



Research Article

The Role of Intellectual Capital and Good Corporate Governance in Determining Firm Value Across the Normal, Pandemic, and Recovery Periods

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Abstract : This study aims to determine the influence of intellectual capital, company age, company size, and managerial ownership on firm value, with Good Corporate Governance (GCG) acting as a moderating variable. In addition to analyzing the overall effect of each variable, this study also divides the analysis into three distinct periods: the normal period, the pandemic period, and the recovery period. The population of the study includes companies in the hotel, restaurant, and tourism sub-sectors listed on the Indonesia Stock Exchange (IDX) during the period of 2018 to 2022. The sample was selected using purposive sampling, resulting in a total of 24 companies with 120 observations analyzed. To test the hypotheses and analyze the data, this study employed the Statistical Product and Service Solutions (SPSS) software version 25. The results indicate that intellectual capital and company age do not have a significant effect on firm value. In contrast, company size and managerial ownership were found to have a significant influence on firm value, suggesting that larger companies and those with higher levels of managerial ownership tend to have stronger firm value. Furthermore, Good Corporate Governance (GCG), when tested as a moderating variable, did not significantly strengthen the relationship between intellectual capital and firm value. When viewed across the three time periods—normal, pandemic, and recovery—intellectual capital, company age, managerial ownership, and the moderating effect of GCG consistently showed no significant influence on firm value. However, the study reveals a notable exception in the case of company size. During both the pandemic and recovery periods, company size was shown to significantly affect firm value. This suggests that during periods of crisis and recovery, firm size plays a more crucial role in maintaining or increasing firm value, possibly due to greater resources, resilience, and operational capacity possessed by larger firms.

Keywords: Company Age, Company Size, Company Value, Intellectual Capital, Managerial Ownership.

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1. Introduction

In the five-year period (2018-2022), the world was faced with various events, especially pandemics, international conflicts and global issues that caused disruptions to the global supply chain, financial market volatility, consumer demand shocks and the emergence of negative impacts in the main sectors of each country, including the hotel, restaurant and tourism sub-sector in Indonesia. Pressure on this sub-sector appears to have decreased significantly, this is reflected in data published by the Central Statistics Agency (BPS) and the Indonesia Stock Exchange (IDX) regarding the amount of foreign exchange in the tourism sector, the number of domestic and foreign tourist visits, *the price to book value* of the hotel, restaurant and tourism sub-sector and the hotel room occupancy rate in 2018-2022 as follows:

Table 1. of Number of Domestic and Foreign Tourist Visits to Indonesia, Foreign Exchange of the Tourism Sector and PBV of the Hotel, Restaurant and

Year	Number of Domestic Tourist Visits	Number of Foreign Tourist Visits	Amount of Foreign Exchange from Tourism Sector (Billion US\$)	PBV Level of Hotel, Restaurant and Tourism Sub-Sector
2018	303,403,388	15,810,305	16.43	4.41
2019	722.158.733	16,106,954	16.91	3.78
2020	524,571,392	4,652,923	3.31	2.31
2021	613,299,459	1,557,530	0.54	1.61
2022	734,864,693	5,889,031	7.03	1.82

Tourism Sub-Sector 2018-2022

Source: Central Statistics Agency and Indonesia Stock Exchange, 2023

The table above shows varying figures each year, with decreases and increases in visitation numbers, foreign exchange earnings, and PBV levels. The decline in visitation began with the issuance of Government Regulation (PP) No. 21 of 2020 concerning large-scale social restrictions to address *the coronavirus disease*, encouraging people to stay at home.

Tourism-supporting sectors such as hotels, restaurants, and retail businesses are also feeling the impact of this global problem. Based on data from the Central Statistics Agency (BPS) for 2018-2022 regarding the Room Occupancy Rate (TPK) of star-classified hotels in Indonesia in 2020, it was the lowest figure at 32.4% of the 38 provinces surveyed, down by 21.4% from the previous year which reached 53.8% and experienced an increase of 3.7% in 2021 and 15.2% in 2022. The same thing also happened in the restaurant sub-sector, based on BPS data on the rate of Gross Domestic Product (GDP) for 2018-2022, in the report it was found that the food and beverage accommodation provider sector fell by 0.23 % in 2020 and 0.12% in 2021. The tourism supporting sector, namely transportation and warehousing, experienced a decline of 1.10% and 0.23% in 2020 and 2021. Companies in the hotel, restaurant and tourism sub-sector plays a crucial role as an economic driver and was the second-largest foreign exchange earner before the pandemic. The enactment of Government Regulation (PP) No. 21 of 2020 concerning large-scale social restrictions to address *the coronavirus pandemic* has significantly impacted this subsector, resulting in a decline in foreign exchange earnings, resulting in a drop in hotel occupancy rates from 52.3% in March 2019 to 19.7% in the same month of 2020 (theconversation.com).

