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THE INFLUENCE OF INTELLECTUAL CAPITAL AND GOOD CORPORATE GOVERNANCE ON THE VALUE OF INFRASTRUCTURE SECTOR COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE

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Abstract: This research is a quantitative analysis that aims to evaluate the impact of *intellectual capital* and *good corporate governance* on company value. The study was conducted on companies engaged in infrastructure listed on the Indonesia Stock Exchange during the 2017-2021 period. Corporate Value is identified through *Price to Book* Value (PBV), while Intellectual Capital is identified using *Value Added Capital Employee (VACA*), Value Added Human Capital (*VAHU),* Structure Capital Value Added *(STVA),* while *Good Corporate Governance* identified using Independent Commissioners, Audit Committee and Internal Auditor as well as Managerial Ownership. The research sample amounted to 30 issuers obtained through the *purposive sampling method*. The results of the study explained that VACA has a significant negative effect on the Company's value, VAHU has a significant positive effect on the Company's value, STVA has a positive but not significant effect on the Company's corporate value, Independent Commissioners have a negative and insignificant effect on the Company's value, the Audit Committee and Internal Auditors and Managerial Ownership have a significant negative effect on the Company's value.

Keywords: Company Value, *Intellectual Capital, Good Corporate Governance*

INTRODUCTION

Investors' views on the success of a company are usually closely related to the valuation of the Company's value and can be reflected in the stock price. The stock price is considered as a parameter that identifies the value of the company, where an increase in the value of the stock indicates an increase in the value of the company and the potential for positive in the future. Therefore, the company's intention to maximize shareholder profits can be achieved through maximum efforts in increasing company value (Abbas et al., 2020)

Company value indicators are often linked through *Price to Book Value* (PBV) calculations, which identify the relationship between stock price and company book value. PBV is the main

valuation that helps assess how shares in a company are valued large or small (Lantasari & Widnyana, 2018). The PBV ratio allows investors to know how often the market value of a stock exceeds its book value. As a measure, PBV can present a potential picture of the movement of a stock price and generally companies that succeed in having a PBV with a ratio value of more than one, explain that the value of shares in the market exceeds the value booked.

Infrastructure plays a crucial role in the development process of a country. Infrastructure reliability is not only a driver of the economic sector, but also has a significant impact on other dimensions of development, such as education, social aspects, and regional accessibility (Rasyid et al., 2022).

Figures from Badan Pusat Statistik (BPS) Indonesia present the value of Produk Domestik Bruto (GDP) Indonesia has increased every period from 2015 - 2019 (Rasyid et al., 2022). An increasing GDP indicates economic growth. In general, the GDP contribution of the construction sector in the last 10 years reached 10.53%. For the last 5 years, the Ministry of PUPR has received the largest state budget allocation with a budget of 100 trillion every year.

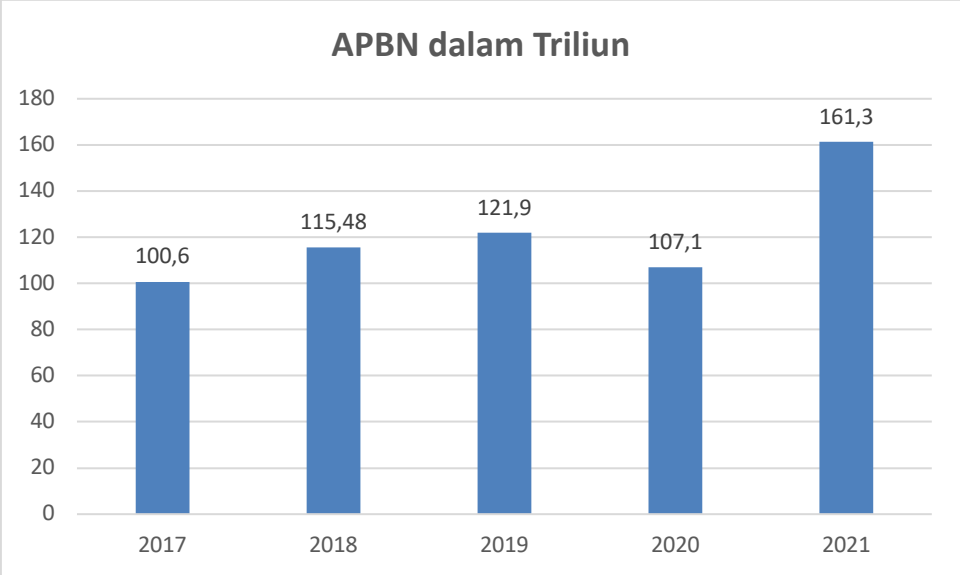


Figure 0. Indonesian State Budget 2017-2021 (in trillion Rp.)
Source: Ministry of PUPR (2022)

Infrastructure development that occurredduring the tenure of President Jokowi's administration has been carried out on a large scale throughout Indonesia including the construction of toll roads, dams, airports and ports. Presidential Regulation of the Republic of Indonesia Number 109 of 2020 (Perpres RI No. 109 of 2020) explains that the total PSN

planned by President Joko Widodo to be completed by the Government and business entities is 201 projects consisting of Bridge and Road Construction, Port Development, Airport Development, Railway Construction, Regional Development, Housing Development, Dam Construction and Irrigation, Clean Water and Sanitation Development, Coastal Embankment Construction, Energy Development, Technology Development and Education.

