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The Effect of Intellectual Capital on the Quality of Sustainability Report Disclosures with Financial Performance as a Moderating Variable

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Abstrak

Penelitian ini bertujuan untuk mengkaji pengaruh *intellectual capital* terhadap kualitas pengungkapan *sustainability report* dengan kinerja keuangan sebagai variabel pemoderasi. Metode penelitian ini menggunakan kuantitatif dan data sekunder. Sampel yang digunakan perusahaan laporan keuangan tahunan dari masing-masing perusahaan perbankan yang terdaftar di Bursa Efek Indonesia Tahun 2019. Jumlah penelitian yang dijadikan sampel dalam penelitian ini sebanyak 39 perusahaan. menggunakan alat SPSS dengan uji asumsi klasik, uji normalitas data, uji heteroskedastisitas, uji autokorelasi. Hasil menunjukkan *intellectual capital* berpegaruh positif terhadap kualitas pengungkapan *sustainability report*, kinerja keuangan memperkuat hubungan antara *intellectual capital* dan kualitas pengungkapan *sustainability report*. *Sustainability report* untuk keberlanjutan perusahaan yang mempertimbangkan pengembangan yang berkelanjutan akan dapat meningkatkan nilai perusahaan karena dukungan yang diperoleh dari stakeholder baik internal maupun eksternal, seperti konsumen, karyawan, investor, regulator, pemasok maupun kelompok lainnya. *Intellectual capital* dengan kinerja keuangan sebagai variabel pemoderasi terbukti terpengaruh terhadap *sustainability report*. Sehingga dengan adanya penelitian ini akan memberikan informasi kepada karyawan atau investor dan mempunyai kontribusi untuk menjelaskan dengan adanya teori keagenan.

Kata Kunci: ***Intellectual Capital*, *Sustainability Report*, ROA**

Abstract

This study aims to examine the effect of intellectual capital on the quality of sustainability report disclosure with financial performance as a moderating variable. This research method uses quantitative and secondary data. The sample used by the company's annual financial statements is from each banking company listed on the Indonesia Stock Exchange in 2019. The number of studies used as samples in this study were 39 companies. Using the SPSS tool with the classical assumption test, data normality test, heteroscedasticity test, autocorrelation test. The results show that intellectual capital has a positive effect on the quality of sustainability report disclosure, financial performance strengthens the relationship between intellectual capital and the quality of sustainability report disclosure. Sustainability report for sustainability Companies that consider sustainable development will be able to increase corporate value due to the support obtained from both internal and external stakeholders, such as consumers, employees, investors, regulators, suppliers and other groups. Intellectual capital with financial performance as a moderating variable is proven to be affected by the sustainability report. So that this research will provide information to employees or investors and have a contribution to explain the existence of agency theory.

Keywords: Intellectual Capital, Sustainability Report, ROA

Introduction

Movements in the economic sector have led to changes in business management or competitive spending strategies. Developments experienced very rapidly due to the easier access to science and information technology. Every company, both small, medium and large scale, competes strictly in terms of managing or selecting its business strategy (Ichsan and Yusuf, 2021). Competition that occurs in the business world is unavoidable. In facing increasingly fierce business competition, companies must be able to compete with other companies. If the company is unable to compete with other companies, then in the end the company's performance will decline (Satriani *et al*., 2016).
The total funds issued by Verizon Communication Inc. to acquire Yahoo amounted to 60 billion US dollars or nearly Rp. 60 trillion. Many factors made Yahoo collapse, including the growing development of the internet in the world, such as the presence of Google and other digital companies (Praditya, 2019). This made Yahoo start to lose competitiveness and fade away. Then there were several mistakes made in determining the strategy that caused Yahoo to experience a crisis in becoming a technology or media company. In addition, Yahoo apparently has a less strong security history. This is evident from the hacker attacks that hit Yahoo several times on a large scale, namely in 2015 there was a hacking of 1 billion Yahoo user data, then it happened again in 2016, their server was hacked and more than 500 million data was stolen (Wijaya et al. 2020). Happened again in 2016, their server was hacked and more than 500 million data was stolen. In the development of modern economy, intellectual capital has become a very valuable asset because companies are increasing their attention and understanding of intellectual capital. Several researchers define the concept of intellectual capital in different ways. defines intellectual capital as an intangible asset that has the potential to create value both for the entity itself and for its social environment. Andriyani, (Mahanavami & Parta, 2015) agreed that intellectual capital is a company resource that is knowledge-based and in the form of intangible assets that can be used as added value for the company and can be used by companies to create innovations in competitive business competition.

