

Role of Commissioners Board on Intellectual Capital Disclosure and Its Impact on Financial Performance of Telecommunication Companies In Indonesia

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ABSTRACT

This study aims to determine the effect of independent commissioners on intellectual capital disclosure and its impact on firm performance, both on ROA and ROE in telecommunication companies listed on the Indonesia Stock Exchange in 2015-2024. The sample selection technique used purposive sampling and data processing using E-views 9 as a test tool. This study sample amounted to four companies. This type of research is a quantitative approach. The analytical method used is panel data regression analysis. The results of the study show that commissioner board has no significant effect on financial performance, both on ROA and ROE. Commissioner board has no significant effect on intellectual capital disclosure. Intellectual capital disclosure has no significant effect on financial performance, both on ROA and ROE. Intellectual capital disclosure is proven to moderate the influence of commissioner board on financial performance, both on ROA and ROE.

INTRODUCTION

In today's digital era, the development of Information and Communication Technology (ICT) has become a key pillar in transforming various sectors of life. With rapid advances in hardware, software, and network infrastructure, ICT is not only transforming the way we communicate but also the way we work, learn, and interact. Increasingly sophisticated digital infrastructure enables faster and more efficient access to information, increases productivity, and facilitates previously unimaginable innovation.

Central Statistics Agency (BPS) compiles an index describing Indonesia's ICT development, called the ICT Development Index. This index is scaled from 0 to 10, with higher index scores indicating improved ICT development in a region. Conversely, lower index scores indicate less optimal ICT development in a region. This ICT Development Index refers to the methodology published by the International Telecommunication Union (ITU) in 2016.

Figure 1 Development of Indonesia's ICT Development Index, 2018-2023

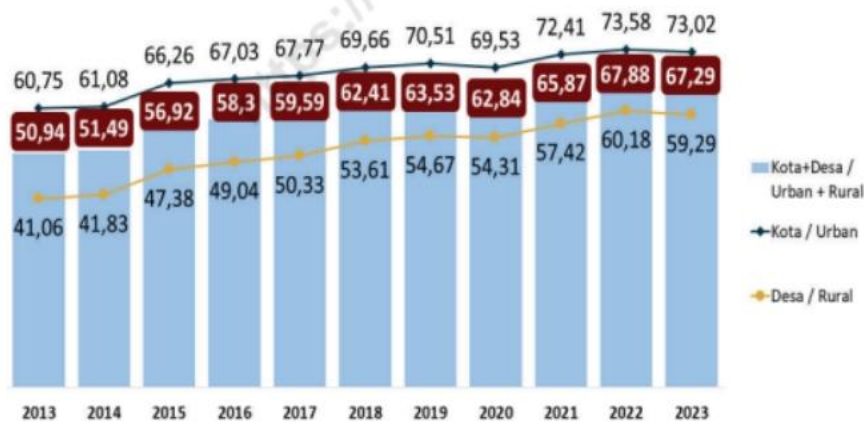


Source: BPS

Indonesia's ICT development has shown positive progress over the past six years, as evidenced by an increase in the ICT Development Index. In 2018, the ICT Development Index was recorded at 5.07 and continued to rise until 2023, reaching 5.90. Overall, the index increased by 0.83 points over the six years. The increase in the index varies considerably between years. The largest increase occurred from 2019 to 2020, increasing by 0.27 points. This period marked the early stages of the COVID-19 pandemic. Policies to prevent the spread of COVID-19 encouraged people to stay at home and conduct activities online, making ICT equipment such as mobile phones and internet access essential. Despite the positive trend, the index's increase tended to taper off, from 0.27 points from 2019 to 2020 to 0.05 points from 2022 to 2023.

The COVID-19 pandemic also impacted the growth in mobile phone ownership. Before the pandemic, in 2019, 63.53 percent of the population owned or controlled a mobile phone. This figure dropped to 62.84 percent when the pandemic began in 2020. In 2021, the worsening pandemic continued to restrict people from engaging in activities outside the home. However, some activities began to resume with adjustments, including online teaching and learning. Therefore, mobile phones became a pressing need, leading to an increase in mobile phone ownership, reaching 65.87 percent in 2021. This trend continued into the recovery period in 2022. However, mobile phone ownership decreased in 2023, to 67.29 percent.

Figure 2 Percentage of Population Owning/Controlling Cell Phones by Regional Classification, 2013-2023



Source: BPS, National Socio-Economic Survey

With its large population and vast territory, Indonesia presents both an attractive market and a challenge for the telecommunications industry. This has been reflected in the continued growth in the number of telecommunications providers. In 2023, 1,797 companies were licensed to provide telecommunications services in Indonesia. This number increased compared to 2022, when there were only 1,615 companies. This increase is inseparable from the government's free competition and transparency policies regarding investment methods in the Indonesian telecommunications industry, particularly cellular telecommunications.

