

Disclosure of The Role of Intellectual Capital in Mediating Managerial Capability and Corporate Value

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Abstract:

This study aims to examine the effect of managerial ability on intellectual capital disclosure, examine the effect of managerial ability on firm value, examine the effect of intellectual disclosure on firm value and examine the role of intellectual capital disclosure in mediating the relationship between managerial ability and firm value. This study uses secondary data derived from the financial statements of basic and chemical companies listed on the Indonesia Stock Exchange. By using the sampling technique purposive sampling method. Using a statistical application in the form of Structural Equation Modeling through the Wrap Partial Least Square application version 8.0 is used in this study to analyze research consisting of validity, reliability and hypothesis testing. The results of this study indicate that the first managerial ability has a positive effect on firm value, the second hypothesis shows managerial ability on intellectual capital disclosure, the third hypothesis shows intellectual capital disclosure on firm value, while the fourth hypothesis shows that intellectual capital disclosure mediates managerial ability on firm value. The conclusion of this study is managerial ability Managerial ability can be used to provide opportunities for managers who are involved in share ownership so that with this involvement the manager's position is equal to that of the shareholder.

Introduction

Developments in the world business require companies to create competitive advantages in running their business. So the company in running its business requires a clear capital structure. In the formation of the capital structure in a company it consists of securities and financial assets that are intangible, such as the skills possessed by employees (Human Resources), innovation in terms of technology and relationships with customers which are combined as a form of capital structure (Determijan, 2002).

Capital structure is an indicator that is owned by a company in the form of characteristics or values that are owned by the company's mover (agency) that runs the company, in this case the manager who works for the company so that the company has clear characteristics and is able to innovate in improving the resulting performance. company (Determijan, 2002). So that the capital structure (Intellectual Capital) is required to have confidential information which can lead to higher costs of equity, increased income uncertainty and more significant distortions in capital expenditure estimates (Javad et al, 2021; Determijan, 2002).

Therefore, in disclosing Intellectual Capital information or what is often referred to as capital structure, it must have information submitted in a voluntary form, which means that the information submitted is an integrated information system or can be accepted by investors who aim to make better decisions to invest. in the form of investment (Determijan, et al, 2012). In practice, the capital structure owned by the company must be able to manage its resources so that the company can increase its advantages (Dumay and Cai, 2014).

This shows that in increasing the value of the company, decision makers must have the ability to assess how the capital structure is owned by the company. Thus, companies will be better able to optimize their resources to increase company value (Javad et al, 2021; Edvinsson, 2013). Firm value is an indicator that is used not only from financial information submitted to decision makers. However, there needs to be other information that helps companies manage their resources and create added value as the company's main competitiveness (Dechow and Dichev, 2002; Klein, 2002). Capital structure can encourage company management to use technology in carrying out daily economic practices that aim to help manage resources in companies (Javad et al, 2021; Salvi, et al 2020).

Knowledge is needed in managing and utilizing the company's resources. Knowledge-based company management has made science and technology very important in managing the company. In good resource management, science and technology will help companies manage other resources efficiently. Efficient and economical use of resources will provide good performance (Dechow and Dichev, 2002). The value of a company is not only obtained from financial information submitted to decision makers. However, there needs to be other information that helps companies manage their resources and create value that can add to the company's main competitiveness (Dechow and Dichev, 2002; Klein, 2002).

The added value owned by the company is able to improve the performance of the company so that the company is able to increase the revenue generated with the aim of providing variance from the estimates generated by the company's decision makers. In this

case the company must be able to make changes in improving the company's managerial capabilities obtained from the company's resources which become the company's capital structure in carrying out its operations (Dechow and Dichev, 2002; Klein, 2002).

The concept of Intellectual Capital is still not widely applied in Indonesia, many Indonesian companies still tend to be conventional based in building their business, besides that many companies have not paid attention to human capital, structure capital and relational capital, even though these three things are the most important things in the development of intellectual capital. (Abidin, 2000). In addition, intellectual capital disclosure will require the ability of managers to run the company which will result in the company's profitability performance which can affect the company's value (Bontis, 2002). In intellectual capital disclosure, a manager's ability is needed to be able to run the company and will influence every decision that will be taken (Jensen and Meckling, 1976). The company has a fairly good value if the manager's ability to carry out the company's operations or activities is adequately supported by the company's ability to disclose capital (Bontis, 2002).

