International Journal of Economics and Business Administration
Volume XXIII, Issue 1, 2025

pp. 3-19

The Impact of Business Risk, Intellectual Capital, and Institutional Ownership on the Value of the Firm

Submitted 12/12/24, 1st revision 17/01/25, 2nd revision 08/02/25, accepted 20/02/25

Adel Necib[1], Amira Feidi[2], Anis Jarboui[3]

Abstract:

Purpose: *This study aims to investigate how the diversity of backgrounds affects the relationship between intellectual capital, business risk, institutional actionnaire, and company value.*
Design/Methodology/Approach: *The team was tasked with scrutinizing companies in the real estate, property, and construction sectors that were listed on the London Stock Exchange (FTSE100) between 2020 and 2023. A purposive approach allowed for the final selection of 292 businesses. The hypothesis was tested using multiple regression analysis.*
Findings: *The outcome suggests that intellectual capital and commercial risk have a positive impact on an enterprise's value, whereas institutional investors have a negative impact. Furthermore, the study shows that the intellectual and institutional capital of the male and female members of the Council of Administration (CoA) do not significantly affect the enterprise value. Even if both have a positive effect on the commercial risk in the company, the impact of a BoD dominated by men is greater than that of a BoD dominated by women.*
Practical Implications: *According to findings there is no discernible difference between companies headed by male-dominated directors and those led by female-dominated directors regarding the influence of intellectual capital on company value.*
Originality value: *The findings suggest that a higher share of intellectual capital tends to raise the firm's worth.*

Keywords: *FTSE 100, board diversity, intellectual capital, business risk, institutional ownership, firm value.*

JEL codes: *G32, M41, O34, G34, L25.*

Paper type: *Research article.*

[1]*Dr., Department of Finance, University of Gafsa, Tunisia, adelnecib314@gmail.com;*
[2]*Dr., University of Manar Tunis, Tunisia, amiradeidi@gmail.com;*
[3]*Dr., University of Sfax, Tunisia, anisjarboui@yahoo.fr:*

1. Introduction

A successful business is one that can monitor several factors, both financial and non-financial, in order to increase the company's value as it works to ensure its longevity. A business's value is determined by an investor's assessment of its performance in relation to its market price. The COVID-19 pandemic has sparked a global crisis that has affected health and led to socioeconomic issues, including in the financial sector (Nachyła and Justo, 2024).

At this time, investors' fear has been heightened by the emergence of other COVID-19 strains, including Delta, which was identified for the first time in the middle of 2021, and Omicron, which surfaced towards the end of 2021 and the beginning of 2022.

The COVID-19 had an effect on the stock market as well. During the early stages of the pandemic in 2020 and well below in 2019, the United Kingdom Composite Index (FTSE100) saw a significant decline. Throughout the second half of 2022, there was a notable decline in the MSCI UK Quarterly Property Index. From its peak in the second quarter of 2022, the index fell to its lowest point since the third quarter of 2009. This decline indicates significant fluctuations in the British real estate market, which may indicate changes in the market's dynamics and potentially significant economic effects.

The company's value is equal to the value realised by the business if all of its goods were sold on the market at their current prices. According to Schoenmaker and Schramade (2019), long-term investments also heavily depend on the company's value.

Generally speaking, management develops policies while taking the organisation's goals into consideration, even though hidden personnel goals are quite common. Every business policy inevitably affects both external and internal actors, including the government, banks, the general public, and investors, as well as internal actors like the direction and members of the direction committee. In order to represent investors' interests while carrying out auditing duties for the company, independent commissioners are chosen. It is believed that diversity within the committee has a beneficial impact.

The increasing diversity among the council members may lead to more conflicts, but in comparison to a homogeneous council, this diversity may provide a wider range of solutions to issues. Diversity on the board of directors may lead to better financial performance compared to its competitors a 25% increase in genre diversity and a 36% increase in the likelihood of ethnic diversity (Jao *et al.,* 2024).

Researchers have found a favorable and significant correlation between the diversity of the board of directors and the enterprise value (Greene *et al.,* 2019; Qureshi *et al.,*

2020). However, a study conducted by Chondough (2021) shows that the diversity of the committee members has no appreciable impact on an enterprise's value.

Necib (2023) define intellectual capital as the combination of intangible assets, intellectual assets, employees, and infrastructures that enable an enterprise to function. Stated differently, intellectual capital is the entirety of intangible and intellectual resources used by an organisation to create value (Garcia-Pérez *et al.*, 2020). Despite its significance, little is still known about how some characteristics of intellectual capital affect an enterprise's financial performance and value. Researchers have found that intellectual capital positively affects an organisation's value (Putri and Nazula, 2021).

