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PROCEEDING

The 4th Sebelas Maret International Conference on Business, Economics, and Social Sciences

SMICBES

"

BUSINESS INNOVATION, GLOBAL MARKETS, AND SOCIAL CHANGES.

"

August **9 - 10**[th], 2017
Solo, **Indonesia**

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PREFACE

These refereed proceedings contains papers that have been accepted after anonymous review and their subsequent revisions by author(s) for presentation at the 4th Sebelas Maret International Conference on Economics, Business and Social Sciences on August 9-10, 2017 hosted by the Faculty of Economics and Business Universitas Sebelas Maret.

These refereed proceedings have been edited by Paper Management Committee of this conference. They are Irwan Trinugroho, Ph.D; Doddy Setiawan, IMRI., Ph.D; Dr. Ahmad Ikhwan; Dr. Hidajat Hendarsyah; Muhammad Juan Suam Toro, M.Si; Dr. Suryanto; dan Ari Kuncoro Widagdo, Ph.D from Universitas Sebelas Maret.

The committee would like to express the appreciation and gratitude to Dr. Hunik Sri Runing Sawitri as the Dean of Faculty of Economics and Business Universitas Sebelas Maret for the admirable support in organizing this outstanding international conference. We would also like to give the appreciation to HIPIIS (The Indonesian Association for the Advancement of Social Sciences), APDMI (The Alliance of Indonesian Doctoral Programs in Management) and also all of reputable journals affiliated with this conference.

In concluding, we hope that this international conference can be the forum for all of academics in Business, Economics and Social Sciences to discuss and disseminate new issues and findings to support the advancement on Business, Economics and Social Sciences.

Sincerely,

Organizing Committe
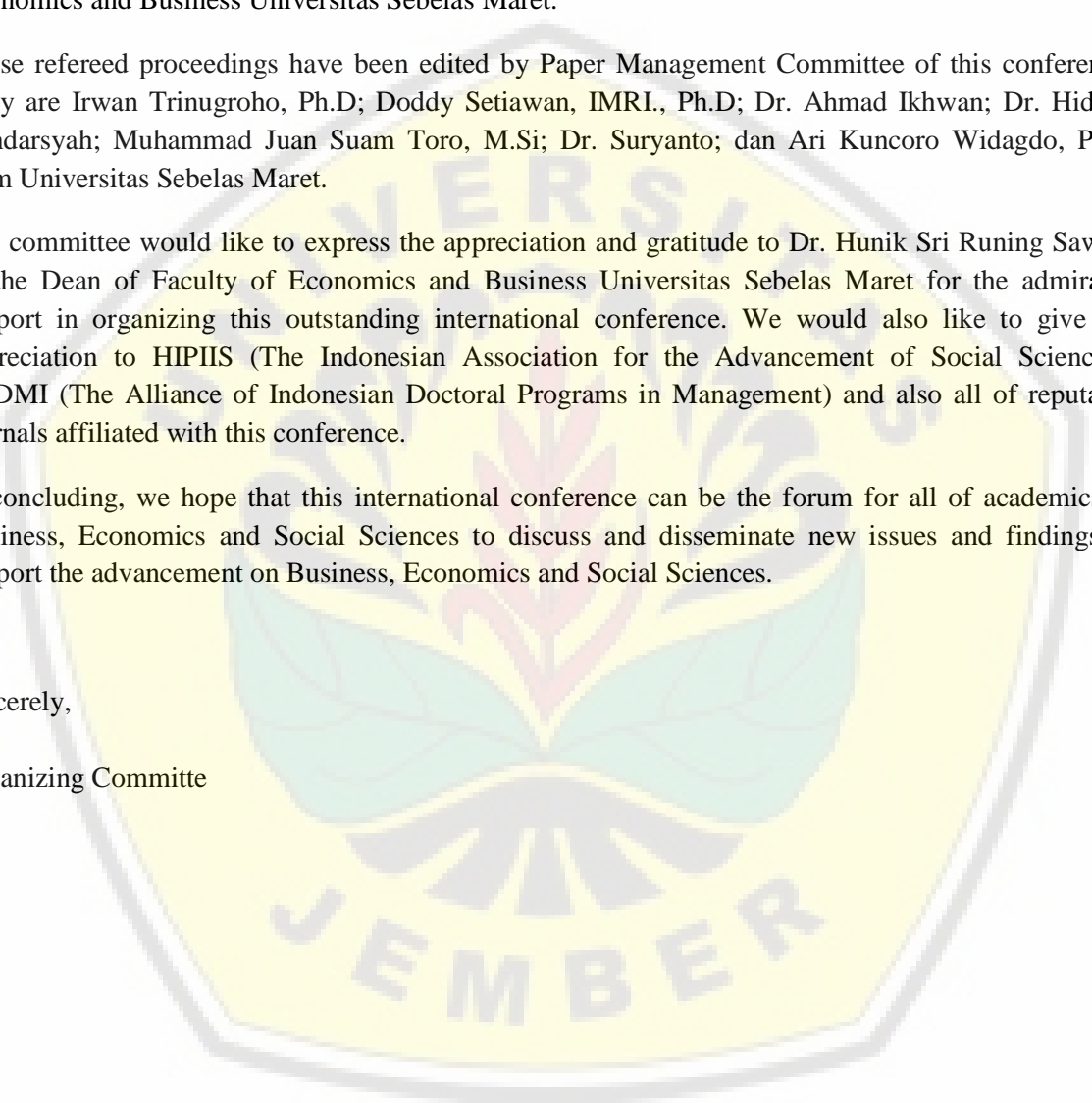
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THE INFLUENCE OF INTELLECTUAL CAPITAL AND CAPITAL STRUCTURE TO THE CORPORATE VALUE

