Firm Value From Intellectual Capital Disclosure and Financial Ratios Perspective

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Abstract

This study aims to test and obtain empirical evidence of the effect of intellectual capital disclosure, profitability, dividend policy, investment decisions, and company size on company value in manufacturing companies listed on the Indonesia Stock Exchange in 2019-2021. The type of research using the a quantitative research. The research method uses secondary data. The population in this study were 196 manufacturing companies listed on the IDX for 2019-2021 with a sample of 175 manufacturing companies with 3 research periods, making 525 observations using purposive sampling. The analytical method uses multiple linear regression analysis. The results of the study show that intellectual capital disclosure, profitability, and investment decisions have a positive effect on firm value, meanwhile dividend policy and company size have no effect on firm value.


INTRODUCTION

In the current era of globalization, companies are growing rapidly and competition between businesses is also inseparable from the impact of economic, social, political and technological developments. The company is an organization built with a purpose in its founding (Primayuni, 2018). The company is an organization formed by a person, group of people or other entity whose business consists of production to distribution to meet the economic needs of the community. The development of a company is defined as the level of the company's position in the economic system of the same industry, where the company's development brings intense competition between companies.

The main goal of a company is to maximize profits or profits and in achieving goals, the company will increase the use of available resources, including human resources, natural
resources, and capital. Improving the welfare of shareholders is the main priority of public companies. This makes each company able to increase the value of the company, as expected by the shareholders, and increasing the value of the company indicates the increasing prosperity of the shareholders.

Score company is the perception of a company associated with stock prices. High stock prices also increase company value and increase market confidence not only in the company's current performance, but also in its future prospects (Mubaraq, 2020). According to Husnan (2010: 7) company value is the price that can be paid by buyers when the company is sold. Firm value is measured by price book value (PBV). A high PBV value makes the market believe in the company's future prospects because it promises large profits for shareholders.

The phenomenon in this study is that the company value of manufacturing companies in 2019-2021 continues to decline. In 2019 it was 347.79, in 2020 it decreased by 267.71 and in 2021 it was 240.86. A decrease in the value of the company can reduce the level of investor trust in the company, if the value of the company decreases, investors become unsure of the company's prospects so that investors do not want to invest in the company. Based on this decrease in value, each company must increase the value of its company to attract investors to invest in the company. The movement in the value of manufacturing companies in 2019-2021 can be seen in Table 1 below:

Several internal factors affect company value, namely intellectual capital disclosure (Rivandi, 2018), profitability, dividend policy, investment decisions, and company size (Primayuni, 2018). According to Amalia and Wahidahwati (2021), intellectual capital is an intangible asset classified in the category of non-monetary assets that can be owned and used to produce and deliver goods or services to interested parties. The increase in ICD published in the annual report provides beneficial information and is a positive signal for investors, the higher the ICD number, the higher the company value. ICD in this research is measured by the intellectual capital disclosure index (ICDI), which is a disclosure method using a coding system, with an increase in ICDI followed by an increase in firm value. The results of research from Chandra and Djajadikerta (2017), Rivandi (2018), and Rivandi and Septiano (2021) state that intellectual capital disclosure has a positive effect on company value. In contrast to the results of the research above, research from Dewi (2021) states that intellectual capital disclosure has a negative effect on company value. Statements from the results of research conducted by
Amalia and Wahidahwati (2021) state that intellectual capital disclosure has no effect on company value. In contrast to the results of the research above, research from Dewi (2021) states that intellectual capital disclosure has a negative effect on company value. Statements from the results of research conducted by Amalia and Wahidahwati (2021) state that intellectual capital disclosure has no effect on company value. In contrast to the results of the research above, research from Dewi (2021) states that intellectual capital disclosure has a negative effect on company value. Statements from the results of research conducted by Amalia and Wahidahwati (2021) state that intellectual capital disclosure has no effect on company value.

