



# The Influence of Intellectual Capital and Environmental Performance on Company Value with Financial Performance as an Intervening Variable in Manufacturing Companies

Ni Kadek Aprina Asriani\*, Desak Nyoman Sri Werastuti,  
Anantawikrama Tungga Atmadja

Universitas Pendidikan Ganesha, Jl. Udayana 11, Singaraja, Bali, Indonesia  
\*aprinanikadek@gmail.com

---

## CITATION:

Asriani, N. K. A., Werastuti, D. N. S., & Atmadja, A. T. (2024). The Influence of Intellectual Capital and Environmental Performance on Company Value with Financial Performance as an Intervening Variable in Manufacturing Companies. *JIA (Jurnal Ilmiah Akuntansi)*, 9 (1), 159-185.

## ARTICLE HISTORY:

### Received:

October 12, 2023

### Revised:

June 3, 2024

### Accepted:

June 29, 2024

**DOI:** 10.23887/jia.v9i1.69045

## Abstract

This research aims to examine the influence of intellectual capital and environmental performance on firm value, with financial performance as an intervening variable, in manufacturing firms. The study focuses on manufacturing companies listed on the Indonesia Stock Exchange (BEI), with samples selected based on specific criteria. Data analysis is conducted using SEM-PLS (Structural Equation Modeling-Partial Least Squares) with Smart PLS software version 3.0. The results reveal that intellectual capital positively and significantly impacts both financial performance and firm value. However, environmental performance does not significantly influence financial performance or firm value. Additionally, financial performance does not significantly impact firm value and does not mediate the relationship between intellectual capital, environmental performance, and firm value. These findings suggest that while intellectual capital directly enhances financial performance and firm value, environmental performance does not play a significant role in influencing these outcomes, and financial performance does not serve as a mediator in these relationships.

**Keywords:** intellectual capital; environmental performance; company value; financial performance

---

## INTRODUCTION

In today's competitive business era, increasing company value has become a primary focus for many organizations (Indriastuti & Kartika, 2021). The main objective of this research is to understand how

intellectual capital and environmental performance impact firm value, with financial performance acting as an intervening variable, especially in manufacturing companies. Intellectual capital, which includes intangible assets such as employee

expertise, brand wealth, and knowledge management systems, has been recognized as a key element in creating added value for companies. However, a clear definition of what constitutes intellectual capital and how it is measured is often not provided clearly enough in the literature (Hermawan, et al., 2022). Therefore, a deep understanding of this concept is important before going any further.

On the other hand, environmental performance is increasingly becoming a concern in today's business context (Sisdianto, et al., 2023). Companies are faced with demands to be socially and environmentally responsible, and understand their impact on the surrounding environment. With climate change and increasing public awareness of environmental issues, environmental performance is no longer an option, but a necessity for organizations that wish to maintain their reputation and maintain the continuity of their operations (Yuniarta, et al., 2023). In this context, this research highlights the importance of understanding the relationship between intellectual capital, environmental performance and firm value. In addition, with the emergence of sustainable business practices and the increasing emphasis

on knowledge-based assets in modern business strategies, this research attempts to bridge the gap in the literature by combining these concepts and analyzing how they influence each other.

A review of the literature shows that although there is research that has been conducted in this area, there is still a lack of understanding of how intellectual capital and environmental performance interact and impact firm value, especially in the context of manufacturing companies. This research hopes to fill this gap by offering a deeper and more comprehensive understanding of this relationship.

Through the new approach proposed in this research, it is hoped that significant contributions can be made to academic literature and business practice. By identifying the key factors that influence company value, organizations can direct their strategies more effectively to achieve their long-term goals. In the context of the manufacturing industry, previous research has highlighted the importance of intellectual capital and environmental performance as key factors influencing firm value. Although there has been research clarifying the relationship between intellectual capital or environmental performance and firm value

separately, there is still a lack of understanding of the complex interactions between the two, especially in the context of the manufacturing industry. This gap is primarily related to the lack of research that specifically examines how intellectual capital and environmental performance mutually influence and impact firm value in the context of the manufacturing industry.

Additionally, there is a need to clarify the measurement and conceptualization of intellectual capital and environmental performance in the context of the manufacturing industry as well as to further explore how these factors may interact together to influence firm value. Therefore, this study aims to fill this gap by combining the concepts of intellectual capital and environmental performance and analyzing how the interaction between the two influences firm value in the context of the manufacturing industry, with the hope of providing a deeper and more comprehensive understanding of the influencing factors. company value in an ever-changing business environment. The main objective of the formation of a company is to increase the value of the company by creating the highest possible profit, so that it can improve the welfare of its

owners (Sari & Ardiansari, 2019). In order for this matter to be achieved, the value of the company must first be improved. The higher the price of the book, the more successful the company is in generating value and prosperity for its owners. The better the financial performance of the company, the better the value of the company, the higher the value of the company, the higher the returns generated and the higher the return on shares, the more prosperous the shareholders will be (Sari & Susanti, 2021).

The phenomenon of intellectual capital grew and developed after the emergence of PSAK Number 19 (revised 2010) related to intangible assets, although not mentioned explicitly as intellectual capital, but has become a serious concern where intangible assets are non-monetary assets identified without physical form. Intangible assets are used in the creation or delivery of goods and services that are then leased to other parties or for administrative purposes. In paragraph 09 of PSAK Number 19 related to intangible assets, it is stated that it consists of know-how, technology, licenses, intellectual property rights, new system implications, market-related knowledge and trademarks. There are many companies that are starting to

pay attention to intangible assets as a business strategy to achieve competitive advantages that result in the application of business knowledge-based

Indirectly, the measurement of intellectual capital using the Value-Added Intelligence Coefficient (VAICTM), is a measure to calculate the efficiency of added value as a result of the intellectual expertise of a company (Pulic, 1998). Research related to intellectual capital on firm value and financial performance has yielded mixed but mixed results. Research from Fitriasari and Sari (2019) and Kusumandari and Sapari (2019) found that intellectual capital has a positive impact on performance finances. This is due to the role of intellectual capital in supporting good corporate performances. The financial performance company is supported by the quality of human resources, employees and structural capital, thus making the company better performing.

