



## **The Influence of Intellectual Capital, Enterprise Risk Management, and Capital Structure on Firm Value**

**Nining Kholifah<sup>1</sup>, Any Eliza<sup>2</sup>, Rosydalina Putri<sup>3\*</sup>**

<sup>1,2,3</sup>Departement of Islamic Economics, Faculty of Islamic Economics and Business, Universitas Islam Negeri Raden Intan Lampung, Indonesia

---

### **ARTICLE INFO**

#### **Article history:**

Received 18-04-2024

Revised 01-05-2024

Accepted 24-05-2024

Available 31-06-2024

---

#### **Keywords:**

*Intellectual Capital, Enterprise Risk Management, Capital Structure, Nilai Perusahaan.*

---

#### **Paper type:** Research paper

---

#### **Please cite this article:**

Kholifah, N, Eliza, A, Putri, R. "The Influence of Intellectual Capital, Enterprise Risk Management, and Capital Structure on Firm Value" *Al-Mal: Jurnal Akuntansi dan Keuangan Islam* [ONLINE], Volume 05 Number 01 (June 30, 2024) "Al-Mal: Jurnal Akuntansi dan Keuangan Islam" [ONLINE], Volume 05 Number 01 (June 30, 2024)

---

#### **Cite this document:**

Al-Mal 2th edition

---

#### **\*Corresponding author**

e-mail: [rosidalinaputri@radenintan.ac.id](mailto:rosidalinaputri@radenintan.ac.id)

---

### **ABSTRACT**

This research analyzes the effect of intellectual capital, enterprise risk management, and capital structure on firm value. The population consisted of manufacturing companies listed on the Jakarta Islamic Index (JII) between 2017 and 2021. Purposive sampling was employed to choose the sample, consisting of ten companies. The data was analyzed using multiple linear regression assisted by the SPSS Statistic 25. The findings revealed that partial intellectual capital and capital structure had little effect on firm value. However, enterprise risk management has a considerable beneficial impact on firm value. Intellectual capital, enterprise risk management, and capital structure influence firm value. Implication Research Companies are expected to reassess their resource utilization in the form of physical and non-physical aspects, such as employee training, the use of appropriate technology, and transparency and initiatives regarding risks and how to prevent them from increasing investor confidence in the company's quality. Managers are expected to consider whether to take funds in the form of debt or equity and manage their debt properly. It is hoped that it will be useful as additional reference material for future researchers, allowing them to add or include other variables, use different types of methods, and expand into other company sectors. Future researchers can use other risk management standards, such as ISO 31000, to provide more diverse and accurate results.

## INTRODUCTION

Every year, businesses grow as a result of technological advancements. Many companies compete with one another to create a higher-quality company that can increase its value. Firm value is regarded as extremely important, and the company's primary goal is to increase its value to ensure its survival in the future (Rivandi, 2018). The firm value is frequently associated with its stock price, and when the value is high, investors are willing to pay a high price for its shares. An increase in share price indicates that shareholders and the company are doing well (Ross, 2013).

According to CNBC Indonesia (Muamar, 2020), the Central Statistics Agency (BPS) reported that the manufacturing industry in 2019 experienced a decline, with the fourth quarter growing 3.66% less than the fourth quarter of 2018, which grew by 4.25%. For example, PT. Indo Kordsa Tbk (BRAM) experienced a 39.81% decrease with a final price of IDR 6.500/share, whereas PT. Nipress Tbk (NIPS) experienced stagnation and closed at IDR 282/share. A sharp decline in share prices can affect the firm company, so the decline in share prices has reached the maximum threshold.

This decline in share price is also due to the 2020 Coronavirus Disease (COVID-19) pandemic and state-imposed restrictions on activities in the form of Large-Scale Social Restrictions, which resulted in decreased economic activity in various sectors. These factors are enough to impede Indonesia's trading partners' distribution of raw materials for the manufacturing industry, particularly imports from other countries. The incident demonstrates how the company prioritizes the welfare of its shareholders over the firm value.

According to statistical data released by the Indonesia Stock Exchange (IDX), the average value of manufacturing companies fluctuated from 2017 to 2021 based on price book value. The PBV movement was 10.7% in 2017, 6.06% in 2018, and 8.78% in 2019, with a 38.8% increase in 2020 and a sharp decline of 9.53% in 2021. High firm value provides market confidence in the company's performance and allows the company to explain its prospects to attract and influence investors' opinions about the company.

Knowledge and technology-based corporate governance promotes effective intellectual capital management. The higher the value of intellectual capital, the more innovation the company requires to create value for itself. The price investors pay for a company's shares in the market can reflect its value. The higher the appreciation of a company by investors, the more intellectual capital it possesses (Chen et al., 2005).

In Indonesia, intellectual capital began to emerge, particularly after the Statement of Financial Accounting Standards No. 19 (revised 2000) on intangible assets. Intangible assets include science and technology, the design and implementation of new systems or processes, licenses, intellectual property rights, market knowledge, and trademarks (Ulum, 2009). Intellectual capital is widely regarded as an important strategic asset. It indicates that the company possesses specialized and valuable knowledge (Hermawan, 2013).

Some examples of companies that have not prioritized intellectual capital in running their companies are Japanese electronics companies, such as Sony, Panasonic, Sharp, Toshiba, and Sanyo, which have all declared bankruptcy, resulting in losses of trillions of rupiah. One of the causes is the invasion of Korean products, specifically Samsung and LG (Kusuma, 2017). Thus, innovation is required to remain competitive because innovation is a component of intellectual capital, which is critical for companies, especially electronic companies.

Information about the company's risk profile and management is also non-financial information that investors require to assess the company's prospects for managing its corporate activities. As a result, businesses may face a variety of risks that have an impact on their overall value. Disclosure of Enterprise Risk Management is one of the strategies used to assess and manage all company risks. COSO defines enterprise risk management as a process that involves the board of directors, management, and other personnel in developing a strategy and managing risk within its limits. COSO stands for Committee of Sponsoring Organizations of the Treadway Commission, and it is one of the internal control models that auditors use to evaluate and develop internal controls (Coso, 2013). Many US companies were the first to adopt the COSO ERM Integrated Framework. According to COSO Enterprise Risk Management, the risk is unpredictable because it can happen to anyone, anywhere, and under any circumstances (Wahyuni & Novita, 2021).

