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Good Corporate Governance in Moderating Intellectual Capital and Voluntary Reporting on Company Performance

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ABSTRACT

This study aims to analyze Intellectual Capital (IC) and Voluntary Reporting on company performance moderated by good corporate governance (GCG). This study uses a quantitative approach with explanatory research through analysis of multiple linear regression data and MRA with the study population, namely manufacturing companies listed on the IDX in 2020 and 2021. IC, Voluntary Reporting, and GCG are important instruments to provide an overview of the company's condition to investors, thereby attracting interest to invest in companies that affect the capital that the company will obtain to increase company profits. Companies that are managed with good operational management can increase the value of their company's performance. Companies can increase corporate value by managing their own resources and presenting this information to stakeholders. The results of this study indicate that the company's performance increases when the value of IC increases. The higher the IC, the greater the value of the company's performance. IC can be a strategic resource for companies in creating and increasing corporate profits derived from investment returns from investors and improve company performance. The development in this study is a moderating variable of GCG, where in previous research it was explained that GCG is one of the key factors in a company because of both asset structure, financial structure, and policies and strategic steps that were decided to address pressure from the company's external condition is determined by the components of GCG.

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1. INTRODUCTION

One sign of good company performance is the addition of company value from the previous year. This added value can be assessed through a measurement, namely profit and growth (Selvam et al., 2016). The importance of evaluating company performance because it relates to the sustainability of the company's business whose impact can be felt by various parties makes research on company performance important to do. Research on company performance is also important to do at this time because of the phenomenon of company performance in Indonesia which has experienced a decline, losses and even bankruptcy so it has to be delisted from the Indonesia Stock Exchange. The decline in the company's performance was also due to the condition of the Covid-19 pandemic which had hit Indonesia for two years so this condition greatly impacted the company's operations.

In 2019 there were 6 companies whose shares were delisted or delisted from the Indonesia Stock Exchange. The delisted company does not show any indication of adequate recovery. At the time of 2020, companies that were delisted from the Indonesia Stock Exchange were increasing, this was related to the Covid-19 pandemic that occurred in Indonesia. The Indonesian Issuers Association (AEI) explained that the Covid-19 pandemic has caused 50 issuers to experience cash flow difficulties, one of which is the manufacturing sector. The manufacturing sector has a very significant influence because many factories have stopped their operations. Sluggish product sales and operational activities in the manufacturing sector were due to the cessation of factory operations due to large-scale social restrictions (PSBB).

The impact of the spread of the coronavirus in Indonesia has hit all sectors of the economy, especially the activities of manufacturing companies in Indonesia. In 2020 the JCI for the manufacturing sector fell to 45.3 from the previous level of 51.9. At the same time, factory closures also dragged down production. This activity was also accompanied by a decrease in demand, which prompted companies to reduce purchasing activities of capital goods. The manufacturing sector experienced negative growth in 2020 with a record decline of 3.1 percent. Manufacturing companies are a leading industry with a GDP contribution of 20.8 percent in 2020 and can absorb 14 percent of the national workforce and have a large multiplier effect (Hidayat, 2021).

Based on the phenomenon of declining company performance that has been described above and the factors that affect company performance, it is explained that each company must have a strategy to maintain its business so that it can maintain the company's image to be able to maintain the trust of investors. Intellectual capital management is a factor or strategy for increasing investor confidence in companies (Asare et al., 2017). With an increase in investor confidence, it can become a company's competitive advantage to attract investors to invest (Bollen et al., 2005). The competitive advantage of intellectual capital determines performance outcomes because it relates to the collective ability of resources to generate, distribute, and apply knowledge in organizations (Bontis et al., 2000).

Whether or not the value of the company will be assessed as good or bad can be caused by the provision of information that can be seen in the company's annual report, both financial and non-financial information (Sun et al., 2018). This information is useful for shareholders, potential investors, the government and related parties who have an interest and even all company stakeholders to assess the state of the company (LaGore et al., 2015). Voluntary reporting is one of the factors or strategies in improving the delivery of information related to company performance so that the information needed by investors in making decisions can be fulfilled. Research conducted by Dayanandan et al., (2017) and Kendi (2014) revealed that companies that carry out voluntary reporting are one way to increase the level of trust of stakeholders to increase

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company value. In addition, it was explained that an increase in information reporting reduces the company's cost of capital and reduces information asymmetry.

The explanation above explains that a company must be supported by a variety of management that is managed properly by the responsible parties within the company. Good corporate governance is one of the key factors in a company because both the asset structure, financial structure and policies and strategic steps that are decided to respond to pressure from the company's external conditions are determined by the components of good corporate governance, especially the board of directors, commissioners, and/or GMS. Good corporate governance is an important step in building market confidence and encouraging more stable and long-term international investment flows. Good corporate governance in this study is proxied through four dimensions, namely institutional ownership, managerial ownership, the proportion of independent commissioners, and the size of the board of directors (Putri & Siswanto, 2019).

