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Research Article

The Influence of Agency Cost, Intellectual Capital, Managerial Ownership, and Institutional Ownership on Firm Value with Financial Performance As a Moderating Variable in LQ45 Companies Listed on the BEI in 2020--2022

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Abstract.
This research aims to test and analyze the influence of agency costs, intellectual capital, managerial ownership, and institutional ownership on firm value with financial performance as a moderating variable. The population in this study are LQ45 index companies listed on the Indonesia Stock Exchange (BEI) for the 2020–2022 period. This research used a purposive sampling technique with a sample size of 18 companies for three consecutive years for a total of 54 observations. Partial research results show that agency costs and intellectual capital have no effect on firm value. Meanwhile, managerial ownership and institutional ownership have a positive effect on firm value. Financial performance is unable to moderate the influence of agency costs on firm value, nor is it able to moderate the influence of intellectual capital on firm value. However, financial performance can moderate the influence of managerial ownership and the influence of institutional ownership on firm value.

Keywords: agency cost, intellectual capital, managerial ownership, institutional ownership, firm value, financial performance.

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1. Introduction

At this time, investment has become a common practice among society, where most companies fund their operations through share ownership by shareholders. Data from the Indonesian Stock Exchange (BEI) shows that at the beginning of 2023, there were 833 companies registered on the IDX, and every year the number of companies continues to increase. For example, in 2022, there will be 787 registered companies [1]. Investors are involved in investment activities with the aim of achieving maximum profits, while companies have the main focus of increasing shareholder welfare through increasing firm value. Increasing profits and returns to investors can have a positive

impact on firm value. This concept is emphasized by [2] who states that the higher the company's profits, the higher the firm value. According to [3] firm value reflects the price formed when buyers and sellers interact by considering the company's profit expectations, often related to shareholder benefits and share prices.

There are many factors that influence the value of a company, including company size, capital structure, profitability, and so on. In this research the author chose agency costs, intellectual capital, managerial ownership, institutional ownership as variables that can influence firm value, and financial performance as a moderating variable. Other variables were not selected because these variables have been widely studied and provide relatively consistent results. Firm value can be influenced by agency costs that arise within the company [4]. [5] show that intellectual capital also has an impact on firm value, while [6] argue that managerial ownership and institutional ownership influence firm value.

According to agency theory, managers act as agents employed by shareholders to manage the company, and the relationship between the two is called an agency relationship. This agency relationship can have a negative impact on the company, especially if managers have an incentive to make decisions that benefit themselves more than shareholders. Agency costs are costs incurred by the company to overcome the problem of agency conflict. These costs can be in the form of monitoring costs, bonding costs (costs of implementing monitoring mechanisms), and residual losses. Shareholders use these fees to monitor management behavior and prevent actions that are detrimental to the company. Firm value can increase along with increased agency costs incurred by shareholders to control management [4]. Previous research shows that agency costs have a positive influence on firm value [3, 4]. Meanwhile, research by [7] shows that agency costs have a negative effect on firm value. The existence of a research gap encourages the author to examine how agency costs affect firm value.

Resource based theory has been developing for a long time, and this theory is used as a guide in managing strategic resources, including intangible assets. The concept of intangible assets is based on intellectual capital, which consists of various components such as human resource capabilities and expertise, organizational knowledge and commitment, brand reputation, and information systems [5] Intellectual capital is a form of intangible asset that can improve a company's performance, competitiveness and welfare, and plays an important role in company activities, both strategic and operational. Measuring intellectual capital can be done using the value added intellectual coefficient (VAIC), which consists of three main components, namely human capital, structural capital and employed capital [8]. Previous research found that intellectual

capital indirectly has a positive impact on firm value through financial performance [9] However, research by [10] shows that intellectual capital does not have a significant influence on firm value.

Financial performance can be assessed through the potential for growth and financial development of a company. A company's good performance is reflected in effective and efficient operations, which in turn creates large or optimal profitability [11]. Essentially, investors measure a company's performance by considering its capabilities, especially in terms of profitability [12] Companies with high profitability can attract suppliers, creditors and investors to invest, which in turn affects firm value. Good financial performance is influenced by efficient agency cost management. The more efficient the management of agency costs, the smaller the costs incurred to overcome agency problems, and the company's financial performance will increase. Good financial performance will in turn have a positive impact on firm value because investors who invest will tend to see the company's financial performance as an important factor in their decision making [13].

