines corporate governance as a broad term that describes the processes, policies, and regulations that direct companies in the way they act and manage their operations to achieve organizational goals. Basically, corporate governance involves balancing the interests of the company, such as shareholders, management, suppliers, distributors, customers, government, and other interested parties. Corporate governance contains a framework to ensure the company achieves its goals in every managerial element, from planning, action, to internal control, where the mechanism is inseparable from the influence of laws and regulations, legal regulations, market mechanisms, international standards, to company best practices.

Asset Utilization

Asset utilization is a measure of an asset used to meet the objectives of fully corporate performance related to potential asset capacity (Haryono, 2007). Asset utilization provides an overview of how much the performance and efficiency of each asset used is able to produce goods and services for the company (Syamsuddin, 2011).

Financial Performance

Asmirantho & Somantri (2017) stated financial performance is a performance achieved by a company within a certain period to see the company's ability to implement financial implementation rules properly. The performance of a company can be seen in the changes of accounts in the financial statements. The company's financial performance is the result of its operational activities, which is presented through the numbers in the financial statements.

Corporate Governance and Corporate Value

Jensen & Meckling (1976) revealed that the separation of ownership and control provoke agency conflicts in the company. Managers who are given control by shareholders are better informed than shareholders and often make decisions in their own interests at the expense of stakeholder interests. This asymmetric information is detrimental to principals because they cannot make the right decisions. In order to minimize costs arising from agency problems, a series of corporate governance mechanisms are implemented to prevent opportunistic behavior by managers and allow shareholders to evaluate the performance of managers. Ausbaugh et al. (2004, quoted in (Siagian, Siregar, & Rahadian, 2013) explain that corporate governance represents a set of mechanisms chosen to minimize agency risk as a result of information asymmetry. Corporate governance enables better monitoring and control so that managers are expected to make the best decisions for the interests of shareholders. Thus, companies that implement good corporate governance will be considered better because they are capable of controlling manager performance and maximizing shareholder interests.

H1: Corporate governance has a positive effect on corporate value

Intellectual Capital and Corporate Value

According to the resource-based theory, a company has competent resources will excel in business competition. Intellectual capital is an intangible asset of the company as the main

competent resource to drive the company because intellectual capital includes all the insights of the employees, the organization, and their ability to create value added and competitive advantage in a sustainable manner (Pangestika, 2010). The company's ability to control intellectual capital implies that they have the right human resources to run the company effectively, efficiently, and professionally so that it can compete in market competition. Therefore, a company with better intellectual capital has the better ability to create value-added for the company.

Intellectual capital disclosure is one of the non-mandatory disclosures to give positive signals to the investors. According to the signaling theory, management always strives to provide information which, according to their considerations and analysis, is very attractive to investors. Management will present information that can increase the credibility of the company even though the information is not required by the authority to exhibit they have advantages that other companies do not have *(Yusuf & Firmansyah, 2018b).*

H2: Intellectual Capital has a positive effect on corporate value

Asset Utilization and Corporate Value

When making valuation of a company, investors will use various considerations according to their interest. The utility theory explains that investors will choose investment alternatives that maximize profits. Indeed, investors will avoid the risk of losing the money they have invested by entrusting them to the right companies. Right in the sense of being able to manage the company, including the assets they owned.

Assets are managed in various way to minimize expenses and maximize profits. Better assets utilization will require good planning, proper control over assets including current assets and fixed assets and an appropriate amount of funds allocated to each element (Rahayu, 2019a). Kamaludin and Indriani (2012) stated that the intensive utilization of assets reflects the effectiveness and efficiency of management assets, reducing the amount of costs that result in higher profits and a greater contribution to the welfare of the investors.

H3: Asset utilization has a positive effect on corporate value

Financial Performance dan Corporate Value

Signaling theory states that the publication of information related to the company's financial performance is seen as a sign of trust between the company and users of financial statements. Investors also believe that companies with better financial performance tend to have brighter future prospects which contribute to higher company's stock price and so the corporate value.

