

**INFLUENCE OF INTELLECTUAL CAPITAL AND CAPITAL STRUCTURE OF THE
COMPANY VALUE THROUGH FINANCIAL PERFORMANCE AS AN INTERVENING
VARIABLE (CASE STUDY AT MANUFACTURING COMPANIES LISTED IN INDONESIA
STOCK EXCHANGE PERIOD 2013-2017)**

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Abstract

Manufacturing industry is the industry that the largest contribution to GDP growth until 2017. Although still the largest source of the increase in GDP, the contribution of manufacturing to GDP continued to decline since 2015. However, this does not cause the stock price decline of manufacturing. Based on this phenomenon, this study aims to examine the internal factors are thought to be able to increase the value of the company. The population in this study are all manufacturing companies listed in Indonesia Stock Exchange in 2013-2017 as many as 144 companies with a total sample of 76 companies that obtained by purposive sampling. Then, samples were analyzed using Structural Equation Modeling results show that IC and capital structure does not directly affect the value of the company. But IC and capital structure directly affects financial performance. Thus, the financial performance is able to mediate the effects of IC and capital structure to the company's value. The better the financial performance of a company, the better is also the company's value in the eyes of investors.

Keywords: *Intellectual Capital, Capital Structure, Financial Performance, Company Value*

1. INTRODUCTION

Based on scientific logic, economic conditions will affect the company's activities, from production to sales activity activity. When disturbed economic conditions, the company's ability to generate profits will decline. The decrease is what causes investors are reluctant to invest their funds in a company, which then will lower the company's stock price. This is shown when the GDP growth increased in 2015-2017, followed by an increase in the share price of manufacturing in the same year. However, the increase was not followed by the contribution of manufacturing to GDP is steadily declining. Based on the above phenomenon, it can be concluded that there are many factors that can affect a company's stock price. Where, a company's stock price reflects the value of the company in the public eye, if a company's stock price high, then the value of the company in the public eye is also good and vice versa (Nirawati, 2003). Efforts to create enterprise value not only through fundamental factors in the company, but also can be done by taking into account the company's Intellectual Capital. Based on scientific logic, Intellectual Capital can increase the value of the company because the company has a competitive advantage.

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But, when Intellectual Capital indirectly connected with the Company Value through Financial Performance as an intervening variable based on research conducted by Nuryaman (2015) found that the results were affected positively Intellectual Capital on Firm Value. Therefore, in this study Financial Performance used as an intervening variable to be linking between independent variables and the dependent variable indirectly.

Based on research conducted by Phantow, et al (2015), the result of research that Capital structure significant positive effect on the Company Value, However, in contrast to the research conducted by Paminto, et al (2016), the result of research that capital structure is a significant negative effect on firm value.

Of the few differences of research results and phenomena, it can be concluded that not all the phenomena that occur in accordance with the existing scientific logic. Therefore, researchers interested in studying and learn again about this matter further. In this study, researchers added a free variable that can distinguish this study with previous research. Therefore, researchers raised a study entitled "The Effect of Intellectual Capital and Capital Structure Of Company Value Through Financial Performance As an intervening variable".

Based on the data that has been analyzed is found that intellectual capital and capital structure has a positive effect is not significant to the value of the company directly. And the indirect effect showing that intellectual capital and capital structure significantly affect the value of the company through the financial performance as an intervening variable.

Furthermore, the explanation in this article will be divided into three parts, the first is a literature review that will explain any theory used in this study and previous research that referenced researcher. The second part is the results and discussion will explain the results of research and discussion of results have been found. Then, the third part is the conclusion that a more concise outline of the research study.

2. LITERATURE REVIEW AND RESEARCH HYPOTHESES

Resource Based Theory (RBT)

Resource Based Theory (RBT) or also known as the resource-based theory of resource-based approach in the analysis of competitive advantage. It is an idea that developed in the strategic management and competitive advantage of companies that analyze and interpret the organization's resources to understand how organizations achieve a sustainable competitive advantage. Quoted from Hamida, et al (2015), according to Bemby et al. (2015) Resource Based Theory (RBT) explained that the company will gain a competitive advantage by leveraging the resources that meet certain predetermined criteria. So it is important to maximize the intellectual capital to drive the value of the company. Meanwhile, according Ulum (2017), RBT stated that the company has the resources to make the company has a competitive advantage and were able to steer the company to have a good long-term performance. A scarce and valuable resources can be directed to create a competitive advantage, so that the resources owned by long-lasting and not easily copied, transferred or replaced.