Managerial ability can be used to provide managerial opportunities involved in share ownership so that with the involvement of the manager's position equal to that of the shareholder. So it is hoped that the involvement of managers in share ownership can be effective in improving manager performance (Venky, 2021). The relationship between managerial ability and intellectual capital disclosure is used to determine the capital structure owned by the company. So that the company knows that the capital used by the company to run its business comes from assets owned by the company or debt financing to finance the company (Demerjian et al, 2012). In running the company, appropriate manager skills are needed so that in practice the capital structure owned by the company must be able to manage the resources owned by the company so that the company increases its advantages. This shows that in increasing the value of a company, decision makers must have the ability to assess how the company's capital structure is, so that the company is able to optimize its resources to increase company value.

The relationship between managerial ability and value is caused by the characteristics of the company's fundamental characteristics on the size of the company's accrual quality. As noted by Dechow and Dichev (2002), quality measures are actually affected by and non-adverse errors, and many unavoidable non-adverse errors stem from complex operating environments (Dechow and Dichev 2002). Thus, the reporting gain obtained by the management company in running the company as well as the success evaluation standards implemented by the company to obtain the maximum possible profit. In this case, chemical-based companies measure company performance by assessing the company's maximum profit that is used as the basis for establishing company value.

Intellectual Capital Disclosure is related to company value, if the disclosure of capital used by the company consists of adequate human capital, structural capital and relational capital, it will increase the value of the company and can compete with similar companies.

Managerial Ability linkage with intellectual capital disclosure is used to determine the capital structure owned by the company. So that the company knows that the capital used by

the company to run its business comes from assets owned by the company or debt financing to finance the company (Demerjian et al, 2012). In running the company, appropriate manager skills are needed so that in practice the capital structure owned by the company must be able to manage the resources owned by the company so that the company increases its advantages. This shows that in increasing the value of a company, decision makers must have the ability to assess how the company's capital structure is, so that the company is able to optimize its resources to increase company value. Managerial ability is the ability to mobilize resources so that they can achieve their goals appropriately, which consists of technical expertise, human expertise and conceptual expertise. The success of a company is seen from its ability to add value to the company by providing useful information for decision makers to make decisions (Javan et al, 2022). The link between managerial ability and firm value is the impact of the firm's fundamental characteristics on accrual quality measures. Accrual quality measures are affected by unintentional errors, and many unavoidable unintentional errors come from complex operating environments. Thus, the achievements obtained by company management in running the company as well as success evaluation standards are implemented by companies to obtain the maximum possible profit. . While intellectual capital disclosure looks at the role of the manager's ability to improve the company's human resources so that it can increase company profits and is able to optimize the company's capital structure.

Previous research conducted by Determijan et al, 2012 said that the characteristics of top managers are closely related to the disclosure of Intellectual Capital (IC) which is used to measure managerial ability which is described as efficiency and capacity that can be carried out by managers to make changes to the resources owned by the company by seen by the three components of intellectual capital assessment, namely the resources owned by the company, the company's capital structure and relational capital owned by the company. Thus, the purpose of this study was to find out how managerial ability (MA) influences the disclosure of Intellectual Capital (ICD) and firm value owned by chemical and industrial companies listed on the Indonesia Stock Exchange. Besides that, this study also examines the role of IC disclosure in mediating the relationship between managerial ability and firm value. How can the human resources owned by the company be able to move the company with the capital structure owned by the company and know one way that is done by the company to improve the company's performance with the aim of having good enough relations that can be used as company capital.

Previous research according to (Javad et al, 2021) disclosure of intellectual capital information disclosure can facilitate the prediction of a company's future, by determining intrinsic, increasing use in utilizing corporate financing, reducing information asymmetry and reducing the cost of capital and agency. In addition, company performance has a positive and significant relationship with disclosure of managerial abilities and intellectual capital disclosure. The research sample in this study is non-financial companies listed on the Tehran Stock Exchange (TSE) during 2012-2017. In addition, Demerjian et al (2012) found that managers with higher quality are able to estimate accruals, to generate high quality earnings.