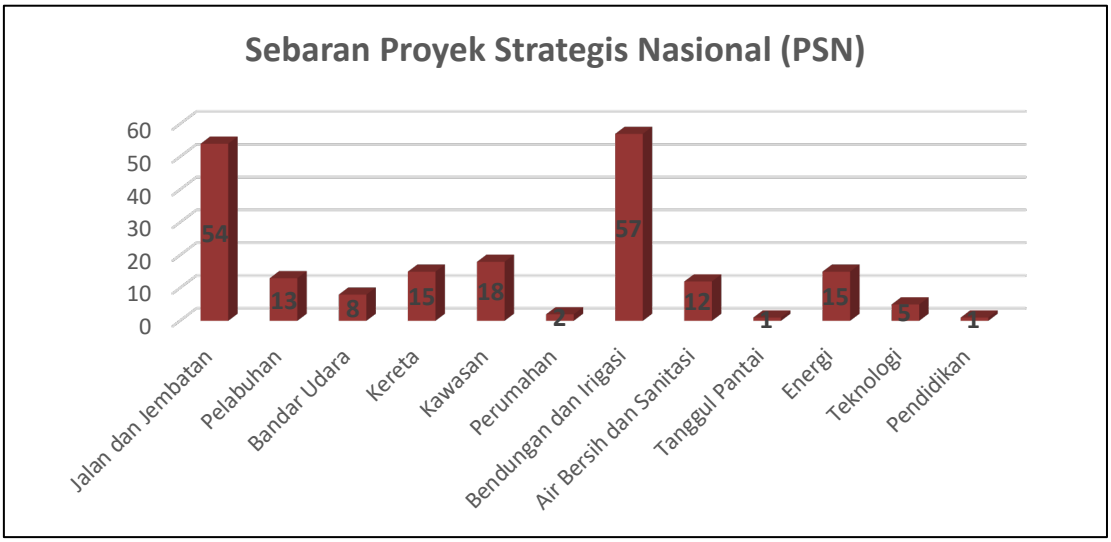
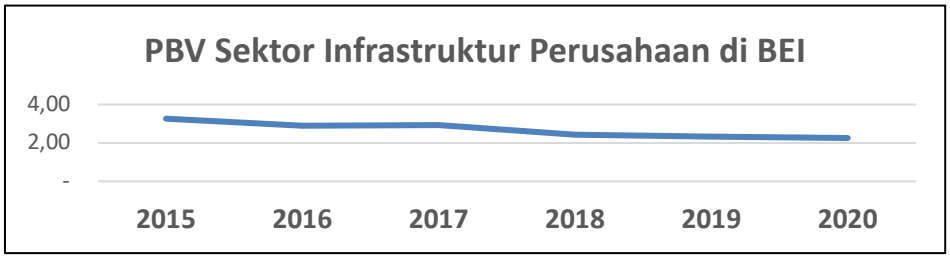


Figure 2. PSN Spread
Source: Perpres RI No. 109 of 2020, 2022 (Data processed)

Indonesia has the Indonesia Stock Exchange (IDX) as a forum for buying and selling securities transactions. There are a number of companies listed on the IDX as infrastructure companies. With infrastructure built with high intensity, it should have an impact and positive effect on the value of acompany listed on the IDX. However, the PBV of the infrastructure sector, as a measure of company value, in 2015 – 2020 showed a downward trend.



Gambar 3. Nilai Rerata PBV Perusahaan yang bergerak di Sektor Infrastruktur di BEI Periode Tahun 2015-2020

PBV with a downward trend indicates a problem that needs to be solved. There are a number of factors that influence the Company's value from a number of previous studies. Arini and Musdholifah (2018) and (Mačerinskiene et al., 2019) (2016) It was foundthat *Intellectual Capital* had a significant positive influence on the value of the Company. However, the findings wererevealed by Lestari and Sapitri (2016) whichshows that *intellectual capital* has no influence on the value of the Company.

Next Purbawangsa et al., (2020) Itis clear that GCG has a positive effect on the company's value. However, different findings were produced by Kurniati (2019) with the findings explaining GCG has no influence on company value .

Every company strives to grow its business and survive business challenges. So it is important for them to continue to design their business strategy. Companies need to change their strategy from a traditional approach that focuses on tangible assets to a knowledge-based strategy to a necessity. Knowledge-based companies place more emphasis on intangible assets, especially Intellectual Capital as the main resource (Rahayu, 2016). Intellectual capital *disclosure* aims to determine the added value owned by the company. In this study, the VAICTM (*value added intellectual coefficient*) model is used in assessing *intellectual capital* which has 3 most important aspects, namely *physical capital*, *human capital*, and *structural capital*.

