THE EFFECT OF LIQUIDITY, SOLVABILITY, PROFITABILITY, AND NON PERFORMING FINANCING ON FIRM VALUE WITH INTELLECTUAL CAPITAL AS MODERATING VARIABLES IN MULTIFINANCE COMPANIES LISTED ON INDONESIA STOCK EXCHANGE IN 2015-2018

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Abstract: This study aims to analyse the effect of liquidity, solvability, profitability, and non-performing financing on firm value with intellectual capital as a moderating variable. The population in this study amounted to 17 multifinance companies listed on the Indonesia Stock Exchange in 2015-2018, and a sample of 14 companies with purposive sampling technique. Analysis of the data used is panel data regression analysis and interaction testing with the help of the Eviews10 application program. The results of the study showed that all independent variables had a partially negative effect on firm value, where three of the independent variables had no significant effect, namely liquidity, solvability, and non-performing financing while profitability had a significant effect on firm value. Intellectual capital is able to significantly strengthen the effect of liquidity and solvency, and is able to significantly weaken the effect of profitability and non-performing financing.

Keywords: Liquidity, Solvability, Profitability, Non-Performing Financing, Intellectual Capital, Firm Value

1. INTRODUCTION

Companies in general have a goal of creating profit. At present the focus of the company is not only that, but maintaining its existence due to business growth and competition between companies that are getting stronger and also have risks in each industry sector.

In 2017 OJK also revoked the business licenses of 6 multifinance companies because they had capital-related problems. Another problem faced by the finance companies is the problematic financing ratio or bad credit which swells because the debtor cannot return the financing (Fauzi, 2017). In 2018, the Financial Services Authority (OJK) froze 15 multifinance companies because they did not follow the rules and revoked the business licenses of 5 companies. OJK took this action because some of the companies were considered to have bad governance and risk management, so they failed to reduce the number of non-performing loan risks. This happened to companies with small capital. The majority of corporate funding still relies on banks and in the past 1.5 years finance companies have difficulty obtaining funding from banks (Ferika & Herlina, 2018). The issue requires companies to create better management with the aim of making the company's finances healthier, so as to attract investors to get additional sources of funding.
Firm value is an important concept for investors which is always connected with the stock market price. The higher the stock price, the higher the firm value. High firm value shows the prosperity of shareholders is also high (Wahyuni et al., 2017). One measurement of firm value uses a PBV (Price to Book Value) proxy. PBV provides a comparison between market value and book value of a stock so that with this ratio investors are expected to know firsthand how many times the market value of a stock is valued from the book value.

Based on table 1 from 2015 to 2017 the firm value proxied by PBV has fluctuated but tends to range around the same number. Then in 2018 there was a fairly high increase in 2018.

Table 1. PBV Value of Financial Institution Sub Sector Companies listed on the Indonesia Stock Exchange in 2015-2018

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>PBV of Multifinance Companies</td>
<td>1.04</td>
<td>1.40</td>
<td>1.34</td>
<td>3.23</td>
</tr>
</tbody>
</table>

In general, the analysis of financial performance at financial institutions and banks is the same. The Government through Bank Indonesia issued Bank Indonesia Circular No. 9/24 / DPhS dated October 30, 2007 where the assessment of soundness (performance) was measured by the financial ratios of the CAMELS model (Fauzan, 2011). The measurements include capital (Capital), the quality of productive assets (Asset Quality), Management (Management), profitability (Earnings), liquidity (Liquidity), and market sensitivity (Sensitivity of Market Risk). In this study, four financial ratios will be used as independent variables, namely liquidity, solvency, profitability, and non-performing financing.

The liquidity ratio is used to measure how the company's ability to meet its short-term needs. According to Horne and Wachowicz (2012) of this ratio can be seen information about the company's financial competency at the time and the company's ability to remain competent in the event of a problem. The higher this ratio, the greater the company's ability to pay its bills. However, the liquidity ratio must be considered as a rough measure because it does not take into account the liquidity of each component of its current assets. Companies that have current assets consisting mostly of cash and receivables that are not past due, will be considered more liquid than companies with current assets consisting mostly of inventory. Sawir (2009) in Sudiani and Darmayanti (2016) also stated that liquidity that was too high was also not good, because it showed a large amount of idle funds which ultimately reduced the company's profitability.

