



The Effect of Intellectual Capital and Corporate Social Responsibility on Firm Value: Managerial Ownership as Moderating Variable

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ABSTRACT

Company value plays a critical role in the company's performance because an increase in company value indicates an increase in company performance. The purpose of this research is to determine the impact of intellectual capital and corporate social responsibility on firm value, with managerial ownership serving as a moderating variable. In this study, firm value was calculated using the Tobin's Q method and secondary data obtained from the IDX website. The research sample included 30 LQ45 companies listed on the Indonesia Stock Exchange from 2016 to 2020, chosen using a purposive sampling method. Multiple linear regression and moderated regression analysis were used to analyze the data, which was processed using SPSS 26 software. According to the findings of this study, intellectual capital has an impact on firm value. Meanwhile, corporate social responsibility has no effect on the company's value. Furthermore, the findings of this study show that managerial ownership can moderate the relationship between intellectual capital and firm value but cannot moderate the relationship between corporate social responsibility and company value. Based on the findings of this study, company executives should be able to maximize the value of VAIC in order to create the greatest value space between the three components of intellectual capital, namely human capital, structural capital, and capital employed.

Keywords: Firm Value, Intellectual Capital, Corporate Social Responsibility, Managerial Ownership

1. Introduction

The company's value is very important to the company because an increase in the company's value is followed by an increase in share prices, which reflects an increase in the prosperity of shareholders. For a manager, the company's value serves as a barometer for the quality of work produced. The increase in the company's value indicates an improvement in the company's performance. Indirectly, this is viewed as a capability to increase shareholder prosperity, which is the company's goal. For investors, an increase in the company's value will pique their interest in investing in the company (Indrarini, 2019: 3). Firm value is an investor's perception of a company's level of success, and it is generally related to stock prices (Weston & Copeland, 1994, quoted in Arfan & Rofizar, 2013, Revinka, 2021). As a result, the results of the firm value measurement are heavily influenced by the market value of equity, which is calculated by multiplying the stock price by the number of shares outstanding.

The value of the Composite Stock Price Index (IHSG) fell to minus in 2018, falling by -2.54 percent, and it will fall again in 2020, when the Composite Stock Price Index (JCI) will be recorded as the worst year in the last five years in terms of stock performance. JCI's performance fell by -5.09 percent. Companies listed in LQ45 experienced a drop in company value as well. The LQ45 stock index fell precipitously in 2018 with a return of -8.95 percent, then increased to 3.23 percent in 2019 before falling again with a return of -7.85 percent; this value is lower than the Composite Stock Price Index (JCI). The economic growth in Indonesia, which fell by -2.07 percent, was one of the causes of the stock market's decline. Furthermore, Indonesia will be hit by a COVID-19 pandemic in 2020. Pandemic conditions have had a significant physical and financial impact on various sectors and economic pillars, including the capital market and stock market (Baek et al., 2020). The company's value has decreased as evidenced by the movement of the stock price index, which has fluctuated. Furthermore, the pandemic's impact can be seen in the company's stock price and financial

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performance (Rahmani, 2020). According to Nasution et al. (2020), the Covid-19 pandemic shifted the capital market in a negative direction due to low investor sentiment. This is demonstrated by the Composite Stock Price Index (CSPI) during a different pandemic than before the pandemic (Kefi et al., 2020; Rifa'i et al., 2020; Meilani et al., 2021). (Haryanto, 2020; Arthamevia et al., 2020; Saraswati, 2020).

The LQ45 index is a stock market index on the Indonesia Stock Exchange that includes 45 companies that meet certain criteria and are among the top 60 with the highest market capitalization in the previous 12 months. The fluctuation in the value of the LQ45 company from 2016 to 2020 became an intriguing phenomenon to investigate. Several factors can influence the rise and fall of a company's value, including intellectual capital, corporate social responsibility, and managerial ownership.