According to Urora (2018), the implementation of *Good Corporate Governance* (GCG) in an institution is considered an undeniable must. The implementation of GCG is also carried out with the hope of being able to create added value for the interests of shareholders and ensure that managers carry out their duties with a focus on increasing returns for shareholders. In addition, it is expected that the implementation of GCG can have a positive impact on company performance and can create an increase in company value.

The purpose of this research is to show results through real evidence of data on the impact of *Intellectual Capital* and GCG on the Company's value. This research is focused on Companies engaged in Infrastructure included on the Indonesia Stock Exchange which describes in more detail the relationship between *the variables Value Added Capital Employed (VACA), Value Added Human Capital (VAHU), Structural Capital Value Added (STVA),* the existence of Independent Commissioners, the number of Audit Committees and Internal Auditors and Managerial Ownership of Company Value.

LIBRARY STUDY

Resource Based Theory

According to Wernerfelt 1984, resource-based theory (*RBT)* is a concept built with the aim of describing the competitive advantages of a company (Antonio & Gattermann Perin, 2019). This theory states that excess competitiveness can be achieved when a company has unique resources and these resources are also not owned by its competitors. *Resource-Based Theory* explains how companies effectively utilize and maximize the various resources they have including tangible and intangible assets. An example of an intangible asset is *intellectual capital*. Wernerfelt (1984) said that in the perspective of *Resource-Based Theory*, a company can gain advantages in competition and good financial performance by having, controlling, and maximizing potential assets, one of which is tangible and intangible assets. The *Resource-Based Theory* method implies that company resources, one of which is *intellectual capital* plays a crucial role to increase the growth of a performance and increase the value of the company.

Stakeholders Theory

Deegan (2014) explained that *stakeholder theory* is a concept that states that every interested party has the right to receive information related to the impact of company activities on them. This can be realized through various means, such as sponsorship, security initiatives, and so on. In the context of the relationship of intellectual capital (VAIC) to corporate value, *stakeholder* theory provides the basis for the argument that all interested parties have the right to be cared for equally by an organization. Therefore, a manager is expected to be able to manage the organization by taking into account the interests of all shareholders / *stakeholders* (Deegan, 2022).

Knowledge Based Theory

Knowledge-based view *(KBV) is the expansion of a new concept of a resource-based view* (RBV). KBV and RBV are solid reference bases to assist the role of *intellectual capital* (Martín-de Castro et al., 2019).

Asymmetry Information Theory

Information asymmetry can be realized if one part has greater access to information than the other parts. Company management, for example, often has more in-depth knowledge than investors in the capital market. The degree of information asymmetry can vary from the highest to the lowest. This information asymmetry has a significant impact on financial and financial decisions (Jordan, 2019). Increasing knowledge of corporate governance and intellectual capital can help reduce the information imbalance between managers and company owners.

Signalling Theory

Brigham and Houston (2014) explain that *signalling theory* includes the attitude of company management about an explanation to investors related to management's attitude towards the company's projections in the future period. In terms of aspects of

increasing company value, companies can overcome information imbalances by adopting strategies to signal external parties (Aryawati et al., 2023). Part of the method to minimize information asymmetry is through the delivery of positive signals and can be accounted for through financial information, so as to increase the ability and success of the company.

Agency Theory

Agency theory identifies the interaction of principal (shareholder) interests with agents (managers). The principal has the authority to give instructions to the agent, while the agent is responsible for carrying out the orders in the management of the company. This relationship is based on the concept of corporate management, risk responsibility mapping, grouping ownership and regulation of companies and decision-making processes and management of certain areas (Min et al., 2019)

Company Value

The current condition and future potential of a company are reflected in the value of its company, so that investors' assessment of the company can be influenced by this value (Ilham et al., 2022). Market confidence about a company's current performance and future projections is likely to increase if the company's value is high. According to Brigham and Houston (2014) who explain that indicators to assess market value consist of several methods, including *the price book value ratio* (PBVR) method, *market book ratio* (MBR), *price earning ratio* (PER), *dividend yield ratio*, and *dividend payout ratio* (DPR).

Intellectual Capital

Pulic (1998) explained that the VAIC mechanism takes into account three data models in a company, namely *human capital*, *structural capital*, and *physical / employed capital*, which will be explained as follows:

a. *Capital Employed* (CE), or employed capital, is defined by all capital used in the form of fixed assets and current assets of a company (Pulic, 1998; Firer and Williams, 2003).
b. *Human Capital* (HC), or human capital, refers to a collection of human capabilities of a company's *intellectual capital*, including expertise, competence and skills. (Pulic, 1998; Firer and Williams, 2003).
c. *Structural Capital* (SC), or structural capital, is defined as an intelligence for competition, information system procedures, methods, directions, culture, etc., which as the *output* of the company's system is formed from period to period. (Pulic, 1998; Firer and William, 2003).