Novi Wulandari W, Universitas Jember
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Abstract

This study aims to determine the influence of intellectual capital and capital structure to the firm value. This study used MVAIC to measuring intellectual capital, DER to measuring capital structure, and Tobin's Q to measuring firm value. The sample in this study was 42 companies listed on the Indonesian Stock Exchange (IDX) in 2011-2015 and has a characteristic high IC intensive. The method of determining the sample used purposive sampling. The hypothesis was tested by using multiple regression analysis. The analysis shows that (1) intellectual capital has no effect on firm value and (2) capital structure has significant effect to the firm value.

 Keywords: intellectual capital, MVAIC, firm value, capital structure

1. Introduction

The main objective of the company is to generate profits to enhance firm value that can describe the state of the company and useful to increase the prosperity of the owners or shareholders of the company (Gultom et al., 2013). Firm value of public company can be reflected in stock market prices. The higher the stock price indicates the higher the firm value and otherwise. In addition, Wihardjo (2014) suggested several factors that can affect the company's value of profitability, firm size, debt policy and dividend policies made by the company.

The rapid technological and information developments had an impact on all environments. Moreover, the business world has caused a change in the perspective of those who play a role in decision making. According to Bemby (2015) the company had to quickly change the strategy of the business is based on labor (labor-based business) to a business based on knowledge (business based on knowledge) in order to survive in the market. Hadiwijaya (2013) mentioned that since entering the 21st century there has been a change in global industrial and economic patterns that make the company's attention now more focused on knowledge assets as a form of intangible assets.

Company goals are unchanged despite global industry and economic patterns changing. The primary goal of public company is to improve the prosperity of the owner or the shareholder through an increase in the firm value (Salvatore 2005, in Hermuningsih, 2013). The implementation of business strategy based on knowledge in the company also influences the firm value. Therefore, the company in addition to focusing on tangible capital should also begin to focus on intellectual capital. It is not enough for the company to only increase its tangible capital, tangible assets and well implements its asset and liability management to dominate the market. However, it should follow with a balance of increasing exploitation of company's intangible assets.

Interestingly, there is no regulation that requires to measure and report the company's intellectual capital. PSAK No. 19 on Intangible Assets does not require all companies to measure and report their intellectual capital. The absence of standardized measurements and regulation to report intellectual capital in the financial statements is the reason this problem occurs. Companies become ignore the importance of managing, measuring, and reporting

intellectual capital. Researchers also are racing to find a right model of intellectual capital measurement and how it will be reported.

Meanwhile, capital structure was one of the tangible assets that must be managed properly which can affect investors' assessment of the company. Hermuningsih (2013) explained that the capital structure is the proportion of the equity and liability of the company, which can be measured by the leverage ratio. The optimal capital structure is a combination of debt and equity (external sources) that maximize the company's stock price (Hermuningsih, 2013). Management will set the target capital structure of a company that they consider as optimal capital structure by considering several factors.

Funding with debt in the capital structure gives managers a boost to be more efficient in operating the company. Funding with debt incurs interest expenses that can reduce corporate taxes. However, funding with high debt in the capital structure affects manager behavior. High debt can lead agency cost, such as the use of cash flow for the bonus or unnecessary spending. In addition, high debt can also pose a threat of bankruptcy so that managers reduce unnecessary spending to reduce free cash flow. Therefore, a manager who has good knowledge in managing the company's capital for the achievement of corporate objectives is needed.

Sawarjuwono (2003) in Yanwari (2015) mentioned the existence of a knowledge-based economy which used application of knowledge management (knowledge management), the prosperity of a company will depend on creation of knowledge transformation and capitalization. If the company well managed the intellectual capital, it will give value added to achieve a competitive advantage. This achievement indicates that the market has believed in the performance of the company that it has an impact on the increase in stock market prices, which indicates an increase in firm value. Similarly, good management of the capital structure will affects investors in decision making. Optimal capital structure is necessary because it can optimize the balance between risk and rate of return (Dewi, 2014). This balance can significantly affect the high demand for stocks too, which will also affect the value of the firm. Management should be right in making decisions about the management of their assets and capital to increase the firm value.

