SUSTAINABILITY REPORTING, CORPORATE GOVERNANCE MECHANISM, AND INTELLECTUAL CAPITAL ON FIRM VALUE MODERATING BY PROFITABILITY

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ABSTRACT
Investors view the value of a company based on the company's performance. Investors are interested in investing capital based on the consideration of the company's high value because the company is considered to have good prospects in the future and is able to prosper its shareholders. The COVID-19 pandemic conditions require companies to make various adjustments in order to maintain company value. The aim of this research is to examine the influence of Sustainability Reporting, the Corporate Governance mechanisms used are Independent Commissioners, Board of Directors, Audit Committee, and Managerial Ownership, as well as Intellectual Capital with Profitability as a moderator of Company Value. The research object is manufacturing companies for the 2019-2021 period listed on the IDX. The number of samples used in the research was 31 manufacturing companies. Sampling used a purposive sampling technique, with multiple linear regression analysis methods using the SPSS application. Based on the test results with the Model Feasibility Test (F Test), it was found that Intellectual Capital, Corporate Governance Mechanisms, and Sustainability Reporting with Profitability as a moderation were suitable for use in research. Based on the results of the Hypothesis Test (t Test), it is known that Intellectual Capital has no effect on Company Value. Independent Commissioners have no effect on Company Value. The Board of Directors has no influence on company value. The Audit Committee has a negative effect on Company Value. Managerial Ownership has no effect on Company Value. Sustainability Reporting has a positive effect on Company Value. Profitability does not moderate the Intellectual Capital relationship. Profitability does not moderate the relationship between Independent Commissioners. Profitability moderates the Board of Directors relationship. Profitability does not moderate the Audit Committee relationship. Profitability does not moderate the Managerial Ownership relationship. Profitability does not moderate the Sustainability Reporting relationship. It is hoped that the contribution of this research will be the development of knowledge about the role of intellectual capital, corporate governance mechanisms, and sustainability reporting on company value with profitability as a moderator. Companies can view research results as input and evaluation in terms of analyzing factors that influence company value, especially in the COVID-19 pandemic situation.

ABSTRAK
Investor memandang nilai perusahan berdasarkan kinerja perusahaan tersebut. Investor tertarik dalam menanamkan modal atas pertimbangan nilai perusahaan yang tinggi karena perusahaan dianggap mempunyai prospek yang baik kedepannya serta mampu mensejahterakan para pemegang sahamnya. Kondisi pandemi COVID-19 menuntut Perusahaan melakukan berbagai penyesuaian agar dapat mempertahankan nilai perusahaannya.

Tujuan penelitian ini menguji pengaruh dari Sustainability Reporting, Mekanisme Corporate Governance yang digunakan adalah Komisaris Independen, Dewan Direksi, Komite Audit, dan Kepemilikan Manajerial, serta Modal Intelektual dengan Profitabilitas sebagai moderasi atas Nilai Perusahaan. Objek penelitian adalah perusahaan manufaktur periode 2019-2021 yang terdaftar di BEI. Jumlah sampel yang dipakai dalam penelitian adalah 31 perusahaan manufaktur. Pengambilan sampel menggunakan teknik purposive sampling, dengan metode analisis regresi linier berganda menggunakan aplikasi SPSS. Berdasarkan hasil pengujian dengan Uji Kelayakan Model (Uji F), diperoleh Modal Intelektual, Mekanisme Corporate Governance, serta Sustainability Reporting dengan Profitabilitas sebagai moderasi layak digunakan dalam penelitian. Berdasarkan hasil Uji Hipotesis (Uji t) diketahui bahwa Modal Inteletual tidak berpengaruh terhadap Nilai Perusahaan. Komisaris Independen tidak berpengaruh terhadap Nilai Perusahaan. Dewan Direksi tidak berpengaruh terhadap nilai perusahaan. Komite Audit berpengaruh negatif terhadap Nilai Perusahaan. Kepemilikan Manajerial tidak berpengaruh terhadap Nilai Perusahaan. Sustainability Reporting berpengaruh positif terhadap Nilai Perusahaan. Profitabilitas tidak memoderasi hubungan Modal Intelektual. Profitabilitas tidak memoderasi hubungan Komisaris Independen. Profitabilitas memoderasi hubungan Dewan Direksi. Profitabilitas tidak memoderasi hubungan Komite Audit. Profitabilitas tidak memoderasi hubungan Kepemilikan Manajerial. Profitabilitas tidak memoderasi hubungan Sustainability Reporting. Kontribusi penelitian ini diharapkan dapat menjadi pengembangan untuk ilmu peran pengaruh modal intelektual, mekanisme corporate governance, dan sustainability reporting terhadap nilai perusahaan dengan profitabilitas sebagai pemoderasi. Perusahaan dapat melihat hasil penelitian sebagai masukan dan evaluasi dalam hal menganalisis faktor-faktor yang mempengaruhi nilai perusahaan, khususnya dalam situasi pandemic COVID-19.

