ISSN No:-2456-2165

Influence of Independent Board of Commissioners, *Leverage* and Company Size on *Intellectual Capital Disclosure* with Profitability as a Moderation Variable

(Empirical Study on Financial Sector Service Companies of Sub-Sector Banks Listed on the Indonesia Stock Exchange from 2017 to 2021)

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Abstract:- This study examines the effect of independent boards of commissioners, leverage, and company size on *intellectual capital disclosure* with profitability as a moderation variable. Thisstudy usedsecondary data from the company's annual reportobtained from the official website of the Indonesia Stock Exchange, namely www.idx.co.id. The selection of samples in this study used *the purpossive sampling* method, with a total research sample of 175 data from 35 companies. Thisstudy used *multivariate* analysis methods and econometrics with the software used is EViews Version 10.

The results in this study show that independent boards of commissioners, *leverage* and company size moderated by profitability simultaneously affect *intellectual capital disclosure*.

Meanwhile, partially, the independent board of commissioners and the size of the company have no effect on intellectual *capital disclosure*. *Leverage* has a significant positive effect on *intellectual capital disclosure*. Profitability is unable to streng then the relationship between independent commissioners and *leverage* to *intellectual capital disclosure*. Profitability is able tostrengthen the size of the company against *intellectual capital disclosure*.

Keywords:- *Intellectual Capital Disclosure, Independent Board of Commissioners, Leverage, Company Size , and Profitability.*

I. INTRODUCTION

Globalization has a huge impact on the development of the business world around the world. The rapidly growing world economy is characterized by advances in the field of information technology, fierce competition, and tremendous growth in innovation. However, globalization is also a threat if companies do not have good capabilities in running their business. The competitive ability of a company is not solely determined by the tangible assets it owns, but also determined by its intangible assets such as knowledge and innovation, organizational culture, management processes, business cooperation, to human resources.

The development of an economy based on knowledge and increasingly advanced technology causes *stakeholders* to increasingly need complete information about the increasing potential of the company. The potential in question is the company's ability to manage its knowledge and resources in order to increase business productivity and efficiency, in the context of creating company wealth (Rahayuni et al, 2018).

Intellectual Capital is now considered a success factor for an organization, because *intellectual* capital is the main capital derived from the knowledge and abilities possessed by an organization, including the skills, technology, and expertise of employees so that it can be used as an added value for the company. *This intellectual capital* can be used by companies to create innovation and competitive business competition (Suwarti et al, 2016).

In a knowledge-based management system, conventional capital such as natural resources, financial resources and other physical assets becomes less important than capital based on knowledge and technology. One of the company's media in communicating with stakeholders through the presentation of annual reports. The need to improve the quality of the presentation of annual reports is not only in the form of financial information (financial statements) but also non-financial information. This information is expected to increase *stakeholder* confidence and reduce the level of risk and uncertainty faced by investors (Dwipayani and Putri, 2016).

The phenomenon of intangible assets, namely *intellectual capital* in Indonesia, began to develop, especially after the emergence of Statementof Financial Accounting Standards (PSAK) Number 19 concerningintangible *assets*. According to PSAK Number 19(SAK, 2018:19.3) intangible assets are defined as non-monetary *assets* identified without physical form.

In fulfillingthe definition of intangible *assets*, in general, it must meet the elements that include the identification and control of resources, as well as the existence of economic benefits in the future. However, the guidelines do not provide for the identification and measurement of intangible assets. Although intangible assets

are not explicitly stated as *intellectual capital*, *they* have received more or less attention. Implicitly, PSAK No. 19 says that companies are encouragedto be able to disclose information regarding intangible assetscontrolled by the company.

Indonesia ranks 45th out of 50 countries in the seventh edition of the annual intellectual property index reportlaunched by the *Global Innovation Policy Center* (GIPC), a section of the United States Chamber of Commerce . This report is prepared based on 45 indicators from 8 maincategories, namely patents, copyrights, trademarks, trade secrets, commercialization of intellectual property assets, enforcement law, system efficiency , and membership and ratification of international treaties. For these various indicators, Indonesia obtained 12.87 or a decrease of 30.35% from the previous edition (www.nasional.kontan.co.id, 2019).