The previous study on the effect of intellectual capital and capital structure to the company's value gives inconsistent results. Sunarsih (2012) and Rizkina (2013) found no effect of intellectual capital on firm value. Otherwise, Putra (2012), Hadiwijaya and Rohman (2013), Bemby et al. (2015), Hermuningsih (2013) and Hamdy (2014) found intellectual capital has a significant positive effect on firm value. On the other hand, Nurhayati (2016), Wergiyanto and Wahyu (2016), Safrida (2008), and Antari (2013) found negative effect to the value of the company. Thus, lead to further study on the effect of intellectual capital return and capital structure to firm value.

The research problems that can be formulated are: (1) Does the intellectual capital affects the firm's value? (2) Does the capital structure affect the firm's value?. The purposes of this study are: (1) examine the effect of intellectual capital on firm's value and (2) examine the effect of capital structure on firm's value. Intellectual capital is measured by M-VAIC, the capital structure is measured using DER, and firm value is measured by Tobin's Q.

2. Theoretical Framework and Hypotheses Development
2.1. Stakeholder Theory

Stakeholder theory considers that not only shareholders included in the stakeholder, but there are also employees, customers, suppliers, creditors, government, and society (Putra, 2012). According to the Putra (2012) stakeholder theory explained the relation of intellectual capital and firm value from two fields, that are the field of ethics and the field of managerial. Stakeholder theory considers that the profit in the financial statements is not the return to

stakeholders but more specifically to the shareholders. While, the measurement of return to stakeholders is more accurate in the form of value added that they created to be distributed to them (Putra, 2012). Value added can be created through proper management of the intellectual capital of the company. Value added is created to make companies outplay among its competitors. The excellence of the company will increase the value of the company can be seen in rising market share prices.

2.2 Capital Structure Theory

Capital structure theory explains about the presence of influence of capital structure changes to firm value. Based on the literature there are several theories with the company's capital structure, such as: MM propositions and the pecking order theory. Franco Modigliani and Merton Miller or often called "MM" demonstrated the following proposition: "When no taxes and capital markets function properly, the market value of the firm does not depend on its capital structure. In other words, financial managers can't increase the value by changing the securities mix used to fund the company (Braley, Myers, and Marcus, 2008: 5). "

However, when the income tax is taken into account, the capital structure affects the firm's value. After the incorporation of the tax element, Proposition I indicates the increase in the loan to reduce the payment of corporate income tax and cash payments to investors. Thus, the market value of the company increases. Proposition II shows the desired rate of return on equity increases as the debt-equity ratio increases.

Pecking-order theory states more management knew much about profitability and the company's prospects than investors. This makes management choose to make safer funding first because management decisions in funding can affect the market value of the company's stock. Companies prefer internal fund such as retained earnings, because these funds are accumulated without sending signals to investors that can lower stock prices. If the company requires external funds, debt issuance will be preferable. The issue of shares becomes the last option if they require external funds. Investors are generally reluctant to buy newly issued common stocks, because they worried about the new shares being priced too high. Therefore, the announcement of the issuance of shares may lower the stock price.

2.3 Intellectual capital

Entering a knowledge-based economy allows companies to recognize what kind of knowledge influences their activities and how they should manage them. There was a high demand on the development of intellectual capital. Intellectual Capital is one of an intangible asset that draws on the knowledge of employees, organization and their ability to create value added and lead to a sustainable competitive advantage (Putra, 2012). Intellectual capital is applied in the work to create value. Bontis et al (2000) in Putra (2012) reveal the general components of the intellectual capital are human capital (HC), structural capital (SC), and customer capital (SC).

Human Capital (HC) is the expertise and competency of employees in producing goods and services as well as its ability to be able to relate well with customers (Putra, 2012). Competent employees which are owned by company are one of the company's competitive advantages. With the presence of competent employees, the company's performance is better and useful to increase company value.

Structural Capital (SC) is an infrastructure owned by a company to fulfill the market needs (Putra, 2012). The structural capitals are like as system technology, the company's operating system, patent, trademark, and training courses. Good structural capital management is so important because the performance of the employee must be supported by an adequate infrastructure. It is useless to own employees that have high knowledge without supporting facilities and infrastructure.

Customer Capital (CC) is the ones that relate to the company, who receive services provided by the company (Putra, 2012). Customer capital discuss the company's

relationships with external parties such as customers, governments, suppliers, markets, and how customer loyalty to the company. Companies that understand the needs and wants of the market will get a positive response by the market. Moreover, the company manages its business to keep producing products or services that make customers more loyalty to consume products or services offered.

The Global Industry Classification Standard (GICS) classified industry based on intellectual capital intensity into two, namely High-IC intensive industries and Low-IC intensive industries.

