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Influence *Intellectual Capital* And*Green Accounting* Against Financial Performance with Business Strategy As Moderator

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Abstract

This research aims to examine the influence of several variables: (1) intellectual capital and (2) green accounting on financial performance, moderated by the business strategy variable in companies in the basic materials sector listed on the Indonesia Stock Exchange (BEI) from 2020 to 2022. The population in this study consists of 42 companies in the basic materials sector listed on the Indonesia Stock Exchange (BEI) in the main board. Sampling was done using purposive sampling with specific criteria, resulting in 14 samples. The data collection technique used was documentary study by analyzing the financial reports of companies and assessing the PROPER rating results according to the data processing needs. The data were analyzed using SEM PLS version 4.0. The research found that intellectual capital has an impact on financial performance, while green accounting does not have a positive and significant effect on financial performance. Business strategy is able to moderate the relationship between intellectual capital and green accounting on financial performance.

Keywords: intellectual capital, green accounting, business strategy, financial performance

1. INTRODUCTION

Financial report performance can be defined as the achievements or results achieved by a company in order to manage company assets efficiently and effectively within a certain period. Financial performance is certainly needed by company management to evaluate and assess the level of success of the company which is based on the financial activities carried out (Istiq et al., 2021). The role of financial performance is very important for parties who

have an interest in making decisions regarding the company, such as investors, so that financial performance will have a big impact on the sustainability of the company.

The importance of financial report performance means that every company must improve and maintain its financial performance. In order to achieve this, of course more effort is needed in its operational activities. This will of course have an impact on the environment in the company's operational area. Almost all modern industries have realized that environmental and social issues are something that companies must pay more attention to in addition to the company's efforts to increase its profits (Sulistiawati & Dirgantari, 2017). Therefore, environmental accounting or what is often called, emerged green *accounting* as a solution for companies to carry out operations by paying attention to the environment and communities around the operational area. Draft*green accounting* is accounting that attempts to link the environmental budget side with the company's business operations funds (Ningsih & Rachmawati, 2017). *Green accounting* has been developed and introduced on the European Continent since the 1970s. Implementation of the concept green *accounting* is the first step to minimize environmental and social damage from the impact of the company's operational activities and can improve financial performance. Product innovation green *accounting* has no effect on sustainable performance, but the green innovation process has an effect on sustainable performance. This has implications for forming a better business strategy in order to create business sustainability in the future (Palgunadi, 2023).

Application Green *accounting* not only focusing on financial performance, but also efforts to fulfill desires stakeholder. If environmental damage becomes greater, this can reduce the company's financial performance and vice versa. This statement is in accordance with related research green *accounting* on the company's financial performance carried out by Hamidi (2019), the results obtained were implementation green *accounting* chose a significant influence on the company's financial performance. Application Green *accounting* especially in terms of reporting which is still not effective, often some companies do not report the bad news they face, so that environmental cost reporting is considered ineffective (Yasrawan, 2023). Environmental performance is the performance of environmental conservation efforts carried out by the company. Environmental performance can also be defined as a mechanism for companies to voluntarily increase attention to the environment in their operational business activities and interactions with stakeholder, in the form of organizational responsibilities in the legal field (Yastynda, 2020). The Covid-19 pandemic has had an impact on disclosure green *accounting* in corporate entities, where there are

significant differences in environmental disclosures before and during the Covid-19 pandemic (Yuniarta et al., 2023).

Sector *basic materials* is one of the sectors that participates in the PROPER program, as it is known that mining companies are one of several companies that have operational activities directly related to the environment. Mining company operational activities certainly have an impact on the surrounding environment and have risks to the environment. If the company's environmental performance is better, it will be positive and in the same direction as the company's performance will increase, and vice versa. This statement is in line with research conducted by Widuri (2020) regarding the results of his research which stated that environmental performance has a positive effect on company financial performance.