To become a sustainable company, companies must improve their financial performance and competitive advantages in tandem with the advancement of technology and information. According to Aida and Rahmawati (2015), companies must shift their business methods and strategies from labor-based (labor-based business) to knowledge-based (knowledge-based business), so that the company's main characteristic is knowledge-based. Companies that practice knowledge-based business create value through intangible assets and intangible resources rather than tangible assets. To assess and measure intangible assets, a unique approach is required, which eventually gave birth to a new concept known as intellectual capital. Intellectual capital is associated with intangible resources that encompass everything in the company, including the processes used to manage and process these processes. Wisdom et al., (2017) explain that the company's resources can create added value for the company by seizing opportunities and confronting threats, allowing the company to have a competitive advantage over other companies in order to dominate the market and, as a result, increase the company's value. According to Wisdom et al., (2017), intellectual capital has a positive effect on firm value if the company is able to manage intellectual capital well, and the greater the value of intellectual capital (VAIC), the greater the value of a company. Sukiati et al., (2015); Noradiva et al., (2016); Bemby et al., (2017); and Ni et al., (2020) all find a significant impact of intellectual capital on firm value. However, Aida and Rahmawati (2015), Hatane et al., (2017), and Firmansyah and Yusuf (2020) found that intellectual capital has a negative and insignificant effect on firm value.

After the regulation regarding intangible assets in the Statement of Financial Accounting Standards (PSAK) No.19 revision 2000, the phenomenon of intellectual capital began to emerge in Indonesia. Intangible assets, according to PSAK No. 19, are non-monetary assets that can be identified without a physical form. These assets are held for the purpose of producing or delivering goods or services, renting them out to others, or for administrative purposes. Then there is an increase in intellectual capital, as evidenced by the number of companies in Indonesia that use knowledge-based strategies. In 2005, the Indonesia Most Admired Knowledge Enterprise (MAKE) Study was released. Dunamis Organization Services organized the Indonesia Most Admired Knowledge Enterprise (MAKE) Study. The purpose of this study is to assess the level of commitment and maturity of knowledge-based businesses.

Corporate social responsibility is another factor that influences the company's value. Corporate social responsibility is a type of responsibility undertaken by a company to repair social inequality and environmental damage caused by the company's operational activities. The more forms of responsibility the company takes to its environment, the more positive the company's response to the market will be, which will increase the company's value, according to the findings of research conducted by Ibrahim et al., (2015); Fatchan and Trisnawati., (2016); Kim et al., (2018), which states that corporate social responsibility has a significant influence on firm value. However, this contradicts the findings of Sheikh (2018), Firmansyah (2020), and Harun et al. (2020), who found that corporate social responsibility has a negative impact on firm value. Meanwhile, Hatane et al. (2017) found that corporate social responsibility has no effect on firm value. Corporate social responsibility refers to a company's social responsibility to stakeholders, particularly those who live near the company's location. The company not only participates in optimizing the company's profit performance, but also pays attention to the community environment. Corporate social responsibility can also improve a company's image, so if the company's image is good, the company's value will be higher. The greater the extent to which a company discloses its social disclosure items, and the higher the quality of the disclosure, the greater the company's value (Wedayanti and Wirajaya, 2018).

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Corporate social responsibility in Indonesia is governed by Law No. 40 of 2007 on Limited Liability Companies, Article 74 paragraph 1, which states that companies that conduct business in the field of and/or related to natural resources are required to carry out social and environmental responsibilities. Furthermore, Article 15(b) of Law No. 25 of 2007 on Investment states that every investor is required to exercise corporate social responsibility. As a result, CSR is not only viewed as a responsibility, but also as a must and an obligation for a business. Corporate social responsibility can demonstrate a company's concern for the interests of other parties in addition to the company's own. According to stakeholder theory, companies must make social disclosures as part of their responsibilities to their stakeholders. Another factor that can affect a company's value is the number of disclosures in its financial statements.