Table 1
Classification List of Companies in Intellectual Capital Intensity According GICS

High-IC Intensive Industries	Low-IC Intensive Industries
Automobile and components	Commercial Services and Supplies
Banks	Consumer Durables and Apparels
Capital Goods	Consumer Services
Commercial Services and Supplies	Energy
Customer services	Food, Beverage, and Retailing
Health care equipment and services	Materials
Media	Retail
Pharmaceutical, Biotechnology and Life Science	Transportations
Real Estate	Utilities
Semi Conductors and Semi Conductors Equipment	
Software and Services	
Technology, Hardware, and Equipment	
Telecommunication Services	

Source: GICS in Wigati (2013).

2.4 Capital Structure

The role of financial manager is very important on deciding the comparison of debt and capital in order to achieve optimal capital structure level, namely the level of debt and equity mix that can maximize the firm value. The capital structure is the proportion of long-term permanent capital financing represented by debt, preferred stock, and common stock (Rovita, 2014). The capital structure is used to finance a company's investment of various types of investment options available as an effort to create value. The capital structure will determine the extent to which and how value is created which will be reflected in the earnings and stock price of the company (Seftiane, 2013). The decision of capital structure is a very important decision for the sustainability of the company. Seftiane (2013) argue that capital structure

decisions also directly affect the magnitude of risk carried by shareholders and the magnitude of the expected rate of return on profit.

The higher the company's own capital, indicating the lower the debt held, so it tends to provide greater incentives to its owners, and ultimately can encourage high payments on investment returns and lead to increased firm value from rising stock prices. In addition, firms with high liquidity levels indicate a high growth opportunity as well. Creditors more believe to provide funds if the company increase liquidity, so it can increase the value of the company for creditors and prospective investors (Gultom, 2013).

2.5. The value of the company

According to Putra (2012), the value of the firm is the price that would be paid by the prospective buyer if the company is sold. When the company became public company, firm value reflected in its stock price. According to Hermuningsih (2013) argues that the value of firms is the perception of investors towards the success rate of firms that are closely related to stock prices. Companies that have high stock prices mean having a good value compare to competitors who viewed from the point of view of investors.

The optimization of firm value is the company goal that can be achieved through the implementation of the financial management function, whereby a financial decision taken will affect other decisions and affect the company's value (Putra, 2012). He also mentioned, to maximize the value of the company not only the value of equity to be considered, but all financial claims such as debt, warrant, and preferred stock. Investment opportunities greatly affect the value of the firm formed from the stock market price. The occurrence of investment spending gives a positive signal that the company can still grow in the future.

2.6. The Intellectual Capital Influence on Corporate Value

According to the stakeholder theory, companies will be more appreciated by the stakeholders if able to create value added. This because the creation of a good value considered would be better able to meet the interests of all stakeholders by the company. The resulting value creation of intellectual capital comes from good management of intellectual capital components, such as human capital, structural capital and customer capital.

Intellectual capital is able to create value added if managed effectively and efficiently. Value added created was a return for stakeholders that are useful to compete with its competitors and achieve competitive advantage. Investors as one of the stakeholders of the company will provide appreciation for a good intellectual capital to invest in the company. This increase in investment has resulted in rising firm values as reflected in rising stock prices in the market.

Putra (2012), Bemby (2015), and Purnama (2016) found a positive influence of intellectual capital on firm value. Company that can allocate and utilize intellectual capital effectively and efficiently will improve the company's financial performance and will get a positive response from the investors through the company's stock price fluctuations. This increase in stock prices signifies an increase in firm value. Based on the above description, the hypothesis is proposed as follows:

H1. Intellectual capital affects the corporate value

2.2. Effect of Capital Structure on Corporate Value

The MM proposition which compute income tax state that the capital structure influences the firm's value. Increased lending reduces corporate income tax payments and cash payments to investors, thereby increasing the company's market value. In addition, the desired rate of return on equity increases as the debt-equity ratio increases.

However, pecking-order theory states management better understand about profitability and the company's prospects than investors. Therefore, if the company needs external funds, the issuance of the debt will be selected first and the issuance of shares becomes the last option. Companies like internal fund are retained earnings, because these funds are

accumulated without sending signals to investors who can lower stock prices. Investors are generally reluctant to buy newly issued common stocks, worried about the new shares being overstated. Therefore, the announcement of the issuance of shares may lower the stock price.

Hermuningsih (2013), Hamidy (2014), and Fibriyanto (2015) proved that capital structure has a positive effect on firm value. However, Safrida (2008) and Antari (2013) have proved different result that capital structure negatively affects firm value. Based on the description above, the proposed hypothesis is as follows:

H2. Capital structure affects the corporate value

3. Research methods
3.1. Types of research

This research is the empirical study on the company that belongs to the category of High-IC Intensive based GICS listed on the Indonesia Stock Exchange (BEI) in 2011-2015. This research uses quantitative method with deductive approach. The quantitative data used in this study is the intellectual capital, capital structure, the value of the company, and also company size and return on equity as control variable.