Intellectual capital is proven to be able to give a competitive advantage for the company. Nevertheless, it is still less of concern for the business actors. This is evidenced by the low level of intellectual capital reporting in the annual report listed on the Indonesia Stock Exchange (Khafid and Alifia, 2018). Research conducted by Nurcholisah and Yadiati (2017) *the disclosure of intellectual capital in a lower category that is as much as* 60%. Another study related to intellectual capital disclosure conducted by Anna and Dwi (2018) with the object of research on banking sub-sector companies listed on the Indonesia Stock Exchange in 2016 obtained a yield of 60%. This shows that banking companies have not disclosed *intellectual capital* to the fullest.

The fact of the lack of disclosure of intellectual capital will certainly reduce the relevance of accounting information, since important information does not appear in the financial statements. The recognition and reporting of intellectual capital in the balance sheet has not been taken seriously, so the elements of *intellectual capital* that may actually be controlled by a company are not recognized and not reported as they should be, and this can be detrimental to the company (Utami and Agustin, 2020).

Harming the company in question is to make intellectual capital disclosures minimal and create information asymmetry between the company and users of financial statements. This asymmetry of information can cause economic decisions taken by *stakeholders* to be less appropriate (Author and Purwanto, 2017).

Information asymmetry is caused by the gap between the data presented to the user's needs. The risk of information asymmetry is happening in the banking sector will have a wide impact, not only would eliminate banking market itself, otherwise it will lead to underestimate the potential and strength in the banking sector (Nurcholisah and Yadiati, 2017).

Currently, the inconsistent results of previous studies make this issue important to study.

II. LITERATURE

A. Grand Theory

Intellectual capital disclosure and its determinants can be attributed to *agency* theory and *stakeholder theory* (Anna and Dwi, 2018). *Agency theory* shows the relationship between company managementand *stakeholders* (Yenita and Syofyan, 2016).

➢ *Agency Theory*

As an agent that accepts the delegation of authority and responsibility for running a company, management is the party who best knows all the information of the company. Based on agency theory, the delegation of authority often leads to conflict of interest and information asymmetry between management and owners. The company's owner demands a disclosure of corporate information to management. This will encourage management to disclose broader corporate information including disclosure of intellectual capital information in order to gain trust from owners and incentives for good corporate performance (Khafid and Alifia, 2018).

➢ *Stakeholder Theory*

Stakeholder theory strongly underlies the relationship between company management and stakeholders in the practice of intellectual capital disclosure (Yenita and Syofyan, 2016). From the perspective of stakeholders, organizations must strive to meet several objectives of various stakeholders, not just the interests of shareholders (Nafisah and Meiranto, 2017).

B. Intellectual Capital Disclosure

Intellectual Capital describes the knowledge resources or intangible assets of an organisation. The term has become popular in recent times because of the importance ascribed to intellectual resources in today's knowledge economy. However, many intellectual capital elements are not recognized by International Financial Reporting Standards and are consequently excluded from an organisation's financial accounts (Duff, 2018).

The International Federation of Accountants (IFAC, 1998) classifies *intellectual capital* in three categories, namely:

- Internal capital, including: intellectual property and infrastructure assets.
- External capital, and
- Employee competence.

C. Independent Board of Commissioners

An independent board of commissioners is an absolute requirement that must be owned by companies that want to implement *good corporate governance* practices. The policy is expected to have an independent board of commissioners to increase the effectiveness of supervision. Thus, it can be concluded that the larger the independent board of commissioners of a company, the better the performance of supervision and control. So it will increase the disclosure of intellectual capital (Rahayuni et al, 2018).

D. Leverage

Jensen and Meckling (1976) argue that companies with high *leverage* have an impetus to disclose more information. Companies with high *leverage* will receive attention from creditors to ensure that the company does not violate debt agreements. Broader disclosures including intellectual capital disclosures will reduce information asymmetry between managers and creditors, so the higher the *leverage* of a company, the more intellectual capital disclosures disclosed in the annual report. In this study, *the leverage* ratio was proxied using the *debt to asset ratio. Debt to asset* ratio is a debt ratio used to measure the ratio between total debt and total assets (Kasmir, 2014: 156).

E. Company Size

In agency *theory*, it is explained that the *agency costs*that must be borne by large companies are much greater than smaller companies. Thus, to lower these costs, companies need to disclose more information including *intellectual capital disclosure* information. With intellectual *capital disclosure*, shareholders and other *stakeholders* will know more about the company's actual activities, potential, and performance. This will reduce information asymmetry and agency costs, so that larger companies will be encouraged to carry out *intellectual capital disclosure* more broadly (Anna and Dwi, 2018).