Figure 3 Distribution of Telecommunication Companies in Indonesia



Source: Ministry of Communication and Information

In 2023, telecommunications operating permits were mostly granted to companies providing telecommunications services. Sixty-five percent of these companies operate in this sector, including Internet Service Providers (ISPs), Network Access Points (NAPs), internet telephony, and other telecommunications services. Meanwhile, approximately 24.65 percent of companies provide fixed network telecommunications. Mobile network providers account for approximately 1.22 percent, while specialized telecommunications providers experienced a slight increase, reaching 8.96 percent in 2023.

According to the Ministry of Communication and Information Technology, the number of primary telecommunications providers in Indonesia reached 465 in 2023 (fixed network and mobile network). These telecommunications companies provide wired telecommunications networks, including the Public Switched Telephone Network (PSTN), and wireless telecommunications, including cellular phones and satellite phones.

Fixed line operators include PT Telekomunikasi Indonesia (Telkom), PT Indosat, and PT Batam Bintan Telekomunikasi (BBT). Mobile phone providers comprise six telecommunications companies: PT Indosat, PT Telkomsel, PT Smart Telecom, PT Smartfren Telecom, PT XL-Axiata, and PT Hutchison CP Telecommunication. There is only one satellite mobile phone provider, PT Pasifik Satelit Nusantara (PSN).

The telecommunications industry in Indonesia plays a crucial role in driving national economic growth. The rapid development of information technology has made this sector a key pillar supporting digitalization, connectivity, and innovation in various sectors. In this increasingly competitive environment, telecommunications companies are required to improve financial performance while maintaining transparency and accountability, including through the disclosure of intellectual capital. Furthermore, the role of the board of commissioners is crucial in ensuring good corporate governance and encouraging more transparent disclosure.

Financial performance is a key indicator reflecting a company's ability to manage resources to generate profitability and growth. In this context, financial performance is a dependent variable that influences various aspects of the company, including intellectual capital disclosure. Companies with strong financial performance tend to have a greater capacity to optimally manage their intellectual capital and disclose it to stakeholders. As stated by Wild, Subramanyam, and Halsey (2014), financial performance analysis provides an overview of a company's health and its contribution to shareholder value creation.

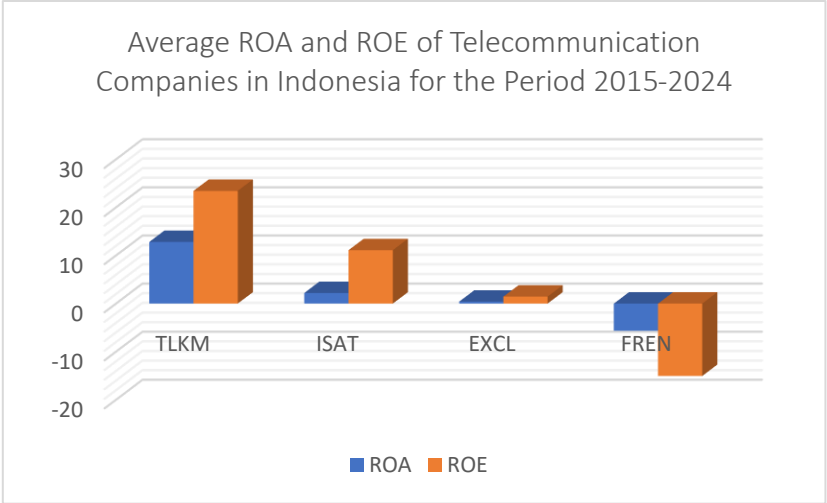
Intellectual capital encompasses intangible assets such as employee knowledge, brand awareness, customer relationships, and technological innovation. In the knowledge-based economy, intellectual capital is a key driver of corporate competitiveness. Disclosure of intellectual capital in annual reports serves as a way for companies to demonstrate transparency and strategic advantage. As a moderating variable, intellectual capital disclosure plays a crucial role in bridging the relationship between financial performance and a company's reputation among investors. Research by Ashari (2016) shows that companies with high profitability and good governance tend to have higher levels of intellectual capital disclosure, which in turn increases company value.

The board of commissioners serves as a supervisory body within the corporate governance structure. The existence of a strong board of commissioners is a key factor in ensuring transparent and accountable governance

practices. In this study, the board of commissioners is positioned as an independent variable that directly influences the level of a company's intellectual capital disclosure. Financial Services Authority (OJK) Regulation Number 33/POJK.04/2014 stipulates that the board of commissioners must consist of at least two members. Research by Fadhil Rahandika and Totok Dewayanto (2019) shows a positive and significant relationship between board size and intellectual capital disclosure. This means that a larger number of board members in a company indicates a higher level of intellectual capital disclosure. From an agency theory perspective, a larger board of commissioners further reduces uncertainty and information asymmetry because there are more people to carry out the work.

