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The Effect of Intellectual Capital and Good Corporate Governance on Company Value Mediated by Competitive Advantage

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Abstract:
Research aims: This research aims to analyze the effect of intellectual capital and good corporate governance on company value by using competitive advantage as a mediation on companies listed on the Corporate Governance Perception Index from 2014 to 2018.
Design/methodology/approach: This research used nine companies from the Corporate Governance Perception Index as a sample listed during the 2014-2018 period. The analysis methods of this research were Multiple Linear Regression and path analysis.
Research findings: The research revealed that the company's competitive advantage could increase the company value but could not mediate company value. However, competitive advantage is inseparable from the role of intellectual capital and good corporate governance.
Theoretical contribution/Originality: This study provides a theoretical contribution to determining company value using competitive advantage as mediation. Besides, this research confirms the resource-based theory that the company can win the competition by having a competitive advantage to increase company value. Hopefully, these findings can give a comprehensive picture for the company.
Practitioner/Policy implication: The results of this study are expected to provide an overview to management and investors that intellectual capital has not been able to increase company value because intellectual capital is still a hidden value that has not been able to attract investors' attention to how beneficial intellectual capital is for the company. Besides, this study also showed that the implementation of Good Corporate Governance is not just a formality but must become an organizational culture to encourage increased company value.
Research limitation/Implication: This study was only conducted on companies listed on the Corporate Governance Perception Index from 2014 to 2018. Therefore, the generalizability of this study is limited.
Keywords: Intellectual Capital; Good Corporate Governance; Competitive Advantage; Company Value

Introduction

The era of competitive markets forces companies to carry out business strategies so that company value continues to increase even amid rapid and dynamic market changes. Rashid and Islam (2013) argue that, from a market perspective, company performance can be seen through company value.

Investors will more interest in investing in a company that continues to experience an increase in company value.

Some variables influence the value of a company. Arini (2018) asserts that increase performance of company value can be analyzed by stock prices. Furthermore, Juwita and Angela (2016) affirm that a company's ability to increase company value is inseparable from its resources' role. This argument is supported by Yusuf and Gasim (2015) that company value is formed as a result of activities from other tangible assets. Company value depends on activities that emphasize knowledge processes, such as intellectual capital's management of resources. Intellectual capital can be defined as one of the resources capable of driving an increase in a company's value and creating a competitive advantage. Deniswara, Uyuun, Lindawati, and Willnaldo (2019) state that intellectual capital managed and utilized appropriately will result in higher added value created to encourage increased company value. Therefore, human resources or capital management needs to be managed and utilized optimally to support efforts to optimize company performance to increase company value.

A company requires a system to equate perceptions of many interests within it to increase its value. This system must include the principles of openness, honesty, fairness, and management responsibility. These principles then underlie researchers to adopt Good Corporate Governance as one factor that can affect company value. Some previous studies have found that Good Corporate Governance could increase company value (Khairiyani, 2018; Josephine, Trisnawati, & Setijaningsih, 2019). Good Corporate Governance is essential for companies due to the problems complexity they face. Chapra and Ahmed (2008) declare that Good Corporate Governance implementation could reduce the conflicts between principals and agents. The conflicts occur because Good Corporate Governance is still weak in its implementation. Large-scale companies that fail to implement Good Corporate Governance have become a hot issue and the center of attention in various circles, making the government, investors, or external interested parties pay more attention to the practice of implementing Good Corporate Governance (Onasis & Robin, 2016). Based on this condition, the implementation of Good Corporate Governance is vital as a management performance control system for company sustainability. Khairiyani (2018) reveals that the Good Corporate Governance system helps the company's internal organs build healthy relationships.

Companies need to be optimal in managing Intellectual Capital and implementing Good Corporate Governance. It is because Intellectual Capital and Good Corporate Governance are two factors that affect company value. Value creation from Intellectual Capital is a company's ability to manage relationships with stakeholders in the company, while value creation from the side of Good Corporate Governance implementation is from the shareholders' perspective (Andes, Nuzula, & Worokinasih, 2020). Management and shareholders are aware that combining Intellectual Capital management and Good Corporate Governance is expected to gain a competitive advantage. Competitive advantage itself is the company's ability from its resources to achieve superior performance than its competitors. Porter (1985) argues that the heart of the company's performance in a competitive market, one of which is a competitive advantage.