This, however, is different from the research done by Josephine *et al.* (2019), which demonstrates that intellectual capital has no bearing on an enterprise's value. According to Hartati and Mukhibad (2018), an organization's risk of doing business increases with a high level of debt. Generally speaking, high-risk businesses are more likely to use credit as a source of funding. Studies by Septyanto and Nugrah (2021), Alamsyah and Malanua (2021) indicate that economic risk has a significant effect on an enterprise's value.

However, contrary results have been shown by Hartati and Mukhibad (2018), who suggest that economic risk has a negative impact on the enterprise's value. The term "institutional ownership" refers to the ownership of shares by financial institutions including banks, pension funds, insurance companies, and investment funds.

Because these organisations have significant resources available to invest in societal actions, institutional participation is vital in capital markets. The previous study on the influence of the institutional questionnaire on business value found that the questionnaire has a significant effect on business value (Asnawi *et al.*, 2019).

However, some studies show that the institutional actionnaire has no discernible effect on an enterprise's value, contradicting these results (Sari and Wulandari, 2021). Drawing from the phenomena and research gaps noted in the discussed studies, the author intends to conduct an analysis entitled "The Impact of Business Risk, Intellectual Capital, and Institutional Ownership on the Value of the Firm".

2. Literature Review

According to Laili and Tjaraka (2024), an agency relationship is a contract in which one or more principals hire an agent to perform services on their behalf, including giving the agent some degree of decision-making authority. On the basis of this supposition, it may be deduced that the agency problem arises when managers and stockholders have different goals. Agency theory, in the context of company value research, can emphasise how crucial it is to comprehend how this relationship affects firm value.

Information asymmetry, which happens when management knows more about the business than the board of directors or shareholders, is related to agency theory. Since different viewpoints and communication philosophies can facilitate the flow of more thorough information, gender diversity on the Board of Directors (BOD) can aid in the reduction of this information asymmetry.

All things considered, agency theory promotes gender diversity on the board of directors as a means of resolving agency problems, improving supervision, and guaranteeing that management acts in the shareholders' best interests.

According to Falqueto (2020), stakeholders are organisations or people who have the power to influence or be influenced by the accomplishment of particular goals. According to stakeholder theory, businesses should deliver value to a variety of stakeholders, including creditors, shareholders, customers, suppliers, workers, and the government, in addition to their own interests (Chairi and Ghozali, 2007).

This theory emphasises the significance of taking stakeholder interests into account for long-term value generation in company value research. More viewpoints from a gender-diverse board of directors provide for better solutions to the needs of stakeholders, especially when it comes to social, environmental, and ethical issues. Businesses with gender-diverse boards are generally regarded as being more morally and socially conscious, which can boost their standing and enhance long-term results.

Assumptions regarding the roles of men and women are influenced by social and cultural factors, which fundamentally shape gender (Ellemers, 2018). It is a cultural construct that is flexible and susceptible to change in response to shifts in historical events, customs, culture, religion, and values (Noja *et al.*, 2021). It is influenced by society standards. Gender is not always relevant; it depends on the context. Gender differences can affect how people behave and make decisions.

Women prioritise task performance, keeping strong relationships, and adhering to regulations, while males typically focus on competition and outcomes as a means of achieving success. Women are therefore more inclined to find rule infractions objectionable. Tarmidi *et al.* (2023) investigate the structural and socialisation approaches as two ways to measure how gender perceives ethical behaviour.

According to the structural approach, early socialisation about expectations for their professions and the benefits they would obtain at work accounts for the behavioural inequalities between men and women. According to this paradigm, men and women will eventually adopt equal moral and ethical standards since they will be exposed to similar work environments and reward structures. Gender diversity on boards can have a big impact on decision-making in terms of corporate value. Women's distinct viewpoints are brought to the board of directors or commissioners, encouraging more thoughtful and creative decision-making.

Through the promotion of a more progressive and inclusive corporate image, this can increase firm value. Additionally, investors, clients, and business partners see gender-diverse boards favourably, which could improve a company's standing and long-term results.

The present value of the anticipated free cash flows of the business is discounted using the weighted average cost of capital to determine firm value. The cash left over after all operating costs, capital expenditures, and adjustments to net working capital have been subtracted is known as free cash-flow. When making long-term investments using analytical methodologies, firm value is also quite important (Tarczynski *et al.,* 2020).

The stock price is a useful tool for evaluating firm value because rising stock prices are correlated with higher firm values. The owners consider increasing business worth to be a major accomplishment since doing so will increase their wealth (Listari, 2018).

According to Supriono (2020), investors' perception of a company's firm worth is directly correlated with its stock price. Investors' assessment of a company's total equity ownership is reflected in the market price of its stock. However, Belli *et al.* (2019) argue that firm value represents a certain state that a company has reached during a multi-year process from its establishment to the present.