Research Hypothesis

1. The Effect of VACA on Company Value

According to *Resource-Based Theory* (RBT), an entity is considered a group of tangible and intangible assets or capabilities (Firer and Williams, 2003). This theory claims that a positive assessment of a firm's

value reflects a firm's ability to maximize the potential of physical and non-physical assets, including intellectual capabilities, effectively and efficiently. The superior the company's capabilities, the higher the external assessment of the company. Suryarahman and Wirama 2018 together with Ardiansari et al. 2018 in their research explained that the VACA variable has a positive and significant influence on a company's value (Ardiansari et al., 2018; Suryarahman & Wirama, 2018).

H1: *Value Adedd Capital Employed (VACA)* has a positive effect on the value of the Company.

2. **The Effect of VAHU on Company Value**

Referring to *Resource-Based Theory* (RBT), entities need to rely on quality *Human Capital* to create added value. Management of he company's human capital to be managed with an appropriate strategy in order to be able to provide an added value for the company. That is, if effective management of *human capital* is able to create added value for the company. The findings conducted by Wijaya et al. 2020, Ni et al. 2020, explained that *Value Added Human Capital* (VAHU) has a positive and significant influence on company value (Ni et al., 2021; Wijaya et al., 2022).

H2: *Value Added Human Capital (VAHU)* has a positive effect on company value

3. **The Effect of STVA on Company Value**

Structural resources include *databases*, organizational structures, procedures, strategic plans as well as all elements that create an increase in the value of the company beyond its material value. *Resource-Based Theory* explains that a company that is able to complete routine process needs and has a structure that helps employees achieve business performance and maximum intellectual performance is able to get a positive assessment. Effective management of *human capital* can also create added value for the company. Findings from research by Rabaya et al. 2020 and Smriti &; Das 2018 explain that *Structural Capital Value Added* (STVA) has a positive and significant influence on Company Value (Rabaya et al., 2020; Smriti & Das, 2018).

H3: Structural Capital Value Added (STVA) has a positive effect on company value.

4. **The Influence of Independent Commissioners on Company Value**

Independent commissioner, as stipulated in Law No. 40 of 2007 related to PT, refers to the part of the board of commissioners that is not bound by financial matters, operational management of the company, share ownership and family status with fellow members of the board of commissioners, board of directors, majority shareholders and parties related to financial

institutions. They have independence in action. The role of an independent commissioner involves the function of liaising shareholders with management and being a controller and reminder of directors. The more active the role of the independent commissioner, the greater his contribution to increasing the Company's value. The findings found by Kurniati (2019) and Burhanuddin et al. (2020) indicate that Independent Commissioners have a significant positive impact on company value (Burhanuddin et al., 2020; Kurniati, 2019).

H4: Independent Commissioner has a positive effect on Company Value

5. **The Effect of Audit Committee and Internal Auditor on Company Value**

The Indonesian Institute of Audit Committee (IKAI) stated that the audit committee is a team that operates with integrity and is independently appointed by the board of commissioners. According to this explanation, the audit committee has the responsibility to support and improve the main duties and supervisory functions of the board of commissioners in terms of preparing financial statements, *risk management*, implementing and supervising audits, and implementing GCG in various companies (Widianingsih, 2018). The existence of more audit committees is expected to increase the company's capacity in evaluating accounting records and preparing financial statements, so as to minimize the potential for managerial attitudes that corner and complicate the company. Findings from research by Alzeban (2020) and Mintah &; Schadewitz (2018) show that both the audit committee and internal auditors have a positive and significant impact on company value (Agyemang-Mintah & Schadewitz, 2018; Alzeban, 2020).

H5: The Audit Committee and Internal Auditor have a positive effect on the Company's value.

6. ***The Effect of Managerial Ownership on Company Value***

Anggraini & Herlina (2018) Anggraini & Herlina (2018) and Nurwahidah et al. (2019) Finding that managerial ownership has a positive and significant effect on the value of the company.

H6: Managerial Ownership has a positive effect on the value of the Company.