Furthermore, Andes et al. (2020) also express that the existence of competitive advantage has a vital role in company survival and winning the competition. This argument is reinforced by Barney (1995), who identifies attributes within a company that can be a source of competitive advantage, including valuable, rare, inimitable, and organized. Even though the resources owned by the company fulfill the characteristics of being valuable, scarce, and cannot be imitated, but not properly organized, it will not provide benefits for the company. It indicates that in order to produce a competitive advantage a company, it needs a system that can regulate existing management and policies. From this, it can be concluded that the implementation of Good Corporate Governance can be an alternative to organize the company's potential.

Several previous research is suitable for this research to analyze the effect between Intellectual Capital, Good Corporate Governance, competitive advantage, and company value. Putri and Nuzula (2019), who analyzes the relationship between Intellectual Capital and company value, found that Intellectual Capital positively influenced company value. However, there are differences in research results by Lestari and Sapitri (2016), Josephine et al. (2019), Maryanto, DP, and Hariadi (2017), and Ekaputra, Fuadah and Yuliana (2020), which showed that Intellectual Capital did not influence a company value. Besides, Soedaryono and Riduifana (2017), Khairiyani (2018), and Dewanti and Djajadikerta (2018) analyzed the effect of Good Corporate Governance on company value, concluding that Good Corporate Governance affected company value. Nevertheless, Ratih and Setyarini (2014) uncovered no influence between Good Corporate Governance and company value. Inconsistent results from prior studies might be caused by any potential mediating variable that has not been tested in previous studies, namely competitive advantage. This argument corroborates Akbarian and Mazinani (2019), Mubarik, Naghavi, and Mahmood (2019), Yuliana and Khoiriyah (2018), Widyaningdyah and Aryani (2013), and Isada and Isada (2019), who found that Intellectual Capital affected competitive advantage. Intellectual Capital helps companies to be able to balance the activities of developing innovative new things by utilizing their existing resources. Nurdin (2015), who examined the effect of Good Corporate Governance with a competitive advantage, also deduced that a company could win the competition by having a competitive advantage, either with similar companies or within the same industry. Meanwhile, research discovering that competitive advantage could drive an increase in company value was carried out by Boasson, Boasson, MacPherson, and Shin (2005) and Wijayanto, Suhadak, Dzulkirom, and Nuzula (2019).

The determination of competitive advantage as a mediating variable is based on some reasons. First, the concept of Resource-Based Theory proposes that every company that manages resources efficiently and adequately can create a competitive advantage. This resource can be in the form of Intellectual Capital, such as knowledge, information, customer relations, or human resources. Furthermore, Good Corporate Governance must be different, unique, and difficult to imitate in every company. Hence, Intellectual Capital and Good Corporate Governance can encourage competitive advantage and increase company value. Second, Andes et al. (2020) suggest examining the relationship between Intellectual Capital, Good Corporate Governance, and company value by using competitive advantage as mediation. Third, the related research results are still contradictory and need further investigation concerning the effect of Intellectual Capital, Good Corporate Governance, and competitive advantage on company values. Given that in the new economic era, company value is not only formed because of tangible assets but also intangible assets that play a role to support Good Corporate Governance implementation and the creation of competitive advantages. Besides, there is not a similar study for this moment.

Since 2001, the Indonesian Institute for Corporate Governance (IICG) is an independent institution that has carried out research and ranking programs related to corporate governance implementation, namely the Corporate Governance Perception Index (CGPI). This index carries the theme of strengthening the business platform in the Good Corporate Governance framework in 2018, which focuses on assessing the structure and system of governance as well as company initiatives in creating added value for stakeholders amidst intense business competition and rapid technological developments. Therefore, this research focuses on companies listed in CGPI. Furthermore, the theoretical contribution of this research is to add to the literature regarding the mediating role of competitive advantage, whether it can mediate the influence of Intellectual Capital and Good Corporate Governance on company value, or practically, can be used by investors to assess the performance of a company on IICG.

Literature Review and Hypotheses Development

Resource-Based View (RBV) Theory

Barney (1991) put forwards that RBV is the creation of a competitive advantage that is inseparable from the company's capability to manage resources, which are valuable, scarce, difficult to imitate, and can be well organized by the company. Furthermore, Dwi (2019) explains the characteristics of company resources referred to in RBV. First, the resources owned by the company can help companies be able to provide better needs and services to consumers than competitors. Second, the number of resources is limited and difficult to imitate. Third, company resources are profitable, and the last is that the resources owned are durability.

