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Intellectual Capital, Company Size, Liquidity and Capital Structure in Their Effect on Firm Value with Profitability as a Mediator

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ABSTRACT

This study aims to analyze the influence of intellectual capital, firm size, liquidity, and capital structure on firm value, with profitability as a mediating variable. The research focuses on consumer non-cyclicals sector companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2023. The analysis is conducted using multiple linear regression and the Sobel test to measure both direct and mediating effects. The results indicate that intellectual capital has a significant positive effect on profitability, while firm size and liquidity do not show a significant impact. Capital structure has a significant negative effect on profitability. Additionally, intellectual capital and capital structure significantly influence firm value, whereas firm size and liquidity do not. Profitability is proven to mediate the effect of intellectual capital and capital structure on firm value but does not mediate the relationship between firm size and liquidity and firm value. These findings support the Resource-Based Theory (RBT), which highlights the importance of managing strategic resources to create added value, and the Signaling Theory, which suggests that profitability and capital structure provide positive signals to investors regarding firm performance. The study implies that companies should prioritize managing intellectual capital and capital structure to enhance profitability, ultimately increasing firm value. Future research is recommended to extend the study period and consider external variables, such as macroeconomic conditions, for more comprehensive insights.

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1. INTRODUCTION

A company is an entity that engages in the production of goods and services with the primary objective of generating profit. In its operations, a company requires capital, which can be sourced internally or externally. Internal funding comes from retained earnings, working capital, profitability, and additional funds from shareholders. Meanwhile, external funding is obtained from external parties, such as investors, through the issuance of shares. To attract investors, companies must maintain and enhance their firm value, as a high firm value increases investor confidence in making investment decisions.

Firm value is closely related to a company's stock price in the market. The higher a company's stock price, the greater the value it offers to investors. This indicates that the company has promising future prospects. According to Prayogi (2024), high firm value attracts more investors to invest in the company for the long term. This opinion is supported by Natsir & Yusbardini (2019), who state that a high firm value reflects strong performance and enhances investor confidence in the company's sustainability.

The consumer non-cyclicals sector is one of the most important sectors in Indonesia. This sector includes companies that sell essential goods and services that remain in demand regardless of economic conditions or seasonal changes. Stocks in this sector tend to be stable, making them a popular choice for beginner investors due to their lower risk compared to cyclicals (Nadya, 2023). Additionally, this sector plays a vital role in Indonesia's economic growth, as it involves the manufacturing industry, which serves as a key driver of the national economy (Kayo, 2021 in Dhea Perwitasari, 2022).

Several factors influence firm value and can be categorized into financial and non-financial factors. Financial factors include firm size, capital structure, and liquidity, while non-financial factors include intellectual capital. Intellectual capital encompasses intangible assets such as knowledge, skills, innovation, and stakeholder relationships, which can enhance firm value. In the consumer non-cyclicals sector, effective intellectual capital management provides a strategic advantage due to stable product demand, unaffected by economic fluctuations.

Additionally, firm size is an important indicator in assessing firm value. Companies with large assets and sales have easier access to information and greater opportunities to attract investors. According to Horne and Wachowicz (2009) in Hardinis M (2019), firm size influences firm value as it is associated with business growth and financial stability. Capital structure also affects firm value, as it relates to the composition of debt and equity used in business operations (Nabila, Surasni, & Husnan, 2021). Profitability serves as a mediating factor in the relationship between capital structure and firm value, as higher profitability increases the company's ability to repay its debt.

In addition to these factors, liquidity is another key indicator in assessing firm value. Liquidity represents a company's ability to meet its short-term obligations. A company with strong liquidity indicates healthy financial conditions and enhances investor confidence. Previous studies have shown mixed results regarding the relationship between liquidity and firm value. Therefore, this study aims to analyze the influence of intellectual capital, firm size, capital structure, and liquidity on firm value, with profitability as a mediating variable in the consumer non-cyclicals sector listed on the Indonesia Stock Exchange.

2. METHOD

This study employs a quantitative method since the data used is numerical and aims to obtain statistically based information. A quantitative approach is chosen to develop existing theories proposed by previous studies related to various phenomena in the consumer non-cyclicals sector. According to Sugiyono (2013), the quantitative method is based on the philosophy of positivism and is used to examine a specific population or sample. The collected data is analyzed statistically to test the predetermined hypotheses. This study begins with the collection of secondary data relevant to the hypotheses and supporting theories.