Profitability is also one of the considerations by investors (investors) in assessing company performance. Profitability is a company's ability to earn profits over a certain period (Yuniastri, et al. 2021). Increased profitability is a positive signal for investors and will attract investors to invest so as to increase company value. Profitability is measured using return on equity (ROE). The use of ROE in this study is because ROE shows how much the return on capital invested by investors is, so the higher the ROE, the higher the company value (Sembiring, 2018). Research results from Chandra and Djajadikerta (2017), Rosyid (2017), Primayuni (2018), Sembiring (2018), Lasmanita, et al. (2019), Permana and Rahyuda (2019), Mubaraq (2020), Dewi (2021) and Ningrum (2021) state that profitability has a positive effect on firm value. In contrast to the results of the research above, research from Rivandi (2018), Anggara (2019) and Yuniastri, et al. (2021) stated that profitability has no effect on company value.

According to Wedyanti, et al. (2021) dividend policy is a company's financial decision regarding the profit generated, whether to distribute it to shareholders as dividends, or to hold it in the form of retained earnings. Dividend policy is seen as a signal for investors to assess the good or bad of the company where the higher the percentage of profits distributed as dividends (DPR) shows a positive signal for investors to invest in the company so that the company's stock price increases and has an impact on increasing company value. Dividends in this study are proxied in the dividend payout ratio (DPR). Research results from Azis (2017), Dewi and Wirasena (2018), Sembiring (2018), Wolfmida and Fun (2019), Mubaraq (2020), Wedyanti, et al. (2021) stated that dividend policy has a positive influence on firm value. In contrast to the research above, research by Primayuni (2018) states that dividend policy has no effect on firm value.

Decision Investment is a decision made by a manager regarding the allocation of funds to various types of assets. Investment decisions are business decisions outside of financial decisions that show the amount of current assets, fixed assets and other assets owned by a company (Primayuni, 2018). In this study, investment decisions are proxied by using the price earning ratio (PER). This PER ratio is used in this study because a high PER value indicates a good investment in a company, the company's value will increase, and investors are interested in investing in the company (Azis, 2017). Based on the results of research conducted by Azis (2017), Primayuni (2018), Lasmanita, et al. (2019), Suardana, et al. (2020), and Widyadnyani, et al., (2020) stated that investment decisions have a positive effect on firm value. In contrast to the research above, the results of research conducted by Dewi and Wirasena (2018) state that investment decisions do not affect company value.

According to Suardana, et al. (2020) company size is a measure that can classify the size of a company in various ways, such as by total assets, logs, size, and share value. Investors are interested in investing in large companies. Large companies are in a more stable situation and have better access to both internal and external sources of funding (Lasmanita, et al. 2019). Company size is projected by total assets, using the natural logarithm of total assets. Rosyid Research (2017), Lasmanita, et al. (2019), and Suardana, et al. (2020) stated that company size
has a positive effect on company value. In contrast to the results of research from Wedyanti, et al. (2021) stated that company size has a negative effect on firm value,

The purpose of this study is to test, obtain empirical evidence of the effect of intellectual capital disclosure, profitability, dividend policy, investment decisions and company size on company value in manufacturing companies listed on the Indonesia Stock Exchange in 2019-2021, because there is a phenomenon that can be seen the company value of manufacturing companies in 2019-2021 continues to decline every year. In 2019 it was 347.79, in 2020 it decreased by 267.71 and in 2021 it was 240.86. These fluctuations can reduce the level of investor confidence in the company, if the value of the company decreases, investors become unsure of the company's prospects so that investors do not want to invest in the company. this triggers competition between companies so that each company must increase the value of the company to attract investors to invest in the company and have an impact on increasing the value of the company. Based on the description above regarding the factors of firm value and there are still differences in the results of previous studies as well as phenomena that trigger problems with decreasing company value which results in increased competition between companies so that each company must increase firm value, the researcher is interested in re-examining the influence of intellectual capital disclosure, profitability, dividend policy, investment decisions and company size on company value in manufacturing companies listed on the Indonesia Stock Exchange in 2019 – 2021.

THEORETICAL FRAMEWORK AND HYPOTHESIS

Signal Theory

Signaling theory is a signal regarding information on activities carried out by management for the company, which is usually in the form of the success or failure of the company that influences investors' decisions to invest (Dewi, 2021). Signal theory is used in economics and finance to explain the fact that insiders usually have more accurate and quicker information about a company's current situation and prospects than outsiders. Signals are actions taken by the company's management to provide investors with management's view of the company's prospects. The company encourages the provision of information because of information asymmetry between the company and outsiders.

