ISSN: 2581-8341 Volume 07 Issue 03 March 2024 DOI: 10.47191/ijcsrr/V7-i3-59, Impact Factor: 7.943 IJCSRR @ 2024



The Effect of Intellectual Capital, Leverage and Company Size on Profitability and its Impact on Company Value of Sub-Sector Food and Beverage Registered on the Indonesian Stock Exchange Period 2012 - 2022

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ABSTRACT: This study aims to determine the effect of intellectual capital, leverage, and company size on profitability and their impact on company value in the food and beverage sub-sector.

This research is quantitative empirical research using hypothesis research that examines the significant influence and direction of the direct and indirect relationship between the independent variables and the dependent variable through the intervening variable. This study used a sample of food and beverage sub-sector companies listed on the IDX for 2012–2022 using a purposive sampling method where 45 companies were obtained from the population and 14 companies were selected according to predetermined criteria.

Based on statistical test results, it was found that intellectual capital partially had a negative and insignificant effect on profitability, while leverage and company size had a positive and significant effect on profitability. Partially, intellectual capital, leverage and profitability have a positive and significant effect on company value, while company size has a negative and insignificant effect on company value. Partially, the results of the Sobel Test Path Analysis indirectly mean that profitability as an intervening variable is not able to mediate the influence of intellectual capital and leverage on company value, while directly profitability as an intervening variable is able to mediate the influence of company size on company value.

KEYWORDS: Company Size, Company Value, Intellectual Capital, Leverage, Profitability.

PRELIMINARY

Increasing the value of the company is an achievement that is in line with the wishes of the owners. As the value of the company increases, the welfare of the owners will also increase. Shareholder and corporate wealth is represented by stock market prices, which are a reflection of investment, financing and asset management decisions. If the company runs smoothly, the value of the company's shares will increase. Company value can be seen from the book value price which is a comparison between the share price and the book value per share (Hery, 2017).

The value of the company will have a direct impact on maximum shareholder prosperity if the company's share price increases. Company value reflects the extent to which a company is recognized by the public. In this research, company value is proxied using the Price Book Value (PBV) ratio. PBV shows the company's ability to create relative corporate value which is widely used to determine the fair value of its shares.

Company value as measured by PBV always fluctuates and is not the same from one company to another. Based on the analysis of existing financial reports for food and beverage sub-sector companies listed on the Indonesia Stock Exchange for the 2017-2021 period, the problem was found that there are still companies that have not been able to compete in increasing their book value per share. This means the company value is low, the lower the PBV means the lower the share price relative to its book value, conversely the higher the PBV, the higher the share price relative to its book value.

The food and beverage industry is one of the sub-sectors that supports the increase in national investment value. This proves that the food and beverage industry has huge market opportunities for food and beverage companies. Many food and beverage companies experienced a decline in total revenue, which had an impact on company performance due to the Covid-19 pandemic in 2020 due to measures to limit social interactions and lockdowns, resulting in a decline in share prices. The main impact on full year performance depends on the duration of the restrictive policy although the ultimate impact cannot be predicted. One thing that investors consider before investing or providing large funds to a company for company expansion is the value of the company.

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Company value is very important because a high company value will be followed by high shareholder prosperity, the higher the share price, the higher the company value. Shareholder wealth is expressed by the market price of shares.

Currently, many companies are changing their business strategy from businesses based on labor to businesses based on knowledge (intellectual capital) in measuring the value of human resources in them so that they become a determining factor for assessing company performance. In fulfilling all its long-term obligations, such as paying interest on debts, the company will retain its profits and use them to pay off its debts.

The large size of the company will enable the company to reach a wider market share to market its products, thus opening up opportunities for higher profits. The higher the share price of a company, the higher the company value, because it is considered able to influence investors' assessment of the company.

THEORITICAL BASE

Signalling Theory

This theory was developed by Ross (1977) in Adam, Safitri and Wahyudi (2018) who stated that company executives have more information about their company and will be encouraged to convey this information to potential investors so that their company's share price increases. According to Brigham and Houstan Adam, Safitri and Wahyudi (2018), this theory is based on the assumption that managers and shareholders do not have access to the same company information. There is certain information that only managers know, while shareholders do not know this information so that there is no symmetric information between managers and shareholders.

Agency Theory

This theory was put forward by Michael C. Jensen and Wiliam H. Meckling (1976) in Pasadena (2013), an agency relationship arises when one or more people (principal) employ another person (agent) to provide a service and then delegate authority in decision making. to the agent. In practice, managers as company managers certainly know more internal information and the company's future prospects than capital owners or shareholders. So as managers, managers have an obligation to provide information about the condition of the company to the owner.

