Maksimum: Media Akuntansi Universitas Muhammadiyah Semarang, Vol 16 (No.1) 2026, 081-093

https://jurnal.unimus.ac.id/index.php/MAX

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Intellectual Capital, Capital Structure, and CSR on Firm Value: The Moderating Role of Tax Avoidance

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Info Article

History Article:
Submitted: September 29, 2025
Revised: October 20, 2025
Accepted: October 25, 2025

Keywords:
Capital Structure, CSR, Firm Value, Intellectual Capital, Tax Avoidance

Abstract

This research assesses the influence of intellectual capital, capital structure, and CSR on firm value, with tax avoidance as a moderator. This study employs a quantitative approach and includes 32 manufacturing companies listed on IDX (128 observations), selected purposively. Secondary data from the companies' annual and sustainability reports are used in this research. This research is a panel data study utilizing data processing tools, namely STATA v.17. Data analysis was carried out using panel data regression with a moderation test. Findings reveal that intellectual capital and CSR significantly influence firm value, whereas capital structure shows no effect. Furthermore, the role of tax avoidance is shown to be ineffective in moderating the connection between intellectual capital, capital structure, and CSR with firm value. These results imply that during 2020-2023 period investor may have prioritized innovation, productivity, and corporate reputation over financing decisions, a condition that differs from earlier studies reporting a positive role of capital structure, The absence of moderating effect from tax avoidance may also reflect tighter tax regulations and growing investor awareness of good governance, making tax savings less attractive as a driver of firm value.

JEL Classification: G30, M41, H25

How to Cite: Rosita, A. A. & Wilasittha, A. A. (2026). Intellectual Capital, Capital Structure, and CSR on Firm Value: The Moderating Role of Tax Avoidance. *Maksimum: Media Akuntansi Universitas Muhammadiyah Semarang, 16(1), 081-093.*

DOI: 10.26714/MKI.16.1.2026.081-093

Introduction

The manufacturing sector is a key driver of Indonesia's economy, contributing significantly to gross domestic product (GDP). BPS data show that manufacturing's contribution to GDP declined during the COVID-19 pandemic but gradually increased from 2022 to 2024. This condition reflects a recovery and growth in the manufacturing sector, which should provide positive signals for stakeholders, especially investors.

According to BPS data, the trend of the manufacturing sector's contribution to GDP from 2020 to 2024 shows that in 2020, the manufacturing sector contributed 19.87% to GDP, which then decreased to 18.34% in 2022; however, it slowly increased to 18.98% in 2024 (Statistic Indonesia, 2021; Revanda, 2025). The increasing trend from 2022 to 2024 indicates a recovery and growth in the manufacturing sector. This condition undoubtedly impacts stakeholder perceptions of corporate sustainability. An increase in investor interest and confidence in the company could trigger a rise in firm value, but real events show a different trend regarding the average value of manufacturing sector companies from 2020 to 2023.

The trend in average firm values in the manufacturing sector in this study shows a consecutive decline, from 2.701 in 2020 to 2.263 in 2023. This decline directly contradicts expectations of sector recovery and growth, as reflected in GDP increases. The mismatch highlights the need for improvements in company performance and innovation to expand market reach and positively affect firm value (Achyani et al., 2024).

Several factors are believed to influence firm value, including intellectual capital, capital structure, and CSR. Intellectual capital supports innovation and revenue enhancement by Gantino et al. (2022), an optimal capital structure can minimize financial risk by Bui et al. (2023), while consistent CSR helps strengthen reputations and foster investor trust (Tarjo et al., 2022). Additionally, companies often face the dilemma of enhancing firm value with their tax obligations. Tax avoidance can also affect firm value by affecting compliance with existing tax regulations (Ardillah et al., 2022). The company's decision to exploit loopholes or regulations in tax rules becomes a significant concern for investors when assessing its reputation, financial health, and growth prospects (Achyani et al., 2024).