The value of the company

Firm value is the perception of a company associated with stock prices. High stock prices also increase company value and increase market confidence not only in the company's current performance, but also in its future prospects (Mubaraq, 2020). According to Husnan (2010: 7) company value is the price that can be paid by buyers when the company is sold.

Intellectual Capital Disclosure

According to Rivandi and Septiano (2021) intellectual capital includes a combination of intellectual property and markets which are centered on infrastructure and human resources to encourage company development. Increasing the ICD published in the annual report provides beneficial information and is a positive signal for investors, the higher the ICD number, the higher the company value, because investors can catch the signals given by companies through disclosure of intellectual capital and use this information to analyze investment decisions.
Profitability
According to Yuniastri, et al. (2021) profitability is a company's ability to earn profits over a certain period. Increased profitability then gives a positive signal to investors that the company is profitable and is expected to be able to provide welfare to investors. Profitability is associated with signaling theory, so high profitability illustrates good company prospects so that investors will respond positively to these signals and increase firm value. Companies that succeed in increasing profits show good performance, give a good impression to investors, and increase the company's stock price and increase in stock prices in the market will increase the value of the company.

Dividend Policy
Dividend policy is a company's financial decision regarding the profit generated, whether to distribute it to shareholders as dividends, or to hold it in the form of retained earnings (Wedyanti, et al., 2021). Dividend policy can be related to the signaling theory that dividend policy is seen as a signal for investors to assess the good or bad of a company where the higher the DPR, the firm's value increases. The high percentage of profits distributed as dividends (DPR) is a good signal for investors to invest in a company so as to increase stock prices which have an impact on increasing company value.

Investment Decision
According to Primayuni (2018) investment decisions are decisions made by a manager regarding the allocation of funds to various types of assets. Investment decisions are business decisions outside of financial decisions that show the amount of current assets, fixed assets and other assets owned by a company. An example of an investment decision is deciding whether to replace current fixed assets with new fixed assets. If the investment decision is associated with the signaling theory that investment spending is a positive signal related to company growth in the future, increasing stock prices as an indicator of firm value will simultaneously increase firm value.

Company Size
Company size is a measure that can classify the size of the company in various ways, such as by total assets, logs, size, and share value (Suardana, et al., 2020). Company size can affect company value where the larger the company size, the easier it is to obtain funding sources. Large companies are in a more stable situation and have better access to internal and external funding sources. Signaling theory is associated with company size proxied by total assets, the high total assets in the company then gives a positive signal to investors and becomes a consideration for investors to invest in the company.

Hypothesis Development
The Effect of Intellectual Capital Disclosure on Firm Value
According to Amalia and Wahidahwati (2021) intellectual capital is an intangible asset classified in the category of non-monetary assets that can be owned and used to produce and deliver goods or services to interested parties. Intellectual capital includes a combination of intellectual property and markets which are centered on infrastructure and human resources to encourage company development (Rivandi and Septiano, 2021). Increasing the ICD published in the annual report provides beneficial information and is a positive signal for investors, the higher
the ICD number, the higher the firm value, because investors can capture the signals given by the company through disclosure of intellectual capital and use this information to analyze investment decisions. The research results from Chandra and Djajadikerta (2017) and Rivandi (2018) state that intellectual capital disclosure has a positive effect on company value. The results of the research above are supported by research conducted by Rivandi and Septiano (2021) which states that intellectual capital disclosure has a positive effect on company value. Based on the description above, the hypothesis can be formulated as follows:

**H1: Intellectual capital disclosure has a positive effect on firm value**

**Effect of Profitability on Firm Value**

Profitability is a company’s ability to earn profits over a certain period (Yuniastri, et al. 2021). According to Permana and Rahyuda (2019) with increased profitability it gives a positive signal to investors that the company is profitable and is expected to be able to provide welfare to investors. Profitability is associated with signaling theory, so high profitability illustrates good company prospects so that investors will respond positively to these signals and increase firm value. Companies that succeed in increasing profits show good performance, give a good impression to investors, and increase the company's stock price and increase in stock prices in the market will increase the value of the company. Research results from Chandra and Djajadikerta (2017), Rosyid (2017), Primayuni (2018), Sembiring (2018), Lasmanita, et al. (2019), Permana and Rahyuda (2019), Mubaraq (2020), Dewi (2021) and Ningrum (2021) state that profitability has a positive effect on company value. Based on the description above, the hypothesis can be formulated as follows:

**H2: Profitability has a positive effect on firm value**

**The Effect of Dividend Policy on Firm Value**

According to Wedyanti, et al. (2021) dividend policy is a company’s financial decision regarding the profit generated, whether to distribute it to shareholders as dividends, or to hold it in the form of retained earnings. The amount of dividends distributed is determined at the meeting of shareholders and expressed as a percentage (%) of the nominal value of the shares, not the market value. Dividend policy can be related to the signaling theory that dividend policy is seen as a signal for investors to assess the good or bad of a company where the higher the DPR, the firm’s value increases. The high percentage of profits distributed as dividends (DPR) is a good signal for investors to invest in a company so as to increase stock prices which have an impact on increasing company value. The results of research from Azis (2017), Dewi and Wirasena (2018), Serimbing (2018), and Wolfmida and Fun (2019), Mubaraq (2020) and Wedyanti, et al. (2021) stated that dividend policy has a positive influence on firm value. Based on the description above, the hypothesis can be formulated as follows:

**H3: Dividend policy has a positive effect on firm value**

**The Influence of Investment Decisions on Firm Value**

Investment decisions are decisions made by a manager regarding the allocation of funds to various types of assets. Investment decisions are business decisions outside of financial decisions that show the amount of current assets, fixed assets and other assets owned by a company (Primayuni, 2018). An example of an investment decision is deciding whether to replace current fixed assets with new fixed assets. The investment decision is associated with the signaling theory that investment spending is a positive signal regarding company growth in the future, so increasing stock prices as an indicator of firm value will simultaneously increase firm value. The results of research conducted by Azis (2017), Primayuni (2018), Lasmanita, et al.
(2019), Widyadnyani, et al., (2020) and Suardana, et al. (2020) stated that investment decisions have a positive effect on firm value. Based on the description above, the hypothesis can be formulated as follows:

H4: Investment decisions have a positive effect on firm value

The Effect of Company Size on Firm Value

According to Suardana, et al. (2020) company size is a measure that can classify the size of a company in various ways, such as by total assets, logs, size, and share value. Company size can affect company value where the larger the company size, the easier it is to obtain funding sources. Large companies are in a more stable situation and have better access to internal and external funding sources. Signaling theory is associated with company size proxied by total assets, the high total assets in the company then gives a positive signal to investors and becomes a consideration for investors to invest in the company. Research conducted by Rosyid (2017), Lasmanita, et al. (2019) and Suardana, et al. (2020) stated that company size has a positive effect on company value. Based on the description above, the hypothesis can be formulated as follows:

H5: Firm size has a positive effect on firm value

RESEARCH METHOD

This study uses a quantitative method with research data is secondary data. The locations in this study are manufacturing companies listed on the Indonesia Stock Exchange (IDX) for 2019-2021 where financial statement information is obtained by accessing the official website on the Indonesia Stock Exchange (IDX) at www.idx.co.id. The objects used in this research are manufacturing companies listed on the Indonesia Stock Exchange in 2019-2021.

The population in this study are manufacturing companies listed on the Indonesia Stock Exchange from 2019-2021 with a total of 196 companies. The method of determining the sample in this study using purposive sampling namely the technique of determining the sample with certain considerations. The following are the sample criteria in this study, namely:

2. Manufacturing companies listed on the IDX during the 2019-2021 period have successively published financial reports.

Based on the criteria for determining the sample above, the number of research samples was 175 companies with a 3-year observation period to 525 observations.