3.2. Population and Sample

The research population is all companies classified according to the High-IC intensive based on GICS listed in Indonesia Stock Exchange during 2011-2015. Sampling was done by purposive sampling, with the following criteria:
1. Companies are classified as high-intensive ICs, respectively listed and actively traded shares on the Stock Exchange during 2011-2015,
2. Publish financial statements for 2011-2015,
3. Companies that do not earn negative earnings (losses) during 2011-2015, and
4. presents the complete data in accordance with the variables used for the years 2011-2015.

Based on the above criteria, the final samples used in this study are 42 companies with 210 observations (five years).

3.3. Data Types and Data Sources

This study uses historical data sources using secondary data. Secondary data is a source of research data obtained by researchers indirectly through intermediate media or obtained and recorded by other parties (Indriantoro and Supomo, 2009: 147). Secondary data were a report on the 2011-2015 financial year Indonesia Stock Exchange (IDX). The data is obtained by downloading on the IDX website.

3.4 Dependent Variables

In this experiment, the dependent variable in the form of the company's value as measured by Tobin's q.

$$q = \frac{(MVE + PS + DEBT)}{TA}$$

(Chung and Pruitt, 1994)

Information:

q = value of the company

MVE = market value of equity (market value of equity), obtained by multiplying the closing share price by the number of shares outstanding

PS = liquidity value of preferred stock outstanding

DEBT = (short term debt - current assets) + long term debt

TA = total book value of assets

3.5 Independent Variables

This study used two independent variables such as intellectual capital and capital structure. Intellectual capital measurement using M-VAIC based on the model developed by Pulic, VAIC. M-VAIC developed by Ulum (2014) complete lack on VAIC by adding components Relational Capital Efficiency (RCE). Intellectual Capital measurement using M-VAIC there are three stages of the calculation as follows (Ulum, 2014).

Phase I: Calculating Value Added (VA)

$$VA = OUT - IN$$

Phase II: Calculating the efficiency of Intellectual Capital (ICE)

$$ICE = HCE + SCE + RCE$$
$$HCE = VA / HC$$
$$SCE = SC / VA$$
$$RCE = RC / VA$$

Stage III: Calculating the efficiency of the capital used (CEE)

$$CEE = VA / CE$$

Stage IV: Generate MVAIC

$$MVAIC = ICE + CEE$$
$$MVAIC = (HCE + SCE + RCE) + CEE$$

Information:

MVAIC: Modified VAIC

ICE: Intellectual Capital Efficiency

HCE: Human Capital Efficiency

SCE: Structural Capital Efficiency

RCE: Relational Capital Efficiency

CEE: Capital Employed Efficiency

VA: Value Added

SC: Structural Capital; VA-HC

HC: Human Capital; Total salaries and wages

RC: Relational Capital; Marketing expenses

CE: Capital Employed; Available funds (equity)

OUT: total sales and revenue

IN: total load, except for salaries and wages

Measurement of capital structure using the ratio of Debt to Equity Ratio (DER). DER is a ratio that shows the compariPutra of the use of funding obtained through debt with funding through capital.

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

(Halim, 2015: 216)

3.5 Control Variables

This study uses two control variables, namely firm size and return on equity. This study measured the size of the companies use the value of natural log (ln) total assets of the company.

$$Company\ Size = Ln\ (total\ assets)$$

(Gultom, 2013)

The rate of return on equity (ROE) is calculated by the ratio of net income divided by the total book value of equity.

$$ROE = \frac{Net\ Income}{Total\ Equity}$$

(Murhadi, 2015: 64)

3.6 Descriptive Statistics Analysis

Descriptive statistics in research is basically a process of transforming research data in tabulation form so easily understood and interpreted (Indriantoro and Supomo, 2009: 170). A descriptive measure that is often used to describe research data is average.

3.7 Data Analysis

This research uses data analysis include descriptive statistical analysis, multiple regression analysis, classical assumption test, and hypothesis test.

4. Research Results and Discussion

4.1. Descriptive Statistics Analysis

The result from descriptive statistics can be describe on the table below:

Variable	N	Minimum	Maximum	Average	Standard Deviation
Tobin's Q	210	0,00107	6,42056	0,98879	0,96325
MVAIC	210	1,27759	26,33233	4,70475	3,61029
DER	210	0,00103	10,78944	1,86204	2,38956
Ln (Total Aset)	210	25,49424	34,44454	29,73290	2,09076
ROE	210	0,00386	0,43636	0,15353	0,08352

Source: Results of Data Processing, 2017

4.2. Classical Assumption Analysis

In the autocorrelation test using the lag method for healing the method produces a new tabulation so that all tests in this study must adjust to the tabulation and produce new results. The result used is the result after the lag method.