Thus, higher quality managers are able to run a business effectively. This means that the interaction between managerial ability and information disclosure is not significant. By dividing income into accruals and cash flows, managerial ability increases the persistence of the two components. According to (Javad et al, 2021), there are several weaknesses from previous research, namely previous research only focused on company performance based on management capabilities and the level of disclosure of information obtained from research samples obtained from companies. Besides that, previous research was only based on information in financial statements.

Thus, this research makes efforts to reveal the value of the company and managerial ability can be increased if the disclosure of capital in the company is clearly disclosed using the company's financial statements and the company's sustainability report. The difference in previous research lies in the type of research sample. In previous studies using research samples throughout the business sector and the problems taken include problems within the company in terms of capital disclosure. While this study uses a more specific sample approach, namely in the form of Basic and Chemical Companies listed on the Indonesia Stock Exchange. The difference in the use of research samples is expected to be able to provide an overview of significant capital disclosure and find out what factors must influence capital disclosure so that it can be applied to industry in practice.

Based on the background above, it can be formulated the problems in this study, as follows: (1). How does Managerial Ability affect Disclosure of Intellectual Capital? (2). How does managerial ability influence firm value? (3). How does Intellectual Disclosure affect company value? (4). What is the role of disclosure of intellectual capital in mediating the relationship between Managerial Capability and company value?

The researcher describes the research objectives as follows: (1) To examine the effect of managerial ability on intellectual capital disclosure. (2) To examine the effect of managerial ability on firm value. (3) To test the effect of Intellectual Disclosure on company value. (4) To examine the role of intellectual capital disclosure in mediating the relationship between managerial ability and firm value.

The usefulness of this research is expected by researchers not only for academic purposes, but is expected for practical aspects so that this research has benefits for various parties. (1). Academic aspects. This research is expected to add to knowledge, insights and theoretical studies, especially regarding this research. (2). Practical aspects. This research is expected to provide information to companies in taking innovative steps that will be taken by basic and chemical companies in running their business, in order to obtain good financial performance, so as to achieve the goals desired by the company.

In carrying out the managerial abilities and capital structure owned by the company, the company needs human resources who have the appropriate competencies. Therefore, in research to determine the level of managerial ability by looking at the existing intellectual capital in the company.

Research Method

The research method is basically a scientific way to obtain data with specific purposes and uses. This scientific method is based on rational, empirical and systematic scientific characteristics (Sugiyono, 2016: The type of research used in this research is associative research. Associative research is a type of research that aims to determine the relationship between two or more variables. By using this associative research, it will be able to build a theory that functions to explain, predict and control the symptoms contained in research. The type of data used in this research is secondary. Secondary data is one of the indirect data collection techniques or data collection with data that is already available. In this study, secondary data was obtained by research through the website www.idx.co.id with documentation taken or seen by researchers using the annual financial reports of basic and chemical companies for 2019-2021.

The concept of research variables is operational variables, practically in real terms within the scope of the research object to be studied. Variables are independent variables, namely managerial ability, the dependent variable is firm value and the mediating variable intellectual capital disclosure. In this study, using a measurement scale in the form of a ratio scale.

The ratio scale is a scale that has the properties of a nominal scale, ordinal scale, and interval scale equipped with an absolute zero point with empirical meaning. The number on the scale indicates the actual size of the object or category being measured. In other words, this ratio scale has an absolute range and has an absolute number of zero. Therefore, in this scale can be multiplied or divided. To make it easier to understand the development of the hypothesis in this study, the researchers put forward the research model as follows:

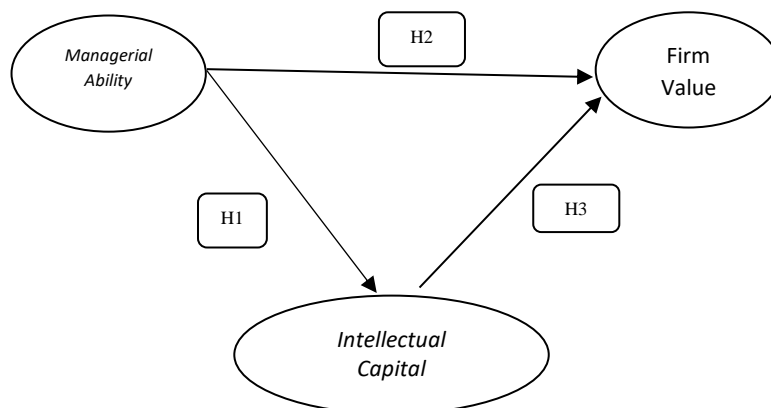


Figure 1. Research Model

Variable measurement in this study, divided into 3 research variables consisting of managerial ability, company value and intellectual capital disclosure. Where, each research variable has different supporting variable indicators. Such as: Managerial ability variables are measured using indicators of the level of productivity and company performance. Furthermore, the company value variable is measured by a research indicator in the form of PER (Price Earning Ratio). And the intellectual capital disclosure variable is measured by

research indicators in the form of human capital, structural capital and relational capital. Each variable indicator in this study is measured by the criteria that are in accordance with this research: The criteria for the managerial ability variable indicator are measured by the productivity level indicator criteria, namely the amount of productivity produced by the company in a certain period, with the aim of increasing the profitability obtained by the company .

In addition, company performance indicators. A high level of company productivity is capable of producing good financial performance, therefore, the criteria for measuring these indicators are measured by ROA (Return on Assets) and ROE (Return on Equity) criteria. Furthermore, the criteria for measuring the company value variable are the PER (Price Earning Ratio) and Tobin's Q indicators. Measured by the criteria in the form of PER is measured by the % number of shares owned by the company compared to the earnings per share earned by the company. And the criteria for measuring Tobin's Q are the value of the assets owned by the company compared to the costs incurred by the company in terms of obtaining these assets. The intellectual capital disclosure variable is measured by indicators of human capital, structural capital and relational capital. Human capital that manages the company's assets, both tangible and intangible assets so that the company can get profit and added value. Structural capital is the ability of an organization or company to fulfill the company's routine processes and structures that support employee efforts to produce optimal intellectual performance and overall business performance. Relational capital, is the result of an organization's ability to interact positively with the environment including suppliers, customers, competitors, shareholders, stakeholders and society) to improve welfare by increasing human capital and structure capital.

The population of this research is basic and chemical companies listed on the Indonesian stock exchange in 2019-2021 as many as 78 companies with various sectors listed on the Indonesian stock exchange with basic and chemical company commodities. However, in this study, the company did not use the 78 companies that make up the company's population, but only used data from basic and chemical companies of 51 companies because only 51 companies met the sample selection criteria in this study during 2019-2021.

The sample criteria in this study amounted to 51 companies, consisting of 17 companies selected according to the sample selection criteria carried out by researchers, for a 3 year period. By calculating the research sample in this study, it is $17 \text{ companies} \times 3 \text{ periods (2019-2021)} = 51 \text{ companies}$.

With the selection of samples based on criteria. Namely basic and chemical companies that have financial reports with the results of financial statements that have profitability values of 24 basic and chemical companies and basic and chemical companies with incomplete financial data. Incomplete financial data is financial data presented in the company's annual report that is not supported by the success achieved by the company, such as: the total productivity of the company is not presented.