The data used in this study is secondary data obtained from the financial reports of consumer non-cyclicals sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2019–2023. The population of this study consists of 126 companies within this sector. To determine the research sample, the purposive sampling method is used, which is a sampling technique based on specific criteria that align with the research objectives (Sugiyono, 2019). The selected sample is expected to represent the population to ensure accurate research findings and valid conclusions.

The research variables reflect the key elements related to the problem formulation of this study. Six variables are used: intellectual capital (X1), firm size (X2), liquidity (X3), and capital structure (X4) as independent variables; firm value (Y) as the dependent variable; and profitability (Z) as the mediating variable. Independent variables are those that influence or cause changes in the dependent variable, either positively or negatively. According to Sugiyono (2018:68), independent variables are factors that affect the transition of the dependent variable. In this study, the independent variables include intellectual capital, firm size, liquidity, and capital structure.

3. DISCUSSION/CONCLUSION

The results of this study describe the data distribution of each variable through descriptive statistical analysis, which includes the minimum, maximum, average, and standard deviation values. Intellectual capital has a fairly wide range of values from -1.83 to 4.19, with PT Japfa Comfeed Indonesia Tbk as the company with the highest value, while PT H.M. Sampoerna Tbk has the lowest value. Company size shows that PT Mayora Indah Tbk has the largest scale with a value of 32.86, while PT Sumber Alfaria Trijaya Tbk has the smallest scale with a value of 27.37, with a standard deviation that shows a fairly high level of homogeneity. The liquidity of the companies varies significantly, with PT Wilmar Cahaya Indonesia Tbk having the highest current ratio of 13.31, while PT H.M. Sampoerna Tbk has

the lowest ratio of 0.55, showing a considerable difference in the ability of the company to meet its short-term obligations. The capital structure also shows significant variation, with PT Enseval Putera Megatrading Tbk having the highest ratio of 4.94, signaling high dependence on debt, while PT Sekar Bumi Tbk has the lowest ratio of 0.10, indicating the dominance of own capital in its funding.

The profitability of the companies studied also shows a large variation, where PT Sawit Sumbermas Sarana Tbk has the highest level of profitability of 0.42, while some companies such as PT PP London Sumatra Indonesia Tbk and PT Tigaraksa Satria Tbk have a profitability of 0.00, indicating a very minimal potential loss or profit. Firm value also shows significant differences, with PT H.M. Sampoerna Tbk having the highest value of 60.67, while PT Sumber Alfaria Trijaya Tbk has the lowest value of 0.24. The high standard deviation indicates that there is a large variation in the market valuation of these companies, which could be influenced by factors such as financial performance, brand reputation, and business strategy. Overall, the average value of intellectual capital of 1.4071 indicates fairly good innovation capabilities, while the average firm size of 29.5952 indicates the majority of the companies are medium to large in size. With an average liquidity of 2.8088 and a capital structure of 1.0120, companies show a balance in asset management and funding. However, the low average profitability of 0.0961 indicates that most companies have not been able to generate profits optimally, while the average firm value of 3.6212 indicates considerable variation in market valuation of companies.

The Kolmogorov-Smirnov test in this study is used to test whether the residuals of the regression model are normally distributed, because the assumption of residual normality is an important requirement in regression analysis. The test results show that neither model 1 nor model 2 meet the normality assumption, characterized by a significance value (p-value) that is smaller than 0.05, so the hypothesis that the data is normally distributed is rejected. Model 1 has smaller deviations than model 2, which can be seen from the lower test statistic and standard deviation values. To overcome the problem of data abnormalities, several corrective steps were taken, namely removing 33 outlier data that deviated far from the general pattern and performing natural logarithm (LN) transformation on the PBV dependent variable so that the data distribution became more symmetrical and closer to normal distribution. After these steps were taken, the Kolmogorov-Smirnov test was performed again and the results showed an improvement in data distribution, with a significance value greater than 0.05, indicating that the data had met the assumption of normality. This change is also evident from the smaller test statistic values and standard deviations that are still within reasonable limits, so it can be concluded that data preprocessing through outlier removal and LN transformation has been effective in improving the data distribution, allowing further statistical analysis to be conducted more validly and reliably.