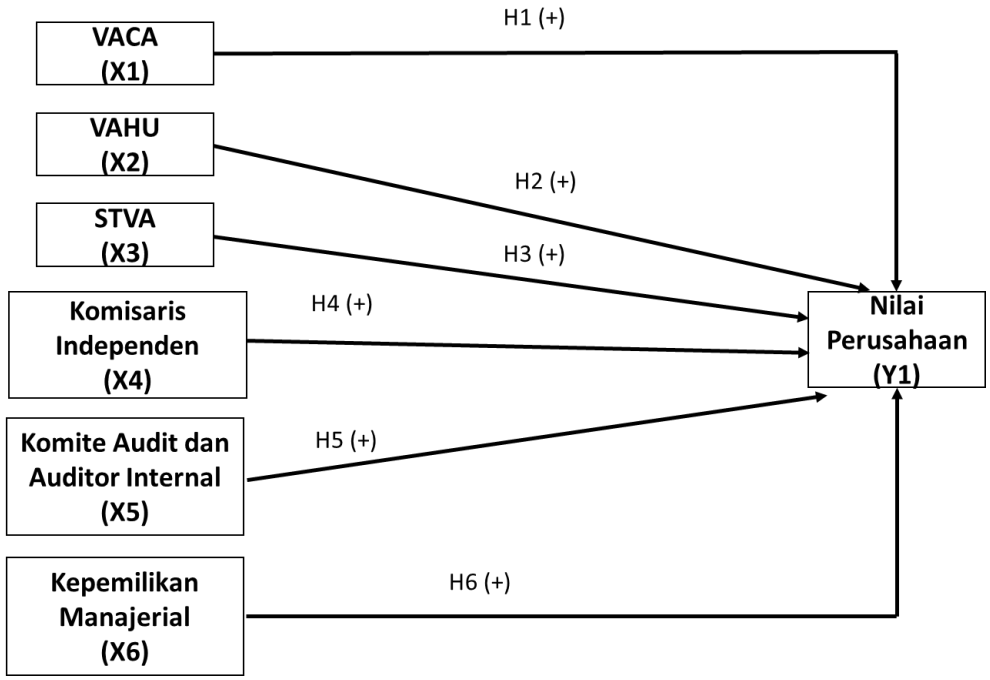


Figure 4. Research Framework

RESEARCH METHODS

This study adopts quantitative techniques with causality design. The variable used as the dependent variable is company value, while the independent variable involves *intellectual capital* measured through *Value Added Capital Employed* (VACA), *Value Added Human Capital* (VAHU), *Structural Capital Value Added* (STVA), and *Good Corporate Governance* (GCG) measured through Independent Commissioners, Audit Committee and Internal Auditor, and Managerial Ownership. Details of research variables and measurement methods can be found in Table-1.

Table 1. Description of Variables and Measurements

Variable	Indicator	Scale
Company Value (Y)	**PBV** = Current Share Price / Book Value per Share of the Company The market price per share is the average price on the last/closing day of the exchange in a given year. *Book value* per *share* is the value of shares recorded in the equity post divided by the number of shares outstanding.	Ratio

Variable	Indicator	Scale
Value Added Capital Employed (VACA) **(X1)**	VACA = ratio of VA/CE Information: VA (*Value Added)* = *OUT – IN* OUT = Total sales and other income (source through the company's income statement) IN = Sales expenses and costs other than employee expenses (details of expenses in the company's income statement items other than employee expenses, if they are not in the profit statement can be seen from the Notes to the Company's Financial Statements) CE = Available funds (equity, net income, last year's retained earnings reflected on the company's balance sheet in the equity post/equity change report section)	Ratio
Valued Added Human Capital (VAHU) ***(X2)***	VAHU = VA / HC Information: VA = *Value Added* HC = employee burden borne by the Company (total salary, wages and employee income)	Ratio
Structural Capital Value Added (STVA) **(X3)**	STVA =SC/VA Information: VA = *Value Added* SC = VA – HC	Ratio
Independent Commissioner (X4)	Independent Commissioner = (Number of Independent Commissioners / Number of Board of Commissioners) x 100%	Ratio
Audit Committee and Internal Auditor (X5)	***Audit Committee and Internal Auditor***: Number of Audit Committee and Internal Auditor KA=$Total\ Komite\ Audit$, IA = Total Auditor Internal.	Ratio
Managerial Ownership (X6)	***Managerial Ownership***: Dummy variables 1 = if management owns shares of the company, 0 = if management does not own company shares	Nominal

The object of this research was carried out on companies in the infrastructure sector listed on the Indonesia Stock Exchange (IDX) for the 2022 period with a total of 65 companies. The research sample was selected through *purposive sampling techniques*, through requirements including registered status as a company in the infrastructure sector in the 2017-

2021 period as the main focus and the availability of detailed audited financial statements as of December 31 including Notes to Financial Statements (CALK) and visible to the public. The total sample in accordance with these requirements is as many as 30 companies.

The research data used is annual and includes variables such as total equity, number of outstanding shares, net income, balance of previous year's earnings, workload, number of independent commissioners, number of audit committees, internal auditors, and total share ownership by management. Data is sourced from the Company's audited Financial Statements, especially from the statement of financial position, income statement and Other Comprehensive Income, statement of changes in equity, and supplementary notes to the financial statements. Meanwhile, stock price data is accessed through the official website of the Indonesia Stock Exchange www.idx.co.id website.