A. Normality test

This study used kolmogorov-smirnov test for normality test with significant level of 0.05 or 5%. Table 2 shows the regression model before the lag method was applied which resulted in a significant value of 0.05 which means the data is not normally distributed. Whereas, table 3 shows the regression model after applied lag method that yields significant value of 0.090 which means the data is normally distributed.

Table 2
Normality Test Results Before Lag Method

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		210
Normal Parameters [a, b]	Mean	, 0000000
	Std. Deviation	, 16097263
Most Extreme	Absolute	, 062

Differences	Positive	, 035
	Negative	-, 062
Test Statistic		, 062
Asymp. Sig. (2-tailed)		, 050 [c]

Source: Results of Data Processing, 2017

Table 3
Normality Test Results After Lag Method

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		209
Normal Parameters [a, b]	Mean	, 0000000
	Std. Deviation	, 15697943
Most Extreme Differences	Absolute	, 057
	Positive	, 044
	Negative	-, 057
Test Statistic		, 057
Asymp. Sig. (2-tailed)		, 090 [c]

Source: Results of Data Processing, 2017

B. **Multicolinearity Test**

Multicolinierity test in this research is done by calculating the value of VIF (Variance Inflation Factor) and tolerance. The results of multicollinearity testing can be seen in the following table.

Table 4
Multicollinearity Test Results Before Lag Method

Independent Variables	Tolerance	VIF	Conclusion
MVAIC	0.672	1.487	There is no Multicollinearity
DER	0.681	1,468	There is no Multicollinearity
Ln (Total Assets)	0.670	1,492	There is no Multicollinearity
ROE	0.709	1,411	There is no Multicollinearity

Source: Results of Data Processing, 2017

Table 5
Results of Multicollinearity Test After Lag Method

Independent Variables	Tolerance	VIF	Conclusion
MVAIC	0.669	1.494	There is no Multicollinearity

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DER	0.684	1,461	There is no Multicollinearity
Ln (Total Assets)	0.647	1.547	There is no Multicollinearity
ROE	0.706	1,416	There is no Multicollinearity

Source: Results of Data Processing, 2017

Based on the above table it can be seen that the regression model, both before and after applied lag method, has VIF value less than 10 and tolerance value more than 0.10. This shows that the data on the regression model does not occur multicollinearity.

C. Test Autocorrelation

This study uses Durbin-WatPutra test to detect the presence or absence of autocorrelation. The presence or absence of correlation by using the Durbin-WatPutra test can be known by comparing the DW statistics and DW tables. The regression model is considered to have no autocorrelation if the DW value is greater than the upper limit (du) and less than 4-du.

Table 6
Testing Results Prior Method autocorrelation lag

Durbin-WatPutra value	DU value and the value of dL	interpretation of Results	Information
1,648	dL = 1.745 dU = 1,803	DW <dL	positive autocorrelation

Source: Data Processing, 2017

Table 6 shows that the Durbin-WatPutra value of 0.507 and compared with dU and dL with α = 5% can dU = dL = 1.745 and 1.803, making it eligible positive autocorrelation. The conclusion is the variable in this study experienced a problem of autocorrelation. Healing the occurrence of autocorrelation in this study did lag the dependent variable, ie Tobin's Q.

Table 7
Testing Results autocorrelation After Lag Method

Durbin-WatPutra value	DU value and the value of dL	interpretation of Results	Information
1,994	dL = 1.735 dU = 1.813	dU <DW <4-dU	Not Happen autocorrelation

Source: Data Processing, 2017

Table 7 shows the Durbin-WatPutra value of 1,944 and greater than the value of dU = 1,813 but less than the 4-dU = 2.187. Based on these results it can be concluded that the variables in this study have been free from problems of autocorrelation.

D. Heteroscedasticity Test

This study using a test Park to test whether there heterokedastisitas in regression models. Heterokedastisitas regression model contains no significance if more than 0.05. Heterokedastisitas testing results can be seen in the following table.

Table 8
Testing Results Prior Method heterokedastisitas Lag

Independent variables	Sig	Information	Conclusion
MVAIC	0.905	P> 0.05	No heterokedastisitas
DER	0.212	P> 0.05	No heterokedastisitas
Ln (total assets)	0,276	P> 0.05	No heterokedastisitas
ROE	.159	P> 0.05	No heterokedastisitas

Source: Data Processing, 2017

Table 9
Testing Results heterokedastisitas After Lag Method

Independent variables	Sig	Information	Conclusion
MVAIC	0,375	P> 0.05	No heterokedastisitas
DER	.160	P> 0.05	No heterokedastisitas
Ln (total assets)	0.143	P> 0.05	No heterokedastisitas
ROE	0.272	P> 0.05	No heterokedastisitas

Source: Data Processing, 2017

Based on Table 8 and Table 9, a regression model both before and after the lag method lag method there are any heterokedastisitas. This is indicated by a significance greater than 0.05.