Most finance companies have a source of funding from bank loans. The difficulty of getting additional capital from banks requires companies to be better in managing the capital they already have. The company's goal in the long run is to optimize the value of the company by minimizing the cost of capital because the company value reflects the welfare of the company owner (Kusumajaya, 2011). Based on capital structure theory, any additional debt will cause a decrease in the value of the company if the position of its capital structure is above its optimal
structure target. This theory explains that the company's funding policy in determining the capital structure (mix between debt and equity) aims to optimize the value of the company. Research related to capital structure is Christianti (2006) found that differences in the interests of outsiders with insider cause agency costs where managers tend to use high debt not on the basis of maximizing the value of the company but for opportunistic interests.

Profitability shows how the company's prospects in creating profits in the future. If the company is able to be managed properly, the company can create profits. Thus the perception of investors will be better and the value of the company will also be even greater. According to O'Sullivan & McCallig (2012) revenue has a positive effect on market value and this is evidence of market perceptions that the revenue obtained when it contains information about future earnings and how the company's current performance. Revenues are the focus of attention for corporate executives and investors.

The most common problem faced by finance companies is bad credit. This is important because financing is the main source of income for multi-finance companies. Non-performing financing (NPF) ratio shows how the level of problem financing that exists in a company. Research related to bad credit is Sudiyatno et al. (2018) which shows a negative relationship between NPL and firm value.

Then intangible assets and intellectual capital have become an issue that is quite often discussed in recent decades. The problem that arises related to this is that intangible assets have enough influence on the company, but are constrained in its measurement. In Indonesia regarding intangible assets there are already several regulations, namely PSAK 19 (revised 2010) states that intangible assets are recognized and only recognized if and only if (Indonesian Institute of Accountants, 2012): 1) it is likely that companies will benefit economically from assets in the future, and 2) the acquisition cost of the asset can be measured reliably.

Chen et al. (2005) in his research said intellectual capital is increasingly recognized as an important strategic asset as a competitive advantage of companies. The research proves that investors place a higher value on companies with better intellectual capital efficiency, and companies with good intellectual capital efficiency are able to produce better financial performance and revenue growth in the current and subsequent years.

One popular model for measuring intellectual capital is Value Added Intellectual Coefficient (VAICTM) developed by Pulic (1998 in Ulum 2015). According to Ulum et al (2008 in Ulum 2015) VAICTM does not measure intellectual capital directly, but it does measure the impact of intellectual capital management.

2. LITERATURE REVIEW

2.1 Signalling Theory

Signalling theory suggests how financial statements should be used as a signalling tool by companies. According to Jama’an (2008) signalling theory explains why companies have the incentive to provide financial statement information to external parties, because there are differences in information held by the company and outside parties. The company knows more information about the
company and its future prospects compared to outside parties (investors, creditors). The lack of information obtained by outsiders causes them to protect themselves by giving a low valuation to the company. This requires companies to use their financial statements to be able to provide information as a good signal to outsiders so that the company can have a high value.

Financial statements must be able to provide information for all interested parties (investors and creditors) who can help these parties to make a policy or investment decision, credit and other decisions. Thus, signalling theory suggests that financial statements will be used as a tool that gives signals about the state of the company to outsiders.

2.2 Agency Theory

The separation of ownership and control in a modern company results in potential conflicts between owners and managers. Specifically, the goals of management and the company’s shareholders can have differences. In large companies, shares can be owned by too many shareholders so that they cannot even express their goals, and therefore have little control or influence over management. Thus, this separation of ownership from management will create situations that might cause management to act in their own interests (Horne and Wachowicz, 2012).