The accountability environment will influence the performance of the company. A company is said to be good, if the company is not only focused on profit but also sensitive to the conditions of the environment around the company and the welfare of the surrounding residents (Yasrawan & Werastuti, 2022). The

principle of a company is to obtain the maximum possible profit, but the principle of profit maximization is actually completed by many companies without paying attention to the surrounding environment and only focusing on the financial and internal aspects of the company without observing and balancing with the environmental aspects in society. This matter is a reflection that many companies are more concerned with the profits obtained to produce efficiently, so the program management environment is less concerned and the level of environmental performance in the company is lower (Handayani, 2019).

One important factor that can increase the value of a company is its financial performance. Financial performance can be used by potential investors in making decisions when they want to invest. Maintaining and improving financial performance is something that must be done for companies so that their shares continue to attract investors (Wardani & Sa'adah, 2020). A reflection of a company's financial performance is a financial statement that is useful as information and a tool for managing it that can be taken into account to become visible to the company. Company financial statements are also a tool for making decisions about

the success of a company. Financial performance is often proxied or measured through financial ratios.

This research is a representative form of several previous studies related to the influence of intellectual capital and environmental performance on corporate value along with financial performance. The difference between this research and previous research is to examine the direct influence of intellectual capital and performance environment on company value and examine the indirect influence of intellectual capital and performance environment on company value through the financial performance of companies listed on the Indonesia Stock Exchange in 2018 to 2022 and the limited accounting research literature that examines the influence of accounting on the environment.

## **LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT**

### **Signaling Theory**

Signaling theory was first discovered by Michael Spence in 1973 in his research entitled JobMarket Signaling which was developed again in 2002 (Spence, 1973). This theory involves two parties, namely management who acts as the signal giver and investors who act as the party who receives the signal. Spence

stated that by providing signals, management seeks to provide relevant information that investors can use in making decisions according to their understanding of the signal.

### **Legitimacy Theory**

The theory of legitimacy was presented by Dowling & Pfeffer (1975) which states that efforts to achieve the conformity of the social values of an organization to the norms of general public behavior to be achieved by the organization, of which the organization is a part of it's a system.

### **Resource Based Theory**

Resource Based Theory is a thought that develops in the theory of strategic management and competitive advantage of companies that believes that companies will achieve superiority if they have superior resources.

### **Hypothesis Development**

Based on resource theory, a company that excels in business competition and obtains good financial performance must be able to manage and utilize tangible assets and intangible assets. So it is in accordance with stakeholder theory, corporate management is expected to bring out activities that are considered important by stakeholders

and report back those activities to stakeholders because all stakeholders have the right to obtain information about the organization's activities. The information that can be obtained is intellectual capital. Intellectual capital is believed to play an important role for companies in driving improved financial performance and corporate value.

Fitriasari & Sari (2019) conducted research on the influence of intellectual capital on company value with financial performance as an intervening variable, resulting in intellectual capital having a positive impact on financial performance. This is due to the role of intellectual capital in supporting good corporate performances. The company's financial performance is supported by the quality of human resources, employees and structural capital, thereby producing a good company performance. In Kusumandari & Sapari's (2019) research, generating intellectual capital has a positive impact on performance finances. Thus hypothesis 1 in this research is as follows.

H1: Intellectual Capital has a positive influence on performance finances

In legitimacy theory, the influence of society can largely

determine the allocation of financial and economic resources. Companies tend to use environmental displays and environmental disclosure information to prove or validate the company's activities in the eyes of the public. The company uses its annual report to describe its impression of its environmental and financial responsibilities so that it can be accepted by the public.

Previous studies that discussed the influence of the performance environment on performance finances have a positive influence, including research by Damanik & Yadnyana (2017), financial performance has a very important influence. Based on this, the conclusion that the government made is quite reliable as a measure of the performance environment. Research from Tahu (2019) shows that the performance environment influences the performance's finances, which is ROA which is proxied.

Meanwhile, different from the research from Astuti et al. (2014) and Rafianto (2015) stated that the performance environment does not have an influence on the financial performance due to the company and is also focused on increasing profit orientation without paying attention to the performance environment which may be able to increase profits

or improve the company's financial performance. Thus hypothesis 2 in this research is as follows.

H2: The performance environment positively influences performance finances

Signal theory explains that disclosure of intellectual capital utilization through annual reports provides good news, thereby increasing firm value. The disclosure of intellectual capital has been brought out by the company by presenting the income and expenses incurred, especially labor costs, and adding explanations in annual reports, in the form of innovation, especially in the field of technology for easy access to banking transactions, that education has been taken by directors and staff, as well as their loyalty to customers, is able to attract and convince investors to invest in the company (Sagala & Ginting, 2021).

The inclusion of positive intellectual capital disclosure will encourage changes in stock trading volume, as investors tend to pay higher prices for shares of companies that have more intellectual capital, thereby increasing the value of the company (Dwi et al., 2022). This explanation is supported by research conducted by Fitriasari and Sari (2019), Kusumandari and Sapari

(2019) and Anggraini et al. (2020) which shows that intellectual capital has a positive impact on company value. In contrast, research conducted by Suryani et al. (2020) result that intellectual capital does not have a significant influence on firm value. Thus hypothesis 3 in this research is as follows.

H3: Intellectual capital has a positive impact on firm value

Signal theory emphasizes the importance of the information released by a company on investors' investment decisions (Wardani & Sa'adah, 2020). Through information published as an announcement, investors can obtain a summary of past or future market conditions to determine investment decisions. Companies use annual reports to describe the impression of their environmental and financial responsibilities so that they can be accepted by the public (Damanik & Yadnyana, 2017). Previous research that examined the performance environment focused on company value, namely Wardani & Sa'adah (2020) showed that the results show that the performance environment influences company value. Companies that are able to pay attention to the environment and social concerns in society will give a positive impression

so that the company will be seen as a great company. So, hypothesis 4 in this research is as follows.

H4: Environmental performance has a positive impact on company value

Fauziyyah (2019) revealed that good corporate financial performance will have an impact on increasing the value of a company. Good corporate value will attract investors to invest in the company in the hope that they will earn profits (dividends). If the company makes large profits, the number of dividends to be distributed will be even larger. This encourages investors to continue investing in the company to generate profits.