4.3 Multiple Regression Analysis

Multiple regression analysis can measure partially and simultaneously influence the independent variable indicated by coefficients of multiple determination (R^2). The regression equation used in this study is as follows.

Model 1 (without control variables)

$Q = \alpha + \beta_1 \text{M-VAIC} + \beta_2 \text{DER} + e$

Model 2 (control variable)

$Q = \alpha + \beta_1 \text{M-VAIC} + \beta_2 \text{DER} + \beta_3 \text{LNaset} + \beta_4 \text{ROE} + e$

A. Analysis Model 1

Table 10 Results of T test analysis Model 1

Variable	Unstandardized Coefficients	Standardized Coefficients	t	t table	Sig.
	B	Beta			
constants	0.727		17.056	1,967	0,000
MVAIC	.369	0,243	4.060	1,967	0,000
DER	-0.435	-0.439	-7.278	1,967	0,000
Adj. R^2 =	0,296				
F count =	30.147 (P = 0.000)				

Source: Data Processing, 2017

According to the table 10 obtained adjusted R ^{2} in Table 10 by 0,296 or 29.6%, which means that the independent variable (intellectual capital and capital structure) can explain the dependent variable (value companies) amounted to 70.4%, while the rest is explained by other variables beyond this research models.

Table 10 shows the level of significance of the F-statistic in regression models of 0.000 which is smaller than 0.05 (0.000 <0.05). These results can be concluded that the regression model 1 can be said to fit as well as a decent used to predict the dependent variable.

According to the table 10 to test the hypothesis t 1 t values obtained arithmetic MVAIC amounted to 4.060 with a significance level of 0.000, while the value of t table with an alpha of 0.05 was obtained for 1,967. So we get the value of t count > t table (4.060> 1.967) and MVAIC significance level of more than 0.05 (0.584> 0.05). T test results showed that the first hypothesis is accepted and declared that MVAIC positive and significant effect on firm value.

Hypothesis 2 t test obtained by value t arithmetic DER of 7.278 with a significance level of 0.000, while the value of t table with an alpha of 0.05 was obtained for 1,967. So we get the value of t count > t table (9.083> 1.967) and DER significance level of less than 0.05 (0.000 <0.05). T test results showed that the second hypothesis is accepted and declared that DER significant effect on the value of the company. Negative t values indicate the direction opposite effect of capital structure on firm value.

Addition of table 12 can be obtained by multiple regression equations in model 1 as follows:

$$Q = 0.727 + 0.369 \text{ MVAIC} - 0.435 \text{ DER} + e$$

B. Analysis Model 2

Table 11. Results of T test analysis Model 2

Variable	unstandardized Coefficient	standardized Coefficient	t	t table	Sig.
	B	Beta			
constants	-0.681		-2.857	1,967	0,005
MVAIC	0.055	0,036	.549	1,967	.584
DER	-0586	-0.591	-9.083	1,967	0,000
Ln (total assets)	21.732	.248	3,700	1,967	0,000
ROE	.978	0.297	4,630	1,967	0,000
Adj. R ^{2} =	0,397				
F count =	28.437 (P = 0.000)				

Source: Appendix 8 (data processing)

Adjusted R ^{2} on the table 13 by 0,397 or 39.7% of the variation Q can be explained by the variation of the variable MVAIC, DER, ln (total assets) and ROE, while the rest is explained by other variables outside the model of this research. Table 11 shows the level of significance of the F-statistic in regression models of 0.000 which is smaller than 0.05 (0.000 <0.05). These results can be concluded that the regression model 2 can be said to fit as well as a decent used to predict the dependent variable.

T-test hypotheses 1 to model 2 shows the difference with the results of the t test hypothesis 1 Model 2. Based on Table 4:17 t values obtained arithmetic MVAIC amounted to 0.549 with a significance level of 0.584, while the value of t table with an alpha of 0.05 was obtained for 1,967. So we get the value of t count <t table (0.549 <1.967) and the level of

significance MVAIC more than 0.05 (0.584> 0.05). T test results showed that the first hypothesis is rejected and declared that MVAIC no effect on firm value.

As the regression results Model 1, Model 2 t test hypothesis 2 give the same result, namely the second hypothesis is rejected. The value of t $_{arithmetic}$ DER is equal to 9.083 with a significance level of 0.000, while the value of t $_{table}$ with an alpha of 0.05 was obtained for 1,967. So we get the value of t $_{count}$ > t $_{table}$ (9.083> 1.967) and DER significance level of less than 0.05 (0.000 <0.05). T test results showed that the second hypothesis is accepted and declared that DER significant effect on the value of the company. Negative t values indicate the direction opposite effect of capital structure on firm value.

