Intellectual Capital and Corporate Governance as a Determinant of Corporate Value With Financial Performance as Intervening Variable

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Abstract: *This study aims to determine the effect of Intellectual Capital and Corporate Governance against Company Value with Financial Performance as Intervening Variable.Research data obtained from annual financial company financial report listed on Indonesia Stock Exchange 2016. Analisis data is done by Partial Least Square analysis techniques with the help of smartpls.The analysis program shows that intellectual variables positively affect the financial performance and corporate value, while the variable Corporate Governance only has a significant effect on financial performance variable and has no significant effect on firm value variable. It also shows that the company's performance variable is able to mediate the influence of intellectual capital and corporate goverment variable on firm value.*
Keywords: *Intellectual Capital, Corporate Governance, Corporate Performance, Corporate Value.*

I. Introduction

As advancements in science and technology, the economy, politics and culture of the business world continue to move rapidly. In the current era of globalization, companies in conducting economic activities without borders of the country so the competition becomes increasingly tight. Therefore, banking companies continue to make improvements in all sectors both in the improvement of business strategy and in corporate financial problems. Science and technology have radically changed the company's strategy of a labor-based business to a knowledge-based business. The issue of Intellectual Capital becomes very important in its impact on the increase in corporate value (Langerodi et al, 2014).

In relation to research on Intellectual Capital, Corporate Governance, and company performance, Widigdo (2013) has demonstrated that Intellectual Capital positively affects the company's financial performance (ROA) but for Corporate Governance which is only proxied by managerial ownership, institutional ownership, and independent commissioner proportion , is still not proven to improve the financial performance of companies in banking companies listed on the Indonesia Stock Exchange 2009-2011 observation period.

Continuing relevant previous studies, as well as inconsistencies in previous research findings, researchers would like to review more research related to Intellectual Capital, Corporate Governance, corporate financial performance and corporate value, with the following novelty: First object used in this research is firm financial services sector listed on the Indonesia Stock Exchange. The financial service sector is chosen as the ideal object of this research because (1) presented financial report data (balance sheet, profit / loss) of publications that can be accessed at any time; (2) the business sector financial institutions are "intellectually" intensive (Firer and William, 2003); (3) overall employees in the "intellectual" financial sector are more homogeneous compared to other economic sectors (Kubo and Saka, 2002 in Ulum, 2008). (4) the financial and insurance industry is one of the knowledge-based industries that utilize the innovations it creates to compete in providing its own value for the products and services produced, and more based on the potential utilization of its employee resources rather than the physical assets owned (Widiyaningrum, 2004). (5) Companies of the financial sector have dominant intellectual capital and run operational activities with more knowledge capital than physical capital (Ting and Lean, 2009 in Pramestiningrum, 2013). Both indicators are used to measure the performance of this research using NPL, LDR, ROA, ROE, BOPO, CAR, and NIM which is a key indicator business sector financial institutions of financial performance. Intellectual Capital component (structural capital, human capital, and customer capital) is measured by Pulic method (VAICTM), while to assess Corporate

Governance, the researcher adds indicators to the number of audit committee members and board size, and company value measurement adds price per sheet indicators shares (HS) seen from next year's share price. Third Observation 2016 conducted with the hope of the selection of the latest financial statements to be more able to represent the current state of the company. Fourth, this research uses structural model with Partial Least Square (PLS) approach, so it is expected to know the indicators that most reflect the variables measured in this research. The use of intervening variables is used in this study because firm value is not only a direct result or a result of intellectual capital, but also other factors contributing to corporate value.

Based on the description above, then formulated the problem as follows:
a. Does Intellectual Capital Affect Financial Performance?
b. Does Intellectual Capital Affect Corporate Value?
c. Does Corporate Governance Influence Financial Performance?
d. Does Corporate Governance Affect Corporate Value?
e. Does Financial performance affect Company Value?

II. Literature Review and Hypotheses Development
2.1 Intellectual Capital Influence on Financial Performance (Financial Performance)

According to stakeholder theory, company management is expected to perform activities expected by their stakeholders and stakeholders can control management in managing resources owned by the company. In line with RBT's theory, companies capable of using and managing their resources in the form of tangible assets and intangible assets effectively and efficiently can create value added and competitive advantage over their competitors (Rajannoor et al, 2014).