Based on inconsistent research results related to the effect of voluntary reporting and intellectual capital on company performance, it is important to conduct further research. Apart from that, the existence of manufacturing companies that are delisted from the Indonesia Stock Exchange from year to year gives more urgency to develop research on the effect of voluntary reporting and intellectual capital on company performance in Indonesia. The development in this study is the existence of a moderating variable of good corporate governance, previous research also explains that good corporate governance is one of the key factors in the company because both the asset structure, financial structure and policies and strategic steps that are decided to respond to pressure from the company's external conditions are determined by the components of good corporate governance, especially the board of directors, commissioners, and/or GMS. The previous explanation provides evidence that by managing good corporate governance the company can make company's competitiveness and strengthen intellectual capital and voluntary repotting managed by the company as one of the factors that can generate higher profit values which have an impact on company performance.

Based on the background described above, the formulation of the problem in this study is:

1. Does Intellectual Capital have a positive effect on company performance?
2. Does Voluntary Reporting have a positive effect on Company Performance?
3. Does good corporate governance strengthen the relationship between Intellectual Capital and Company Performance?
4. Does good corporate governance strengthen the relationship between voluntary reporting and corporate performance?

Regarding the formulation of the problem above, the objectives of this research are:

1. Testing and analyzing the influence of Intellectual Capital has a positive effect on company performance
2. Testing and analyzing the effect of Voluntary Reporting has a positive effect on Company Performance
3. Testing and analyzing Good corporate governance strengthens the relationship between Intellectual Capital and Company Performance
4. Testing and analyzing Good corporate governance strengthens the relationship between Voluntary Reporting and Company Performance

Research conducted by Shahwan & Fathalla, (2020) explains that intellectual capital has a positive impact on company performance. This can be interpreted that intellectual capital can strengthen the value of the company's performance which will affect the value of the company. Subsequent research was carried out by Dalwai & Mohammadi, (2020) and Soewarno & Tjahjadi, (2020) explaining the results of the research conducted that intellectual capital has a positive

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effect on company performance, so it can be concluded that the better the management of intellectual capital, the better the company's performance value. which is a positive signal for investors and also stakeholders who have already invested in the company.

Research conducted by Schoenfeld, (2017) and Elfeky, (2017). Schoenfeld, (2017) in companies listed on the S&P 500 index shows that voluntary reporting has a positive effect on stock liquidity it can illustrate that voluntary reporting increases trust in the market, whereas Elfeky, (2017) conducted in Egyptian companies reveals that voluntary reporting can increase the value of the company's profitability. These results are also following the research of LaGore et al., (2015) which shows that voluntary reporting conveys information needed by investors and reduces information asymmetry which can increase stock market liquidity in 122 public companies in the US. Elkelish et al., (2015) research companies listed on the UAE stock market. The results of the study reveal that enhanced reporting provides informative benefits to the stock market resulting in more informative stock prices related to future earnings.

Signaling Theory

The signaling theory was first introduced by Spence, (1973) in his research on job market signaling. Spence, (1973) suggests that the sender of the signal (owner of the information) tries to provide relevant pieces of information that can be utilized by the receiving party. The receiving party will then adjust his behavior according to his understanding of the signal given by the company (owner of the information). Signaling theory indicates that organizations will try to provide positive signals or information to potential investors through reporting in the company's annual report (Whiting & Miller, 2008). Company executives who have better information about their company will be encouraged to convey this information to potential investors where the company can increase the value of the company through reporting by sending signals through voluntary reporting contained in the company's annual report (Leland & Pyle, 1977).

The signal theory states that companies that have high quality will tend to provide information as a signal of the superiority of their company. The signals given by the company will make stakeholders increase the value of the company and make decisions that are more profitable for the company (Whiting & Miller, 2008). Meanwhile, companies that have less good capacity are more likely to only disclose mandatory information.

Company Performance

Company performance is a process of effectiveness and efficiency that includes the company's financial and operational results. In addition, performance can be used as a measure of a company's ability to manage and allocate its resources. From this definition, company performance can be described as the result of a process carried out within the company through its ability to manage company resources. That is, the processes that occur within the company are determined by the existing governance within the company. The conclusion is that company performance is related to corporate governance. Financial performance can be observed through financial and non-financial perspectives. From a traditional perspective, company performance measures are often presented in company financial statements. Financial reports are a source of financial information that describes a company's financial performance. Financial information must be measured to be able to assess company performance.

Intellectual Capital

Intellectual capital (IC) is a strategic resource used by companies to gain a competitive advantage and create value that companies can use to improve their performance (Marr et al., 2003). Intellectual capital is an intangible resource that exists in an organization or company.

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These resources can be used as a source of strength for the company and can create future benefits for the company. The concept of intellectual capital is an intangible asset or non-monetary resource that has value as a competitive advantage and is useful for generating future profits.

Bontis et al., (2000) stated that in general, researchers identified three main constructs of IC, namely: Human Capital (HC), Structural Capital (SC), and Customer Capital. Human resource capital is related to the ability and knowledge of workers, structural capital in the form of patents, copyrights and so on, and relational capital in the form of relationships with customers, suppliers and so on. As for the competitive advantage of intellectual capital, as an intangible asset, it can be measured in the way proposed by (Pulic, 1998), the measurement method is by using the value-added intellectual coefficient (VAIC). The purpose of VAIC measurement is to measure added value by combining the three elements, namely, value-added human capital (VAHU), structured capital value added (STVA), and value-added capital employed (VACA).