Multicollinearity test is conducted to ensure that there is no high correlation between independent variables that can affect the stability of the regression model. The analysis results in tables 4.6 and 4.7 show that all variables, namely intellectual capital, company size, liquidity, capital structure, and profitability, have a tolerance value above 0.1 and VIF below 10, which means there is no multicollinearity. Thus, the regression model used can be considered stable and valid to test the research hypothesis.

Effect of intellectual capital on profitability

The results showed that intellectual capital has a positive and significant effect on company profitability, which is in line with Resource-Based Theory (RBT), signalling theory, and stakeholder theory. In RBT, strategic assets such as knowledge and innovation provide a competitive advantage, while signalling theory states that good intellectual capital management provides a positive signal to investors, enhancing market confidence and stock valuation. Stakeholder theory emphasizes that effective intellectual capital management meets stakeholder expectations, improves operational efficiency, and creates greater value. Based on the t test, intellectual capital has a coefficient of 0.024 with a t value of 3.578 and a significance of 0.000, indicating that the higher the intellectual capital, the greater its contribution in increasing profitability. This is also supported by the standardized beta value of 0.241, which shows a considerable influence on profitability compared to other variables in the model. Furthermore, companies that actively invest in intellectual capital, such as employee training, research and development, and technological advancements, tend to achieve higher innovation levels and sustainable financial growth. These results are consistent with previous research by Nabila et al. (2021), Khotimah et al. (2024), Masmuddin et al. (2024), and Latifah (2024), who also found a positive effect of intellectual capital on profitability, highlighting its critical role in long-term business success.

The effect of company size on profitability

The results showed that firm size has no significant effect on profitability, as indicated by the t test with a coefficient of -0.004, a t value of -1.609, and a significance of 0.110 (greater than 0.05). This finding supports the Resource-Based Theory (RBT) perspective, which states that profitability depends more on strategic resource management than on the size of the firm itself. Although large firms have more assets, without efficient and innovative

management, these assets do not automatically increase profitability. Large firms may also face higher operational costs, bureaucratic inefficiencies, and difficulties in adapting to market changes, which can negatively impact profitability. Thus, competitive advantage is not only determined by the scale of the company but by the utilization of knowledge, skills, and technology in creating sustainable value. Furthermore, small and medium-sized enterprises (SMEs) with strong innovation capabilities and agile business strategies can achieve higher profitability than larger firms with rigid structures. The results of this study differ from previous studies by Aini & Suwarno (2024), Hardinis M (2019), and Natsir & Yusbardini (2019), which found that company size affects profitability. However, this finding aligns with research by Sutoro et al. (2023) and Lau (2022), who argue that effective resource allocation and strategic decision-making play a more crucial role in determining profitability than firm size alone.

The effect of liquidity on profitability

The results showed that liquidity has a positive and significant effect on company profitability, with a coefficient value of 0.004, t of 2.039, and a significance of 0.043 (smaller than 0.05), which indicates that the higher the liquidity, the greater the contribution to profitability. Good liquidity allows companies to meet short-term obligations, maintain smooth operations, increase stakeholder confidence, and reduce the risk of default, which overall supports increased profits. Furthermore, strong liquidity enhances financial flexibility, allowing firms to take advantage of investment opportunities, negotiate better credit terms, and respond effectively to economic uncertainties. This finding is in line with Stakeholder Theory, where stable liquidity provides certainty to stakeholders regarding the company's financial stability, as well as Signalling Theory, which states that high liquidity provides positive signals to the market and investors regarding the company's financial health. However, too high liquidity can also reflect inefficient asset management, as excessive cash holdings may indicate missed investment opportunities that could generate higher returns. Therefore, firms must balance liquidity and investment efficiency to optimize profitability. The results of this study are consistent with a study conducted by Ambarwati & Vitaningrum (2021), which found that liquidity affects company profitability, and also align with the findings of Sutoro et al. (2023), who emphasized the importance of liquidity management in maintaining a firm's long-term profitability and growth potential.