In addition, companies that have a high level of profitability tend to use retained earnings to fund company development and dividends so that they are expected to increase the wealth of their owners. Companies with good financial capabilities will increase the level of attention of new investors to invest, thereby increasing share prices. The level of profitability that a company can achieve reflects the company's ability to operate, resulting in higher equity *(Ghosh & Arijit, 2008b).*

H4: Financial performance has a positive effect on corporate value

METODE

Data and Samples

The object of this research employed secondary data obtained from manufacturing company sectors listed on the Indonesia Stock Exchange (IDX) from 2015-2019. The manufacturing sector was chosen as the population because this sector has the biggest number compared to the total listed companies. In addition, the manufacturing sector plays a role in accelerating Indonesia's economic growth (Indonesia, 2019). All research data was taken from

the financial reports and annual reports which is available on the BEI official website (www.idx.com) and the company's official website.

This research was a quantitative study. Sample was taken using purposive sampling method. Based on predetermined criteria, 57 sample companies were selected to be observed. The sample selection procedure is described in Table 1.

Table 1. Sample Selection Procedure

Criteria	Amount
Manufacturing sector companies listed on the IDX as of December 31, 2019	183
Elimination:	
- Manufacturing companies listed on the IDX starting or after 2015	(41)
- Manufacturing companies that use currencies other than rupiah in their financial reporting	(30)
- Companies with negative earnings or equity during the 2015-2019 observation period	(41)
- Companies that do not use English in their annual and/or financial reporting	(6)
- Manufacturing companies that do not have complete data	(8)
The number of companies used as samples in the study	57
Number of years (2015-2019)	5
Amount of observation data	285

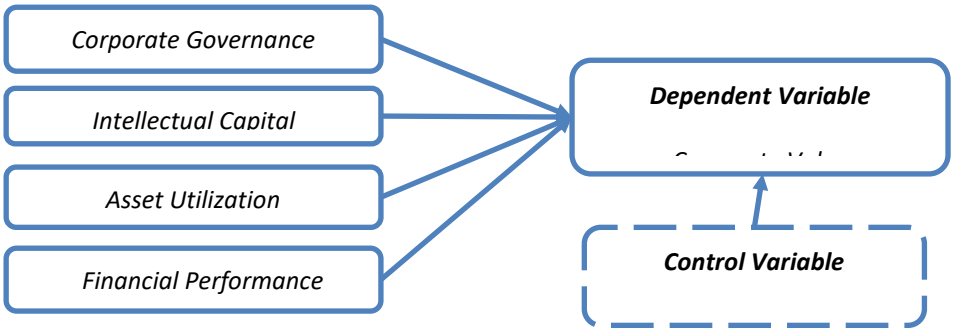
Source: Processed from http://idx.co.id

Research Model

The research framework used to examine corporate governance, intellectual capital, asset utilization and financial performance on corporate value is described in **Figure 1** as follows:

Figure 1. Framework

Independent Variable



Source: Author Compiled

Due to this study uses 2 proxies to test the dependent variable, this study uses 2 research models. Based on Figure 1, the research model used can be formulated as follows:

$$TOBIN'S\ Q_{it} = \beta_0 + \beta_1 GOV_{it} + \beta_2 ICD_{it} + \beta_3 ASUT_{it} + \beta_4 ROA_{it} + \beta_5 SIZE_{it} + \varepsilon \ldots\ldots (1)$$

$$PBV_{it} = \beta_0 + \beta_1 GOV_{it} + \beta_2 ICD_{it} + \beta_3 ASUT_{it} + \beta_4 ROA_{it} + \beta_5 SIZE_{it} + \varepsilon \ldots\ldots (2)$$

Information:

$TOBIN'S\ Q_{it}$ = *Corporate value measured using Tobin's Q*
PBV_{it} = *Corporate value as measured by price-per-book value*
GOV_{it} = *Corporate Governance*