Intellectual Capital is a knowledge-based company resource and intangible assets that can be added value for the company by considering human capital, structural capital and custumer capital owned by the company. Management of good Intellectual Capital by the company, will increase productivity and will result in high profitability for the company, so the Company Performance will also experience improvement (Hashim et al, 2015).

Research on Intellectual Capital's relationship to Company Performance overseas and in Indonesia has been proven empirically. Khanqah et al (2012) from Iran conducted research with $VAIC^{TM}$ Pulic method and linear regression with Intellectual Capital result positively correlated with company's financial performance (ROA, ATO). In line with research by Mosavi et al (2012) also from Iran with regression method and using annual report with Intellectual Capital result significantly related to performance of multinational company in Iran. Aslam et al (2015) from Pakistan to do research with method of Pulic ($VAIC^{TM}$) and PLS with result of IC have positive effect to company's financial performance both now and in the future; the average growth of IC is positively related to the company's financial performance in the future; IC contribution to company performance is different based on industry type.

Widyastuti et al (2012) examined the relationship of Intellectual Capital to the performance of Indonesian banking companies. The company's performance is ROA, ATO, and GR. The results of this study indicate that IC has a significant positive effect on the financial performance of the company now and the future. Reinforced by Pratama et al (2015) study which also shows that Intellectual Capital measured by Pulic method ($VAIC^{TM}$) has a positive effect on financial performance (ROA). Based on the theories that have been proposed along with previous studies related to the influence of Intellectual Capital and financial performance, the hypothesis is formulated as follows:

H1: Intellectual Capital positively affects the Company's Financial Performance.

2.2 Intellectual Capital Influence on Corporate Value

Stakeholder theory states that a company is not an entity that operates only for its own sake but must benefit its stakeholders (Rajannoor et al, 2014). In line with the signaling theory that suggests that the company's drive to provide annual financial reporting information to external parties, it becomes a signal for investors and other potential parties in making economic decisions. A disclosure is said to contain information if it can trigger a market reaction, which can be either a stock price change or an abnormal return. If the disclosure gives a positive impact of the increase in stock price, then the disclosure is a positive signal. Conversely, if disclosure negatively impacts abnormal return indicates a negative signal to the company's market performance (Mojtahedi et al, 2012).

Intellectual Capital is believed to play an important role in improving Corporate Performance and Corporate Values. Intellectual Capital is able to create innovation and competitive business competition. In order to attract the attention of the market, the company must be able to improve the management of its Intellectual Capital performance. It can show that companies have added value compared to other companies, so investors will place a higher value for companies with large Intellectual Capital. The higher the Intellectual

Capital in a company, the Company Performance and Company Value will increase and its shares will be much in demand by investors so that stock prices tend to be up (Khanqah dkk, 2012).

Research related to the positive relationship between Intellectual Capital with the company's market performance has also been done empirically by Janošević et al (2015) and Mosavi et al (2012). Mosavi et al (2012) examines the long-term relationship of Intellectual Capital with the market value and financial performance of companies listed on the Tehran Stock Exchange. The Intellectual Capital component (human capital, structural capital, and customer capital) is measured by the Pulic method (VAIC^{TM}) and the firm's performance is measured by market-to-book value, ROA, ROE, and growth in revenue. The results indicate a significant positive relationship between Intellectual Capital, market value, and financial performance (Nuryaman, 2015). Similarly, the study of Janošević et al (2015) to examine the effect of Intellectual Capital which also uses the Pulic (VAIC^{TM}) model of market value and financial performance of firms using samples of public companies in Serbia. The company's performance is market-to-book value, ROE, ROA, growth in revenue and employee productivity. The results show that Intellectual Capital affects market value and financial performance; R & D effect on company performance.

H2: Intellectual Capital has a positive effect on Corporate Value

2.3 The Influence of Corporate Governance on Corporate Financial Performance

Corporate Governance is a concept based on agency theory that is closely related to how to make investors believe that managers will benefit them, confident that managers will not embezzle or invest capital invested in unfavorable projects, and also relate to how investors control managers (Rajannoor et al, 2014).

With good and controlled corporate governance, alignment of objectives between all parties concerned to the company can be realized so that all related elements can work together in conducting business activities to the fullest. The company's financial performance will also increase along with the improvement of the company's management in achieving its objectives (Rajannoor et al, 2014).