Increasing intellectual capital (IC) is one of the actions that a company can take to achieve its goals. The knowledge, skills and information possessed by a company are very important for the company's survival in the new economic era. Therefore, companies are increasingly focusing on developing intellectual capital [14] Previous research by [15] shows that intellectual capital increases firm value by using ROA as a performance measure and Tobins-Q as an indicator of firm value. Intellectual capital and firm value can be regulated by financial performance. High quality human resources are proportional to the quality of the company's intellectual capital. High quality human resources will help companies achieve optimal financial performance, which will ultimately increase firm value.

Another factor that influences the financial performance of a company is the ownership structure of the company itself. One way to reduce conflict between principals (shareholders) and agents (management) is to increase share ownership of company management. Management share ownership is conducive to the unification of the interests of shareholders and management. The greater the proportion of management share ownership, the smaller the possibility that management will conflict with shareholders, thereby increasing return on assets (ROA). Company performance tends to increase because management is motivated to work hard as shareholders to increase firm value. Because management has interests that are aligned with shareholders, this reduces the potential for agency conflicts that could affect firm value.

Another ownership structure is institutional ownership. One factor that can improve a company's financial performance is a high level of institutional ownership, which

triggers more intensive monitoring efforts on the part of institutional investors. This can discourage opportunistic behavior from management. [16] emphasize that institutional shareholders have incentives to monitor corporate decision making. This can have a positive impact on the company, both in terms of increasing firm value and overall business performance. This research aims to examine the influence of Agency costs, Intellectual capital, Managerial Ownership and Institutional Ownership on Firm value with Financial Performance as a Moderating Variable in LQ45 Companies Listed on the BEI in 2020 - 2022.

2. Theory, Literature Review, and Hypothesis

2.1. Agency theory and Resource Based Theory

Agency theory is a conceptual framework that describes the relationship between two parties, namely the agent (management) and the principal (shareholders). This theory produces a contractual agreement that connects the two parties [17]. Not only limited to two individuals, this theory also includes management groups and investor groups. Shareholders incur agency costs as a measure to overcome agency conflicts. These agency costs can take the form of costs for monitoring management activities (monitoring costs), bonding costs, or residual losses. This agency fee aims to prevent agency conflicts and monitor management actions so that they do not harm the interests of shareholders. Shareholders seek to control management with the aim of increasing firm value. [18] has suggested that resources in a company are heterogeneous in nature in each company. Resource based theory believes that a company will have an advantage if it has superior resources. Resources are considered superior if they are difficult to replace, have elements of uniqueness, and are difficult for other companies to imitate. The word resource in resource based theory does not mean ordinary resources such as money, but strategic resources that companies can use to achieve competitive advantage, and intangible resources are the closest to the meaning of strategic resources.

2.1.1. Firm Value

[19] stated that firm value is the final result of the company's condition which reflects the level of trust that has been built by the public in the company throughout its operations from its inception to the present. According to [20], the value of a company can be

seen in its share price, where investor interest in a company's shares is influenced by the company's performance. Companies may issue financial reports to evaluate performance. The author uses Tobins'Q as a measuring tool to measure firm value. Because Tobins'Q already includes elements of assets, debt and share capital of the Company.

2.1.2. Agency Cost

Agency costs arise due to agency conflict between the principal and the agent. Managers as agents have the motivation to make decisions that benefit themselves, not for the benefit of the principal [21]. The principal incurs several costs to prevent this agency conflict from occurring. Principal issues monitoring costs to limit deviant manager activities. The emergence of bonding costs is caused by managers who will provide compensation to the principal if the manager commits deviations. Residual loss is a decrease in principal profits because deviations made by managers have an impact on the company. The author chose to use audit fees as an indicator to describe agency costs. Because audit fees are a form of voluntary disclosure, information regarding audit fees is obtained from the amount of professional fees listed in the financial statements. The use of natural logarithms is used to facilitate the representation of professional fees which can reach very large numbers without changing the actual proportions [7].