In this case we can consider the management as an agent of the owners (principals). Principals hope that agents will act in the interests of principals. They delegate decision-making authority to agents. Thus, problems arising from differences in interests are if the agent does not carry out his duties in the interests of the principals and also when the principals do not know whether the decisions made are truly based on the information they have obtained.

2.3 Firm Value

The initial assumption of forming a company is to maximize current or short-term earnings. However, companies often sacrifice their short-term profits to increase future profits. This is done to ensure the continuation of the company going forward. The theory of the company (theory of the firm) now postulates that the intent and purpose of the company is to maximize the company’s wealth or value (Salvatore, 2005).

The function and role of financial managers in a company has now also changed, and its responsibilities have also expanded and are increasingly important to be followed by the development of the company. The most important task of financial managers is to create value from corporate capital budgeting, financing and liquidation activities (Lubis and Putra, 2017). This means that financial managers have the function to regulate how decisions are made so that the company’s operations provide benefits for a long period of time.

For companies that have gone public, the value of the company is usually closely related to the stock price. After the company went public, the company’s goal is not only to create profits for the welfare of the company’s owners, but also to prosper the shareholders.
2.4 Liquidity

Subramanyam and Wild (2010) say that liquidity refers to the company’s ability to meet its short-term financial obligations. If a company is experiencing financial difficulties, the payment of business debt will be slower. If current liabilities grow faster than current assets, the liquidity ratio will drop and this can be dangerous because the current ratio shows the extent to which current liabilities are met with current assets.

Current ratio is the most commonly used liquidity measurement tool. This ratio compares the company’s current assets with short-term liabilities. The higher the current ratio, the greater the company's ability to pay its short-term obligations. However, this ratio is considered a rough measure because it does not take into account the liquidity of each component of the company’s current assets (Horne and Wachowicz, 2012). This has led to the perception that companies that have current assets consisting mostly of receivables will be more liquid compared to companies that have current assets consisting mostly of inventory.

2.5 Solvability

Companies need funding to be able to carry out operations. The way to get operational funds is by borrowing (debt). But in general, the wrong management of debt can cause losses. Solvability shows how the company’s ability to manage its debt. Solvability which is also often referred to as capital structure is measured by financial leverage.

According to Lubis and Putra (2017) financial leverage has three important things, namely:

a. By increasing the use of debt, the company’s shareholders will not increase their investment in the company with the aim of staying in control of the company.
b. Creditors can look at the company’s equity, to see the margin of safety, if a higher proportion of capital is issued by the shareholders as a result the smaller the risk of creditors.

2.6 Profitability

Profitability ratio is the ratio used to see how the company’s ability to create profits. This ratio will show the overall operational effectiveness of the company (Horne and Wachowicz, 2012). The company’s ability to generate profits in its operations is a major focus in assessing company performance. Besides being an indicator of a company’s ability to meet obligations for its funders, company profits are also an element in determining the value of the company (Hermuningsih, 2013), so the higher the value of the company’s profitability ratio, the higher firm value.

2.7 Non-Performing Financing

Non-performing financing (NPF) or problem financing is one of the financial performance ratios that is often applied to finance companies. According to Wibowo and Syaichu (2013), NPF reflects the risk of financing, the higher this ratio, shows the quality of financing is getting worse. Financing management is
very important in multi-finance companies, because considering the financing function is the main source of income from this sub-sector company.

The Financial Services Authority as an institution that grants business licenses to finance companies makes a number of rules relating to the NPF set out in Financial Services Authority Regulation No. 5 of 2018 concerning Business of a Financing Company, where:

a. Companies that have a Soundness Level with a minimum healthy condition and have a NPF ratio ≤ 1% are required to apply a Down Payment of 5% of the total financing.
b. Companies that have a Soundness Level with a minimum healthy condition and have a NPF ratio> 1% and ≤ 3% are required to apply a Down Payment of 10% of the total financing.
c. Companies that have a Soundness Level with a minimum healthy condition and have an NPF ratio> 3% and ≤ 5% are required to apply a Down Payment of 15% of the total financing.
d. Companies that do not have a Financial Soundness Level with a healthy minimum and have a NPF ratio of ≤ 5% are required to apply a Down Payment of 15% of the total financing.
e. Companies that have a NPF ratio> 5% are required to apply a Down Payment of 20% of the total financing.