Previously, the research examined performance finance at value companies, namely Halimahtussakdiah et al. (2022) show that financial performance results influence corporate intentions. Research by Dewi et al. (2022) show a positive and important influence on financial performance on firm value. Research by Mukhita et al. (2022) results that financial performance influences firm value. And Fauziyyah's research (2019) showed that financial performance influences company value. Different from previous research results, research from Ramadhana and Januarti (2022)

shows that the company's financial performance does not have a positive influence on the company's value. This proves that short-term financial performance in forming ROE does not reflect the results of investments and additional expenditures in an effort to increase the value of the company. Thus hypothesis 5 in this research is as follows.

H5: Financial performance has a positive influence on company value

Resource-based theory assumes that a company can compete competitively if the company is able to utilize and manage the resources owned by the company with both tangible and intangible assets or intellectual capabilities. Resource utilization will run healthily if the company is supported by Good intellectual capital too. Fitriasisari and Sari (2019) conducted research that resulted in financial performance being able to mediate the relationship between intellectual capital and corporate value. Investors have assigned higher valuations to companies that have higher financial performances. By improving financial performance, companies are able to manage their intellectual resources effectively and efficiently. This is supported by research conducted by



Sagala and Ginting (2021). Using intellectual resources can create competitive advantages and increase added value, which can later be used as a tool to determine company value. Thus hypothesis 6 in this research is as follows.

H6: Intellectual capital positively influences the value of the firm with performance

In research by Fauziyyah (2019) and Tjahjono (2013) were proven that the performance environment indirectly influences company value with financial performance as an intervening variable. In contrast to that, research conducted by Wardani and Sa'adah (2020), performance finance cannot mediate the relationship between performance environment and company value, because company value is influenced by other factors. So, this shows that if the performance environment is Good without financial performance, the company's value will remain Good. Based on the explanation and results from previous research on the relationship of the performance environment to performance finances and company value, hypothesis 7 in this study is as follows.

H7: The performance environment positively influences the value of the firm with financial

performance as an intervening variable.

## **METHOD**

### **Research Design**

The approach used in this research is approaching quantitative. Quantitative approach is a research approach whose research methods are based on the philosophy of positivism. The type of research used in this research is associative research, the aim of which is to determine the influence or relationship between two or more variables (Sugiyono, 2010).

### **Population and Sample**

The population of this research is manufacturing companies listed on the Indonesian Stock Exchange (BEI) for the 2018-2022 period and participating in Proper during the 2018-2022 period sequentially. The example is 30 companies that doubled within five years, which is 150 observations.

### **Operational Definition and Measurement of Variables**

Intellectual capital (X1) is the resource owned by a company in forming from knowledge, information and skills that become competitive and sustainable advantages to create value for the company. The intellectual capital variable in this

research is measured using the concept of Value-Added Intellectual Coefficient (VAICTM) developed by Pulik (1998). The indicators used in measuring intellectual capital are Value Added Capital Employed (VACA), Value Added Human Capital (VAHU), Value Added Structural Capital (STVA), Value Added Intellectual Coefficient (VAICTM).

Environmental performance (market and as a form of responsibility and concern for the environment (Tiarasandy et Al. 2018). The proxies used in this research were used as published by the Ministry of Environment and Forestry (Ardila, 2017; Tiarasandy et al. 2018). The exact rank is divided into 5 ranks denoted by colors, where each color will be scored. Each rank is assigned a corresponding score from the best of its performance environment to its worst, i.e., a score of 5 for the gold rank, a score of 4 for the green rank, a score of 3 for the blue rank, a score of 2 for the red rank ranking and score from 1 to the black ranking.

Company financial performance (X3) is a form of company achievement visible from its financial statements that reflect the company's financial condition during a certain period. From financial performance can describe the success of the company in managing and allocating

company resources. In this research, performance is measured by profitability using the Return on Assets (ROA) Indicator. ROA measures the performance of a company's ability to generate profits using the company's total assets (wealth) after adjusting for the cost of funding those assets.

Company value (Y) shows the views of investors or stakeholders on the condition of the company. If a company can provide welfare to shareholders, the public will judge that the company has high value. In this research, company value is measured using the Tobin Q Formula which refers to research from Kurniawan et al. (2018).

### **Data Collection Method**

Data analysis activities include grouping data based on variables and types of respondents, making tabulations based on data on variables from all respondents, presenting data for each study variable, carrying out calculations to answer the problem formulation and working on calculations to test the hypothesis that has been proposed (Sugiyono, 2017). Data analysis in this study used the help of the intelligent PLS software version 3.0.

**Table 1. Outer Loading**

	Financial Performance (Y1)	Environmental Performance (X2)	Intellectual Capital (X1)	Company Value (Y2)
X1			1,000	
X2		1,000		
Y1	1,000			
Y2				1,000

**Table 2. Cross Loadings of Research Variable Indicators**

	Financial Performance (Y1)	Environmental Performance (X2)	Intellectual Capital (X1)	Company Value (Y2)
X1	0.502	0.047	1,000	0.867
X2	0.009	1,000	0.047	0.103
Y1	1,000	0.009	0.502	0.509
Y2	0.509	0.103	0.867	1,000

**Table 3. Composite Reliability Test Results**

	Composite Reliability
Intellectual Capital (X1)	1,000
Environmental Performance (X2)	1,000
Financial Performance (Y1)	1,000
Company Value (Y2)	1,000

**RESULTS AND DISCUSSION**

**Outer Model**

The external model is a measurement model to assess the validity and reality of the model.

*Convergent Validity*

Convergent validity tests can be seen from the factor loadings for each indicator construct. Results from convergent validity testing show it follows the results. Table 1 shows that it contains values from all research indicator variables that already have values higher than 0.70, so all the indicators are valid.

*Discriminant Validity*

The discriminant validity of the indicator can become visible in the

cross section between the indicator and its constructs. Table 2 shows that the correlation of the construct with the indicator is higher than the correlation of the indicator with other constructs, and the cross contains all the indicators from the research variable above 0.70 so all the indicators are valid.

*Composite Reliability*

Table 3 shows that all variables have a composite reliability higher than 0.70 so that all variables are reliable.

**Inner Model**

The Inner Model explains the relationships of latent variables based on substantive theory.