Rajannoor et al (2014) argues that companies with good governance will have more efficient financial performance. In line with research conducted by Diarto et al (2016) who managed to find a positive relationship between Corporate Governance with the Company's financial performance as measured by ROA.

Corporate Governance is a guide for managers to manage the company best practice. Managers work effectively and efficiently so as to lower capital costs and be able to minimize risks. This can be seen in the hope that the future cash is high so that the expected profitability will also increase (Rajannoor et al, 2014).

H3: Corporate Governance positively affects the Company's Financial Performance

2.4 Corporate Governance Influence on Corporate Value

Based on signaling theory that discusses the company's drive to provide annual financial statement information to external parties to reduce information owned, both financial and nonfinancial information, and as a positive signal about the company's performance. One of the information that must be disclosed by the company is information about Corporate Governance. The activities undertaken by the company always affect the stakeholders such as employees, suppliers, investors, government, consumers, and society (Diarto et al, 2016).

The consistent and consistent implementation of Corporate Governance in every business activity and making it a work culture that prevailed in the company, can support the company's goals of business growth, profitability, enhancing shareholder value and other stakeholders, and enhancing the capability for long-term business sustainability achievable. Investors will feel secure about their investment, tend to earn returns in accordance with their expectations and willing to pay premium to companies that implement corporate governance (Widigdo, 2013).

H4: Corporate Governance positively affects Corporate Value

2.5 Effect of the Company's Financial Performance on Corporate Value

The stakeholders prefer the company that creates value for its importance. If the stakeholder is a potential investor then the interest to the company is a good performance company so that the company's profit and investors also benefit from the capital invested in the company. So that a company that perform well then will be able to meet the interests of stakeholders so that the stocks are in great demand and the stock price goes up (Rajannoor et al, 2014). If the Company's Financial Performance is really good then the company must signal to external parties by taking action or policy that can not be done by other companies that do not have the same performance. This is explained in the signaling theory. For example in giving dividends, dividend is a signal from the company that the company is in good condition or profit, because the company is in a loss condition will not be able to give dividends, if want to give dividend it will make a big cost for the company. The higher the Company's Financial Performance, the Company's Value of a Company will also increase as the financial performance is always related to the market performance.

H5: The Company's Financial Performance has a positive effect on Corporate Value.

III. Research Methods

3.1 Population and Sample Research

The population in this study is the financial services industry listed on the Indonesia Stock Exchange (BEI) in 2016. Financial services industry is selected as a sample of research due to the level of ability and quality of human resources needed in the ongoing performance of the company. Human resources in the financial industry communicate more directly with customers in selling the company's products. Therefore, the sustainability of the company is highly dependent on the ability of each individual in selling the company's products. Sampling technique in this research is by using purposive sampling method, meaning that the population to be sampled in this study is the population that meet the criteria of a particular sample.

3.2 Data Collection Techniques

The data in this research is secondary data. Secondary data is a source of data that has been available or collected by other parties so that researchers stay to use it as needed research. Sources of data are obtained from the annual financial statements of financial companies listed on the Indonesia Stock Exchange from 2016 totaling 62 companies.

3.3 Operational Definition of Variables

Variables used in this study consist of latent variables and manifest variables. The latent variable is a variable that can not be measured directly unless measured by one or more manifest variables, while the manifest variable is the variable used to describe or measure a latent variable (Singgih; 2011: 7).

The latent variables in this research are Intellectual Capital (IC), Corporate Goverment (CG), Company Performance (KP) and Corporate Value (NP), then manifest variable in this research is Value Added Capital Employed / Physical Capital (VACA) Added Human Capital (VAHU) and Structural Capital Value Added to measure Intellectual Capital (IC) variables, Managerial Ownership, Institutional Ownership, Board of Commissioners Size, Proportion of Independent Commissioners (PDKI) and Existence of Audit Committee (KKA) Goverment (CG), then CAR, NPL, ROA, ROE, NIM, BOPO and LDR variables to measure Company Performance (KP) and MBV, PER, HS, Tobin, SIZE and DER variables to measure Company Value (NP). The following is the definition of all latent variables measured by the measuring manifest variable:

a. *Value Added Capital Employed / Physical Capital* **(VACA)**

$$VACA = VA \div CE \tag{3.3.1}$$

Where:
1) VACA (Value Added Capital Employed): the ratio of VA to CE.
2) VA (Value Added)
3) CE (Capital Employed): available funds (total equity and net income)

b. *Value Added Human Capital* **(VAHU)**

$$VAHU = VA \div HC \tag{3.3.2}$$

Where:
1) VAHU (Value Added Human Capital): the ratio of VA to HC.
2) VA (Value Added)
3) HC (Human Capital): manpower burden (total salary, wages and income of employees).