Voluntary Reporting

Reporting is a way to achieve transparency in the business sector, apart from that reporting on annual reports can also be used to increase investor confidence and other report users. Information reported in annual reports can be grouped into two, namely mandatory disclosure and voluntary reporting (Myburgh, 2001). Mandatory reporting is the minimum reporting of information that must be presented by the company. This reporting is usually required to be disclosed by companies that go public in the capital market. The main concern in this research is voluntary reporting. Voluntary reporting is reporting carried out by companies without being required by regulations so that companies have the freedom to want to report information related to the company's activities or not report it. Even though the company has the freedom to disclose information, the company must still provide or present information that is deemed relevant and can assist in making investment decisions. Voluntary reporting will provide added value for companies that do it (Iatridis & Alexakis, 2012).

Voluntary reporting indicates that the additional information provided by the company along with the presentation of information is required to reduce information asymmetry between company stakeholders. Meek et al., (1995) stated that voluntary reporting is reporting information that exceeds what is required because it is deemed relevant to the needs of users of financial statements. One way to increase corporate credibility is through voluntary reporting more broadly and assisting investors in understanding management's business strategy (Zaini et al., 2017).

Good corporate governance

Corporate governance is the process by which corporate entities operate according to laws and work standards. Corporate governance is an indication of the process by which managers ensure that all work activities are regulated according to administrative measures and control mechanisms following the goals and objectives desired by the company. Ashbaugh et al (2004) revealed that corporate governance is an instrument that can be used to avoid business risks and deviations in corporate entities. Corporate governance was defined by the Cadbury Committee in 2002 as the operating system by which business activities are regulated to ensure consistency and accountability. Corporate governance helps companies to achieve organizational goals and objectives, especially in meeting the interests of shareholders. Corporate governance involves all regulatory activities with the approval of management. Corporate governance ensures accountability, and transparency and maintains ethical standards. However, effective corporate governance must consist of shareholders, a board of directors and management.

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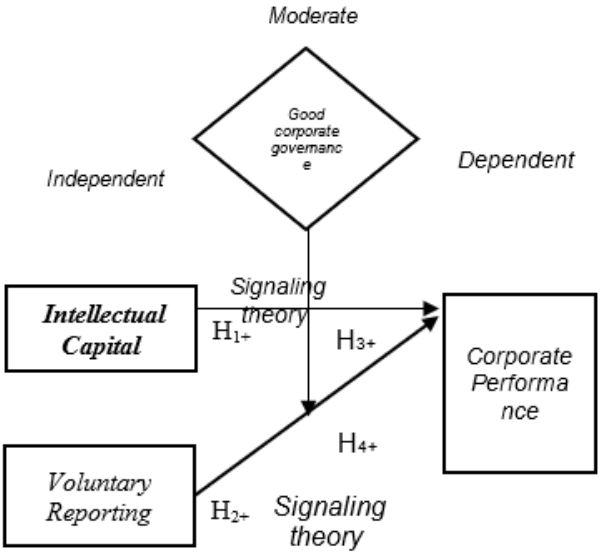

Figure 1. Conceptual framework model

The Effect of Intellectual Capital on Company Performance

The signal theory states that intellectual capital can be a strategy for attracting the attention of investors in providing or providing information (signals) that can be sent to signal recipients through the company's annual report (Whiting & Miller, 2008). Concerning voluntary reporting, one that encourages companies to gain a competitive advantage is by reporting company intangible assets (intangible assets) which are assets that do not have physical substance but are capable of being a competitive advantage for companies (Bontis et al., 2000).

Various previous studies on intellectual capital that affect company performance were carried out by Rehman et al., (2021) in Istanbul, Kumar, (2013) in the US, Asare et al., (2017) in Ghana and Sardo et al., (2018) in Portuguese. The results of this study explain that there is a positive correlation between intellectual capital and company performance. This shows that the company's human resources and the company's return on investment are efficient and efficient in the use of company capital with the company's return on investment. By reporting intellectual capital, it shows that there is a market reaction to IC. Investors take advantage of IC information published in the annual report as a decision making.

Based on the consideration of signal theory which states that intellectual capital is a strategic resource that can increase investor reactions to information related to intellectual capital reporting and several previous studies explain that intellectual capital has a positive effect on company performance, the hypotheses put forward in this study are:

H1: Intellectual capital has a positive effect on company performance

The Effect of Voluntary Reporting on Company Performance

Signal theory can provide a good framework for understanding the positive impact of voluntary reporting on stock returns. According to Spence (1972), the signal theory asserts that a company as a provider of information (signal) related to company performance must be able to provide relevant information to the recipient. The receiving party will then adjust his behavior according to his understanding of the information (signal) provided by the company (signal sender). The company will try to provide positive signals or information to potential investors through reporting that is decomposed in the company's annual report (Whiting & Miller, 2008).

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Managers who have better or more information will be encouraged to convey this information to potential investors, which companies can do by sending signals through voluntary reporting (Leland & Pyle, 1977).