**Table 4. Test Results for R square**

	R square
Financial Performance (Y1)	0.252
Company Value (Y2)	0.764

**Table 5. Q Square Test Results**

	SSO	SSE	Q <sup>2</sup> (=1-SSE/SSO)
Financial Performance (Y1)	150,000	113.226	0.245
Environmental Performance (X2)	150,000	150,000	
Intellectual Capital (X1)	150,000	150,000	
Company Value (Y2)	150,000	44,842	0.701

*R- Square (R2)*

The results of the PLS R-box represent the sum of the differences from the construct explained by the model (Ghozali & Latan, 2015). The higher the R2 value, the better the proposed prediction model and research model. Table 4 shows that the box R value for the financial performance variable (Y1) is 0.252 (Weak). The R square of 0.252 also indicates that this research model is included in the category of weak model. Therefore, the value is below 0.50. The company variable value (Y2) of 0.764 indicates a strong model. The R square of 0.764 also indicates that this research model is included in the category of strong model because it is worth above 0.75.

*Predictive Relevance*

Table 5 shows that financial performance (Y1) has a Q2 value of > 0 which is 0.245 so the model has good predictive relevance to the model is moderate because it is above 0.15.

The value of the company (Y2) has a Q2 value of > 0 which is 0.701 so the model has good predictive relevance with a strong model because it is above 0.35.

*The goodness of Fit*

The criteria for GoF values are 0.10 (small GoF), 0.25 (medium GoF) and 0.36 (large GoF) (Ghozali & Latan, 2015). The goodness of fit value can be found by the following formula:

$$GoF = \sqrt{(AVE \times R^2)}$$

A Gof value of 0.713 indicates that this research model has a high GOF (large GoF) so the model is declared fit.

**The effect of Intellectual Capital on the Financial Performance of Manufacturing Companies**

The results of direct and indirect influence testing are presented in Table 6 and showing that testing hypothesis 1; and 3; has a coefficient of positive influence; t-statistics > 1.65; and P value < 0.000; So, the hypothesis is accepted. Hypothesis

**Table 6. Direct Effect Test**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T statistics ( O/STDEV )	P value
Intellectual Capital (X1) -> Financial Performance (Y1)	0.502	0.516	0.096	5,243	0,000
Environmental Performance (X2) -> Financial Performance (Y1)	-0.015	-0.013	0.040	0.361	0.718
Intellectual Capital (X1) -> Enterprise Value (Y2)	0.814	0.799	0.090	9,040	0,000
Environmental Performance (X2) -> Company Value (Y2)	0.064	0.065	0.037	1,741	0.082
Financial Performance (Y1) -> Company Value (Y2)	0.100	0.115	0.086	1,163	0.245

**Table 7 Indirect Effect Test**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T statistics ( O/STDEV )	P value
Intellectual Capital (X1) -> Financial Performance (Y1) -> Company Value (Y2)	0.050	0.064	0.055	0.910	0.363
Environmental Performance (X2) -> Financial Performance (Y1) -> Company Value (Y2)	-0.001	-0.003	0.007	0.223	0.823

testing 2;4;5;6; and 7; has a coefficient of positive influence; t-statistic < 1.65; and P value < 0.000; So, the first hypothesis was rejected.

The results of direct testing of the influence of intellectual capital on financial performance obtained that the coefficient of positive influence was 0.502 and the P value was 0.000 <0.05 which shows that intellectual capital has a positive and important influence on financial performance, so the first hypothesis is accepted.

Studies on the effect of Intellectual Capital on the financial performance of manufacturing companies show that Intellectual Capital plays a crucial role in

increasing competitive advantage and company legitimacy. Resource-Based Theory identifies Intellectual Capital as a valuable resource that increases a company's operational efficiency and competitiveness. Meanwhile, Legitimacy Theory and Signal Theory show that Intellectual Capital acts as a signal of legitimacy and quality to stakeholders, strengthening perceptions about the company's ability to survive and grow. However, research results also show variability in the relationship between Intellectual Capital and financial performance, which can be caused by factors such as inaccurate measurement of Intellectual Capital,

lack of strategic integration in Intellectual Capital management, or uncontrolled contextual variables. The implication is the need for a more careful methodological approach in measuring and managing Intellectual Capital as well as more effective integration in company strategy to ensure that Intellectual Capital can make a significant contribution to financial performance in the context of the manufacturing industry.

The theory underlying the influence of intellectual capital on financial performance is based on Resource Based Theory. Based on resource theory, a company that excels in business competition and obtains good financial performance must be able to manage and utilize tangible assets and intangible assets. The results of this research which show that intellectual capital has a positive and important impact on financial performance are supported by research by Fitriasari & Sari (2019), Kusumandari & Sapari (2019), and Asutay & Ubaidullah (2023).

### **The Effect of Environmental Performance on the Financial Performance of Manufacturing Companies**

The results of testing the direct influence of the performance environment on performance finances

were found to have a negative influence coefficient of -0.015 and a P value of  $0.718 > 0.05$  which indicates that the performance environment has no influence on financial performance, so both hypotheses were rejected.

Studies on the effects of Environmental Performance on the financial performance of manufacturing companies find that active environmental practices can provide competitive advantage and support company legitimacy. Resource Based Theory suggests that Environmental Performance, such as energy efficiency, good waste management, and compliance with environmental regulations, can be a valuable resource for reducing operational costs and increasing efficiency. Legitimacy Theory states that companies with good Environmental Performance tend to gain additional legitimacy from stakeholders because they are considered to operate with high social and environmental responsibility. Signal Theory explains that good environmental practices can serve as a positive signal about a company's long-term commitment to sustainability, which can improve reputation and market trust. However, varying results in studies may be due to different methodologies in measuring Environmental

Performance, diverse contextual factors such as regional regulations, and differences in industry focus, indicating complexity in the relationship between environmental practices and financial performance. The implication is the need for an integrated and sustainable management strategy in managing environmental aspects to achieve sustainable competitive advantage and answer increasingly stringent market demands regarding sustainability.

The results of this research show that the performance environment does not have an influence on financial performance, supported by research by Rahman (2020), Aini & Faisal (2021) and Maesaroh et Al. (2022).

### **The effect of Active Intellectual Capital on the Value of Manufacturing Companies**

The results of direct testing of the influence of intellectual capital on company value obtained a positive influence coefficient of 0.814 and a P value of 0.000 <0.05 which shows that intellectual capital has a positive and important impact on company value, so the three hypotheses are accepted.