c. *Structural Capital Value Added* **(STVA)**

$$STVA = SC \div VA \tag{3.3.3}$$

Where:
1) STVA (Structural Capital Value Added): the ratio of SC to VA.
2) SC (Structural Capital): VA - HC
3) VA (Value Added)

d. **Managerial Ownership (KPM)**

Managerial ownership is the proportion of ordinary shares held by directors and boards of commissioners. The indicator used to measure managerial ownership is the percentage of total shares owned by the management of all share capital of the company in circulation (Diarto et al, 2016).

Managerial Ownership is calculated by the formula: (Number of shares owned by management) / (Number of shares outstanding)(3.3.4)

e.   Institutional Ownership (KPI)

Institutional ownership is the ownership of shares by external shareholders who are institutions, companies, insurance institutions, banks, pension funds (Rajannoor et al, 2014). Institutional ownership in this research is measured by using indicator percentage of total shares owned by institution from all share capital in circulation.

Institutional ownership is calculated by the formula: (Number of shares owned by financial institution) / (Number of shares outstanding)   (3.3.5)

f.   The size of the Board of Commissioners (UDK)

The size of the Board of Commissioners is the sum of all members of the board of commissioners who come from internal and external companies that supervise the directors in running the company (Lisdayanti et al, 2016).UDK = Number of Commissioners in a Company   (3.3.6)

g.   Proportion of Independent Board of Commissioners (PDKI)

An independent commissioner is a member of the board of commissioners who is not affiliated with management, other members of the board of commissioners and controlling shareholders, and is free from any business relationship or other relationship that may affect his ability to act independently or act solely for the benefit of the company (Lisdayanti et al, 2016) . This study uses indicators in accordance with the studyWidigdo (2013) and Nuryaman (2015) that is using the proportion of board members who come from outside the company from all sizes of members of the board of commissioners of the company.

Proportion of Independent Commissioners = Number of independent commissioners / Total of members of the Board of Commissioners   (3.3.7)

h.   The existence of the Audit Committee (KKA)

Audit committee is considered as a liaison between shareholders and the board of commissioners with the management in handling control issues. Bapepam requires that members of the minimum audit committee be 3 persons and one of them must be an accountant. Nuryaman (2015) and Rajannoor et al (2014) measure the existence of an audit committee, as a dummy variable, if the sample company has an audit committee it is rated 1, and if otherwise it is assessed 0. But this study measures the audit committee by the number of audit committees within the company with which has been put forward by Bapepam-LK. KKA = Number of Audit Committee Members in a Company (3.3.8)

i.   CAR (Capital Adequacy Ratio)

CAR is a performance ratio to measure the capital adequacy of a company to support assets that contain or generate risks, such as loans.

CAR (*Capital Adequacy Ratio*)= $\frac{capital}{Total\ ATMR}$x100%   (3.3.9)

j.   NPL

NPL represents a ratio that indicates that the company's management capability in managing non-performing loans provided by the company. This ratio can be measured using the formula: (www.bi.go.id)

NPL = Troubled Credit/ Total Credits x100%

k.   NIM

NIM is the ratio used to measure the company's management capability in managing its earning assets to generate net interest income. Net interest income is derived from interest income less interest expense. The greater this ratio, the higher interest income on earning assets managed by the bank so that the possibility of a bank in the troubled condition is getting smaller. This ratio is formulated as follows: (www.bi.go.id)

NIM = Net Interest Income / Earning Assets X100%   (3.3.10)

l.   BOPO

BOPO is the ratio of operational costs, is the ratio between operational costs and operating income. This ratio can be formulated as follows: (www.bi.go.id)