Managerial ownership is the percentage of a company's shares owned by management who actively participates in company decision-making. In other words, managers act in the same capacity as shareholders. Managerial ownership is used as a moderating variable because there will be a conflict of interest between managers and shareholders in the process of maximizing firm value, which is known as the agency problem (Hamidah et al., 2015). Agents have their own interests, according to agency theory. Increasing a company's managerial ownership can help to reduce the occurrence of conflicts between managers and shareholders. According to Bemby et al. (2015), involving management in share ownership will encourage management to improve the company's value performance by increasing the company's investment in intellectual capital because good performance of intellectual capital is thought to increase the company's competitive advantage. Involving management in share ownership causes managers to disclose social information in order to improve the company's image, even if these activities require managers to sacrifice existing resources. This is consistent with Hatane et al., (2017) research, which found that managerial ownership has an effect on firm value and that managerial ownership moderates the relationship between intellectual capital and firm value. Hatane et al., (2017) also support the agency theory, arguing that managerial ownership can increase firm value because managers have a stake in the company. However, Bemby et al. (2015) and Noradiva et al. (2016) found that managerial ownership, as a moderating variable, has a negative effect on the relationship between intellectual capital and firm value. Ibrahim et al. (2016) discovered that managerial ownership moderating corporate social responsibility on firm value has a positive effect on the relationship between corporate social responsibility and firm value. Whereas According to the findings of Kim et al. (2018), managerial ownership has a negative effect on the relationship between corporate social responsibility and firm value.

Based on the description above, the purpose of this study is to determine whether intellectual capital and corporate social responsibility affect firm value and whether managerial ownership can moderate the relationship between these two variables and firm value in LQ45 companies listed on the Indonesia Stock Exchange between 2016 and 2020.

2. LITERATURE REVIEW

2.1. Hypotheses

According to resource-based theory, in order to compete, businesses must be able to manage their resources. The company's resources can add value to the company by seizing opportunities and confronting threats, allowing the company to have a competitive advantage over other companies and dominate the market. Intellectual capital is classified as a competitive advantage because it is a valuable, rare, difficult to imitate, and irreplaceable resource on which the company can rely. The greater the intellectual capital, the greater the company's value. This is because competitive advantage raises market perceptions, causing investors to place a higher value on the company by investing more.

Based on the findings of Hikmat et al., 2017; S, Hakiki, and Ferdianti, 2017; Singla, 2020, intellectual capital has an impact on firm value. The proposed hypothesis is based on the theory and previous research findings and is as follows:

H1: Intellectual capital has an impact on the company's firm value at LQ45.

According to stakeholder theory, companies must operate not only for the benefit of the company but also for the benefit of its stakeholders. CSR disclosure practices are critical for businesses. Because the company operates in a community and its activities may have social and environmental consequences.

Fauzia and Amanah (2016) indicate that CSR disclosure demonstrates the company's commitment to the community. So that people can choose good products that are valued not only for their goods, but also for their corporate governance. CSR activities are an important component of good corporate governance. People who become customers who have a positive opinion of the company will be loyal to the products produced, which will help to improve the company's image. Investors will respond positively to companies that have good environmental and social performance by increasing stock prices.

According to the brief description above, CSR disclosure can increase the company's stock price, thereby increasing the company's value. The statement is consistent with the findings of Fatchan and Trisnawati., (2016); Fauzia and Amanah, (2016); and Ibrahim et al., (2016). (2015). And, according to the research findings of Karundeng et al. (2016), the company's value will increase because the market will give a positive appreciation to companies that practice CSR, as evidenced by an increase in the company's stock price.

H2: Corporate social responsibility has an impact on the company's firm value at LQ45.

According to Suastini et al. (2016), managerial ownership is frequently associated with an effort to increase the value of the company because managers, in addition to being managers and company owners, will feel directly the consequences of the decisions they make, so managers will not take actions that only benefit the manager.

Managerial ownership relationships can help to moderate the relationship between intellectual capital and firm value, which is based on stewardship theory. According to Wisdom et al. (2017), stewardship theory explains that increasing managerial ownership will help to make more efficient use of company assets. According to Noradiva et al. (2016), high levels of managerial ownership have been shown to improve the performance of intellectual capital (IC). This means that management's support and involvement in managing intellectual capital in an efficient manner will improve the performance of intellectual capital itself, so that if intellectual capital performance improves, so will market perception of the company's value. This statement is consistent with the findings of Noradiva et al. (2016) and Sukiati et al. (2015), who contend that managerial ownership can positively moderate the relationship between intellectual capital and firm value.