Tangible assets concerning the creation of competitive advantage are very easy to know and measure the extent to which they can affect, but not for intangible assets, such as company resources. These assets are not visible but whose existence can be utilized and benefit the company. According to Ulum (2017), the management of a company's intangible assets can help companies gain a competitive advantage, increase productivity, and increase market value. Based on this, Intellectual Capital and Good Corporate Governance are company resources that have the potential to create a competitive advantage and increase the value of a company. Barney (1991) states that Intellectual Capital based on RBV is the essence of creating competitive advantage. Meanwhile, the implementation of Good Corporate Governance will encourage the achievement of competitive advantage in the company, which is superior compared to its competitors. Furthermore, Good Corporate Governance is one of the determinants of the quality of the company's competitive advantage (Andes et al., 2020).

Signaling Theory

Spence (2002) affirms that signaling is a theory that focuses on solving problems with information obtained by shareholders and company management. In this theory, company information is conveyed to parties outside the company that has an essential meaning. This process should provide a good description, records, and information regarding the sustainability and continuance of the company's life. The relevance, accuracy, completeness, and timeliness of information submitted significantly impact decisions taken by parties outside the company.

Hartono (2013) asserts that information submitted to the public will provide a signal for interested parties. When the information for the market contains positive values, the company expects a positive market reaction. The information received by the market will then be captured and analyzed by market participants, such as investors. Investors' responses to the information published by the company can be seen through market efficiency, which shows share price that matches the relevant information received by investors. Based on this theory, the company tries to show positive signals to investors. A positive response of the market for creating competitive advantage allows investors to assess the company's capabilities and expertise better. Furthermore, it can provide an advantage for the company to gain an increase in company value.

Agency Theory

Agency theory, according to Anthony and Govindarajan (2011), is a relationship or agreement between the principal and the agent. The appointment of an agent as the manager of the company is given by the principal for the principal's benefit. Usually, this task is in the form of assigning authority to the agent to make decisions related to company management. Agency theory assumes that agents have more information about their abilities, work conditions, and know the whole company than the principal.

There are some conflicts on the implementation of agency theory. These conflicts occur between the principal and the agent, which can be avoided by implementing a monitoring mechanism that balances the interests of the parties involved, such as implementing Good Corporate Governance. Lukviarman (2016) states that Good Corporate Governance implementation can increase value for various interested parties in a company because, principally, it is based on openness, accountability, independence, and justice. Besides, Yee, Sapiei, and Abdullah (2018) argue that, empirically, Good Corporate Governance can reduce agency costs and estimate the company value.

Intellectual Capital and Competitive Advantage

RBV considers company resources as a potential creator of competitive advantage to direct long-term performance for the better. Barney (1991) recommends exploring the source of competitive advantage by building a theoretical model based on the assumption that company resources such as intangible assets can make the company more potential to have a competitive advantage.

Cheng, Lin, Hsiao, and Lin (2010) argue that Intellectual Capital contributes to increasing competitive advantage. Whereas, according to Firer and Williams (2003), companies that efficiently manage Intellectual Capital will quickly create a competitive advantage. According to Akbarian and Mazinani (2019), companies currently need to identify, measure, and evaluate their Intellectual Capital level. In today's knowledge-based business environment, Intellectual Capital is not only limited to the capital owned by the company but also a resource capable of generating a competitive advantage for the company. Widyaningdyah and Aryani (2013) revealed that creating a competitive advantage could maximize the use of VRIN resources so that added value could be created for stakeholders. However, this research hypothesized that.

***H$_1$**: Intellectual Capital has a positive effect on competitive advantage.*

Good Corporate Governance and Competitive Advantage

According to Madhani (2010), the focus of implementing Good Corporate Governance is not just an obligation and compliance with the law or perhaps just complying with the standards that Good Corporate Governance implementation is a must. Good Corporate Governance significantly affects company performance; this is based on the fact that the focus of Good Corporate Governance implementation is the responsibility of business management directed towards long-term value creation. Good Corporate Governance is the primary driver of sustainable company growth and long-term competitive advantage. Nurdin (2015) states that a company that wants to win from its competitors must have a competitive advantage. A company can create a competitive advantage by implementing Good Corporate Governance. As Cravens (1996) argues, competitive advantage should be seen as a moving process, not only seen as an end result. Prasetyo (2012), entitled the implementation of financial performance on the value of personal spirituality, argue that the implementation of Good Corporate Governance could result in increased performance or personal value, which then benefits all individuals involved in the company, one of which is the assurance of a sustainable competitive advantage. However, this research hypothesized that.