PENDAHULUAN

During the COVID-19 pandemic, the company experienced a decline, so adjustments were needed to maintain its value and get through these difficult times. Companies are formed with the aim of not only obtaining profit but also value from the company. According to (Anggrahini et al., 2018), firm value is a description of the company's condition, where there are assessments from potential investors regarding the merits of the company's financial performance. A high value indicates high shareholder prosperity.

In the adjustment process, companies need various resources, including intellectual capital. (Pertiwi & Suhartini, 2022) reveal that intellectual capital is used to assess intangible resources and can increase a company's value, innovation, and competitive advantage because of its rare and inimitable characteristics. Increased intellectual capital shows that companies use their capital efficiently to produce added value for the company (Nurfaindah & Mudjijah, 2022). This value-added will increase the firm value. If the company can manage its intellectual capital well, then the market assessment of the company is also good, and it will be a consideration for investors to invest.

Not only intellectual capital but companies need good corporate governance so that the steps and goals of the company can be achieved. Ivan Salasani & Handayani (2022) revealed that companies that implement good corporate governance also have good company performance. Implementing good and appropriate corporate governance will influence investors to respond positively to the company's performance and increase the company's market value.

There are two categories of corporate governance mechanism itself, namely, internal mechanisms and external mechanisms (Alvino & Sebrina, 2020). This study will use internal mechanisms proxied by independent commissioners, boards of directors, audit committees, and managerial ownership. The use of internal mechanisms in this study is because the discussion will focus on the company's internal where good governance and the implementation of the functions of each part will affect the company's value.

Other factors that affect investors' view of the company are responsibility to the surrounding environment and contribution to sustainable development. Companies need to report it in a special report that describes the impact of company activities and makes companies more transparent regarding the risks and opportunities they face. Corporate social and environmental responsibility is presented in the sustainability reporting. This reporting will signal investors and can get a positive or negative reaction (Sadipun & Mildawati, 2022). This reaction will affect the company's value, where if the reaction that appears is negative, then the assessment given to the company is also inadequate and vice versa.

This research uses companies in the manufacturing sector for the 2019-2021 period. Manufacturing companies are taken because they have a relatively broad and complex sector in their operational processes, where adequate intellectual resources are needed. In addition, of course, every entity or company requires good governance to achieve mutually agreed goals and prosper investors. Manufacturing companies are also in their production process. They will have an impact on the economy and the environment, such as labor to the resources used, so it is necessary to disclose what things are affected and the future impacts so that investors can find out what the impacts of the company's activities are on when he decides to invest. The period from 2019 to 2021 was chosen because it saw how every company's activities were affected by the Covid-19 pandemic in that year. Hence, they needed to adapt to this pandemic and recovery period.

Based on this background, the formulations of the problems made are: 1) Does intellectual capital affect firm value?; 2) Does the corporate governance mechanism affect firm value?; 3)Does sustainability reporting affect firm value?; 4) Does profitability moderate the effect of intellectual capital on firm value?; 5) Does profitability moderate the effect of corporate governance mechanisms on firm value?; 6) Does profitability moderate the effect of sustainability reporting on firm value?

KAJIAN LITERATUR

Teori Sinyal

Signaling theory was coined by Spence (1973), where this theory states that those who have information will give signs or signals, where this information is a description of the condition of a company that is beneficial to the recipient. Because this signal will affect investors' decisions, in the process of formulating the signal that will be given, it must contain solid information content so that in providing this information, investors can consider their decisions regarding the company (Amalia & Daito, 2022).

The link between signal theory and this research is that when a company's management discloses information related to company performance to investors, that is the signal from the company. After the signal arrives, investors will provide a response related to the information obtained. This response will affect the company because investors will judge the merits of the company based on the information they have received. Therefore, providing this information influences the public and investors' assessment of the company's condition. Signaling theory was coined by Spence (1973), where this theory states that those who have information will give signs or signals, where this information is a description of the condition of a company that is beneficial to the recipient. Because this signal will affect investors' decisions, in the process of formulating the signal that will be given, it must contain solid information content so that in providing this information, investors can consider their decisions regarding the company (Amalia & Daito, 2022).