Intangible assets, personnel with intellectual property, and infrastructure that support a business's efficient operation are all included in intellectual capital (Maharani and Fuad, 2020). Strong intellectual capital allows businesses to stand out by producing long-term gains. Subagio (2022) defines intellectual capital as knowledge that generates rewards through resource use in the future. High intellectual capital shows capital efficiency, which attracts investors, and more investment can raise the value of the company (Setiany *et al.,* 2020).

The gender composition of the board can affect how intellectual capital affects the value of the company. Whereas female-dominated boards prioritise sustainability in managing intellectual capital, employee relations, social issues, and employee relations, male-dominated boards typically concentrate on financial and operational factors. The positive correlation between intellectual capital and firm value is supported by studies conducted by Putri *et al.* (2019), and Putri and Nazula (2021).

The management of intellectual capital is heavily reliant on leadership, and the composition of boards has an impact on the formulation and application of policies. According to Qureshi *et al.* (2020), having more women on the board has a beneficial impact on the value of the company, indicating that having a diverse leadership team improves organisational outcomes.

H1: Companies with a male-dominated board of directors and those with a female-dominated board of directors have different effects on firm value from intellectual capital.

The risk a business suffers when it cannot pay its operating expenses is known as business risk, and it is impacted by the consistency of revenue and spending. Businesses that face more business risk are more likely than those that don't to avoid debt funding. Whether the company is run by a male- or female-dominated board of directors may have an impact on how business risk affects the value of the company.

Businesses having a preponderance of men on their board of directors may have more volatility in their market value as a result of taking on riskier decisions. Companies with a female-dominated board of directors, on the other hand, might have more stable market values because of their more cautious approach and emphasis on risk management.

Studies by Chairani and Siregar (2021), Septyanto and Nugrah (2021) provide evidence that business risk has a major impact on firm value. When it comes to minimising company risk and increasing firm value, a leader's gender matters. According to study by Agyemang-Mintah and Schadewitz (2019), women considerably contribute to corporate value; hence, having more women in the boardroom positively influences firm value.

H2: Businesses with a male-dominated board of directors and those with a female-dominated board of directors experience different effects from business risk in terms of firm value.

The term "institutional ownership" refers to the ownership of a company's shares by banks, insurance companies, investment firms, and other institutional bodies. The percentage of a company's shares held by institutional investors, such as banks, insurance companies, investment firms, and other comparable entities, is referred to as institutional ownership. One form of power that might affect managerial choices is share ownership.

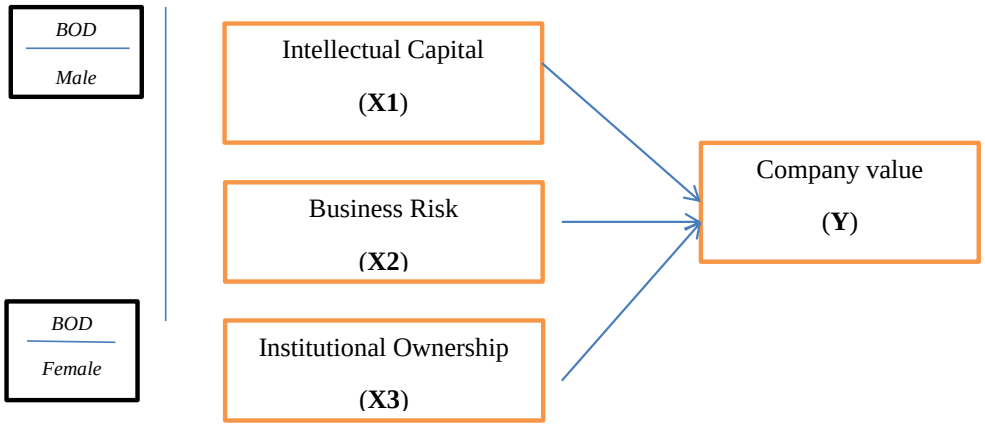
The effect of institutional ownership on business value might differ based on whether a male- or female-dominated board of directors (BoD) is in charge of the company. Significant institutional ownership may lead to tighter managerial scrutiny under the leadership of the BoD, which is dominated by men. A female-dominated board of directors (BoD) might already lean more cautiously and prioritise risk management and long-term decision-making.

Studies by Asnawi *et al.* (2019) provide evidence that institutional ownership has an impact on business value, which is consistent with earlier findings. Shares of a business owned by financial institutions, including investment funds, insurance companies, pension funds, and other financial entities, are referred to as institutional

ownership. According to certain studies, male and female CEOs have different managerial philosophies. It is thought that institutional ownership under female leadership adds value to the company. Furthermore, according to Greene *et al.* (2019), having more women on the board greatly raises the value of the company.

H3: The impact of institutional ownership on a company's value varies between businesses run by male and male BODs.