The concept of intellectual capital has received great attention by various groups, especially accountants and academics. Because intellectual capital management can create better standards regarding disclosure in the company's financial statements (Cuozzo et al, 2017). Disclosure of intellectual capital information in companies is believed to play an important role in financial performance and company value. According to resource-based theory, intellectual capital fulfills the criteria as a resource that has the potential to create a company's competitive advantage so that it can create added value for the company (Puspita, 2017). Although intellectual capital has an immaterial nature and has no physical form, intellectual capital is an important resource for organizations and must be managed properly (Astuti, 2019). Previous research on the effect of intellectual capital on company financial performance has also been carried out, including research (Devi *et al.*, 2017). Found that intellectual capital as measured by a combination of value added (VACA, VAHU and STVA) has a significant effect on the company's financial performance in companies listed on the Indonesia Stock Exchange (IDX). Other research was also carried out Nuryaman (2015) who has tested the effect of intellectual capital on firm value with firm performance as an intervening variable. His research proves that intellectual capital has an influence on the company's market value and the company's performance is able to become a mediator between intellectual capital and the company's market value. While different results are shown by research (Sari & aisyah, 2017) which shows that there is no significant influence between intellectual capital and company performance. Based on this background, the formulation of the problem in this study is:

1. Does intellectual capital affect sustainability?
2. Does financial performance moderate the relationship between intellectual capital and sustainability?

Based on the background and formulation of the problem, the aims of this research are:

1. To determine the effect of intellectual capital on sustainability
2. To find out that financial performance moderates the relationship between intellectual capital and sustainability.

Theoretical Framework and Hypotheses

Resource Based Theory

Resource Based Theory (RBT) or also known as resource-based theory was first pioneered by Penrose in 1959 which argued that company resources are heterogeneous, do not change and productive services originate from company resources that can provide a unique character for each company (Kor & Mahoney, 2004). Agree with the statement (Penrose & Bridoux, 1997) argued that firms in an industry are heterogeneous with respect to the pool of resources they control. Resource heterogeneity or uniqueness is considered as an important condition for contributing to competitive advantage.

According to Wijayanti (2017), Resource Based Theory is a developing thought in strategic management and corporate competitive advantage that analyzes and interprets organizational resources to understand how organizations produce performance, achieve competitive advantage and can create added value for the company. Resource Based Theory believes that a company will produce performance, achieve competitive advantage and can create added value if the company has valuable company resources, can take advantage of opportunities, is able to compete in the market and provides positive value to the company. Fadri & Wahidahwati (2016) also states that to be able to provide competitive advantage and sustainable performance these resources must be unique, rare among today's companies and cannot be imitated and replaced. So that these resources are able to manage intellectual capital properly and will create a competitive advantage among its competitors.

There are two things to achieve competitive advantage and create added value for the company. First, regarding the use of the company's resources, both tangible and intangible resources. Adhitama & Fitria (2015) states a potential strategy to improve company performance is to combine tangible assets and intangible assets. Second, how can companies process and utilize resources obtained from within the company effectively. The company's ability to manage and utilize its resources properly can create a competitive advantage so as to create value for the company (Firmansyah 2017). The inclusion of intangible resources is obtained from the ability to have all the characteristics of a set of strategic resources. While most intangible resources do not qualify as strategic resources, intellectual capital is generally considered an important strategic resource. Intellectual capital in this case is all the resources owned by the company, both physical capital, human capital and structural capital that can increase the effectiveness and productivity of employee performance. The better the company is in managing and utilizing intellectual capital, the company will have added value that can provide its own characteristics. So that with its own characteristics, the company is able to compete with its competitors because it has a competitive advantage that is only owned by the company itself (Satriani *et al*., 2016).

Signaling Theory

Signaling theory is rooted in pragmatic accounting theory which focuses on the influence of information on changes in the behavior of information users. Through these signals, the market is expected to be able to distinguish which companies have good and bad quality in the future. To be effective, these signals must be acceptable to the market, well absorbed and not easily imitated by companies with poor quality. Signaling Theory is based on the assumption that there is an information asymmetry between company management and parties with an interest in the information. Companies can increase firm value by reducing information asymmetry. One way to reduce information asymmetry is to provide a signal to stakeholders about reliable financial information that will reduce uncertainty about the company's prospects in the future (Rokhlinasari., 2019).