Signaling Theory

Signaling Theory or signal theory developed by Ross in 1977, stated that the company executives have better information about the company will be compelled to pass on the information to potential investors that its stock price increase. The positive thing in the signaling theory whereby companies that provide good information will differentiate them with companies that do not have "good news" to inform the market about their situation, a signal of good future performance given by the company's financial performance past not good not will be trusted by the market (Wolk and Tearney in Dwiyanti, 2010). According Jogiyanto (2014), the information published as an announcement would give the signal for investors in making investment decisions. At the time the information was announced, market participants must first analyze and interpret this information as a good signal (good news) or poor signal (bad news). Signal theory according to Brigham and Houston (2014) is an action taken by the

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management of a company gives guidance to investors on how to assess the prospects of the company's management.

Capital Structure Theory with Traditional Approach

The traditional approach argues that there is an optimal capital structure. This means that capital structure have an influence on the value of the company, where the capital structure may change in order to obtain optimal business value (Hanafi, 2016).

Trade-off Theory

Trade-off theory states that the higher the debt a company has, the greater the risk the company went bankrupt (Hanafi, 2016). *Trade off theory* is the capital structure theory which states that the company redeem the tax benefits of debt financing with the problems posed by the potential bankruptcy (Brigham and Houston, 2014).

Effect of Intellectual Capital Against Corporate Values

Based on the Resource Based Theory (RBT) or also known as the theory of bebasis resource using resource-based approach in the analysis of competitive advantage. According to Bukh et al. (2005), Intellectual Capital is defined as knowledge resources in the form of employee, customer, process or technology that can be used by companies in the process of value creation.

Based on research conducted by Lestari and Rosi (2016), VAICTM no effect on firm value. This study is in line with research conducted first by Boedi (2008), who obtained the findings that the IC does not affect the value of the company's market capitalization. But unlike the results of research conducted by Simanungkalit and Prasentiono (2015), that VACA (Value Added Capital Employed) has a positive and significant impact on the PBV (Price Book Value).

H1: Intellectual capital has an influence on the value of the company

Effect of Intellectual Capital Financial Performance Against

Based on the Resource Based Theory (RBT) stated that the company will gain a competitive advantage by leveraging the resources that meet certain predetermined criteria. The company's ability to utilize its knowledge resources to make a competitive advantage to be able to influence the company's ability to improve the profitability of the company.

According to research conducted by Tan et al. (2007) in Ulum (2009), the IC has a positive effect on company performance, both today and in the future; IC-average growth was positively related to the company's performance in the future; IC contribution to company performance differs based on the type of industry. The results are consistent with research that was first performed by Chen et al. (2005), that IC affects the market value and the company's performance.

H2: Intellectual capital has an influence on the financial performance

Effect of Capital Structure Against Corporate Values

Based on the theory of capital structure with the traditional approach, the optimal capital structure has an influence on the value of the company, where the capital structure of capital may vary in order to obtain the maximum value of the company. According to research conducted Phantow, et al (2015) found a significant positive effect of capital structure on firm value. As well as the results of research conducted by Paminto, et al (2016), that the capital structure is a significant negative effect on firm value.

H3: The capital structure has an influence on the value of the company

Effect of Capital Structure Financial Performance Against

Based on the trade off theory, the use of debt until at some point it will increase the value of the company, which was influenced by an increase in the company's financial

performance. Based on this theory, the composition of the capital structure could affect the financial performance of the company, if the management of any company in setting policy taken debt, the company will potentially bangkrut. Menurut maroka research conducted by Ramli, et al (2018) All debt ratios have a significant negative correlation to performance company. The results are consistent with the results of research that has been done before by Komara, et al (2016) that the capital structure in the form of DAR and DER were significant positive influence on the financial performance of the company.

H4: The capital structure has an influence on the financial performance

Effect of Financial Performance Against Corporate Values

Based on signal theory, the actions taken by the management of a company gives guidance to investors on how to assess the prospects of the company management (Brigham and Houston, 2014). The company's ability to manage financing obtained, as well as the company's ability to generate earnings to reflect the company's financial performance in the eyes of investors. If the good financial performance of a company, then the company's value in the eyes of investors will also be good. In the Brigham and Houston (2014), an important goal is to maximize the company's founding shareholder value through increasing the company's value.