H3 : Managerial Ownership can moderate the relationship between Intellectual Capital and the company's firm value at LQ45.

According to Wisdom et al. (2017), managerial share ownership can be used to align the interests of shareholders and managers. The greater management's ownership in the company, the more likely management will strive to improve performance for the benefit of shareholders as well as its own interests. The relationship is theoretically explained as follows: because managers' actions are increasingly productive in maximizing company value, managers will disclose social information in order to improve company image.

CSR disclosure is carried out to maximize shareholder capital, company reputation, and long-term company sustainability, with the manager as a company holder expected to stimulate management performance in increasing company value.

H4 : Managerial Ownership can moderate the relationship between Corporate Social Responsibility (CSR) and the company's firm value at LQ45.

3. RESEARCH METHODOLOGY

3.1 Research Method

The method used in this study is a quantitative research method because it involves numerical calculations. According to Sugiyono (2017), quantitative research methods are research methods based on the philosophy of positivism that are used to examine specific populations or samples, data collection using research instruments, quantitative or statistical data analysis, with the goal of testing predetermined hypotheses. This is referred to as causality research. Whereas causality research seeks to establish the possibility of a cause-and-effect relationship between one variable and another. This research can be used to develop a theory that can be used to explain, predict, and control a symptom (Sugiyono, 2016).

3.2 Operational Variables and Measurement of Variables

3.2.1 Dependent Variables

In this study, the dependent variable is firm value. The ratio of Tobin's Q and PBV is a firm value measurement method that is commonly used to measure firm value. Willim's (2015) findings suggest that the Tobin's Q ratio, rather than the PBV ratio, be used to calculate firm value. Tobin's Q is calculated by adding the market value of equity and the book value of debt to the total assets of the company. According to Tobin's Q ratio, the total assets owned by the company can affect the market value of the number of shares outstanding as well as the company's debt. Tobin's Q ratio is calculated using the following formula, according to Ibrahim et al. (2015):

$$Tobin's\ Q = \frac{(EMV + D)}{(EBV + D)}$$

Description :

Q = N firm value

EMV = N equity market value (EMV = closing price x number of shares outstanding)

EBV = N book value of total assets

D = N book value of total debt

3.2.2 Independent Variables

3.2.2.1 Intellectual Capital

In this study, the independent variable is intellectual capital. In this study, intellectual capital is measured using a model Value Added Intellectual Coefficient (VAICTM) developed by (Pulic, 2000), in which intellectual capital performance is measured based on the value added created by physical capital (VACE), human capital (VAHU), and structural capital (STVA). VAICTM represents the combination of the three value added. The formula for the VAICTM calculation is as follows:

a. Value Added (VA)

VA is the most objective indicator to assess business success and shows the company's ability to create value. Follow is the constructed of VA based on Bemby et al (2015).

$$VA = OUT - IN$$

Description :

Output (Out) : Total sales and other income

Input (In) : Expenses and expenses (other than employee expenses)

b. Value Added of Capital Employed (VACA)

VACA is a measure of the VA generated by one unit of physical capital. VACA is the VA/CE ratio (capital employed). This ratio depicts the contribution of each unit of CE to the organization's value added. VACA is formed in line with Bemby et al (2015).

$$VACA = VA/CE$$

Description :

VACA : Value Added Capital Employed

VA : Value Added

CE : Capital Employed

c. Value Added Human Capital (VAHU)

VAHU demonstrates how much VA is generated from one monetary unit invested in employees or labor. This ratio depicts the contribution of each rupiah invested in HC to the company's value added. Because the role of human capital is so important in knowledge-based concepts, VAHU is an important component of the concept of intellectual capital. As a result, the VAHU is constructed as follows based on Bemby et al (2015).

$$\text{VAHU} = \text{VA}/\text{HC}$$

Description :

VAHU : Value Added Human Capital

VA : Value Added

HC : Employee expenses

d. Structural Capital Value Added (STVA)