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Agency Theory

Agency theory shows that there is a relationship between company owners and management. This relationship aims to increase the company's value by increasing shareholders' prosperity. Agency theory explains that a contract or agreement arises between the two parties (principal and agent) in which the principal delegate's authority to the agent to carry out the company's operational activities (Safriliana et al., 2018)

Due to the difference in position between the principal and the agent, the goals that have been agreed upon can sometimes be carried out properly. Opportunistic actions carried out by one party can lead to a difference in the interests of the principal and the agent. Supervision and control are needed to ensure that the agent has carried out his duties following the mutual agreement so that the company's goals are achieved. Good corporate governance is required to supervise and control agents' actions. With this governance, it is hoped that control and supervision of agents can be carried out, as well as reducing and prevention opportunistic actions.

Teori Resources Based View (RBV)

This theory discusses the control of resources and capabilities owned by companies to achieve competitive advantage ((Pertiwi & Suhartini, 2022)). The resources owned by the company must be managed and used appropriately to create a competitive advantage, where the existence of this advantage will attract investors to invest. The resource in question can be either a tangible asset or an intangible resource.

This theory can be related to the intellectual capital variable, where in this study, companies that can manage their intellectual capital well will provide added value (value added) which will create a competitive advantage for the company. The existence of this advantage will attract investors to invest because of the assumption that the company can compete.

Hypothesis Development

The Effect of Intellectual Capital on Firm Value

Intellectual capital will assist companies in managing all of their resources more optimally so that companies can compete and have a competitive advantage. Intellectual capital created competitive advantage will provide added value to the company, where market perception will increase. Yuliawati & Alinsari (2022) concluded that intellectual capital has a positive effect on company value because companies that can manage their intellectual capital well will improve financial performance, and this will later receive positive signals from shareholders. Likewise, the research of Muasiri & Sulistyowati (2021) says that intellectual capital has a positive effect on firm value because, with sizeable intellectual capital, the company's competitive advantage is also higher.

H1 : Intellectual Capital Has a Positive Effect on Firm Value.

The Influence of Corporate Governance Mechanisms on Firm Value

Supervision and control from other parties are needed to avoid opportunistic actions that management can carry out, so good corporate governance is also needed. Supervision and control are expected to minimize fraud that management may commit, as described in agency theory, where fraud is based on information asymmetry between principal and agent and the desire to achieve personal goals. Minimal or even zero acts of fraud show that each individual and division has carried out their duties and responsibilities properly.

Salasani & Handayani (2022) explain that companies that practice good corporate governance will also perform well. This good performance will also give a good signal to investors. Investors who get this excellent signal will be moved to invest in the company. If more investors invest, the higher the stock price. This increased share price also increases the value of the company. This corporate governance mechanism will be proxied through a) independent commissioners; b) boards of directors; c) audit committees; d) managerial ownership.

a. Independent Commisioner

Financial Services Authority (Otoritas Jasa Keuangan) Regulation Number 33/PJOK.04/2014 states that independent commissioners may not have any direct or indirect ties to the company. The independent commissioner is tasked with supervising management in carrying out the company's operational activities to help reduce fraud that may be committed by management. The better the supervision is carried out, the lower the level of fraud, the better firm value. This good supervision will also give a good signal to investors. This result is supported by (Munifah et al., 2022) research, where independent commissioners positively affect company value.

H2a : Independent Commissioner Has a Positive Effect on Firm Value.

b. Board of Directors

Financial Services Authority Regulation Number 33/PJOK.04/2014 states that the board of directors is part of a company whose job is to take care of all the company's interests following the goals of the company. Purwitaningsari & Fidiana (2021) state that the board of directors is tasked with determining policies and strategies in the short and long term. The policies and strategies taken will affect the company's performance, so the board of directors needs to make the right decisions regarding these policies so that the company's performance can increase and, in the end, also increase the firm value. Purwitaningsari & Fidiana (2021) explain that the board of directors positively affects company value. Likewise, Munifah et al., (2022) concluded that the board of directors has a positive effect on company value.

H2b : Board of Directors Has a Positive Effect on Firm Value.

c. Audit Committee

The main task of the audit committee is to assist the board of commissioners in carrying out the oversight function, which are the company's internal control system, the quality of financial reports, and the effectiveness of the internal audit function. This supervision will certainly minimize the opportunity to cheat in managing the company and ensure the correctness of the financial statements so that the profits obtained by the company are disclosed truthfully without being manipulated. Appropriate financial performance will show that the company works without any manipulation, where honesty is what can convince investors' assessment of the company. This result follows Putry & Murni, (2022), where the audit committee has a positive effect on firm value, and research by Purwitaningsari & Fidiana (2021), where the audit committee positively influences firm value.