Company Value

Based on the results of research conducted by Kusuma (2020), shareholder prosperity will be reflected in the value of the company. This encourages companies to carry out new innovations to increase company value because it can describe the actual condition of the company.

Company value is formulated using price to book value (PBV), which is a description of how much the market appreciates the company's book value. Companies that are running well generally have a ratio above one, which reflects the stock market value being greater than the book value. High price to book value reflects the level of prosperity of shareholders.

Intellectual Capital

Many world organizations and experts have tried to outline the definition of intellectual capital, including Bontis et al. (2000), Choong (2008) and Organization for Economic Co-operation and Development (OECD). The definition of intellectual capital found in several literatures is quite complex and varied.

In general, intellectual capital is knowledge or thinking power possessed by a company, does not have a physical form (intangible), and with this intellectual capital, the company will get additional profits or the stability of the business process and give the company more value compared to competitors. or other companies (Ellanyndra, 2011).

Leverage

Leverage is a measure that shows how a company uses debt to fund company investment financing (Paramita, 2015). In general, the leverage ratio functions to measure a company's ability to fulfill its financial obligations in both the short and long term. In analyzing company finances, this ratio has an important role, namely it is used to determine the composition of the company's capital which comes from own capital or debt. Apart from that, the company can also evaluate its ability to pay off its debts when they fall due.

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Company Size

According to Prasetyorini (2013) company size is a scale where the size of the company can be classified according to various ways, namely total assets, market capitalization, and total sales. Company size is seen from the total assets owned by the company which can be used for the company's operational activities.

Profitability

According to Lestari et al. (2016), Profitability is the ability of a company to generate profits. Profitability is measured using profitability ratios. The profitability ratio is a ratio used to determine how much a company's ability to earn profits, both in relation to assets and profits for its own capital (Lestari et al., 2016). The profitability ratio used in this research is Return On Assets (ROA), which is a ratio used to measure a company's effectiveness in generating profits by utilizing the assets owned by the company. The greater this ratio, the better the company's performance, because the return on investment (return) in the form of dividends will be higher (Samrotun, 2015).

RESEARCH METHODS

The population in this research is all food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2017-2021. This research uses a purposive sampling method in the sampling process, based on several criteria as follows:

- Food and beverage sub-sector companies have been listed on the Indonesia Stock Exchange from January 1 2012 to December 31 2021.
- 2. Food and beverage sub-sector companies have published annual reports and financial reports (audited) for the period 2012 to 2021.
- 3. Food and beverage sub-sector companies that submit information regarding sustainability reports in the annual reports they publish.

The research instrument for data collection uses secondary data obtained through financial reports and annual reports for the period 2012 to 2022 which are accessed via the official website of the Indonesia Stock Exchange (BEI) www.idx.co.id or the company's official website.

RESEARCH RESULTS

Classic Assumption Test



Source: Eviews output, 20



ISSN: 2581-8341

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Source: Eviews output, 2024.

Multicollinearity Test

Table 1. Multicollinearity Test Results First Model

	PROF	IC	LEV	UP
PROF	1.000000	0.108393	-0.103003	0.092260
IC	0.108393	1.000000	-0.699361	0.073492
LEV	-0.103003	-0.699361	1.000000	-0.071602
UP	0.092260	0.073492	-0.071602	1.000000

Source: Eviews output, 2024.

Table 2. Multicollinearity Test Results Second Model

	NP	IC	LEV	UP	PROF
NP	1.000000	0.000668	-0.014112	-0.159895	0.304131
IC	0.000668	1.000000	-0.699361	0.073492	0.108393
LEV	-0.014112	-0.699361	1.000000	-0.071602	-0.103003
UP	-0.159895	0.073492	-0.071602	1.000000	0.092260
PROF	0.304131	0.108393	-0.103003	0.092260	1.000000

Source: Eviews output, 2024.

Heteroscedasticity Test

Table 3. Heteroscedasticity Test Results First Model

Dependent Variable: RESABS Method: Panel EGLS (Cross-section random effects) Date: 12/20/23 Time: 21:02 Sample: 2012 2022 Periods included: 11 Cross-sections included: 14 Total panel (balanced) observations: 154 Swamy and Arora estimator of component variances