STVA demonstrates the role of structural capital (SC) in value creation. STVA is the SC to VA ratio. This ratio calculates the number of SCs needed to generate one rupiah from VA and indicates how effective SC is at value creation. STVA and SC is constructed in accordance with Bemby et al (2015) as follow:

$$\text{STVA} = \text{SC}/\text{VA} \text{ and } \text{SC} = \text{VA} - \text{HC}$$

Description :

STVA : Structural Capital Value Added

SC : Structural Capital

VA : Value Added

HC : Employee expenses

e. Value Added Intellectual Coefficient (VAIC)

The VAIC model presents the value added intellectual capital coefficient, which is a combination of the three coefficients, namely Physical Capital, Human Capital, and Structural Capital. Following the formula based on Bemby et al (2015).

$$\text{VAIC} = \text{VACA} + \text{VAHU} + \text{STVA}$$

3.2.2.2 Corporate social responsibility

The independent variable in this study is corporate social responsibility. The Corporate Social Responsibility Index (CSRI) is used to assess CSR. The Corporate Social Responsibility Index x (CSRI) is a proxy for CSR disclosure variables that is calculated by comparing the total CSR disclosures made by the sample companies to the CSR disclosure standards set by the Global Reporting Initiative (GRI), which focuses on several disclosure components, namely economic, environmental, labor practices, human rights, society, and product responsibility as the foundation for sustainability reporting. Because there are still few corporations in Indonesia that report CSR disclosures based on sustainability reporting, this research is limited to data from company annual reports.

According to Karundeng et al. (2016), Corporate social responsibility Disclosure is calculated using a dichotomous approach, which means that each item of Corporate social responsibility in the research instrument is assigned a value of 1 if disclosed, and a value of 0 if not disclosed. The scores for each item are then added together to produce an overall score for each company using the formula based on Firmansyah (2020).

$$\text{CSR}_{ij} = \frac{\sum \text{CSR}}{\sum \text{GRI 4}}$$

Description :

CSRIJ = Company CSR disclosure index

CSR = Number of CSR disclosure items fulfilled

GRI 4 = Sum of all CSR disclosure items (91 items)

3.2.3 Moderating Variable

Moderating variables influence (strengthen or weaken) the relationship between the independent and dependent variables. Managerial ownership is used as a moderating variable in this study. Management ownership is the ownership of a company's shares by its management. Management ownership demonstrates a similarity of interests between management and shareholders and will improve company performance, resulting in an increase in company value. The variable percentage of management ownership can be calculated as follows in line with Nurkhin et al (2017).

$$\text{Managerial Ownership} = \text{Sum of Management Share} / \text{Sum of Shares Outstanding}$$

4. RESULTS AND DISCUSSION

4.1 Classical Assumption Test

a. Normality Test

The normality test is used to determine the normality of the distribution in the regression model on the confounding or residual variable. This normality test is a necessary stage of testing because the statistical test becomes invalid when the classical assumptions are removed. The Kolmogorov Smirnov statistical test was used in this study. A good regression model is one that has a normal or nearly normal data distribution. Table 1 shows the results of the normality test using One Kolmogorov-Smirnov:

Table 1: Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		148
Normal Parameters ^{a,b}	mean	,0000000
	Std. Deviation	,32187587
Most Extreme Differences	Absolute	0.058
	Positive	0.058
	negative	-,047
Test Statistics		0.058
asymp. Sig. (2-tailed)		,200 ^{c,d}
a. Test distribution is Normal.		
b. Calculated from data.		
c . Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

IBM SPSS 26 Output, Data Processed Author (2021)

Based on the SPSS output in table 1, the columnogrov-smirnov value is 0.058 with a sig. 0.200 (0.200 > 0.05). As a result, it is possible to conclude that the data used in the study is normally distributed and can be used for further analysis.

b. Multicollinearity Test

The multicollinearity test aims to determine whether there is a correlation between the independent variables in the regression model. A good regression model is a regression model that is free from multicollinearity. The results of the multicollinearity test can be seen in table 2 below:

Table 2: Multicollinearity Test Results

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	VAICTM (X1)	,980	1.020
	CSR (X2)	,969	1.032
	MANAGERIAL KEEP (M)	,985	1.015

a. Dependent Variable: TOBINS Q (Y)