In this study, independent commissioners used proxies of the proportion of independent commissioners.

F. Profitability

Profitability is a picture of management's performance in managing a company. The higher the profitability of the company, the company will reveal a lot of information about intellectual capital. Because the existence of profitability shows the company's ability to make a profit in relation to sales, total assets, as well as own capital. High profitability is one of the things that is considered good by the company (Suwarti et al, 2016).

In this study, profitability used *a return on equity* proxy. *Return on equity* isa ratio that shows the extent to which the company managesits own capital (*net worth*) effectively, measuring the level of return on investments that the owner has made own capital or shareholders of the company (Sawir 2009:20).

III. FRAMEWORK OF THOUGHTS AND HYPOTHESES

A. Frame of Thought

Based on the description above of the independent board of commissioners, *leverage*, and company size towards *intellectual capital disclosure* with profitability as a moderation variable, the concept of thinking in thisstudy can be described as follows:

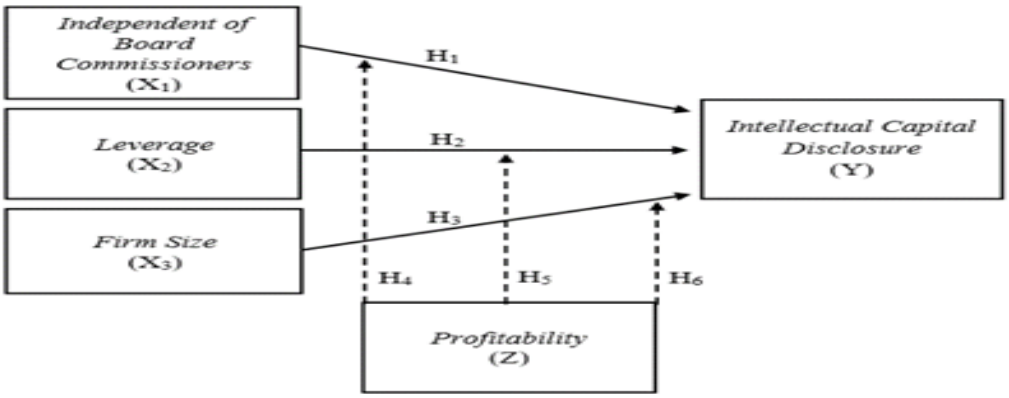

Fig. 1: Frame of Thought

B. Hypothesis

Based on the framework of the above thoughts, the hypotheses that will be proposed in this study are:

H_1 : Independent Board of Commissioners on *Intellectual Capital Disclosure*

H_2 : *Leverage* affects *Intellectual Capital Disclosure*

H3 : Company size affects *Intellectual Capital Disclosure*

H4 : Profitability can strengthen the influence of the Independent Board of Commissioners on *Intellectual Capital Disclosure*

H5 : Profitability can strengthen the effect of *Leverage* on *Intellectual Capital Disclosure*

H6 : Profitability can strengthen the effect of Company Sizeon *Intellectual Capital Disclosure*

IV. RESEARCH METHODS

A. Types of Research

The type of research used in this study is causal associative research with quantitative techniques. Causal associative research is a study that aims to determine the relationship between two variables orih (Sugiyono, 2016: 55).

B. Research Population and Sample

The population of this study is service companies, financial sector, bank sub-sectors listed on the Indonesia Stock Exchange from 2017 to 2021. The companies that were sampled in this study were selected using *the purposive sampling* method, namely data collection using certain conditions and criteria.

ISSN No:-2456-2165

C. Data Analysis Methods

In this study, the data used were panel data (pooled data), namely data that has a combination of *time series*and*cross-sectional* (Ghozali and Ratmono, 2017: 49). This research was researched using the *Econometric Views* (EViews) version 10 analysis tool because it provides a more complete regression estimation method facility compared to other *software*, then ease of use, as well as in *version* 10 the ease of creating worksheets (*workfiles*) directly from *excel*files and a more complete regression estimation method with several techniques used:

➢ *Descriptive Statistics*

Statistics are used to analyze data by describing or describing the data that has been collected as it is without intending to make conclusions that apply to the general or generalization, namely descriptive statistics (Sugiyono, 2014: 238). Descriptive statistics can be seen from the average value (*mean*), standard deviation, variance, maximum, minimum, sum, rang, kurtosis, and skewness (distribution steam) (Ghozali, 2013).