2.1.3. Intellectual Capital

Intellectual capital is a superior resource consisting of intellectual knowledge, information, intellectual property and experience that has the potential to provide benefits [22]. These are company resources in the form of intangible assets that can provide added value to the company. Intellectual capital has the potential to be used in the innovation process and as a tool to achieve competitive advantage. In general, intellectual capital refers to the value that comes from employee knowledge, expertise, business training, or information owned by the company. This gives the company an edge over the competition. Value Added Intellectual Coefficient (VAIC) is a tool to measure the amount of intellectual capital of a company. VAIC was developed to measure the added value efficiency of tangible and intangible assets in a company. The main components of VAIC include physical capital (value added capital employed), human capital (value added human capital), and structural capital (structural capital value added) [23].

2.1.4. Managerial ownership

According to [24] management ownership is the number of company shares owned by management compared to the total shares outstanding. Moreover, it can also be referred to as the number of common shares held by the management. With managerial ownership, shareholders are also responsible as company owners and are actively involved in decision making. The greater the percentage of management ownership, the greater their motivation to achieve their goals.

2.1.5. Institutional Ownership

According to [24] company shares owned by non-bank financial institutions that manage funds on behalf of other people are referred to as institutional ownership. Insurance companies, investments, mutual funds, leasing, pension funds and other non-bank organizations are examples of this business. With significant investments in the form of share ownership in companies, these institutions often assign management of their investments to other parties. The existence of institutional investors allows for tighter monitoring of manager performance because every action taken by the manager will continue to be monitored. Institutional ownership usually has a significant proportion, so that the management monitoring process can be more effective.

2.1.6. Financial performance

The prospects for growth and financial development of a company can be used to assess financial performance. Business performance is greatly influenced by how effective and efficient the business is over time to achieve optimal results in accordance with their goals. Good performance is usually reflected in effective and efficient business operations, which ultimately results in large or optimal profits for the business [11]. In this research, financial performance is measured by the Return on Assets (ROA) metric. As explained by [25] ROA is a measure of management's ability to generate profits using available assets, also known as return on investment. ROA is calculated by comparing net profit after tax with total assets.

2.2. Research Hypothesis

In the context of this research, agency theory supports the idea that agency costs, managerial ownership, and institutional ownership have a positive influence. Agency costs incurred to resolve agency conflicts can provide benefits to the company because they help in monitoring management, which in turn can contribute positively to firm value. it can be said that agency costs increase firm value because investors trust the principal to supervise management. This statement is supported by [26] who found that agency costs have a positive effect on firm value.

H1: Agency Costs Have a Positive Influence on Firm value

In this research, resource based theory supports the intellectual capital variable. Intellectual capital is an intangible asset which is an important factor in increasing firm value. According to [27] high firm value can also be influenced by efficient management of intellectual capital. Intellectual capital is a very valuable asset for a company because it has the potential to make a significant contribution. Therefore, it can be stated that the presence of intellectual capital will increase the value of the company because investors have confidence that the company has strong performance and the ability to compete well. This statement is supported by [28] which shows that intellectual capital has a positive effect on value. company. From this description the following hypothesis can be drawn:

H2: Intellectual Capital has a Positive Influence on Firm value

Managerial ownership can reduce agency conflicts by aligning managerial and shareholder interests, while institutional ownership can also minimize agency conflicts by providing close supervision of management actions and ensuring efforts to increase firm value. This statement is supported by research [6, 29, 30] which states that managerial ownership has a positive effect on firm value. Institutional ownership can minimize agency conflicts through optimal supervision. Therefore, it can be said that institutional ownership has a positive effect on firm value. This statement is in line with the research of [31] which suggests that institutional ownership has a positive influence on firm value.

Based on this explanation, a hypothesis is formulated, namely as follows:

H3: Managerial Ownership Has a Positive Influence on Firm value

H4: Institutional Ownership Has a Positive Influence on Firm value

Agency costs are expenses borne by shareholders to ensure that management runs the company in accordance with the wishes of the principal. The occurrence of agency costs is caused by the separation between management and ownership roles [3] Good financial performance is influenced by efficient agency cost management. The more

efficient the management of agency costs, the smaller the costs incurred to overcome agency problems, and the company's financial performance will increase. Good financial performance will in turn have a positive impact on firm value because investors who invest will tend to see the company's financial performance as an important factor in their decision making [13]. If a company has good growth and high profits, the firm value will look good, thereby attracting the attention of investors to invest their shares in companies that also have good corporate value.