2.8 Intellectual Capital

Intangible assets according to international accounting standards define it as non-financial fixed assets that have no physical form and can be identified and controlled. This understanding refers to intangible assets as goodwill (Ulum, 2009). PSAK 19 (revised 2010) states that intangible assets are recognized and only recognized if and only if (Indonesian Institute of Accountants, 2012): 1) it is probable that the company will benefit economically from these assets in the future, and 2) the acquisition cost of these assets can be reliably measured.

During this time, there is no clear difference between intangible assets and intellectual capital (IC). Some researchers consider intangible assets to be the same as ICs and often replace each other. But there are also researchers who consider IC as part of intangible assets (Ulum, 2009). IC actually has a very large role in the company, but it is often not noticed and not recorded in the company's annual report. This causes the stakeholders do not know later how the management activities of IC in the company.

Bontis et al. (2000: Ulum, 2009) states that researchers generally identify three main parts of IC, namely:

a. Human Capital (HC), presenting individual knowledge in the organization through its employees.
b. Structural Capital (SC), covering all non-human storehouses of knowledge in organizations such as databases, organizational charts, process manuals, strategies, and others.
c. Customer Capital (CC), knowledge inherent in marketing channels and customer relationships where it is developed through the course of business.
2.9 Conceptual Framework

![Figure 1. Conceptual Framework](image)

2.10 Hypothesis

Based on the conceptual framework in Figure 1, the following hypotheses can be made:

- **H1**: Liquidity has a positive effect on firm value
- **H2**: Solvency has a negative effect on firm value
- **H3**: Profitability has a positive effect on firm value
- **H4**: Non performing financing has a negative effect on firm value
- **H5**: Intellectual capital is able to strengthen the relationship between liquidity and firm value
- **H6**: Intellectual capital is able to weaken the relationship between solvency and firm value
- **H7**: Intellectual capital is able to strengthen the relationship between profitability and firm value
- **H8**: Intellectual capital is able to weaken the relationship between non performing financing and firm value

3. RESEARCH METHODS

This type of research is causal associative research. The goal is to find out the relationship between two or more variables. Then the data collection uses statistical analysis data research instruments, with the aim to test the hypotheses that have been set (Sugiyono, 2013). Then the independent variable is tested and analysed its effect on the dependent variable with moderation.

The population used in this study is the sub-sector companies or finance companies that are listed on the Indonesia Stock Exchange (IDX). The sampling method uses purposive sampling, with the following criteria:


The number of samples that fit the criteria was 14 companies. The number of observations is the total sample multiplied by the time series (time series), amounting to 56.
4. RESULTS AND DISCUSSION

4.1 RESULT

Descriptive statistical analysis is used to determine the description of a data and provide a description of the data seen from the average value (mean), lowest value (min), highest value (max), and standard deviation of each research variable. In this study, the variables used are Firm Value, Liquidity, Solvability, and Profitability and Intellectual Capital as moderating variables.

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Mean</th>
<th>Min</th>
<th>Max</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm Value (Y)</td>
<td>1.552</td>
<td>0.252</td>
<td>16.257</td>
<td>2.433</td>
</tr>
<tr>
<td>Liquidity (X₁)</td>
<td>1.781</td>
<td>0.520</td>
<td>5.516</td>
<td>0.932</td>
</tr>
<tr>
<td>Solvability (X₂)</td>
<td>3.419</td>
<td>0.014</td>
<td>15.498</td>
<td>2.887</td>
</tr>
<tr>
<td>Profitability (X₃)</td>
<td>0.009</td>
<td>-1.690</td>
<td>0.284</td>
<td>0.335</td>
</tr>
<tr>
<td>Intellectual Capital (Z)</td>
<td>1.887</td>
<td>-13.188</td>
<td>6.232</td>
<td>3.473</td>
</tr>
</tbody>
</table>