Effect of capital structure on profitability

The results showed that capital structure has a negative and significant effect on profitability, with a coefficient value of -0.023, t of -6.519, and a significance of 0.000 (smaller than 0.05), which indicates that the higher the proportion of debt in the capital structure, the lower the level of profitability of the company. This can be caused by the high interest costs and financial risks that accompany the use of excess debt, which reduces financial flexibility and increases the likelihood of default. Furthermore, a high debt ratio can limit a company's ability to invest in growth opportunities, as a significant portion of earnings must be allocated to debt repayments rather than business expansion or innovation. This finding is relevant to Signalling Theory, where a well-managed capital structure provides a positive signal regarding the company's financial stability, as well as Resource-Based Theory (RBT), which emphasizes the importance of strategic resource management, including capital, to create added value. Moreover, from the perspective of Trade-Off Theory, companies must carefully balance the benefits of debt financing, such as tax shields, with the risks of financial distress. The results of this study are in line with the study of Nabila, Surasni, & Husnan (2021), which found a negative effect of capital structure on profitability, while the study of Sutoro, Yantiana, & Rusmita (2024) found a positive effect, and Lau (2022) found that capital structure has no effect on profitability. These contrasting findings suggest that the impact of capital structure on profitability may vary depending on industry conditions, economic cycles, and the company's ability to manage debt efficiently.

The effect of intellectual capital on firm value

The results showed that intellectual capital has no significant effect on firm value, with a coefficient of 0.055, a t-value of 0.457, and a significance of 0.648 (greater than 0.05), which indicates that intellectual capital management has not directly increased firm value. This suggests that although intellectual capital plays a crucial role in driving innovation, efficiency, and long-term competitiveness, its impact may not be immediately reflected in firm value due to the intangible nature of intellectual assets. In the perspective of signaling theory, the lack of disclosure or effective communication regarding intellectual capital may cause investors not to consider it as a factor that contributes to firm value, especially since the capital market focuses more on visible financial indicators such as profitability, revenue growth, and dividend payouts. Moreover, in the context of Resource-Based Theory (RBT), intellectual capital may require complementary tangible resources or long-term strategic implementation before it can significantly enhance firm value. This finding is in line with Febry's (2018) research, which also found no effect of intellectual capital on firm value, but in contrast to the research of Giovanni & Santosa (2020), Appah et al. (2023), Faizzah & Asyik (2022), and several other studies that conclude that intellectual capital contributes to increasing firm value. The inconsistency in research findings highlights the possibility that the impact of intellectual capital on firm value is industry-specific, influenced by factors such as firm size, governance practices, and the extent of knowledge-based asset utilization.

The effect of company size on firm value

The results showed that company size has no significant effect on firm value, with a coefficient of 0.060, a t-value of 1.597, and a significance of 0.113 (greater than 0.05), as well as a beta value of 0.112, which shows a positive but weak relationship. This suggests that while larger firms may have more assets, market influence, and operational capacity, these advantages do not automatically translate into higher firm value unless they are managed effectively to drive profitability, innovation, and competitive advantage. In the Resource-Based Theory (RBT) perspective, firm value depends more on the effectiveness of strategic resource management than on the mere scale of the firm, emphasizing that having extensive resources alone is insufficient without proper utilization and efficiency. In addition, according to Signaling Theory, company size is not always the main signal for investors, as factors such as financial performance, governance quality, and innovation play a greater role in determining company value. Additionally, larger firms often face complexities in decision-making, bureaucratic inefficiencies, and higher operational costs, which can offset potential advantages. This finding is in line with the research of Aini & Suwarno (2024), which also states that firm size has no effect on firm value, but is different from the research of Prayogi (2024), Faizzah & Asyik (2022), and several other studies that find a positive relationship between firm size and firm value. The variation in findings indicates that the impact of firm size on firm value may be industry-dependent and influenced by other moderating factors such as market conditions, competitive environment, and corporate governance practices.

Effect of capital structure on firm value

The results showed that capital structure has a positive and significant influence on firm value, with a coefficient of 0.237, a t-value of 3.407, and a significance of 0.001 (smaller than 0.05), as well as a beta value of 0.303, which shows a fairly strong influence. This indicates that an optimal mix of debt and equity can enhance investor confidence, leading to higher firm value. Based on Signalling Theory, an optimal capital structure provides a positive signal to investors regarding the effectiveness of financing management, which increases market confidence and firm value. Meanwhile, in Stakeholder Theory, a healthy capital structure reflects the balance of interests between creditors and shareholders, which strengthens relationships with stakeholders by ensuring financial stability and long-term sustainability. Additionally, firms with well-managed capital structures can take advantage of financial leverage to maximize returns while maintaining an acceptable level of risk. However, excessive debt can lead to higher financial distress costs, reducing firm value if not managed properly. This finding is in line with the research of Nabila, Surasni, & Husnan (2021), Hardinis M (2019), as well as several other studies that found a positive relationship between capital structure and firm value, but in contrast to the results of research by Aini & Suwarno (2024) and Lau (2022), which state that capital structure has no effect on firm value. The divergence in findings suggests that the impact of capital structure on firm value may vary depending on industry characteristics, economic conditions, and corporate governance practices, highlighting the importance of a context-specific approach in capital structure management.