The method of analysis in this study is multiple linear regression analysis, using multiple linear regression analysis to determine the effect between variables independent with the dependent variable. The choice of multiple linear regression analysis is because this study uses more than two variables, namely one dependent variable and five independent variables. The multiple linear regression equation is shown by the following equation:

\[ PBV = a + \beta_1ICDI + \beta_2ROE + \beta_3DPR + \beta_4PER + \beta_5Size + e \]

Information:
- \( PBV \) = Firm value
- \( ICDI \) = Intellectual capital disclosure
- \( ROE \) = Profitability
- \( DPR \) = Dividend policy
- \( PER \) = Investment decision
RESULT AND DISCUSSION

This study used a sample of 175 companies with a 3-year observation period to 525 observations.

Table 1. Descriptive Analysis Results

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Means</th>
<th>std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>PBV</td>
<td>525</td>
<td>.00</td>
<td>9617.05</td>
<td>285.4523</td>
<td>736.72900</td>
</tr>
<tr>
<td>ICDI</td>
<td>525</td>
<td>.50</td>
<td>.92</td>
<td>.6997</td>
<td>.09650</td>
</tr>
<tr>
<td>ROE</td>
<td>525</td>
<td>-13602.22</td>
<td>153.60</td>
<td>-24.3940</td>
<td>595.02367</td>
</tr>
<tr>
<td>DPR</td>
<td>525</td>
<td>-534.62</td>
<td>802.97</td>
<td>20.9799</td>
<td>69.17563</td>
</tr>
<tr>
<td>PER</td>
<td>525</td>
<td>-548.97</td>
<td>41604.77</td>
<td>82.7477</td>
<td>1815.88116</td>
</tr>
<tr>
<td>SIZE</td>
<td>525</td>
<td>25.05</td>
<td>33.54</td>
<td>28.4557</td>
<td>1.65122</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>525</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: processed data (2022)

Based on the descriptive analysis test in Table 2, it can be seen that the minimum and maximum values for each variable are the firm value of 0.00 and 9617.05. Intellectual capital disclosure is 0.50 and 0.92, profitability is -13,602.22 and 153.60, dividend policy is -534.62 and 802.97, investment decision is -548.97 and 41,607.77 and company size is 25.05 and 33.54.

Table 2. Multiple Linear Regression Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Q</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>std. Error</td>
<td>Betas</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>575.054</td>
<td>458.622</td>
<td>1,254</td>
</tr>
<tr>
<td>ICD</td>
<td>628.051</td>
<td>312,603</td>
<td>.082</td>
<td>2009</td>
</tr>
<tr>
<td>ROE</td>
<td>.676</td>
<td>.045</td>
<td>.546</td>
<td>15,160</td>
</tr>
<tr>
<td>DPR</td>
<td>094</td>
<td>.385</td>
<td>.009</td>
<td>.243</td>
</tr>
<tr>
<td>PER</td>
<td>062</td>
<td>.015</td>
<td>.154</td>
<td>4,271</td>
</tr>
<tr>
<td>SIZE</td>
<td>26,451</td>
<td>18,193</td>
<td>.059</td>
<td>1,454</td>
</tr>
</tbody>
</table>

Source: processed data (2022)

Based on Table 2, the equation of multiple linear regression is obtained, as following:

\[ \text{PBV} = 575.054 + 628.051 \text{ICD} + 0.676 \text{ROE} + 0.094 \text{DPR} + 0.062 \text{PER} + 26.451 \text{SIZE} + e \]

The results of multiple linear regression analysis show a significance value of intellectual capital disclosure, profitability, and investment decisions are less than 0.05, which means that by increasing one unit of intellectual capital disclosure, profitability, investment decisions will
increase the value of the company. While the significance value of dividend policy and company size is more than 0.05, therefore the dividend policy variable and company size have no influence on firm value.