Research on the disclosure of enterprise risk management regarding firm value for non-financial companies is still very rare in Indonesia despite the growing need for investors to publish enterprise risk management (Devi et al., 2016). The practice of risk management in Indonesia is still relatively new and limited to the banking sector. In other fields, risk management is still combined with the practice of Good Corporate Governance (GCG), making it ineffective (Pamungkas, 2019). This is based on the underutilization of risk management and the failure to fully implement enterprise risk management (Munfaida et al., 2021). Disclosure of enterprise risk management should be used as one of the relevant information in predicting a company's future and ongoing concerns (Safitri & Anggraini, 2021). Risk management disclosure is a way to build public trust and manage management activities to reduce data manipulation in financial statements.

The use of COSO Enterprise Risk Management as a standard for managing risk in Indonesia remains relatively low compared to the ISO 31000 standard. According to a risk management survey conducted by CRMS Indonesia, the risk management standards used in Indonesia are mostly based on the Indonesian National Standard known as SNI ISO 31000, which has increased in percentage from 61.5% in 2016 to 67.5% in 2018. The COSO ERM standard remains very low, with a percentage of 17.8% in 2016 and a 15% decrease in 2018 (CRMS Indonesia, 2017). This demonstrates that the COSO Enterprise Risk Management standard has not been fully utilized and applied by companies in Indonesia.

The limited use of the COSO Enterprise Risk Management standard is due to various differences with other standards and the fact that it is still relatively

new. Most public companies listed on the US capital market first adopted COSO Enterprise Risk Management as a reference in their internal controls. The widespread acceptance of the COSO Enterprise Risk Management integrated framework in various companies in various countries for risk management has led many risk management practitioners, including those in Indonesia, to adopt COSO Enterprise Risk Management and regard it as an international standard in risk management.

To maximize the firm value and its relationship to the risks it faces, it is necessary to reconsider the optimal capital structure, which consists of a combination of permanent funding sources used for operational purposes. A company's capital structure is the ratio of its debt to its financing. As a result, debt is a component of the capital structure that can boost profitability and business performance (Dhani & Utama, 2017). According to the capital structure theory, the more debt a company incurs, the lower its value (Rai Prastuti & Merta Sudiarta, 2016).

Companies must look for various efficient financing options to meet their funding requirements. Efficient financing means that a company's capital structure is optimal. Capital structure is a critical issue for every business because the high capital structure reflects the company's financial situation. The primary goal of optimal capital structure management is to generate a combination of expenditures while minimizing capital costs to increase firm value.

The average capital structure of ten manufacturing companies listed on the JII between 2017 and 2021 increased in 2019. Manufacturing companies' average capital structure increased from 0.92% in 2017 to 0.87% in 2018, 1.06% in 2019, 0.99% in 2020, and 1.91% in 2021. In 2017-2019, manufacturing companies' average capital structure value was greater than 1, owing to the increased use of debt for company activities. To maximize the value of the company and its relationship to the risks it faces, it is necessary to reconsider the optimal capital structure to assist the company in achieving maximum results with the available funds.

The problem formulation of this research is to investigate whether intellectual capital, enterprise risk management, and capital structure significantly affect firm value in manufacturing companies listed on the JII between 2017 and 2021, both partially and simultaneously. Also, this research aims to investigate the impact of intellectual capital, enterprise risk management, and capital structure on firm value in manufacturing companies listed on the JII from 2017 to 2021.

### *Stakeholder Theory*

Edward Freeman developed the Stakeholder Theory in 1984. Stakeholder theory emphasizes that the company's sustainability depends on stakeholders' support, and their interests must be considered to meet stakeholder expectations (Ulum, 2017). The application of stakeholder theory to intellectual capital can help determine whether the company and its stakeholders communicate. To understand stakeholder theory in intellectual capital, two perspectives must be considered: ethical and managerial. In the ethical domain, managers who can

manage the organization optimally to create firm value have fulfilled the theory's ethical aspects. In the managerial field, it is stated that stakeholders' ability to influence management must be viewed as the level of control over all resources required by the organization (Deegan, 2014).

### ***Resource Based Theory***

Birger Wernerfelt first presented resource-based theory in 1984. According to RBT, companies have a competitive advantage and can direct their performance over time (Ulum, 2017). The theory focuses on developing a concept of difficult-to-imitate attributes to provide the company with a competitive advantage (Barney, 1986).

Regarding intellectual capital, RBT explains how a company can use and manage existing resources to gain a competitive advantage. These resources take the form of intellectual capital, which includes human capital, customer capital, and structural capital. Companies that can manage their intellectual resources are thought to be able to create value and competitive advantages through innovative research and development, increasing the company's financial performance (Hermawan, 2013).

### ***Signaling Theory***

Spence first proposed the signaling theory in 1973. Signaling theory is based on the idea that managers with good information about the company try to share it with outside investors to increase its share price. Managers with accurate information about their company can signal to investors by implementing an action or policy that other companies cannot replicate (Sugiarto, 2009).

Signalling theory describes how companies should signal to users of financial statements. Investors first interpret information as good or bad news (Mariani & Suryani, 2018). Signalling theory emphasizes the importance of company-released information on the investment decisions of third parties, particularly if the information is positive (Devi et al., 2017a). Signaling theory also demonstrates companies' consistency in broad risk disclosure and explains that risk management implementation is one of the signals given to investors and shareholders that the company is well managed. Broader disclosure demonstrates that a company is superior to others because it has implemented transparency in its management practices.

