



The Influence of Intellectual Capital and Financial Performance on Firm Value

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Abstract: This study aims to empirically analyze the influence of intellectual capital and financial performance on the value of manufacturing companies listed on the Indonesia Stock Exchange. This research was conducted on manufacturing companies listed on the Indonesia Stock Exchange between 2020 and 2024. Data analysis using linear regression analysis is an analysis technique used to determine the relationship or influence between intellectual capital, financial performance, and firm value. The research results show that the intellectual capital variable has no effect on company value. This result indicates that intellectual capital has not been able to increase the company's market value. The profitability variable (ROA) has a positive and significant effect on company value (PBV). These results indicate that the higher the level of profitability, the higher the company's value. Furthermore, good profitability can reflect healthy financial performance and the ability to generate dividends, which are indicators of a company's ability to utilize resources efficiently, maintain competitiveness, and expand market share. This is reflected in rising stock prices, the company's reputation among stakeholders, and the potential for more sustainable growth.

Keywords: Intellectual capital, financial performance, firm value, manufacturing companies.

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1. Introduction

Corporate values reflect the public's trust in a company based on its management's performance over a specific period. Therefore, this is crucial for companies, as the company's values or image will influence public trust in its output. This is done to achieve profits, increase value, meet public needs, and be responsible for these. To achieve corporate value, Intellectual Capital is a crucial factor in determining a company's success and sustainability.

Intellectual Capital also plays a role in increasing a company's competitiveness amidst increasingly competitive global business conditions. Intellectual Capital includes intangible resources such as human capital, structural capital, and relational capital, all of which contribute to value creation for a company. Along with the paradigm shift from a physical asset-based economy to a knowledge-based economy, companies are required to strategically manage and optimize Intellectual Capital (IC) to increase company

value, one of which is through improved financial performance.

This global transformation has also driven a paradigm shift in company valuation. With the increasingly rapid growth and competitiveness of the business world, intellectual assets are now a key factor in creating value and competitive advantage. Within the context of Signaling Theory, Intellectual Capital disclosure is an important instrument for conveying positive signals to investors regarding a company's growth potential and sustainability. Meanwhile, based on Resource-Based Theory (RBT), a company's long-term competitive advantage depends on its unique ability to manage internal resources, including Intellectual Capital. Furthermore, from a Stakeholder Theory perspective, IC management not only has implications for increasing company value, but also provides benefits to various stakeholders such as employees, customers, the government, and the wider community (Subkhan & Citraningrum, 2010; Anggraini, 2020).

IC is viewed as a strategic asset capable of driving improved financial performance through the optimization of knowledge, innovation, and business relationships. Good financial performance, reflected in profitability, efficiency, and stability indicators, plays a crucial role in shaping investor perceptions and increasing company value in the capital market (Muasiri & Sulistyowati, 2021).

Another factor influencing company value is financial performance, as measured by profitability ratios. Profitability is a measure of how well a company can generate profits from its operations. A company's profitability is typically measured by a ratio such as Return on Assets (ROA). High profitability typically boosts investor confidence and increases market value because it indicates the business can manage its resources effectively and efficiently. According to Rudianto (2021), profitability is a measure of a company's management's ability to generate profits over a specific period.

Previous research related to the influence of intellectual capital and company performance has a significant positive effect on company value, such as research by Melsia and Dewi (2021), showing that the better the management of intellectual assets and company performance, the greater the interest of investors. Ultimately, the company's value will increase as a result of increasing share prices and other indicators that show the market's perception of the company's future prospects.

This study aims to empirically analyze the influence of intellectual capital and financial performance on the value of manufacturing companies listed on the Indonesia Stock Exchange.

2. Literature Review

2.1 Resource-Based Theory

This theory, proposed by Wernerfelt (1984), defines resources as the basis for sustainable competitive advantage and a key driver of a business's long-term performance. This concept explores how organizational assets can be effectively managed and utilized. Resource-Based Theory addresses how companies can manage and utilize their resources to achieve competitive advantage (Yuskar and Novita, 2014). This theory explains the relationship between intellectual capital and company value, emphasizing that intellectual capital can be a resource that provides sustainable competitive advantage.

2.2 Signalling Theory

Signaling Theory is an action taken by company management that provides guidance to investors about how the company views the company's prospects (Brigham and Houston, 2019). Signaling Theory explains that providing information to the market so that investors can make

decisions in investing, in this case information about the company's prospects in analyzing the information as a good signal (good news) or a bad signal (bad news). The information provided by the company can be used by investors as a guide in making decisions that ultimately affect the company's value.

2.3 Intellectual Capital

Stewart (1994) defines intellectual capital as "The sum of everything everyone in your company knows that gives you a competitive edge in the marketplace. It is knowledge, intellectual information, material—intellectual property, and experience—that can be used to create wealth." This means that the valuable assets possessed by individuals within an organization, including information, experience, and intellectual property, can provide a competitive advantage and create value or wealth for the organization.