According to research conducted by Utami (2011), found in the results that affect the value of financial performance of the company. This is in line with the results of research conducted by Phantow, et al (2015), that ROA significant positive effect on firm value. However, in a study conducted by Hermawan and Afiyah (2014), partially financial performance (ROA) did not significantly affect the value of the company.

H5: Financial performance has an influence on the value of the company.

Effect of Intellectual Capital Against Corporate Value Through Financial Results For Variable Mediation

Based on the Resource Based Theory (RBT) stated that the company will gain a competitive advantage by leveraging the resources that meet certain predetermined criteria. Competitive advantage will enable the company to increase the profitability of the company. That is, the higher the intellectual capital, the company's ability to generate profitability will increase. The higher the profit produced by the company will increase the company's value in the eyes of investors.

According to research conducted by Nuryaman (2015), the result that financial performance is able to mediate the relationship between intellectual capital with the value of the company. As well as research conducted by Simanungkalit and Prasetyono (2015) who obtained the result that financial performance is able to mediate the relationship between intellectual capital with the value of the company.

H6: Intellectual capital has an influence on the value of the company indirectly through financial performance.

Effect of Capital Structure Of Company Value Through Financial Results For Variable Mediation

Based on the trade-off theory, the use of debt until at some point it will increase the value of the company, which was influenced by an increase in the company's financial performance. That is, the decision taken by the company debt at some point it will improve financial performance which then increases the value perusahaan. Menurut research conducted by Makkulau, et al (2018), who found the result that profitability is able to mediate the relationship between capital structure to the company's value.

H7: The capital structure has an influence on the value of the company indirectly through financial performance.

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3. RESEARCH METHODS

The type of data in this research is quantitative data. The data used in this research is secondary data are derived from the official website of Indonesia Stock Exchange (IDX) is www.idx.co.id, The data used are annual reports of companies listed on the Stock Exchange as well as IDX Factbook 2013-2017 period.

The population used in this study are all manufacturing companies listed on the Stock Exchange 2013-2017 period, which amounts to 144 companies.

The sampling technique in this penlitian is purposive sampling population that has to meet certain criteria required by researchers. The criteria chosen by the researchers are:

1. Companies listed in succession in the Indonesia Stock Exchange (BEI) in the period 2013 to 2017, which amounted to 128 companies.
2. Manufacturing companies that use currencies other than the value of the rupiah currency in the annual report for the period from 2013 to 2017, which amounted to 41 companies.
3. Manufacturing companies that have a total negative equity during the period 2013 to 2017, which amounted to 8 companies.
4. Companies that do not have complete data needed in research over the period 2013-2017, which amounted to one company.

Of the 128 companies listed on the Stock Exchange, which meet the criteria of the sample in this study amounted to 76 companies.

3.1 Indicators Operational Definitions and Variables

In this study determined the four variables to be studied namely intellectual capital, capital structure, financial performance and corporate value.

Intellectual Capital

Intellectual Capital can be defined as an intangible asset that can be used as a competitive advantage as well as the company's long-term investment for the company. In this study, the IC will be proxied by VAICTM consisting of VACA, VAHU, and STVA.

Capital structure

The capital structure can be defined as the funding from the optimal combination between internal funds and external funds were able to increase the value of the company. In this research, capital structure will be proxied by DER and DAR.

Financial performance

Financial performance can be defined the company's ability to raise and distribute funds to realize the objectives of the company and increase the wealth of its shareholders. In this study the financial performance will be proxied by the ROA, ROE, and NPM.

The value of the company

Company Value can be defined as the company's performance in meeting the expectations of the shareholders, and the company's prospects in the long term. In this study, the enterprise value would be proxied by PBV, PER, and Tobin's Q.

Data analysis method

The data collected by the study sample will then be processed using a data processing application that is WarpPLS 6.0 for Windows. Data were analyzed using Structural Equation Modeling analysis-Partial Least Square (PLS-SEM). SEM is a continuation of the path analysis and multiple regression analysis. SEM methods are used to be able to reach out as well to parse and analyze every part of an equation developed models. SEM is expected to answer the weakness of the previous method, the multiple regression analysis and path.