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Variable	Coefficient	Std. Error	t-Statistic	Prob.
С	66.49947	23.08290	2.880898	0.0045
IC	0.014058	0.062468	0.225039	0.8223
LEV	0.000913	0.006799	0.134293	0.8934
UP	1.944289	0.808108	2.405976	0.0173
	Effects Spec	ification		
			S.D.	Rho
Cross-section random			7.957214	0.5256
Idiosyncratic random			7.560008	0.4744
	Weighted St	atistics		
R-squared	0.037963	Mean dep	endent var	3.147366
it oquurou		S.D. dependent var		
Adjusted R-squared	0.018723	S.D. depe	ndent var	7.602542
Adjusted R-squared S.E. of regression	0.018723 7.531035	S.D. depe Sum squa	ndent var red resid	7.602542 8507.474
Adjusted R-squared S.E. of regression F-statistic	0.018723 7.531035 1.973076	S.D. depe Sum squa Durbin-W	ndent var red resid ⁷ atson stat	7.602542 8507.474 1.635469
Adjusted R-squared S.E. of regression F-statistic Prob(F-statistic)	0.018723 7.531035 1.973076 0.120460	S.D. depe Sum squa Durbin-W	ndent var red resid ⁷ atson stat	7.602542 8507.474 1.635469
Adjusted R-squared S.E. of regression F-statistic Prob(F-statistic)	0.018723 7.531035 1.973076 0.120460 Unweighted	S.D. depe Sum squa Durbin-W Statistics	ndent var red resid Vatson stat	7.602542 8507.474 1.635469
Adjusted R-squared S.E. of regression F-statistic Prob(F-statistic)	0.018723 7.531035 1.973076 0.120460 Unweighted 0.030337	S.D. depe Sum squa Durbin-W Statistics Mean dep	ndent var red resid Vatson stat	7.602542 8507.474 1.635469 11.42900

Source: Eviews output, 2024.

Table 4. Heteroscedasticity Test Results Second Model

Dependent Variable: RESABS Method: Panel EGLS (Cross-section random effects) Date: 12/20/23 Time: 21:14 Sample: 2012 2022 Periods included: 11 Cross-sections included: 14 Total panel (balanced) observations: 154 Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
С	22.91487	19.34798	1.184355	0.2382
IC	0.030247	0.048168	0.627945	0.5310
LEV	0.003668	0.005263	0.696941	0.4869
UP	0.605035	0.671843	0.900560	0.3693
PROF	0.519526	0.052923	9.816638	0.0000

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	Effects Speci	fication	Dhe
		S.D.	Kno
Cross-section random		7.685204	0.6375
Idiosyncratic random		5.795480	0.3625
	Weighted Sta	atistics	
R-squared	0.414742	Mean dependent var	2.533962
Adjusted R-squared	0.399030	S.D. dependent var	7.498928
S.E. of regression	5.813336	Sum squared resid	5035.437
F-statistic	26.39715	Durbin-Watson stat	1.444888
Prob(F-statistic)	0.000000		
	Unweighted	Statistics	
R-squared	0.204796	Mean dependent var	11.42900
Sum squared resid	13626.49	Durbin-Watson stat	0.533934

Source: Eviews output, 2024.

Panel Data Regression Model Estimation Method

Chow Test

Table 5. Chow Test Results First Model

 Redundant Fixed Effects Tests

 Equation: Untitled

 Test cross-section fixed effects

 Effects Test
 Statistic

 d.f.

Cross-section F	20.741061	(13,137)	0.0000
Cross-section Chi-square	167.541539	13	0.0000

Source: Eviews output, 2024.

Based on the results in the table above, the resulting value in the statistical distribution of Chi-square is 167.541539 with a probability of 0.0000, which means it is significant because it is smaller than 0.05, so the model used appropriately is the fixed effect method.

Table 6. Chow Test Results Second Model

Redundant Fixed Effects Tests Equation: Untitled Test cross-section fixed effects			
Effects Test	Statistic	d.f.	Prob.
Cross-section F Cross-section Chi-square	4.909486 59.255920	(13,136) 13	0.0000 0.0000

Source: Eviews output, 2024.

Prob.

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Based on the results in the table above, the resulting value in the statistical distribution of Chi-square is 59.255920 with a probability of 0.0000, which means it is significant because it is smaller than 0.05, so the model used appropriately is the fixed effect method.

Hausman Test

Table 7. Hausman Test Results First Model

Correlated Random Effects - Hausman Test Equation: Untitled Test cross-section random effects							
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.				
Cross-section random 6.790723 3 0.0789							

Source: Eviews output, 2024.

Based on the results in the table above, it can be seen that the Chi-square value is 6.790723 with a probability of 0.0789, which means it is greater than 0.05, so the most appropriate estimation model to use is the random effect method.

Table 8. Hausman Test Results Second Model

Correlated Random Effects - Hausman Test Equation: Untitled Test cross-section random effects						
Test Gross section function effects Test Summary Chi-Sq. Statistic Chi-Sq. d.f. Prob.						
Cross-section random 7.305343 4 0.1206						

Source: Eviews output, 2024.