Research data analysis is carried out through descriptive statistics and inferential analysis through panel data regression approaches as a step to conduct inferential analysis. The panel data regression model in this study is formulated as follows:

$$Y_{it} = \alpha_{it} + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \beta_4 X_{4it} + \beta_5 X_{5it} + \beta_6 X_{6it} + e_{it}$$

Information :
Y = *Price to Book Value* (PBV)
α = konstanta
X_1= *Value Added Capital Employed (VACA)*
X_2= *Value Added Human Capital (VAHU)*
X_3= *Structure Capital Value Added (STVA)*
X_4= Komisaris Independen (KI)
X_5= Komite Audit dan Auditor Internal (KAAI)
X_6= Kepemilikan Manajerial (KM)
$\beta_{1....}\beta_6$ = Koefisien regresi
e = Tingkat Kesalahan (error)
i= Perusahaan (cross-section)
t= periode waktu (time-series)

RESEARCH RESULTS

Table 2 describes the descriptive statistics of research variables. It can be seen that the average PBV is 1.8670 explains that in general the company's stock price is 1.87 times higher compared to its book value. The minimum PBV of 0.4087 was recorded at PT Nusa Engineering Tbk (DGIK) for the 2019 period. The maximum PBV of 20.2054 is owned by PT Totalindo Eka Persada Tbk (TOPS) in 2018.

Table 2. Descriptive Statistics of Research Variables

Variable	Mean	Std. Dev.	Min	Max
Y (PBV)	1.8670	2.0669	0.4087	20.2054
X1 (VACA)	0.1466	0.5812	-3.7128	2.9816
X2 (VAHU)	2.8011	3.6763	-13.8107	13.9007
X3 (STVA)	0.4829	1.6992	-13.6055	2.9524
X4 (KI)	0.3730	0.1354	0.0000	0.7500
X5 (KAAI)	3.3400	0.9400	0.0000	8.0000
X6 (KM)	0.4800	0.5012	0.0000	1.0000

Source: Data processed with eviews 10, 2022

Value Added Capital Employed (VACA), showing an average value of 0.1466 means that 1 unit of *Capital Employeed* is able to produce 0.1466 returns. In 2020 PT Acset Indonusa Tbk (ACST) had a minimum VACA Value of -3.7128, indicating that ACST was unable to generate sufficient revenue to cover its costs. On the other hand, PT Tower Bersama Infrastruktur Tbk (TBIG) in 2018 recorded a maxi value of 2.9816, indicating efficiency and good operational management.

Value Added Human Capital (VAHU) has an average value of 2.8011 meaning that 1 HC unit is able to create added value 2.80 times. PT Waskita Karya (Persero) Tbk (WSKT) in 2020 has a minimum VAHU result of -13.8107. While PT Totalindo Eka Persada Tbk (TOPS) in 2017 had a maximum VAHU value of 13,9007. A negative VAHU value indicates that the burden of employees cannot lift and contributes positively to added value for the Company.

Structural Capital Value Added (STVA) has an average value of 0.4829. Indicates a value of 0.4829 units of *structure capital* capable of producing 1 unit of added value. PT Indosat Tbk (ISAT) in 2018 has a minimum STVA value of -13.6055. PT Smartfren Telecom Tbk (FREN) in 2020 has a maximum value of 2.9524. A negative STVA value means that the *capital structure* owned by the entity has not been able to provide *added value* for the Company.

The Independent Commissioner variable shows an average of 0.3730, which means that in general the company has independent commissioners as much as 37% of the total number of commissioners. PT PP Presisi Tbk (PPRE) in 2017 – 2021 has a minimum value of 0, indicating that PPRE does not have an independent commissioner. PT Smartfren Telecom Tbk (FREN) in 2017 and 2018 has a maximum value of 0.75.

The Audit Committee and Internal Auditor variables show an average value of 3.3340 with the understanding that the Company has an average of 3 Adit Committees and Internal Auditors. PT PP Presisi Tbk (PPRE) in 2017 and 2018 has a minimum value of KAAI is 0, indicating that PPRE does not have an Audit Committee and Internal Auditor. PT

Telkom Indonesia Tbk (TLKM) in 2020 has a maximum KAAI value of 8.

Managerial Ownership (KM) is a *dummy* variable, with an average of 0.4800. That average value describes more entities whose management does not own shares of the company. ADHI, EXCL, FREN, IBST, IPCM, ISAT, LINK, META, PBSA, PPRE, PTPP, WEGE and WSKT are Infrastructure Companies whose shares have not been owned by management for 5 consecutive years (2018-2022). BALI, DGIK, IDPR, JKON, NRCA, POWR, TBIG, TGRA, TOPS, TOTL, TOWR and WIKA are Infrastructure Companies whose shares have been owned by management for 5 consecutive years, with an ownership range of 0.01% to 85.02%.

The regression data panel has 3 model options, namely *Common Effect Model* (CEM), *Fixed Effect Model* (FEM), and *Random Effect Model* (REM). Based on the results of the Chow, Hausman, and Lagrange Multiplier tests, it can be concluded that the best model chosen and used is the *Fixed Effect Model* (FEM).