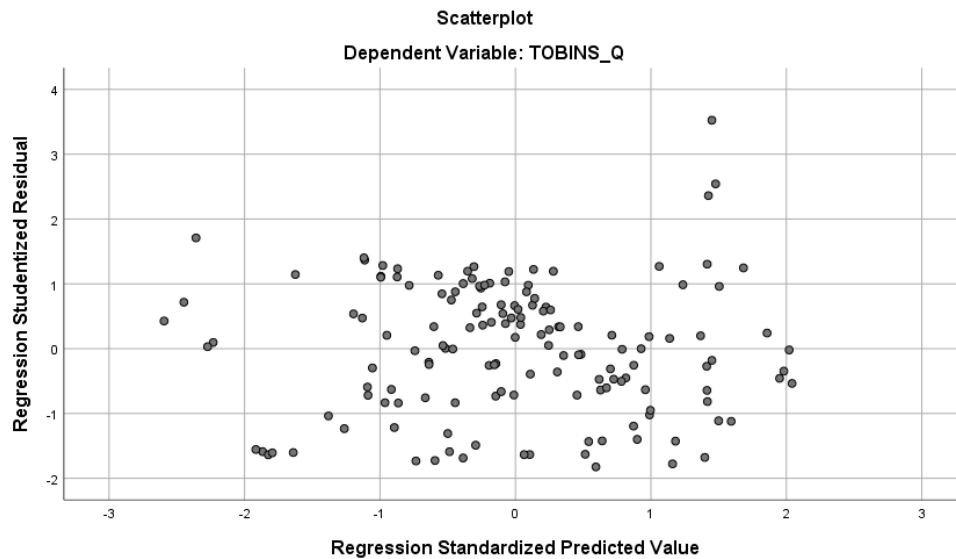
Source: IBM SPSS 26 Output, Data Processed by Author (2021)

The table above shows that all independent and moderating variables have a Tolerance value > 0.10 and VIF < 10. It can be concluded that the regression model in this study does not experience multicollinearity symptoms, in other words, it is free of multicollinearity.

c. Heteroscedasticity Test

Heteroscedasticity test was carried out to test whether in the regression model there was an inequality of variance from the residuals of one observation to another observation (Ghozali, 2016). A good regression model is a regression model that is free from the problem of heteroscedasticity (homoscedasticity). In this study, the heteroscedasticity test was carried out using a scatter plot test. The results of the heteroscedasticity test can be seen in Figure 1 below:

Figure 1: Heteroscedasticity Test Results



Source: IBM SPSS 26 Output, Data Processed by Author (2021)

Based on Figure 1 that there is no certain pattern such as dots that form a certain regular pattern (wavy, widen and then narrow) and the points spread randomly and are spread both above and below the number 0 on the Y axis. So it can be concluded that from the scatterplot graph it can be stated that there is no heteroscedasticity.

d. Autocorrelation Test

The autocorrelation test aims to test whether in the linear regression model there is a correlation between the confounding error in period t and the confounding error in period t-1 (previous). A good regression model is one that is free from autocorrelation. The autocorrelation test in the following study uses the Durbin-Waston test. The results of the autocorrelation test can be seen in table 3 below:

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Table 3: Autocorrelation Test Results

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,396 ^a	,157	,139	,42282	1,865
a. Predictors: (Constant), LnX2@1, LnM@1, LnX1@1					
b. Dependent Variable: LnY@1					

Source: IBM SPSS 26 Output, Data Processed by Author (2021)

Based on the results of the autocorrelation test in table 3, it shows that the value of Durbin Waston is 1.865. Where is the indication that there is no autocorrelation if the Durbin Waston value is between 1.55 to 2.46. So it can be concluded that there is no autocorrelation in this study.