Based on the results in the table above, it can be seen that the Chi-square value is 7.305343 with a probability of 0.1206, which means it is greater than 0.05, so the most appropriate estimation model to use is the random effect method.

Lagrange Multiplier (LM) Test

Table 9. Lagrange Multiplier (LM) Test Result First Model

Lagrange Multiplier Tests for Random Effects

Null hypotheses: No effects

Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided

(all others) alternatives

	Test Hypothesis Cross-section Time Both			
Breusch-Pagan	251.1556	0.531776	251.6874	
	(0.0000)	(0.4659)	(0.0000)	

Source: Eviews output, 2024.

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Based on the results in the table above, the p-value is 0.0000, which means it is smaller than 0.05, so a good estimate to use is the random effect method.

Table 10. Lagrange Multiplier (LM) Test Second Model

Lagrange Multiplier Tests for Random Effects Null hypotheses: No effects Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives

	Test Hypothesis Cross-section Time Both			
Breusch-Pagan	28.64401	1.575653	30.21967	
	(0.0000)	(0.2094)	(0.0000)	

Source: Eviews output, 2024.

Based on the results in the table above, the p-value is 0.0000, which means it is smaller than 0.05, so a good estimate to use is the random effect method.

Panel Data Regression Analysis

Table 11. Panel Data Regression Result First Model Based On Random Effect Model (REM)

Dependent Variable: PROF Method: Panel EGLS (Cross-section random effects) Date: 12/20/23 Time: 20:56 Sample: 2012 2022 Periods included: 11 Cross-sections included: 14 Total panel (balanced) observations: 154 Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.	
С	91.76599	28.70504	3.196859	0.0017	
IC	-0.040312	0.073084	0.551584	0.0482	
LEV	0.006426	0.007980	0.805263	0.0219	
UP	2.850270	1.002911	2.841997	0.0051	
	Effects Spec	rification			
	-		S.D.	Rho	
Cross-section random			12.12823	0.6553	
Idiosyncratic random			8.796032	0.3447	
	Weighted Statistics				
R-squared	0.053234	Mean dep	endent var	2.153366	
Adjusted R-squared	0.034299	S.D. depe	endent var	9.063268	

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DOI: 10.47191/ijcsrr/V7-i3-59, Impact Factor: 7.943

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S.E. of regression F-statistic Prob(F-statistic)	8.906483 2.811354 0.041441	Sum squared resid Durbin-Watson stat	11898.82 1.532720
	Unweighted St	atistics	
R-squared Sum squared resid	-0.160168 37251.63	Mean dependent var Durbin-Watson stat	10.08016 0.489577

Source: Eviews output, 2024.

Based on the estimation results in the table above, the constant value (a) is 91.76599; b1 is -0.040312; b2 is 0.006426; and b3 is 2.850270 so that the regression equation is obtained:

 $PROF = a + b_1 IC + b_2 LEV + b_3 UP + e$

= 91,76599 + -0.040312 IC + 0,006426 LEV + 2,850270 UP + e

Where the intellectual capital (IC) variable has a negative influence on the intervening variable, namely profitability (PROF), while the leverage (LEV) and company size (UP) variables have a positive influence on the intervening variable, namely profitability (PROF).

Table 12. Panel Data Regression Result Second Model Based On Random Effect Model (REM)

Dependent Variable: NP Method: Panel EGLS (Cross-section random effects) Date: 12/20/23 Time: 21:09 Sample: 2012 2022 Periods included: 11 Cross-sections included: 14 Total panel (balanced) observations: 154 Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
С	1445.166	1736.178	0.832383	0.4065
IC	0.828157	5.510678	0.150282	0.0307
LEV	0.301149	0.593630	0.507301	0.0127
UP	-56.50332	60.64300	0.931737	0.0353
PROF	29.34256	5.500377	5.334645	0.0000
	Effects Spec	ification		
	_		S.D.	Rho
Cross-section random			425.6234	0.2815
Idiosyncratic random			679.9081	0.7185
	Weighted Statistics			
R-squared	0.167695	Mean dep	endent var	73.98801
Adjusted R-squared	0.145351	S.D. depe	endent var	743.5682
S.E. of regression	687.4081	Sum squared resid		70406954

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DOI: 10.47191/ijcsrr/V7-i3-59, Impact Factor: 7.943

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F-statistic Prob(F-statistic)	7.505225 0.000016	Durbin-Watson stat	0.973077
	Unweighted	Statistics	
R-squared Sum squared resid	0.083348 97180272	Mean dependent var Durbin-Watson stat	170.5043 0.704992

Source: Eviews output, 2024.