H2c : Audit Committee Has a Positive Effect on Firm Value.

d. Managerial Ownership

Shalini et al., (2020) reveal that managerial ownership is a dual role for management because apart from functioning as an executor, it also has a percentage of share ownership in the company. According to (Jensen & Meckling, 1976), if management becomes part of the company's owner, the decisions taken and their performance will be carried out correctly to maximize the returns they receive. Wise decision-making will also affect the company's operational activities and increase the value of the company itself. Research conducted by Widyaningsih (2018) and Mentari & Idayati (2021) has a positive effect on firm value.

H2d : Managerial Ownership Has a Positive Effect on Firm Value.

Managerial Ownership Has a Positive Effect on Firm Value.

Prastiwi & Walidah, (2020) state that companies that are open in terms of disclosing their performance will give a positive signal and increase company value. This disclosure includes financial performance and environmental, social, and economic conditions. The sustainability reporting will include disclosures related to the environment, society, and economy.

Investors certainly want to invest in companies that are going concern. Therefore, companies need to provide information regarding their performance and the future impact of these activities. The company will provide signals to investors regarding how the company's activities impact the surrounding environment, as well as the possible risks or opportunities that the company will receive in the future. This result is done so that investors can consider the possibilities that will occur in the future if they have decided to invest in the company. So the research from Budiana & Budiasih, 2020) aligns with the previous explanation that disclosure of sustainability reporting has a positive effect on firm value because, with this disclosure, it is expected to maintain business continuity in the long-term and provide more benefits for shareholders. Likewise, research conducted by Puspita & Jasman (2022) and Kusuma & Priantinah, (2018) proves that sustainability reporting positively affects company value.

H3 : *Sustainability Reporting Has a Positive Effect on Firm Value.*

The Effect of Intellectual Capital on Firm Value with Profitability as Moderation

Based on the Resource Based View (RBV) theory, intellectual abilities and proper processing will provide added value for the company to compete with competitors. Yuliawati & Alinsari (2022) revealed that aside from intellectual capital, it must be supported by available funds to increase added value. This fund will be used for the process of development and management of existing intellectual capital. Available funds can be seen from how much the company's profitability is. The greater the profitability owned, the greater the available funds to develop and manage intellectual capital to create added value. This added value will signal to investors that the company has the advantage of competing with its competitors. This signal will be responded to by investors with an increase in the company's stock price. Yuliawati & Alinsari (2022) prove that profitability, as measured by ROA, strengthens the relationship between the influence of intellectual capital on firm value because intellectual capital will create value that can generate high profitability. The research by Muasiri & Sulistyowati, (2021) and Amirullah et al., (2021) also states that profitability can strengthen the relationship between intellectual capital and firm value.

H4 : Profitability Moderates Intellectual Capital Against Firm Value

The Influence of Corporate Governance Mechanisms on Corporate Values with Profitability as Moderation

1. Independent Commissioner

Independent commissioners must supervise the management of the company's operational activities. If these operational activities are carried out properly, it will show that the company's performance has increased. The company's performance will be reflected in its financial statements, where its financial performance will also increase. Romadoni & Pradita (2022) revealed that independent commissioners positively affect financial performance. Increased financial performance will affect the company's value, where investors are interested in investing when they see its good performance. Research from Munifah et al., (2022) also proves that financial performance can moderate the value of the company between independent commissioners.

H5a : Profitability Moderates Independent Commissioners Against Firm Value.

2. Board of Director

The board of directors is responsible for making company decisions and policies. This decision will affect every activity carried out within the company. Wrong decisions will bring the company poor performance. Poor performance will have a bad influence on the company and vice versa. This explanation is supported by Munifah et al., (2022), where financial performance can moderate between the board of directors and company value

H5b : Profitability Moderates Independent Commissioners Against Firm Value.

3. Audit Committee

The audit committee controls and reviews whether the company has carried out its activities per existing regulations. The supervision and control provided by the audit committee over the company's activities to financial reporting can reduce opportunistic actions taken by management, one of which is manipulating its financial reports where the profit or profitability obtained will be magnified in value. Research from (Sitanggang, 2021) states that the audit committee partially positively affects financial performance. With an audit committee, the company's performance will be on the right path and not deviate or change for the benefit of an individual. This result will make the market's valuation of the firm high.

H5c : Profitability Moderates Independent Commissioners Against Firm Value.

4. Managerial Ownership

This ownership allows the managerial party to own shares of the company and bear all the consequences that will be obtained. Therefore management must carry out its duties and functions properly so that the financial performance reflected in the value of the company's shares will also be good. When viewed from the side of the shareholders, this will make the managerial parties feel prosperous because it will positively impact them. This hypothesis development is supported by research from Pratiwi & Noegroho (2022), where managerial ownership has a positive and significant influence on financial performance.