Intellectual Capital

There are many definitions of intellectual capital offered by previous researchers. As a concept, intellectual capital is knowledge or thinking that is controlled or owned by a company and has no physical or intangible form (Ulum, 2015). The Society of Management Accountants Canada (SMAC) also mentions that intellectual capital is an item of knowledge that is owned by humans which then enters the company which will generate profits in the future for the company (Iswati, 2006). Intellectual capital is the flow of knowledge in the company (Rahmini *at al.*, 2017). Rahmawati (2015) states that intellectual capital is the difference between the company's market value and the book value of the company's assets or of its financial capital. Many experts say that intellectual capital has a very big role in adding value to an activity. Stewart, (2017) defining intellectual capital is the sum of human capital (talent), structural capital (intellectual property, methodologies, software, documents and other knowledge artifacts) and customer capital (client relations). From the definition above, it can be concluded that intellectual capital is a knowledge resource owned by a company as an advantage that can be used as capital to improve performance and increase company value. Refers to views, Stewart (2007). Intellectual capital consists of three indicators, namely: Human Capital. Human capital is the essence of intellectual capital. Human capital is a source of innovation and progress, but it is a difficult component to measure. Human capital is also a very useful source of knowledge, skills and competencies in an organization or company. Human capital reflects the collective ability of an organization or company to produce the best solutions based on the knowledge possessed by the people in the organization or company (Ardiansari et al. 2021). Human capital will increase if the organization or company is able to utilize the knowledge possessed by its employees (Rakhman, 2015). According to Fariana

(2014), If the company does not take advantage of the knowledge and expertise of these employees, then the knowledge and expertise of employees will be wasted, cannot play a role in improving performance and cannot create value for the organization or company. Organizations or companies can increase the value of human capital by increasing the knowledge of their employees through training or continuing their studies to a higher level of education. Structural Capital is the ability of an organization or company to fulfill the routine processes of its corporate structure that supports employee efforts to produce optimal intellectual performance and overall business performance, for example: company operational systems, procedures, databases, organizational charts, process manuals, strategies, habits, organizational culture, management philosophy and all forms of intellectual property owned by the company which can make the company's value greater than its material value (Astuti, 2016). If innovation capital shows the importance of innovation in developing a company, then process capital shows the level of efficiency of the company's daily operations, starting from production levels to internal procedures involving employee activities. Thus it can be said that the success of structural capital is influenced by human capital activities. If an employee has a high intellectual level but the company has poor systems and procedures, intellectual capital cannot achieve maximum performance (Fariana, 2014). Customer Capital Customer capital is based on the fact that a company cannot exist without outside support, such as loyal customers who are satisfied with the company's services, reliable and quality suppliers and the company's relationship with the government and the surrounding community. Therefore, maintaining good relations with several parties is an important thing that must be carried out by the company because it can add value to the company. The process of the emergence of customer capital usually starts from activities to know, learn, trust, and establish relationships (Purwanto and Mela, 2021). The better the relationship between the customer and the company, the greater the value of customer capital that can be reported (Aidara et al., 2021). Customer capital can also be created through employee knowledge which is processed with structural capital which can produce good relations with outsiders (Selfiani , 2021). Companies that invest heavily to become consumer-focused and become absolute market makers can increase or improve their business performance. If customers are loyal to the company, then business performance can be maintained (Fariana., 2014).

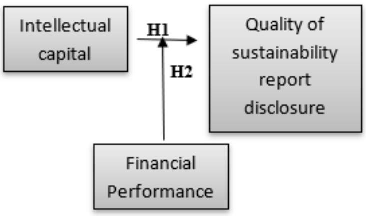
Sustainability Report

Sustainability reporting has various definitions, according to the World Business Council for Sustainable Development (2002) sustainability reports [JAAKFE, December 2014] (sustainability reporting) are defined as public reports where companies provide an overview of the company's position and activities in economic aspects, environmental and social to internal and external stakeholders. Elkington (1997) in Wibisono (2007) defines sustainability reporting as a report that contains not only financial performance information but also non-financial information which consists of information on social and environmental activities that enable companies to grow sustainably. Meanwhile, Sihotang (2006) defines sustainability reporting as reporting on the economic, social and environmental aspects of the regulatory impact and performance of companies and their products in the context of sustainable development (triple bottom line reporting). Thus, sustainability reporting can be interpreted as a report that includes 3 aspects, namely financial aspects, environmental aspects and corporate social aspects.