4.2 Multiple Linear Regression Test

a. Multiple Linear Regression Test

Multiple regression analysis aims to determine the effect of the independent variable, namely intellectual capital and corporate social responsibility on the dependent variable, namely firm value. The results of multiple linear regression can be seen in the table below:

Table 4: Multiple Linear Regression Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,813	,386		2.105	,037
	VAICTM (X1)	,317	,086	,290	3,682	,000
	CSR (X2)	-,176	,542	-,026	-,324	,747
	MANAGERIAL KEEP (M)	-4,660	2.023	-,181	-2,304	,023
a. Dependent Variable: TOBINS Q (Y)						

Source: IBM SPSS 26 Output, Data Processed by Author (2021)

Based on table 4 , the multiple linear regression equations in this study are:

$$\text{Tobin's Q} = 0,813 + 0,317 \text{ VAICTM}^{\text{TM}} - 0,176 \text{ CSR} - 4,660 \text{ KM} + \varepsilon$$

b. T test

The t-test basically shows how far the influence of one independent variable individually in explaining the variation of the dependent variable (Ghozali, 2013). The t test in this study aims to test whether or not the relationship between the independent variables X1, X2, and M variables is significant with the dependent variable (Y) . The results of the t test can be seen in table 4.

The t-test basically shows how far the influence of one independent variable individually in explaining the variation of the dependent variable (Ghozali, 2013). The t-test in this study aims to test whether or not the relationship between the independent variables X1, X2, and M variables is significant with the dependent

variable (Y). The results of the multiple linear regression t test can be seen in table 4.6 which shows that the intellectual capital variable has a p-value (sig) of $0.000 < 0.05$. So it shows that intellectual capital has an effect on firm value. Meanwhile, the corporate social responsibility variable has a p-value (sig) of $0.747 < 0.05$. So it shows that corporate social responsibility has no effect on firm value. However, the managerial ownership variable shows a p-value (sig) of $0.023 < 0.05$. This shows that managerial ownership has an effect on firm value.

c. Coefficient of Determination Test (R²)

The analysis of the coefficient of determination (R²) measures how far the model's ability to explain variations in the dependent variable (the dependent variable). The value of the coefficient of determination (R²) ranges from 0 – 1. A small value of the coefficient of determination (R²) will indicate the ability of the independent variables (independent) in explaining the dependent variable (dependent) is very limited. The results of the coefficient of determination test can be seen in the following table:

Table 5: Coefficient of Determination Test Results (R²) Multiple Linear Regression

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,349 ^a	,122	,104	,63858
a. Predictors: (Constant), MANAGERIAL KEEP (M), VAICTM (X1), CSR (X2)				
b. Dependent Variable: TOBINS Q (Y)				

Source: IBM SPSS 26 Output, Data Processed by Author (2021)

Based on table 5, it can be seen that the coefficient of determination shown by Adjusted R Square has a value of 0.104. This shows that the influence of intellectual capital, corporate social responsibility and managerial ownership variables on firm value is 10.4%. While 89.6% is influenced by other variables that are not included in this study.

4.3 Moderated Regression Analysis

Moderation regression analysis aims to determine whether the moderating variable will strengthen or weaken the relationship between the independent variable and the dependent variable. In this study, the interaction test was used by adding a multiplication variable between the independent variable and the moderating variable. Moderation regression test results can be seen in the following table:

Table 6: Moderation Regression Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,240	,483		,497	,620
	VAICTM (X1)	,559	,115	,512	4,879	,000
	CSR (X2)	-,210	,673	-,031	-,313	,755
	MANAGERIAL KEEP (M)	21,431	13,936	,833	1,538	,126
	X1*M	-11,611	3,737	-1,132	-3,108	,002
	X2*M	3,898	19,749	0,079	,197	,844
a. Dependent Variable: TOBINS Q (Y)						

Source: IBM SPSS 26 Output, Data Processed by Author (2021)