Table 3. The Influence of IC and GCG on the Company Value of the Infrastructure Sector on IDX 2018-2022 (FEM)

Variabel	Koef.	Std. Error	Prob
C	2.4402	0.2983	0.0000
VACA	-0.6475	0.2488	0.0105
VAHU	0.0611	0.0145	0.0001
STVA	0.0151	0.0197	0.4466
KI	-0,3278	0.6181	0.5969
KAAI	-0.1131	0.4905	0.0229
KM	-0.3263	0.1170	0.0062
R^2	0.7186		
Adj R^2	0.6322		
F-statistic		8.3170	
Prob.		0.0000	

Table-3 displays the test results of the best model, the *Fixed Effect Model* (FEM). The conclusion that can be drawn is that this model is fit, because the probability of the F test has a value of 0.000. The ability of the model to explain the problem phenomenon reached 71.86%, indicating that there are about 28.14% of other factors that affect the value of the company but are not the framework factor of this study.

Based on Table 3 the regression equation is produced as follows:

PBV = 2,4402 – 0,6475VACA + 0,0611VAHU + 0,0151STVA – 0,3278KI – 0,0113KAAI – 0,3263KM

Information:

PBV = *Price Book Value*
VACE = *Value Added Capital Employed*
VAHC = *Value Added Human Capital*
SCVA = *Structural Capital Value Added*
IC = Independent Commissioner
ACIA = Audit Committee and Internal Auditor
MO = Managerial Ownership

a. The constant is 2.4402 with a probability of 0.0000. Means significant constants. This means that if the independent variable (VACA, VAHU, STVA, KI, KAAI, KM) is 0, then the average PBV value is 2.4402.
b. The VACA regression coefficient is -0.6475 with a probability of 0.0105. This shows that VACA has a negative and significant effect. If VACA increases, PBV will fall.
c. The VAHU regression coefficient is 0.0611 with a probability of 0.0001. This shows that VAHU has a positive and significant effect. If VAHU increases, PBV will rise.
d. The STVA regression coefficient is 0.0151 with a probability of 0.4466. This shows that STVA has a positive but not significant effect on the Company's value.
e. The regression coefficient KI is -0.327830 with a probability of 0.5969. This means that IP has a negative and insignificant effect on the value of the company.
f. The coefficient of KAAI is -0.1131 with a probability of 0.0229. This explains that KAAI has a negative but significant effect on the value of the company. If KAAI increases, PBV will decrease.
g. The coefficient of KM is -0.3263 with a probability of 0.0062. This explains that KM has a negative but significant effect on the value of the company. If KM increases, the PBV will decrease.

Referring to the results of the research conducted, a conclusion can be drawn that the *intellectual capital* factor that most significantly affects the value of infrastructure companies is *Value Added Human Capital* (VAHU) with a positive direction of influence. That is, the higher the value of VAHU, the value of the company (PBV) increases. Meanwhile, from the aspect of Good Corporate Governance (GCG), Managerial Ownership has the most influence, but with a negative direction. This data explains that the larger the shares owned by management, the value of the company tends to decrease.

DISCUSSION

Referring to the results of the research conducted, it can be concluded that *Value Added Capital Employed* (VACA) has a significant negative influence on the value of infrastructure sector companies listed on the IDX during the 2017-2021 period. The negative coefficient on VACA indicates that the increase in VACA is directly

proportional to the decrease in the value of the company. This finding indicates that investors responded negatively to the VACA, and did not respond positively to the VACA increase, and there was even uncertainty and doubt regarding the company's condition and image. Thus, when VACA increases, investor interest decreases, and the stock price falls, resulting in a decrease in the value of the company. This finding contradicts *the Resources Based Theory*. This discovery is in line with research (Natsir & Bangun, 2021) which found similar relationships in hospitality, restaurant and tourism companies listed on the IDX in 2014-2018. But these findings have different results than the study Weqar et al. (2020) which researched companies listed in India's Poor Bombay *Stock Exchange Sensitive Index* in 2009-2019. Weqar et al. (2020) found that VACA has a positive and significant effect on the value of the company.

The results of the study explain that *Value Added Human Capital* (VAHU) has a positive and significant effect on the value of infrastructure sector companies listed on the IDX for the 2017-2021 period. Had VAHU increased, the value of the company would also correlate with an increase. VAHU reflects on how much added value can be created by allocating budget to the workforce. Research findings that the allocation of funds for the workforce has a positive impact and influence on the value of the Company, meaning that infrastructure sector companies have used human resources optimally and effectively. In other words, the added value produced is more optimal when compared with the burden of employees allocated by the company. These findings support *the Resources-based theory*. These findings support the research Tangngisalu (2021) which also found that VAHU had a significant positive effect on the Company Value (*Price Book Value*) of Property and Real Estate on the IDX in 2015-2019. This research is also in line with Bayraktaroglu et al. (2019) who researched manufacturing companies in Turkey in 2003-2013.

The results showed that *Structure Capital Value Added (STVA)* had a positive but not significant effect on the value of infrastructure sector companies listed on the IDX for the 2017-2021 period. *Structural Capital* (SC) can illustrate the capital used by an entity to fulfill the process of the entity's routine activities can create good performance and overall business performance. The routine process is such as SOPs, production mechanisms, company value and all aspects of *intellectual property* owned by the company. However, the results of the study explained that SC in infrastructure sector companies listed on the IDX could not provide *significant added value* for companies. The need for capital to meet the operational system developed by the company does not change the interest of investors to include capital in the form of shares in the entity. The findings are not in accordance with *resource-based theory* but support the research Utami (2018)

which found that STVA had no significant effect on the value of companies (*Price Book Value*) listed in the LQ-45 index for 2012-2015. The results of this study also support the findings Bayraktaroglu et al. (2019) who researched manufacturing companies in Turkey in 2003-2013.