➢ *Panel Data Model Regression Estimation*

In empirical research previously conducted by (Ghozali and Ratmono, 2018: 195) there are generally three types of data that are commonly available, namely from time series, cross section, and panel (a combination of *time series* and *cross section* data). Estimation of regression models using panel data can be done through three approaches (Ghozali and Ratmono, 2018: 214), including:

- Common Effect Model
- Fixed Effect Model
- Random Effect Model

➢ *Selection of Panel DataEstimation Model*

In panel data regression analysis, there are three types of model estimates, here are some tests carried out to obtain the best model estimates in panel data regression analysis, namely:

- Chow Test
- Hausman Test
- Lagrange Multiplier Test

➢ *Test Classical Assumptions*

Classical assumption test in panel data regression analysis is done to ensure that the panel data analysis is free from violation and biasness of assumption, which caused misinterpretation on panel data regression analysis. There are three primary problems often appears that affects unfulfilled basic assumption known as BLUE (*Best Linear Unbiased Estimator*) *that is multicolinearity, heterokedasticity, and autocorellation* (Surjandari and Wati, 2020).

- Multicholinearity Test
- Heterochedasticity Test
- Autocorrelation Test

➢ *Hypothesis Test*

- Statistical Test F (F-Test)
- Partial Test (t-test)

➢ *Feasibility Test of Panel DataRegression Model*

The research hypothesis is tested using multiple linear regression analysis for hypotheses one and two, hypothesis testing in this test uses testing in coefficient of determination (R2) and model feasibility (Test F).

✓ Coefficient of Determination (R^2)

➢ *Panel Data RegressionAnalysis Test*

This study tested the hypothesis using multiple linear regression analysis, because there is more than one independent variable. The purpose of this test is to test the influence of several independent variables on the dependent variables with moderation variables. The multiple linear regression equation in this study is expressed by the following equation :

$$ICD = \alpha + \beta_1 IBC + \beta_2 LEV + \beta_3 FS + \beta_4 IBC*PRO + \beta_5 LEV*PRO + \beta_6 FS*PRO + e$$

V. RESEARCH RESULTS

The study was conducted in Indonesia, to be ableto examine and analyze the influence of independent board of commissioners, *leverage*, and company size on *intellectual capital disclosure* with profitability as a moderation variable (empirical study of sector service companies financial sub-sector banks listed on the Indonesia Stock Exchange from 2017 to 2021) so that there are 175 observation data from 35 companies.

A. Descriptive Statistical Analysis

Variabel	N	Minimum	Maximum	Mean	Std. Deviation
ICD	175	0.444000	0.852000	0.678600	0.075339
IBC	175	0.333000	1.000000	0.578811	0.092802
LEV	175	0.001000	0.932000	0.773571	0.190075
FS	175	27.22300	36.34000	31.56589	1.783119
PRO	175	-3.533000	0.297000	0.012023	0.309440

Sumber: *Output EViews* Versi 10, 2023.

Table 1: Descriptive Statistical Analysis

ISSN No:-2456-2165

- Based on the table above, it can be seen that the average proportion of independent commissioners (IBC) is 57.88% smaller than the standard deviation of 75.33%, indicating that overall the variables of the independent board of commissioners (IBC) have heterogeneous data. The minimum value for the independent board of commissioners (INBC) is 33.30% in MAYA companies in 2021, then the maximum value is 100% in BACA companies in 2017.
- The average *leverage* gain (LEV) is 77.35% greater than the standard deviation of 19%, indicating that overall *the leverage* variable has homogeneousdata . The minimum value for *leverage* (LEV) was 1% found in BMAS companies in 2017, then the maximum valuewas 93.2% in BEKS companies in the year is 2019.
- The average company size (FS) gain was 31.56% greater than the standard deviation of 1.78%, indicating that overall the company size variable (FS) havehomogeneous data. The minimum value for company size (FS) was 27.22% in ARTO companies in 2018, then the maximum value was 36.34% in companies BMAS in 2017.
- The average profitability (PRO) gain is 1.20% smaller than the standard deviation of 30.94%, indicating that overall the profitability variable (PRO) has data which is heterogeneous. The minimum value for profitability (PRO) was -3.53% found in PNBS companies in 2017, then the maximum value was 29.7% found in BTPS companies in in 2017.
- The average intellectual capital disclosure (ICD) gain is 67.86% greater than the standard deviation of 7.5%, indicating that overall *the intellectual capital disclosure* variable has Data is homogeneous data. The minimum value for *intellectual capital disclosure* (ICD) is 44.44% in MCOR companies from 2017 to 2021, then the maximum value is 85.2% is found in the BNII company in 2021.