***Figure 1**. Conceptual Framework*



***Source:** Own study.*

3. Research Methods

This study examines the relationship between independent variables like institutional ownership, business risk, and intellectual capital and the dependent variable, firm value, using a causal-comparative methodology. It also contrasts these significant factors in businesses with predominantly male or female boards. 292 data points are provided by the 73 firms in the sample that are listed on the London Stock Exchange (FTSE 100) and are involved in the property, real estate, and building construction industries.

Tobin's Q, which represents the company's growth potential and investment opportunities, is used to calculate the enterprise value. The market value of all debt and equity is compared to all assets to determine Tobin's Q (Chairani and Siregar, 2021). The market-added intellectual value coefficient (MVAIC), which is made up of the value added to structural capital (STVA), the value added to employed capital (VACA), and the value added to human capital (VAHU), is used to measure

intellectual capital (Ahmed *et al.,* 2019). The Basic Earning Power Ratio (BEPR), which is calculated by dividing EBIT by total assets, is a useful tool for assessing business risk (Hartati and Mukhibad, 2019).

The percentage of the company's shares held by institutions is used to calculate institutional ownership. The analysis was carried out using multiple linear regression with EViews 16 software to see the effect of independent variables on company value, as well as to compare companies based on gender dominance in board direction.

4. Results

The findings of the descriptive statistical analysis were produced from 292 observations and processed using EViews software for four primary variables: Tobin's Q (TOBINSQ), intellectual capital (VAIC), business risk (BEPR), and institutional ownership (KI). The ratio between the market value and the asset value of the company is measured by Tobin's Q, which is used as a performance indicator for the company.

The effectiveness of a company's management of its intellectual capital, which is crucial to the development of added value, is reflected in its intellectual capital (VAIC). Institutional ownership (KI) shows the proportion of shares held by institutions, whereas business risk (BEPR) represents the operational risk the company faces when doing its business.

For each variable, the average, lowest and maximum values, as well as data variances, are provided by this descriptive statistical analysis. To determine how the data are distributed around the mean and to comprehend the features of the data, this knowledge is crucial. Descriptive statistics also assist in determining whether the data contains any trends or outliers that might influence the outcomes of additional study. In general, this examination is a crucial first step towards comprehending.

Table 1. *Statistics Descriptive*

Variable	**TOBINSQ**	**VAIC**	**BEPR**	**KI**
Mean	1.317758	3.431475	0.039314	58.36465
Median	0.780012	2.416003	0.028227	65.48623
Max	19.52004	25.87066	0.390842	99.62226
Min	0.33111	-38.03144	-0.224521	5.310000
SD	1.967455	7.715475	0.131455	30.03685
Skewness	4.999468	-1.065471	0.448548	-0.383254
Kurtosis	32.03685	12.86345	5.354514	1.994532
Jarque-Bera	7440.675	528.1963	49.92142	21.30749

Prob	0.00000	0.00000	0.00000	0.000936
Sum	244.0114	633.1497	6.527417	11285.57
Sum Sq. Dev.	697.7482	11757.03	1.959622	145246.5
Obs	292	292	292	292

Source: *Own study.*

According to the descriptive statistics, TOBINSQ has an average of 1.31 and a standard deviation of 1.96, with a minimum value of 0.33 and a maximum value of 19.52. Given that stock prices frequently surpass book values and could thus result in unmet investor expectations, the large fluctuation of the TOBINSQ over the 4-year period suggests higher investment risk.

Uneven distribution is indicated by VAIC, which has a minimum of -38.03 and a high of 25.87, an average of 3.43, and a standard deviation of 7.71. While some businesses gain a great deal from intellectual capital, others do not. BEPR has a lower standard deviation of 0.1 and ranges from -0.22 to 0.39, with an average of 0.39. This indicates a steady and generally low-risk business climate for these organisations. Last but not least, institutional ownership (KI) has a standard deviation of 30.03 and an average of 58.36, ranging from 5.31 to 99.62.

A more uniform distribution is suggested by the reduced variance in KI, which makes it easier for institutional stakeholders to have an impact on business operations. A model selection analysis was then carried out, as shown in Table 2.

This entailed comparing the Fixed Effect Model with the Common Effect Model using the Chow test, the Random Effect Model with the Common Effect Model using the LM test, and the Fixed Effect Model with the Random Effect Model using the Hausman test.

According to the findings, the Random Effect Model was recommended by the Hausman test, the Common Effect Model by the Chow test, and the Common Effect Model by the LM test. These results led to the conclusion that the Common Effect Model fits the data the best.