2.4 Financial Performance

Financial performance is measured by profitability ratios. According to Fitriana (2024), profitability ratios are assessment ratios or comparisons of a company's ability to generate profits from revenue related to sales, assets, and equity based on specific measurements.

2.5 Firm Value

According to Berliana and Bwarleling (2021), firm value is one of the factors considered when making investment decisions. If a company's value is high in the eyes of investors, they will be highly attracted to investing, and vice versa.

3. Contextual Background

3.1 Conceptual Framework

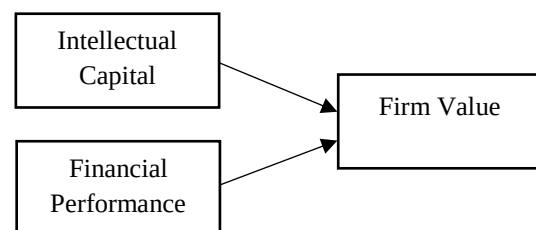


Figure 1. Conceptual Framework

3.2 Hypotesis Development

The Influence of Intellectual Capital on Firm Value

Intellectual capital is a collection of intangible assets derived from knowledge and information owned by an individual, group, or organization and used to create added value. Intellectual capital is crucial for increasing company productivity and competitiveness, particularly in a knowledge-based economy. Companies that can effectively manage intellectual capital will have a sustainable competitive advantage in developing high-value goods and

finished products, adapting to market changes, and innovating more quickly. Research by Melsia and Dewi (2021) and Suzan and Marwiyati (2024) indicates that intellectual capital has a positive effect on company value.

H1: Intellectual Capital has a positive effect on Firm Value

The Influence of Financial Performance on Firm Value

Financial performance is measured by profitability ratios. Profitability is a company's ability to generate profits from its business activities over a specific period. Profitability reflects the company's efficiency and effectiveness in utilizing resources to generate revenues greater than its costs. By understanding the level of profitability, management, investors, and other parties can evaluate the company's financial health and growth prospects. Research by Hallauw (2021) and Suardana et al. (2020) shows that Return on Assets (ROA) has a positive effect on company value.

H2: Financial Performance has a positive effect on Firm Value

4. Methodology

4.1 Research Design

This study uses quantitative research. Quantitative research aims to objectively measure and explain the relationship or influence between independent and dependent variables using numerical data analyzed statistically. In this context, the independent variables include intellectual capital and financial performance, and the dependent variable is firm value.

4.2 Data Sources

The data used in this study is secondary data. Secondary data is data obtained through intermediaries and used as supporting data in the research. Secondary data can include annual financial reports from companies listed on the Indonesia Stock Exchange (IDX).

4.3 Research Sample

This research was conducted on manufacturing companies listed on the Indonesia Stock Exchange between 2020 and 2024. Purposive sampling was used, a sampling technique that deliberately selects criteria based on objectives relevant to the topic being studied. The sample size was 285 manufacturing companies listed on the IDX.

4.4 Data Analysis

Data analysis using linear regression analysis is an analysis technique used to determine the relationship or influence between one free or independent variable (X) and one bound or dependent variable (Y). Regression Model:

$$NP = \alpha + \beta_1 IC + \beta_2 ROA + \epsilon$$

Dimana:

NP = Firm Value

IC = Intellectual capital

ROA = Financial performance

α = Constant

β_1, β_2 = regression coefficient

ϵ = Error term

5. Findings and Analysis

5.1 Normality Test Results

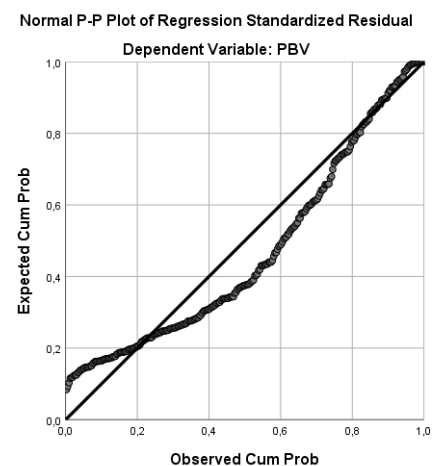


Figure 2. Normality Test Results

Source: secondary data processed, 2026

Based on the probability plot graph in Figure 2, it can be seen that the residual data is normally distributed. The points around the diagonal line indicate that the regression model meets the normality assumption.