To determine the estimation model between the Common Effect Model (CEM) and the Fixed Effect Model (FEM) in forming the regression, the Chow test is used, with the test results known the probability value is 0.000 < 0.05, then the estimation model used is the Fixed Effect Model (FEM). Determination of the estimation model between the Fixed Effect Model (FEM) and the Random Effect Model (REM) in forming a regression using the Hausman test, with the test results known the probability value is 0.7510 > 0.05, then the estimation model used is the Random Effect Model (REM).

Normality test of residuals in this study used the Jarque-Bera (J-B) test with the significance level used $\alpha = 0.05$. The results shown in Figure 5.1 follows.

Based on Figure 2, it is known that the probability value of the J-B statistic is 0.000 with a significance level of $\alpha = 0.05$, so that the p-value is 0.000 < 0.05. This means that the assumption of normality has not been fulfilled. One way to overcome the abnormality of data is to eliminate a sample of variables that have extreme values (outlier test). When viewed from a descriptive statistics table, there are two variables that have extreme values, namely firm value (Y) and solvability (X₂). The value of this variable is considered extreme because it has a large enough gap between the value obtained by the company’s sample and the overall average value of the sample so that the decision is taken to exclude the two companies that
have extreme values from the study sample. Then the normality test is performed again with the results shown in Figure 3 below.

![Figure 3. Jarque-Bera test after outlier](image)

Based on Figure 3, it is known that the probability value of J-B is 0.088 with a significance level of \( \alpha = 0.05 \), so that the \( p \) value of 0.088 > 0.05. From these results it can be concluded that the assumption of normality has been fulfilled.

Symptoms of multicollinearity can be seen from the correlation between independent variables using the correlation matrix. Multicollinearity test results can be seen from the following table 2.

<table>
<thead>
<tr>
<th>CR</th>
<th>DER</th>
<th>ROE</th>
<th>NPF</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>1.000000</td>
<td>-0.407323</td>
<td>0.034858</td>
</tr>
<tr>
<td>DER</td>
<td>-0.407323</td>
<td>1.000000</td>
<td>-0.353363</td>
</tr>
<tr>
<td>ROE</td>
<td>0.034858</td>
<td>-0.353363</td>
<td>1.000000</td>
</tr>
<tr>
<td>NPF</td>
<td>-0.154505</td>
<td>0.210362</td>
<td>-0.270855</td>
</tr>
</tbody>
</table>

Based on table 2, it can be seen the correlation value between independent variables is not more than 0.9 so it can be concluded that there are no symptoms of multicollinearity.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>1.133511</td>
<td>0.291441</td>
<td>3.889334</td>
<td>0.0003</td>
</tr>
<tr>
<td>CR</td>
<td>-0.022149</td>
<td>0.080465</td>
<td>-0.275270</td>
<td>0.7844</td>
</tr>
<tr>
<td>DER</td>
<td>-0.005528</td>
<td>0.053841</td>
<td>-0.102667</td>
<td>0.9187</td>
</tr>
<tr>
<td>ROE</td>
<td>-1.259326</td>
<td>0.289010</td>
<td>-4.357382</td>
<td>0.0001</td>
</tr>
<tr>
<td>NPF</td>
<td>-1.239242</td>
<td>1.321157</td>
<td>-0.937997</td>
<td>0.3535</td>
</tr>
</tbody>
</table>

R-squared 0.351691 Mean dependent var 0.336490

Adjusted R-squared 0.291383 S.D. dependent var 0.389908

S.E. of regression 0.328223 Sum squared resid 4.632391

F-statistic 5.831598 Durbin-Watson stat 1.317040

Prob(F-statistic) 0.000769

Based on table 3, it can be seen the coefficient of determination (Adjusted R-squared) of 0.29. This value indicates that liquidity, solvency, profitability, and non-performing financing can affect firm value by 29.1% and the remaining 70.9% is influenced by other factors outside the studied variables. Prob (F-statistic) value
shows a value of 0.0007 <0.05 which shows that liquidity, solvability, profitability, and non-performing financing simultaneously have a significant effect on firm value. From the data presented, the multiple linear regression equation can be made as follows.