Various phenomena related to poor financial performance have occurred in Indonesia in recent years. Some of them are when the government in 2020 will liquidate companies with poor financial performance such as PT. Aceh Kraft Paper and PT. The Nusantara Clothing Industry is considered no longer able to compete in the market so it is better to liquidate it so that the state budget is more efficient. Liquidation actions in Indonesia have been experienced by State-Owned Enterprises (BUMN), private companies, banks and other companies in various sectors. Businesses that are unable to carry out their obligations or experience failure so that they are forced to go bankrupt, stop their operational activities and experience dissolution. This dissolution has the effect of carrying out liquidation as regulated in Law Number 40 of 2007 concerning Limited Liability Companies Article 142 paragraph 2 (Nurul Hidayah & Amrie Firmansyah, 2020). Looking at the phenomena that have occurred in the Indonesian economy recently, the sector's *basic materials* deserves attention because in the 2020 State Revenue and Expenditure Budget (APBN), revenues in the sector *basic materials* included in Non-Tax State Revenue (PNBP) from non-oil and gas natural resources. Realization of PNBP reached Rp. 338.53 trillion in which sector *basic materials* contributed 21.2 trillion (21%) of total natural resource revenues, this is a large portion of the PNBP instrument.

Besides this phenomenon, PT. Timah, Tbk is one of Inalum's subsidiaries operating in the sector of basic *materials* or tin exploitation. In semester 1 of 2020, the Financial Report of PT. Timah, Tbk stated a net loss of Rp. 390.07 billion based on the company's financial report, the net loss of PT. Timah has different achievements compared to the previous period. In the previous year, the company recorded a profit (net profit) of up to IDR 205.29 billion. From the company's financial reports, it can be seen that the company's performance

is deteriorating due to a decrease in company revenue of 18.48% on an annual basis in semester 1 2020. It is recorded in the financial report in semester 1 2020 that the largest tin producing company in Indonesia had revenues of IDR 7.97 trillion. until the end of June 2020, from previously IDR 9.78 trillion. Apart from PT Timah, Tbk, PT Aneka Tambang, Tbk also experienced a decline in financial performance. It was recorded in the financial report of PT Aneka Tambang, Tbk for the first semester of 2020 that the company experienced a decrease of 80.18% from net profit in the same period in 2019. This was due to very high expenses borne by the company accompanied by a decrease in sales of up to 36.06 %. Based on the two news articles circulating related to the financial performance of sector companies' basic *materials* listed on the Indonesian Stock Exchange, it can be concluded that the performance of sector companies' financial reports *basic materials* experienced a decline in financial performance, one of the causes of which was excessive expenditure in carrying out company activities.

In today's knowledge-based era, the strategy for corporations to survive is to convert the company's characteristics from workforce to knowledge base. Knowledge-based business provides the main focus on human and scientific resources, as well as intangible assets in order to drive the value of a corporate entity. The important role of intelligence *power*, quality workforce, and increasing the credibility of a company's information gave rise to the term*Intellectual capital*. *Intellectual capital* can be interpreted as knowledge that can create profits (Ulum Ihyaul, 2017). Meanwhile, according to Bol & Heisig (2021), *intellectual capital* can be measured even though it cannot be seen. Based on the definitions above, it can be said that intellectual *capital* is an intangible asset belonging to a business entity. This is of course in accordance with PSAK 19 concerning Intangible Assets, which states that intangible assets are identified non-monetary assets without physical form, which can produce economic benefits in the future.

Development Intellectual *capital* creates new encouragement for accountants to take action in the form of identification, measurement and disclosure in preparing a financial report. Intellectual capital can be measured by one of the so-called approach methods*Value Added Capital Coefficient (VAIC)*. This calculation shows the amount of added value of the entity by calculating efficiency intellectual *capital* to the total value *added* corporate entity. VAIC consists of three main components, namely*Value Added Capital Employee (VACA, Value Added Human Capital (VAHU),* as well as*Structural Capital Value Added (STVA)* (Ulum Ihya Ul, 2017).*Intellectual capital* have a positive influence on*Economic Value Added (EVA)* a

company. Company with the owner intellectual *capital* those that are relatively high tend to have high EVA, and vice versa (Poetri, 2015).

According to Hariyati & Tjahjadi (2017), business strategy influences financial performance which is mediated by the performance of internal processes. Meanwhile, according to Khasanah & Atiningsih (2019), business strategy does not have a significant effect on financial performance. Previous research has begun to discuss business strategy in various contexts, so the author chose the use of business strategy as a moderating variable.

Based on phenomena in the sector *basic materials* as explained above, in order to improve its performance a solution is needed. Business strategies are expected to help improve the performance of sector companies *basic materials*. Where is the sector issuer *basic materials* This can avoid price fluctuations that suddenly affect the company's share price. This research examines its importance green *accounting, intellectual capital* and business strategy and its influence on financial performance so that the company can be sustainable or sustain. It is hoped that the findings from this study can provide solutions for improving company management in the future.