### ***Trade-Off Theory***

Modigliani and Miller first proposed the trade-off theory in 1963. The trade-off theory involves weighing the benefits and drawbacks of using debt. It maintains a targeted capital structure to maximize market value (Oktaviani et al., 2019). According to the trade-off theory, companies will go into debt until the cost of financial difficulties outweighs the tax benefits of further debt (Iwan Kurniawan & Lukman, 2020).

The company's capital structure is optimal if all costs incurred due to financial difficulties are equal to the additional income from tax savings (tax shield of debt) (D. A. Harjito, 2011). If the capital structure is not optimal, the firm

value can rise alongside the increase in borrowed capital. Conversely, if the debt exceeds the limit, the use of debt reduces the firm value. A company whose capital structure does not use debt and is entirely reliant on debt is considered poor at managing its corporate activities.

### *Firm Value*

Firm value describes the company's performance in terms of the price prospective buyers are willing to pay, which can influence investor perception of the company (Sari et al., 2017). Increasing firm value is an achievement according to the owner's wishes because as firm value rises, so does the owner's well-being (Indriani, 2019). Tobin's q ratio was used in this research to calculate the firm value, which can also be done using valuation or market ratios. Tobin's q is the ratio of the market value of a company's assets (measured by the number of outstanding shares and debt) to the cost of exchanging its assets (Sudiyatno, Bambang dan Puspitasari, 2010).

### *Intellectual Capital*

Intellectual capital is information and knowledge that can be applied to a job to create value for the company (Lestari & Sapitri, 2016). Intellectual capital was originally defined as tangible assets, such as technology, customer information, reputation, brand, and corporate culture, regarded as invaluable business competitive forces (Zuliansyah, 2018). Intellectual capital is related to science and human abilities that do not have a physical form but can generate value to compete. The gap between market value and book value of shares indicates that investors view intellectual capital as a source of firm value (Eliza, 2011).

Pulic developed the VAIC™ method in 1997 to provide information about the efficiency of value creation of the company's tangible and intangible assets and to measure the performance of the company's Intellectual Capital. VAIC™ is made up of several components, including value added (VA), value-added capital employee (VACA), which is the physical capital owned by the company and used to acquire tangible assets through investment activities, value-added human capital (VAHU), which contributes to human resources owned and refers to annual wages and salaries of employees, and structural capital coefficient (STVA) (Ulum, 2009).

### *Enterprise Risk Management*

Enterprise risk management is information about the company's risk management practices that reveals their future impact on firm value (Manurung & Kusumah, 2016). The enterprise risk management framework is used to determine and identify company strategies that are appropriate for implementation while taking into account various risk factors (Soetedjo & Sugianto, 2018). In 2004, COSO (Committee of Sponsoring Organization of The Treadway Commission) defined enterprise risk management as a process influenced by the board of directors, management, and other personnel used to

set the strategy and overall company, designed to identify potential events that can affect the business and manage risks (Coso, 2013).

### ***Capital Structure***

The optimal capital structure is defined as minimizing the total cost of capital use or the average cost of capital to maximize the firm value (A. dan M. Harjito, 2012). Each company's capital structure is determined by considering various factors, such as the availability of funds, the company's willingness to take risks, the owner's strategic plan, and an analysis of the costs and benefits obtained from each source of funds (Sugiarto, 2009).

### **Hypothesis**

#### **The Influence of Intellectual Capital toward Firm Value**

According to stakeholder theory, the stakeholder position is influential because it allows managers to reduce losses while also providing benefits to stakeholders. Stakeholders also have the right to know about the company's activities. Because the company is expected to use and manage economic resources that stakeholders value, intellectual capital disclosure can be used to determine whether the company and stakeholders are communicating effectively in response to stakeholder expectations. The resource-based theory explains how a company can use and manage existing resources to gain a competitive advantage. The resources in question are intellectual capital, specifically human capital, customer capital, and structural capital. Good management of all potential intellectual capital ownership will add value and promote the company's financial performance to stakeholders. According to research on intellectual capital by (Gozali & Hatane, 2014), (Devi et al., 2017), (Emar & Ayem, 2020), (Iwan Kurniawan & Lukman, 2020), and (Cahyani et al., 2020), intellectual capital disclosure is a significant positive effect on firm value. Intellectual capital disclosure can assist investors in assessing stock prices and creating a competitive advantage for the company. The more valuable and detailed the intellectual capital disclosure, the higher the stock price and firm value. Thus, the hypothesis that can be accepted in the explanation above is as follows:

H1: Intellectual Capital has a significant and positive influence on firm value.

#### **The Influence of Enterprise Risk Management toward Firm Value**

Signalling theory emphasizes the importance of company-released information. According to this theory, a company's implementation of risk management is one of the signals it sends to investors and shareholders to ensure proper company management. Management will disclose information about the good news that investors and shareholders are interested in, particularly regarding stock prices. The presence of the good news will positively impact market reactions, thereby increasing firm value. According to the findings of (Handayani, 2017), (Devi et al., 2017b), (Iswajuni et al., 2018), (Soetedjo et al., 2018), and (Pamungkas, 2019), the implementation of enterprise risk management in Indonesian manufacturing companies is efficient and has an

impact on firm value. Companies can reduce risk by overcoming uncertainties or threats that may arise in the future. It also provides a consistent risk management framework for the risks inherent in business processes, which can undoubtedly boost the firm value. The research's second hypothesis is:

H2: Enterprise risk management significantly and positively influences firm value.

### **The Influence of Capital Structure toward Firm Value**

According to trade-off theory, capital structure is the balance between the benefits and use of debt. This theory explains how much debt the company has and how much capital it requires to balance its costs and benefits. Adding debt can increase the firm value if the capital structure is not optimal. Conversely, if the debt exceeds the limit, the use of debt reduces the firm value. A company whose capital structure does not use debt and is entirely dependent on debt is unhealthy. Capital structure has an impact on firm value, according to research from (Prasetia et al., 2014), (Rai Prastuti & Merta Sudiartha, 2016), (Desi Permata Sari, Welli Alhadi Putri, Mondra Neldi, 2017), (Tunggal & Ngatno, 2018), and (Novitasari & Krisnando, 2021). They found that capital structure affects firm value. This demonstrates that if a company uses more long-term debt to finance its assets, it can increase its value because investors believe that using debt indicates that it can expand its capacity and pay its debts. Finally, the third hypothesis in this research is:

H3: *Capital Structure* has a significant and positive influence on firm value.