Previous research conducted by [15] found that intellectual capital had a positive effect on firm value. They used ROA as a performance measure and Tobins-Q as an indicator of firm value, with data collected during the 2013-2016 period. The results of this research show that financial performance can moderate the influence of intellectual capital on firm value. High quality human resources has a positive relationship with the quality of the company's intellectual capital. High quality human resources will contribute to achieving optimal financial performance for the company, and overall will increase firm value. Based on this explanation, there is a hypothesis formulated, namely as follows:

H5: Financial performance can moderate the influence of agency costs on firm value

H6: Financial performance can moderate the influence of intellectual capital on firm value.

Share ownership by management plays a role in connecting the interests between shareholders and management. The greater the proportion of share ownership by management, the smaller the possibility of conflict between management and shareholders, so that it can increase Return on Assets (ROA) [32]. Company performance tends to increase because management is motivated to work hard as shareholders to increase firm value. Because management's interests are aligned with the interests of shareholders, this can reduce the potential for agency conflicts that can affect firm value. This statement is in line with research by [33] stated that managerial ownership has a positive effect on financial performance. Apart from that, this statement is supported by [19] shows that managerial ownership has a positive effect on firm value. Research by [30] which shows that institutional ownership has a positive impact on firm value. Apart from that, the same findings were also presented by [34]. who stated that managerial ownership has a positive effect on financial performance. Therefore, based on the information above, the following hypothesis can be formulated:

H7: Financial performance can moderate the influence of managerial ownership on firm value

H8: Financial performance can moderate the influence of institutional ownership on firm value

3. Research Methods

The population in this study are all mining sector companies listed on the Indonesia Stock Exchange (BEI). There are 45 companies in the 2020-2022 period. The sampling technique used was purposive sampling technique and 6 (six) criteria were obtained which would be used as a reference in determining the sample, and 18 companies were obtained that met the criteria. The data source used is secondary data consisting of annual reports from 2020 to 2022 obtained from the official websites of companies included in LQ45, as well as from the official website of the Indonesia Stock Exchange (BEI) at www.idx.co.id.

3.1. Operational Definition and Variable Measurement

3.1.1. Agency Cost

Agency costs are costs incurred by the principal to prevent agency conflict between the principal and the agent. Agency costs can be measured by the natural logarithm of professional fees [7]. The formula used is as follows:

$$Agency\ cost = ln\ professional\ fees$$

3.1.2. Intellectual Capital

Intellectual capital is a company resource with a knowledge base in the form of intangible assets. Intellectual capital can be in the form of employee knowledge and expertise, business training or proprietary information that can make a company superior to its competitors [22]. This intellectual capital can be measured using the value added intellectual coefficient (VAIC), with the following formula:

$$VAIC = VACA + VAHU + STVA$$

3.1.3. Managerial ownership

Managerial ownership is the number of shares owned by management who are actively involved in decision making. The measurement is based on the number of managerial shares owned at the end of the year, which is presented in percentage form. Managerial ownership can be measured using the following formula:

$$KM = \frac{number\ of\ managerial\ shares}{number\ of\ managerial\ shares} x100\%$$

3.1.4. Institutional Ownership

Institutional ownership is the number of shares owned by companies such as insurance, investments, mutual funds, and so on [24]. Institutional ownership can be measured using the following formula:

$$IO = \frac{number\ of\ institutional\ shares}{Total\ shares\ outstanding} x100\%$$

3.1.5. Firm Value

Firm value is a method used by investors to measure a company's achievements, and is related to added value for shareholders and the company's share price. It can be stated that if the share price of a company increases, the value of the company will also increase. The assessment of firm value can be measured using Tobin's Q, which compares a company's equity and liabilities with the value of its assets. Tobin's Q formula is:

$$Tobin's\ Q = \frac{market\ value\ of\ equity + book\ value\ of\ debt}{book\ value\ of\ equity + book\ value\ of\ debt}$$