**Classical assumption test**

Based on the results of the normality test using the Kolmogorov-Smirnov test, the value of the standardized residual shows that Asym. Signya (2-tailed) 0.060 greater than 0.05 means that the data is normally distributed. In the results of the multicollinearity test that the tolerance value for each variable exceeds 0.10 and the VIF value does not exceed 10, this means that the model is free from multicollinearity symptoms. The results of the autocorrelation value show the Durbin-Waston value of 1.975 with a value of $n = 525$, $k = 5$ and the value $du = 1.873$ then the value of $du < dw < (4 - du)$ is $1.873 < 1.975 < 2.127$, so there is no autocorrelation. On the results of the heteroscedasticity test it was found that all significant values (sig) of each independent variable, namely intellectual capital disclosure, profitability, dividend policy, investment decisions, and company size to residual absolute value were greater than 0.05. This means that the residual variance between one observation and another is the same or the regression model used in the study does not show symptoms of heteroscedasticity.

**Test the coefficient of determination (R²)**

Based on the test results of the coefficient of determination, value $R^2$ of 0.321 or 32.1%. This shows that the variable intellectual capital disclosure, profitability, dividend policy, investment decisions, and company size can explain the variation of company value by 32.1% and the remaining 67.9% is influenced by other factors not included in the model.

**F test**

Based on the results of the F test, the calculated F-value is 50.637 with a significance of 0.000 which is less than 0.05 so that it can be concluded that the regression model is fit with the observation data, so it is feasible to use for further analysis. This means that intellectual capital disclosure, profitability, dividend policy, investment decisions, and company size simultaneously affect the value of the company.

**t test**

Based on Table 5.9, the conclusion of the t statistical test results is obtained, as follows:

1. The significance value of the ICD variable is 0.045 < 0.05, where the regression coefficient value of the ICD variable is 628,051. This means that the ICD variable has a positive effect on PBV so that the first hypothesis (H1).
2. The significance value of the ROE variable is 0.000 < 0.05 with the regression coefficient value of the ROE variable being 0.676. This means that the ROE variable has a positive effect on PBV so that the second hypothesis (H2).
3. The significance value of the DPR variable is 0.808 < 0.05 with the regression coefficient value of the DPR variable being 0.094. This means that the DPR variable has no effect on PBV so that it is the third hypothesis (H3).
4. The significance value of the PER variable is 0.000 < 0.05 with a regression coefficient value of the ROE variable of 0.062. This means that the PER variable has a positive effect on PBV so that the fourth hypothesis (H4).
5. The significance value of the size variable is 0.147 < 0.05 with a regression coefficient value of the size variable 26.451. This means that the DPR variable has no effect on PBV so that it is the fifth hypothesis (H5).

**The effect of intellectual capital disclosure on firm value**

*Intellectual capital* includes a combination of intellectual property and the market on which it is centered on infrastructure and human resources to encourage company development (Rivandi and Septiano, 2021). Companies that have intellectual capital and are able to utilize this intellectual capital will have a competitive advantage, in order to continue to create value, and be able to influence the growth of company value. Based on the results of the hypothesis test with the t test stating that intellectual capital disclosure has a positive effect on the value of manufacturing companies listed on the Indonesia Stock Exchange in 2019-2021 so that H1 is accepted. This is in line with research conducted by Chandra and Djadjadikerta (2017), Rivandi (2018), and Rivandi and Septiano (2021) stating that intellectual capital disclosure has a positive effect on company value. Intellectual capital disclosure has a positive effect on firm value, meaning that by increasing ICD such as disclosure of employee, organizational and customer knowledge, investors will value companies that disclose ICD ownership on a large scale, because investors believe that only quality companies are willing to expand voluntary disclosure so that the value company will increase. Disclosure of intellectual capital affects perceptions of financial performance. Company information through ICD can minimize information asymmetry, high IC publications, investors can find out the company's performance as a whole. Disclosure of IC in manufacturing companies on the IDX provides an overview of the condition and performance of the company, with high IC disclosure representing increased company value.

**Effect of profitability on firm value**

Profitability is a company's ability to earn profits over a certain period (Yuniastri, et al. 2021). In order for a company to continue to grow and develop over a relatively long period of time, it must generate profits. The results of the second hypothesis test (H2) based on the hypothesis test with the t test state that profitability has a positive effect on the value of manufacturing companies listed on the Indonesia Stock Exchange in 2019-2021 so that H2 is accepted. This is in line with research conducted by Chandra and Djadjadikerta (2017), Rosyid (2017), Primayuni (2018), Sembiring (2018), Lasmanita, et al. (2019), Permana and Rahyu (2019), Mubaraq (2020), Dewi (2021) and Ningrum (2021) state that profitability has a positive effect on company value.