\[ Y = 1,234 - 0,022 \text{CR} - 0,006 \text{DER} - 1,259 \text{ROE} - 1,239 \text{NPF} \]

The regression coefficient value of the liquidity variable which is proxied by Current Ratio (CR) is -0.022 with Prob 0.784> 0.05, which means that liquidity has no significant negative effect on firm value (hypothesis 1 is rejected). A high level of liquidity will be a problem if most current assets consist of cash and receivables in which the two assets are the most current assets owned by the company in this sub sector. The results of this study are in line with research by Sudiani & Damayanti (2016), who found a negative effect on liquidity on firm value.

The regression coefficient value of the solvability variable which is proxied by Debt to Equity Ratio (DER) is -0.006 with Prob 0.919> 0.05, which means that solvability has no significant negative effect on firm value (hypothesis 2 is accepted). The solvability ratio is used to measure how the company’s ability to manage its long-term debt. Capital structure theory states that any increase in debt will cause a decrease in firm value if the position of the capital structure is above its optimal structure target (Kusumajaya, 2011). This is able to explain the results of research which states the negative relationship of solvability to firm value. The results of this study are not in line with the research of Obradovich & Gill (2012), which shows the positive effect of solvability on firm value.

The regression coefficient value of profitability which is proxied by Return On Equity (ROE) is -1.259 with Prob 0.0001 <0.05, which means profitability has a significant negative effect on firm value (hypothesis 3 is rejected). The negative effect of profitability can occur if the company’s net profit cannot be maximized. The results of this study are not in line with research conducted by Sudiani & Damayanti (2016) which states profitability has a positive effect on firm value.

The regression coefficient of non-performing financing (NPF) is -1.239 with a prob of 0.354> 0.05, which means that the NPF has no significant negative effect on firm value (hypothesis 4 is accepted). Non-performing financing shows how the level of problem financing that exists in the company. According to Wibowo and Syaichu (2013) the higher this ratio indicates the worse quality of financing.

The moderating variable test in this study uses the interaction test or Moderated Regression Analysis (MRA) to test whether intellectual capital is significant in strengthening or weakening the effect of liquidity, solvability, profitability, and non-performing financing on firm value.

<table>
<thead>
<tr>
<th>Table 4. Moderated Regression Analysis (MRA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable</td>
</tr>
<tr>
<td>C</td>
</tr>
<tr>
<td>CR</td>
</tr>
<tr>
<td>DER</td>
</tr>
<tr>
<td>ROE</td>
</tr>
<tr>
<td>NPF</td>
</tr>
<tr>
<td>CR*VAIC</td>
</tr>
<tr>
<td>DER*VAIC</td>
</tr>
<tr>
<td>ROE*VAIC</td>
</tr>
<tr>
<td>NPF*VAIC</td>
</tr>
</tbody>
</table>

R-squared: 0.609466  Mean dependent var: 0.374236
Adjusted R-squared: 0.529357  S.D. dependent var: 0.395461
S.E. of regression: 0.271300  Sum squared resid: 2.870545
F-statistic: 7.607918  Durbin-Watson stat: 1.544504
Prob(F-statistic): 0.000004

Based on the table above, the value of the coefficient of determination (Adjusted R-squared) of 0.53. This value shows that liquidity, solvability, profitability, and non-performing financing can affect firm value by 53% after being moderated by intellectual capital. When compared with table 5.5, it can be seen that the coefficient of determination has increased. This shows that intellectual capital is able to moderate the relationship between the independent variables with the dependent variable in this study. From the data presented, the regression equation can be made as follows.