3.1.6. Financial performance

In this research, financial performance is measured using Return on Assets (ROA). As explained by [25], Return on Assets is the extent to which management is effective in generating profits using available assets, which is also referred to as return on investment. The ROA formula is:

$$ROA = \frac{Net\ profit\ after\ tax}{Total\ Assets}\ x\ 100\%$$

4. Results and Discussion

4.1. Results

This section will present the results and discussion of descriptive and hypothesis testing in this research. Table 1 presents the results of descriptive statistics.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
X1	54	3.04	3.31	3.2125	.06269
X2	54	.03	3.61	1.4327	.76709
X3	54	-15.20	-.34	-6.7813	3.64637
X4	54	-3.91	.54	-.7527	.81936
NilaiPerusahaan	54	-.56	2.66	.4100	.50918
Z	54	-5.81	-.77	-2.6406	.99043
Valid N (listwise)	54				

Figure 1: Table 1.

Table 1 shows a general description of the descriptive statistics of the dependent variable, independent variable and moderating variable. Based on table 1, it can be seen that Agency Cost has the lowest value of 3.04 and the highest value of 3.31. The average value of Agency Cost is 3.2125. The standard deviation value shows a value of 0.06269. Table 1 also presents Intellectual Capital with the lowest value of 0.03 and the highest value of 3.61. The average value of Intellectual Capital is 1.4327. The standard deviation value shows a value of 0.76709. Based on table 1, it can also be seen that managerial ownership has the lowest value of -15.20 and the highest value -0.34. The average value of Managerial Ownership is -6.7813. The standard deviation value shows a value of 3.64637. Based on table 1, it can be seen that institutional ownership has the lowest value of -3.91 and the highest value of 0.54. The average value of Institutional Ownership is -0.7527. The standard deviation value shows a value of 0.81936. Firm value has the lowest value of -0.56 and the highest value of 2.66. The average value of Firm value is 0.4100. The standard deviation value shows a value of 0.50918. Table 1 also shows that financial performance has the lowest value of -5.81 and the highest value -0.77. The average value of Financial Performance is -2.6406. The standard deviation value shows a value of 0.99043.

4.2. Hypotheses Testing

Moderated regression analysis is one way to analyze variables moderation. This is a type of regression analysis that involves deep moderating variables build a relationship model. The moderating variable functions as a variable that can strengthen or weaken the relationship between predictor (independent) variables and the dependent variable (dependent). Tests using moderation regression are presented in table 2.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.370	2.938		1.487	.144
	X1	-.725	.915	-.089	-.792	.432
	X2	.014	.186	.021	.076	.940
	X3	.172	.057	1.233	3.045	.004
	X4	1.266	.278	2.037	4.553	.000
	Z	.519	.235	1.009	2.208	.032
	X1.Z	-.096	.088	-7.282	-.640	.526
	X2.Z	-.087	.074	-.297	-1.183	.243
	X3.Z	.056	.023	1.090	2.376	.022
	X4.Z	.255	.076	1.921	3.357	.002

a. Dependent Variable: NilaiPerusahaan

Sumber : Output SPSS 26, diolah 2023

Figure 2: Table 2.

Based on table 2, it can be seen that the t_(calculated)Agency Cost value is -0.792 so that t_calculated<t_table is -0.792 < 2.009 with a significance value of t of 0.432 where the t test result is 0.432 > 0.05 α. This means that partially the Agency Cost variable has no influence on the Firm value variable. Thus, the 1st Hypothesis (H1) which states that Agency Cost has a positive effect on Firm value is not supported. Based on table 2, it can be seen that the value of t_(calculate) Intellectual Capital is 0.076 so that t_count<t_table is 0.076 < 2.009 with a significance value of t of 0.940 where the t test result is 0.940 > 0.05 α. This means that partially the Intellectual Capital variable has no influence on the Firm value variable. Thus, the 2nd Hypothesis (H2) which states that Intellectual Capital has a positive effect on Firm value is not supported.

Based on table 2, it can be seen that the t_(calculated) value of Managerial Ownership is 3.045 so that t_calculated>t_table is 3.045 > 2.009 with a significance value of t of 0.004 where the t test result is 0.004 < 0.05 α. This means that partially the Managerial Ownership variable has an influence on the Firm value variable. Thus, the

3rd Hypothesis (H3) which states that Managerial Ownership has a positive effect on Firm value is supported. Based on table 2, it can be seen that the t_(count) value of Institutional Ownership is 4.553 so that t_count>t_table is 4.553 > 2.009 with a significance value of t of 0.000 where the t test result is 0.000 < 0.05 α. This means that the Institutional Ownership variable partially has an influence on the Firm value variable. Thus, the 4th Hypothesis (H4) which states that Institutional Ownership has a positive effect on Firm value is supported.