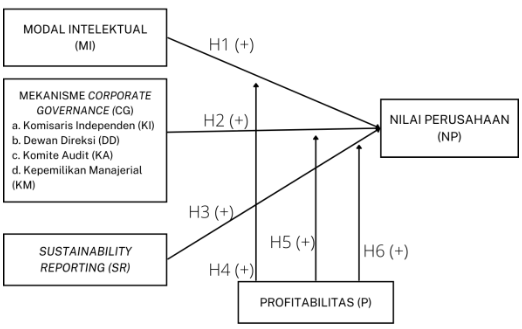
H5d : Profitability Moderates Independent Commissioners Against Company Value.

The Effect of Sustainability Reporting on Firm Value with Profitability as Moderation **Investor**

Investors need to obtain information about how profit can be generated. Companies need to convey signals related to this matter to investors to fulfill the need for the necessary information. Sustainability reporting can be used as a medium to inform and convince investors regarding the profits earned by the company (Mujiani & Jayanti, 2021). In addition, in their research, Budiana & Budiasih (2020) revealed that if a company's profitability is high, there will also be a large amount of disclosure related to environmental, social, and economic information. It is this high profitability and disclosure that ultimately influences and increases the value of the company. This hypothesis development is supported by Budiana & Budiasih (2020), which state that profitability can strengthen the effect of sustainability reporting on firm value. Companies that disclose sustainability reporting will become investment targets for investors because companies are considered to have good ethics and responsibility.

H6 : Profitability Moderates Sustainability Reporting Against Firm Value

RESEARCH MODEL



Data Selection and Method of Collecting Data

The population of this study is a manufacturing company listed on the Indonesia Stock Exchange in 2019-2021. Sampling from this population used a purposive sampling technique with the following criteria:

1. Manufacturing companies that publish financial reports for the 2019-2021 period.
2. Manufacturing companies that publish sustainability reports for the 2019-2021 period.

Intellectual Capital

Pertiwi & Suhartini (2022) state that value added is created by working capital (employed capital), human capital (human capital), and structural capital (structural capital). These three elements are calculations of intellectual capital, symbolized by the VAICTM (Value Added Intellectual Coefficient), developed by Pulic (Amirullah et al., 2021). Calculations from VAICTM are as follows:

VAIC™ = VACA + VAHU + STVA

The VAICTM calculation is as follows:
a. Calculating VA = OUT – IN
b. Calculating VACA = VA / CE
c. Calculate VAHU = VA / HC
d. Calculating STVA = VA / SC

Corporate Governance Mechanism

a. *Independent Commissioner*

This variable can be measured by the proportion of number of independent commissioners with the total members of the board of commissioners (Purwitaningsari & Fidiana, 2021).

b. *Board of Directors*

This board of directors can be counted by the number of members of the board of directors in the company which is determined in the number of units (Purwitaningsari & Fidiana, 2021).

c. *Audit Committee*

The audit committee variable can be measured by counting the number of audit committees in the company (Sitanggang, 2021).

d. *Managerial Ownership*

Managerial ownership can be measured by comparing the shares of managers who play a role in decision making, with the total outstanding shares of the company. (Purwitaningsari & Fidiana, 2021).

Sustainability Reporting

The calculation of this variable is carried out using the Sustainability Report Disclosure Index (SRDI) (Kusuma & Priantinah, 2018), where the total items disclosed by the company are divided by the total items required by GRI G4 (91 items).

Firm Value

Firm value will use Tobin's Q which has been simplified by Pertiwi & Suhartini, (2022):

TOBIN'S Q = (EMV + D) / (EBV + D)

The calculation of Tobin's Q is as follows:
a. EMV (Equity Market Value). The EMV calculation is done by multiplying the closing price and the number of outstanding shares (Malik et al., 2022). The closing price used is the price on December 31. The following is the calculation of EMV:

EMV: Closing price x Number of outstanding shares

b. EBV (Equity Book Value). The EBV calculation is done by dividing the total equity and the number of outstanding shares (Nurhasanah & Hasnawati, 2022).

Information :
EMV: Equity Market Value
D (Debt): Debt (Total Liabilities)
EBV: Equity Book Value (Book Value of Total Equity)

Profitability
The moderating variable of this research is profitability. Profitability is used to determine whether it can strengthen or weaken the relationship of the independent variables (intellectual capital, corporate governance mechanisms, and sustainability reporting) to the dependent variable (firm value). Profitability is measured by the ratio of ROA (Return on Assets), where net profit after tax will be divided by total assets (Ikhwal, 2016).