BOPO = Operating Cost / Operating Income X100%   (3.3.11)

m. LDR

Loan to Deposit Ratio (LDR) is a ratio to measure the amount of loans granted on third party deposits and own capital. LDR is calculated by the formula: (www.bi.go.id)

LDR = Amount Loans awarded / Total Third Party Funds x100% (3.3.12)

n. ROE (Return on equity)

ROE is a measure of profitability viewed from the point of view of shareholders. If the company's ROE rate is high it will reflect the company's ability to provide high return for shareholders (Lisdayanti et al, 2016; Gozali et al., 2014). (www.bi.go.id)

ROE = net profit after tax (EAT) / Total equity (3.3.13)

o. ROA (Return on assets)

Return on assets (ROA) is the ratio between net income after tax to total assets (total assets). ROA reflects the business benefits and efficiency of the company in the utilization of total assets (Lisdayanti et al, 2016; Kurniawan, 2014).

ROA = net profit after tax (EAT) / Total assets (3.3.14)

p. Market-to-book value (MBV)

Market-to-book value (MVB) shows the value of a company obtained by comparing the market value with its book value. The research undertaken by Janošević et al (2015) and Mosavi et al (2012) market-to-book value systematically can be formulated as follows: (Lisdayanti et al, 2016)

MBV = Market value of common stock / book value of net assets (3.3.15)

r. Price Earning Ratio (PER)

PER is one approach often used by securities analysis to assess a stock. Price earning ratio is the ratio between closing price and earnings per share. (Harryani et al., 2013).

PER = Closing Price $_{(t+1)} \div$ EPS (3.3.16)

s. Price per Sheet

The price per share is determined by the market perception. The market perception is influenced by the company's stakeholder. (kurniawan, 2014; Hsu et al, 2009)

Stock Price (HS) t = Closing price (t + 1) (3.3.17)

a. **Tobin's Q**

Tobin's q is the ratio between the value of the company and the value of the replacement of physical assets (Lisdayanti et al, 2016; Suhendra, 2015; Gozali et al., 2014).

Tobin = (Market value of equity + Total liabilities) / (Total Assets) (3.3.18)

Where:

MVE = stock closing price at the end of fiscal year x number of ordinary shares outstanding) t + 1

b. **Company Size**

The size of the company can be seen from the total assets owned by the company. Systematically company size can be formulated as follows: (Rajannoor et al, 2014; Lisdayanti et al, 2016)

Size = Natural Logarithm of Total Assets (3.3.19)

c. **Leverage**

Debt to Equity Ratio (DER) reflects the ability of the company to fulfill all its obligations, indicated by how much of its own share of capital used to pay the debt (Mojtahedi, 2013).

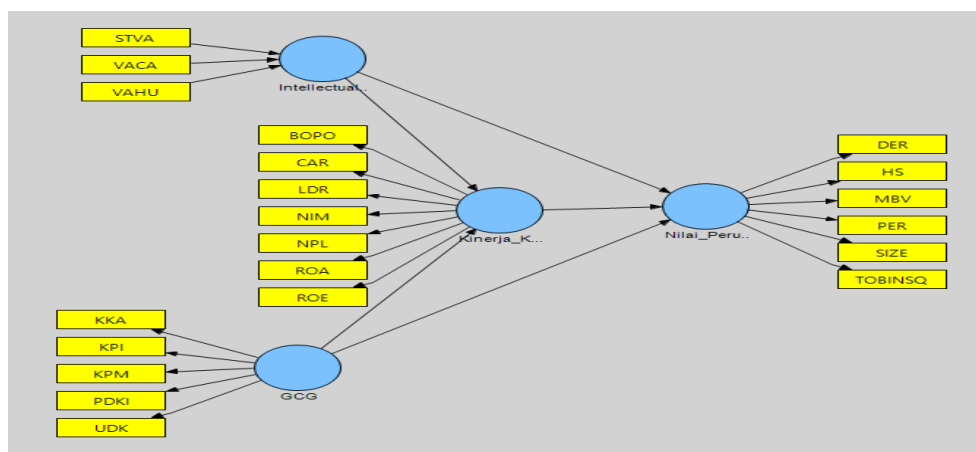DER = Total Debt $\div$ Stockholders Equity (3.3.20)

3.4 Data Analysis Technique

Data processing technique using SEM method based on Partial Least Square (PLS) requires 2 stages to assess Fit Model from a research model (Ghozali, 2006). These steps are testing outer model, inner model, quality indexes and model estimation results.