### **The Influence of Intellectual Capital, Enterprise Risk Management, and Capital Structure toward Firm Value**

Intellectual capital is a long-term ability that can be developed by utilizing the company's intellectual resources, particularly those related to the ability, expertise, and knowledge of the company's workforce in managing economic resources internally and externally. According to investors, good intellectual capital management refers to the company's ability to compete and gain a competitive advantage. The importance of implementing enterprise risk management will impact investors' investment decisions. It can affect the firm value of a company because it is considered to have implemented the principle of transparency in disclosing the risks within the company. Suppose a company can manage capital expenditures and decide whether to use its capital (equity) or foreign capital (debt/loan). In that case, its capital structure is considered influential in creating value for the company in the future. Thus, the hypothesis is as follows:

H4: Intellectual Capital, Enterprise Risk Management, and Capital Structure have a significant and positive influence on firm value.

## **RESEARCH METHODS**

This research employed secondary data from annual and financial reports of manufacturing companies listed on the JII for 2017-2021. The population of this research included all manufacturing companies listed on the Jakarta Islamic



Index (JII) between 2017 and 2021. Purposive sampling was used to determine the sample size. The purposive sampling technique limits sample selection based on specific criteria. The companies chosen as samples in this research met the following criteria:

Table 1.  
The Criteria for Purposive Sampling

No	Description	Total
1	Manufacturing companies listed on the Jakarta Islamic Index for 2017-2021.	18
2	Companies that do not use Rupiah currency in their financial statements.	(2)
3	Companies that do not present complete financial and annual reports for 2017-2021.	0
4	Companies that do not have complete data on the required variables.	(6)
5	Companies that meet the criteria	10
6	Number of years of research	5
7	Number of research samples	50

Source: Processed data, 2022

Ten of the 18 manufacturing companies listed on the Jakarta Islamic Index (JII) between 2017 and 2021 met the criteria for inclusion in this research.

Because the measurement scale in this research was different, it is necessary to transform (standardize) the data before analysis. Therefore, the standard value no longer depends on the unit of measurement but becomes the standard value. The standardized value, also known as the z-score, is a number that indicates how far a raw value deviates from its average in a data distribution using Standard Deviation units (Santoso, 2006).

Statistical analysis was performed to provide an in-depth overview of how the data was investigated. The data analysis technique used was multiple linear analysis with an analytical tool called Statistical Package for Social Sciences (SPSS) software. The regression model is:

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + e$$

Description:

- Y = Firm value
- A = Constant coefficient
- $\beta_{1-3}$  = Regression Coefficient
- X1 = Intellectual Capital
- X2 = Enterprise Risk Management (COSO)
- X3 = Capital Structure
- e = Standard error

The hypothesis can be tested using the t-test, F-test, and coefficient of determination ( $R^2$ ). In this test, if the significance value is less than 0.05,  $H_0$  is rejected, and  $H_a$  is accepted, indicating that the hypothesis is accepted or that the

independent variable influences the dependent variable. Similarly, suppose the significance value is greater than 0.05. In that case,  $H_0$  is accepted, and  $H_a$  is rejected, implying that the hypothesis is rejected or the independent variable does not influence the dependent variable. The coefficient of determination ( $R^2$ ) measures an independent variable's ability to explain or influence the dependent variable. A low  $R^2$  value indicates that the independent variable's ability to explain the dependent variable is limited (Ghozali, 2018).

This research's dependent variable (Y) is firm value, and the independent variables (X) are intellectual capital, enterprise risk management, and capital structure. The firm value variable is measured using Tobin's Q ratio. James Tobin introduced the Tobin's q or Q ratio in 1969. According to Tobin's Q, firm value equals the sum of its tangible and intangible assets (Dhani & Utama, 2017).

$$Tobin's\ Q = \frac{MVS + D}{TA}$$

Description:

MVS : The market value of all outstanding shares is obtained by multiplying the number of outstanding shares by the stock price. (Outstanding share x stock price)

D : Book value of total debt

TA : Company's total assets

The intellectual capital variable was measured using the VAIC™ model. Pulic introduced the VAIC™ (Value Added Intellectual Coefficient™) in 1998, which is the sum of human capital, structural capital, and capital employee. The primary component of VAIC™ is the Value Added Capital Employed (VACA), Value Added Human Capital (VAHU), and Structure Capital Value Added (STVA) (Ulum, 2009).

Value added is the determining factor in a company's success and can disclose the company's ability to enhance added value.

$$VA = OP + EC + D + A$$

Value Added Capital Employee (VACA) is the physical capital owned by the company to acquire tangible assets through investment activities.

$$VACA = VA/CE$$

Human capital (VAHU) is the ability of the company to generate from funds spent on labor.

$$VAHU = VA/HC$$

Structural Capital Value Added (STVA) supports human capital through facilities and infrastructure. It indicates how successful structural capital is in creating added value.

$$STVA = SC/VA$$

Value Added Intellectual Coefficient (VAIC) is an intellectual capital instrument that focuses on creating firm value.

$$VAIC = VACA + VAHU + STVA$$

The enterprise risk management variable is a strategy for evaluating the company's risks. COSO Enterprise Risk Management is a framework combining strategy and performance to achieve corporate objectives and value. According to COSO Enterprise Risk Management 2004, enterprise risk management consists

of eight components and 108 principles, which include the control environment, risk assessment, control activities, information and communication, and internal control monitoring. The items are calculated using a dichotomous approach, with each disclosed enterprise risk management item assigned a value of 1 and 0 if not disclosed.

$$ERMDI = \frac{\sum ij Ditem}{\sum ij Aditem}$$

Description:

ERMDI : ERM Disclosure Index

$\sum ij Ditem$  : Total score of disclosed ERM items

$\sum ij Aditem$  : Total ERM items that should be disclosed

The capital structure variable is measured using the Debt-to-Equity Ratio (DER) since it compares the company's total debt to its equity.

$$DER = \frac{Total Debt}{Total Equity}$$

## RESULTS AND DISCUSSION

### Descriptive Statistic Analysis

Descriptive statistical analysis uses the average value (mean) and standard deviation to describe data from independent and dependent variables. According to the descriptive statistical analysis results in Table 2, the total number of samples in this research was 50 over five years of research.