Table 2*. Model Selection Test*

Test	Comparison	Criteria	Results	Selected
Chow	FEM vs CEM	Prob less than 0.005	Prob = 3122	CEM
Husman	FEM vs REM	Prob less than 0.005	Prob = 0.8935	REM
LM	REM vs CEM	Prob less than 0.005	Prob = 0.3424	CEM

Source: *Own study.*

Following the determination that the Common Effect Model was the best model, traditional assumption tests were conducted and the results are shown in Table 2. Autocorrelation, heteroskedasticity, and multicollinearity were evaluated in these Common Effect Model tests. Normality testing, however, is not necessary for data utilising the Common Effect Model because Ordinary Least Squares (OLS) methods are utilised in this model.

Table 3. *Assumption Test Classic*

Test	Criteria	Results	Selected
Multicollinearity	VIF < 10	Range 1.76-2.96	OK
Heteroscedasticity	ProbChi2 > 0.051	Prob = 0.0915	OK
Autocorrelation	2 <DW < 4 – DU	2 < 2.11 < 2.34	OK

Source: *Own study.*

The multicollinearity test is the first of the traditional assumption tests, and it determines whether the independent variables in the regression model have a strong or perfect correlation (Ghozali and Ratmono, 2017). Table 3 states that if the Variance Inflation Factor (VIF) values are less than 10, the test is deemed successful. The VIF values, which vary from 1.76 to 2.96 as displayed in Table 3, show that the test is successful.

Subsequently, the heteroskedasticity test is employed to assess the consistency of the variable variance in the regression model (Ghozali and Ratmono, 2017). If the ProbChi2 value is greater than 0.051, the heteroskedasticity test is said to have been passed by the data. Table 3 indicates that the ProbChi2 value is 0.0915. Furthermore, the autocorrelation test results, as displayed in Table 5, show that 2 < 2.11 < 2.34, fulfilling the requirement of 2 < DW < 4-DU. As a result, the results of the autocorrelation test show that there is no autocorrelation.

Table 4. *Determination Coefficient*

Information	Model 1	Model 2	Model 3
N	292	202	90
R-Square	0.4880	0.6871	0.3745
Prob F	0.000000**	0.000040*	0.000000**

Source: *Own study.*

To test hypotheses and discuss study findings, the t-test, F-test, and coefficient of determination are employed. Model selection testing makes use of the Common Effect Model (CEM). Table 6 demonstrates that the first research model's R-squared value is 0.4880, meaning that 48.80% of the variation in firm value can be explained by institutional ownership, business risk, and intellectual capital. With an R-squared value of 0.6871, the second model, on the other hand, explains 68.71% of the

variations in firm value for businesses with a preponderance of female board members (BoD).

According to the third model, these variables only explain 37.45% of the variations in firm value for businesses with a preponderance of male directors. The first model, the second model, and the third model all have significant values of 0.00000, 0.000040, and 0.00000, respectively, based on the F-test results. Based on these significant values, it can be concluded that all three models are adequate and suitable for real-world applications.

Table 5. *Hypothesis Results*

Variable	Coefficient	t-stat prob
Tobins'Q -> VAIC	0.0611	0.0077**
Tobins'Q -> BEPR	12.9318	0.0000**
Tobins'Q -> KI	-0.0108	0.0288**

Source: *Own study.*

Table 5 displays the mark coefficient, which is 0.0611 and influences intellectual capital to mark companies. With a mark significance of 0.077, this indicates that intellectual capital has a positive impact on the mark firm, followed by a mark coefficient of 12.9318 that influences the mark company's risk business.

This indicates that risk business influences mark company positively, with a mark significance of 0.000. In the meantime, ownership institutional mark corporation of -0.0108 is influenced by the value coefficient. This illustrates how ownership institutional influence has a negative impact on mark company, with a mark significance of 0.0288.

Table 6. *Gender Analysis*

	Male		Female	
	Coefficient	**t-stat prob**	**Coefficient**	**t-stat prob**
Tobins'Q-> VAIC	0.0050	0.0515	0.0085	0.7567
Tobins'Q -> BEPR	9.8442	0.0000	8.6758	0.0088**
Tobins'Q -> KI	-0.0058	0.3489	0.0005	0.7430

Source: *Own study.*

In order to evaluate their influence, gender analysis was carried out by segmenting the panel data according to the gender of the board of directors (BoD) in businesses. Table 6 offers the following insights following the Common Effect Model (CEM) selection of the optimal model: H2 is acknowledged because a male-dominated Board of Directors has a greater influence than a female-dominated BoD, even though both have a favourable effect on business risk in the organisation.

On the other hand, in businesses run by both male- and female-dominated BoD members, the analysis similarly failed to find any evidence of a substantial relationship between institutional ownership and intellectual capital and firm value. H1 and H3 are therefore disproved.

5. Discussion

According to the findings of the hypothesis test, there is no discernible difference between companies headed by male-dominated directors and those led by female-dominated directors regarding the influence of intellectual capital on company value. The findings suggest that a higher share of intellectual capital tends to raise the firm's worth. The proposed hypothesis is rejected since the data do not support it.