***H$_2$**: Good Corporate Governance has a positive effect on competitive advantage.*

Intellectual Capital and Company Value

RBV suggests that the emergence of competitive advantage as a means to survive and win from its competitors is inseparable from the role of Intellectual Capital, which tends to encourage companies to continue to increase company value. A company with a market value higher than its assets' book value indicates a hidden value owned by the company, which is believed to result from effective and efficient Intellectual Capital management. As one of the stakeholders, shareholders, appreciate the company's performance for the value creation process resulting from effective and efficient Intellectual Capital management (Hadiwijaya & Rohman, 2013).

Yusuf and Gasim (2015) assert that a high market value will follow if the company's Intellectual Capital value is high. Each component contained in Intellectual Capital has a positive and relevant relationship to market value. Besides, research carried out by Deniswara et al. (2019) examined the relationship between Intellectual Capital and company value in real companies, showing a positive interaction between the two. It disclosed that real companies have efficiently utilized Intellectual Capital; they realized that using Intellectual Capital efficiently would increase the company's market value. However, this research hypothesized that.

***H_3**: Intellectual Capital has a positive effect on company value.*

Good Corporate Governance and Company Value

The shareholder and manager business agreement is an agency relationship in the concept of agency theory. The agency relationship over time sometimes creates a conflict between the two, and the cause is the different interests between the principal and the agent in running and managing the company. Companies without Good Corporate Governance implementation will experience difficulties in increasing company value because, according to Suryaningtyas and Rohman (2019), Good Corporate Governance implementation is a sign that the quality of company management is reliable. Besides, Good Corporate Governance implementation helps companies to get investor attention and trust in company performance. The high level of attention and trust of investors towards the company influences the increase in demand for company shares, increasing stock prices.

According to Khairiyani (2018), who researched internal corporate governance in mining companies, the board of directors and institutional ownership as a proxy for Good Corporate Governance affected company value. Darmadi (2013) argued that the Good Corporate Governance system helps companies build conducive relationships between interested parties, aiming to increase company value. Dewanti and Djajadikerta (2018), who also tested the relationship between Good Corporate Governance and company value, found that each variable of the board of commissioners and institutional ownership influenced company value. However, this research hypothesized that.

***H_4**: Good Corporate Governance has a positive effect on company value.*

Competitive Advantage and Company Value

The concept of signaling theory emphasizes the importance of information conveyed by the company to external parties. Competitive advantage is a signal for investors to invest their capital in a company. Signals sent by companies with a competitive advantage are positive signals for investors. Besides, based on RBV, companies with competitive advantages that are difficult to imitate by competitors will win the business competition. Research by Wijayanto et al. (2019), which investigated the effect of competitive advantage on financial performance and company value, showed that competitive advantage impacted company value performance. However, this research hypothesized that.

***H_5**: Competitive advantage has a positive effect on company value.*

Competitive Advantage in Mediating the Relationship Between Intellectual Capital and Company Value

RBV is one theory that elucidates that the company's resources can be used as a competitive advantage, making the company have a good company performance. Barney (1991) indicates that the RBV perspective in terms of company resources can be all assets, human resource capabilities, information, knowledge, or organizational processes. In this case, Intellectual Capital is closely related to what is described in RBV. Ulum (2017) reasons that Intellectual Capital as an intangible asset seeks to drive corporate value and competitive advantage to increase.