The effect of voluntary reporting on company performance is still being debated among researchers. Several studies examine the effect of voluntary reporting on company performance with the result that there is no significant effect between voluntary reporting and company performance. This research was conducted by Sun et al., (2018) in China, Kageha (2013) in Africa, and Dayanandan et al., (2017) in America. The results of these studies prove that voluntary reporting as a strategy to attract investors' attention has not been able to increase company profits. The reason for the results of this study is that companies that tend to make voluntary reporting have a negative relationship with company profits. The researcher explained that there is a negative linear relationship between voluntary reporting and the cost of equity so an increase in voluntary reporting will reduce the cost of obtaining equity capital from the capital market. Many studies show the results of a significant positive effect. That is, voluntary reporting can be a strategy that increases company profits and at the same time confirms the signal theory. These studies are Schoenfeld, (2017) and LaGore et al., (2015) in the US, Elfeky, (2017) in Egypt, Elkelish et al., (2015) in the UAE.

H2: Voluntary reporting has a positive effect on company performance

The Effect of Intellectual Capital on Company Performance Moderated by Good Corporate Governance

The signal theory states that intellectual capital can be a strategy for attracting the attention of investors in providing or providing information (signals) that can be sent to signal recipients through reports presented by companies (Whiting & Miller, 2008). Related to good corporate governance, one that encourages companies to gain competitive advantage is by reporting company intangible assets (intangible assets) which are assets that do not have physical substance but can become a company's competitive advantage (Bontis et al., 2000).

Research conducted by Shahwan & Fathalla, (2020) explains that good corporate governance has a positive impact on intellectual capital. This can be interpreted that good corporate governance plays a role in managing intellectual capital which in turn will affect the company's performance value which is increasing. Subsequent research was carried out by Dalwai & Mohammadi, (2020) and Soewarno & Tjahjadi, (2020) explaining the results of the research conducted that corporate governance has a positive effect on intellectual capital, so it can be concluded that the better the management of good corporate governance, the better the value of intellectual capital. this is a positive signal to assess the company's performance is getting better.

H3: Good corporate governance strengthens the influence of Intellectual Capital on Company Performance

The Effect of Voluntary Reporting on Company Performance Moderated by Good Corporate Governance

The signal theory states that voluntary reporting can be a strategy for attracting the attention of investors in providing or providing information (signals) that can be sent to signal recipients through the company's annual report (Whiting & Miller, 2008). Concerning voluntary reporting, one of the things that encourage companies to gain competitive advantage is by reporting voluntary reporting that is relevant to the company's advantages, to attract investor confidence to invest in the company.

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In this study, good corporate governance is used as a variable that moderates the effect of voluntary reporting on company performance. Previous research conducted by Destriwanti et al., (2022) the results of their research explained that strong corporate governance proxied by institutional ownership and management ownership has a significant impact on company performance. Subsequent research was conducted by Abugri, (2022) the results of the study explained that the proportion of independent commissioners and the size of the board of directors together had a positive effect on company performance, while institutional ownership and managerial ownership did not affect the company performance.

H4: Good corporate governance strengthens the effect of voluntary reporting on company performance.

2. METHODS

The approach in this research is a quantitative approach with a positivist paradigm. This type of research is explanatory research which aims to identify the influence of Intellectual Capital and Voluntary Reporting on Company Performance with Good Corporate Governance as a moderating variable. Explanatory research is used to explain the position of each variable and the relationship between one variable and another.

The dependent variable or dependent variable is the variable that is the researcher's main concern or the main variable that is the prevailing factor in the investigation (Sekaran & Bougie, 2019). The dependent variable in this study is company performance. ROE is management's ability to generate revenue for its company from available equity. ROE is used to assess the increase in company profits capital. ROE is the ratio of net profit after tax to the company's capital and the calculation is:

Return on Equity (ROE)= (Earning After Tax)/(Average Total Equity)

Independent variables or independent variables are variables that affect the dependent variable both positively and negatively, if there are independent variables then the dependent variable is also present, and with each unit increase in the independent variable, there is also an increase or decrease in the dependent variable (Sekaran & Bougie, 2019). This study uses Intellectual Capital and Voluntary Reporting as independent variables. Intellectual Capital is measured using the VAIC:

VAIC = HCE + SCE + CEE

Voluntary reporting independent variables are measured using the:

Voluntary Reporting Index = (Number of Voluntary Reporting items)/(Total Voluntary Disclosure items)

Moderating variables are variables that influence (strengthen or weaken) the relationship between the independent and dependent variables (Sekaran & Bougie, 2019). The moderating variable in this study is good corporate governance. The moderating variable serves to overcome inconsistencies in the research results between the independent and dependent variables. Therefore, a contingency or dependency approach is needed in this study. Good corporate governance is measured using four measurements as follows:

1. Institutional Ownership=(Number of shares owned)/(Total outstanding shares) x 100%
2. Managerial Ownership =(Number of managerial shares)/(Total outstanding shares) x 100%
3. Proportion of Independent Commissioners =(Number of independent commissioners)/(Total members of the board of commissioners) x 100%

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4. Size of the Board of Directors, the size of the board of directors in this study calculates the number of members of the board of directors in the company

Three multiple regression equations become models for data analysis in hypothesis testing. The MRA method used in this study serves to determine the type of moderating variable (Ghozali, 2009, p. 227) by comparing equations (2) and (3). These equations are:

1) $KPit = \alpha + \beta 1ICit + \beta 2\ VRit + \varepsilon it$
2) $KPit = \alpha + \beta 3ICit + \beta 4\ VRit + \beta 5\ KIit + \beta 6\ KMit + \beta 7\ DKit + \beta 8\ DDit + \varepsilon it$
3) $KPit = \alpha + \beta 9\ ICit + \beta 10\ VRit + \beta 11\ ICit * KIit + \beta 12\ ICit * KMit + \beta 13\ ICit * DKit + \beta 14\ ICit*DDit + \beta 15\ VRit * KIit + \beta 16\ VRit * KMit + \beta 17\ VRit * DKit + \beta 18\ VRit * DDit + \varepsilon i$

The classical assumption test is used to test whether the data under study meets the classical assumption requirements, which means that the data already represents the existing reality and the data is free from bias. The classical assumption requirements that have been fulfilled can mean that the data can already be examined for the next stage, namely testing the feasibility of the regression model to be used. The classic assumption tests carried out in this study were the normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test.

3. RESULTS AND DISCUSSION

Research Sample

This study used a purposive sampling method in selecting the research sample, which was based on the criteria determined by the researcher. There are five criteria determined by the researcher according to the variables studied. The number of research samples for 2020-2021 is presented in Table 1 below:

Table 1. Research Sample

No	Sample Criteria	Total
	Total Manufacturing Companies listed on the IDX 2020-2021	180
1	The financial company had an IPO on the Indonesia Stock Exchange before January 1, 2020	(0)
	Manufacturing companies did not experience delisting on the IDX during the 2020-2021 research year	(6)
3	Financial companies with annual report data or financial reports that have been audited and available in full on the IDX or company website during the 2020-2021 research year	(11)
4	An annual report that provides research data needed for the calculation of ROE, IC, VR, and GCG (Institutional ownership, managerial ownership, proportion of independent commissioners, and size of the board of directors)	(10)
5	The company obtains positive after-tax profit in the 2020-2021 period to meet the intellectual capital calculation requirements.	(78)
	Total sample used	**75**
	Total observation sample (75 x 2 years of research)	**150**

From Table 1, the total sample that will be used in this study is 75 samples with a total sample of 150 observations for 2 years of research, namely 2020-2021.

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Research Result

The results of this study consisted of the results of descriptive statistics, the results of regression analysis, the results of the goodness of fit model test and the results of hypothesis testing.

Results of Descriptive Statistics

Based on Table 2, Descriptive statistics serve to describe the distribution of data from research variables that occur from Company Performance, Intellectual Capital, Voluntary Reporting, and Good corporate governance. The data distribution includes minimum, maximum, average and standard deviation values. All variables have a standard deviation value < mean value, this indicates that the spread of data for all variables tends to be normally distributed.

Table 2. Descriptive Statistics

Variable	Total	Minimum	Maximum	Average	Standard Deviation
KP	150	811	1218	975.74	745.02
IC	150	717	1613	875.45	578.34
VR	150	957	1201	1014.04	978.52
KI	150	252	1907	1087.35	871.55
KM	150	124	386	245.15	215.05
DK	150	412	750	542.12	384.75
DD	150	875	1200	984.15	621.08

Information:
KP = Company Performance
IC = Intellectual capital
VR = Voluntary Reporting
KI = Institutional Ownership
KM = Managerial Ownership
DK = Board of Commissioners
DD = Board of Directors

Normality Test Result

The normality test is used to determine whether the residual data is normally distributed so that the proposed regression model meets the eligibility standards. In this study, the method used to test the normality of the residual regression is by using histogram charts and normal P-P plots. Testing is shown in Figure 2.

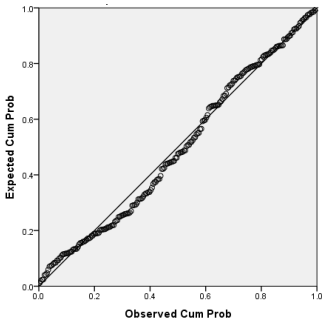

Figure 2. Diagonal Graphic from research data

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Based on Figure 2, the distribution of data on the normal P-P plot is located around the diagonal line, indicating that the data is normally distributed.

Multicollinearity Test

The multicollinearity test aims to find out that there is no correlation between one independent variable and another in the regression model. A good regression model is when each independent variable does not have a perfect correlation. This study uses the Variance Inflation Factor (VIF) and tolerance values as indicators to determine whether or not multicollinearity exists. The results of the multicollinearity test are shown in the Table 3.

Table 3. Multicollinearity Test

Variable	Equality 1		Equality 2		Result
	Tolerance	VIF	Tolerance	VIF	
IC	0.999	1.001	0.993	1.007	Multicollinearity does not occur
VR	0.999	1.001	0.980	1.021	Multicollinearity does not occur
KI			0.880	1.137	Multicollinearity does not occur
KM			0.981	1020	Multicollinearity does not occur
DK			0.900	1.111	Multicollinearity does not occur
DD			0.938	1.066	Multicollinearity does not occur

The results of the multicollinearity assumption test in the table show that the tolerance value in each regression model is greater than 0.10 and the VIF value is less than 10. These results prove that there is no multicollinearity problem in the independent variables in a research model taken.