4. RESULTS AND DISCUSSION

Descriptive statistics

Giving an overview of the average growth rate of each variable in this study.

Table 1 The development of the average value of the company, financial performance, intellectual capital, and capital structure.

Variable	Indicator	Year					Average
		2013	2014	2015	2016	2017	
NP (Y2)	Y2.1	24.74	41.50	91.83	12.94	112.56	56.72
	Y2.2	3.25	3.61	2.83	3.41	9.10	4.44
	Y2.3	456.80	198.64	319.50	315.39	317.38	321.54
KK (Y1)	Y1.1	0.08	0.07	0.059	-0.05	-0.20	-0.01
	Y1.2	0.13	0.14	0.10	0.10	0.08	0.11
	Y1.3	0.013	0.05	0.04	0.03	0.05	0.04
IC (X1)	X1.1	0.32	0.35	0.23	0.32	-0.16	0.21
	X1.2	2.47	2.58	2.32	2.04	0.60	2.01
	X1.3	0.73	0.10	-0.34	-0.27	-2.62	-0.48
BC (X2)	X2.1	1.09	1.11	1.04	1.06	1.07	1.08
	X2.2	0.40	0.43	0.46	0.45	0.42	0.43

Source: Processed Data Researcher, 2019

Test Coefficient of Determination

The magnitude of the effect of R Square (R²) can be seen in its effect sizes, where its value is equal to 0.002. The figure explains that the influence of intellectual capital on firm value is 0.2% while the remaining 99.8% (100% -0.2%) influenced by other factors. Meanwhile, the influence of intellectual capital on the financial performance described by R² is equal to 0,100 means that the variable intellectual capital variables affect the financial performance of 10% and the balance of 90% is influenced by other variables outside of this study.

The magnitude of the effect of capital structure on firm value described by R² is equal to 0.003. This figure has the intention that the influence of capital structure to the company's value was at 0.3%, while the remaining 99.7% (100% -0.3%) influenced by other factors outside of this variable. Meanwhile, the influence of capital structure on the financial performance described by R² is equal to 0.122 means that the variable capital structure variables affect the financial performance of 12.2% and the remaining 87.8% sebesaar influenced by other variables outside of this study.

The magnitude of the effect of intellectual capital, capital structure and financial performance of the company's value described by R² is equal to 0.374. This figure has the intention that the influence of intellectual capital, capital structure and financial performance of the value of the company amounted to 37.4%, while the remaining 62.6% (100% -37.4%) influenced by other factors outside of this variable.

Evaluation Measurement Model (Outer Model)

Determining the relationship between latent constructs specifications with the indicator. Feasibility evaluation formative latent variable measurement using two criteria: weight (weight) should be significant, in other words, p-value <0.05 and VIF <3.3. In addition to these two criteria, loading factor of each construct needs to be seen to indicate a correlation between the indicators with konstruknya. Loading the expected value is > 0.7. If both the requirements and loading factor constructs have been met, then the measurement formative constructs have been considered feasible.

Table 2 Model Outer Evaluation Results

	Var.	Dimension	Indicator	Loading	p-value	VIF	
1	IC	X 1	VACA	X1.1	0,972	<0,001	1,285
2			VAHU	X1.2	,992	<0,001	1,285
3			STVA	X1.3	0,494	0,217	1,000
4	SM	X 2	DER	X2.1	,913	<0,001	1,429
5			DAR	X2.2	0,990	<0,001	1,429
6	KK	Y 1	ROA	Y1.1	0,928	<0,001	1,444
7			ROE	Y1.2	,896	<0,001	1,711
8			NPM	Y1.3	0,895	<0,001	1,238
9	NP	Y 2	PER	Y2.1	-0,985	<0,001	1,001
10			PBV	Y2.2	0,893	<0,001	1,010
11			Tobin's Q	Y2.3	,991	<0,001	1,010

Source: Processed Data Researcher, 2019

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Based on the above test results, there is one indicator that did not meet the eligibility criteria, namely STVA, so that should be excluded from the study indicator.