Based on the estimation results in the table above, the constant value (a) is 1445.166; b1 is 0.828157; b2 of 0.301149; b3 is -56.50332; and b4 is 29.34256 so that the regression equation is obtained:

 $NP \qquad = \qquad a + b_1 IC + b_2 LEV + b_3 UP + b_4 PROF + e$

1445,166 + 0,828157 IC + 0,301149 LEV + -56,50332 UP + 29,34256 PROF + e

Where the independent variables, namely intellectual capital (IC), leverage (LEV), and the intervening variable, namely profitability (PROF), have a positive influence on the dependent variable, namely company value (NP). Meanwhile, the company size variable (UP) has a negative influence on the dependent variable, namely company value (NP).

Hypothesis Test

=

Partial Test

Table 13. Partial Test Results (t Test) First Model

Dependent Variable: PROF Method: Panel EGLS (Cross-section random effects) Date: 12/20/23 Time: 20:56 Sample: 2012 2022 Periods included: 11 Cross-sections included: 14 Total panel (balanced) observations: 154 Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
С	91.76599	28.70504	3.196859	0.0017
IC	-0.040312	0.073084	0.551584	0.0482
LEV	0.006426	0.007980	0.805263	0.0219
UP	2.850270	1.002911	2.841997	0.0051

Source: Eviews output, 2024.

The following is an interpretation of the results of the partial test (t-test):

1. Intellectual Capital (IC)

Based on the results of the partial test (t-test), the t-statistic value was 0.551584 with a probability value of $0.0482 < \alpha 0.05$. Thus, it can be concluded that the intellectual capital (IC) variable has a positive and significant effect on profitability (PROF) as an intervening variable.

2. Leverage (LEV)

Based on the results of the partial test (t-test), the t-statistic value was 0.805263 with a probability value of $0.0219 < \alpha 0.05$. Thus it can be concluded that the leverage variable (LEV) has a positive and significant effect on profitability (PROF) as an intervening variable.

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3. Company Size (UP)

Based on the results of the partial test (t-test), the t-statistic value was 2.841997 with a probability value of $0.0051 < \alpha 0.05$. Thus, it can be concluded that the company size variable (UP) has a positive and significant effect on profitability (PROF) as an intervening variable.

Table 14. Partial Test Results (t Test) Second Model

Dependent Variable: NP Method: Panel EGLS (Cross-section random effects) Date: 12/20/23 Time: 21:09 Sample: 2012 2022 Periods included: 11 Cross-sections included: 14 Total panel (balanced) observations: 154 Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
С	1445.166	1736.178	0.832383	0.4065
IC	0.828157	5.510678	0.150282	0.0307
LEV	0.301149	0.593630	0.507301	0.0127
UP	-56.50332	60.64300	0.931737	0.0353
PROF	29.34256	5.500377	5.334645	0.0000

Source: Eviews output, 2024.

The following is an interpretation of the results of the partial test (t-test)

1. Intellectual Capital (IC)

Based on the results of the partial test (t-test), the t-statistic value was 0.150282 with a probability value of $0.0307 < \alpha 0.05$. Thus, it can be concluded that the intellectual capital (IC) variable has a positive and significant effect on company value (NP). 2. Leverage (LEV)

Based on the results of the partial test (t-test), the t-statistic value was 0.507301 with a probability value of $0.0127 < \alpha 0.05$. Thus it can be concluded that the leverage variable (LEV) has a positive and significant effect on firm value (NP). 3. Company Size (UP)

Based on the results of the partial test (t-test), the t-statistic value was 0.931737 with a probability value of $0.0353 < \alpha 0.05$. Thus, it can be concluded that the company size variable (UP) has a positive and significant effect on company value (NP). 4. Profitability (PROF)

Based on the results of the partial test (t-test) in the table, the t-statistic value is 5.334645 with a probability value of 0.0000 < α 0.05. Thus, it can be concluded that the profitability variable (PROF) as an intervening variable has a positive and significant effect on company value (NP).

Simultaneous Test

Table 15. Simultaneous Test Results (f Test) First Model

Dependent Variable: PROF Method: Panel EGLS (Cross-section random effects) Date: 12/20/23 Time: 20:56 Sample: 2012 2022 Periods included: 11 Cross-sections included: 14

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Total panel (balanced) observations: 154 Swamy and Arora estimator of component variances					
F-statistic	2.811354	Durbin-Watson stat	1.532720		
Prob(F-statistic) 0.041441					

Source: Eviews output, 2024.

From the estimation results in the table above, it is known that the f-statistic estimation results are 2.811354 with a probability value of 0.041441 < α = 0.05, which means that simultaneously all the independent variables in this research model are intellectual capital (IC), leverage (LEV), and company size (UP) have a positive and significant effect on the intervening variable profitability (PROF).