ICD_{it} = *Intellectual Capital Disclosure*
$ASUT_{it}$ = *Asset Utilization*
ROA_{it} = *Return on asset*
$SIZE_{it}$ = *Size (Company size)*

Operational Definition and Variable Measurement

The dependent variable of this study is corporate value was measured using two proxies, namely Tobin's Q and PBV. Tobin's Q is a comparison between the market value of total assets and the book value of total assets owned by the company. As used by (Widnyana, Wiksuana, Artini, & Sedana, 2020); (Suhadak et al., 2019); dan (Rahayu, 2019) the formula used as follows:

$$Tobin's\ Q = \frac{Equity\ Market\ Value + Debt}{Equity\ Book\ Value + Debt}$$

Information:
Tobin's Q = The value of the company
EMV = *Equity Market Value* (obtained from the multiplication of the closing share price with the total shares outstanding at the end of the year)
EBV = *Equity Book Value* (obtained from the book value of total assets)
Debt = Total debt

Furthermore, corporate value was also measured using PBV. Price Book Value (PBV) is a comparison between the market price per share and the book value per share. PBV is a ratio scale. Mathematically it can be calculated with the formula (Widnyana et al., 2020b):

$$PBV = \frac{Price\ per\ share}{Book\ value\ per\ share}$$

There are four independent variables used in this study, namely corporate governance, intellectual capital, asset utilization, and financial performance. Corporate governance was measured using a company report index based on components that represent points of good corporate governance then divided by the maximum possible points can be obtained by the company based on OECD guidelines. There were 49 total components of good corporate governance in the OECD guidelines with an index from numbers 0 to 1. Corporate governance (GOV) was calculated based on the index calculation developed by (Cheung, Stouraitis, & Tan, 2011) as follows:

$$GOV = \frac{\sum CG}{\sum OECD}$$

Information:
GOV = Corporate Governance Index
∑CG = the total components of good corporate governance index according to the OECD that are fulfilled by the company
∑ OECD = total components in the OECD guidelines

Referring to the research of (Anifowose et al., 2017), intellectual capital was measured using a content analysis of the company's intellectual capital disclosure. A weighted average scoring measure on a Likert scale of four (0-3) was considered in order to measure the quantity and quality of intellectual capital disclosure. A score of 3 was given if the items were presented in terms of Rupiah, the Indonesian unit of currency; a score of 2 was given if the items were presented in numerical or graphic form; a score of 1 was given if the items appeared in narrative form; and a value of 0 is given if the items in the index were not presented in the annual report. The ratio of the level of intellectual capital disclosure (ICD) was obtained by the formula:

$$ICD = \frac{\sum AXS}{\sum MXS}$$

Information:

ICD = The weighted average company intellectual capital disclosure
∑AXS = The actual score of the company's intellectual capital disclosure
∑MXS = The maximum possible score can be obtained (this study uses 49 disclosure items, thus the highest score that can be obtained is 49 x 3 = 147)

As for asset utilization (ASUT), it was measured using the ratio of the total asset turnover rate (Bukit et al., 2018b). Total Asset Turnover Ratio (TATO) is the ratio between net sales in a year and the average of all assets owned at the beginning of the year and the end of the year with the formulation:

$$ASUT = \frac{Net\ sales}{Average\ total\ assets}$$

Meanwhile, financial performance was measured using ROA (return on assets), the percentage level of net income obtained by the company related to the use of assets to obtain it. ROA was formulated as follows (Brigham et al., 2011):

$$ROA = \frac{Net\ profit}{Total\ Assets}$$

To maintain the consistency so that the influence of the independent variable on the dependent variable is not influenced by other aspects outside, this study used a control variable, namely company size (SIZE). As research by *(Mubaraq & Ahmed Haji, 2014)*, company size in this study was measured using the natural logarithm of the total asset value in terms of Rupiah with the formula:

$$SIZE = Ln(total\ aset)$$

Hypothesis tested using multiple linear regression analysis to see how the independent variables were able to influence the dependent variable. The program used for data processing and statistical testing was the Stata 14 application.