Table 1.
Sample Research

No	Company Name	Issuer Code
1	PT. Alakasa Industrindo, Tbk	ALKA
2	PT. Alumindo Light Metal Industry, Tbk	ALMI
3	PT. Saranacentral Bajatama, Tbk	BAJA
4	PT. Betonjaya Manunggl, Tbk	BTON
5	PT. Citra Tubindo, Tbk	CTBN
6	PT. Gunawan Dianjaya Steel, Tbk	GDST
7	PT. Gunung Raja Paksi, Tbk	GGRP
8	PT. Indal Alumunium Industry, Tbk	INAI
9	PT. Steel Pipe Industry of Indonesia, Tbk	ISSP
10	PT. Jakarta Kyoei Steel Works, Tbk	JKSW
11	PT. Krakatau Steel (Persero), Tbk	KRAS
12	PT. Lion Metal Works, Tbk	LION
13	PT. Lionmesh Prima, Tbk	LMSH
14	PT. Pelat Timah Nusantara, Tbk	NIKL
15	PT. Pelangi Indah Canindo, Tbk	PICO
16	PT. Trinitan Metals and Minerals, Tbk	PURE
17	PT. Tembaga Mulia Semanan, Tbk	TBMS

Source: processed research data, 2023

Result and Discussion

Testing with the WrapPls version 8.0 program uses the Fit and Quality Indices Model, Path Coefficient and P Value. This model fit test is used to determine whether a model has compatibility with the data and detects multicollinearity problems between independent (exogenous) variables, carried out with 4 test indices namely Average R Squared (ARS), Average Variance Inflation Factor (AVIF), Average Adjusted R Square (AARS), Average Full Collinearity VIF (AVIF).

Tabel 2.
Mediation Test

<i>Average R Square (ARS) = 0,666 P Value <0.001</i>
<i>Average adjusted R Square (AARS) = 0,424 P Value<0.001</i>
<i>Average blok VIF (AVIF) = 3,121 acceptable if <=5, ideally <=3,3</i>
<i>Average full Collinearity (AAVIF) = 0,424, acceptable if <=55, ideally <=3,3</i>

Source: Data processed by WrapPls 8.0

Based on the output model fit and quality indice full model presented in table 4.10, it is known that the average R Square has an index of 0.666 with a p Value <0.001 and the average adjusted R Square has an index of 0.424 and a p value <0.001. Based on the output results, the recommended ARS and AARS as the ft model are <0.5. Thus it can be concluded that this research is fit. This is supported by the average block VIF (AVIF) value of 3.121 which is less

than the ideal requirement of 3.3 and the average full collinearity VIF (AAVIF) = 0.424 which is less than 5 (Acceptable).

Tabel 3.
Full Description of Calculation Results

Full Description	The calculation results
MA → IC → NP	
Direct influence	0,37
Indirect influence	0,55
Total influence	
0,37+0,55	0,92
VAF	0,37/0,92 = 0,40

Source: Data processed by WrapPls 8.0

Tabel 4.
Mediating Effect

No	Variable	Remarks
1.	IC mediates MA against NP	Partial Mediation

According to Subagyo (2018), there are 3 decision-making criteria in determining whether a variable has mediation or not, including: (1). If the VAF value is above 80%, it indicates the role of mediation as full mediation. (2). If the VAF value is between 20% -80%, then it can be categorized as a partial mediation. (3). If the VAF value is less than 20%, it can be concluded that there is almost no mediating effect.

Conclusion: IC mediates MA to NP of 0.40 or 40% mediating effect which is included in the partial mediation category is the development of the H4 hypothesis. IC mediates MA to NP by 40% of the mediation effect obtained, if the resulting VAF value is from 20% -80% then it can be categorized as partial mediation. Partial mediation occurs when the IC variable has a regression coefficient value that connects the MA and NP variables decreases but is still significant. In accordance with the decision-making criteria according to Subagyo (2018), in this study there are partial mediation variables. This means that intellectual capital disclosure is able to have a direct influence between managerial abilities and company value.

The Sobel test is used to determine the effect of the mediating variable, namely intellectual capital disclosure. A variable is called a mediating variable if it influences the relationship between the independent variables and the dependent variable. Testing the mediation hypothesis can be carried out using the procedure developed by Sobel (1982) and known as the Sobel test (Ghozali, 2018).