Table 16. Simultaneous Test Results (f Test) Second Model

Dependent Variable	: NP				
Method: Panel EGL	S (Cross-section r	andom effects)			
Date: 12/20/23 Tir	ne: 21:09				
Sample: 2012 2022					
Periods included: 1	1				
Cross-sections included: 14					
Total panel (balanced) observations: 154					
Swamy and Arora estimator of component variances					
F-statistic	7.505225	Durbin-Watson stat	0.973077		

Prob(F-statistic)	0.000016	Durbhi Watson stat	0.772
. ,			

Source: Eviews output, 2024.

From the estimation results in the table above, it is known that the f-statistic estimation results are 7.505225 with a probability value of $0.000016 < \alpha = 0.05$, which means that simultaneously all the independent variables in this research model are intellectual capital (IC), leverage (LEV), company size (UP) and profitability (PROF) as intervening variables have a positive and significant effect on the dependent variable, namely company value (NP).

Coefficient of Determination (R^2)

Table 17. Coefficient of Determination Test Results (R²) First Model

Dependent Variable: PROF Method: Panel EGLS (Cross-section random effects) Date: 12/20/23 Time: 20:56 Sample: 2012 2022 Periods included: 11 Cross-sections included: 14 Total panel (balanced) observations: 154 Swamy and Arora estimator of component variances

R-squared Adjusted R-squared	0.053234 0.034299 8 906483	Mean dependent var S.D. dependent var Sum squared resid	2.153366 9.063268 11898 82
F-statistic Prob(F-statistic)	2.811354 0.041441	Durbin-Watson stat	1.532720

Source: Eviews output, 2024.

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In the table above, the results of the research model estimation show an R2 value of 0.053234, which means that 53.234% of the independent variables intellectual capital (IC), leverage (LEV), and company size (UP) can explain the intervening variable, namely profitability (PROF), while the remaining 46.766% is explained by other variables outside the model. With R² of 0.053234, the estimation results meet the suitability test in terms of the coefficient of determination, so the estimation results are worthy of analysis.

Table 18. Coefficient of Determination Test Results (R²) Second Model Dependent Variable: NP Method: Panel EGLS (Cross-section random effects) Date: 12/20/23 Time: 21:09 Sample: 2012 2022 Periods included: 11 Cross-sections included: 14 Total panel (balanced) observations: 154 Swamy and Arora estimator of component variances R-squared 0.167695 Mean dependent var

R-squared	0.167695	Mean dependent var	73.98801
Adjusted R-squared	0.145351	S.D. dependent var	743.5682
S.E. of regression	687.4081	Sum squared resid	70406954
F-statistic	7.505225	Durbin-Watson stat	0.973077
Prob(F-statistic)	0.000016		

Source: Eviews output, 2024.

In the table above, the results of the research model estimation show an R2 value of 0.167695, which means that 16.7695% of the independent variables intellectual capital (IC), leverage (LEV), company size (UP) and the intervening variable profitability (PROF) can explain the variables The dependent is company value (NP), while the remaining 83.2305% is explained by other variables outside the model. With R^2 of 0.167695, the estimation results meet the suitability test in terms of the coefficient of determination, so the estimation results are worthy of analysis.

Sobel Test

	Input:		Test statistic:	Std. Error:	p-value:
а	-0.040312	Sobel test:	-0.54865945	2.15590431	0.58323918
b	29.34256	Aroian test:	-0.53936346	2.19306156	0.58963609
sa	0.073084	Goodman test:	-0.55845328	2.11809532	0.5765349
sb	5.500377	Reset all		Calculate	

Figure 3. Results of Sobel Test Path Analysis of Intellectual Capital on Company Value through Profitability Source: Sobel Test output, 2024.

P-Value obtained is 0.58323918 > 0.05 with a Sobel Test Statistical Test value of -0.54865945, so it can be concluded that the Intellectual Capital (IC) variable has a negative and insignificant effect on the Company Value (NP) variable through the Profitability variable (PROF) as an intervening variable or indirectly Profitability (PROF) as an intervening variable is unable to mediate the influence of Intellectual Capital (IC) on Company Value (NP).

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	Input:		Test statistic:	Std. Error:	p-value:
a	0.006426	Sobel test:	0.79624273	0.23680629	0.42589097
b	29.34256	Aroian test:	0.78290747	0.24083982	0.43368145
sa	0.007980	Goodman test:	0.81028349	0.23270287	0.41777726
sb	5.500377	Reset all		Calculate	

Figure 4. Results of Sobel Test Path Analysis of Leverage on Company Value through Profitability Source: Sobel Test output, 2024.