RESULT & DISCUSSION
Research Objective Overview

Table 1. Sampling Result

Description	Total
Manufacturing companies consecutively listed on the IDX in 2019-2020	226
Not meet the Purposive sampling criterias of manufacturing companies that: 1. Publish financial reports for the 2019-2021 period. 2. Publish sustainability reports for the 2019-2021 period.	 (30) (162)
Sample Companies	34
Observation period	2 years
Total sample	102
Data Outlier	(21)
Total sample After outlier	81

Descriptive statistic
The first stage of testing is descriptive statistics. This test serves to explain and describe research data briefly and informatively by calculating the values of the maximum, minimum, average, and standard deviation (Ghozali, 2016)

Table 2. Descriptive Statistic

Variables	N	Min	Max	Mean	St Dev.
NP	81	1.1723	22.3359	4.5765	4.6017
MI	81	-54.9285	54.4625	0.2490	13.3277
KI	81	0.2000	0.7500	0.4279	0.1166
DD	81	3	11	5.67	1.718
KA	81	2	4	3.16	0.460
KM	81	0.0000	0.1240	0.0090	0.0266
SR	81	0.0549	0.5055	0.2362	0.1162
P X MI	81	-2.6582	1.3888	0.1262	0.5908
P X KI	81	-0.0270	0.1139	0.0198	0.0210
P X DD	81	-0.2428	1.1124	0.2745	0.2731
P X KA	81	-0.1214	0.8899	0.1601	0.1734
P X KM	81	-0.0007	0.0075	0.0003	0.0011
P X SR	81	-0.0142	0.0807	0.0127	0.0173

Hypotesis Test

Variables	*Beta*	*Sig.*	Result	Conclusion
MI	-0,058	0,385	No effect	H1 rejected
KI	-5,267	0,269	No effect	H2a rejected
DD	-0,201	0,678	No effect	H2b rejected
KA	-3,641	0,014	Negative effect	H2c rejected
KM	-15,445	0,569	No effect	H2d rejected
SR	10,711	0,094	Positive effect	H3 accepted
P X MI	2.494	0,130	No effect	H4 rejected
P X KI	70,908	0,330	No effect	H5a rejected
P X DD	19,190	0,016	Positive effect	H5b accepted
P X KA	-24,164	0,230	No effect	H5c rejected
P X KM	-582,982	0,344	No effect	H5d rejected
P X SR	-66,573	0,527	No effect	H6 rejected

Table 6 shows that only 2 hypothesis are accepted, H3 and H5b, which the other hypothesis are rejected. From table 6 the multiple linear regression equation is obtained as follows:

NP = 14,999 - 0,058MI - 5,267KI - 0,201DD - 3,641KA - 15,445KM + 10,711SR + 2,494PMI + 70,908PKI + 19,190PDD - 24,164PKA - 582,982PKM - 66,573PSR + 3,668

a. *The Effect of Intellectual Capital on Firm Value*

Based on the test results, it is known that intellectual capital (MI) has no effect on firm value (NP) in companies listed on the IDX and engaged in manufacturing. The higher or lower the intellectual capital owned by the company will not affect the company's value. This result differs from the resource-based view theory because companies have not maximized their intellectual capital, so the added value has yet to be created. This added value will be a signal to investors. However, if this signal is not captured, it is concluded that the presence of the signal cannot be seen or does not have a significant effect. This result is supported by research from Barmin & Herlina (2022) where they state that intellectual capital has no effect because capital has a small contribution and low intellectual capital owned by a company, so it does not affect company value.

b. *The Influence of Corporate Governance Mechanisms on Firm Value*

1. *Independent Commissioner*
   Based on the test results, the independent commissioner (KI) does not affect firm value (NP). This result means that the addition or reduction of independent commissioners will not affect the Firm value because they are only tasked with supervising the management. In addition, Financial Services Authority Regulation No. 33/POJK.04/2014 stipulates that all issuers must have independent commissioners at least 30% of the entire board of commissioners. From the research results of Amaliyah & Herwiyanti (2019), they state that the existence of independent commissioners is only a formality to comply with regulations issued by the Financial Services Authority, so the supervisory function must be carried out correctly. In line with research by Purwitaningsari & Fidiana (2021), which states that the addition of independent commissioners is just a formality.
2. *Board of Director*
   Based on the test results, the board of directors (DD) does not affect firm value. This result proves that there is no influence between the number of the board of directors and the Firm value because, according to the Financial Services Authority, the board of directors is tasked with managing all the company's interests following the aims and objectives of the company. So that if there is a change in the structure, it will have no effect because they are only tasked with carrying out activities by existing regulations. This result also is in line with research by Kamela (2021), which explains that company activities continue to run as they should, and there is no influence between the position of the board of directors on company value.
3. *Audit Committee*
   Based on the test results, the audit committee (KA) negatively influences firm value. The higher the number of audit committees in a company, the lower the value of the company. The audit committee assists the board of commissioners in their oversight function. Islami (2018), in his research, stated that the number of audit committees does not necessarily guarantee good performance in their supervisory duties. This result is supported by research from Purwitaningsari & Fidiana (2021), where too many audit committees will cause many tasks to be divided, causing members to be less focused on carrying out their functions, which will also affect company performance. It is this declining company performance that will be captured as a signal by investors, and the reactions generated by investors will also affect the decline in company value.
4. *Managerial Ownership*
   Based on the test results, managerial ownership (KM) does not affect firm value. This study shows that the average managerial ownership during the year of observation was only 0.9%, which indicates that managerial ownership is still relatively low. According to Setyasari et al., (2022), low managerial ownership will also impact lower profits managers earn than expected. This low profit makes management not optimize its performance, so it does not affect the Firm value. Even though the percentage of managerial ownership is low, it does not make investors hesitate to give their funds to the company so that the share price will continue to increase, followed by an increase in the Firm value.