Table 3 Results Evaluation Model After Elimination Indicator Outer STVA

No	Var.	Dimension	Indicator	Loading	p-value	VIF	
1	IC	X1	VACA	X1.1	0,972	<0.001	1,285
2			VAHU	X1.2	.992	<0.001	1,285
3	SM	X2	DER	X2.1	.913	<0.001	1,429
4			DAR	X2.2	0,990	<0.001	1,429
5	KK	Y1	ROA	Y1.1	0.928	<0.001	1,444
6			ROE	Y1.2	.896	<0.001	1,711
7			NPM	Y1.3	0.895	<0.001	1,238
8	NP	Y2	PER	Y2.1	-0.985	<0.001	1,001
9			PBV	Y2.2	0,893	<0.001	1,010
10			Tobin's Q	Y2.3	.991	<0.001	1,010

Source: Processed Data Researcher, 2019

While the indicator of the four other variables that have met the criteria Weight Indicator should be significant with p-value <0.05 and VIF value <3.3. And the value of the loading factor > 0.7. Thus, the outer model can be accepted.

Evaluation of Structural Model (Inner Model)

Inner Model determine the relationship between latent constructs specifications and other latent constructs. In the test model fit, there are 3 index test, the average path coefficient (APC), average R-squared (ARS) and the average variance factor (AVIF) criteria APC and ARS accepted on the condition that the p-value of <0.05 and AVIF smaller than 5 ,

Table 4 Model Fit Indices

Indicator	Index	p-value	Criteria	Ket
APC	0.277	<0.001	P <0.05	Received
ARS	0,299	<0.001	P <0.05	Received
AVIF	1,014		AVIF <5	Received

Source: Processed Data Researcher, 2019

Based on test results, showing that APC has an index of 0.277 with a p-value <0.001. While the ARS has an index of 0.299 with a p-value <0.001. Based on the criteria, APC and ARS have met the criteria for having a p-value <0.05. Furthermore, the value is equal to 1.014 AVIF figures show that in accordance with the criteria of <5. Thus, the inner model can be accepted.

Hypothesis testing

Testing this hypothesis purporting to prove allegations of research or hypothesis. Basis for decision making allegations of using p-value hypothesis, where H0 will be accepted if the p-value <0.05 and H0 will be rejected and Ha accepted if the p-value ≥0,05.

Table 5 Output Results Effect of Direct and Indirect

Pengaruh between Variables	path Coefficient	P-Values	effect Sizes
IC → NP	.060	.120	0,002
IC → KK	0.323	<0.001	0,100
SM → NP	0,034	0.254	0,003
SM → KK	-0.356	<0.001	0.122
KK → NP	.614	<0.001	.374
IC → KK → NP	0,197	<0.001	0,005
SM → KK → NP	-0.219	<0.001	0,022

Source: Processed Data Researcher, 2019

H.1 Intellectual capital has an influence on the value of the company

Based on the results, it can be seen that the Intellectual Capital does not have a significant effect on the Company Value proxied by PER, PBV, and Tobin's Q for the period 2013-2017 with a p-value

of 0.120 and a path coefficient of 0.060. Based on the decision-making criteria, the alleged hypothesis will be accepted if the p-value <0.05 . Thus, one hypothesis (H1) in this study was rejected.

Based on the results, it can be seen that there is positive, but not significant between intellectual capital on firm value. This suggests that the intellectual capital of the company is not a factor taken into account by investors, so it is not able to increase the value of the company directly. In addition, the intellectual capital is difficult to be disclosed because it is a competitive advantage that is owned by the company, so investors are also difficult to gain access to know the intellectual capital of the company. The results of this study are consistent with research conducted by Sustainable and Rosi (2016) which shows that based on the results of the regression, Intellectual Capital does not affect the value of the company. Likewise with previous research conducted Boedi (2008) found no effect on the value of company's Intellectual Capital.

H.2 Intellectual capital has an influence on the financial performance

Based on the results, it can be seen that the Intellectual Capital has a significant positive effect on financial performance proxied by the ROA, ROE, and NPM during the period 2013-2017 with a p-value <0.001 and path coefficient of 0.323. This figure shows that if an increase in the assessment of Intellectual Capital for one unit, then the financial performance will increase by 0.323. Based on the decision-making criteria, the alleged hypothesis will be accepted if the p-value <0.05 . Thus, the hypothesis of two (H2) in this study received.