B. Panel Data Model Regression Estimation

➢ *Common Effect Model*

Dependent Variable: ICD
Method: Panel Least Squares
Date: 01/24/23 Time: 14:03
Sample: 2017 2021
Periods included: 5
Cross-sections included: 35
Total panel (balanced) observations: 175

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.422795	0.153168	2.760343	0.0064
DKI	0.025894	0.063799	0.405867	0.6854
LEV	0.053933	0.030944	1.742961	0.0832
UP	0.005855	0.004515	1.296971	0.1964
PRO	-2.962945	1.256747	-2.357631	0.0196
DKI_PRO	0.067722	0.510920	0.132550	0.8947
LEV_PRO	-0.108192	0.075778	-1.427755	0.1552
UP_PRO	0.098617	0.038074	2.590181	0.0104

R-squared	0.170375	Mean dependent var	0.678306
Adjusted R-squared	0.135600	S.D. dependent var	0.075325
S.E. of regression	0.070032	Akaike info criterion	-2.435082
Sum squared resid	0.819057	Schwarz criterion	-2.290406
Log likelihood	221.0697	Hannan-Quinn criter.	-2.376398
F-statistic	4.899381	Durbin-Watson stat	0.250180
Prob(F-statistic)	0.000047		

Table 2: *Common Effect Model*

➢ *Fixed Effect Model*

Dependent Variable: ICD
Method: Panel Least Squares
Date: 01/24/23 Time: 14:04
Sample: 2017 2021
Periods included: 5
Cross-sections included: 35
Total panel (balanced) observations: 175

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.638997	0.220350	2.899913	0.0044
DKI	0.023874	0.032273	0.739745	0.4608
LEV	0.119715	0.042079	2.844985	0.0051
UP	-0.002316	0.006094	-0.380034	0.7045
PRO	-0.687839	0.797655	-0.862326	0.3901
DKI_PRO	-0.354949	0.233820	-1.518042	0.1314
LEV_PRO	-0.031013	0.034966	-0.886940	0.3767
UP_PRO	0.031147	0.025246	1.233764	0.2195

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.916629	Mean dependent var	0.678306
Adjusted R-squared	0.890929	S.D. dependent var	0.075325
S.E. of regression	0.024877	Akaike info criterion	-4.344190
Sum squared resid	0.082308	Schwarz criterion	-3.584641
Log likelihood	422.1166	Hannan-Quinn criter.	-4.036096
F-statistic	35.66556	Durbin-Watson stat	2.184148
Prob(F-statistic)	0.000000		

Table 3: Fixed Effect Model

➢ *Random Effect Model*

Dependent Variable: ICD
Method: Panel EGLS (Cross-section random effects)
Date: 01/24/23 Time: 14:09
Sample: 2017 2021
Periods included: 5
Cross-sections included: 35
Total panel (balanced) observations: 175
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.536816	0.150832	3.559034	0.0005
DKI	0.021527	0.031807	0.676806	0.4995
LEV	0.129005	0.029949	4.307521	0.0000
UP	0.000688	0.004226	0.162915	0.8708
PRO	-1.012049	0.765415	-1.322222	0.1879
DKI_PRO	-0.331986	0.230012	-1.443342	0.1508
LEV_PRO	-0.036287	0.034498	-1.051866	0.2944
UP_PRO	0.041527	0.024199	1.716098	0.0880

Effects Specification

	S.D.	Rho
Cross-section random	0.067641	0.8809
Idiosyncratic random	0.024877	0.1191

Weighted Statistics

R-squared	0.168088	Mean dependent var	0.110085
Adjusted R-squared	0.133217	S.D. dependent var	0.026786
S.E. of regression	0.024938	Sum squared resid	0.103855
F-statistic	4.820327	Durbin-Watson stat	1.724471
Prob(F-statistic)	0.000058		

Unweighted Statistics

R-squared	0.101577	Mean dependent var	0.678306
Sum squared resid	0.886978	Durbin-Watson stat	0.201916