IV. Data Analysis Results

4.1 Results of PLS Analysis

In this study, the influence of Intellectual Capital and Corporate Governance variables on work value with the mediated variable of Company Performance will be analyzed by PLS analysis with PLS model as follows:

PLS Model Image

The model will then be estimated using the PLS technique. In data processing techniques using SEM method based on Partial Least Square (PLS) requires 2 stages to assess the Fit Model of a research model (Ghozali, 2006). The stages are as follows:

4.2.1 Evaluation of Measurement Model (Outer Model)

An evaluation of the outer model is done to assess the validity and relaibility of the model. There are three criteria to assess the outer model of Convergent Validity, Discriminant Validity and Composite Reliability.

a. Convergent Validity

Convergent validity of the measurement model with reflexive indicator is judged by correlation between item score / componentscore estimated with Soft PLS. The individual reflexive sizes are high if they correlate more than 0.70 with the measured constructs. However, according to Chandin, 1998 (in Ghozali, 2006) for the initial stage of development of a scale measuring the loading values of 0.5 to 0.6 is considered sufficient. In this research will be used the load factor limit of 0.50.

Table 4.4 Validity Test Results

sss	GCG	Intellectual_Capital	Financial Performance	Firm Value
BOPO			0.835	
CAR			0.406	
DER				0.122
HS				0.894
KKA	0.979			
KPI	0.173			
KPM	-0.255			
LDR			0.412	
MBV				0.793
NIM			0.017	
NPL			0.953	
PDKI	0.629			
PER				-0.288
ROA			-0.894	
ROE			-0.899	
SIZE				0.842
STVA		-0.199		
TOBINSQ				0.763
UDK	0.687			
VACA		0.928		
VAHU		0.836		

Based on the above table, some indicators have a loading factor <0.5, so it should be dropped from the model. These indicators are KPI and KPM indicators on GCG variables, then CAR, LDR and NIM indicators on financial performance variables and DER and PER indicators on firm value variables.

b. Deskriminan validity

Discriminant validity is done to ensure that each concept of each latent variables is different from other variables. The model has good discriminant validity if each loading value of each indicator of a latent variable has the largest loading value with another loading value against other latent variables. Discriminant validity test results are obtained as follows:

Table 4.5 Test Result of Deskriminan Validity

	GCG	Intellectual_Capital	Financial Performance	Firm Value
BOPO	0.338	-0.804	-0.826	-0.162
HS	0.503	0.175	0.023	0.912
KKA	0.996	-0.287	-0.429	0.587
MBV	0.261	0.024	-0.081	0.827
NPL	0.411	-0.941	-0.965	-0.066
PDKI	0.667	-0.204	-0.309	0.319
ROA	-0.371	0.939	0.954	-0.023
ROE	-0.374	0.958	0.973	-0.027
SIZE	0.658	0.383	0.248	0.802
TOBINSQ	0.318	-0.106	-0.211	0.794
UDK	0.678	-0.084	-0.163	0.370
VACA	-0.184	0.987	0.951	0.270
VAHU	-0.319	0.990	0.986	0.099

From the table above, it can be seen that all indicators have a greater loading factor loading factor than other constructs, this means that all indicators are valid in measuring their respective constructs, no variable elimination or variable position displacement in the structural model will analyzed at a later stage.

c. Composite Reliability and Crombach's Alpha

The reliability of the construct can be judged by the value of Alpha crombachs, the value of Composite Reliability and the Average Variance Extracted (AVE) value of each construct. The construct is said to have high reliability if the crombachs alpha value exceeds 0.7, the composite reliability value exceeds 0.70 and the AVE is above 0.50.

Table 4.12 Value of Cronbach's Alpha, Composite Reliability and AVE

	AVE	Composite Reliability	Cronbachs Alpha
GCG	0.632	0.832	0.680
Intellectual_Capital			
Financial Performance			
Firm Value	0.697	0.902	0.861

Based on the above table, we can see the crombachs alpha value of the entire construct> 0.6, the composite reliability value> 0.7 and the entire AVE value of the construct> 0.5 which means the entire construct has satisfied the reliability.