Autocorrelation Test

An autocorrelation test was carried out to determine the correlation between confounding errors that occur in the regression model for period t to period t-1. Based on Table 4, A good regression model has uncorrelated confounding errors. This study used the Durbin-Watson test to test for autocorrelation.

Table 4. Autocorrelation Test Result

dL	4-dL	dU	4-dU	DW	Interpretation
1.336	2.66	1.720	2.28	1.856	Autocorrelation does not occur

The regression model is free from autocorrelation problems if the value of dU<DW<4-dU. Based on the autocorrelation test results above, it shows a Dursin Watson (DW) value of 1,965. In the Durbin-Watson table, the lower limit (dL) is 1,336 and the upper limit (dU) is 1,720. The

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DW test value is between dU and 4-dU, namely 1.720 < 1.856 < 2.280, so it is concluded that there is no autocorrelation in the regression model.

Heteroscedasticity Test

The heteroscedasticity test in this study was tested by looking at the presence or absence of certain patterns in the scatterplot graph. If the dots in the scatterplot graph form a certain pattern, it means that there are symptoms of heteroscedasticity in the research data. Conversely, if the points spread above and below zero on the Y axis, then there is no heteroscedasticity.

The Scatterplot graph in Figure 3 shows that the dots do not form a particular pattern, but spread below and above zero on the Y-axis. In conclusion, there is no heteroscedasticity problem in the research data.

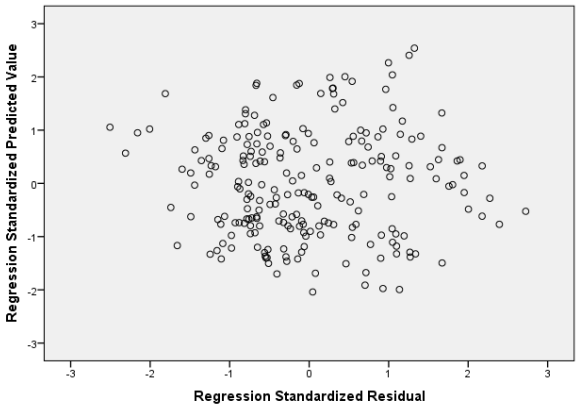

Figure 3. Scatterplot

Regression Analysis Results

After going through the classic assumption test to determine the feasibility of the proposed regression model, the next step is to carry out the regression test. The regression test in this study is divided into 3 parts, namely the regression test without moderating variables to fulfill the first hypothesis regarding the effect of good corporate governance and financial performance on financial distress. Second, a regression test with the inclusion of moderating variables as independent variables, to determine the type of moderator variable, whether it is an independent variable, quasi-moderator, or pure moderator. Third, the regression test with the moderating variable uses the moderate regression analysis (MRA) approach.

Results of Multiple Regression Analysis without Moderation

Regression analysis without moderation was carried out on the independent variable, namely intellectual capital and voluntary reporting on the dependent variable, namely company performance. Table 5 below shows the results of hypothesis testing for model 1.

Table 5. Results of Multiple Regression Analysis without Moderation

	Coefisien	t Count	Sig
Constanta		0.406	0.045
IC	0.885	1.100	0.012
VR	0.014	0.173	0.084
F	8.728		
Sig. F	0.048		
Adjusted R^2	0.624		
*Sig. at level 0.05 (p<0,05)			

Source: Processed Data (2022)

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Based on the results of the regression test in table 5, the regression model is obtained as follows:

Model 1:

KPit = α + 0.885 ICit + 0.014 VRit + εit

The coefficient of determination (R2) is used to measure the extent to which the model's ability to explain variations in the dependent variable. Model 1 has an adjusted R2 value of 0.624 which indicates that the intellectual capital and voluntary reporting variables can explain the dependent variable, namely company performance of 62.4%. The remaining 37.6% is explained by other variables outside the model. The F-Value for model 1 is 8.728 with a significance value of 0.048 <0.05. These results indicate that model 1 can be used to predict the size of the company's performance. Model 1 shows the value of the regression coefficient and the significance value of the intellectual capital variable on firm performance. It can be explained that hypothesis 1 is acceptable. While the second variable, namely voluntary reporting on company performance, is unacceptable.

Results of Multiple Regression Analysis

Multiple regression analysis was performed on the independent variables, namely intellectual capital and voluntary reporting, on the dependent variable, namely company performance, and the moderating variable tested as an independent variable, namely good corporate governance.

Based on the results of multiple regression testing in table 6, the regression model is obtained as follows:

Model 2:

KPit = α + 0.090 ICit + 0.045 VRit + 0.250 KIit + 0.032 KMit + 0.144 DKit + 0.097 DDit + εit

Model 2 has an adjusted R2 value of 0.548 which indicates that the intellectual capital, voluntary reporting and good corporate governance variables can explain the dependent variable, namely company performance of 54.8%. The remaining 45.2% is explained by other variables outside this research model. The F-Value for model 2 is 9.362 with a significance value of 0.033 <0.05. These results indicate that model 2 is feasible for use in predicting company performance variables. Model 2 shows that the adjusted square R2 value has decreased when the moderating variable that acts as the independent variable is good corporate governance.