Table 5.
Regression Results 1

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	21.201	8.846		2.397	.000
	Managerial_Ability	.989	.253	.017	.064	.000

a. Dependent Variable: Nilai_Perusahaan

Table 6.
Regression Results 2
Coefficients

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	15.915	20.557		.774	.000
	Managerial_Ability	.056	.382	.041	.146	.000
	Intellectual_Capital_Disclousure	.914	.296	.080	.287	.000

a. Dependent Variable: Nilai_Perusahaan

Tabel 7.
Sobel Test Results

Variable	Unstadarized	Std Error
Managerial Ability on company value	0.989	0.253
Intellectual Capital Disclosure mediates Managerial Ability on Company Value	0.914	0.296

Source: data processed by the author, 2023

Tabel 8.
Sobel's calculations

Intellectual Capital Disclosure	Test Statistic	P Value	Conclusion
a	0.989		Intellectual Capital Disclosure mediates managerial ability on company value
b	0.914		
sa	0.253	2.423	
sb	0.296	0.373	

Sumber: <https://quantpsy.org/sobel/sobel.htm>

The results of the Sobel test conducted in this study show that the t statistic is 2,423 > 1.96. It is concluded that intellectual capital disclosure mediates managerial ability on firm value, which means that hypothesis 4 is accepted.

Hypothesis testing was carried out to determine the relationship between the research variables. The relationship between the variables tested is as explained in the problem formulation, namely there are 2 hypotheses. The basis used in testing the hypothesis is the value contained in the output path coefficients in the PLS statistically, each relationship that is hypothesized is carried out using a simulation. The following are the output path

coefficients in this study: Based on the results of the analysis carried out through WrapPls conducted by researchers, it is concluded that the hypothesis carried out by researchers:

Tabel 9.
Hypothesis Testing

No	Variable	Path Coefficient	T Statistic	Remarks
H1	MA → NP	0,453	2.415	Accepted
H2	MA → IC	0,168	1.983	Accepted
H3	IC → NP	0.443	2.315	Accepted
H4	IC mediates MA against NP		2.423	Partial Mediation

Source: Data processed by WrapPls 8.0

Hypothesis Testing 1

Based on table 4.25 above, it can be seen that the path coefficient value is 0.453 which has an indication that MA (Managerial Ability) has a positive and significant effect on firm value mediated by IC (Intellectual Capital). The results of hypothesis testing show that MA and NP have a t statistic of 2.415, this value is greater than t table (1.96). So it is concluded that Hypothesis 1 is accepted. The results of this study are in line with research according to (Demerjia et al, 2012). Managerial Ability can be used to provide opportunities for managers who are involved in share ownership so that with this involvement the manager's position is equal to that of the shareholder. So it is hoped that the involvement of managers in share ownership can be effective in improving manager performance (Venky, 2021). Managerial Ability linkage with intellectual capital disclosure is used to determine the capital structure owned by the company. So that the company knows that the capital used by the company to run its business comes from assets owned by the company or debt financing to finance the company. Managerial capability must be supported by the resources owned by the company, one of which is to increase the value of the company. In addition, managerial ability in making a policy that can be implemented by all resources so that it can affect the value of company shares which results in growth in company value (Wei et al, 2021). In running the company, appropriate manager skills are needed so that in practice the capital structure owned by the company must be able to manage the resources owned by the company so that the company increases its advantages. This shows that in increasing the value of a company, decision makers must have the ability to assess how the company's capital structure is, so that the company is able to optimize its resources to increase company value.

Hypothesis Testing 2

Based on table 4.25 above, it can be seen that the path coefficient value is 0.168 which has an indication that MA (Managerial Ability) has a positive and significant effect on firm value mediated by IC (Intellectual Capital). The results of hypothesis testing show that MA and IC have a t statistic of 1.983, this value is greater than t table (1.96). So it is concluded that Hypothesis 2 is accepted. Managerial ability is the ability to mobilize resources so that they can achieve their goals appropriately, which consists of technical expertise, human expertise and conceptual expertise. The success of a company is seen from its ability to add to company

value by providing useful information for decision makers to make decisions (Javan et al, 2021). These results are in line with research according to Javad et al (2021), showing that one thing that can be done by decision makers is to identify the relationship between decision makers and company management. Therefore, increasing the disclosure of managerial capabilities can produce a level of information in evaluating company decisions.