Tax avoidance in this study serves as a moderating variable to assess the relationships among intellectual capital, capital structure, CSR, and firm value. Many companies face a dilemma between increasing firm value and their tax management obligations to attract investors (Mangoting et al., 2023). Tax avoidance practices generally involve reducing tax burdens, which are then allocated to innovation, funding, or CSR, potentially increasing firm value if in accordance with established regulations. However, if done too aggressively, it will certainly harm the company's reputation. This demonstrates that tax avoidance could both enhance and undermine the impact of independent variables on firm value, depending on the company's compliance with tax regulations and how stakeholders perceive these practices. Prior studies provide mixed evidence on how intellectual capital, capital structure, and CSR affect firm value, yet have given limited attention to the moderating role of tax avoidance in emerging markets.

The novelty of this research lies in the integration of three independent variables, namely intellectual capital, capital structure, and CSR, for examining their influence on firm value. In addition, this research introduces tax avoidance as a moderating variable, thereby extending the research beyond Astuti and Bandi (2023), which did not incorporate this aspect. Accordingly, the study does not merely replicate prior findings but offers a new perspective on how tax avoidance practices may either strengthen or weaken these relationships. To underpin the conceptual framework, this research draws on Resource-Based Theory (RBT), which holds that intellectual capital and capital structure can create competitive advantage by providing insights (Dewi & Erawati, 2024). In addition, through the lens of Stakeholder Theory, it illustrates the firm's consistency in meeting stakeholder expectations through CSR, thereby strengthening legitimacy and investor trust (Elamer et al., 2024). Additionally, this study focuses on the manufacturing sector in Indonesia during 2020-2023, a period characterized by intense business competition.

Based on the discussion, this study tests the impact of intellectual capital, capital structure, and CSR on firm value, with tax avoidance as a moderating variable. It contributes to the academic discourse by broadening perspectives on the factors influencing firm value and integrating a new factor into existing models. Practically, the findings offer investors and companies insights to foster fair competition and avoid legal issues. Theoretically, this study connects RBT and Stakeholder Theory to explain how strategic resources and social responsibility together influence firm value.

Literature Review

The Effect of Intellectual Capital on Firm Value

The Resource-Based Theory (RBT) emphasizes that firms with greater intellectual capital possess knowledge-based resources that enhance innovation and create sustainable competitive advantages. The concept of intellectual capital helps companies improve performance, ultimately increasing firm value (Gantino et al., 2022). However, empirical findings on the relationship between intellectual capital and firm value are mixed. Research by Gantino et al. (2022) and Putri (2023) indicates that intellectual capital contributes significantly to firm value. In contrast to the research by Jaunanda et al. (2024), which found a negative relationship. Furthermore, research by Ekaputra et al. (2020) indicates that intellectual capital does not affect firm value. These inconsistencies may be due to contextual differences, such as industry type and economic conditions across periods. This highlights that intellectual capital could be related to firm value. As a result, a hypothesis emerges:

H1: *Intellectual capital affects firm value*

The Effect of Capital Structure on Firm Value

Grounded in the Resource-Based Theory (RBT), a company's competitive advantage not only depends on its intellectual assets but also on its ability to manage financial resources, including capital structure (Dewi & Erawati, 2024). An appropriate capital structure reflects management's efficient allocation of funds, thereby reducing financial risk and ultimately increasing firm value. Management must balance equity and debt by leveraging the experience and knowledge they possess. However, empirical findings on the relationship between capital structure and firm value are mixed. Research by Bui et al. (2023) and Nguyen (2024) identified that capital structure significantly positively affects firm value and company performance (Tobin's Q). In contrast, research by Faradila and Effendi (2023) describes that capital structure has no impact on firm value. These inconsistencies may arise from contextual differences, such as variations in industry characteristics and economic conditions across countries. As a result, a hypothesis emerges:

H2: *Capital structure affects firm value*

The Effect of CSR on Firm Value

Stakeholder theory highlights that responsible actions towards stakeholders help firms maintain legitimacy and trust. Through CSR, companies demonstrate ethical commitment, strengthening their reputation and enhancing firm value (Gantino et al., 2022). Empirical findings on the connections between CSR and firm value remain inconsistent. Research by Gantino et al. (2022) outlines that CSR has a positive impact on firm value. This also corroborates the research by Tarjo et al. (2022) and Escamilla-Solano et al. (2024), which also mentions that CSR contributes significantly and positively to firm value and company performance (Tobin's Q). Meanwhile, Achyani et al. (2024) describe that CSR contributes significantly and negatively to the firm value. Additionally, Dahlia et al. (2024) found that CSR has no impact on firm value. These mixed findings may result from contextual factors, such as differences in firm size, industry type, and country-level regulations. As a result, a hypothesis emerges:

H3: *CSR affects firm value*

Tax Avoidance as a Moderator of Intellectual Capital and Firm Value

The Resource-Based Theory emphasizes that intellectual capital, particularly the proficiency and capabilities of human resources, is a strategic resource that adds value to the company (Gantino et al., 2022). High intellectual capital enables management to design innovative strategies while legally exploiting tax-avoidance opportunities to enhance operational efficiency. Research by Astuti and Bandi (2023) indicates that companies with high capability capital can minimize taxes by taking advantage of opportunities created by tax regulations. Companies that efficiently identify tax avoidance opportunities can allocate their profits more effectively. This knowledge significantly impacts investors' perceptions of the company's sustainability prospects (Jaunanda et al., 2024). Thus, the existence of intellectual capital, supported by appropriate tax avoidance strategies, will influence firm value growth. Based on this, a hypothesis may emerge:

H4: *Tax avoidance moderates the effect of intellectual capital on firm value*

Tax Avoidance as a Moderator of Capital Structure and Firm Value

Grounded in the Resource-Based Theory, companies utilize their capabilities to optimize their capital structure. Efficient capital structure management, including the addition of debt within reasonable limits, can increase a company's value by demonstrating management's ability to manage funding (Dewi & Erawati, 2024). Companies that have increased their debt can also simultaneously take advantage of the opportunities arising from those loans. Research by Elamer et al. (2024) suggests that debt can help companies reduce tax payments, as it is a government-sanctioned facility for tax purposes. This happens because a company's debt can reduce taxable income (PKP) through interest on loans. Therefore, a company's strategy for optimally utilizing tax facilities can moderate the relationship between capital structure and firm value. Investors will assess whether the company can manage its funding while effectively taking advantage of tax opportunities. Based on this foundation, a hypothesis arises:

H5: *Tax avoidance moderates the effect of capital structure on firm value*

Tax Avoidance as a Moderator of CSR and Firm Value

Grounded in Stakeholder theory, companies must consider their accountability and report it to stakeholders. This responsibility is fulfilled through CSR (Gantino et al., 2022). CSR programs require costs and must be reported to stakeholders. These costs allow companies to use tax-reduction strategies. Elamer et al. (2024) state that tax avoidance using CSR costs may provide valuable insights for stakeholders. Costs for CSR can be deducted from taxable income (Manurung, 2020). Ardillah et al. (2022) find that tax avoidance aimed at lowering tax liabilities can benefit firms and increase firm value. Investors see that companies exploit tax loopholes while still meeting responsibilities to stakeholders. Thus, a hypothesis emerges:

H6: *Tax avoidance moderates the effect of CSR on firm value*

Building on the analysis, a conceptual framework to serve as the foundation is illustrated as follows:

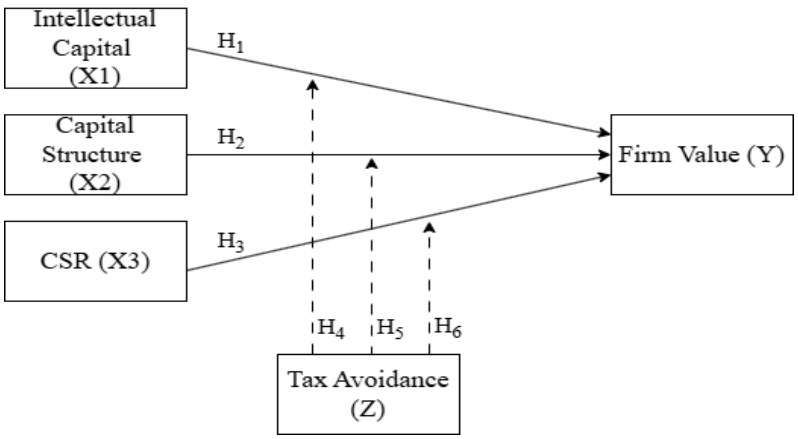

Figure 1. Research Framework

Method

A quantitative approach is applied in this research, drawing on secondary data sourced from the annual and sustainability reports of manufacturing firms listed on the IDX during 2020-2023. The data were obtained from the IDXs and the company website. The sample was selected by purposive sampling, comprising 32 companies with 128 observations, as presented in Table 1.

Table 1. Sample Selection Criteria

Sample Selection Criteria	Total
Manufacturing companies in the industrial sector listed on the IDX 2020-2023	230
Companies that reported annual reports on the IDX 2020-2023 consecutively	-49
Companies that made a profit from 2020-2023	-96
Companies that reported sustainability reports from 2020-2023 consecutively	-53
Total sample	32
Total observations (32 x 4)	128

Source: Data processed (2025)

Based on Table 1, the relatively small sample size is due to limited data availability and inconsistent reporting across companies. This occurs because several companies did not disclose complete CSR and intellectual capital information during the observation period.

The variables in this research use proxies as indicated in Table 2.

Table 2. Measurement of Each Variable

	Variable	Measurement	Source
Dependent Variable	Firm Value	$Tobin's\ Q = \frac{MVE + Total\ Debt}{Total\ Assets}$	Bui et al. (2023)
	Intellectual Capital	$VAIC = VACA + VAHU + STVA$	Gantino et al. (2022)
Independent Variable	Capital Structure	$DER = \frac{Total\ Debt}{Total\ Equity}$	Hapsoro and Bahantwelu (2020)
	CSR	$GRI = \frac{Number\ of\ items\ disclosed}{117\ Indicator}$	Nurfitriani et al. (2025)
Moderating Variable	Tax Avoidance	$ETR = \frac{Income\ Tax\ Expense}{Income\ before\ Tax}$	Ardillah et al. (2022)

Source: data processed (2025)

Description:
MVE (Market Value of Equity) = Stock Price x Number of Shares; VACA (Value Added Capital Employed) = (Revenue – Expense) / Capital Employed; VAHU (Value Added Human Capital) = (Revenue – Expense) / Labor Cost; STVA (Value Added Structural Capital) = (Revenue – Expense) / Structural Capital.

This study employs STATA v.17 as the analytical tool for processing the collected data. The analysis techniques employed in this research include descriptive statistics and modeling tests comprising the Chow test, the LM test, and the Hausman test. After identifying the optimal model, this study conducts diagnostic tests to ensure the validity of the regression assumptions. Specifically, pairwise correlations and VIFs were used to assess multicollinearity, while the Breusch-Pagan and Shapiro-Wilk tests were used to examine heteroskedasticity and normality. Once the selected model is free of testing issues, the following analysis

phase involves hypothesis testing using panel data regression and MRA. This study produces the following regression equation:

Panel Data Regression Analysis

$FV = \alpha + \beta1\ IC + \beta2\ CS + \beta3\ CSR + e$

MRA Test Analysis

$FV = \alpha + \beta1\ IC + \beta2\ CS + \beta3\ CSR + \beta4\ TA + \beta5\ (IC \times TA) + \beta6\ (CS \times TA) + \beta7\ (CSR \times TA) + e$

Description:

FV = Firm value; α = Constant; β = Coefficient; IC = Intellectual Capital; CS = Capital Structure; TA = Tax Avoidance; e = Error

Result and Discussion

Result

The goal of this research is to evaluate the effects of intellectual capital, capital structure, and CSR on firm value, with tax avoidance as a moderator. Using STATA v.17, this study conducted panel data analysis on 32 manufacturing firms observed during 2020-2023. The results are summarized as follows:

Descriptive Statistics

Descriptive statistics were used to examine the distribution of the research data. The results show minimum, maximum, mean, and dispersion values for all variables, as listed in Table 3.