4.2.2 Testing of Structural Model (Inner Model)

The PLS Structural Model can be assessed by looking at the R Square value of each endogenous variable as the predictive power of the structural model. The R Square interpretation is similar to R Square's interpretation of regular regression analysis. R Square value 0.75; 0.50 and 0.25 can be concluded that the model is strong, moderate and weak (Ghozali; 2016: 78). Here is the value of R Square research variables:

Table 4.13 R Square

	R Square
GCG	
Intellectual_Capital	
Financial Performance	0.984
Firm Value	0.611

Based on the above table, obtained R Square value of financial performance variable of 0.984 which means that the contribution given by intellectual capital and GCG variables is 98.4%, while in the variable of

company value, R Square value of 0.611 indicates that the contribution of variable intellectual capital and GCG to company value is 61.1%.

4.2.3 Significance Test Results
The significance test of PLS model is done by Bootstrapping (resampling) method. In this research, 68 samples will be sampled up to 500 samples. The hypothesis used in this test is as follows:

Ho: Exogenous variables have no significant effect on endogenous variables
Ha: Exogenous variables significantly influence endogenous variables

With a 95% confidence level, Ho will be rejected if the statistical t value obtained> 1.96 and Ho will be accepted if the statistical t value <1.96. Furthermore, the direction of influence relationship of exogenous variable to endogenous variable can be seen from original value of sample. Original samples marked positive indicate the direction of a positive / unidirectional relationship whereas the Original sample is marked negative indicates the direction of the opposite relationship.

The following is a picture of the PLS daigram after the method is estimated by the bootstrapping method:

Table 4.18 Results of PLS analysis

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (|O/STERR|)
GCG->financial performance	-0.156	-0.159	0.059	0.059	2.647
GCG -> firm value	0.109	0.168	0.078	0.078	1.385
Intellectual_Capital -> financial performance	0.940	0.929	0.144	0.144	6.538
Intellectual_Capital -> firm value	3.582	3.400	0.941	0.941	3.807
financial performance -> firm value	-3.439	-3.213	1.049	1.049	3.278

Based on the above table, the following results are obtained:
1. The t value of statistical influence of GCG variable on financial performance is 2,647> 1,96 which means GCG variable has significant effect to financial performance
2. The t value of statistical influence of GCG variable to firm value is 1,385 <1,96 which means GCG variable has no significant effect to firm value
3. The t value of statistical influence of intellectual capital variable to financial performance is 6,538> 1,96 which means variable of intellectual capital have significant effect to financial performance
4. The t value of statistical influence of intellectual capital variable to firm value is 3,807> 1,96 meaning intellectual capital variable have significant effect to firm value
5. The t value of statistical influence of financial performance of capital to company value is 3,278> 1,96 which means variable of intellectual capital have significant effect to firm value.

4.3 Hypothesis Testing
4.3.1 Hypothesis 1: Intellectual Capital affects the financial performance
The t value of statistical influence of intellectual capital variable to financial performance is 6,538> 1,96 which means variable of intellectual capital have significant effect to financial performance. This supports hypothesis 1 in this study which means H1 is accepted.

4.3.2 Hypothesis 2: Intellectual Capital affect the value of the company
The t value of statistical influence of intellectual capital variable to firm value is 3,807> 1,96 which mean intellectual capital variable have significant effect to firm value. This supports hypothesis 2 in this study which means H2 is accepted.

4.3.3 Hypothesis 3: GCG affects financial performance
The t value of statistical influence of GCG variable on financial performance is 2,647> 1,96 which means GCG variable has significant effect to financial performance. This supports hypothesis 3 which means H3 is accepted.

4.3.4 Hypothesis 4: GCG affects the firm's value
The t value of statistical influence of intellectual capital variable to firm value is 1,385 <1,96 which means GCG variable has no significant effect to firm value. This does not support hypothesis 4 in this study which means H4 is not accepted.

4.3.5 Hypothesis 5: Financial performance affects the firm's value

The t value of statistical influence of intellectual capital variable to firm value is 3,807> 1,96 meaning financial performance variable have significant effect to firm value. This supports hypothesis 5 which means H5 is accepted.