Table 2.  
Descriptive Statistics Test Result

	<i>N</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Mean</i>	<i>Std. Deviation</i>
IC	50	-18.6537	8.1396	4.4032	4.23554
COSO ERM	50	0.7037	0.8241	0.7581	0.03716
DER	50	-3.4769	1.5762	0.6876	0.66850
Tobin'q	50	0.8266	3.8853	1.7608	0.80758
Valid N (listwise)	50				

Source: SPSS Output, 2022

The intellectual capital variable proxied using VAIC™ has a minimum value of -18.6537, a maximum value of 8.1396, an average value (mean) of 4.4032, and a standard deviation value of 4.23554.

The COSO ERM variable has a minimum value of 0.7037, a maximum value of 0.8241, an average (mean) of 0.7581, and a standard deviation of 0.03716.

The capital structure variable, proxied by the debt-to-equity ratio (DER), had a minimum value of -3.4769, a maximum value of 1.5762, an average (mean) of 0.6876, and a standard deviation of 0.66850.

Tobin's q is used to proxy the firm value variable, yielding a minimum of 0.8266 and a maximum of 3.8853. The sample's average (mean) company value is 1.7608, with a standard deviation of 0.80758.

### Multiple Linear Regression Analysis

In this research, multiple linear regression analysis was employed as an instrument for decision-making to examine the impact of intellectual capital variables (X1), COSO ERM (X2), and capital structure (X3) on firm value (Y) in JII-listed manufacturing companies. Table 3 shows the results of the multiple linear regression model.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

$$Y = -1,729E-15 + 0,061X_1 + 0,389X_2 - 0,391X_3 + e$$

Table 3.  
The Results of the Multiple Linear Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-1.729E-15	0.129		0.000	1.000
Zscore(IC)	0.061	0.168	0.061	0.361	0.720
Zscore(COSOERM)	0.389	0.137	0.389	2.838	0.007
Zscore(DER)	-0.391	0.167	-0.391	-2.348	0.023

Source: SPSS Output, 2022

Based on the partial test results (T) above, we can conclude as follows:

The intellectual capital variable has a significance value of 0.720, greater than 0.05 ( $>\alpha = 0.05$ ), and a  $T_{\text{observed}}$  value of 0.361, lower than  $T_{\text{critical}}$  of 2.011. Therefore,  $H_0$  is accepted, and  $H_a$  is rejected. Thus, the intellectual capital variable has no significant positive influence on firm value.

The COSO ERM variable has a significance value of 0.007, less than 0.05 ( $<\alpha = 0.05$ ), and has a  $T_{\text{observed}}$  value of 2.838, greater than  $T_{\text{critical}}$  of 2.011. Therefore,  $H_0$  is rejected, and  $H_a$  is accepted. Thus, the COSO ERM variable has a significant positive influence on firm value.

The capital structure variable has a significance value of 0.022, less than 0.05. However, the  $t_{\text{observed}}$  value is negative (-2.348), indicating that the direction of the relationship between capital structure and firm value is opposite, thus, rejecting the researcher's hypothesis. Therefore, capital structure has no significant positive influence on firm value.

### Simultaneous Significance Test (F-statistic Test)

The F test in this research was used to test whether the independent variables can simultaneously affect the dependent variable.

Table 4.

The Results of the Simultaneous Significance Test

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	10.523	3	3.508	4.193	0.011 <sup>b</sup>
Residual	38.477	46	0.836		
Total	49.000	49			

Source: SPSS Output, 2022

The F-test outcomes indicate that intellectual capital (X1), COSO ERM (X2), and capital structure (X3) all have a simultaneous influence on the firm value (Y), with a probability value (F-statistic) of 0.011, lower than 0.05. The  $F_{\text{observed}}$  value is 4.193, higher than the  $F_{\text{critical}}$  value of 2.802. This finding rejects  $H_0$  and accepts  $H_a$ .

### Coefficient of Determination ( $R^2$ )

The coefficient of determination is used to measure how far the ability of an independent variable to explain the variation or influence on the dependent variable.

Table 5.

The Result of the Coefficient of Determination Test

R	R Square	Adjusted R Square
0.463 <sup>a</sup>	0.215	0.164

Source: SPSS Output, 2022

Table 5 above shows that the coefficient of determination (Adjusted  $R^2$ ) is 0.164. It means that the independent variables (intellectual capital, COSO ERM (enterprise risk management), and capital structure) have a 16.4% relationship with the dependent variable (firm value). The remaining 83.6% is influenced by variables not included in this research.

## Discussion

### 1. The Influence of Intellectual Capital toward Firm Value

Intellectual capital is a long-term ability that can be developed using intellectual resources. Based on Table 3, the partial test (T) shows a significance value of 0.720, higher than 0.05. The obtained  $T_{\text{observed}}$  value is 0.361, lower than the  $T_{\text{critical}}$  value of 2,011. Therefore,  $H_0$  is accepted, and  $H_1$  is rejected. According

to stakeholder theory, intellectual capital disclosure establishes communication between stakeholders and companies regarding stakeholder expectations of disclosed intellectual capital accounts. Company managers who can meet stakeholder expectations to create firm value for the company can improve the company's financial performance, which benefits stakeholders.