Table 6. Results of Multiple Regression Analysis

Constanta	**Coefisien**	**t Count**	**Sig**
IC		1.009	0.045
VR	0.090	1.091	0.024*
KI	0.045	0.552	0.072
KM	0.250	2.939	0.004*
DK	0.032	0.401	0.068
DD	0.144	1.711	0.089
F	0.097	1.183	0.125
Sig. F	9.362		
Adjusted R^2	0.033		
*Sig. at level 0.05 (p<0,05)	0.548		

Source: Processed Data (2022)

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Results of Moderation Regression Analysis

Moderation regression analysis was carried out on the independent variables, namely intellectual capital and voluntary reporting on the dependent variable, namely company performance, and the moderating variable of good corporate governance. The following table shows the results of hypothesis testing for model 3.

Based on the results of the moderation regression test in table 7, the regression model is obtained as follows:

Model 3

KPit = α + 0.236 ICit + 0.050 VRit + 0.143 ICit * KIit + 0.106 ICit * KMit + 0.021 ICit * DKit + 0.067 ICit *DDit + 6.979 VRit * KIit + 1.947 VRit * KMit + 1.222 VRit * DKit + 1.688 VRit * DDit + εi

Table 7. Results of Moderation Regression Analysis

	Coefisien	**t Count**	**Sig**
Constanta		0.060	0.042
IC	0.236	0.337	0.047*
VR	0.050	0.131	0.054*
KI	7.140	3.178	0.002*
KM	2.080	0.690	0.491
DK	1.071	0.530	0.597
DD	1.785	0.838	0.404
IC*KI	0.143	0.299	0.012*
IC*KM	0.106	0.451	0.078
IC*DK	0.021	0.049	0.042*
IC*DD	0.067	0.217	0.052
VR*KI	6.979	3.126	0.024*
VR*KM	1.947	0.649	0.517
VR*DK	1.222	0.608	0.085
VR*DD	1.688	0.792	0.075
F	2.113		
Sig. F	0.015		
Adjusted R^2	0.675		
*Sig. at level 0.05 (p<0,05)			

Source: Processed Data (2022)

Model 3 has an adjusted R2 value of 0.618 which indicates that the variables of good corporate governance, financial performance and intellectual capital, as well as the role of moderating variables, can explain the dependent variable, namely financial distress of 61.8%. The remaining 38.2% is explained by other variables outside this research model. The F-Value for model 3 is 5.111 with a significance value of 0.000 <0.05. These results indicate that model 3 is feasible for use in predicting Financial Distress variables. Model 3 shows that the adjusted square R2 value has increased when there is a moderating variable role with the independent variable.

Discussion of Hypothesis Testing Results

This sub-chapter describes the research results from the hypotheses that have been formulated, the discussion of the results of this research is based on the results of tests conducted on the analysis of intellectual capital and voluntary reporting on company performance with good corporate governance as a moderating variable.

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The Effect of Intellectual Capital on Company Performance

The results of testing hypothesis 1 statistically show that H1 is accepted. The intellectual capital variable as measured by VAIC, statistical results show that the significance value is below 0.05 or 0.012 <0.05. That is, hypothesis 1 in this study is supported, namely, the higher value of intellectual capital in a company can improve the company's performance.

Signal theory can provide a good framework for understanding the positive impact of intellectual capital on firm performance. Signal theory asserts that a company as a provider of information (signals) related to company performance must be able to provide relevant information to the recipient. The receiving party will then adjust his behavior according to his understanding of the information (signal) provided by the company (signal sender).

The results of this study support previous research conducted by Rehman et al., (2021) explaining that well-managed intellectual capital can improve company performance. The research conducted by Asare et al., (2017) and Asare et al., (2017) also explains that there is efficiency in company resources and efficient use of capital when companies manage intellectual capital well, this shows that the value of intellectual capital is getting better. then able to improve company performance.

In this study, companies in the manufacturing sector show that managing the company's intellectual capital well can influence the company's performance management well. Most companies in Indonesia are starting to realize the importance of intellectual capital which enables the creation of sustainable competitive advantages and provides benefits in the future. Manufacturing sector companies in Indonesia are starting to maximize the information that can support competitive advantage for companies. The company makes good use of its resources to support the provision of information needed by investors so that investors focus on information that comes from internal and external parties. The explanation of this study is in line with the signal theory that the information presented by the company can provide a signal to the recipient (Spence, 1972). Positive information presented by the company is expected to be able to provide a positive reaction to the increase in the performance of the company.

The Effect of Voluntary Reporting on Company Performance

The results of testing hypothesis 2 statistically show that H2 is rejected. Voluntary reporting does not affect company performance. That is, hypothesis 2 in this study is not supported, namely the higher or lower voluntary reporting within the company does not affect the company's performance. This is indicated because the information in the form of voluntary is still not widely presented in the company's annual report so the weak value presented does not have an impact on company performance.