The research objective to be achieved is to determine the influence of several variables, namely: (1)*intellectual capital* and (2)*green accounting* against financial performance moderated by business strategy variables in sector companies' basic *materials* listed on the Indonesia Stock Exchange (BEI) from 2020 to 2022.

It is hoped that this research will build a theoretical model and complement previous research by elaborating on the relationship between intellectual *capital*, *green accounting*, company performance, and business strategy so that it is hoped that the results can be used as additional references.

2. LITERATURE REVIEW

2.1 Signal Theory

Signal theory was proposed by Spence (1973) in his work entitled "*Job Market Signaling*", the author states that there is information inequality between the parties involved. This theory discusses the phenomenon of information asymmetry which indicates differences in the level of information between parties who have an interest in that information. Signaling theory emphasizes the relevance of information produced by the company for guiding investment decisions by external parties. This theory reveals that information disclosure has signal value for investors and other parties involved in the economic decision-making process outside the company. A disclosure is considered to

contain information if it can trigger a market response, such as changes in stock prices or abnormal *return* (Novensya Dwi Panggau, 2017). Information is a crucial element for investors and business practitioners because it basically provides valuable information, notes or images regarding a company's past and the impacts that have arisen (Ulum Ihyaul, 2017).

This research adopts signal theory on the grounds that voluntarily disclosing intellectual capital information and information generated by green accounting is considered a very effective means for companies to convey signals regarding the superior quality or competitive advantage they have related to intellectual capital which plays an important role in creating prosperity. in the future.

2.2 Resource Based Theory (RBT)

Resource Based Theory (*Resource-Based Theory/*RBT) is used to evaluate a company's competitive advantage by highlighting advantages in knowledge (*knowledge/learning economy*) or economics consisting of intangible assets (*intangible assets)* (Albertini & Berger-Remy, 2019; Aspirandi, 2018). Resource-Based Theory was introduced by Barney in 1991, stating that the economic value in a company's competitive advantage lies in the ownership and effective use of organizational resources that meet the criteria of being additional value (*valuable)*, rare (*rare*), difficult to imitate (*immitable*), and cannot be replaced by other resources (*non-substitution*). Therefore, active efforts are needed to find, acquire, develop, and maintain strategic resources.

Resource based theory says that a company is defined as a combination of visible and invisible assets. The emergence of this theory was caused by the desire to achieve superior performance on an ongoing basis. A company's ownership and control of a unique set of resources enables the company to achieve and maintain superior performance over a sustained period of time (Hartati, 2015).

The reason for using this theory is because a company's competitive advantage comes from its ability to effectively optimize the combination of its resources, so that it can improve company performance. Satisfactory financial performance reflects the company's success in utilizing all its resources efficiently, thereby generating profits for both the company and employees, which is reflected in increased salaries and benefits. For investors, positive financial performance shows that the company has succeeded in managing the funds they have invested well. The strategic resources referred to in this context are intellectual capital.

2.3 Intellectual Capital (*Intellectual capital*)

Intellectual capital can be explained as a collection of knowledge, information and intellectual property that has the ability to identify opportunities and overcome risks in company operations. This can have an impact on the company's resilience and competitive advantage in various aspects (Ulum Ihyaul, 2017). Besides that intellectual *capital* It is also defined as an organization's capability to create, transfer and implement knowledge.

There are many measurement models developed to measure intellectual *capital*, of course, each has its own advantages and disadvantages (Agustina, 2018). Another explanation related to intellectual capital is that measuring intellectual capital is grouped into two categories, namely measurement nonmonetary and measurement monetary. One measurement approach that uses monetary assessment is the public model known as the value added intellectual coefficient (VAIC). Public introduced the intellectual value added coefficient to provide information related to efficiency in creating value from tangible and intangible assets within the company. VAIC was chosen because it is considered a suitable indicator for evaluating intellectual capital in the context of empirical research.

2.4 *Green Accounting*

Green accounting or environmental accounting is a form of accounting that involves the identification, measurement, assessment and disclosure of costs associated with company activities that have an impact on the environment (Chasbiandani et al., 2019). The process of recognizing, assessing the value, recording, summarizing, reporting and disclosing objects, transactions and events related to the company's economic, social and environmental activities to the public, the environment and the company itself is carried out in the form of a report (Lako, 2018). *Green accounting* has a close relationship with environmental performance, where environmental achievement refers to measurable results from the environmental management system. This is related to the management and evaluation of environmental performance in accordance with environmental policies, goals and targets in accordance with ISO 14004 (Dita & Ervina, 2021).