The resulting losses have led companies to lay off or furlough employees, from senior managers to administrative staff. The implementation of large-scale social restrictions has spurred innovation in this subsector by establishing an adequate ecosystem and encouraging companies to digitize their products and services. The role of digitalization requires companies in this subsector to continuously evolve with technological advancements to maintain their value.

Corporate value is an investor's view of a company's success, often linked to its stock price (Nuradawiyah & Susilawati, 2020). Increasing corporate value is an achievement that aligns with the owners' desires, as increased corporate value also improves the welfare of the owners or shareholders (Erfani & Nena, 2019). Increasing corporate value requires a robust organizational control and regulatory system, which is then referred to as *good corporate governance*.

Good Corporate Governance plays a role in controlling and regulating the company in order to increase the company's value and provides guidelines for managers to manage the company in a way that benefits all parties, thereby strengthening the company's financial performance (Gita KW, 2019). *Good Corporate Governance* plays an important role in regulating, managing, and controlling, enabling it to create superior resources, including tangible and intangible resources (*Intellectual Capital*).

Intellectual capital (IC) is an intangible resource and a resource based on knowledge owned by a company. The phenomenon of *Intellectual Capital* began to develop after the emergence of PSAK No. 19 (revised 2000) concerning intangible assets. Although not explicitly stated as *intellectual capital (IC)*, *intellectual capital (IC)* has received less attention

from companies. Fauzia & Amanah (2016) stated that the greater the intellectual capital allocated by a company, the greater the company's value.

Research on the influence of *Intellectual Capital* on Company Value with *Good Corporate Governance* as a moderator One example is that conducted by Setiawan et al. (2021) who examined the determinants of intellectual property and financial leverage on firm value in the Indonesian mining sector. The results obtained in this study indicate that intellectual property and financial leverage influence firm value and improve corporate performance. Syah (2022) examined *Intellectual Capital* (IC), *Good Corporate Governance* (GCG), and financial performance in Islamic banking in Indonesia. The results obtained in this study indicate that *Intellectual Capital* influences financial performance, but when moderated by GCG, it does not strengthen this relationship. Research conducted by Subaida et al. (2018) on the influence of *Intellectual Capital* (IC) and its disclosure on firm value, the results of this study indicate that IC has no effect on firm value. Research conducted by Yumiasih & Isbanah (2017) on the influence of compensation, firm size, firm age, and leverage on firm value in the agricultural sector in Indonesia from 2012 to 2015, the results obtained in this study indicate that firm age has a significant effect on firm value, while firm size does not. Meanwhile, research by Siti Salsa & Setia Nugraha (2022) stated that partially, company age does not significantly influence company value. Research by Muharramah (2022) on the influence of company size, leverage, and profitability on company value in *the property, real estate, and construction sector* from 2016 to 2019, found that company size influences company value. Dewi & Abundanti (2019) examined the influence of profitability, liquidity, institutional ownership, and managerial ownership on company value in *the property and real estate sector* from 2014 to 2017. The results obtained in this study showed that managerial ownership significantly influences company value.

2. Research Methodology

This research is explanatory research *with* a quantitative approach. The data source for this study was obtained from the Indonesia Stock Exchange (IDX). The type of data used in this study is secondary data. The secondary data used in this study is the 2018-2022 financial reports of hotel, restaurant, and tourism sub-sector companies listed on the IDX. The population used in this study is the hotel, restaurant, and tourism sub-sector companies listed on the Indonesia Stock Exchange (IDX) in 2018-2022. The sample used in this study was taken using a *purposive sampling technique* with a total of 120 samples. This study uses multiple linear regression analysis techniques and moderation using SPSS (*Statistical Product and Service Solution*) 25 software to process the data. Other tests in this study include descriptive statistical analysis, classical assumption tests, hypothesis testing, and *moderated regression* analysis.