Effect of profitability on firm value

The results showed that profitability has a positive and significant influence on firm value, with a coefficient value of 13.332, a t-value of 9.102, and a significance of 0.000 (smaller than 0.05). With a beta of 0.792, profitability has the greatest influence compared to other variables, which confirms that profit is the main factor in increasing firm value. This finding underscores the critical role of profitability as a key performance indicator that reflects operational efficiency, financial health, and the company's ability to generate sustainable returns. In accordance with Resource-Based Theory (RBT) and Signaling Theory, profitability reflects the company's ability to manage its resources efficiently and provides a positive signal to the market regarding the company's growth prospects, attracting potential investors and increasing stock prices. Higher profitability also enhances the company's ability to reinvest in business expansion, innovation, and competitive strategies, further strengthening long-term firm value. Additionally, profitability serves as a buffer against financial distress, reducing risk perception among investors and creditors, which in turn enhances overall firm valuation. This finding is in line with research conducted by Appah et al. (2023), Nabila et al. (2021), as well as several other studies, but in contrast to the research results of Prayogi (2024) and Hardinis M (2019), which state that profitability has no effect on firm value. The divergence in findings suggests that external factors such as market conditions, corporate governance, and industry-specific dynamics may influence the extent to which profitability translates into firm value, highlighting the need for strategic financial management to maximize shareholder wealth.

In the relationship between intellectual capital and firm value, this study shows that profitability acts as a significant mediator. Based on the Sobel test, the t-count value of 3.192 is greater than the t-table of 1.96, which indicates that profitability can significantly mediate the relationship. This suggests that an increase in intellectual capital can increase profitability, which in turn contributes to an increase in firm value. Intellectual capital, which includes human capital, structural capital, and relational capital, enhances a firm's ability to innovate, improve

operational efficiency, and gain a competitive edge in the market. In the perspective of Resource-Based Theory and Signaling Theory, good intellectual capital management supports profit creation and provides a positive signal to investors, strengthening market confidence and stock valuation. Furthermore, companies that effectively manage intellectual capital are better positioned to leverage intangible assets, such as brand reputation and customer relationships, which play a crucial role in long-term value creation. The results of this study are in line with the findings of Nabila et al. (2021), which also states that profitability can mediate the relationship between intellectual capital and firm value. However, the extent of this mediation effect may vary depending on industry characteristics, regulatory environments, and the effectiveness of corporate strategies in capitalizing on intellectual assets.

However, in the relationship between firm size and firm value, the results show that profitability cannot be a significant mediator. With a t-count value of 1.942, which is smaller than the t-table of 1.96, the mediation path through profitability is not strong enough to contribute to firm value. This confirms that firm size affects firm value more directly through other factors, such as reputation, market dominance, operational efficiency, or access to financial and human resources, rather than through profitability alone. Larger firms may benefit from economies of scale, enhanced bargaining power, and greater market presence, which can directly influence firm value. However, if these advantages are not accompanied by effective cost management, innovation, and strategic decision-making, firm size alone does not guarantee higher profitability. Based on Resource-Based Theory, the effectiveness of resource management, innovation capabilities, and competitive positioning are more critical determinants of firm value than the scale of the firm. Additionally, Signaling Theory suggests that investors may perceive larger firms as more stable and creditworthy, yet their valuation is still contingent on financial performance, market trends, and overall economic conditions.

Similarly, in the relationship between liquidity and firm value, profitability does not act as a significant mediator. With a t-count of 1.942, which is smaller than the t-table of 1.96, the indirect effect through profitability is not strong enough to have an impact on firm value. This suggests that while liquidity ensures a company's ability to meet short-term obligations, it does not necessarily translate into increased profitability or higher firm value unless it is efficiently managed and strategically utilized for investment and growth opportunities. Based on Stakeholder Theory, good liquidity provides a sense of security for stakeholders, such as creditors, employees, and suppliers, ensuring business continuity and financial stability. However, excessive liquidity may also indicate inefficiency in asset utilization, as idle cash that is not reinvested or allocated optimally may fail to generate additional returns.