Based on the results, it can be seen that there is a significant positive effect on the financial performance of intellectual capital. This shows that the better the intellectual capital of the company, the better the financial performance of the company. The high knowledge resources of the company were able to mengefesienkan costs to be incurred by the company so that the company produced profit higher.

The results are consistent with the Resource Based Theory (RBT), which states that the company will gain a competitive advantage by leveraging the resources that meet certain predetermined criteria. The company's ability to utilize its knowledge resources to make a competitive advantage to be able to influence the company's ability to improve the profitability of the company.

The results of this study are consistent with research conducted by Chen et al. (2005), that IC affects the market value and the company's performance. As well as research conducted by Tan et al. (2007), that the IC has a positive effect on company performance, both today and in the future; IC-average growth was positively related to the company's performance in the future; IC contribution to company performance differs based on the type of industry.

H.3 capital structure has an influence on the value of the company

Based on the results, it can be seen that the capital structure does not have a significant effect on the Company Value proxied by PER, PBV, and Tobin's Q for the period 2013-2017 with a p-value of 0.254 and a path coefficient of 0.034. Based on the decision-making criteria, the alleged hypothesis will be accepted if the p-value <0.05 . Thus, the three hypotheses (H3) in this study was rejected.

Based on the results, it can be seen that there is a positive influence, but not significant capital structure to the company's value. The results of this study are not in accordance with the traditional approach to capital structure theory which states that the capital structure has an influence on the value of the company. However, this can happen when investors perceive that the value of high debt on a firm does not cause the value of the company to be bad. There are several companies that have a higher value than the debt capital and assets, but has a high stock price, which the stock price can reflect the value of the company. This is because the level of debt the company is still considered reasonable by the investor with a market capitalization greater.

The results of this study are not consistent with research conducted by Phantow, et al (2015) found a significant positive effect of capital structure on firm value.

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H.4 capital structure have an impact on financial performance

Based on the results, it can be seen that the capital structure has a significant negative effect on the financial performance proxied by the ROA, ROE, and NPM during the period 2013-2017 with a p-value <0.001 and path coefficient of -0.356 . This figure shows that if an increase in the assessment of Intellectual Capital for one unit, then the financial performance will decrease by 0.356 . Based on the decision-making criteria, the alleged hypothesis will be accepted if the p-value <0.05 . Accordingly, four hypotheses (H4) in this study received.

Based on the results, it can be seen that there is a significant negative effect on the capital structure of financial performance. This shows that the higher the level of debt a company, then the company's financial performance will decline. Wherein when the high debt levels of a company, interest charges and debt repayments, meaning a cash flow to be issued by the company gets higher, so that risks must be faced companies higher as well, this is what caused the company's financial performance to decrease.

The results are consistent with the trade-off theory which states that the use of debt until at some point it will increase the value of the company, which was influenced by an increase in the company's financial performance. Based on this theory, the composition of the capital structure could affect the financial performance of the company, if the management company erroneously upheld the debt policy is taken, then the company will potentially bankrupt. The results are consistent with research conducted by the Le, TPV, and Phan, TBN (2017) who found that all the debt ratio has a significant negative correlation to the performance of the company.

H.5 financial performance has an influence on the value of the company

Based on the results, it can be seen that the Financial has a significant positive effect on the Company Value proxied by PER, PBV, and Tobin's Q for the period 2013-2017 with a p-value <0.001 and path coefficient of 0.614 . This figure shows that if an increase in ratings of Financial Performance of one unit, the Value of the Company will be increased by 0.614 . Based on the decision-making criteria, the alleged hypothesis will be accepted if the p-value <0.05 . Thus, the hypothesis of five (H5) in this study received.

Based on the results, it can be seen that financial performance has a significant positive effect on firm value. This shows that the better financial performance, the better the value of the company. Where the ability of management to improve the company's profitability will affect the company's value in the eyes of investors.

Based on the values obtained loading factor, an indicator ROA indicators that contribute the highest contribution in financial performance. This demonstrates the company's ability to generate profits from the assets of the company has a major role in enhancing the value of the company.

The results are consistent with the theory of signal that the actions taken by the management of a company gives guidance to investors on how to assess the prospects of the company management (Brigham and Houston, 2014). The company's ability to manage financing obtained, as well as the company's ability to generate earnings to reflect the company's financial performance in the eyes of investors.