RESULTS AND DISCUSSION

Descriptive statistical analysis used form of mean, median, maximum value, minimum value, and standard deviation for each variable is presented in Table 2.

Table 2. Research Descriptive Statistics

Variabel	N	Mean	Median	Maximum	Minimum	Std. Dev
TOBIN'S Q	285	2,13991	1,22776	23,28575	0,30414	2,86626
PBV	285	3,50177	1,45965	82,44443	0,12037	8,88756
GOV	285	0,61751	0,61776	0,81216	0,37670	0,08773
ICD	285	0,24977	0,21088	0,57823	0,03401	0,12036
ASUT	285	1,08241	1,01323	3,02117	0,32909	0,45269
ROA	285	0,08651	0,06520	0,52670	0,00018	0,08139
SIZE	285	28,66715	28,52439	33,49453	25,74924	1,52836

Based on Table 2, the average Tobin's Q value was 2.13991, it was indicating that in the capital market, the average manufacturing company in Indonesia was rated 2.13991 times higher than its book value. The maximum value of Tobin's Q of 23.28575 achieved by UNVR shows that UNVR has the highest value in the capital market among sample companies with a valuation of 23.28575 times higher. The average PBV was 3.50177. This showed that the average company has a valuation of 3.50177 times higher than the actual company value. The maximum PBV value was achieved by UNVR of 82.44443 which indicated that in Indonesian investors' perspective UNVR was worth 82.4443 times the total net worth owned.

The average disclosure of intellectual capital was 0.24977 from a maximum value of 1. This showed that the average level of disclosure of intellectual capital by companies is quite low, only 24.9%. The maximum value of 0.57823 was achieved by KAEF in 2017 and the lowest score of 0.034014 was achieved by STTP in 2015. Corporate governance showed a mean value of 0.61776. This showed that the average company is sufficient to comply with good governance reporting, which is 62% of the total disclosure required by the OECD. The average asset utilization was 1.08241, while the average financial performance (ROA) was 0.08651. The mean ROA showed that the company generates a profit of Rp. 0.08651 for every rupiah of assets used. In other words, the company averaged a net profit of 8.7% of total assets. In other words, the company generated a net profit of 8.7% of total assets on average.

Regression Testing Results

After selecting the model by statistical test, the final model that is appropriate for the two models in this study was the fixed effect model (FEM). The results of regression testing are presented in Table 3.

Table 3. Regression Testing Results

Variable Dependent	Variable Independent	Coefficient	Two-tailed Prob.	One-tailed Prob.	
TOBIN'S Q	GOV	-1,999802	0,003	0,0015	***
TOBIN'S Q	ICD	5,953548	0,000	0,000	***
TOBIN'S Q	ASUT	0,2955263	0,010	0,005	***
TOBIN'S Q	ROA	17,69835	0,000	0,000	***
TOBIN'S Q	SIZE	0,1143116	0,001	0,0005	***
TOBIN'S Q	**R-squared : 0,6415** **Adj R-squared : 0,6338** **Prob>F : 0,0000**				
PBV	GOV	-2,579036	0,232	0,116	
PBV	ICD	7,237376	0,000	0,000	***
PBV	ASUT	0,5491717	0,179	0,0895	
PBV	ROA	33,51741	0,000	0,000	***
PBV	SIZE	-0,043861	0,682	0,341	
PBV	**R-squared : 0,38331** **Adj R-squared : 0,370005** **Prob>F : 0,0000**				

Based on Table 3, the two models, both the Tobin's Q model and the PBV model, after simultaneous significance test, the probability F-statistic value is 0.0000. This value was below the significance level of 0.005, which means that all independent variables simultaneously affect the dependent variable. The adjusted R-squared value of Tobin's Q model showed that corporate governance, intellectual capital, asset utilization and financial performance have an effect of 63.38% on corporate value, while 36.62% were explained by other aspects outside the research model. Meanwhile, the independent variable in the PBV model was able to explain the variation in firm value by 37% and the remaining 63% were explained by other aspects outside the research model.