Yuliana and Khoiriyah (2018), who examined the relationship between Intellectual Capital and competitive advantage, revealed that a company that efficiently and effectively managed Intellectual Capital signified that the company would differ from its competitors, namely by having a competitive advantage. Andes et al. (2020) also argued that Intellectual Capital is one of the things that drives the development of innovation, and the main thing is the creation of competitive advantage and value, which then becomes a benchmark for a company's economic performance. It then underlies the researcher that a company that utilizes Intellectual Capital effectively and efficiently to produce a competitive advantage could indirectly affect the company's value to continue to increase. Based on the description, the hypothesis proposed is as follows:

***H_6**: Competitive advantage mediates the relationship between Intellectual Capital and company value.*

Competitive Advantage in Mediating the Relationship Between Good Corporate Governance and Company Value

Agency theory is a relationship or agreement between the principal and the agent. The relationship between the two is not uncommon for problems commonly referred to as agency conflicts (Anthony & Govindarajan, 2011). Therefore, it is necessary to implement a monitoring mechanism such as Good Corporate Governance to balance the interests of the parties involved. Like the research conducted by Jamil, Mohd Ghazali, and Puat Nelson (2020), which uncovered that the implementation of Good Corporate Governance had a massive impact on investors and companies; Good Corporate Governance as a mechanism aims to ensure that the controls carried out can achieve the goals of a company.

Good Corporate Governance implementation of a company is a characteristic of every company that is difficult to imitate by its competitors, and it is useful for the company to create a competitive advantage (Isada & Isada, 2019). Besides, Agrawal and Fuloria (2004) in Andes et al. (2020) also declare that the quality of a company's competitive advantage cannot be separated from Good Corporate Governance implementation. The company's optimal implementation of Good Corporate Governance will encourage creating a competitive advantage that the company can rely on. Competitive advantage plays a vital role in increasing the company's value because through this competitive advantage, a company becomes different from its competitors, so that competitive advantage becomes an attractive thing for investors to provide higher value to a company. Based on this, the researcher proposes the following hypothesis:

***H_7**: Competitive advantage mediates the relationship between Good Corporate Governance and company value.*

Based on the developed hypotheses, a conceptual framework was formulated, as shown in Figure 1.

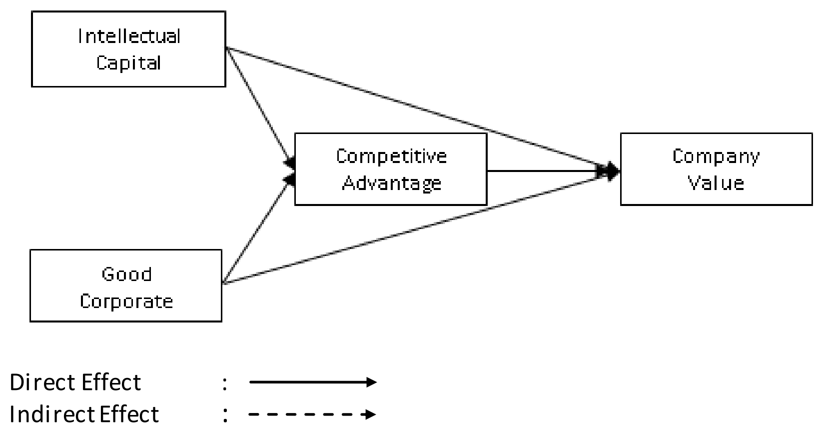

Figure 1 Conceptual Framework

Research Method

This research applied an explanatory study with a quantitative approach. The population in this study used companies listed in CGPI for the period 2016-2018, with the purposive sampling method as the determination of the research sample. The criteria for taking are as follows:

1. The companies were listed on the Corporate Governance Perception Index during the 2016-2018 period.
2. The company published financial reports for 2016-2018.

This research utilized some formula to determine each variable of this research. The first independent variable was Intellectual Capital. Ulum (2017) explained that IC consists of intellectual material knowledge, intellectual property rights, information, and knowledge to produce wealth. The IC measurement formula in this study employed the Modified Value Added Intellectual Coefficient (M-VAICTM) by Ulum, Ghozali, and Purwanto (2014). Here is the M-VAICTM formula:

Step 1 .... $VA = OP + ED + D + A$

Step 2 .... $HCE = \frac{VA}{HC}$

Step 3 .... $SCE = \frac{SC}{VA}$

Step 4 .... $CEE = \frac{VA}{CE}$

Step 5 .... $RCE = \frac{RC}{VA}$

Step 6 .... $M - VAIC = \mathrm{HCE} + \mathrm{SCE} + \mathrm{RCE} + \mathrm{CEE}$

VA : Value Added
HCE : Human Capital Efficiency
SCE : Structural Capital Efficiency
RCE : Relational Capital Efficiency
CEE : Capital Employed Efficiency
OP : Operating Profit
EC : Employee Costs
D : Depreciation
A : Amortization
HC : Human Capital (total employee expenses including training)
SC : Structural Capital (obtained with VA-HC)
CE : Capital Employed (book value of the company's total assets)
RC : Relational Capital (Marketing Costs)

The second independent variable in this study was Good Corporate Governance (GCG). Effendi (2016) defined GCG as a regulatory instrument that aims to regulate and generate added value for shareholders. In this study, the measurement of GCG used the assessment scores contained in the corporate governance perception index report for the 2014-2018 period.