Green accounting It can also be assessed through the company's environmental performance in participating in programs held by the government, such as the Performance Rating Assessment Program (PROPER) in Environmental Management. This initiative is one of the government's steps to encourage companies to manage the environment. PROPER is regularly announced to the public, so participating companies will receive reputational support or sanctions depending on their level of compliance.

2.5 Business strategy

The company has implemented a business strategy since its inception and consistently over time (Mashuri & Nurjannah, 2020). Business strategy is a strategy that seeks to achieve goals in business operations that are based on guidelines for growth and a strong position in the market (Daud et al., 2020). There are four business strategy measurements used by a corporate entity. The strategy value was obtained by looking at several measurements used in the research by Higgins et al., (2015).

1. The ability to produce and distribute goods and services efficiently
   The company's ability to produce and distribute goods and services efficiently is of course very important for the company's business strategy, especially for companies that focus on efficiency, because the company defender has a smaller number of employees compared to the company prospector. The equation used is as follows.
   $$EMP = \frac{Number\ of\ Officers}{Sale}$$
2. Company growth rate
   A company's growth rate is measured by comparing share price and book value. The equation used is as follows.
   $$MtoB = \frac{Stock\ Market\ Prices}{Book\ value}$$
3. Marketing and sales
   Marketing and sales can be calculated or measured by comparing advertising expenses for one year with total sales using the following equation.
   $$Market = \frac{Advertising\ expenses}{Total\ Sales}$$
4. Fixed Asset Intensity
   This measurement aims to see the company's focus on the production of its assets, so that a higher ratio will reflect the company defender. The equation used is as follows.
   $$PAINT = \frac{Property, Plant, Equipment}{Total\ Asset}$$

2.6 Financial performance

Financial performance is data that describes the formal business conditions of a company, which is related to the achievement of the implementation of company activities, including efforts to achieve the company's targets, goals, vision and mission. (Pondrinal, 2021). Financial performance evaluation has great significance in efforts to improve a

company's operational efficiency. By improving operational performance, it is hoped that companies can achieve better financial growth and increase their competitiveness by strengthening liquidity and solvency in their financial reports.

The significance of financial performance can be felt by various related parties. For companies, the level of financial performance efficiency reflects success in achieving profitability goals. Managers can use this information as a basis for making decisions regarding investment, operational optimization, and distribution of profits to shareholders. For external parties, the company's financial performance has a crucial role in the decision-making process. Investors tend to be attracted to companies with solid financial performance. Good financial performance shows the company's ability to generate maximum profits, implying a high level of return on investment. Therefore, for investors, optimal financial performance reflects the company's efficient management level and is expected to provide profitable returns (Meiyana & Aisyah, 2019).

3. RESEARCH METHOD

The approach used in this research is a quantitative approach. This research emphasizes the causal interaction between *intellectual capital, green accounting*, business strategy and financial performance in sector companies' basic *materials* which is listed on the Indonesian Stock Exchange (BEI) from 2020 to 2022.

This research adopts a quantitative approach and uses variance or component-based Structural Equation Modeling (SEM) with Partial Least Square (PLS). The population of this research is all sector companies basic *materials* which is listed on the Indonesian Stock Exchange (BEI).

Sampling in this research used the method non-probability *sampling* with technique purposive *sampling.* Technique selection purposive *sampling* aims to obtain a representative sample according to specified criteria. Meanwhile, the samples taken were sector companies *basic materials* with several requirements:

1. Sector companies' basic *materials* listed on the Indonesia Stock Exchange (BEI) in 2020-2022.
2. Sector companies *basic materials* who take part in the PROPER program.
3. *Annual report* sector companies *basic materials* 2020-2022.
4. Sector corporate sustainability reports *basic materials* 2020-2022.

Based on this explanation, the number of sector companies *basic materials* used as samples were 16 companies

This research was carried out in full from April 2023 to June 2023. The observation period was carried out from 2020 to 2022 using a documentation study approach. 2023 is not included as an observation period because it is considered that the company has not yet carried out an annual report and publication for the 2023 financial year.

All forms of required documents are searched on the internet and will start to be downloaded in April 2023. In June 2023, statistical data processing and thesis preparation will be carried out.