\[
Y = 0.471 + 0.327 \text{CR} + 0.025 \text{DER} - 2.328 \text{ROE} - 3.864 \text{NPF} - 0.102 \text{CRVAIC} - 0.015 \text{DERVAIC} + 1.910 \text{ROEVAIC} + 2.282 \text{NPFVAIC}
\]

The coefficient value of CR * VAIC is -0.102 with Prob 0.0410 <0.05, so in this case intellectual capital significantly strengthens the effect of liquidity on firm value (hypothesis 5 is accepted). Measurement of the utilization of intellectual capital with the Pulic (2008) model shows how company management utilizes existing assets. Intellectual capital is able to strengthen the relationship between liquidity and firm value. Liquidity that is too high is considered as an indication if most of the current assets are not used maximally for the company's operations. The good utilization of intellectual capital can reduce the level of liquidity so that the company is considered able to utilize its current assets.

The coefficient value of CR * DER is -0.015 with Prob 0.7462 > 0.05, so in this case intellectual capital strengthens the effect of solvability on firm value insignificantly (hypothesis 6 is rejected). Based on Pulic's (2008) model, the utilization of intellectual capital is calculated based on the difference between revenue and company operating expenses outside of salary expense because salary expense is used as an indicator of the measurement of intellectual capital components. This means that operating expenses and salary expenses on companies utilize the capital provided by the company each year so that the proportion of capital for intellectual capital is sourced more from current assets.

The coefficient value of ROE * VAIC is 1.910 with Prob 0.0001 <0.05, so in this case intellectual capital weakens the effect of profitability on firm value significantly (hypothesis 7 is rejected). Decline in profitability is considered to be the thing that causes a decline in the value of the company. Based on the Pulic model (2008) which calculates the difference between income and operating expenses will affect the value of profitability. But the measurement of intellectual capital with this model shows how companies utilize their intellectual capital. Good or bad use of intellectual capital shows how management in utilizing its assets. This explains how intellectual capital is able to weaken the effect of profitability on the...
value of the company, because although the company has decreased profits, the company's management is considered good because it is able to manage intellectual capital well.

The coefficient value of NPF*VAIC is 2.282 with Prob 0.0035 <0.05, so that in this case intellectual capital weakens the effect of non-performing financing significantly on firm value (hypothesis 8 is accepted). Financing risk is closely related to the work system implemented in the company as well as how the company can assess the company’s prospective customers by its employees. The main thing in the relationship between intellectual capital and financing risk lies in 2 components of intellectual capital, namely human capital and structural capital. Both of these components with the Pulic model (2008) attempt to explain how management can maximize employees (human capital) and the company’s work system (structural capital). The results of intellectual capital which weaken the effect of non-performing financing on firm value shows that the utilization of intellectual capital owned by the company is considered good.

5. CONCLUSION AND SUGGESTION

Based on the results of the study, it can be concluded that liquidity has a negative effect on firm value, solvability has a negative effect on firm value, profitability has a negative and significant effect on firm value, and non-performing financing has a negative effect on firm value. Intellectual capital is able to moderate the relationship between liquidity, solvability, profitability, and non-performing financing on firm value. The results of this study are able to explain the background of the problems that have been explained previously where the average company in this sub-sector experienced problems with bad credit and funding sources which ultimately led to a decline in the value of the company. Poor management is also one of the problems based on the issue described earlier, the results of the study also show that good utilization of intellectual capital is able to show how the performance of management at multifinance companies listed on the Indonesia Stock Exchange in 2015-2018.

Based on these conclusions, the advice given to future researchers who will examine the company in this sub-sector is to increase the number of years of observation because the sample and total observations are still considered relatively small, which is considered to have contributed to the insignificant results given the independent variables on the dependent variable this research.

Then the next researcher is also expected to expand the scope of the sample because this research only covers companies listed on the Indonesia Stock Exchange which are generally classified as large companies. For example, researchers can take a population of companies registered with the Financial Services Authority (OJK).
REFERENCE