Financial Performance

Company performance can be said as a formal effort carried out by the company to evaluate the efficiency and effectiveness of the company's activities that have been carried out in a certain period of time. Performance is a formal effort carried out by the company to evaluate the efficiency and effectiveness of the company's activities that have been carried out for a certain period of time (Hanafi & Halim, 2007). Analysis is the decomposition of a number of main elements and the study of each element and the relationship between these elements with the aim of obtaining a precise understanding and understanding of the overall meaning (Najmudin, 2011). Meanwhile, financial reports are reports that show the company's financial condition at this time or in a certain period (Kasmir, 2016).

Research Framework:



Hypothesis

The Effect Of Intellectual Capital On The Quality Of Sustainability Report Disclosure

Disclosure regarding Intellectual Capital (IC) applied by the company in the annual report, is a step that can assist the company in explaining what elements the company has. Intellectual capital is a measurable resource that can encourage competitive advantages so that it is able to contribute to business (Aries et al., 2020). Optimum utilization and management of intellectual capital can reduce operational costs and will stimulate an increase in company profits. If a company can manage, utilize and develop its knowledge to increase company value, then this will tend to provide benefits for stakeholders (Nurhayati et al., 2019). The results of research conducted by Septiana (2018) and Poh, Kilicman, and Ibrahim (2018) explained that the higher the disclosure of intellectual capital that is applied, the more credible and reliable information will be provided, and will be able to minimize investor errors in evaluating the company's stock price, and at the same time will be able to increase the level of market capitalization. Based on this, the Intellectual Capital owned by the company can have a positive influence on company value

H1: Intellectual Capital Has A Positive Effect On The Quality Of Sustainability Report Disclosures.

Financial Performance Moderates The Relationship Between Intellectual Capital And The Quality Of Sustainability Report Disclosure

Research results show that environmental performance positively influences firm value (Suka, 2016; Plumlee et al., 2015; Iqbal & Parwati, 2013; Al-Najjar & Anfimadou, 2012). This gives a signal that corporations that consistently strive to achieve good environmental performance will give a positive signal to stock prices and can automatically lead to an increase in corporate value. Environmental performance is one of management's strategic steps in reducing negative environmental impacts and creating added value for the corporation from the point of view of shareholders, in which, the effectiveness of implementing environmental management will be able to create sustainable value for stakeholders. However, Tjahjono (2013) found different results, where environmental performance has no effect on firm value. CSR is a concept in which companies integrate social and environmental concerns in company operations and in interactions between companies and stakeholders, especially shareholders voluntarily (Dick et al., 2020).

CSR activities have a positive effect on financial performance and firm value, as CSR enhances a company's reputation, leads to increased profitability, and increases employee productivity. CSR activities can enhance a company's reputation and therefore improve its financial performance in the long run (Waddock & Graves, 1997). In addition, through CSR, communication with various stakeholders has a positive impact on non-financial value and increases the value of the company in the long term (Frooman, 1997; McGuire et al., 1988). In accordance with the stakeholder theory, it states that value added is a more accurate measurement instrument in measuring the performance of a company compared to accounting profit, which is only a measure of return for shareholders. This research is supported by Khairunissa & Budiono (2017) found that intellectual capital as measured by a combination of value added (VACA, VAHU and STVA) has a significant effect on the company's financial performance in companies listed on the Indonesia Stock Exchange (IDX) (Ofori et al., 2020). We find that accrual quality is negatively related to the magnitude of total accruals, length of the operating cycle, and the standard deviation of sales, cash flows, and earnings, while it is positively related to firm size. Second, we show a strong positive relation between accrual quality and earnings persistence (Dechow and Dichev, 2002). This means that companies with higher intellectual capital values can improve company performance

H2: Financial Performance Strengthens The Relationship Between Intellectual Capital And The Quality Of Sustainability Report Disclosure

Research Methods

The population used in this research is banking companies that are registered on the Indonesia Stock Exchange in 2019. The total population is 39 companies that are listed on the Indonesia Stock Exchange in 2019. 4 companies that did not issue financial reports on December 31, 2019. The sampling method used in this study is the saturated sample method. Saturated sample method is a sampling technique when all members of the population are used as samples.