There are four variables observed in this research, namely:*intellectual capital, green accounting,* business strategy and financial performance.

This research uses multiple linear regression analysis (Multiple Regression Analysis) with SmartPLS Version 4 software. In analyzing the data using SmartPLS,

4 RESULT

4.1 Evaluation of the Measurement Model (*Outer Model*)

Testing*outer model* is a concept and research model that cannot be tested in a relational and causal relationship prediction model if it has not passed the verification stage in the measurement model. This research uses data analysis tests which can be carried out using testing *outer models* which consists of validity tests and reliability tests. Results*outer model* in this research is presented in figure 1 as follows.

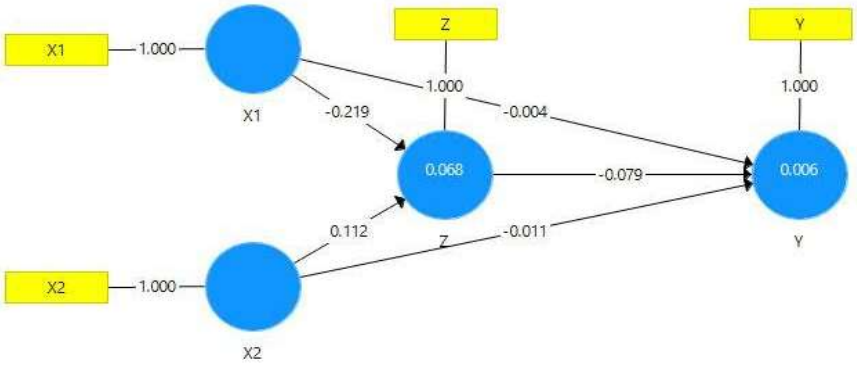

Figure 1 Test Results*Outer Model*

(**Source:** Processed data, 2023)

A Convergent Validity

Convergent validity is a measurement of the correlation between the indicator score and the latent construct score. For this research loading *factor* 0.6 to 0.7 is considered

sufficient, because it is the initial stage of developing a measurement scale and the number of indicators per construct is not large, ranging from 1 to 3 indicators. Results*outer loading* presented in Table 1 as follows.

Table 1 Test results*Outer Loading*

Variable	Loading
Intellectual Capital (X1)	1,000
Green Accounting (X2)	1,000
Financial Performance (Y)	1,000
Business Strategy (Z)	1,000

Source: Processed Data

Table 1 shows that each research variable indicator has a value outer *loading* > 0.7, so that all indicators are declared suitable or valid for use in research and can be analyzed further.

B Composite Reliability

Measuring the reliability of a construct with reflexive items can be done in two ways, namely by cronbach's *alpha* to test reliability will give a lower value (*underestimate*) so it is more recommended to use composite *reliability.* Test result composite *reliability* presented in Table 2 as follows.

Table 2 Reliability Test Results

Variable	THAT	CR	AVE
Intellectual Capital (X1)	1,000	1,000	1,000
Green Accounting (X2)	1,000	1,000	1,000
Financial Performance (Y)	1,000	1,000	1,000
Business Strategy (Z)	1,000	1,000	1,000

Source: Processed data, 2023

The CA and CR values must be above 0.7 and the AVE value must be above 0.5. Based on the results of data analysis, CA, CR,d and AVE results were obtained with an overall value of 1,000. So it has met the criteria.

C Discriminant Validity

Discriminant validity indicators can be seen in the cross loading between the indicator and the construct. Method Discriminant *validity* is by testing discriminant validity with reflective indicators, namely by looking at the values cross *loading* for each variable must be greater than 0.70. Other ways that can be used to test discriminant *validity* is by comparing the square root of the AVE for each construct with the correlation value between the constructs in the model. Test result discriminant *validity* attached in Table 3 below

Table 3 Test Results*Discriminant validity*

Variable	X1	X2	AND	WITH
Intellectual Capital (X1)	1,000			
Green Accounting (X2)	-0.164	1,000		
Financial Performance (Y)	0.016	-0.022	1,000	
Business Strategy (Z)	-0.237	0.148	-0.079	1,000

Source: Processed data, 2023

On testing discriminant *validity*, the AVE square root value of the latent variable must be above the correlation value of the latent variable to meet the discriminant validity requirements.