Based on table 2, it shows that the variable t test 0.526 > 0.05 α. This means that the Financial Performance variable (Z) is unable to moderate the influence of Agency Cost (X1) on Firm value (Y). Thus, the 5th Hypothesis (H5) which states that Financial Performance can moderate the influence of Agency Cost on Firm value is not supported. Based on table 2, the results of the moderated regression test show that the variable t is 0.243 where the t test result is 0.243 > 0.05 α. This means that the Financial Performance variable (Z) is unable to moderate the influence of Intellectual Capital (X2) on Firm value (Y). Thus, the 6th Hypothesis (H6) which states that Financial Performance can moderate the Influence of Intellectual Capital on Firm value is not supported.

Based on table 2, it shows that the variable 0.022 < 0.05 α. This means that the Financial Performance variable (Z) is able to moderate the influence of Managerial Ownership (X3) on Firm value (Y). Thus, the 7th Hypothesis (H7) which states that Financial Performance can moderate the influence of Managerial Ownership on Firm value is supported. Based on the table above, it shows that the variable t 0.002 < 0.05 α. This means that the Financial Performance variable (Z) is able to moderate the influence of Institutional Ownership (X4) on Firm value (Y). Thus the 8th hypothesis (H8) which states that Financial Performance can moderate the influence of Institutional Ownership on Firm value is supported.

4.3. Discussion

4.3.1. The Influence of Agency Costs on Firm value in Companies LQ45

Based on the calculation results, information is obtained that Agency Cost has no influence on Firm value. This is indicated by the t_(calculated)Agency Cost value of -0.792 so that t_calculated<t_table is -0.792 < 2.009 with a significance value of t of 0.432 where the t test result is 0.432 > 0.05 α. So it can be concluded that partially Agency Cost has no influence on Firm value. Thus, the first hypothesis (H1) which states that Agency Cost has a positive effect on Firm value is not supported. Even though

strict supervision is carried out on management through audits, it may not necessarily encourage management to increase the value of the company. Apart from that, the quality of the audit carried out must also be considered, not only from the costs incurred to carry out the audit. This can also be caused by the existence of institutional parties who control and supervise management behavior and indirectly control management to advance the company and increase firm value.

The results of this research are in line with research by [7, 35] and based on previous research, the author found that Agency Cost does not have a significant effect on Firm value. Where the higher Agency Costs incurred do not significantly influence the increase in Firm value because in terms of auditing quality the financial statements do not reflect the high share market value of companies audited by external parties.

4.3.2. The Influence of Intellectual Capital on Firm value in LQ45 Companies

Based on the calculation results, information is obtained that Intellectual Capital has no influence on Firm value. This is indicated by the t_(count) Intellectual Capital value of 0.076 so that t_count<t_table is 0.076 > 2.009 with a significance value of t of 0.047 where the t test result is 0.940 < 0.05 α. So it can be concluded that partially Intellectual Capital has no influence on Firm value. Thus, the second hypothesis (H2) which states that Intellectual Capital has a positive effect on Firm value is not supported.

This could be because outside parties only focus on the value of intellectual capital without paying attention to the process. In fact, to obtain intellectual capital value requires a fairly long process. Starting from the process of calculating VACA, VAHU, STVA until finally obtaining the VAIC value which is the final calculation of intellectual capital. Each process certainly has a different contribution. VACA will show the amount of added value created from the use of physical capital. VAHU shows the amount of added value that can be obtained from every use of funds intended for employees. Meanwhile, STVA can show the amount of structural capital that a company needs in an effort to obtain added value. It is felt that each of these processes needs to be considered as a consideration in assessing the company.

The results of this research are in line with research by [31] and [36]. Based on previous research, the author found that Intellectual Capital has no effect on Firm value. This shows that there is a lack of information obtained by outside parties regarding various matters related to the company's intellectual capital. So outsiders cannot know how well the company is empowering its intellectual capital to increase firm value. This

of course causes outside parties to be less interested or reluctant to use intellectual capital as a consideration in assessing the company.