Table 4: *Random Effect Model*

C. Panel DataEstimation Model

➢ *The results of the Chow Test can be seen in the followingtable:*

Effect Test	*Statistic*	d.f.	Prob.
Cross-section F	35.014450	(34,133)	0.0000
Cross-section Chi-Square	402.093882	34	0.0000

Sumber: *Output EViews* Versi 10

Table 5: Chow Test Results

Based on the table of chow test results above, it appears that the chi-square probability value is 0.000. Because the chi-square probabilityvalue is 0.00000 < 0.05, it can be concluded that the fixed effect model is better than the *common effect model.*

➢ *Hausman Test results can be seen in the followingtable:*

Test Summary	*Statistic*	d.f.	Prob.
Cross-section random	7.816956	7	0.3490

Sumber: *Output EViews* Versi 10, 2023.

Table 6: Hausman Test Results

Based on the table of hausman *test* results above, it appears that the probability value is 0.3490. Because the probability value > 0.05, it can be concluded that the fixed effect model is better than the *random effect model*.

D. Test Classical Assumptions

➢ *Multicholinearity Test*

The results of the Multicholinearity Test can be seen in the following table:

	IBC	LEV	FS	PRO
IBC	1.000000	-0.05370	-0.184530	-0.105803
LEV	-0.053570	1.000000	0.192976	0.219840
FS	-0.184530	0.192976	1.000000	0.264252
PRO	-0.105803	0.219840	0.264252	1.000000

Sumber: *Output EViews* Versi 10, 2023.

Table 7: Multicholinearity Test Results

Based on the table of multicholinearity test results above, it can be seen that the value of the relationship coefficient between independent variables < 0.8. Therefore, it can be concluded that there is no multicholinearity between each of the independent variables.

➢ *Heterochedasticity Test*

The results of the Heterochedasticity Test can be seen in the following table:

Parameter	*Unweighted Fixed Effect Model*	*Weighted Fixed Effect Model*
Statistic t Probability	1 Variable < 0,05	0 Variable < 0,05
R-Squared	0,916629/0,890929	0,065351/0,026174
F-Statistic Probability	0,000000	0,120013

Sumber: *Output EViews* Versi 10, 2023.

Table 8: Heterochedasticity Test Results

Based on the results of the heterochedastisit as test above, it can be seen that the probability gain of Obs*R-Squared is 0.120013 > 0.05 (α= 5%) which means it is insignificant, then there is no heterochedasticity problem.

➢ *Autocorrelation Test*

The results of the AutocorrelationTest can be seen in the followingtable:

Weighted Statistics	
F-Statistic	4.820327
Prob (F-Statistic)	0.000058
Durbin-Watson Stat	1.724471

Sumber: *Output EViews* Versi 10, 2023.

Table 9: Autocorrelation Test Results

Based on the autocorrelation test table above, it can be seen that the value of Durbin-Watson Stat. is 1.724471. It is known in the Durbin-Watson (DW) table α = 5%, the number of warnings (T) = 175 and the number of free variables and intercepts (K) = 5, the dL value of 1.6943 and the dU value of 1.8117. Therefore, it can be concluded that the DW value of 1.724471 > DL 1.6943, then no autocorrelation occurs.

E. Hypothesis Test

➢ *Statistical Test F*

Based on the *output* of E*Views*, it can be seen that the acquisition of the Prob value (F-Statistic) is 0.000058 lower than 0.05 so it can be concluded that all variables are independent in this case Independent BOCKS, *leverage*, and companysizemoderated by profitability simultaneously and significantly affect the dependent variable (*intellectual capital disclosure*).

➢ *Partial Test (t-test)*

Hipotesis Parsial	Arah Hipotesis	Variabel	*Coefficient*	Std. Error	t-*Statistic*	Prob.	Kesimpulan
1		IBC	0.021527	0.031807	0.676806	0.4995	Ditolak
2	+	LEV	0.129005	0.029949	4.307521	0.0000	Diterima
3		FS	0.000688	0.004226	0.162915	0.8708	Ditolak
4		IBC*PRO	-0.364299	0.193272	-1.884904	0.0611	Ditolak
5		LEV*PRO	0.024559	0.024659	0.995953	0.3207	Ditolak
6	+	FS*PRO	0.048260	0.019098	2.526903	0.0124	Diterima