Competitive advantage was the mediation variable in this research. This variable is the company's ability from the company's characteristics and resources, which aims to improve its performance to be better than its competitors. A company is said to have a competitive advantage if it creates added value compared to its competitors. This study adopted a competitive advantage based on resources by using the formula Tang and Liou (2010), as follows:

$$ROIC = \frac{NOPLAT}{InC}$$

ROIC : Return on invested capital
NOPLAT : Net profit after tax (generated from sales less cost of goods sold, advertising costs, research and development costs, depreciation costs, general and administrative expenses, taxes then divided by sales)
InC : Invested capital (generated from cash plus inventories, company receivables, fixed assets minus debt then divided by sales

This research had Company Value (CV) as the dependent variable. Noerirawan and Muid (2012) characterized company value as a specific condition obtained by the company as a representative of external party trust in the company that has gone through a series of processes since the company was founded until now. This study adopted Tobin's Q ratio for measuring company value. The following is Tobin's Q formula according to Klapper and Love (2002):

$$\mathrm{Q} = \frac{(\mathrm{MVE} + \mathrm{DEBT})}{(\mathrm{TA})}$$

MVE : The closing share price is multiplied by the number of shares outstanding.
DEBT : Total Debt
TA : Total Assets

This research's analysis method was multiple linear regression, with path analysis, used to test the hypotheses. This analysis aimed to examine whether there was a direct or indirect influence between the independent, dependent, and mediating variables. The data testing tool utilized SPPS24 software. Therefore, this research had two general models that would be primary to answer all hypotheses.

Model 1: CA = α1 + α2IC + α3GCG + e1
Model 2: CV = β1 + β2IC + β 3GCG + β 4CA + e2

The mediation relationship was analyzed by Sobel Test (Baron & Kenny, 1986) using all model regression. The following formula of this test is:

$$sab = \sqrt{b^2 sa^2 + a^2 sb^2 + sa^2 sb^2}$$

b : The path coefficient of the mediator variable to the dependent variable
sa : Standard error b (axb path)
a : The paths coefficient of the independent variable to the mediator variable
sb : Standard error mediator

Result and Discussion

Hypothesis Testing and Path Analysis Results

Hypothesis testing aims to determine the relationship between the independent and dependent variables. This research used a t-test to answer H_1, H_2, H_3, H_4 and H_5. Following the hypothesis test, the analysis results obtained are as follows:

Table 1 Hypothesis Test Results

Variables	Unstandardized Coefficients		t	Sig.	Description
	B	Std. Error			
Model 1 (Y=Competitve Adv.)					
(*constant*)	2.663	0.753	3.537	0.001	
IC → CA (H_1)	0.051	0.025	2.031	0.049	Supported
GCG → CA (H_2)	-0.033	0.009	-3.537	0.001	Supported
Model 2 (Y=Company Value)					
(*constant*)	3.883	1.182	3.286	0.002	
IC →CV (H_3)	-0.015	0.036	-0.415	0.680	Not Supported
GCG → CV (H_4)	-0.030	0.015	-2.082	0.044	Supported
CA → CV (H_5)	0.502	0.213	2.360	0.023	Supported

Furthermore, to answer H_6 and H_7, path analysis was needed to test the mediating role of the competitive advantage variable. Based on the Sobel test results, it could be concluded that there was no mediation effect from competitive advantage, either to GCG and CV or IC and CV. It could be witnessed from the t-value that was smaller than the t-table value with a significance level of 0,05, which was equal to ± 2,01669.