Signal theory indicates that organizations will try to provide positive signals or information to potential investors through the company's annual report in which financial information is presented. Financial performance is a company's ability to obtain profits (profit) at a certain level of sales, assets and share capital. Investors will certainly invest their funds in companies with good profits to benefit from the funds that have been invested. Thus it can be explained that companies that lack supporting information that provides additional benefits cause no effect on voluntary reporting on company performance in manufacturing companies

The results of this study support previous research conducted by Sun et al., (2018) explaining that voluntary reporting as a strategy to attract the attention of investors has not been able to increase the value of company performance. This is because companies that tend to make voluntary reports increase the cost of equity and reduce the cost of acquiring equity capital from the capital market.

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Intellectual Capital and Company Performance moderated by Good Corporate Governance

The results of testing hypothesis 3 statistically show that H3 is accepted. The intellectual capital variable has interacted with the moderating variable, namely good corporate governance, which is measured using four measurements. The statistical results explain that two variables influence with a significance value below 0.05, namely the interaction of institutional ownership variables with intellectual capital with a significance value of 0.012 and the board of commissioners size variable with intellectual capital with a significance value of 0.042. That is, hypothesis 3 in this study is supported, namely the better management of corporate governance can produce higher corporate performance values.

The signal theory states that intellectual capital can be one of the strategies for attracting the attention of investors in providing or providing information (signals) that can be sent to signal recipients through reports presented by the company. The better the management of the company, the higher the value of the information presented. Managers will manage the company well so that they can achieve company goals, where company goals will also have a positive impact on managerial ownership. Good company management will support the management of intellectual capital owned by the company, so both of them will provide value to each other to improve the performance of the company.

The results of this study are in line with those conducted by Shahwan & Fathalla, (2020), Dalwai & Mohammadi, (2020), Soewarno & Tjahjadi, (2020) explaining that corporate governance has a positive impact on intellectual capital. This can be interpreted that corporate governance can strengthen the value of intellectual capital, where better management of corporate governance will also have a good impact on company performance.

During the Covid pandemic, management must pay more attention to corporate governance, both tangible and intangible asset management, so that the company can maintain good company performance. The results of this study indicate that management will be more responsible if there is institutional ownership of shares in the company is managed because if the company's goals are achieved, the expected returns will also be achieved.

Voluntary Reporting and Company Performance Moderated by Good Corporate Governance

The results of testing hypothesis 4 statistically show that H4 is accepted. The voluntary reporting variable interacts with the moderating variable, namely good corporate governance, which is measured using four measurements. Statistical results explain that there is one variable that influences with a significance value below 0.05, namely the interaction of institutional ownership variables with voluntary reporting with a significance value of 0.024. That is, hypothesis 4 in this study is supported, namely the better management of corporate governance can produce higher corporate performance values.

Signal theory indicates that organizations will try to provide positive signals or information to potential investors through the company's annual report in which financial information is presented. Company performance is a company's ability to obtain profits (profit) at a certain level of sales, assets, and share capital. Investors will certainly invest their funds in companies with good profits to benefit from the funds that have been invested.

The results of this study are in line with those conducted by Destriwanti et al., (2022) and Abugri, (2022) which explain that corporate governance can increase the value of voluntary reporting which has an impact on company performance. This can be interpreted that good corporate governance can strengthen voluntary reporting, where the higher value of voluntary reporting will also have a good impact on company performance.

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In the conditions of the covid pandemic, most manufacturing companies were still able to generate company profits even though they had decreased from the period before the outbreak of covid. To improve maximum financial performance, more optimal management of corporate governance is needed, companies can manage the company's tangible assets and intangible assets properly. Good management can be presented in voluntary reporting as additional useful information to be able to provide positive signals for internal and external parties of the company or usually called stakeholders.

The results of this study explain that the existence of institutional ownership can strengthen the value of voluntary reporting in influencing the increase in the value of a company's performance. This is because institutional ownership has the goal of generating returns in the short and long term. Institutional investors with short-term profit motivation will monitor managers' decisions in carrying out strategies that provide short-term profits, while institutional investors with long-term profit motivation will monitor managers' opportunistic behavior because they want to focus on the company's long-term development. Thus it can be concluded that the existence of institutional ownership can have a positive impact on improving corporate strategy both in the short and long term. One of these strategies is the existence of voluntary reporting which requires managers to provide useful information other than to be known by institutional investors, this can attract the interest of new investors who want to invest in the company. The higher the level of trust, management with a good strategy and investment in the company, the company's performance can improve.

4. CONCLUSION

The results of this study provide empirical evidence that company performance increases when the value of intellectual capital increases. Therefore, the higher the intellectual capital in the company, the greater the value of the company's performance. Intellectual capital can be a strategic resource for companies in creating and increasing company profits obtained from investors' investment returns, thus being able to improve company performance.

The results of this study also provide evidence that company performance can be strengthened by good corporate governance. In other words, good corporate governance can increase the influence of intellectual capital and voluntary reporting on company performance. This is because the company optimally regulates and implements good corporate governance so that the potential of human resources and financial resources can be considered from the aspect of intellectual capital reports and voluntary reporting that has been managed and submitted by the company.

In contrast, the results of this study do not provide empirical evidence that company performance may decrease due to voluntary reporting. Voluntary reporting does not affect company performance. This is because the additional information presented by the company does not meet the specified voluntary reporting index score.

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