The test results Model 1 shows the value of adjusted R2 of 0.296 or 29.6% while the value of adjusted R2 Model 2 increased to 0,397 or 39.7%. This indicates that the two models that incorporate control variables have a higher apparent power against variations in changes in the value of the company. It can be concluded that the size of the company and the appropriate ROE for predicting variations in changes in the value of the company.

According to the table 11 can be obtained by multiple regression equation as follows.

$$Q = -0.681 + 0.055 \text{ MVAIC} - \text{DER} + 21.732 \ 0.586 \ln (\text{total assets}) + 0.978 \text{ ROE} + e$$

4.4 Effect of Intellectual Capital on Corporate Value

The result generating was first hypothesis (H1) is rejected or MVAIC has no effect on the Tobin's Q on the company's high-intensive ICs listed on the Stock Exchange in 2011-2015. The results of this study are not consistent with the results of research conducted by Putra (2012), Afifah (2013), Bemby (2015) and Moon (2016). Thus, consistent with the research result by Wijaya (2013), Sunarsih (2012), and Rizkina (2013) who find intellectual capital does not affect the value of the company. Investors assess the allocation of great funds to intellectual capital that can be less effective because it can reduce the cash allocation for dividend expected by investors (Wijaya, 2013). Sunarsih (2012) believes these findings indicate that the market rewards a company based more on physical resources owned. Investors tend not to focus on the intellectual resources of the company. Meanwhile, Rizkina (2013) argues intellectual capital does not affect the value of the company because investor are more likely to use other factors such as the retention of ownership, underwriter reputation, and the fundamental factors that reached from the intellectual capital of the company as the basis of analysis in making investment decisions ,

The results of this study also indicate intellectual capital does not affect the value of the company due to the lack of standard rules for disclosure and measurement of intellectual capital for the company. Based on the signaling theory, the company has not fully transmit a signal about the intellectual capital to the investor. Information on the intellectual capital is still limited by the internal management. Therefore it has not a significant influence on the creation of value for the company. Measurement of intellectual capital are still vary and those lead to different results for each investor.

4.5 Effect of Capital Structure of the Company Value

The second hypothesis (H2) are tested to determine the effect of capital structure (DER) to firm value (Tobin's Q). The results of the study received H2 or DER significant effect on the Tobin's Q on the company's high-intensive ICs listed on the Stock Exchange in 2011-2015. Capital structure proved to affect the value of the company at the company's high intensive ICs listed on the Stock Exchange in 2011-2015. It shows that investors appreciate any change in the proportion of the capital structure of the company to meet its business funding. The results of this study are consistent with previous studies which stated capital structure affect the value of the company (Safrida 2008; Antari, 2013; Hermuningsih, 2013; Goddess, 2014; Hamdy, 2014; and Fibriyanto, 2015).

The results of a study showed the negative effect of capital structure on the value of the company, which mean any increase in debt can lower the value of the company. Safrida (2008) stated that the company's ability to pay off debt is very weak and resulted in financial distress which lead to unable to pay off. Unfavorable business climate can also make corporate value decrease particularly for company with high debt. Internal funds owned by the company are relatively small because of the low ability of the company to generate profit.

Increasing used of debt responded by investors as risky investments that should be avoided. Thus, share price decline due to the lack of investor's trust to invest in the company. Investors saw an increase in debt as increasing risk and decreasing returns that will be obtained. Another indication such as economic growth, causing the company used debt that can affect the value of the company.

5. Conclusion, limitations, and suggestions

5.1. Conclusion

Based on the results of hypothesis testing and the discussion in chapter four, it can be obtained several conclusions as follows. (1) Intellectual capital has no significant effect on corporate value. This shows that the higher the intellectual capital that is owned and managed by the company will not affect the value of the company. The results of this study are consistent with the results Wijaya (2013), Sunarsih (2012), and Rizkina (2013). (2) The capital structure has significantly influence the value of the company. This suggests that any change in the proportion of capital structure owned by the company will have an effect on the value of the company. The results of this study are consistent with the results Safrida (2008) and Antari (2013).

5.2. Limitation

The first limitation is measurement of capital structure using the DER on samples that have different enterprise sectors. The banking sector shows a high DER value and far different from the other company sectors. This causes a problem on the data. Second, this study measures the value of the company as the dependent variable using only one proxy which Tobin's Q. The third limitation is the sample used by GICS (Global Industry Classification Standard) that may not actually reflect the clustering of high-IC intensive companies in Indonesia.

5.3. Suggestion

Based on the limitations of this study, there are some suggestions that can be given to future research. Future studies could use another proxy for measuring corporate value and capital structure. Future studies are expected to use a sample of companies that really shows the high-intensive ICs which are suitable in Indonesia. Future studies could use the intellectual capital disclosure as a moderator variable for its ability to mediate the relationship between intellectual capital and firm value.

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