c. *The Effect of Sustainability Reporting on Firm Value*

Based on the test results, sustainability reporting (SR) positively affects firm value (NP). These results indicate that the more disclosures related to sustainability made by the company, the higher the value of the company. Sustainability reporting is a form of corporate communication regarding economic, environmental, and social impacts and their participation in sustainable development goals. This report affects the views of the public and investors towards the company because it is considered capable of being responsible for operational activities and helping in future development. This view will also affect the value of the company.

Based on signal theory, sustainability reporting is a signal given by companies to the public and investors. This signal will get a reaction that can be positive or negative. This reaction will affect the value of the company. The results of this study indicate that the sustainability reporting of companies gets a good response from investors, so investors are interested in investing because companies that disclose their sustainability or viability in the future will attract investors. After all, investors certainly want to invest in companies that will run for a long time. These results align with the research of Budiana & Budiasih (2020), which revealed that sustainability reporting has a positive effect on firm value. They say that sustainability reporting will improve the company's image in the eyes of stakeholders. A good image can increase customer loyalty to the company so that it also influences the company's value which is reflected in its stock price.

d. *The Effect of Intellectual Capital on Firm Value with Profitability as Moderation*

Based on the test results, it is known that profitability cannot affect the relationship between intellectual capital (MI) and firm value (NP). This result means that profitability cannot influence the company to manage its intellectual capital properly against the firm value. The company focuses on creating a competitive advantage by maintaining intangible assets rather than profitability indicators. Thus, profitability does not influence intellectual capital to create the firm value. Putri et al., (2019) support the results of this study, where they reveal that profitability does not moderate intellectual capital on firm value.

e. *The Influence of Corporate Governance Mechanisms on Corporate Values with Profitability as Moderation*

1. Independent Commissioner

The test results prove that profitability cannot moderate the relationship between independent commissioners (KI) and firm value (NP). An increase or decrease in profitability does not affect the performance of independent commissioners. Independent commissioner based on Financial Services Authority oversees the management and the course of management in general. From this function, it can be concluded that the independent commissioner only supervises in general without determining the company's plans or steps to increase its profitability. Research from Jumiati & Diyanti (2022) states that profitability cannot moderate the relationship between independent commissioners and company value because independent commissioners are only tasked with monitoring and providing opinions according to their functions without regard to the company's profitability. This result is supported by research from Aryanto, 2020) and Purwitaningsari & Fidiana (2021) which states that profitability does not moderate the effect of independent commissioners on company value.

2. Board of Directors

The test results prove that profitability can moderate the board of directors (DD) on firm value. Increasing profitability will affect the board of directors' performance to continue to increase so that the firm value will also increase. This result is because profitability is a pure moderator that can moderate the independent variable towards the dependent. After all, this pure moderating variable interacts with the independent variable (Ghozali, 2016). In contrast, in this study, profitability is a pure moderating variable because the board of directors, before being moderated, does not affect firm value. Based on the Financial Services Authority, the board of directors is the party with authority. It is fully responsible for all management of the issuer or company, following the aims and objectives of the issuer or company.

The company certainly has a goal to gain profits and prosper its shareholders. Therefore, the board of directors wants the company's goals to be achieved, namely, to gain profits and prosper its shareholders. Therefore, the results of this study reveal that profitability can affect the board of directors' performance because if profitability increases, this will encourage the directors' performance to be even better so that company goals can be achieved. When the company aims to profit and prosper, the shareholders will also influence other investors to invest in the company. This result is because they think that the company can provide benefits to its investors. The more investors invest, the higher the firm value reflected in its shares. This result is supported by research from (Munifah et al., 2022) where they state that financial performance by proxy for ROA can moderate the influence of the board of directors on firm value.