5.2 Heteroscedasticity Test Results

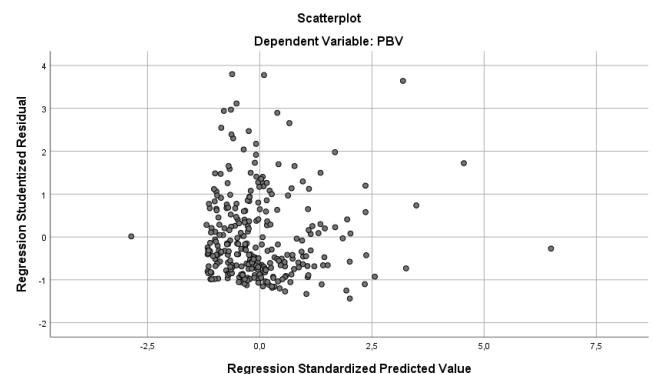


Figure 3. Heteroscedasticity Test Results

Source: secondary data processed, 2026

In the figure above, it can be seen that the points in the scatterplot do not form a funnel pattern, so it can be identified that there is no case of heteroscedasticity in the

regression model / the assumption of identical residuals has been met.

5.3 Multicollinearity Test Results

Table 1. Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	IC	,951	1,051
	ROA	,951	1,051

Source: secondary data processed, 2026

These results indicate that all independent variables have a tolerance value ≥ 0.10 and a VIF value < 10 , thus concluding that there is no case of multicollinearity between the independent variables. This means that the regression model in this study is free from multicollinearity.

5.4 Autocorrelation Test Results

Table 2. Autocorrelation Test Results

Model	Durbin-Watson
1	1,137

Source: secondary data processed, 2026

Based on the table above, it can be seen that the Durbin-Watson (DW) value in the autocorrelation test shows 1,137 which is between -2 and +2 so it can be concluded that the assumption of independent residuals has been met or there is no data autocorrelation.

5.5 F Test Results

Table 3. F Test Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4,897	2	2,449	2,866	,050 ^b
	Residual	240,956	282	,854		
	Total	245,854	284			

Source: secondary data processed, 2026

Based on the results of the F test calculation analysis in the table above, the F value obtained was 2,866 and a significance level of 0.05, so it can be concluded that all independent variables have a significant effect simultaneously on the dependent variable and the regression model in this study can be used in the next analysis.

5.6 R² Test Results

Table 4. R² Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,141 ^a	,020	,013	,92437

Source: secondary data processed, 2026

Based on the table above, it can be seen that the determination test results (R²) have an R Square value of 0.013 or 1,3%. From these results, it can be concluded that the contribution of the intellectual capital (IC) and financial performance (ROA) variables can explain the company value (PBV) variable by 1,3%, while the remaining 98,7% is from other factors not included in the regression model.

5.7 Regression Analysis Results

Table 5. Regression Analysis Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,932	,096		9,715	,000
	IC	,004	,005	,054	,900	,369
	ROA	3,895	1,982	,119	1,965	,050

Source: secondary data processed, 2026

Based on the test analysis results in the table above, it shows that the test results in the multiple linear regression equation model are as follows:

$$PBV = 0.932 + 0.004 IC + 3.895 ROA + e$$

6. Discussion

6.1 The Influence of Intellectual Capital on Firm Value

Based on the results of the t-test hypothesis analysis, the intellectual capital variable has a significance value of 0.369, indicating that the significance value exceeds the alpha value of $0.369 \geq 0.05$, and a coefficient value of 0.004. Therefore, the first hypothesis (H_1) is rejected, and it can be concluded that intellectual capital has no effect on company value. This study indicates that intellectual capital has not been able to increase a company's market value. This is because intellectual capital does not provide a strong enough signal to investors. The results of this study are in line with research conducted by Fitria and Meidiyustiani (2023) which stated that intellectual capital does not affect company value, indicating that the size of intellectual capital does not affect company value. Hallauw (2021) research results prove that Intellectual Capital has no effect on Company Value.

6.2 The Influence of Financial Performance on Firm Value

Based on the results of the hypothesis test analysis with the t-test, the profitability variable (ROA) has a significant value of 0.050 which indicates that the significant value is same as the alpha value of 0.050 and a positive coefficient value of 3.895, then the second hypothesis (H_2) is accepted and it can be concluded that profitability has a positive effect on company value. The company's ability to generate profits from each asset used is positively correlated with market appreciation of its profitability which can result in an increase in company value. The higher the level of profitability, the higher the company value. In addition, good profitability can reflect healthy financial performance and the ability to generate dividends which are indicators that the company is able to utilize resources efficiently, maintain competitiveness, and expand market share. These results are in line with research conducted by Erawati, et al (2022) which states that Return on Assets (ROA) has a positive effect on company value.

7. Conclusion

Based on the results of the hypothesis test analysis using the t-test, the intellectual capital variable has no effect on company value. This result indicates that intellectual capital has not been able to increase the company's market value. The profitability variable (ROA) has a positive and significant effect on company value (PBV). These results indicate that the higher the level of profitability, the higher the company's value. Furthermore, good profitability can reflect healthy financial performance and the ability to generate dividends, which are indicators of a company's ability to utilize resources efficiently, maintain competitiveness, and expand market share. This is reflected in rising stock prices, the company's reputation among stakeholders, and the potential for more sustainable growth.

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