The analysis that states no significant effect indicates that communication between stakeholders and company management is insufficient and has failed to meet stakeholders' expectations to create value in intellectual capital by utilizing all of the company's potential and resources, including employees (human capital), physical assets (physical capital), and structural capital. Similarly, resource-based theory explains how to use and manage resources like human capital, customer capital, and structural capital to add value to the company. This research found that the company's utilization of physical capital (capital employed) in obtaining tangible assets through investment activities was lacking and was deemed incapable of supporting the company's productivity and adding value. With these findings, investors will tend to base their decisions on utilizing human capital and infrastructure that supports human capital success (structural capital), resulting in a low company assessment. This research's findings are consistent with those of (Lestari & Sapitri, 2016) and (Pratama et al., 2020), that intellectual capital does not affect firm value because investors do not consider intellectual capital when assessing and measuring company performance. They prefer measuring factors, such as company stock prices.

## **2. The Influence of Enterprise Risk Management toward Firm Value**

Disclosure of enterprise risk management is one of the strategies used to assess and manage all company risks (Wahyuni & Novita, 2021). The partial test (T) yielded a significance value of 0.007, less than 0.05, and a  $T_{\text{observed}}$  value of 2.838, higher than the  $T_{\text{critical}}$  value of 2.011. Therefore,  $H_a$  is accepted, and enterprise risk management significantly positively affects firm value. The significant positive result indicates that the more enterprise risk management disclosure items the company discloses or publicizes, the more value it adds. According to statistical processing results, the disclosure of enterprise risk management is considered efficient, which shows an average of 76%.

The findings of this research are consistent with the signaling theory, which states that information released by a company has a significant impact on investment decisions made by parties outside the company (Devi et al., 2017). Investors will favorably view information about the company's ERM disclosures as a positive signal because the company is thought to have mitigated risks. Management will disclose information about the good news that investors and shareholders are interested in, particularly regarding stock prices. The existence of this good news will have a positive impact on market reactions, thereby increasing firm value. This research's findings are also consistent with previous research (Devi et al., 2017) and (Handayani, 2017), which discovered that enterprise risk management significantly impacts firm value. The better and clearer the ERM disclosure submitted by the company in its report, the more

confident investors will be in the safety of the funds invested. As a result, investors will compete for company property certificates and are willing to compete on the purchase price of these shares.

### **3. The Influence of Capital Structure toward Firm Value**

One of the most important aspects of financial management in business operations is capital structure decisions, specifically the composition of debt, preferred stock, and equity (Prasetia et al., 2014). The partial test (T) results show a significance value of 0.023, lower than 0.05, and a  $T_{\text{observed}}$  value of -2.348. However, the negatives of -2,362 indicates a negative relationship between capital structure and firm value. The negative coefficient value indicates that the firm value decreases as the capital structure value increases. The trade-off theory states that if a company wants to increase its value, it must use debt at some point. In the opposite direction, if the debt exceeds the specified limit, the firm value decreases. The utilization of capital structure in this research is quite good, as evidenced by the average capital structure in the descriptive statistic test of 0.69, which is less than 1. As a result, the capital structure is not optimal because it cannot reduce the overall cost of capital. Although the results show that the average capital structure is less than 1, it does not necessarily imply optimal capital structure. As a consequence,  $H_3$  is rejected. This means that capital structure has no significant positive influence on firm value.

### **4. The Influence of Intellectual Capital, Enterprise Risk Management, and Capital Structure toward Firm Value**

The simultaneous significance test (F) yields a significance value of 0.011, lower than 0.05, and a  $F_{\text{observed}}$  value of 4.193, lower than the  $F_{\text{critical}}$  value of 2.802. The outcomes lead to the rejection of  $H_0$  and acceptance of  $H_a$ . Therefore, it is possible to conclude that intellectual capital, COSO ERM, and capital structure all influence firm value. Thus, the researcher's hypothesis is supported. The partial test results show that COSO ERM has a significant positive effect. In contrast, capital structure has a significant negative effect due to the negative data in the partial test, which is less likely to increase firm value.

Furthermore, intellectual capital does not influence firm value. When the three variables are combined, the result is that all three variables affect firm value simultaneously. The coefficient of determination, which yielded a result of 16.4%, demonstrates that the influence is not too large. Consequently, the intellectual capital, COSO enterprise risk management, and capital structure variables can only explain a small portion of the firm value variable.

## **CONCLUSION**

Based on the findings and discussion, it is possible to conclude that intellectual capital has no influence on firm value, enterprise risk management has a positive and significant influence on firm value, capital structure has no influence on firm value, and intellectual capital, enterprise risk management, and capital structure simultaneously have a positive influence on firm value.

The limitation of this research is that it only focuses on manufacturing companies listed on the Jakarta Islamic Index over five years from 2017 to 2021. The findings show that the independent variable only describes 16.4% of the dependent variable. Thus, there are additional variables that can influence firm value.

## RESEARCH IMPLICATION

Companies are expected to reassess their resource utilization in the form of physical and non-physical aspects, such as employee training, the use of appropriate technology, and transparency and initiatives regarding risks and how to prevent them from increasing investor confidence in the company's quality. Managers are expected to consider whether to take funds in the form of debt or equity and manage their debt properly. It is hoped that it will be useful as additional reference material for future researchers, allowing them to add or include other variables, use different types of methods, and expand into other company sectors. Future researchers can use other risk management standards, such as ISO 31000, to provide more diverse and accurate results.