Table 3. Descriptive Statistics

Variable	Minimum	Maximum	Mean	Std. Deviation
FV	-1,650	2,668	0,384	0,872
IC	1,156	2,94	1,726	0,408
CS	-5,997	1,368	-0,585	1,236
CSR	-0,912	-0,062	-0,595	0,214
TA	-6,397	-0,232	-1,622	0,748

Source: Stata v.17 Output (2025)

Referring to Table 3, the descriptive statistics indicate that the firm value shows a positive trend, reflecting good market performance. Furthermore, the independent variables, including intellectual capital (IC), exhibit relatively stable values, suggesting that intangible assets such as knowledge and innovation are consistently managed. Capital structure (CS) shows negative values, suggesting the company is trending toward debt financing. This could impact financial risk and long-term sustainability. Finally, CSR shows a tendency toward negative values, indicating that although the company recognizes the importance of CSR, its disclosure is low. Meanwhile, tax avoidance (TA) shows a negative average with moderate variation, suggesting that companies engage in TA practices at varying levels.

Modeling Test

Table 4. Result of Modeling Test

Test	Probability	Result
Chow Test	0,000 < 0,05	FEM
Lagrange Multiplier Test	0,000 < 0,05	REM
Hausman Test	0,663 > 0,05	REM

Source: Stata v.17 Output (2025)

Referring to Table 4, the Chow Test results demonstrate that the p-value on Prob > F is less than 0.05, which is 0.0000; therefore, H0 is rejected. This explains that for the Chow Test, the selected estimation model is FEM. The LM Test shows that the p-value for Prob > Chi2 is less than 0.05 (0.0000), so H0 is rejected. This explains that for the LM Test, the selected estimation model is REM. The Hausman Test results indicate that the p-value for Prob > Chi2 is greater than 0.05 (0.663), so H0 is accepted. This explains that for the Hausman Test, the selected estimation model is REM. After performing the three model estimation tests, the Random Effects Model (REM) was recognized as the most proper model for further analysis. REM was chosen because the data exhibit greater cross-sectional variation across firms than within-firm variation over time.

Pairwise Correlations

Table 5. Pairwise Correlations Test Result

Variable	(1)	(2)	(3)	(4)
(1) IC	1.000			
(2) CS	0.175	1.000		
(3) CSR	0.137	0.067	1.000	
(4) TA	0.107	0.490	0.272	1.000

Source: Stata v.17 Output (2025)

Referring to Table 5, multicollinearity was assessed by examining the variables' correlation matrix. The results show that all correlation values between variables are below 0.80. The highest correlation is between capital structure (CS) and tax avoidance (TA), with a value of 0.490, while the other correlations are lower. It is concluded that the regression model can be continued because there are no multicollinearity issues. In addition, the results of diagnostic tests, such as normality and heteroscedasticity tests, were similar and are presented in the Appendix.

Hypothesis Test

Panel Data Regression Analysis

Table 6. Panel Data Regression Analysis Result (REM)

Variable	Coef.	Std. Error	t	P>[t]
IC	0,256	0,102	2,50	0,012
CS	-0,005	0,063	-0,08	0,935
CSR	-0,363	0,134	-2,72	0,007
Constant	-0,277	0,226	-1,23	0,220

Source: Stata v.17 Output (2025)

Referring to Table 6, the panel data regression under the REM can be expressed as follows:

$$Y = - 0{,}277 + 0{,}256\ IC - 0{,}005\ CS - 0{,}363\ CSR + e$$

The constant of -0.277 implies that if all independent variables (intellectual capital, capital structure, and CSR) are zero, the predicted firm value would be -0.277; this is not economically meaningful due to a significance value of 0.220. Intellectual capital (IC) has a positive coefficient of 0.256, suggesting a positive relationship with FV. Capital structure (CS) has a negative coefficient of -0.005, indicating a negative but not statistically significant correlation with FV. CSR's coefficient of -0.363 shows a fairly strong negative relationship with FV.