These results indicate that the hypothesis being aligned with existing

theory, the intellectual capital brought out by manufacturing firms is proven to increase firm value. Recent studies regarding the influence of active Intellectual Capital on the value of manufacturing companies confirm that MI plays an important role in increasing company value. Resource-Based Theory identifies MI as strategic resources that are not easily imitated, such as structured knowledge, innovation, and branding, that provide competitive advantage. Legitimacy theory highlights that MI can function as a signal of legitimacy to stakeholders, confirming the perception that the company has intellectual capabilities that support long-term growth. Signal Theory explains that elements of Intellectual Capital such as product innovation or brand management can serve as signals of a company's quality and capabilities, strengthening its reputation and attractiveness to investors and customers. These findings are consistent with previous literature showing that effective management of Intellectual Capital can generate significant added value for companies, although differences in methodology and industry context may influence the results. The implication is that managing Intellectual Capital strategically can be the key to strengthening a

company's competitive position and value in an increasingly complex and competitive business environment. The results of this research show that intellectual capital has a positive and important influence on company value, supported by research by Fitriasari & Sari (2019), Kusumandari & Sapari (2019), Anggraini et al. (2020), and Nguyen & Doan (2020).

### **The Effect of Active Environmental performance on the Value of Manufacturing Companies**

The results of the direct test of the influence of the performance environment on company value obtained a positive influence coefficient of 0.064 and a P value of  $0.082 > 0.05$ , which indicates that the performance environment has no influence on company value, so the four hypotheses were rejected.

Studies on the effect of Environmental Performance on the value of manufacturing companies show that active environmental practices can significantly influence company value positively. Resource-Based Theory identifies that Environmental Performance, such as energy efficiency, good waste management, and compliance with environmental regulations, is a valuable resource that can improve operational efficiency and reduce a

company's long-term costs. Legitimacy Theory emphasizes that companies with good Environmental Performance can gain additional legitimacy from stakeholders because they are considered to act in a socially and environmentally responsible manner. Signal Theory explains that good environmental practices can serve as a positive signal to the market and stakeholders about a company's commitment to sustainability, increasing reputation and attractiveness. These results are consistent with previous findings showing that effective environmental management can increase firm value, although methodological variations and industry context may influence research results. The implication is the importance of strategic integration of Environmental Performance in company operations to achieve sustainable competitive advantage and answer the challenges of increasingly stringent regulations and market demands related to environmental issues.

Signal theory emphasizes the importance of the information released by a company on investors' investment decisions (Wardani & Sa'adah, 2020). Through information published as an announcement, investors can get a summary of the past or present



future market conditions to determine investment decisions. The results of this research show that environmental performance does not have an influence on company value, supported by research by Buihyani (2019) and Septinurika et Al. (2020).

### **The Effect of Financial Performance on the Value of Manufacturing Companies**

The results of the direct test of the influence of financial performance on company value obtained a positive influence coefficient of 0.100 and a P value of  $0.245 > 0.05$  which shows that financial performance has no influence on company value, so the five hypotheses were rejected.

Although the study initially hypothesized a positive relationship between Financial Performance and manufacturing company value, the research results showed rejection of this hypothesis. Resource-Based Theory which supports financial performance as a valuable resource for increasing efficiency and innovation in companies, as well as Legitimacy Theory which considers financial performance as a signal of legitimacy and stability, do not fully support these findings. Hypothesis rejection can be caused by unpredictable market variability, failure in implementing financial

strategies, or external impacts that affect the company's financial performance. The implication is that although strong financial performance is considered crucial in supporting company value, management needs to consider external factors that have the potential to influence financial performance and long-term strategies to improve financial conditions.

Good corporate financial performance will have an impact on increasing the value of a company (Fauziyyah, 2019) revealed that good corporate value will attract investors to invest in the company in the hope that they will gain profits (dividends). The results of this research which show that financial performance has no influence on company value are supported by research by Indawati (2021) and Paradila et Al. (2022).

### **The Effect of Intellectual Capital on Company Value with Financial Performance as a Variable Intervention in Manufacturing Companies**

The results of the indirect test of the influence of intellectual capital on company value through financial performance obtained a positive influence coefficient of 0.050 and a P value of  $0.363 > 0.05$ , which shows that financial performance does not mediate the influence of intellectual

capital on company value. Based on the results of the data analysis, it is known that the six hypotheses were rejected. Resource-based theory assumes that a company can compete competitively if the company is able to utilize and manage the resources owned by the company well from tangible and intangible assets or intellectual capabilities. Resource utilization will run healthily if the company is supported by good intellectual capital as well.

The results of this research, which show that performance finances are unable to mediate the influence of the performance environment on company value, are supported by research by Fitri (2018) and Sultan and Supri (2021).

Studies on the influence of Intellectual Capital on company value with Financial Performance as an intervention variable confirm that Intellectual Capital plays a crucial role in increasing the value of manufacturing companies. Resource-Based Theory supports these findings by identifying Intellectual Capital as unique and difficult-to-imitate resources, such as knowledge, innovation, and brand, that directly improve a company's operational efficiency and adaptability to market changes. Legitimacy Theory highlights that Intellectual Capital can act as a

legitimacy signal that strengthens stakeholder perceptions about the company's ability to create long-term value. Signal Theory explains that good Intellectual Capital management practices can function as a positive signal to the market and stakeholders, strengthening reputation and trust. Results showing a positive correlation between MI and firm value confirm the importance of strategic management of Intellectual Capital in achieving sustainable competitive advantage, although methodological variability and industry context may influence research results. The implication is that company management needs to focus on developing, measuring and protecting MI as an integral part of their business strategy to strengthen their position in a dynamic and competitive market.