Discussions

The first hypothesis testing results, which suspect that IC influences competitive advantage, were supported to be true after testing the hypothesis and produced a positive effect, with a significance value of 0,049. It indicated that effective IC management would produce a good competitive advantage. Based on RBV proposed by Barney (1991), the creation of competitive advantage cannot be separated from the company's ability to manage its resources. Further, RBV explains that IC is the key to creating a competitive advantage. Currently, in a knowledge-based environment, companies with good IC will be more competitive than their competitors because IC is not only an organizational capital but is essential for creating competitive advantages that can benefit a company (Akbarian & Mazinani, 2019). As part of the company's resources, if managed effectively and efficiently, IC will be more capable of producing a sustainable competitive advantage (Agusta & Adiwibowo, 2017). This research is in line with that conducted by Widyaningdyah and Aryani (2013), Yuliana and Khoiriyah (2018), and Akbarian and Mazinani (2019).

The second hypothesis test results revealed that GCG had a significant negative effect on competitive advantage. Barney (1995) suggests that the potential for a company's competitive advantage depends on characteristics that are valuable, rare, and difficult to imitate, but this potential can be maximized if the company can exploit its resources with an organized system, for example, the application of GCG, which in the end, has the opportunity to create sustainable competitive advantages. However, speaking of GCG implementation in Indonesia, Mutmainah (2015) found that the existence of GCG as a regulated and issued mechanism was still not optimal because so far, the implementation of GCG has only been limited to fulfilling obligations to the government. Based on this opinion, it could be concluded that when management has not implemented GCG according to its principles, it will impact creating a not optimal competitive advantage. It is consistent with Andes et al. (2020), who stated that GCG is a determining factor for competitive advantage quality. Besides, according to Cravens (1996), competitive advantage is a moving process that is not only seen as the final result. From this, it could be concluded that when the process of implementing GCG implementation did not go properly, the created competitive advantage would also not be as expected by the interested parties.

The third hypothesis test results found that IC had no significant effect on company value. It showed that the proposed hypothesis was not supported. IC management, which aims to create an added value for the company, still could not attract investors to provide high value to the company. The results of this study exhibited that the potential of IC management carried out by companies has not influenced the increase in company value. It was because the added value generated from IC management was still considered a hidden value, so that investors have not made high IC value a factor that encouraged the formation of company value (Josephine et al., 2019; Ekaputra et al., 2020). Furthermore, Widarjo (2011) stated that there are other factors that investors tend to use in the analysis of investment decisions compared to the IC value owned by a company, for example, fundamental factors, ownership retention, and company performance. In addition to unclear measurement standards, it was likely that the market could not provide an appropriate assessment for the company-owned IC.

The fourth hypothesis test results indicated that GCG showed a significant negative effect on company value. Mutmainah (2015) stated that investors see the implementation of GCG in companies only as a form of fulfilling the obligations of regulations that the government has issued. GCG, which is expected to be able to increase company value based on the principles of transparency, accountability, independence, and fairness, was, in fact, unable to realize investor expectations. It was because there were still companies that implemented GCG but still carried out fraud scandals or manipulation of financial reports. The implementation of GCG is also inseparable from the company environment itself; the company's components, such as law, culture, or politics, can, of course, be support or obstacle to the implementation of GCG. The most important thing about GCG implementation is companies' challenge to change GCG as a formality to a corporate culture that is genuinely aimed at benefiting all parties, and in the end, GCG can be used as a benchmark for assessing a company (Dwiridotjahjono, 2009; Wibowo, 2012).

The fifth hypothesis test results disclosed that competitive advantage had a significant positive effect on company value. It showed that every company with a competitive advantage could be used as a strategic tool to win the competition to increase company value (Porter, 1985). A company with a competitive advantage reveals the company's current condition at a certain level and has the opportunity to grow and develop in the future that is much better than its competitors. Competitive advantage is a positive signal to investors to provide higher value to the company than its competitors. Competitive advantage encourages a company to achieve superior performance; therefore, it is considered necessary in achieving its strategic goals. This study’s results corroborate research carried out by Wijayanto et al. (2019), which argued that competitive advantage has a more significant influence on company value than financial performance. Besides, the research of Wijayanto et al. (2019) has strengthened this research’s hypothesis that investors responded to competitive advantage generated by the company and prioritized competitive advantage over its financial performance.