Moderated Regression Analysis (MRA)

Table 7. Moderated Regression Analysis Result

Variable	Coef.	Std. Error	t	P>[t]
IC	0,441	0,143	3,09	0,002

Variable	Coef.	Std. Error	t	P>[t]
CS	-0,019	0,071	-0,27	0,786
CSR	-0,569	0,233	-2,44	0,015
TA	-0.369	0,134	-2,75	0,006
IC_TA	0.134	0,069	1,94	0,052
CS_TA	-0,012	0,009	-1,37	0,170
CSR_TA	-0,157	0,121	-1,29	0,197
Constant	-0,778	0,281	-2,77	0,006

Source: Stata v.17 Output (2025)

Referring to Table 7, the equation for the panel data regression with the REM is as follows:

Y = - 0,778 + 0,441 IC – 0,019 CS – 0,569 CSR – 0,369 TA + 0,134 IC_TA – 0,012 CS_TA – 0,157 CSR_TA + e

The regression results indicate that the constant value of -0.778 suggests that when all independent variables, namely intellectual capital, capital structure, and CSR, are zero, the firm value is estimated at -0.778. Although statistically significant at 0.006, the constant is considered to hold mathematical rather than substantive meaning. Intellectual capital (IC) records a positive coefficient of 0.441, implying that a single-unit rise in IC will raise firm value by 0.441. This reflects a market positive connection between IC and firm value. In contrast, capital structure (CS) yields a negative coefficient of -0.019, indicating that each additional unit of CS reduces firm value by -0.019, consistent with a negative correlation. Similarly, CSR yields a coefficient of -0.569, suggesting that a single-unit rise in CSR reduces firm value by -0.569, demonstrating a stronger negative association with a firm's value.

Regarding the moderating variable, tax avoidance (TA) presents a negative coefficient of -0.369, suggesting that low tax compliance may diminish firm value. However, the interaction term IC_TA shows a positive coefficient of 0.134, indicating that tax avoidance may enhance the effect of intellectual capital on firm value. Conversely, the interaction terms, CS_TA and CSR_TA, yield negative coefficients of -0.012 and -0.157, respectively, signifying that tax avoidance is insufficient to moderate the connection between capital structure or CSR and firm value.

t-Test Result

Table 8. t-Test Result Regression Data Panel

Variable	Coef.	Std. Error	t	P>[t]	Description
IC	0,256	0,102	2,50	0,012	Accepted
CS	-0,005	0,063	-0,08	0,935	Rejected
CSR	-0,363	0,134	-2,72	0,007	Accepted
Constant	-0,277	0,226	-1,23	0,220	

Source: Stata v.17 Output (2025)

Table 9. t-Test Result Moderated Regression Analysis

Variable	Coef.	Std. Error	t	P>[t]	Description
IC_TA	0.134	0,069	1,94	0,052	Rejected
CS_TA	-0,012	0,009	-1,37	0,170	Rejected
CSR_TA	-0,157	0,121	-1,29	0,197	Rejected
Constant	-0,778	0,281	-2,77	0,006	

Source: Stata v.17 Output (2025)

Based on Tables 8 and 9, the t-test results indicate that Intellectual capital (IC) has a probability value of 0.012 < 0.05 and a positive coefficient, indicating that it significantly contributes to firm value. Thus, H1 is accepted. The capital structure (CS) coefficient is negative and significant (p-value = 0.935 > 0.05), indicating that it does not affect firm value. Leading to the rejection of H2. CSR records a probability of 0.007 < 0.05 with a negative coefficient, indicating that CSR contributes significantly to firm value. Thereby confirming

H3. Regarding the moderating variables, the interaction between intellectual capital and tax avoidance (IC_TA) shows a probability of 0.052 > 0.05 and a positive coefficient. This result indicates that tax avoidance cannot moderate the connection between intellectual capital and firm value. Although the p-value nearly reaches the significance threshold, the result is not strong enough to conclude that there is a moderating effect at the 5% limit. Thus, H4 is rejected. Similarly, the interactions of capital structure with tax avoidance (CS_TA) and of CSR with tax avoidance (CSR_TA) show probability values of 0.170 and 0.197, respectively, with negative coefficients. These results confirm that tax avoidance cannot moderate the connection between capital and firm value, nor between CSR and firm value. In other words, H5 and H6 are rejected.