Because businesses typically maintain consistent management principles or practices, gender diversity has little bearing on this situation. For example, corporations with majority shareholders frequently enforce the same rules for every board member, regardless of gender. As a result, the value of the company is unaffected directly by the number of women on the board.

According to this research, a company's intellectual capital which comprises its knowledge, abilities, inventiveness, and connections can give it a competitive edge that raises productivity and, eventually, firm value.

Nevertheless, it was discovered that there is no discernible relationship between intellectual capital and business value when differences were investigated. In a more particular context, the difference in leadership between male-dominated and female-dominated BoDs could be one of the causes of differences in the way intellectual capital is valued or applied, which would lessen or eliminate its direct impact on firm value.

While male boards of directors (BoDs) typically place greater emphasis on efficiency and immediate results, female BoDs typically manage Value Added Intellectual Coefficient (VAIC) in a more strategic and inclusive manner, which can positively impact firm value over the long term. Even if there are noticeable variances, it's crucial to keep in mind that diversity on the Board of Directors whether it be in terms of gender or other backgrounds is typically seen as a good thing that, when properly applied, may improve business performance and value.

Businesses ought to put more effort into improving their human resources. Innovation and competition are benefited by better RandD performance, technological dissemination, and a wide range of skill sets among employees. Consequently, in a highly competitive business environment, organisations with competent staff may consistently create firm value and survive (Putri Putri and Nazula, 2021).

According to the results of the second hypothesis test, there is a substantial difference between firms led by male-dominated boards of directors (BoDs) and those led by female-dominated BoDs in the influence of business risk on firm value.

The hypothesis is accepted because the probability value for BoDs with a male predominance is greater than that for BoDs with a female predominance. This indicates a significant difference in the impact of the Basic Earning Power Ratio (BEPR) on Tobin's Q (TOBINSQ). This result implies that the BoD's leadership style and methodology have an impact on how business risk affects firm value.

BoDs predominately made up of men may take a more growth-oriented, aggressive tack, which might lessen the perception of how business risk affects company value. On the other hand, BoDs with a preponderance of women might be more circumspect and conservative, highlighting business risk and having a bigger influence on company value. Businesses with predominately male boards of directors have consistent and moderate BEPR, which reflects more prudent risk management. Investors might value this stability, which could eventually increase the firm's value.

The results align with earlier research, including Chen *et al.'s* (2019) studies, which emphasise the impact of increased gender diversity on the board of directors on corporate decision-making procedures. A business that has a high BEPR is more adept at maximising the use of its resources to produce operating profits. Because investors favour businesses that can increase profits with their current assets, this could increase the firm's worth.

The market feels that disclosures on risk management can provide useful data for forecasting future results and business continuity. For businesses to minimise consequences and maximise possibilities, risk management is essential. According to Septyanto and Nugrah (2021) and Chairani and Siregar (2021), business risk significantly and favourably affects firm value.

In terms of the impact of institutional ownership on firm value, there was no discernible difference between companies led by male-dominated boards of directors (BoDs) and those led by female-dominated BoDs, according to the results of the third hypothesis test. Whether the company is headed by a female- or male-dominated Board of Directors, the data show that higher institutional ownership actually lowers firm value.

The third hypothesis is rejected since these results go counter to the theory that was put out. This state of affairs results from institutional ownership being represented by a wide spectrum of people from different backgrounds, which causes an imbalance or uniformity in the impact. In this case, the impact of gender is less apparent because the emphasis is now on the board's aggregate capacity rather than individual traits.

Furthermore, the majority of businesses in the real estate and property industries are controlled by big corporations, which means that institutional investors still run these businesses under the direction of CEOs who are related to the parent firms of the shares they buy.

Consequently, there are conflicts of interest between internal parties and management that arise for institutional investors in these companies, undermining the companies' independence and diminishing their value. This indicates that while institutional ownership adversely affects business value in general, the effect remains unchanged when considering the gender of the BoD.

This suggests that the influence of institutional ownership may be lessened by the disparate leadership philosophies and methods used by male and female BoDs in making decisions. The results of this study are consistent with the research conducted by Amaliyah and Herwiyanti (2019), which indicates that a decline in business value can occur when institutional ownership increases. This illustrates how institutional ownership is insufficient to keep an eye on corporate management, which leads to a loss of business control and an increase in the opportunistic actions of the management.

Institutional investors who possess a majority of the shares are more inclined to support management and work together to put their own interests ahead of minority shareholders. Because institutional investors and management frequently collaborate to produce business policies that are not ideal, this sends a bad signal to outside parties. A company's value may eventually drop as a result of such acts, which may also negatively impact investor interest, trading volume, stock prices, and other business operations.