The Influence Corporate Governance on Corporate Value

Based on Table 3, the result of tested the TOBIN'S Q model hypothesis showed that corporate governance has a negative effect on corporate value. This result was in line with research conducted by (Suhadak et al., 2019) where the higher the level of corporate governance practices expressed by the company will reduce TOBIN's Q. This research was not in line with the results of previous studies such as (Ammann, Oesch, & Schmid, 2011); (Siagian et al., 2013); dan (Yusuf & Firmansyah, 2018).

Signaling theory explains that managers will disclose information that is considered a positive signal to investors. However, the test result showed that disclosure of corporate governance is not a positive signal for investors in Indonesia. Investors do not provide value-added for companies that practice good corporate governance. Conversely, investors think that a high level of corporate governance will add to the burden on the company because it has to implement multiple governance indicators and disclosures of annual reports. Another allegation, the market is more likely to assess other factors that are more obvious in annual report such as financial aspects than corporate governance aspect *(Yusuf & Firmansyah, 2018b)*.

The PBV model showed different results, the corporate governance did not have a significant effect on PBV. The results of this study confirmed the research of (Ekaputra et al., 2020) and Sulastri & Nurdiansyah (2016). According to agency theory, the application of corporate governance is a form of control and supervision to minimize fraud and increase stakeholder confidence and company value. However, the inability of corporate governance to increase corporate value is thought to be due to unevenness and the lack of quality in the implementation of corporate governance as a whole. (Suhadak et al., 2019) argued that corporate governance carried out by companies is only a formality to meet the requirements that must be accomplished by companies that are listing on the Indonesia Stock Exchange. Thus, the companies with high market valuations will not attempt to disclose corporate governance because they are seen as mere formality and administrative obligations.

The Influence of Intellectual Capital on Corporate Value

Based on Table 3, the results of hypothesis test indicated that the intellectual capital has a positive effect on corporate value. The models, both TOBIN's Q and PBV, agreed that the better the disclosure of intellectual capital by the company will increase the company's value. The results of this study were consistent with previous research both from within the country and from abroad, including; Malaysia (Huang et al., 2013); Tunisia *(Ferchichi & Paturel, 2013)*; Nigeria (Anifowose et al., 2017b); Indonesia (Subaida et al., 2018b) and were not in line with (Abeysekera, 2011).

The results of this test confirmed that disclosure of intellectual capital is able to minimize information asymmetry in the capital market, thus intellectual capital information will be known transparently by various parties (Subaida et al., 2018b) so that users of annual reports can make the right decisions. In the signaling theory, it is explained that managers will voluntarily disclose more information than is required as a positive signal to investors. The test results showed that the reporting of intellectual capital is a positive signal for investors in Indonesia. Investors understand the importance of intellectual capital as a survival kit for a company in the era of the Industrial Revolution 4.0 so the existence of intellectual capital will increase investor confidence and increase company valuation.

The Influence of Asset Utilization on Corporate Value

Based on Table 3, tested the Tobin's Q model results in the finding that asset utilization has a positive effect on corporate value. This result was in line with research conducted by (Iskandar, Bukit, & Sanusi, 2012); (Bukit et al., 2018); and (Suhadak et al., 2019). The results of this study confirmed that companies that are able to manage their assets effectively and efficiently are considered capable of increasing profits so that they contribute to the welfare of investors. As explained in the signaling theory, this is seen as a positive signal by investors in Indonesia so the valuation of companies in the capital market will increase.