Table 10: Recapitulation of Partial Test Results (t-test)

Based on the output results of the E *Views* partial test (t test) obtained the following results:

- The independent board of commissioners (IBC) variable obtained a probability of 0.4995 > 0.05 so that H_1 was rejected. This means that an independentboard of commissioners has no effect on *intellectual capital disclosure*.
- Variable *leverage* (LEV) gains a probability of 0.0000 < 0.05 so that H_2 is accepted. This means that *leverage* has a significant positive effect on *intellectual capital disclosure*.
- The company size variable (FS) obtained a probability of 0.8708 > 0.05 so H_3 was rejected. That is, the size of the company has no effect on intellectual *capital disclosure*.

ISSN No:-2456-2165

- The independent BOC variable moderated by profitability (IBC*PRO) obtained a probability value of 0.0611 > 0.05 so H_4 was rejected. That is, profitability cannot moderate the relationship of independentcommissioners to *intellectual capital disclosure*.
- The *leverage* variable moderated by profitability (LEV*PRO) obtained a probability value of 0.3207 > 0.05 so H_5 was rejected. That is, profitability cannot moderate *the* leverage relationship to *intellectual capital disclosure*.
- The company size variable moderated by profitability (FS*PRO) obtained a probability value of 0.0124 < 0.05 so that H_6 was accepted. That is, profitability has a significant positive effect and is able to moderate the relationship of company size to *intellectual capital disclosure*.

F. Feasibility Test of Panel DataRegression Mode

➢ *Coefficient of Determination*

Based on the *output* results of E*Views*, it shows that *intellectual capital disclosure* obtained an R-Squared value of 0.1681 or 16.8% influenced by the variables of the independent board of commissioners, *leverage*, and company size with profitability as a moderation variable. As for the rest, 83.2% were influenced by other variables that were not studied.

G. Panel Data Regression Analysis

Based on the output of E*Views* in the table above, the following form of regression equationis obtained:

$$ICD = 0.53682 + 0.02152\ IBC + 0.12900\ LEV + 0.00068\ FS - 0.36430\ IBC*PRO + 0.02456\ LEV*PRO + 0.04826\ FS*PRO$$

VI. DISCUSSION

A. Effect of Independent Board of Commissioners on Intellectual Capital Disclosure

Based on the results of the partial test (t test), the independent board of commissioners has no effect on intellectual capital disclosure. The results of this study explain that the increasing number of independent commissioners has no effect on the large number of intellectual capital disclosures.

This is due to the absence of variations in the data on the proportion of independent commissioners. Because, all banking companies that are the sample of the study have a proportion of independent boards of commissioners in accordance with the Financial Services Authority Regulation Number 33 / POJK.04 / 2014 concerning Directors, Board of Commissioners of Issuers or Public Companies, Article 20 Paragraph 3 states that the number of independent commissioners must be at most at least 30% of the total number of members of the board of commissioners (Puspitarini and Panjaitan, 2018).

This is in accordance with stakeholder theory. Which states that the company is not an entity that only operates for its own interests, but must provide benefits to stakeholders.

The results of this study are in accordance with research conducted by Anggeline and Novita (2020), Nurlis (2018), Yenita and Syofyan (2018), Dwipayani and Putri (2016) which states that an independent board of commissioners has no effect on intellectual capital disclosure.

B. Effect of Leverage on Intellectual Capital Disclosure

Based on the results of the partial test (t test), leverage has a significant positive effect on intellectual capital disclosure. The results of this study show that companies with a high level of leverage can convince stakeholders that the company is in good condition. The company is able to manage the assets derived from the loan well, by not violating the debt agreement.

This is in accordance with the opinion of Jensen & Meckling, companies with high leverage have the impetus to disclose more information, in this case information about the disclosure of intellectual capital. This information will be useful for stakeholders in determining their investment decisions.

In accordance with what is stated in the stakeholder theory, that all stakeholders have the right to obtain information about the company's activities which will later influence their investment decisions.

The results of this study are in accordance with research conducted by Anggeline and Novita (2020), Septiana and Subowo (2020), Rahman et al (2019), Dwipayani and Putri (2016), and Suwarti et al (2016) which states that leverage affects intellectual capital disclosure.