6. Conclusion

It is possible to conclude that intellectual capital positively influences firm value and that firm value increases when intellectual capital does so based on the analysis and discussion of the outcomes of the hypothesis testing. Nonetheless, there are differences in the effects of intellectual capital on company value between businesses run by male and female boards of directors (BoDs).

Intellectual capital has no discernible impact on business value in either scenario, regardless of whether the BoD is headed by a woman or a man. On the other hand, business risk positively impacts firm value; that is, when business risk rises, so does firm value. While both have a favourable influence on business risk in the organisation, a male-dominated board of directors has a greater impact than a female-dominated board. Business value is negatively impacted by institutional ownership, meaning that as institutional ownership increases, business value often decreases.

In comparison, it is discovered that institutional ownership has no discernible impact on firm value in organisations when the Board of Directors (BoDs) is predominately composed of male or female members.

References:

Abada, A.E.A., Abbrescia, M., AbdusSalam, S.S., Abdyukhanov, I., Abelleira Fernandez, J., Abramov, A., ... and Bilki, B. 2019. FCC-ee: The lepton collider: Future circular collider conceptual design report volume 2. The European Physical Journal Special Topics, 228, 261-623.

Agyemang-Mintah, P., Schadewitz, H. 2019. Gender diversity and firm value: evidence from UK financial institutions. International Journal of Accounting and Information Management, 27(1), 2-26.

Alabdullah, T.T.Y., Ahmed, E.R., Muneerali, M. 2019. Effect of board size and duality on corporate social responsibility: what has improved in corporate governance in Asia? Journal of Accounting Science, 3(2), 121-135.

Alamsyah, M.F., Malanua, W. 2021. Pengaruh Investment Opportunity Set, Corporate Social Responsibility, Dan Risiko Bisnis Terhadap Nilai Perusahaan. Jurnal Fokus Manajemen Bisnis, 11(2), 154-172.

Alwaini, K., Tarmidi, D. 2024. The Impact of Intellectual Capital, Business Risk, and Institutional Ownership on Firm Value. Research Horizon, 4(5), 31-44.

Alwaini, K., Tarmidi, D. 2024. The Impact of Intellectual Capital, Business Risk, and Institutional Ownership on Firm Value. Research Horizon, 4(5), 31-44.

Alwaini, K., Tarmidi, D. 2024. The Impact of Intellectual Capital, Business Risk, and Institutional Ownership on Firm Value. Research Horizon, 4(5), 31-44.

Amaliyah, F., Herwiyanti, E. 2019. Pengaruh kepemilikan institusional, dewan komisaris independen, dan komite audit terhadap nilai perusahaan sektor pertambangan. Jurnal Akuntansi, 9(3), 187-200.

Asnawi, A., Awang, Z., Afthanorhan, A., Mohamad, M., Karim, F.J.M.S.L. 2019. The influence of hospital image and service quality on patients' satisfaction and loyalty. Management Science Letters, 9(6), 911-920.

Asnawi, A., Awang, Z., Afthanorhan, A., Mohamad, M., Karim, F.J.M.S.L. 2019. The influence of hospital image and service quality on patients' satisfaction and loyalty. Management Science Letters, 9(6), 911-920.

Chairani, C., Siregar, S.V. 2021. The effect of enterprise risk management on financial performance and firm value: the role of environmental, social and governance performance. Meditari Accountancy Research, 29(3), 647-670.

Chairi, A., Ghozali, I. 2007. Teori Akuntansi (Edisi 3). Universitas Diponegoro.

Chondough, S.M. 2021. The Implication of the CBN Cashless economy policy channels on the performance of Nigerian Banks. SEA–Practical Application of Science, 9(25), 75-85.

Ellemers, N. 2018. Gender stereotypes. Annual review of psychology, 69(1), 275-298.

Falqueto, J.M.Z., Hoffmann, V.E., Gomes, R.C., Onoyama Mori, S.S. 2020. Strategic planning in higher education institutions: what are the stakeholders' roles in the process? Higher Education, 79, 1039-1056.

Greene, C.A., Thirumalai, K., Kearney, K.A., Delgado, J.M., Schwanghart, W., Wolfenbarger, N.S., ... and Blankenship, D.D. 2019. The climate data toolbox for MATLAB. Geochemistry, Geophysics, Geosystems, 20(7), 3774-3781.

Hartati, M.S., Mukhibad, H. 2018. The Influence of Profitability, Liquidity, Business Risk, Firm Size, and Sales Growth in the Property and Real Estate Companies Listed in the IDX During 2013-2016. Accounting Analysis Journal, 7(2), 103-110.

Jao, C.Y., Yeh, H.C., Hung, H.T. 2024. Exploring the effects of robot-assisted multimodal composition on students' audience awareness for English writing. Computer Assisted Language Learning, 1-29.