P-Value obtained was 0.42589097 > 0.05 with a Sobel Test Statistical Test value of 0.79624273, so it can be concluded that the Leverage variable (LEV) has a positive but not significant effect on the Company Value (NP) variable through the Profitability variable (PROF) as an intervening variable or indirectly Profitability (PROF) as an intervening variable to mediate the influence of Leverage (LEV) on Company Value (NP).

		Input:		Test statistic:	Std. Error:	p-value:
	а	2.850270	Sobel test:	2.50825853	33.34353995	0.01213279
	b	29.34256	Aroian test:	2.47462106	33.79677794	0.01333776
2	Sa	1.002911	Goodman test:	2.54330608	32.88405561	0.0109809
3	5b	5.500377	Reset all	Calculate		

Figure 5. Results of Sobel Test Path Analysis of Company Size on Company Value through Profitability Source: Sobel Test output, 2024.

P-Value obtained is 0.01213279 < 0.05 with a Sobel Test Statistical Test value of 2.50825853, so it can be concluded that the Company Size (UP) variable has a positive and significant effect on the Company Value (NP) variable through the Profitability variable (PROF) as an intervening variable or directly Profitability (PROF) as an intervening variable is able to mediate the influence of Company Size (UP) on Company Value (NP).

DISCUSSION

The Effect of Intellectual Capital on Profitability

Based on the partial test results of the influence of intellectual capital on profitability, a t-statistic of 0.551584 was obtained with a probability value of $0.0482 > \alpha 0.05$. This means that H0 is rejected and Ha is accepted, meaning that intellectual capital has a positive and significant effect on profitability in food and beverage sub-sector companies listed on the Indonesia Stock Exchange (BEI) for the 2012-2022 period.

If a company has good performance and measurement of intellectual capital, then the company's intellectual capital capabilities will be better too. With the use of intellectual capital, companies must be able to process and maximize the use of their resources efficiently and effectively, so that they can increase company profits. The better a company is at utilizing its intellectual capital, the more the company can increase the level of company profitability and the level of investor confidence.

The Effect of Leverage on Profitability

Based on partial test results, the effect of leverage on profitability obtained a t-statistic of 0.805263 with a probability value of $0.0219 < \alpha 0.05$. This means that Ha is accepted and H0 is rejected, meaning that leverage has a positive and significant effect on profitability in food and beverage sub-sector companies listed on the Indonesia Stock Exchange (BEI) for the 2012-2022 period.

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Leverage can be understood as an estimator of the risk inherent in a company. This means that higher leverage indicates that the risk of investment is also increasing. Companies that have a low leverage ratio will have less leverage risk, so it will be easier for the company to gain profitability.

The Effect of Company Size on Profitability

Based on the partial test results of the influence of company size on profitability, a t-statistic of 2.841997 was obtained with a probability value of $0.0051 < \alpha 0.05$. This means that Ha is accepted and H0 is rejected, meaning that company size has a positive and significant effect on profitability in food and beverage sub-sector companies listed on the Indonesia Stock Exchange (BEI) for the 2012-2022 period.

High profitability can be a reflection that the company has achieved good financial performance. This can affect the size of the company because investors will be more interested in investing their funds in companies that have a high level of profitability so that they can increase the company's operational capabilities. Company size will also influence the structure of funding in the company. The greater the value of company size, the greater the value of the company can predict an increase in profitability. Larger companies will be relatively stable and able to generate profits.

The Effect of Intellectual Capital on Company Value

Based on the partial test results of the influence of intellectual capital on company value, a t-statistic of 0.150282 was obtained with a probability value of $0.0307 < \alpha 0.05$. This means that Ha is accepted and H0 is rejected, meaning that intellectual capital has a positive and significant effect on company value in food and beverage sub-sector companies listed on the Indonesia Stock Exchange (BEI) for the 2012-2022 period.

Intellectual capital is one of the basic factors of company performance which provides information about the company's intangible value which can influence the company's resilience and competitive advantage. If intellectual capital is not managed well, the company will be unable to compete with other companies. Investors will turn to other companies that have good corporate performance which can provide new knowledge-based resources and describe intangible assets which, if used optimally, enable the company to carry out its strategy effectively and efficiently.

The Effect of Leverage on Company Value

Based on the partial test results of the effect of leverage on company value, a t-statistic of 0.507301 was obtained with a probability value of $0.0127 < \alpha 0.05$. This means that Ha is accepted and H0 is rejected, meaning that leverage has a positive and significant effect on company value in food and beverage sub-sector companies listed on the Indonesia Stock Exchange (BEI) for the 2012-2022 period.