The sampling technique used in this study is the Nonprobability Sampling method, using a saturated sampling approach (census).

Variable measurement:

Intellectual Capital (X):

VAICTM

(VACA+VAHU+STAVA)

disclosure quality of sustainability report:

measured through the Sustainability Reporting Disclosure Index (SRDI) with the GRI Standard benchmark. SRDI calculation is done by giving a score of 1 if one item is disclosed and 0 if it is not disclosed. After scoring all items, the scores are then added together to obtain the overall score for each company. The SRDI calculation formula is as follows. SRDI =

Items disclosed…(1)

Expected items.

Financial Performance (Return On Assets)

$$\frac{\text{Net Profit Before Tax}}{\text{Total Assets}}$$

Source: Selfiani and Ari Purwanti (2020)

Data Analysis Method

Descriptive Statistics

Descriptive statistics are statistics that are used to analyze data by describing the data that has been collected as it is without intending to make general conclusions

Descriptive statistics (Sugiyono 2017), used in this study include: mean (average count), minimum and maximum values, and standard deviation (data deviation from the average).

Assumption Test

To produce a good regression model, it is necessary to test the classical assumptions.

The classical assumptions consist of several things, including the assumption of normality, the assumption that there are no multicollinearity symptoms, the assumption of autocorrelation, and the assumption of heteroscedasticity (Sugiyono, 2017). The following is an explanation of the classical assumption test that will be performed.

Data Normality Test

The data normality test aims to test the dependent and independent variables in the regression equation that both have a normal distribution or not. A good distribution model is to have a normal distribution or close to normal because for a variable that has abnormal characteristics it can reduce the accuracy in hypothesis testing. In this study, the Kolmogrov-Smirnov statistical test will be used. This test is carried out with the following steps (Ghozali, 2016). **Hypothesis:**

a.

Ho: the data is normally distributed

Ha: the data is not normally distributed

b. Determine the significance level of 5% (α = 5%)

c. Criteria:

• Ho is rejected if Prob. JB≤ α

• Conversely, if Prob. JB ≥ α (0.05) then Ho cannot be rejected (Ho is accepted).

Multicollinearity Test

This test was conducted to find out whether there is multicollinearity in the regression model. The multicollinearity test aims to test whether the regression model found a high or imperfect correlation between the independent variables (Ghozali 2018). If there is a strong relationship between the independent variables, then there are symptoms of multicollinearity, conversely, if there is no strong relationship between the independent variables, it means that there are no symptoms of multicollinearity (Rasul and Nurlaelah, 2010). In this study, tolerance values and VIF (Variance Inflation Factor) were used. These two measures indicate which of each independent variable is explained by the other independent variables. To indicate the existence of multicollinearity is tolerance < 0.10 or equal to VIF > 10.

Autocorrelation Test

The autocorrelation test aims to test whether in a linear regression model there is a correlation between (residual) disturbance errors in period t and errors in period t-1 (previously). If there is a correlation, then there is an autocorrelation problem. This problem arises because the residuals are not independent from one observation to another (Ghozali, 2018). A good regression model is a regression model that is free from autocorrelation, to detect the presence of autocorrelation in the regression model.

Heteroscedasticity Test

Heteroscedasticity is a situation where there is a distribution of different population data points in the regression. Heteroscedasticity will cause the estimation of the regression coefficient to be biased. Heteroscedasticity test aims to test when in the regression model there is an inequality of variance from the residual one observation to another observation (Ghozali, 2018). Detection of the presence or absence of heteroscedasticity can be done by looking at the heteroscedasticity occurring when the residuals and predictive values have a correlation or relationship pattern. This relationship pattern is not only limited to a linear relationship, but in different patterns it is also possible. Therefore there are several heteroscedasticity test methods that are owned by EViews, such as: Breusch - Pagan - Good fr e y, H a r v e y, Glejs e r, AR CH, W h it e and others. Ideally all heteroscedasticity test methods are tried so that we are sure that there is no heteroscedasticity in this linear regression model. The decision whether or not heteroscedasticity occurs in the linear regression model is by looking at the Prob Value. F-statistic (F count). If the Prob. F

count is greater than the alpha level of 0.05 (5%) then H0 is accepted.
Which means that there is no heteroscedasticity, whereas if the Prob. F count is smaller than the alpha level of 0.05 (5%) then H0 is rejected which means there is heteroscedasticity.