From the perspective of Signaling Theory, liquidity can serve as an indicator of financial health and stability, potentially attracting investors and creditors who seek lower financial risk. However, without a significant contribution to profitability such as reinvesting liquid assets into profitable projects, innovation, or market expansion the impact on firm value remains limited. This finding aligns with Lau's (2022) research, which also found that profitability cannot mediate the relationship between liquidity and firm value. In contrast, other studies suggest that in cases where liquidity is strategically used to fund productive investments, improve operational efficiency, or reduce dependency on external financing, it may have a stronger impact on firm value. Therefore, firms must balance maintaining sufficient liquidity with ensuring optimal resource allocation to maximize profitability and long-term value creation.

In contrast, in the relationship between capital structure and firm value, profitability proves to be a significant mediator. Based on the Sobel test, the t-count value of 4.840 is much greater than the t-table of 1.96, which indicates that an effective capital structure can increase profitability, which in turn contributes to an increase in firm value. This suggests that firms with an optimal mix of debt and equity can achieve higher profitability through efficient cost management, lower financing costs, and improved operational performance.

From the perspective of Signalling Theory, an optimal capital structure provides a positive signal to the market regarding the effectiveness of funding management, increasing investor confidence and, ultimately, firm value. A well-balanced capital structure indicates that the company can strategically utilize debt to leverage growth opportunities while maintaining financial stability. Similarly, Stakeholder Theory emphasizes that a well-managed capital structure reflects the company’s ability to balance the interests of creditors and shareholders, ensuring long-term sustainability and value creation.

Furthermore, excessive debt may lead to financial distress, higher interest costs, and reduced profitability, negatively affecting firm value. Conversely, excessive reliance on equity financing may limit growth potential due to the higher cost of equity compared to debt. Therefore, finding the right balance in capital structure is crucial for maximizing profitability and enhancing firm value.

The results of this study are in line with the findings of Sutoro et al. (2024), which also state that profitability is able to mediate the relationship between capital structure and firm value. However, several other studies, such as those conducted by Nabila et al. (2021), Hardinis M (2019), and Lau (2022), show different results, where profitability does not act as a significant mediator in this relationship. These conflicting findings indicate that the impact of capital structure on firm value may depend on industry-specific factors, economic conditions, and the firm's financial strategy.

Thus, companies need to adopt a dynamic approach to capital structure management, continuously assessing its effects on profitability and long-term value creation.

This study provides important implications for company management, investors, and other stakeholders. For management, the results confirm that profitability should be the main focus in the strategy to increase firm value, with special attention to the optimization of intellectual capital and capital structure. Effective intellectual capital management can drive innovation, enhance operational efficiency, and strengthen competitive advantage, while a well-balanced capital structure ensures financial stability and sustainable growth. Additionally, management should continuously assess the firm's financial policies to maximize profitability without exposing the company to excessive risk.

For investors, profitability serves as a key indicator in assessing the long-term prospects of a company, especially in industries that depend on intellectual excellence and debt management efficiency. Investors can evaluate a firm's ability to generate consistent earnings and adapt to changing market conditions, helping them make informed decisions about stock valuation and investment risk. Furthermore, understanding how capital structure influences profitability allows investors to better assess financial leverage and risk exposure in their investment strategies. Meanwhile, stakeholders, including regulators and market analysts, may consider the role of profitability in assessing a firm's stability and growth. Regulatory bodies can use these insights to develop policies that encourage transparent financial reporting and responsible financial management, ensuring investor protection and market stability. Analysts can refine valuation models by incorporating the effects of profitability on firm value, providing more accurate assessments for market participants.

The findings also indicate that factors such as firm size and liquidity may have a greater influence on firm value through other channels beyond profitability, such as market perception, brand reputation, and strategic alliances. This opens up opportunities for further research to explore alternative mechanisms that may affect firm value more comprehensively. Future studies could investigate the role of corporate governance, innovation capacity, and industry-specific dynamics in shaping firm value, providing deeper insights into the complexities of financial performance and strategic decision-making..

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