3. Results And Discussion

- a. *the intellectual capital* variable has no significant effect on company value. *Signaling Theory* explains that disclosing information related to intangible assets such as *intellectual capital* will provide valuable information to investors to reduce uncertainty about future prospects. Generally, with this information disclosure, investors tend to choose companies with high intellectual resources compared to companies with low intellectual resources. However, this is no longer a benchmark for investors when faced with a situation where *lockdowns* are implemented. According to *Resource-Based Theory*, the value of *intellectual capital* is highly dependent on a company's ability to manage, implement, and exploit intangible assets in a way that supports the achievement of strategic goals and competitive advantage. However, in unstable economic conditions, the value of investments in knowledge development can also become uncertain. The results of this study align with research conducted by Putri Ananda & Melan Sinaga (2024) and Emar & Ayem (2020) , which stated that *intellectual capital* has no significant effect on company value.
- b. Based on the results of the hypothesis test of the company age variable does not significantly impact company value. Long-standing companies have faced various lessons in the past, but the lessons related to the implementation of *lockdowns* are the first experienced by all industries in various countries. This implementation makes companies unable to run their core businesses because consumers cannot travel freely,

including companies in the hotel, restaurant, and tourism sub-sectors, which are most affected by this implementation. Therefore, the length of a company's existence does not guarantee its ability to overcome new threats or problems in the future. The implementation of *lockdowns* results in decreased revenue for companies, including those with long-standing or long-established companies. This decline in revenue requires companies to reduce the number of employees and reduce the company's product or service products in order to stabilize the company's finances. The results of this study align with the research of Siti Salsa & Setia Nugraha (2022), which states that company age had no significant effect on company value. This result also contradicts research by Yumiasih & Isbanah (2017), which states that older companies have a variety of learning experiences both within and outside the company.

- c. Based on the results of the hypothesis test, the company size variable has a significant effect on company value. Large companies are more attractive to investors during times of economic downturn and political instability because large companies generally have significant assets. Large assets indicate that a company has sufficient resources to finance its operations and meet its future obligations. Furthermore, large companies generally have lower risk because they can more easily diversify their business compared to companies with small assets. This research finding aligns with research by Damayanti & Darmayanti (2022) and Halim & Christiawan (2017), which states that company size has a significant impact on company value.
- d. Based on the results of the hypothesis test, the managerial ownership variable has a significant effect on company value. Based on *signaling theory*, Stakeholders who own ownership in the company where they serve are more attractive to investors than managers who do not own ownership. This is because economic instability will result in a decline in stock prices and result in losses for a number of investors, including retail investors and managers who own ownership in the company. This is the reason investors are more attracted to companies that implement managerial ownership than companies that do not implement it because when faced with uncertain economic conditions, losses and profits will be borne together. The results of this study are in line with research by Dewi & Abundanti (2019), Putri Ananda & Melan Sinaga (2024), and Anita, Aprilia & Yulianto (2016), which stated that managerial ownership has a significant impact on company value.
- e. Based on the results of the hypothesis test, it was concluded that *good corporate governance* is unable to moderate the influence of *intellectual capital* on company value. Since the enactment of Government Regulation (PP) Number 21 of 2020 concerning large-scale social restrictions, economic activity has decreased, which has impacted company value. The stagnation of company activities has resulted in financial instability, forcing the board of directors to implement efficiency measures by eliminating previously agreed-upon company plans. One form of efficiency implemented by the board of directors is by eliminating all forms of development and management of intangible resources (*intellectual capital*). These findings contradict those of Maharani & Wahidahwati (2023) and Wulandari (2021), which state that *good corporate governance* moderates *intellectual capital* on company value. This research is supported by the results of research by Rohayu & Wahidahwati (2018) and Hanun et al., (2023), which state that *good corporate governance* is unable to moderate the influence of *intellectual capital* on company value.

4. Conclusion

Intellectual Capital variable does not have a significant effect on Company Value (PBV). The Company Age variable does not have a significant effect on Company Value (PBV). The company size variable has a significant effect on Company Value (PBV). Managerial Ownership variable has a significant effect on Company Value (PBV). *Good Corporate Governance* variable cannot moderate *Intellectual Capital* on Company Value (PBV). Based on the test results for three periods: normal, pandemic, and *recovery*, each variable in each period, such as *intellectual capital*, company age, managerial ownership, and moderating variables, had no effect or could not moderate firm value (PBV). A different finding was shown by the variable company size, which significantly influenced firm value during the pandemic and *recovery periods*, although it did not have a significant

effect during the normal period. These results indicate that companies with substantial resources are more attractive to investors than companies with limited resources.

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