Determinant Coefficient (R^2)
The coefficient of determination (R^2) measures how far the model's ability to explain the variation of the dependent variable. The value of the coefficient of determination is between zero and one. A small R^2 value means that the ability of the independent variables to explain the variation of the dependent variable is very limited. A value close to one means that the variables are independent variables provide almost all the information needed to predict variations in the dependent variable (Ghozali, 2018).

Hypothesis Test
Test of the hypothesis (1,2,3) in this study using multiple linear regression analysis, multiple linear regression analysis is a study of the dependence of the dependent variable with more than one independent variable. The goal is to estimate and or predict the population average or the average value of the dependent variable based on the known independent variable values (Ghozali, 2018) This analysis is to study the effect of the dependent variable (Y), namely the disclosure of the sustainability report on the independent variable (X) Capital Intellectual property with the moderating variable (Z) of financial performance, then a hypothesis test will be carried out which consists of multiple linear regression tests using the following formula.

$Y = \alpha + \beta 1X1 + \beta 2X1.Z + e$

Information:
Y = Disclosure of Sustainability Report
α = Constant
X1 = Intellectual Capital
Z = Financial Performance
β1 – β2= Coefficient Independent Variable e = Coefficient of error

Research Results and Discussion

Data were obtained from the annual financial reports of each banking company listed on the Indonesia Stock Exchange in 2019. The number of studies used as samples in this study were 39 companies

Tabel 1

	N	Min	Max	Mean	Std. Deviation
Intellectual Capital	39	-21.78	12.46	4.7619	1.60513
Pengungkapan Sustainability Reporting	39	0.25	6.07	1.5463	1.44634
Kinerja Keuangan	39	0.24	15.03	6.5421	1.332721
Valid N (Listwise)					

Based on table 1 above, the results of descriptive statistics about the research variables can be presented as follows:
intellectual capital (XI) The number of samples for intellectual capital is 39 companies have the lowest value (minimum) of -21.7, the highest value (maximum) of 12.46, the average value is 4.7619, the level of deviation of data distribution (standard deviation) of 1.60513. Disclosure of sustainability reports with a sample of 39 companies having the lowest (minimum) value of 0.25, the highest (maximum) value of 6.07, the average (mean) value of 1.564, the level of deviation of data distribution (standard deviation) of 1.4463. Financial performance (Z), the number of samples for environmental aspects is 39 companies have the lowest score (minimum) of 0.24, the highest score (maximum) is 15.03, the average value (mean) is 6.5421, the deviation rate of data distribution (standard deviation) of 1.3327.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.991	0.131		7.592	0
	Intellectual capital	-0.219	0.071	-0.328	-3.079	0.004
	ICXKK	0.257	0.122	0.478	2.11	0.042

$Y = \alpha + \beta 1X1 + \beta 2X1.Z + e$

Processing the data produces a regression model as follows:

$Y=0,99+0,21+0,25+e$

Discussion

Hypothesis Testing Results 1

The table illustrates that the intellectual capital variable influences the disclosure of SR, shown by the significance probability value of intellectual capital of 0.004 which is less than 0.05. Thus the H1 hypothesis which explains that intellectual capital influences the disclosure of sustainability reports is accepted.

Hypothesis Testing Results 2

The table illustrates that the financial performance variable strengthens the relationship between intellectual capital and SR disclosure, a number of 0.042 is smaller than 0.05. Thus the H2 hypothesis which explains that financial performance strengthens the relationship between intellectual capital and SR disclosure is accepted.

Conclusions and Suggestions

Conclusion

This study aims to influence intellectual capital on Sustainability Report disclosure with financial performance as a moderating variable.

Suggestion

Sustainability report for sustainability Companies that consider sustainable development will be able to increase corporate value due to the support obtained from both internal and external stakeholders, such as consumers, employees, investors, regulators, suppliers and other groups. Intellectual capital with financial performance as a moderating variable is proven to be affected by the sustainability report. So that this research will be able to increase corporate value due to the support obtained from both internal and external stakeholders, such as consumers, employees, investors, regulators, suppliers and other groups. Intellectual capital with financial performance as a moderating variable is proven to be affected by the sustainability report. So that this research will provide information to employees or investors and have a contribution to explain the existence of agency theory.

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