The results showed that the Independent Commissioner had a negative and insignificant effect on the value of infrastructure sector companies listed on the IDX for the 2017-2021 period. These findings explain that the composition of many independent commissioners has no effect on the value of the company. Investors do not consider the existence of an independent commissioner in deciding their investments. The increasing number of independent commissioners does not increase investor confidence in their supervisory function and therefore does not increase the value of the company. This finding is in accordance with the results found Ferriswara et al. (2022) which also explained that the Independent Commissioner had an insignificant effect on the value of the company (*Price Book Value*) listed on the Jakarta Islamic Index (JII) in 2015–2021. The results of this study are also in accordance with Aulya et al. (2022) which researches pharmaceutical sector companies listed on the IDX in 2016-2021

The results of the study explain that the Audit Committee and Internal Auditor have a negative and significant effect on the value of infrastructure sector companies listed on the IDX for the 2017-2021 period. If the number of KAAI increases, the value of the company falls. The negative relationship indicates a situation that does not fit the theory. So the composition of the audit committee and many internal auditors actually reduces the value of the company. Actually, Internal Auditors have the responsibility to evaluate the company's operational performance in order to grow effectively and efficiently to be accountable to the company's Board of Directors. While the Audit Committee functions to *review* management performance which is submitted as evaluation material for the Board of Directors and Shareholders. The increasing number of KAAI is considered by investors / parties outside the company as a negative signal. The increasing number of KAAI will be a cost for the company, while the role of KAAI as an evaluator is not believed by investors so that investors' investment interest decreases and has an impact on stock prices that also fall. The findings of this study support Al Farooque et al. (2020)which found that the Audit Committee and Internal Auditor had a negative and significant effect on the value of companies listed on the Thai Stock Exchange for the period 2000-2016, Al-Jalahma (2022) which examined 14 non-financial public companies listed on the Bahrain Stock Exchange in 2005 – 2019, and in line with Ali & Amir (2018) which examined 14 cement sector companies in Pakistan in 2013 – 2016.

Finally, Managerial Ownership was

found to have a significant negative impact on the value of infrastructure sector companies listed on the IDX for the 2017-2021 period. That is, management that has a large number of shares actually makes the company's value decrease. This means that parties outside the company see that management who owns company shares does not cause them to increasingly act in the interests of the *principal*. Investors assess the greater managerial ownership in the shareholding structure followed by the policies taken by management (as agents) more concerned with the interests of management than the interests of *shareholders* in general. In other words, the market (investors) negatively assesses companies whose shares are owned by management. The findings of this study support Almari et al. (2021) which conducted research on companies listed on the *Amman Stock Exchange* Bahrain in 2015 – 2019 and Doorasamy (2021) which researched 65 Companies in South Africa.

KNOTS AND SUGGESTIONS

The results of this study found that the increase in *Value Added Capital Employee* (VACA) is directly proportional to the decrease in company value in infrastructure sector companies on the IDX. Conversely, the increase in *Value Added Human Capital* (VAHU) is positively correlated with the increase in the value of infrastructure companies on the IDX. Meanwhile, *Structure Capital Value* Added (STVA) does not have a significant effect on the value of infrastructure companies on the IDX.

In the context of corporate governance, it was found that the Independent Commissioner did not exert a significant influence on the value of infrastructure sector companies on the IDX. Conversely, the Audit Committee and Internal Auditor (KAAI) and Managerial Ownership (KM) have a negative and significant influence on the value of infrastructure sector companies on the IDX.

Based on these findings, several suggestions and inputs that can be used as evaluation material for the Company and investors are: (1) The Company is expected to improve investor confidence through transparent operational management and making performance reports in the form of rules-based financial statements and PSAK, namely the Statement of applicable Financial Accounting Standards, especially related to the recognition of income and expenses, in order to create high added value and in accordance with the real condition of the Company. (2) Management can optimize human resource management by increasing competence, as well as providing incentives such as increased salaries and benefits, to motivate employees to increase productivity and create added value for the company. (3) It is important for the company's management to improve the quality and independence of the Audit

Committee and Internal Auditor, so as to provide confidence to investors that the supervisory function is running effectively, having a positive impact on the company. (4) It is recommended to reduce the number of shares owned by the management, namely by implementing a share *buyback* program from management, so as to have a positive impact on the value of the company.

Suggestions for future research involve focusing on similar business areas with a wider range of research timescales. Also, future research to be able to expand the scope of the industry so as to provide broader insight into the influence of *intellectual capital* and *Good Corporate Governance* on various industrial sectors on the IDX.

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