## REFERENCES

- Barney, J. B. (1986). Foundation paper for Resource Based View Strategic Factor Markets: Expectations, Luck, and Business Strategy. *Management Science*, 32(10), 1231-1242.
- Cahyani, I. F., Wahyuningtyas, E. T., Nahdlatul, U., Jl, U. S.-, Nahdlatul, U., & Jl, U. S.-. (2020). Dampak Intellectual Capital Dan Capital Structure Terhadap Firm Value Dengan Financial Performance Sebagai Variabel Intervening. *National Conferance of Ummah*, 1.
- Chen, M. C., Cheng, S. J., & Hwang, Y. (2005). An empirical investigation of the relationship between intellectual capital and firms' market value and financial performance. *Journal of Intellectual Capital*, 6(2), 159-176.
- Coso. (2013). *Enterprise Risk Management: Integrated Framework: Executive Summary, Framework, September* ". September. [https://egrove.olemiss.edu/aicpa\\_assoc/38](https://egrove.olemiss.edu/aicpa_assoc/38)
- CRMS Indonesia. (2017). Survey Nasional Manajemen Risiko 2017. *CRMS Indonesia*, 1-37. <https://crmsindonesia.org/wpcontent/uploads/2018/11/CRMS-Indonesia-Survei-Nasional-Manajemen-Risiko-2018.pdf>
- Deegan, C. (2014). *Financial Accounting Theory*. McGraw-Hill Education (Australia) Pty Limited. <https://books.google.co.id/books?id=zH-BQAAQBAJ>



- Desi Permata Sari, Welli Alhadi Putri, Mondra Neldi, Y. C. (2017). Pengaruh Intellectual Capital, Struktur Modal dan Ukuran Perusahaan Terhadap Nilai Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Tahun 2014-2018. *Ekonomi Dan Bisnis*, 19(1), 113-126.
- Devi, S., Budiasih, I. G. N., & Badera, I. D. N. (2017a). Pengaruh Pengungkapan Enterprise Risk Management dan Pengungkapan Intellectual Capital Terhadap Nilai Perusahaan (The Effect of Enterprise Risk Management Disclosure and Intellectual Capital Disclosure on Firm Value). *Jurnal Akuntansi Dan Keuangan Indonesia*, 14(1), 20-45.
- Devi, S., I Dewa Nyoman, B., & Budiasih, I. G. A. N. (2016). Pengaruh Enterprise Risk Management Disclosure dan Intellectual Capital Disclosure Pada Nilai Perusahaan. *Simposium Nasional Akuntansi XIX*, 1-28.
- Dhani, I. P., & Utama, A. . G. S. (2017). Pengaruh Pertumbuhan Perusahaan, Struktur Modal, Dan Profitabilitas Terhadap Nilai Perusahaan. *Jurnal Riset Akuntansi Dan Bisnis Airlangga*, 2(1), 135-148.
- Eliza, A. (2011). Efisiensi Intellectual Capital dan Pengaruhnya terhadap Kinerja Keuangan: Studi Empiris pada Bank yang Terdaftar di BEI Tahun 2004-2008. *Jurnal Akuntansi Dan Keuangan*, 16(2), 177-196.
- Emar, A. E. S., & Ayem, S. (2020). Pengaruh Pengungkapan Enterprise Risk Management dan Pengungkapan Intellectual Capital Terhadap Nilai Perusahaan dengan Good Corporate Governance Sebagai Moderasi. *WACANA EKONOMI (Jurnal Ekonomi, Bisnis Dan Akuntansi)*, 19(2), 79-90.
- Ghozali, I. (2018). *Aplikasi Analisis Multivariate Dengan Program IBM SPSS 25* (Edisi 9). UNDIP.
- Gozali, A., & Hatane, S. E. (2014). Pengaruh Intellectual Capital Terhadap Kinerja Keuangan Dan Nilai Perusahaan Khususnya Di Industri Keuangan Dan Industri Pertambangan Yang Terdaftar Di Bursa Efek Indonesia Tahun 2008 - 2012. *Business Accounting Review*, 2(2), 208-217.
- Handayani, B. D. (2017). Mekanisme Corporate Governance, Enterprise Risk Management, Dan Nilai Perusahaan Perbankan. *Jurnal Keuangan Dan Perbankan*, 21(1), 70-81. <https://doi.org/10.26905/jkdp.v21i1.1228>
- Harjito, A. dan M. (2012). *Manajemen Keuangan* (kedua). Ekonisia.
- Harjito, D. A. (2011). Teori Pecking Order dan Trade-Off dalam Analisis Struktur Modal di Bursa Efek Indonesia. *Jurnal Siasat Bisnis*, 15(2), 187-196.
- Hermawan, S. (2013). Makna Intellectual Capital Perspektif the Role Theory. *Ekuitas: Jurnal Ekonomi Dan Keuangan*, 80, 256-275.

- Indriani, S. (2019). *Nilai perusahaan Melalui Kualitas laba* (N. Azizah (ed.)). Scorpio Media Pustaka.
- Iswajuni, I., Soetedjo, S., & Manasikana, A. (2018). Pengaruh Enterprise Risk Management (Erm) Terhadap Nilai Perusahaan Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek. *Jurnal Akuntansi, Ekonomi Dan Manajemen Bisnis*, 6(1), 67-73.
- Iwan Kurniawan, Y., & Lukman, H. (2020). Pengaruh Intellectual Capital Terhadap Firm Value dengan Capital Structure Sebagai Variabel Mediasi. *Jurnal Multiparadigma Akuntansi Tarumanagara*, 2(2020), 971-981.
- Kusuma, I. L. (2017). Intellectual Capital : Salah Satu Penentu Keunggulan Bersaing. *Jurnal Akuntansi Dan Pajak*, 16(01), 48-54.
- Lestari, N., & Sapitri, R. C. (2016). Pengaruh Intellectual Capital Terhadap Nilai Perusahaan. *Jurnal Akuntansi, Ekonomi Dan Manajemen Bisnis*, 4(1), 28-33.
- Manurung, D. T. H., & Kusumah, R. W. R. (2016). Telaah Enterprise Risk Management melalui Corporate Governance dan Konsentrasi Kepemilikan. *Jurnal Akuntansi Multiparadigma*, 204, 335-348.
- Mariani, D., & Suryani. (2018). Pengaruh Kinerja Keuangan Terhadap Nilai Perusahaan Dengan Kinerja Sosial Dan Kinerja Lingkungan Sebagai Variabel Moderator (Studi Empiris Pada Perusahaan Pertambangan dan Manufaktur yang Terdaftar di Bursa Efek Indonesia Tahun 2011 - 2015) Desy. *Jurnal Akuntansi Dan Keuangan*, 7(1), 59-78.
- Muamar, Y. (2020). *Sektor Manufaktur RI 2019 Lesu, 11 Saham Otomotif Ini Merana*. CNBC Indonesia. <https://www.cnbcindonesia.com/market/20200206164015-17-135908/sektor-manufaktur-ri-2019-lesu-11-saham-otomotif-ini-merana>
- Munfaida, L., Amin, M. Al, & Magelang, U. M. (2021). *Pengaruh Enterprise Risk Management Terhadap Kinerja Perusahaan Dimoderasi oleh Struktur Dewan Komite*. May.
- Novitasari, R., & Krisnando. (2021). Pengaruh Struktur Modal, Pertumbuhan Perusahaan, dan Firm Size terhadap Nilai Perusahaan Pada Perusahaan Consumer Goods yang Terdaftar di Bursa Efek Indonesia (BEI) Periode 2017-2020. *Jurnal Akuntansi Dan Manajemen (JAM) Volume*, 18(2), 71-81.
- Oktaviani, M., Rosmaniar, A., & Hadi, S. (2019). Pengaruh Ukuran Perusahaan (Size) Dan Struktur Modal Terhadap Nilai Perusahaan. *BALANCE: Economic, Business, Management and Accounting Journal*, 16(1). <https://doi.org/10.30651/blc.v16i1.2457>
- Pamungkas, A. (2019). Pengaruh Penerapan Enterprise Risk Management