4.3.3. The Influence of Managerial Ownership on Firm value in LQ45 Companies

Based on the calculation results, information is obtained that Managerial Ownership has a significant positive effect on Firm value. This is indicated by the regression coefficient value having a positive sign of 0.172, then the t_(count) value of Managerial Ownership is 3.045 so t_count>t_table is 3.045 > 2.009 with a significance value of t of 0.024 where the t test result is 0.004 < 0.05 α So it can be concluded that partially Managerial Ownership has an influence on Firm value. Thus, the third hypothesis (H3) which states that Managerial Ownership has a positive effect on Firm value is supported.

Managerial ownership gives managers a dual role in the company, namely as principal or owner of the company and agent or manager of company management. This makes managers have the same interests as external shareholders because of their status as shareholders. Managers will not prioritize personal interests because decisions taken in the interests of shareholders will have an impact on the manager. Managerial ownership means that managers do not have different interests from shareholders, thereby reducing agency conflicts that can impact firm value. If the proportion of managerial ownership in a company is large, then management will tend to be more active in increasing the value of the company for the benefit of shareholders where the shareholder is themselves. With this motivation, managers will try as hard as possible to maximize firm value.

The results of this research are in line with research by [29, 37]. Based on previous research, the author found that managerial ownership has a positive effect on firm value, meaning that increasing the percentage of managerial ownership can increase firm value. Giving share ownership to managers makes managers have a role as shareholders and managers of company management. This role requires managers to work more optimally and avoid all decisions that cause losses because they can have a direct impact on the returns they will get as shareholders. Managers will work in accordance with the interests of shareholders (external shareholders and managers), namely getting profits as a return on investments made so that shareholders will have a good perception and increase share prices while increasing firm value.

4.3.4. The Influence of Institutional Ownership on Firm value in LQ45 Companies

Based on the calculation results, information is obtained that Institutional Ownership has a significant positive effect on Firm value. This is indicated by the regression coefficient value having a positive sign of 1.266, then it is known that the value of t_(count) for Institutional Ownership is 3.640 so that t_count>t_table is 4.553 > 2.009 with a significance value of t of 0.00 where the t test result is 0.00 < 0.05 α. So it can be concluded that partially Institutional Ownership has an influence on Firm value. Thus, the fourth hypothesis (H4) which states that Institutional Ownership has a positive effect on Firm value is supported.

Share ownership by institutions has an important role in terms of more optimal supervision of management so that it can suppress opportunistic behavior that is not in accordance with company goals that may be carried out by management so that it can monitor company decision making. This supervision encourages increased management performance and has a positive impact on firm value. The greater the level of institutional ownership, the more optimal the level of control exercised by external parties over the company so that agency conflicts that occur within the company are reduced and the value of the company also increases.

The results of this research are in line with research by [30, 38] and [30] states that the greater the institutional ownership, the greater the voting power and encouragement of the institution to supervise management so that it influences the value of the company. [38] stated that the greater the institutional ownership, the more efficient the use of company assets. Thus the proportion of institutional ownership acts as a prevention against waste by management. With institutional ownership, you can increase the value of the company by utilizing information which will overcome agency problems (agency conflict), because with increased institutional ownership, all company activities will be more supervised by the institution or related institutions.

4.3.5. Moderation of Financial Performance on the Effect of Agency Costs on Firm Value in LQ45 Companies

Based on the calculation results, information was obtained that Financial Performance was unable to moderate the influence of Agency Cost on Firm value. This is characterized by the variable t test 0.526 > 0.05 α. So it can be concluded that Financial Performance is unable to moderate the Effect of Agency Costs on Firm value. Thus, the

fifth hypothesis (H5) which states that financial performance can moderate the influence of agency costs on firm value is not supported.

The level of financial performance in a company has no effect on the relationship between Agency Cost and Firm value. The higher the Agency Cost of a company is not always accompanied by a higher Firm value. The company's agency costs are increasing so this does not reduce competitive achievements which have a positive impact on financial performance. Companies that have high and stable profits do not necessarily have low agency costs. Companies that can manage agency costs efficiently have no effect on increasing or decreasing financial performance. The company will not gain profits from operating activities if operating costs related to the business, including agency costs, have an insignificant impact on performance.