### **The Effect of Environmental Performance on Company Value with Financial Performance as an Intervention Variable in Manufacturing Companies**

The results of the indirect test of the influence of the performance environment on company value through performance finances obtained a negative influence coefficient of -0.001 and a P value of 0.823 > 0.05 which shows that

performance finances do not mediate the influence of the performance environment on company value. Based on the results of the data analysis, it is known that the seven hypotheses were rejected. Financial performance should be able to mediate the influence of the performance environment on company value, but this research shows different results, namely that financial performance is not able to mediate the influence of the performance environment on company value. He is planning that there are many other factors that influence the value of the company, so that when the environmental performance improves, without the performance of financial improvement, the value of the company will still increase. A study on the influence of Environmental Performance on company value with Financial Performance as an intervention variable found that good Environmental Performance can have a positive impact on the value of manufacturing companies. Resource-

#### **CONCLUSION, IMPLICATION AND LIMITATION**

Based on the results of the research that has been described previously, the theoretical and practical implications could be put forward. The theoretical implications

Based Theory supports these findings by identifying environmental practices as a valuable resource that can improve operational efficiency and reduce long-term costs, while increasing market attractiveness. Legitimacy Theory emphasizes that good Environmental Performance can strengthen a company's legitimacy in the eyes of stakeholders by demonstrating social responsibility and commitment to sustainability, which is important for maintaining positive relationships with society and regulators. Signal Theory explains that good environmental practices can function as a positive signal to the market and stakeholders, reflecting the company's ability to manage environmental risks and strengthening the company's image. The results of this research show that performance finances do not mediate the influence of the performance environment on company value, supported by research by Wardani and Sa'adah (2020), Aini and Faisal (2021) and Maesaroh et al. (2022).

of the results of this research could be used as a reference and material for theoretical studies for future research on the influence of intellectual capital and environmental performance on firm value through the financial performance of manufacturing companies. The practical implication

is that the results of this research can be used by investors as a consideration in carrying out investments, especially considering the performance environment and intellectual capital owned by the company.

The conclusion in this research is that intellectual capital has a positive and important impact on the financial performance of manufacturing companies listed on the Indonesia Stock Exchange (BEI) in 2018-2022, environmental performance does not have an influence on the financial performance of manufacturing companies listed on the Stock Exchange Indonesia Stock Exchange (BEI) in 2018-2022, intellectual capital has a positive and significant impact on the value of manufacturing companies listed on the Indonesia Stock Exchange (BEI) in 2018-2022, environmental performance has no influence on the value of manufacturing listed companies on the Indonesian Stock Exchange (BEI) in 2018-2022, performance finance does not influence the value of manufacturing companies listed on the Indonesia Stock Exchange (BEI) in 2018-2022, performance finance does not mediate the influence of intellectual capital on the value of manufacturing companies listed on the Indonesia Stock

Exchange (BEI) in 2018-2022, performance finance does not mediate the influence of the performance environment on the value of manufacturing companies listed on the Indonesia Stock Exchange (BEI) in 2018-2022.

## **REFERENCES**

- Abdillah, W., & Hartono. (2015). Partial Least Squares (PLS). And I.
- Abdillah, W., & Jogiyanto, H. (2016). Partial Least Square (PLS): An Alternative to Structural Equation Modeling (SEM) in Business Research. CV Andi Offset.
- Agustia, D., Sawarjuwono, T., & Dianawati, W. (2019). The mediating effect of environmental management accounting on green innovation - firm value relationship. *International Journal of Energy Economics and Policy*, 9(2), 299–306. <https://doi.org/10.32479/ijeep.7438>
- Ahdiat, A. (2023). Commodity Prices Fall, PT Timah's Profits Will Shrink in 2022.
- Aini, N., & Faisal, NT (2021). The Effect of Environmental Performance on Company Value Using Financial Performance as a Mediator Variable. *International Journal of Entrepreneurship and Business Development*, 4(3), 390–395.

- Alpha. (2023). ANTM Share Price Today, Interested in Buying? PT Paramitra Alfa Securities. Persada.
- Amali, Z. (2020). The stench of polluting factory waste from Bengawan Solo. <https://www.tirto.id>.
- Anggraini, F., Seprijon, YP, & Rahmi, S. (2020). The Influence of Intellectual Capital on Company Value with Financial Distress as an Intervening Variable. *Journal of Information, Taxation, Accounting, and Public Finance*, 15(2), 169–190. <https://doi.org/10.25105/jipak.v15i2.6263>
- Asutay, M., & Ubaidillah. (2023). Examining the Impact of Intellectual Capital Performance on Financial Performance in Sharia Commercial Banks. *Journal of the Knowledge Economy*. <https://doi.org/https://doi.org/10.1007/s13132-023-01114-1>
- Atmadja, AT, & Saputra, KAK (2018). Determining Factors That Influence Village Financial Accountability. *Academy of Strategic Management Journal*, 17(1), 1–9.
- Buhiyani, AG (2019). The Influence of Environmental Performance and Profitability on Company Value (Empirical Study of Manufacturing Companies listed on the BEI 2015 - 2018). Indonesian Islamic University Yogyakarta.
- Cashmere. (2016). Financial Report Analysis. PT. RajaGrafindo
- Dama, DP, & Tulung, JE (2017). The Influence of Capital Structure and Profitability on Company Value with Insider Ownership as an Intervening Variable in Mining Companies for the 2011-2015 Period. *EMBA Journal*, 5(2), 1532–1538.
- Damanik, IGABA, & Yadnyana, IK (2017). The Influence of Environmental Performance on Financial Performance with Disclosure of Corporate Social Responsibility as an Intervening Variable. *Accounting E-Journal*, 20(1), 645–673. <https://ojs.unud.ac.id>.
- Dewi, NP, Sumiati, A., & Fauzi, A. (2022). The Effect of Financial Performance and Company Size on Company Value with Good Corporate Governance as a Moderating Variable. *Tambusai Education Journal*, 6(1), 707–826.
- Dowling, J., & Pfeffer, J. (1975). Pacific Sociological Association Organizational Legitimacy: Social Values and Organizational Behavior. *Pacific Sociological Review*, 18(1), 122–136.
- Dwi, IGNA, Reraspatika, A., Nyoman, D., Werastuti, S., & Ekonomi, J. (2022). The Influence of Enterprise Risk Management, Intellectual Capital and Sustainability Reports on Company Value. *JIMAT (Scientific Journal of Accounting Students) Ganesha Education University*, 13 (2), 450–463.