**Effect of dividend policy on firm value**

According to Wedyanti, et al. (2021) dividend policy is a company's financial decision regarding the profit generated, whether to distribute it to shareholders as dividends, or to hold it in the form of retained earnings. The amount of dividends distributed is determined at the meeting of shareholders and expressed as a percentage (%) of the nominal value of the shares, not the market value. The results of the third hypothesis test (H3) based on hypothesis testing with the t test state that dividend policy has no effect on the value of manufacturing companies listed on the Indonesia Stock Exchange in 2019-2021 so H3 is rejected. This is in line with research conducted by Primayuni (2018), Suardana, et al. (2020), Widyadnyani, et al., (2020), Ningrum (2021) and Yuniastri, et al. (2021) stated that dividend policy has no effect on firm value. Dividend policy does not affect the value of the company. In other words, the level of the dividend policy
implemented by the company will not affect the value of the company. An increased dividend policy is not always followed by an increase in the value of the company because the value of the company is determined by the ability to generate profits. This shows that dividend payments are not necessarily a positive signal for investors, because shareholders only want short-term profits, namely capital gains. Investors are more interested in how the company's management will use the company's profits effectively and efficiently in the future for the company's business than the company's dividend policy.

**The influence of investment decisions on firm value**

Investment decisions are decisions made by a manager regarding the allocation of funds to various types of assets. Investment decisions are business decisions outside of financial decisions that show the amount of current assets, fixed assets and other assets owned by a company (Primayuni, 2018). An example of an investment decision is deciding whether to replace current fixed assets with new fixed assets. The results of the fourth hypothesis test (H4) based on hypothesis testing with the t test state that investment decisions have a positive effect on the value of manufacturing companies listed on the Indonesia Stock Exchange in 2019-2021 so that H4 is accepted. This is in accordance with the research by Azis (2017), Primayuni (2018), and Lasmanita, et al. (2019), Widyadnyani, et al., (2020) and Suardana, et al. (2020) stated that investment decisions have a positive influence on firm value. Investment decisions have a positive effect on firm value, which means investors are interested in investing because this means that a higher investment decision indicates a good company investment. High demand for shares increases the value of shares, increases the demand for company shares, and increases the value of the company.

**Effect of firm size on firm value**

Company size is the size or number of company assets available for company operations. Asset size can be based on total asset value, total revenue, market capitalization, and number of employees. The results of the fifth hypothesis test (H5) based on the hypothesis test with the t test state that company size has no effect on the value of manufacturing companies listed on the Indonesia Stock Exchange in 2019-2021 so H5 is rejected. This is in accordance with research conducted by Suwardika and Mustanda (2017), Primayuni (2018), and Ningrum (2021) stating that company size does not affect company value. Firm size does not affect firm value, meaning that the size of the company is considered to be unable to influence firm value. The size of the company shows that companies that have a large scale will find it easier to obtain debt regarding the level of creditors’ trust in large companies. In large companies, managers will try to maximize the ability to manage the company to increase the value of the company. The size of the company cannot affect the value of the company, this condition is because investors generally pay more attention to ratios in financial statements such as profitability, debt to equity, and price earning ratio compared to looking at the size of the company through its total assets.

**CONCLUSIONS**

Based on the results and discussion above, it can be concluded that intellectual capital disclosure, profitability, and investment decisions have a positive effect on firm value. This means increasing intellectual capital disclosure, profitability, and investment decisions can increase company value. Meanwhile, dividend policy and firm size have no effect on firm value.
This explains that neither increase nor decrease in dividend policy and firm size have any effect on firm value.

Suggestions for further research researchers can expand the research object and not be limited to one object, researchers can also increase the number of years of observation to provide more comprehensive research results and develop research that has been conducted using other variables which in theory have an influence on firm value and are considered can provide more accurate research results.

REFERENCES


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