3. *Audit Committee*

Based on the test results, it is known that profitability cannot moderate the relationship between the audit committee (KA) and firm value (NP). Based on its function, this audit committee was formed to assist the Board of Commissioners in its oversight function. Thus, the audit committee must conduct supervision in order to interfere in the company's activities. Therefore, the increase or decrease in profitability does not affect the audit committee's performance. The results of this study are also supported by research from Krisnando & Sakti (2019), where they state that financial performance as measured by ROA is unable to moderate audit committees and firm value because the quantity of audit committees does not guarantee that monitoring of profitability can be carried out correctly.

4. *Managerial Ownership*

Based on the test results, it is known that profitability does not moderate managerial ownership (KM) and firm value (NP). This result means that the increase or decrease in profitability does not affect the performance of the managerial side. Managerial ownership allows managerial parties to own shares of the company. Profitability that cannot be moderate can occur due to low share ownership from management (Purwitaningsari & Fidiana (2021). Low share ownership will make the managerial side not feel the impact of the increase or decrease in profitability. Meanwhile, research from Mau & Kadarusman (2022) reveals that in investing, management does not only see high financial performance in a company. The management also still has the view that the shareholders will enjoy the profits obtained by the company.

f. *The Effect of Sustainability Reporting on Firm Value with Profitability as Moderation*

Based on the test results, it is known that profitability cannot moderate the relationship of sustainability reporting (SR) to firm value (NP). This result means that an increase or decrease in profitability does not affect the company not to disclose sustainability reporting. Companies must be responsible for the environment and society, as Government Regulation No. 47 of 2012 Article 2 stipulated. Therefore, regardless of existing profitability, companies must still be held accountable. This result is supported by research from Puspita & Jasman (2022). It reveals that profitability does not affect reporting because it is mandatory for the mining industry to carry out social responsibility related to natural resource utilization activities.

CONCLUSION, IMPLICATION, AND LIMITATION

1. *Conclusion*

Based on the discussion of the research results conducted in the previous chapter, it is concluded that the intellectual capital variable does not affect firm value because its contribution and resources still need to be improved, so it cannot increase firm value. Meanwhile, the independent commissioner proxy does not affect the firm value for the corporate governance mechanism variable because it only aims to comply with regulations issued by the Financial Services Authority. Proxies for the board of directors do not affect company value because changes in numbers do not significantly impact. After all, the directors will continue to carry out their duties to achieve the company's goals. Next is the audit committee proxy, which negatively influences company value because much work is divided, causing members to be less focused on carrying out their functions and affecting company performance. Declining company performance will also affect company value.

Meanwhile, the managerial ownership proxy does not affect firm value because low ownership will also impact lower profits managers earn than expected. This low profit makes management not improve its performance, so it does not affect the firm value. Next is the sustainability reporting variable, which positively affects firm value because the more disclosures are made, the image of the company will increase. This result certainly attracts investors to invest their capital, which also increases the company's value.

Meanwhile, profitability as moderation cannot strengthen the relationship between intellectual capital and company value. This result is because intellectual capital still needs to be higher, and the lack of good management within the company does not significantly affect company value through the creation of value-added. For profitability, as an independent commissioner moderating the company's value was unable to strengthen the relationship. This result is because the independent commissioner only supervises in general without determining the company's plans or steps to increase its profitability. Meanwhile, for the board of directors on company value, profitability can moderate because if profitability increases, it will encourage the directors' performance to be even better so that the company's goals are achieved. When the company aims to profit and prosper, the shareholders, this will also affect other investors to invest in the company. Next is the audit committee on firm value, where profitability cannot be moderate. This result is because, based on the function, the audit committee supervises the board of commissioners. Thus, the audit committee must conduct supervision in order to interfere in the company's activities. Next is managerial ownership of firm value, where profitability cannot moderate. This result is because the low share ownership will make the managerial side not feel the impact of the increase or decrease in profitability. Lastly, is sustainability reporting on firm value, where profitability does not moderate. This result is because the government requires corporate responsibility towards the environment and society. Therefore regardless of the increase or decrease in profitability obtained, the company must still be held accountable.

2. *Limitation*

In conducting this research, the researcher found several limitations. This study uses a manufacturing company that also publishes sustainability reports from 2019-2021, which is very limited because there are still companies that have not published sustainability reporting in that period so the sample used is very limited. The amount of data is relatively small when compared to the number of research variables.

3. *Implication*

Based on the limitations found and the conclusions of this study, the implication that researchers can expand the research sample in other industries so that it can become a benchmark for other industries and expand the research period. From an investor standpoint, they can consider the performance of the board of directors, which is influenced by profitability and sustainability reporting, as factors that are taken into account in determining the Firm value.

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