Leverage, which is a debt ratio or often also known as the solvency ratio, is a ratio that can show the ability of a company to fulfill all of the company's financial obligations if the company is liquidated. In some cases, leverage can usually also describe a company's ability to use funds to maximize business wealth. A company has a high leverage value if the total assets owned by the company are less than the total assets of its creditors.

The Effect of Company Size on Company Value

Based on the partial test results of the influence of company size on company value, a t-statistic of 0.931737 was obtained with a probability value of $0.0353 < \alpha 0.05$. This means that H0 is rejected and Ha is accepted, meaning that company size has a positive and significant effect on company value in food and beverage sub-sector companies listed on the Indonesia Stock Exchange (BEI) for the 2012-2022 period.

Company size is a reflection of the size of a company which can be seen from the total assets owned. The size of the company also determines the level of investor confidence. The bigger the company, the better known it is by the public, which means it is easier to get information that will increase the value of the company. A company with a large growth rate will provide a positive signal so that investors will be interested in investing capital in the company.

The Effect of Profitability on Company Value

Based on the results of partial testing of the influence of profitability on company value, a t-statistic of 5.334645 was obtained with a probability value of $0.0000 < \alpha 0.05$. This means that Ha is accepted and H0 is rejected, meaning that profitability has a

ISSN: 2581-8341 Volume 07 Issue 03 March 2024 DOI: 10.47191/ijcsrr/V7-i3-59, Impact Factor: 7.943 IJCSRR @ 2024



positive and significant effect on company value in food and beverage sub-sector companies listed on the Indonesia Stock Exchange (BEI) for the 2012-2022 period.

Profitability can reflect profits from financial investments, meaning that profitability affects company value due to greater internal sources. Company value is a good prospect for companies to attract investors, because profitability is the most important indicator for a company, where the higher the ratio, the higher the company's profits.

The Effect of Intellectual Capital Through Profitability on Company Value

Based on the partial test results of the influence of intellectual capital on company value through profitability, the coefficient value of indirect influence > direct influence is obtained, namely P-Value 0.58323918 > 0.05 with a Sobel Test Statistical Test value of -0.54865945, meaning that indirectly profitability as an intervening variable, it is unable to mediate the influence of intellectual capital on company value in food and beverage sub-sector companies listed on the Indonesia Stock Exchange (BEI) for the 2012-2022 period.

The results of this research can be concluded that intellectual capital through profitability has a negative and insignificant effect on company value. The results of this research are not in line with the hypothesis which states that intellectual capital through profitability has an effect on company value. It can be concluded that profitability is unable to mediate the influence of intellectual capital on company value. This is because there are several companies that cannot utilize the resources they have, so they cannot increase company profits because the company has not optimally managed intellectual capital to create company value, so it cannot provide a positive signal for the company in carrying out its operational activities.

The Effect of Leverage Through Profitability on Company Value

Based on the results of partial testing of the influence of leverage on the company through profitability, the coefficient value of indirect influence > direct influence is obtained, namely P-Value 0.42589097 > 0.05 with a statistical Sobel Test value of 0.79624273, meaning that indirectly profitability is an intervention variable. unable to mediate the effect of leverage on company value in food and beverage sub-sector companies listed on the Indonesia Stock Exchange (BEI) for the 2012-2022 period.

A good ratio occurs when debt and capital are balanced. Leverage can be used by companies to increase company capital in order to increase profits. Leverage is used to measure the extent to which a company is financed by loan capital. The level of leverage is inversely proportional to the level of profit. So, the greater the leverage, it means that it is increasingly difficult for the company to make a profit, which will affect the value of the company which will cause investors not to be interested in investing shares in the company.

The Effect of Company Size Through Profitability on Company Value

Based on the results of partial testing of the influence of company size on company value through profitability, the coefficient value of indirect influence <direct influence is obtained, namely P-Value 0.01213279 < 0.05 with a Sobel Test Statistical Test value of 2.50825853, meaning that indirectly profitability is as The intervening variable is able to mediate the influence of company size on company value in food and beverage sub-sector companies listed on the Indonesia Stock Exchange (BEI) for the 2012-2022 period.

Company size is considered capable of influencing company value if larger companies have higher company value. The size of the company also determines the level of investor confidence. High profitability can be a reflection that the company has achieved good financial performance, so it will provide a positive signal to investors to invest capital in the company. Therefore, company size is one of the important things in the financial reporting process which can influence company value in increasing company profits.

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Cite this Article: Al-Wahfi Suhada Sipahutar, Erlina, Sirojuzilam Hasyim (2024). The Effect of Intellectual Capital, Leverage and Company Size on Profitability and its Impact on Company Value of Sub-Sector Food and Beverage Registered on the Indonesian Stock Exchange Period 2012 - 2022. International Journal of Current Science Research and Review, 7(3), 1972-1988