- Fauziyyah, N. (2019). The Influence of Environmental Performance and Ownership Structure on Company Value with Financial Performance as an Intervening Variable (Empirical Study of Companies Listed on the Indonesian Stock Exchange for the 2013-2017 Period).
- Fernando, S., & Lawrence, S. (2014). Theoretical Framework for CSR Practice: Integrating Legitimacy Theory, Stakeholder Theory and Institutional Theory. *Journal of Theoretical Accounting*, 1, 149–178.
- Fitri, PAK (2018). The Influence of Intellectual Capital on Company Value with Financial Performance as an Intervening Variable in Automotive Companies Listed on the IDX in 2012-201. *Perbanas College of Economics*.
- Fitriasari, NMAD, & Sari, MMR (2019). The Influence of Intellectual Capital on Company Value with Financial Performance as an Intervening Variable. *Udayana University Accounting E-Journal*, 26 (3), 1717–1740.  
<https://doi.org/10.24843/eja.2019.v26.i03.p02>
- Ghozali, I. (2008). *Structural Equation Modeling (II)*. Diponegoro University.
- Ghozali, I., & Chariri, A. (2014). *Accounting Theory (4th ed.)*. Diponegoro University Publishing Agency.
- Ghozali, I., & Latan, H. (2015). *Partial Least Square Engineering Concepts and Applications Using the SmartPLS 3.0 Program (2nd Edition)*. Diponegoro University Publishing Agency.
- Halimahtussakdiah, Suharti, & Wulandari, I. (2022). Analysis of Intellectual Capital and Financial Performance on Company Value in the Plastics and Packaging Sector. *Journal of Management and Entrepreneurship Studies*, 3(1), 184–193.  
<http://journal.yrpioku.com/index.php/msej>
- Handayani, RS (2019). The Influence of Environmental Performance on Company Value through Financial Performance (Study of Basic Industrial and Chemical Companies listed on the BEI in 2016-2018). *Indargir Islamic University*, 5(1), 45–51.
- Haryono, S. (2017). *SEM Methods for Management Research AMOS LISREL PLS*. Luxima Metro Media.
- Hermawan, S., Maryati, E., & Andriani, D. (2022). 20 Years of Intellectual Capital Research: A Bibliometric Analysis. *JIA (Jurnal Ilmiah Akuntansi)*, 6(2), 266-280.
- Hidayat, A., & Yuliah, N. (2018). The Influence of Good Corporate Governance and Tax Planning on Company Value. *Journal of Economics and Accounting*, 1(3), 234–241.  
<http://openjournal.unpam.ac.id>
- Indawati. (2018). Analysis of the

- Influence of Financial Performance on Good Corporate Governance and its Impact on Company Value. *Economics, Accounting, Management and Business*, 1(4), 401–410. <https://doi.org/10.5281/zenodo.1436996>
- Indawati, AA (2021). The Influence of Company Financial Performance with Financial Ratios on Company Value. *Lively Journal*, 4(2), 8–30.
- Indriastuti, M. & Kartika, I. (2021). Improving Firm Value through Intellectual Capital, Good Corporate Governance and Financial Performance. *JIA (Jurnal Ilmiah Akuntansi)*, 6(1), 85-101.
- Jogiyanto, H. (2014). *Portfolio Theory and Investment Analysis (Ninth)*.
- Kurniawan, R. (2022). Net Profit Grows 1,072%, But Why Are Share Prices Falling?
- Kusumandari, Y., & Sapari. (2019). The Influence of Intellectual Capital on Company Value with Financial Performance as an Intervening Variable Sapari Indonesian College of Economics (STIESIA) Surabaya. *Journal of Accounting Science and Research*, 8 (4), 1–16.
- Lingga, W., & Suaryana, IGNA (2017). Direct and Indirect Effects of Environmental Performance on Company Value. *Accounting E-Journal*, 20(2).
- Maesaroh, Hanifah, IA, & Ismawati, I. (2022). The influence of environmental performance on company value with financial performance as an intervening variable. *Fair value: Scientific Journal of Accounting and Finance*, 5 (2), 679–688.
- Mardiana, IA, & Wuryani, EKLTPDPSVP (2019). The Effect of Environmental Performance on Company Value with Profitability as a Moderating Variable. *Unesa Accounting Journal*, 8 (1). <http://jurnalmahasiswa.unesa.ac.id/index.php/jurnal-akuntansi/>
- Mariani, D., Nursanty, IA, & Rusdi. (2023). The Influence of Capital Structure, Dividend Policy, Efficient Use of Working Capital and Intellectual Capital on the Value of IDX80 Companies on the Indonesian Stock Exchange 2017-2019. *Competent: Scientific Journal of Economics and Business*, 1 (4), 141–156. <https://doi.org/10.57141/kompeten.v1i4.28>
- Mukhita, NES, Nugroho, TR, & Ainiyah, N. (2022). The Effect of Disclosure of Corporate Social Responsibility, Good Corporate Governance, and Financial Performance on Company Value (Empirical Study of Mining Companies Listed on the IDX for the 2017-2019 Period). *Journal of Accounting and Finance Research*, 5(1), 75–84. <http://ejurnal.unim.ac.id/index.php/prive>
- Mukhtaruddin, M., Ubaidillah, U., Dewi, K., Hakiki, A., & Nopriyanto, N. (2019). Good Corporate Governance,

- Corporate Social Responsibility, Company Value, and Financial Performance as Moderating Variables. *Indonesian Journal of Sustainability Accounting and Management*, 3(1), 55–64. <https://doi.org/10.28992/ijSAM.v3i1.74>
- Nguyen, A.H., & Doan, D.T. (2020). The Impact of Intellectual Capital on Firm Value: Empirical Evidence from Vietnam. *International Journal of Financial Research*, 11(4), 74–85. <https://doi.org/https://doi.org/10.5430/ijfr.v11n4p74>
- Novelino, A. (2019). DKI Sanctions Air Polluting Chemical Factory in Pulo Gadung. *CNN Indonesia*. <https://www.cnnindonesia>
- Nugroho, WP (2019). The Influence of Corporate Social Responsibility (Csr) on Financial Performance and Market Performance (Empirical Study of Manufacturing Companies Listed on the IDX for the 2013-2018 Period).
- Parahdila, L., Mukhzarudfa, & Wiralesatari. (2022). The Influence of Financial Performance and Environmental Performance on Company Value with Corporate Social Responsibility as a Moderating Variable (Empirical Study of Manufacturing Companies Listed on the IDX in 2017-2019). *Journal of Accounting and Finance*, Jambi University, 7 (3), 168–179.
- Pulic, A. (1998). Measuring the performance of intellectual potential in the knowledge economy, 2nd McMaster World Congress on Measuring and Managing Intellectual Capital by the Austrian Team for Intellectual Potential.
- Purnamawati, IGA, Yuniarta, GA, & Astria, PR (2017). Good Corporate Governance and its Influence on Company Value Through Disclosure of Corporate Social Responsibility. *Journal of Finance and Banking*, 21(2), 276–286.
- Purnamawati, IGA, Yuniarta, GA, & Jie, F. (2023). Strengthening the role of corporate social responsibility in the dimensions of sustainable village economic development. *Heliyon*, 9(4), 1–12. <https://doi.org/10.1016/j.heliyon.2023.e15115>
- Rahman, R. M. (2020). The Influence of Environmental Performance, Intellectual Capital and Capital Structure on Company Performance (Empirical Study of Manufacturing Companies Listed on the Indonesian Stock Exchange for the 2014-2018 Period). Syarif Hidayatullah State Islamic University Jakarta.
- Riani, A. (2022). List of 51 Companies Winning Gold PROPER 2022, Mining Companies Dominate.
- Sadalia, I. (2010). *Financial management*. USU Press.
- Sagala, L., & Ginting, MC (2021). The Role of Financial Performance as an Intervening Variable Factors that Influence Company Value in Banking Companies Listed on