(COSO) Terhadap Nilai Perusahaan: Studi Empiris pada Perusahaan Manufaktur yang Terdaftar di BEI. *Jurnal Akuntansi Maranatha*, 11(1), 12–21. <https://doi.org/10.28932/jam.v11i1.1539>

- Prasetya, T. E., Tommy, P., & Saerang, I. S. (2014). Struktur Modal, Ukuran Perusahaan Dan Risiko Perusahaan Terhadap Nilai Perusahaan Otomotif Yang Terdaftar Di Bei. *Ukuran... Jurnal EMBA*, 8792(2), 879–889.
- Pratama, B. C., Putri, I., & Innayah, M. N. (2020). The Effect Of Enterprise Risk Management Disclosure, Intellectual Capital Disclosure, Independent Board Of Commissioners, Board Of Director And Audit Committee Towards Firm Value. *Jurnal Manajemen Dan Keuangan*, 9(1), 60–72.
- Rai Prastuti, N., & Merta Sudiarta, I. (2016). Pengaruh Struktur Modal, Kebijakan Dividen, Dan Ukuran Perusahaan Terhadap Nilai Perusahaan Pada Perusahaan Manufaktur. *None*, 5(3), 254202.
- Rivandi, M. (2018). Pengaruh intellectual capital disclosure, kinerja keuangan, dan kepemilikan manajerial terhadap nilai perusahaan. *Jurnal Pundi*, 2(1),
- Ross, S. A. (2013). *Corporate Finance*, 10.
- Safitri, Y., & Anggraini, F. (2021). *Pengaruh Enterprise Risk Management Terhadap Nilai Perusahaan Dengan Intellectual Capital Sebagai Variabel Moderasi*.
- Santoso, S. (2006). *Seri Solusi Bisnis Berbasis TI Menggunakan SPSS Untuk Statistik Non Parametrik*. Elex media Komputindo.
- Soetedjo, S., Manasikana, A., Badan, S., Internal, P., Airlangga, U., Badan, K., Internal, P., Airlangga, U., Perusahaan, U., & Manajerial, K. (2018). Pengaruh Enterprise Risk Management ( Erm ) Terhadap Nilai Perusahaan Pada Perusahaan. *Journal of Applied Managerial Accounting*, Vol 2(No 2), 275–281.
- Soetedjo, S., & Sugianto, A. (2018). Penerapan Coso Erm Integrated Framework Dalam Mendukung Audit Forensik Untuk Menanggulangi Tindakan Kecurangan. *Journal of Applied Managerial Accounting*, 2(2), 262–274.
- Sudiyatno, Bambang dan Puspitasari, E. (2010). Tobin's Q dan Altman Z-Score Sebagai Indikaor Pengukuran Kinerja Perusahaan Tobin's Q and Altman Z-Score as Indicators of Performance Measurement Company. *Kajian Akuntansi*, 2(1), 9–21.
- Sugiarto. (2009). *Struktur Modal, Struktur Kepemilikan Perusahaan, Permasalahan Keagenan & Informasi Asimetri (Pertama)*. Graha Ilmu.
- Tunggal, C. A., & Ngatno, N. (2018). Pengaruh Struktur Modal Terhadap Nilai Perusahaan Dengan Ukuran Dan Umur Perusahaan Sebagai Variabel

Moderator (Studi Kasus Tahun 2014- 2016) Pada Perusahaan Sub-Sektor Makanan Dan Minuman Yang Terdaftar Di Bei. *Jurnal Ilmu Administrasi Bisnis*, 7(2), 141–157.

Ulum, I. (2009). *Intellectual Capital Konsep dan Kajian Empiris (Pertama)*. Graha Ilmu.

Ulum, I. (2017). *Intellectual Capital: Model Pengukuran, Framework Pengungkapan & Kinerja Organisasi (ketiga)*. Universitas Muhammadiyah Malang.

Wahyuni, R. S., & Novita, N. (2021). COSO ERM Framework as the Basis of Strategic Planning in Islamic Banking. *Jurnal Keuangan Dan Perbankan*, 25(1), 21–35. <https://doi.org/10.26905/jkdp.v25i1.5123>

Zuliansyah, A. (2018). *Intellectual Capital Disclosure Terhadap Kinerja Perusahaan [IAIN Raden Intan Lampung]*. <https://doi.org/10.1108/14691930810845812.2>