The PBV model showed a different result, the asset utilization did not have a significant effect on corporate value. The results were not in line with previous studies such as (Rahayu, 2019) and (Bukit et al., 2018). In resourced-based theory, it is explained that if a company has a competitive advantage, one of which is obtained from their ability to utilize its assets, their

performance will be optimal so it can create value for the company (Kuryanto & Syafruddin, 2009). The results of the asset utilization test on PBV showed that the use of corporate assets is thought to be unable to convince stakeholders that the company is responsible for maintaining and optimizing the use of assets in achieving profit. Investors in Indonesia are thought not to care about the effectiveness and efficiency of company asset management or company productivity if they do not provide tangible feedback such as profits and other financial aspects.

The Influence of Financial Performance on Corporate Value

Based on Table 3, the results of hypothesis test indicated that financial performance has a positive effect on corporate value. The models, both TOBIN's Q and PBV, agreed that the better the level of company profitability will increase the firm's value. The results confirmed previous studies such as *(Asiri & Hameed, 2014)*; (Suhadak et al., 2019); and (Purbawangsa et al., 2019). However, this study was not in line with the research of *(Wedayanthi & Darmayanti, 2016)* and (Ekaputra et al., 2020).

The results of this study confirmed the signaling theory. High profitability as a positive signal related to the current state of the company and the company's prospects in the future provided by management was able to be captured properly by users of financial reports, one of which was by investors in Indonesia. Companies with good performance attract investors to buy their shares so that the stock price will fluctuate and increase the company's value.

The results of this study also confirmed that the information in the financial statements is still relevant as a reference in assessing companies. The financial aspect is still the main reference for investors in Indonesia for investing. This can be seen that financial performance got the highest coefficient value among other independent variables. Based on Table 3, an increase in one ROA unit can increase PBV by 33.51741 units, assuming other aspects that affect the corporate value variable are considered constant. The Tobin's Q model also shows that an increase in one unit of ROA can increase Tobin's Q by 17.6983, assuming that other aspects that affect the corporate value variable are considered constant. It can be concluded; profitability has a considerable influence on investment decisions in Indonesia.

CONCLUSION

This study aimed to determine the effect of corporate governance, intellectual capital, asset utilization and financial performance on corporate value. This study used a sample of 57 manufacturing companies listed on the Indonesia Stock Exchange. The research observation period was 2015-2019. Based on the results of statistical test on the first model or Tobin's Q model, can be concluded that intellectual capital, asset utilization, and financial performance have a positive effect on corporate value. Meanwhile, corporate governance has a negative effect on corporate value which is measured using the proxy Tobin's Q. Different results were obtained from the PBV model. The results of statistical test on the PBV model found that intellectual capital and financial performance had a positive effect on corporate value. Meanwhile, corporate governance and asset utilization have no effect on corporate value, which is measured using the PBV proxy.

This research was expected to contribute to the company and other stakeholders. The results of this study indicated that the disclosure of intellectual capital has a positive effect on corporate value so that it is recommended that companies increase their intellectual capital and the utility of their assets to provide value-added to the company. Disclosure of intellectual capital will minimize information asymmetry between management and report users by providing useful information for stakeholders so that it can be used as a reference in decision making. This research showed the aspects that influence corporate value that should be a concern to regulators in determining policies related to mandatory and non-mandatory disclosures so that policies that are detrimental to various parties do not occur. Financial

Services Authority and the Ministry of Finance as regulators and evaluators, apart from regulating financial reporting obligations, must also pay attention to the quality of disclosure of financial reports in order to protect the interests of investors.

This study has several limitations. First, the measurement of the intellectual capital and corporate governance variables is tested by scoring on the index using the content analysis method. The use of the content analysis method is always related to the issue of subjectivity *(Haji & Ghazali, 2013)*. Second, the measurement of the intellectual capital and corporate governance variable index score is limited to the annual report that the company reports. Further research may add other published information such as company websites, brochures, etc. to provide more comprehensive results related to disclosure of intellectual capital and corporate governance. This study does not separate the scale / type / size of the company. Further research can cluster the level of disclosure based on company size to see the difference in the effect of disclosure of each category such as small, medium, and large companies.

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