The results of this study are consistent with research conducted by Utami (2011), found in the results that affect the value of financial performance of the company. As well as the results of research conducted by Phantow, et al (2015), that ROA significant positive effect on firm value.

H.6 Intellectual capital has an influence on the value of the company through the financial performance as an intervening variable

Based on the results, it can be seen that the Intellectual Capital has a significant positive effect on the Company Value through Financial as mediating variables during the period 2013-

2017 with a p-value <0.001 and path coefficient of 0.197. This figure shows that if an increase in the assessment of Intellectual Capital, the Value of the Company will be increased by 0,197

through Financial Performance as a mediating variable. Thus, the hypothesis of six (H6) in this study received.

Based on the results, it can be seen that there is a significant positive effect on the value of intellectual capital through the company's financial performance as a mediating variable. It can be concluded that financial performance is able to mediate the effect of intellectual capital on firm value indicated by the positive result of the change is not significant to positive significant. That is, the higher the intellectual capital able to improve financial performance, which indirectly affect the increase in the value of the company. Where, when the company's knowledge resources can be managed and utilized by the company will increase the profitability of the resulting company, thus increasing the company's value in the eyes of investors.

The results are consistent with the Resource Based Theory (RBT), which states that the company will gain a competitive advantage by leveraging the resources that meet certain predetermined criteria. The company's ability to utilize its knowledge resources to make a competitive advantage to be able to influence the company's ability to improve the profitability of the company. The ability of management to improve the company's profitability will affect the company's value in the eyes of investors.

The results of this study are consistent with research conducted by Nuryaman (2015) who found results that positively affect Intellectual Capital on Firm Value through Financial as a mediating variable.

H.7 capital structure has an influence on the value of the company through the financial performance as an intervening variable

Based on the results, it can be seen that the capital structure has a significant negative effect on the value of the Company through a financial performance during the period 2013-2017 mediating variables with p-value <0.001 and path coefficient of -0.219. This figure shows that if an increase in the assessment of capital structure, the Value of the Company will decrease by 0.219 through Financial Performance as a mediating variable. Thus, the hypothesis of seven (H7) in this study received.

Based on the research results, it can be seen there is a significant negative effect on the value of company's capital structure through financial performance as a mediating variable. It can be concluded that financial performance is able to mediate the effects of capital structure on firm value indicated by changes in the results of insignificant be significant. That is, the higher the capital structure or debt levels of the company, then the company's performance has decreased indirectly affect the decline in value of the company. Where, when the level of corporate debt is already too high, then the risk of bankruptcy which will be borne by the company is increasing. Increasing risk of bankruptcy which could reduce the company's ability to generate profitability,

The results are consistent with the trade-off theory which says that the use of debt until at some point it will increase the value of the company, which was influenced by an increase in the company's financial performance. Based on this theory, the composition of the capital structure could affect the financial performance of the company, if the management company erroneously upheld the debt policy is taken, then the company will potentially bankrupt.

The results of this study are consistent with research conducted by Makkulau (2018) which found that financial performance is able to mediate relations with the company's capital structure.

5. CONCLUSION

Intellectual capital had no significant positive effect directly on the value of the company. Intellectual capital has a direct significant positive effect on financial performance.

**INFLUENCE OF INTELLECTUAL CAPITAL AND CAPITAL STRUCTURE OF THE
COMPANY VALUE THROUGH FINANCIAL PERFORMANCE AS AN INTERVENING
VARIABLE (CASE STUDY AT MANUFACTURING COMPANIES LISTED IN INDONESIA
STOCK EXCHANGE PERIOD 2013-2017)**

The capital structure has a significant positive effect not directly on the value of the company. The capital structure has a significant negative effect directly on the financial performance. The financial performance has a significant positive effect on firm value. Intellectual capital has a significant positive effect indirectly on the value of the company through financial performance. The capital structure has a significant negative effect indirectly on the value of the company through financial performance.

Suggested For companies, to increase the value of the company, the company should focus on improving financial performance, because based on the above results would increase if the value of the company's financial performance increased.

For further research, you should add the variables that can affect the value of the company and use the research object based on a particular sub-sector. As well, can add other variables such as good corporate governance (GCG), Corporate Social Responsibility (CSR), and so on.

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