V. Discussion

5.1 Intellectual Capital affects the financial performance

The t value of statistical influence of intellectual capital variable to financial performance is 6,538> 1,96 which means variable of intellectual capital have significant effect to financial performance. This supports hypothesis 1 in this study which means H1 is accepted.

The results of this study in line with the results of research Widyastuti et al (2012) examined the relationship of Intellectual Capital to the performance of Indonesian banking companies. The company's performance is ROA, ATO, and GR. The results of this study indicate that IC has a significant positive effect on the financial performance of the company now and the future. Reinforced by Pratama et al (2015) study which also shows that Intellectual Capital measured by Pulic method (VAICTM) has a positive effect on financial performance (ROA).

5.2 Intellectual Capital affects the value of the company

The t value of statistical influence of intellectual capital variable to firm value is 3,807> 1,96 which mean intellectual capital variable have significant effect to firm value. This supports hypothesis 2 in this study which means H2 is accepted.

The results of this study are in line with the research of Janošević et al (2015) to examine the effect of Intellectual Capital which also uses the Pulic (VAICTM) model of market value and financial performance of firms using samples of public companies in Serbia. The company's performance is market-to-book value, ROE, ROA, growth in revenue and employee productivity. The results show that Intellectual Capital affects market value and financial performance; R & D effect on company performance.

5.3 CG affects the financial performance

The t value of statistical influence of GCG variable on financial performance is 2,647> 1,96 which means GCG variable has significant effect to financial performance. This supports the hypothesis 3 in this study which means that H3 is accepted.

Rajannoor et al (2014) argues that companies with good governance will have more efficient financial performance. In line with research conducted by Diarto et al (2016) who managed to find a positive relationship between Corporate Governance with the Company's financial performance as measured by ROA.

Corporate Governance is a guide for managers to manage the company best practice. Managers work effectively and efficiently so as to lower capital costs and be able to minimize risks. This can be seen in the hope that the future cash is high so that the expected profitability will also increase (Rajannoor et al, 2014).

5.4 Hypothesis 4: CG affects the firm's value

The t value of statistical influence of intellectual capital variable to firm value is 1,385 <1,96 which means CG variable has no significant effect to firm value. This does not support hypothesis 4 in this study which means H4 is not accepted.

5.5 Hypothesis 5: Financial performance affects the firm's value

The t value of statistical influence of intellectual capital variable to firm value is 3,807> 1,96 meaning financial performance variable have significant effect to firm value. This supports hypothesis 5 in this study which means H5 is accepted.

The stakeholders prefer the company that creates value for its importance. If the stakeholder is a potential investor then the interest to the company is a good performance company so that the company's profit and investors also benefit from the capital invested in the company. So that a company that perform well then will be able to meet the interests of stakeholders so that the stocks are in great demand and the stock price goes up (Rajannoor et al, 2014).

If the Company's Financial Performance is really good then the company must signal to external parties by taking action or policy that can not be done by other companies that do not have the same performance. This is explained in the signaling theory. For example in giving dividends, dividend is a signal from the company that the company is in good condition or profit, because the company is in a loss condition will not be able to give dividends, if want to give dividend it will make a big cost for the company.

VI. Conclusions

6.1 Conclusion
The conclusions obtained from the results of this study are as follows:
a. Intellectual Capital has a significant effect on Financial Performance
b. Intellectual Capital has a significant effect on Corporate Value
c. Corporate Governance has a significant effect on Financial Performance
d. Corporate Governance has no significant effect on Corporate Value
e. Financial Performance has a significant effect on Corporate Value
f. The company's performance variable is able to mediate the influence of intellectual capital and corporate goverment variable on firm value.

The analysis program shows that intellectual variables positively affect the financial performance and corporate value, while the variable Corporate Governance only has a significant effect on financial performance variable and has no significant effect on firm value variable. It also shows that the company's performance variable is able to mediate the influence of intellectual capital and corporate goverment variable on firm value.

6.2 Implications of the Research
Based on the results of research, intellectual capital and corporate goverment directly affect the company's performance, so that the company's performance remains good, the company needs to pay attention to both aspects. Furthermore, the value of the company is influenced financial performance and intellectual capital which means that corporate value remains high, then the company must pay attention to both aspects.

6.3 Limitations of Research
The limitation in this study is that this study uses only one year of observation so it has not been so visible if applied in subsequent years.

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