4.2 Structural Model Measurement Analysis Results (Inner Model)

Evaluation of the structural model (*Structural Model / Inner Model*) is a measurement to evaluate the level of accuracy of the model in the research as a whole, which is formed through several variables along with their indicators. In model evaluation structural *inner* This will be done through several approaches, including:*R-Square, Q-Square Predictive Relevance* and*Goodness of fit*. The structural model of this research can be seen in Figure 2 as follows.

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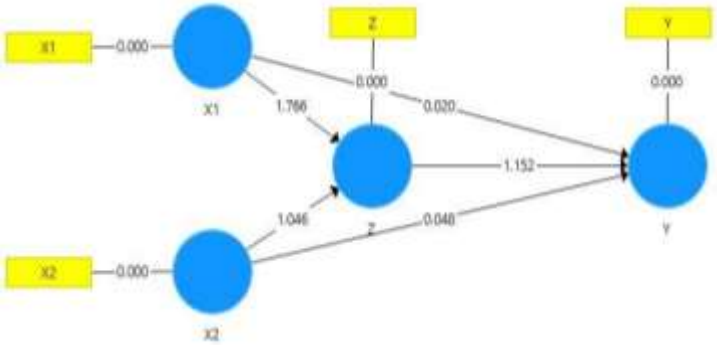

Figure 2 Test Results*Inner Model*

Source: Processed data, 2023

A Structural Model Evaluation Test Through*R-Square* (R^2)

R-Square (R^2) can indicate the strength and weakness of the influence that the dependent variable has on the independent variable.*R-Square* (R^2) can also indicate the strength and weakness of a research model. Mark*R-Square* (R^2) of 0.67 including a strong model,*R-Square* (R^2) of 0.33 including the moderate model, and*R-Square* (R^2) of 0.19 is a weak model. Based on data processing that has been carried out using the SmartPLS 4.0 program, values are obtained*R-Square* (R^2) can be seen in Table 4 as follows.

Table 4 Structural Model Evaluation (R^2)

Variable	R-Square
Financial Performance (Y)	0.006
Business Strategy (Z)	0.068

Source: Processed data (2023)

Based on Table 4, it can be seen that the value*R-Square* (R^2) For the financial performance variable (Y) it is 0.006 which means intellectual *capital, green accounting*, and business strategy is able to influence the company's company performance by 0.6%. The business strategy variable (Z) of 0.068 means that intellectual *capital* and green *accounting are able* to influence business strategy by 6.8%.

B **Test *Path Coefficient***

Path evaluation aims to show how much influence the independent variable has on the dependent variable. Test results path *coefficient* presented in Table 5 as follows.

Table 5 Test Results*Path Coefficient*

Variable	O	M	STDEV	O/STDEV	P Value
X1 -> Y	1,004	0.084	0.204	0.020	0.045
X2 -> Y	0.011	0.077	0.223	0.048	0.962
X1*Z ->Y	3.219	0.217	0.124	3.766	0.000
X2*Z ->Y	1.112	0.117	0.107	2.146	0.040

Source: Processed data (2023).

Table 5 describes the constant value and significance level for each research variable. The significance used in this test is 0.05, meaning if the value p-value < 0.05 then it is significant and vice versa if the value p-value > 0.05 then the research variable is not significant. based on test results path *coefficient* then the equation model can be formulated as follows.

$$Y = 1.004X1 + 0.011X2 + 3.219X1*Z + 1.112X2*Z + e$$

Based on the equation model above, it can be explained as follows.

a) Direct influence intellectual *capital* (X1) to financial performance (Y) is 1.004, which means of intellectual *capital* increases every 100%, then financial performance increases by 100.4% assuming other variables are constant.
b) Direct influence green *accounting* (X2) on financial performance (Y) is 0.011, which means if*green accounting* increases every 100%, then financial performance increases by 1.1% assuming other variables are constant.
c) Indirect influence intellectual *capital* (X1) on financial performance (Y) through business strategy (Z) is 3,219, which means of intellectual *capital* increases every 100%, then financial performance can increase indirectly through business strategy by 321.9%.
d) Indirect influence green *accounting* (X2) on financial performance (Y) through business strategy (Z) is 1,112, which means if*green accounting* increases every

100%, then financial performance can increase indirectly through business strategy by 111.2%.

4.3 Hypothesis testing

Hypothesis testing in this research was carried out by looking *T-Statistic* and value *P-Values*. Hypothesis can be declared accepted when value *T-Statistic* > 1.96 and *P-Values* < 0.05. The following are the results of the hypothesis test which are presented in table 4.8 as follows.