4.3.6. Moderation of Financial Performance on the Influence of Intellectual Capital on Firm Value in LQ45 Companies

Based on the calculation results, information was obtained that Financial Performance was unable to moderate the influence of Intellectual Capital on Firm value. This is indicated by the variable t test 0.243>0.05 α. So it can be concluded that Financial Performance is unable to moderate the influence of Intellectual Capital on Firm value. Thus, the sixth hypothesis (H6) which states that financial performance can moderate the influence of intellectual capital on firm value is not supported.

4.3.7. Moderation of Financial Performance on the Effect of Managerial Ownership on Firm value in LQ45 Companies

In reality, financial performance as proxied by return on assets cannot strengthen or weaken the influence of intellectual capital. High or low company financial performance has no effect on the relationship between Intellectual Capital and Firm value. The results of this research show that outside parties pay less attention to companies that disclose intellectual capital in their financial reports. Intellectual capital which has a VAHU (value added human capital) component shows that if there is a change in the salary and benefits given to employees, financial performance will not change or remain the same. The nominal amount spent by the company to pay salaries and benefits for employees will not provide added value for the company. Companies that budget high employee expenses hope to get high added value from their employees and improve the company's financial performance. This can be caused by a high employee salary

budget, but it is not balanced with training and training so that employees cannot create added value for the company. In other words, it is not enough for companies to only recruit and promote intelligent individuals, but companies must also support and nurture intelligent individuals to channel their human resources through organizational learning and externalization into company information systems. The results of this research contradict research by [39]. [39] stated that Financial Performance succeeded in moderating by weakening the Influence of Intellectual Capital on Firm value.

4.3.8. Moderation of Financial Performance on the Effect of Institutional Ownership on Firm value in LQ45 Companies

Based on the calculation results, information was obtained that Financial Performance was able to moderate by strengthening the influence of Institutional Ownership on Firm value. This is indicated by the variable $0.002 < 0.05\ \alpha$. So it can be concluded that the Financial Performance variable (Z) is able to moderate the influence of Institutional Ownership (X4) on Firm value (Y). Thus, the eighth hypothesis (H8) which states that financial performance can moderate the influence of institutional ownership on firm value is supported.

The high or low level of a company's financial performance influences the relationship between institutional ownership and firm value. The company's financial performance and good corporate governance illustrate how management attempts to manage its assets and capital well in order to attract investors. A high level of institutional ownership can trigger more intensive monitoring efforts on the part of institutional investors. This can discourage opportunistic behavior from management. [16] emphasize that institutional shareholders have incentives to monitor corporate decision making. This can have a positive impact on the company, both in terms of increasing firm value and overall business performance.

5. Finding and Conclusion

The results of this research show that agency cost has no influence on firm value. This shows that the size of the agency costs incurred has no influence on firm value. Intellectual capital has no influence on Firm value. This shows that investors look more at other factors in measuring firm value, for example looking at the share value. Managerial ownership has a positive effect on firm value. This shows that increasing the percentage of managerial ownership can increase firm value. Institutional ownership has a positive

effect on firm value. This shows that the greater the institutional ownership, the greater the voting power and encouragement of the institution to supervise management so that it influences the value of the company. Financial Performance is unable to moderate the influence of agency costs on firm value. This shows that the level of financial performance in a company has no effect on the relationship between agency costs and firm value. Financial performance is unable to moderate the influence of intellectual capital on firm value. This shows that high or low company financial performance has no effect on the relationship between intellectual capital and firm value. Financial performance is able to moderate by strengthening the influence of managerial ownership on firm value. This shows that the level of company financial performance influences the relationship between managerial ownership and firm value. Financial performance is able to moderate by strengthening the influence of institutional ownership on firm value. This shows that the level of company financial performance influences the relationship between institutional ownership and firm value.

6. Implications, Limitations, and Suggestions

Future research can increase the number of variables used in this research, such as corporate social responsibility, company size, and other relevant variables. The results of the financial performance moderation test on the influence of intellectual capital on firm value are not supported. Thus, further research can use other moderating variables to test the influence between these variables in order to obtain more significant results. For further research, it is best to increase the number of samples used, both by adding periods and changing research subjects. This is done so that more samples are obtained so that the research results obtained are more precise.

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