Laili, T.F., Tjaraka, H. 2024. Gender Diversity in Leadership: Its Impact on Transfer Pricing and Tax Avoidance in Multinational Companies. Jurnal Akademi Akuntansi, 7(3).

Lestari, E.D., Hasanah, F., Nugroho, N.A. 2018. Correlation between non-exclusive breastfeeding and low birth weight to stunting in children. Paediatrica Indonesiana, 58(3), 123-7.

Maharani, T., Fuad, K. 2020. The effect of human capital, structural capital, customer capital, managerial ownership, and leverage toward profitability of company. Journal of Advanced Multidisciplinary Research, 1(1), 46-62.

Mukaromah, N., Supriono, S. 2020. Pengaruh kecukupan modal, risiko kredit, efisiensi operasional, dan likuiditas terhadap profitabilitas perbankan yang terdaftar di Bursa Efek Indonesia tahun 2015-2017. Journal of Economic, Management, Accounting and Technology, 3(1), 67-78.

Munir, M., Ramadhan, A.F., Nastiti, A., Putri, A.A., Bawono, M.R.K.S., Afifah, Z.N.A., Wicaksono, P. 2019. Utilization of Sentinel-2A imagery for mapping the dynamics of total suspended sediment at the river mouth of the Padang City. In : 2019 5th International Conference on Science and Technology (ICST), Vol. 1, pp. 1-6, IEEE.

Nachyła, P., Justo, R. 2024. How do impact investors leverage non-financial strategies to create value? An impact-oriented value framework. Journal of Business Venturing Insights, 21, e00435.

Necib, A. 2023. The Effects of Executives' Agility Decision-Making in COVID-19 Pandemic Period on Companies' Performance. International Journal of Finance, Insurance and Risk Management, 13(2), 42-64.

Noja, G.G., Thalassinos, E., Cristea, M., Grecu, I.M. 2021. The interplay between board characteristics, financial performance, and risk management disclosure in the financial services sector: new empirical evidence from Europe. Journal of Risk and Financial Management, 14(2), 79.

Qureshi, M.A., Ahsan, T., Gull, A.A., Umar, Z. 2024. The impact of economic policy uncertainty on sustainability (ESG) performance: the role of the firm life cycle. International Journal of Managerial Finance, 20(4), 872-891.

Rahman, M.S., Andriatmoko, N.D., Saeri, M., Subagio, H., Malik, A., Triastono, J., ... and Yusuf, Y. 2022. Climate disasters and subjective well-being among urban and rural residents in Indonesia. Sustainability, 14(6), 3383.

Ripolles-Melchor, J., Abad-Motos, A., Diez-Remesal, Y., Aseguinolaza-Pagola, M., Padin-Barreiro, L., Sanchez-Martin, R., ... and Aldecoa, C. 2020. Association between use of enhanced recovery after surgery protocol and postoperative complications in total hip and knee arthroplasty in the postoperative outcomes within enhanced recovery after surgery protocol in elective total hip and knee arthroplasty study (POWER2). JAMA surgery, 155(4), e196024-e196024.

Rosenbloom, A.B., Tarczyński, M., Lam, N., Kane, R.S., Bugaj, L.J., Schaffer, D.V. 2020. β-Catenin signaling dynamics regulate cell fate in differentiating neural stem cells. Proceedings of the National Academy of Sciences, 117(46), 28828-28837.

Sari, D.W., Ayu, K.G. 2021. Developing BuJel Application Using Extreme Programming (XP) Methodology. International Journal of Computer Techniques, 8(2), 265-272.

Schoenmaker, D., Schramade, W. 2024. Which discount rate for sustainability? Journal of Sustainable Finance and Accounting, 3, 100010.

Setiany, E., Utami, W., Zamzami, A.H. 2023. Firm Value: Competitive Position and Corporate Governance During The Covid-19 Pandemic. Journal of Governance and Regulation/Volume, 12(3).

Stokes, P.R., Jokinen, T., Amawi, S., Qureshi, M., Husain, M.I., Yatham, L.N., ... and Young, A.H. 2020. Pharmacological treatment of mood disorders and comorbid addictions: a systematic review and meta-analysis: traitement pharmacologique des troubles de l'humeur et des dépendances comorbides: une revue systématique et une méta-analyse. The Canadian Journal of Psychiatry, 65(11), 749-769.

Vicente-Gutierrez, C., Bonora, N., Bobo-Jimenez, V., Jimenez-Blasco, D., Lopez-Fabuel, I., Fernandez, E., ... and Bolaños, J.P. 2019. Astrocytic mitochondrial ROS modulate brain metabolism and mouse behaviour. Nature metabolism, 1(2), 201-211.

Yin, X., Chen, D., Ji, J. 2023. How does environmental regulation influence green technological innovation? Moderating effect of green finance. Journal of Environmental Management, 342, 118112.