Hypothesis Testing 3

Based on table 4.25 above, it can be seen that the path coefficient value is 0.443 which has an indication that IC (Intellectual Capital Disclosure) has a positive and significant effect on firm value mediated by IC (Intellectual Capital). The results of hypothesis testing show that IC and NP have a t statistic of 2.315, this value is greater than t table (1.96). So it is concluded that Hypothesis 3 is accepted. In terms of disclosure of capital, companies need information that the sustainability of the company is influenced by the ability level of managers reported in the form of performance so that the value of the company increases or decreases in the company. In this study, indicators for measuring disclosure of capital can be seen from Intellectual Capital according to (Bontis 2001) consisting of 3 (three) components namely, human capital, structural capital and relational capital. Intellectual Capital Disclosure is related to company value, if the disclosure of capital used by the company consists of adequate human capital, structural capital and relational capital, it will increase the value of the company and can compete with similar companies. In addition, companies that have good intellectual capital disclosure will reflect the high value of the company. (Javad et al, 2021).

Hypothesis Testing 4

Based on table 4.25 above, it can be seen if the VAF value is 0.40 which has an indication that MA (Managerial Ability) has a positive and significant effect on company value which is mediated by IC (Intellectual Capital). The results of hypothesis testing show that IC mediates MA to NP with a mediating effect of 40% or partial mediation. So it is concluded that Hypothesis 4 is accepted. In terms of disclosure of capital, companies need information that the sustainability of the company is influenced by the ability level of managers reported in the form of performance so that the value of the company increases or decreases in the company. In this study, indicators for measuring disclosure of capital can be seen from Intellectual Capital according to (Bontis 2001) consisting of 3 (three) components namely, human capital, structural capital and relational capital. Many argue that the most important company asset is human capital, because human capital controls other assets owned by the company. Human capital that manages the company's assets, both tangible and intangible assets so that the company can get profit and added value. Structural capital is the ability of an organization or company to fulfill the company's routine processes and structures that support employee efforts to produce optimal intellectual performance and overall business performance. For example, the company's operational system, manufacturing process, organizational culture, management philosophy and all forms of intellectual property owned by the company. (Sawarjuwono, 2003). Relational capital, is the result of an organization's ability to interact

positively with the environment including suppliers, customers, competitors, shareholders, stakeholders and society) to improve welfare by increasing human capital and structure capital (Viedma marti, 2001 in Loureiro, Teixeira, 2011) . Although intellectual capital is important for achieving competitive advantage, many companies do not understand the concept and value of intellectual capital, especially how to manage intellectual capital so that it can increase competitive advantage so that it can improve company performance.

Conclusion

Based on the discussion and analysis that has been done, the conclusions in this study are as follows: (1). Managerial Ability Managerial ability can be used to provide opportunities for managers involved in share ownership so that the involvement of the manager's role is equal to that of the shareholder. (2). One thing that can be done by decision makers is to identify the relationship between decision makers and company management. Therefore, increasing the disclosure of managerial capabilities can produce a level of information in evaluating company decisions. (3). In terms of disclosing intellectual capital, the company needs information that the sustainability of the company is influenced by the ability level of managers reported in the form of performance so that the value of the company increases or decreases in the company. (4). The role of Intellectual Capital Disclosure is a benchmark for companies in obtaining profits. Because disclosure of intellectual capital has 3 components that are interrelated with managerial ability to increase firm value. The advantage that the company has in disclosing intellectual capital shows the success that is carried out by managerial abilities. This will result in the best value of the company.

This research is not without limitations. This limitation is expected to be overcome in subsequent studies. The limitations of this research are as follows: the financial statements of the companies that are sampled, in terms of measuring intellectual capital disclosure, must be accompanied by looking at the annual report which contains some important company information. So it takes accuracy in terms of reading very well.

Based on the research results and the limitations of this study, the suggestions that can be given are: (1). Future research is expected to expand the scope used with even more samples so that better results are obtained. (2). For future research, it is hoped that not only using documentation or observation methods but also being able to be directly involved in company activities and conduct direct interviews with respondents, so that more accurate information will be obtained. Because each company has a different procedure for conducting research.

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