The path analysis results showed that the sixth hypothesis of this study did not support the RBV theory proposed by Barney (1991), which argue that company resources such as IC are the core of creating competitive advantage, which in turn can provide added value to the company and make the company's performance better. The Sobel test results concluded that competitive advantage could not mediate the relationship between IC and company value. It was because first, Indonesia is a developing country, according to the World Economic Forum (2017) in Andes et al. (2020) that the position of the competitive advantage aspect of companies in Indonesia is still in ninth place out of fourteen East Asian countries. It implied that the competitive advantage of Indonesian companies is still at a low level, so that they cannot become an intermediary between IC management and company value. Besides, according to Sugiono (2018), productive resources (such as IC), which can produce competitive advantage, also have limited resources and limitations to combining the resources owned so that competitive advantage cannot contribute to increasing company value.

The path analysis results also concluded that the seventh hypothesis revealed that competitive advantage could not mediate the relationship between GCG and company value. It denoted that without a competitive advantage, GCG in this study could directly influence company value, either positive or negative. According to Barney (1995), the formation of competitive advantage is because the company has VRIO resources, where

VRIO can be interpreted as valuable, rare, difficult to imitate, and organized. The existence of the organization itself in creating a competitive advantage to maximize corporate value is a complementary resource. In this case, the organization can be a formal reporting structure, a management control system, or even the implementation of GCG. If the implementation of GCG is based on the principles of GCG, it is already a competitive advantage for investors, so that investors no longer see competitive advantages in the form of cost leadership, focus, or differentiation.

Conclusion

This study produced various effects on the dependent variable. From the test of this study, it could be concluded that IC management directly affected competitive advantage and did not influence company value. On the other hand, GCG implementation directly impacted competitive advantage and company value, and competitive advantage affected company value. However, according to the path analysis, this research found that competitive advantage could not mediate the relationship between IC and GCG on company value.

IC management and GCG implementation in each company have a vital role in creating competitive advantage and increasing company value. The company's success or continuity to win the present or future competition will mostly be influenced by intangible company resources, such as skilled and competent human resources or solid customer relationships. Besides, a company's competitive advantage shows that the company's condition is at a certain level and has a better opportunity to grow and develop in the future.

This research makes a practical contribution to knowing that investors have not yet considered the added value generated by IC management to invest their capital. It signified that the role of IC in increasing company value was still considered less attractive to investors. Therefore, the need for IC management by management can be seen to increase company value. Besides, the implementation of GCG, which has a crucial role for the company, should become an organizational culture, not just a formality. Therefore, it is necessary to have awareness from management to continue to encourage interested parties in the company to continue realizing the principles of GCG as a whole to create a competitive advantage, and the increase in company value according to the expectations of stakeholders and shareholders can be fulfilled.

Moreover, this study also provides theoretical contributions to the three theories used. First, this study's results can confirm RBV as a theoretical basis in the alleged third hypothesis that, based on the IC hypothesis test results, it influenced competitive advantage. It indicates that every company with a competitive advantage cannot be separated from the role of its resources, such as IC, which is managed and utilized by the company effectively and efficiently. Second, the research results concluded that competitive advantage could affect company value align with the signaling theory, suggesting that this theory focuses on solving problems with information received by shareholders. It denotes that the competitive advantage of a company is positive information and is responded to by investors. Positive information, such as competitive advantage, encourages management to convey to the public to attract many investors to invest in the company to increase the company's value. Third, after testing, the second and fourth hypothesis assumptions showed results in line with agency theory, which explains that an agency relationship is an agreement between the principal and the agent to exercise authority in the company in the principal's interests. This study found that GCG influenced both competitive advantage and corporate value in a negative direction because the current GCG implementation has not been fully implemented by companies listed on the Corporate Governance Perception Index, so investors did not really feel the benefits of implementing GCG.

Some limitations in this study included, firstly, the theoretical basis and previous research that has discussed the relationship between exogenous, endogenous, and mediation variables are still very minimal, so they did not strengthen the formulation of hypotheses. Second, the use of the competitive advantage variable as a mediating variable must be reviewed if using a sample of companies with different sectors. This study used a sample of companies registered in the corporate governance perception index, where there are several kinds of company sectors. Third, the sample of companies registered in the GCPI was only up to 2018 because the relevant media have not released the 2019 corporate governance perception index's research report results. Future research may consider adding exogenous variables, such as technology investment or company size. Using a sample of companies with the same sector can be done to see differences in this study's results with the most recent one, and the last combination of research with quantitative and qualitative methods is needed for more varied results.

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