Model Compatibility Test (F Test)

Table 10. F-Test Result

Description	Probability
Chi-square	58,687
Prob > chi^2	0,000

Source: Stata v.17 Output (2025)

Referring to Table 10, the model fit test results yield a p-value of 0.000 < 0.05. These results establish the model's capacity to account for all independent variables that significantly influence the dependent variable together.

Coefficient of Determination Test

Table 11. Coefficient of Determination Result

	R-square
Within	0,122
Between	0,089
Overall	0,080

Source: Stata v.17 Output (2025)

Referring to Table 11, the model used in this study explains approximately 8% of the overall variation. The Overall R-squared value of 0.080 illustrates that the variables of intellectual capital, capital structure, and CSR can account for 8% of the overall variation in firm value.

Discussion

The Effect of Intellectual Capital on Firm Value

As shown in Table 8, intellectual capital has a significant impact on firm value. The results indicate that firms with greater knowledge-based resources tend to perform better in the market. This evidence aligns with the Resource-Based Theory, which emphasizes that a company's innovation and unique strategies can attract investors, as they are considered to have a promising business strategy and can improve the welfare of their stakeholders (Singgih et al., 2022). The result is consistent with prior research by Gantino et al. (2022); Jaunanda et al. (2024); and Putri (2023), which show that intellectual capital affects firm value. In other words, companies that can manage their intellectual assets through innovation and superior human resources will find it easier to compete competitively. This will also increase the company's value. This relationship is relevant to Indonesian manufacturing firms, as the industry increasingly relies on knowledge-based resources to enhance efficiency and reputation. The growing investor interest reflects confidence in the firm's innovation capacity, leading to higher stock prices and signaling strong corporate performance.

The Effect of Capital Structure on Firm Value

Based on Table 8, capital structure does not affect firm value. The result indicates that firms with high debt management awareness will still be perceived as risky by investors, thereby reducing investment interest. This suggests that, under Resource-Based Theory, management's ability to manage the capital structure does

not directly increase the company's value (Dewi & Erawati, 2024). The results are consistent with Faradila and Effendi (2023); Dewi and Erawati (2024); and Sukendri and Aryawati (2021), who state that capital structure does not have a significant effect on firm value. Several internal and external factors can generally influence this condition. However, this research concludes that investors assess capital structure as a potential source of emerging default risk rather than a strategic factor in evaluating firm value. This implies that debt utilization does not necessarily enhance firm value when market participants prioritize stability over leverage benefits. The result also suggests that the impact of capital structure may depend on investor confidence and firm risk conditions.

The Effect of CSR on Firm Value

Based on Table 8, CSR significantly affects the firm value. The result indicates that firms with high responsibility can attract investors' attention and even enhance their reputation. Such outcomes can be explained by Stakeholder Theory, which emphasizes that firms are accountable for addressing stakeholder interests, including through CSR programs (Gantino et al., 2022). The results are consistent with those reported by Tarjo et al. (2022); Gantino et al. (2022); and Escamilla-Solano et al. (2024), indicating that CSR affects firm value. Companies that consistently fulfill their social responsibilities create a positive perception among investors, as it demonstrates strong governance, including in fulfilling their obligations. Additionally, high CSR performance helps firms build stronger stakeholder relationships, secure resource support, and expand market coverage, ultimately enhancing firm value. This suggests that CSR serves as a strategic tool for improving corporate reputation and investor trust rather than merely a compliance activity.

Tax Avoidance as a Moderator of Intellectual Capital and Firm Value

As shown in Table 9, tax avoidance does not moderate the relationship between intellectual capital and firm value. The result means that the presence of tax avoidance does not alter how intellectual capital contributes to firm value. This cannot be seen through the lens of Resource-Based Theory, which emphasizes that intellectual capital, including superior HR competencies, can add value to the company and provide a competitive advantage (Gantino et al., 2022). This finding is consistent with Khaled and Abbas (2024) and Wardani et al. (2020), who report that tax avoidance is not the most effective strategy for enhancing firm value, even though managers seek to maximize the benefits of intellectual capital. In other words, even though the company has adequate insights, tax avoidance strategies cannot directly offer significant added value to the company. Such practices may instead create reputational risks that reduce investor trust. This indicates that companies with high-quality intellectual capital can still enhance firm value through innovation and efficiency, regardless of whether they employ tax avoidance strategies.