Based on table 6, the moderating linear regression equation in this study is:

$$\text{Tobin's } Q = 0,240 + 0,559 \text{ VAICTM} - 0,210 \text{ CSR} - 21,431 \text{ KM} - 11,611 \text{ VAICTM} * \text{KM} + 3,898 \text{ CSR} * \text{KM} + \varepsilon$$

a. T test

Based on table 6 , it is known that the results of the t test for moderating regression can be concluded that the intellectual capital variable has a p-value (sig) of 0.000 <0.05. So it shows that intellectual capital has an effect on firm value. Meanwhile, the corporate social responsibility variable has a p-value (sig) of 0.755 > 0.05 . So it shows that corporate social responsibility has no effect on firm value. Furthermore, managerial ownership variable has a p-value (sig) of 0.126 > 0.05. So it shows that managerial ownership has no effect on firm value. However, the interaction of intellectual capital with managerial ownership has a p-value (sig) of 0.002 > 0.05 . This shows that the interaction of intellectual capital with managerial ownership has an effect on firm value. Contrary to these results, the interaction of corporate social responsibility and managerial ownership has a p-value (sig) of 0.844 > 0.05 . Where this shows that the interaction of corporate social responsibility with managerial ownership has no effect on firm value.

b. Coefficient Test Determination (R2)

The results of the coefficient of determination test for moderating regression can be seen in the following table:

Table 7: Coefficient of Determination Test Results (R2) Moderate Regression

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.422 ^a	.178	.149	.62207

a. Predictors: (Constant), X2*M , CSR (X2), VAICTM (X1), X1*M, MANAGERIAL KEEP (M)

Source: IBM SPSS 26 Output, Data Processed by Author (2021)

Based on table 7, it can be seen that the coefficient of determination shown by Adjusted R Square has a value of 0.149. This shows that the effect of the variables X1, X2, M, X1M and X2M on the Y variable is 14.9%. While 85.1% is influenced by other variables that are not included in this study.

5. CONCLUSION

The purpose of this study is to investigate the impact of intellectual capital and corporate social responsibility on firm value in the LQ45 index companies listed on the Indonesia Stock Exchange (IDX) from 2016 to 2020. The research sample was obtained using the purposive sampling method and included as many as 30 companies, with a total of 150 observations.

Based on the findings of research conducted during the stages of data collection, data analysis, and interpretation, the findings of the analysis on the effect of intellectual capital and corporate social responsibility on firm value with managerial ownership as a moderating variable in LQ45 index companies listed on the Indonesia Stock Exchange (IDX) for the period 2016 – 2020 that Intellectual capital affects the firm value of LQ45 companies listed on the IDX that (IDX). Intellectual capital is a type of strategic asset and intangible resource that, when managed effectively and efficiently, adds value to the company by allowing it to capitalize on opportunities and respond to threats in a unique way. Competitive advantage raises market perceptions, causing investors to place a higher value on companies with high intellectual capital.

To increase the value of the company even further, the company's management should be able to maximize the value of the VAIC in order to create the most value space between the three components of intellectual

capital, namely human capital, structural capital, and capital employed. The greater the value added, the greater the company's competitive advantage over other companies.

Corporate social responsibility, on the other hand, has no effect on firm value in LQ45 companies listed on the Indonesia Stock Exchange (IDX). The form of reporting on corporate social responsibility that is not in accordance with standards, as well as the quality of CSR disclosure, are factors that contribute to CSR having no effect on company value. As a result, in the end, investors and creditors do not regard the report on corporate social responsibility as a material consideration in making investment decisions for investors or as a material consideration for creditors in providing loans to companies. Finally, CSR disclosure by the company cannot affect the company's value.

Companies should increase CSR disclosure in company reports in detail and extensively, namely by disclosing all aspects in accordance with GRI standards. The existence of complete disclosure will be important information for users, including investors, to consider when making investment decisions. As a result, the company's value is expected to rise.

Furthermore, in LQ45 companies listed on the Indonesia Stock Exchange, managerial ownership can moderate the relationship between intellectual capital and firm value (IDX). The greater the level of managerial ownership, the more managers will be aligned with shareholders and motivated to be accountable for increasing shareholder wealth through improved performance. The goal of intellectual capital management is to increase shareholder value. As a result, the greater the managerial ownership, the more efficient the use of intellectual capital, resulting in a higher firm value. However, in LQ45 companies listed on the Indonesia Stock Exchange, managerial ownership cannot moderate the relationship between corporate social responsibility and firm value (IDX). This is due to the company's management's low share ownership, which makes the manager feel as if he does not own the company because not all of the benefits obtained from share ownership are available to management. Because of this, management prefers to maximize its own utility.

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