C. Effect of Company Size on Intellectual Capital Disclosure

Based on the results of the partial test (t test), the size of the company has no effect on intellectual capital disclosure. The results of this study explain that the size of the company does not necessarily expand the disclosure of intellectual capital in the company's annual report. Banks that have a small size reveal information about intellectual capital that is almost the same as banks that have a large size.

This is due to the high awareness on the part of management in providing information to stakeholders. In accordance with what is stated in the stakeholder theory, that all stakeholders have the right to obtain information about the company's activities which will later influence their investment decisions.

The results of this study are in accordance with research conducted by Mulyana and Daito (2021), Puspitarini and Panjaitan (2018), Ashari and Putra (2016), Reditha and Mayangsari (2016) which states that the size of the company has no effect on *intellectual capital disclosure*.

D. Effect of Independent Board of Commissioners moderated profitability on Intellectual Capital Disclosure

Based on the results of the partial test (t test), profitability is not able to strengthen the relationship of independent commissioners to *intellectual capital disclosure*.

The results of this study are in accordance with research conducted by Wicaksono (2020) which states that profitability is not able to strengthen the influence of independent commissioners on *intellectual capital* disclosure. This is because independent commissioners will seek to extend the transparency of company information to users of financial statements by not considering the high level of profitability of a company.

E. Effect of Leveraged Moderated Profitability on Intellectual Capital Disclosure

Based on the results of the partial test (t-test), profitability cannot strengthen the *leverage relationship* to *intellectual capital disclosure*.

Based on empirical data, low profitability is due to the presence of companies with a large allowance for impairment losses on financial assets and lasted during the research year. Impairment loss reserves formed by the company to cover losses due to uncollectible credit.

The results of this study are in accordance with research conducted by Barokah and Fachrurrozie (2019) which states that *profitability fails to mediate leverage in influencing the disclosure of intellectual capital*.

F. Effect of Profitability-Moderated Company Size on Intellectual Capital Disclosure

Based on the results of the partial test (t test), profitability is able to strengthen the relationship of company size to intellectual capital disclosure. The results of this study explain that the larger the size of the company, the wider the disclosure of intellectual capital. The company's high profitability will demonstrate its ability to make a profit and show the extent to which it can effectively manage its own capital.

This is in accordance with the basis of stakeholder theory, where the company is able to fulfill the right of stakeholders to obtain information about the company's activities that will influence its investment decisions.

The results of this study are in accordance with research conducted by Mukhibad and Setyawati (2019) which shows that the size of the company has a positive influence on the disclosure of intellectual capital. The large size of the company will be followed by a high level of profitability so that the company will choose to disclose intellectual capital information as a signal for investors to invest their shares in the company (Wicaksono, 2020).

VII. CONCLUSIONS AND SUGGESTIONS

A. Conclusion

Based on the results of the F statistical test, the independent board of commissioners, *leverage* and company size have a simultaneous effect on *intellectual capital disclosure*.

Based on the partial test results, the following are the conclusions to answer the research questions:

- The independentboard of commissioners has no effect on *intellectual capital disclosure;*
- *Leverage has* a significant positive effect on *intellectual capital disclosure;*
- The size of the company has no effect on *intellectual capital disclosure;*
- Profitability is unable to strengthen the relationship of independentcommissioners to *intellectual capital disclosure;*
- Profitability is unable to strengthen the leverage relationship to *intellectual capital disclosure;*
- Profitability can strengthen the relationship between the size of the company and *intellectual capital disclosure*.

B. Limitations

Some limitations in this study may provide direction for future research. This study used data on annual reports and company websites to calculate intellectual capital disclosure items. This information certainly does not reflect the actual conditions of the practice of intellectual capital disclosure, because not all items are clearly disclosed so the calculation of intellectual capital disclosure in this study is still limited.

C. Suggestion

➢ *For Future Researchers*

- This study only uses independent board of commissioners, *leverage*, and company size variables to determine and analyze the effect on intellectual capital disclosure. It is suggested that subsequent research may add other variables to find out other factors that influence the disclosure of intellectual capital; and
- This study uses profitability as a moderation variable. It is recommended that for further research to chooseother variables.

➢ *For Entities*

- Researchers suggest that entities should develop standard guidelines on intellectual capital both in terms of measurement and disclosure; and
- Researchers suggest that business entities should provide information related to intellectual capital disclosures on an ongoing basis in the company's published annual report so that the information can be accessed by stakeholders so that there are no mistakes in the decision-making process related to company information.

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