Tax Avoidance as a Moderator of Capital Structure and Firm Value

As shown in Table 9, tax avoidance cannot moderate the connections between capital structure and firm value. The result means that tax avoidance does not alter the way capital structure contributes to firm value. From the lens of Resource-Based Theory, this finding is inconsistent because the benefits of interest expenses are not an exclusive competitive advantage held only by certain companies. This means that even though management can manage funding and utilize tax facilities, the firm's value cannot increase significantly (Dewi & Erawati, 2024). These findings are consistent with Agustina et al. (2022) and Wardani et al. (2020), who underscore that tax benefits from debt use do not always affect the market. Therefore, the effect of tax avoidance through debt-financed interest expense is insufficient to affect the firm's value. The use of debt is also considered risky for the company's finances because it creates an obligation to continue paying the debt even when the company's financial condition is unstable. This suggests that the benefit of debt-based tax avoidance may be limited when investors prioritize financial prudence and long-term stability over short-term tax advantages.

Tax Avoidance as a Moderator of CSR and Firm Value

Based on Table 9, tax avoidance cannot moderate the connections between CSR and firm value. The results indicate that tax avoidance does not alter the way CSR contributes to firm value. According to Stakeholder

Theory, CSR is viewed by stakeholders as a means for companies to strategize to build their reputations and trust (Gantino et al., 2022). This finding is consistent with Hamdani and Helmy (2023) and Setyawan (2021), who conclude that CSR is primarily carried out only as a form of social responsibility. This means that companies' efforts to use CSR as a tax avoidance strategy are not considered the main factor being assessed. This finding indicates that although companies incur CSR costs, the tax benefits they obtain are insufficient to significantly enhance the firm's perceived value from an investor's perspective. Furthermore, investors generally evaluate CSR not from the perspective of tax efficiency but based on the quality of the programs, ongoing commitment, and sense of responsibility towards stakeholders. This suggests that CSR's role in enhancing firm value lies more in its ethical and reputational impact rather than its financial or tax-related incentives.

Overall, while this study provides empirical evidence on the relationships among intellectual capital, capital structure, CSR, and firm value, potential endogeneity issues may remain. A firm with a higher firm value may be better able to enhance CSR initiatives, optimize its capital structure, or develop intellectual capital, thereby creating a bidirectional influence. Such effects may lead to a slight bias in the estimated coefficients. However, the overall significance and consistency of the results still support the theoretical expectations, indicating robust associations among the examined variables.

Conclusions and Recommendations

This study found that intellectual capital and CSR increase firm value. Improved intellectual asset quality raises value creation. CSR also builds stakeholder trust. In contrast, capital structure does not affect firm value because debt raises financial risk. Tax avoidance does not affect the relationships among intellectual capital, capital structure, CSR, and firm value.

The results strengthen the Resource-Based Theory by reaffirming that intellectual assets remain a sustainable source of competitive advantage, even amid market uncertainty. Similarly, the findings extend the Stakeholder Theory by showing that CSR not only enhances legitimacy but also builds investor trust as a strategic resource. The insignificant role of capital structure and the weak moderating effect of tax avoidance suggest that reliance on debt or aggressive tax practices is not an effective strategy for sustainable value creation. In practice, managers should prioritize intellectual capital development and CSR initiatives, while investors may consider these factors key signals of long-term performance.

The study is limited by a small sample size, as several companies inconsistently reported their results. It is also recommended that future studies consider conducting a broader exploration, including the sampled companies, the observation years, and the measurement indicators used. In addition, given that this research model is relatively small to capture firm value, there is a need to explore factors that may be more dominant in firm value.

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