- the Indonesian Stock Exchange for the 2015 - 2019 Period. *Journal of Accounting and Financial Methods* Vol., 5(1), 55–72.
- Sapulette, S.G., & Limba, F.B. (2021). The Influence of Implementing Green Accounting and Environmental Performance on the Value of Manufacturing Companies listed on the IDX in 2018-2020. *KUPNA Journal*, 2 (1).
- Saputra, KAK, Jayawarsa, AAK, & Atmadja, AT (2019). Resurrection as an implication of waning accountability in the financial management of village credit institutions. *International Journal of Business, Economics and Law*, 19(5), 258–268.
- Sari, ML, & Susanti, A. (2021). Factors that influence the value of manufacturing companies on the IDX. *Business Media*, 13(2), 271–284.
- Sari, RA, & Ardiansari, A. (2019). Determinants of Company Value in the Property, Real Estate and Construction Sectors 2015-2017. *Journal of Management Analysis*, 8(3).
- Sarumpaet, S. (2005). The Relationship between Environmental Performance and Company Financial Performance in Indonesia. *Journal of Accounting and Finance*, 89–98.
- Sawitri, AP (2017). Analysis of the Effect of Environmental Accounting Disclosure and Environmental Performance on Company Value. PGRI Adi Buana University Surabaya
- Septinurika, H., Tanjung, AR, & Basri, YM (2020). The Influence of Financial Performance and Environmental Performance on Company Value with Corporate Social Responsibility as a Moderating Variable. *Journal of Accounting*, 9(1), 26–37.
- Sinaga, FF, & Mustafa, M. (2019). Analysis of the Influence of Debt Policy, Dividend Policy, and Company Growth on Company Value with Profitability as an Intervening Variable in Finance Companies Listed on the Indonesian Stock Exchange. *Journal of Business And Management*, 13(1), 43–51. <https://doi.org/10.19184/bisma.v13i1.7550>
- Sisdianto, E., Razimi, M. S. A., Masykur, R., Sari, R. D. M., & Robiansyah, A. (2023). The Effect of Environmental Performance on Financial Performance with Islamic Corporate Social Responsibility (ICSR) as Intervening Variable. *JIA (Jurnal Ilmiah Akuntansi)*, 8(1), 191-205.
- Spence, M. (1973). Job Market Signals. *Quarterly Journal of Economics*, 87.
- Sugiyono. (2017). *Quantitative, Qualitative, and R&D Research Methods*. Alfabeta, CV.
- Sulindawati, NLGE, Yuniarta, GA, & Purnamawati, IGA (2017). *Financial Management* (1st ed.). PT RajaGrafindo Persada.

- Sultan, & Supri, Z. (2021). The Influence of Intellectual Capital and Dividend Policy on Company Value with Financial Performance as a Mediating Variable. *ASSETS*, 11(1), 112–130.
- Suryahadi, A. (2022). Get big profits, TINS share price actually falls, today (21/11) choose to sell / buy?
- Suryani, C., Handajani, L., & Effendy, L. (2020). Factors that Influence Company Value with Profitability as an Intervening Variable. *Accounting E-Journal*, 30(7), 1857–1871.  
<https://doi.org/10.24843/eja.2020.v30.i07.p18>
- Susanti, N., & Restiana, NG (2018). What are the Best Factors for Determining Company Value? *Journal of Finance and Banking*, 22(2), 301–309.  
<https://doi.org/10.26905/jkdp.v22i2.1529>
- Know, G.P. (2019). The Effect of Environmental Performance and Environmental Disclosure on Financial Performance (Study of Manufacturing Companies Listed on the IDX). *JASA (Journal of Accounting, Auditing and Accounting Information Systems)*, 14 (1), 31–40.  
<https://jurnal.undhirabali.ac.id>
- Tauke, PY, Murni, S., & Tulung, JE (2017). The Influence of Financial Performance on the Value of Real Estate and Property Companies Listed on the Indonesian Stock Exchange in 2012-2015. *EMBA Journal*, 5(2), 919–927.  
<https://doi.org/10.32534/jpk.v7i2.1161>
- Tjahjono, ME (2013). The Influence of Environmental Performance on Company Value and Financial Performance. *Sultan Ageng Tirtayasa University Economic Journal*, 4 (1), 28–46.
- Wardani, DD, & Sa'adah, L. (2020). The Influence of Environmental Performance on Company Value with Financial Performance as an Intervening Variable. *ASSETS Journal of Accounting and Investment*, 5 (1), 15–28.
- Werastuti, D. N. S. (2014). Mediation Model In The Relationship Between Intellectual Capital Disclosure, Firm Value, And Financial Performance. *Journal of Finance and Banking*, 18(1), 14–28.
- Yasrawan, KT, & Werastuti, DNS (2022). What Is The Role And Implementation Of Green Accounting In Indonesia? *Journal of Accounting and Content (JAKO)*, 14 (3), 151–161.
- Yuniarta, G. A., Prayudi, M. A., Devi, S., & Dharmayasa, I P. A. (2023). Transformation of Green Accounting Implementation Aspects Prior to and During the COVID-19 Pandemic. Presented at Unima International Conference on Social Sciences and Humanities (UNICSSH 2022): Atlantis Press.
- Zainab, A., & Burhany, DI (2020). Environmental Costs,

Environmental Performance, and  
Financial Performance in  
Manufacturing Companies.

Industrial Research Workshop  
and National Seminar, 26–27.