Table 6 Hypothesis Testing Results

Hypothesis	Influence	O	O/STDEV	P Value	Results
H1	X1 -> Y	1,004	0.020	0.045	**Accepted**
H2	X2 -> Y	0.011	0.048	0.962	**Rejected**
H3	X1*Z ->Y	3.219	3.766	0.000	**Accepted**
H4	X2*Z ->Y	1.112	2.146	0.040	**Accepted**

Source: Processed data (2023).

Hypothesis test:

a) Hypothesis Testing 1
The original sample value was 1.004 with a significance of 0.045 < 0.05 and a t-statistic value of 2.020 > 1.96. The original sample value is positive and the significance is below 0.05, indicating that intellectual *capital* has a significant influence on company performance. Based on the regression results it can be concluded that the **first hypothesis is accepted.**

b) Hypothesis Testing 2
The original sample value is 0.011 with a significance of 0.962 > 0.05 and a t-statistic value of 0.048 < 1.96. The original sample value is positive and the significance is above 0.05, indicating that green *accounting* does not have a significant influence on company performance. Based on the regression results it can be concluded that the **second hypothesis is rejected.**

c) Hypothesis Testing 3
The original sample value was 3,219 with a significance <0.05 and a t-statistic value of 3,766 >1.96. This indicates that intellectual *capital* moderated by business strategy

has a significant influence on financial performance. Based on the regression results it can be concluded that the **third hypothesis is accepted.**

d) Hypothesis Testing 4

The original sample value was 1,112 with a significance of 0.040 < 0.05 and a t-statistic value of 2,146 > 1.96. The original sample value is positive and the significance is below 0.05, indicating that green *accounting* which is moderated by business strategy has a significant influence on financial performance. Based on the regression results it can be concluded that the **fourth hypothesis is accepted.**

5. DISCUSSION

5.1 Influence*Intellectual Capital* On Financial Performance

The research results found that intellectual *capital* has a significant effect on the financial performance of sector companies basic *materials* which is listed on the Indonesian Stock Exchange.*Intellectual capital* or intellectual capital knowledge, information and intellectual property that is able to find opportunities and manage threats in the life of a company, so that it can influence its resilience and competitive advantage in various ways (Ulum Ihyaul, 2017) Intellectual capital is positively correlated with financial performance, the higher the intellectual capital, the financial performance will also increase because it will provide high information credibility and increase market capitalization and reduce investor errors in evaluating stock prices (Rashid et al., 2018).

The results of this research are in line with previous research conducted by (Khan et al., 2021), (Susanti et al., 2020), (Fitriasari & Ratna Sari, 2019) which found that intellectual capital has a positive and significant effect on financial performance. This can happen because companies that have high intellectual capital will provide high information credibility and increase market capitalization and reduce investor errors in evaluating share prices so that financial performance will also increase.

5.2 Influence*Green Accounting* On Financial Performance

The results of this research found that green *accounting* has no effect on the financial performance of sector companies basic *materials* which is listed on the Indonesian Stock Exchange (BEI).*Green accounting* is accounting that attempts to link the environmental budget side with the company's business operations funds (Ningsih & Rachmawati, 2017). *Green accounting* can increase company profits and at the same time improve financial performance (Rosaline et al., 2020).

The results of this study are in line with several previous research results that tested the effect green *accounting* on financial performance. The results of research conducted by (Lestari et al., 2020; Simon et al., 2023) suggest that namely the implementation green *accounting* as measured by environmental disclosure has no effect on the level of company profitability. This is because the company implements it*green accounting* requires a special allocation of environmental costs which are included in the PROPER program assessment so that they are considered an expense that can reduce company profits. Apart from these reasons, investors in assessing a company pay more attention to the profitability aspect than to the profitability aspect corporate *social responsibility* or*green accounting.*

5.3 Business Strategy Moderation of Influence*Intellectual Capital* On Financial Performance

The research results found that business strategy moderates the influence intellectual *capital* on financial performance in sector companies basic *materials* which is listed on the Indonesia Stock Exchange (BEI) from 2020 to 2022. In theory, the business strategy in terms of a company growth approach that considers stock market value and book value looking at the long term is in accordance with the concept intellectual *capital.*

The reality that occurs is in line with existing theory, business strategies are able to strengthen relationships intellectual *capital* on financial performance. This happens because by comparing the market value and book value of shares, the market gives a signal about how they assess the overall value of the company, including the contribution of intellectual *capital*. This creates a dynamic where improvements in the management, management and utilization of intellectual capital can have a positive impact on market valuation and company financial performance.

5.4 Business Strategy Moderation of Influence*Green Accounting* On Financial Performance

The research results found that business strategy moderates the influence green *accounting* on financial performance in sector companies basic *materials* which is listed on the Indonesia Stock Exchange (BEI) from 2020 to 2022. In theory, the business strategy in terms of a company growth approach that considers stock market value and book value looking at the long term is in accordance with the concept green *accounting.*

The reality that occurs is in line with existing theory, business strategies are able to strengthen relationships intellectual *capital* on financial performance. This happens because

the impact of environmental and sustainability practices on market perceptions and company financial performance can strengthen the relationship between green accounting and financial performance by reflecting market assessments of the company's environmental responsibility and its impact on company value.

6. RESEARCH IMPLICATIONS

6.1 Theoretical Implications

Theoretical implications relate to research contributions to science in the field of accounting, especially regarding intellectual *capital* and green *accounting* on financial performance with business strategy as a moderator. The results of this study support signal theory and resource-based theory. Signal theory suggests how signals should be given to users of financial reports. There is information content in the disclosure of information that can be a signal for investors and other interested parties in making economic decisions. Voluntary disclosure of information intellectual *capital* and information generated by green *accounting* will be a very effective medium for companies to convey signals of superior quality or related competitive advantages intellectual *capital which* is significant for the creation of well-being in the future.

Then resource-based theory describes which states that the economic value in a company's competitive advantage lies in the ownership and effective utilization of organizational resources that are able to add (*valuable*), is rare (*rare*), difficult to imitate (*immitable*), and cannot be replaced by other resources (*non-substitution*). Therefore, efforts are needed to search for, obtain, develop and maintain strategic resources. A company's competitive advantage is obtained from the company's ability to utilize a combination of its resources appropriately so as to improve company performance. Good financial performance reflects that the company has succeeded in making good use of all its resources so as to generate profits for the company and employees because their needs such as salaries and benefits will also increase. For investors, good financial performance indicates that the company has succeeded in making good use of the funds they invest. Where these strategic resources are intellectual *capital.*

6.2 Practical Implications

a. For academics

The results of this research have implications for academics, especially regarding the addition of knowledge and reading materials in the field of accounting

for academics. The results of this research also provide support for the accuracy of existing theories which are of course used in this research.

b. For sector companies basic *materials*

The results of this research provide implications for sector companies' basic *materials* especially to find out the factors that influence financial performance, so that we can prepare solutions to the problems faced with efforts to improve quality intellectual *capital.* The results of this research can provide references and guidelines for sector companies basic *materials* to carry out a good risk analysis to achieve goals.

c. For future researchers

The results of this research provide implications for future researchers who want to take on similar topics, especially to find out theoretical relationships between variables and references to empirical research results that can expand further research studies.

7. CONCLUSION

Based on the research results and discussions that have been presented, several research conclusions can be drawn, namely:

1. *Intellectual capital* has a positive and significant effect on financial performance in sector companies *basic materials* listed on the Indonesia Stock Exchange (BEI) for the 2020-2022 period. This means that the higher the intellectual capital a company has, the more potential it has to produce higher financial performance.
2. *Green accounting* does not have a significant effect on financial performance in sector companies *basic materials* listed on the Indonesia Stock Exchange (BEI) for the 2020-2022 period. This is because the company implements it*green accounting* requires a special allocation of environmental costs which are included in the PROPER program assessment so that they are considered an expense that can reduce company profits.
3. Business strategy moderates the influence intellectual *capital* on financial performance in sector companies basic *materials* which is listed on the Indonesia Stock Exchange (BEI) in 2020-2022. This is because by comparing the market value and book value of shares, the market gives a signal about how they assess the overall value of the company, including the contribution of intellectual *capital*. This creates a dynamic where improvements in the management, management and utilization of intellectual capital can have a positive impact on market valuation and company financial performance.

4. Business strategy moderates the influence green *accounting* on financial performance in sector companies basic *materials* which is listed on the Indonesia Stock Exchange (BEI) in 2020-2022. This is because the impact of environmental and sustainability practices on market perceptions and company financial performance can strengthen the relationship between green accounting and financial performance by reflecting market assessments of the company's environmental responsibility and its impact on company value.

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