This study will analyze the influence of comissioners board on intellectual capital disclosure and its impact on a company's financial performance, as measured by Return on Assets and Return on Equity. There are several compelling reasons for conducting this research. First, there is no standard that specifies which items are included in intangible assets that can be managed, measured, and reported, both for mandatory and voluntary disclosures. Second, to seek more detailed information on intellectual capital management, from its summary, measurement, and disclosure in a company's financial statements. Third, the Indonesian business world lacks competitive advantages, resulting in low competitiveness and a lack of ability to maintain the company's existence (going concern). The fourth reason is based on the results of the survey, which shows that information regarding a company's "intellectual capital disclosure" constitutes 5 of the 10 types of information needed by information users, including investors. However, in reality, the type of information considered by investors is not disclosed, resulting in an "information gap" (Bozzolan et al., 2003).

Figure 4. Average Firm Performance Chart



Source: Data processed by the author (2025)

The average ROA and ROE of telecommunication companies in Indonesia show varying financial performance across firms during the 2015–2024 period. Telkomsel (TLKM) consistently recorded the highest profitability, with an average ROA of around 16% and ROE of 25%. This indicates that TLKM is relatively efficient in utilizing its assets and equity to generate profits, reflecting its position as a market leader with stable revenue streams.

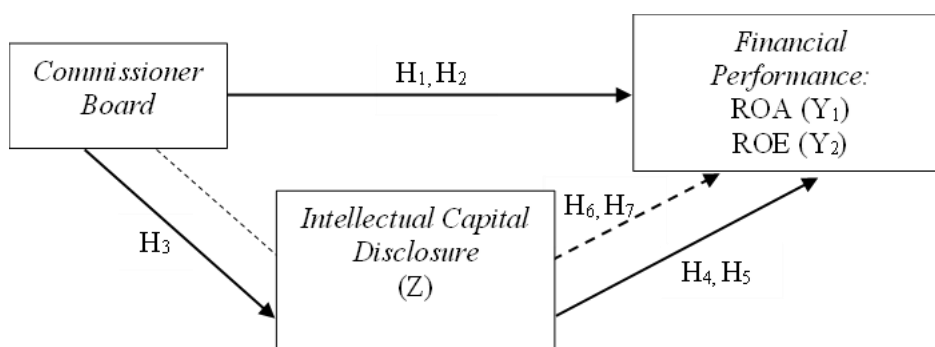
In contrast, Indosat (ISAT) and XL Axiata (EXCL) recorded lower profitability. ISAT's average ROA and ROE are positive but much smaller compared to TLKM, suggesting limited efficiency and lower returns to shareholders. EXCL shows even weaker results, with profitability margins close to zero, highlighting the challenges faced in maintaining operational efficiency amidst high competition and investment costs.

Fren (FREN) presents a different phenomenon, with negative ROA and ROE throughout the observed period. This indicates that the company is unable to generate profits from both its assets and equity, reflecting persistent financial difficulties, inefficiency, and possibly high debt burdens. Negative returns also signal risks for investors and may undermine confidence in the company's long-term sustainability.

Overall, the performance disparities across these companies highlight the uneven competitiveness within Indonesia's telecommunication sector. While TLKM remains dominant with strong profitability, other players struggle to achieve efficient financial performance. The sharp contrast with FREN's negative profitability underscores the structural and financial challenges faced by some operators.

This phenomenon suggests that company-specific factors, such as the effectiveness of corporate governance (e.g., independent commissioners), sales growth, dividend policy, and capital structure, may play a critical role in shaping profitability. Furthermore, industry-wide factors such as technological investment demands, pricing competition, and regulatory frameworks also significantly influence ROA and ROE. These dynamics underline the importance of strengthening both governance and financial strategies to enhance competitiveness in Indonesia's telecommunication industry.

Figure 5. Frame Of Mind



Source: Frame processed by the author (2025)

Based on the formulation of the problem and achieving the research objectives, it can be answered and explained by writing the following hypothesis:

H1: It is suspected that Commissioners Board has an influence on the Financial Performance (ROA) of telecommunications companies in Indonesia for the 2015-2024 period.

H2: It is suspected that Commissioners Board has an influence on the Financial Performance (ROE) of telecommunications companies in Indonesia for the 2015-2024 period.

H3: It is suspected that Commissioners Board has an influence on Intellectual Capital Disclosure of telecommunications companies in Indonesia for the 2015-2024 period.

H4: It is suspected that Intellectual Capital Disclosure has an influence on the Financial Performance (ROA) of telecommunications companies in Indonesia for the 2015-2024 period.

H5: It is suspected that Intellectual Capital Disclosure has an influence on the Financial Performance (ROE) of telecommunications companies in Indonesia for the 2015-2024 period.

H6: It is suspected that Commissioners Board moderated by Intellectual Capital Disclosure has an influence on the Financial Performance (ROA) of telecommunications companies in Indonesia for the 2015-2024 period.

H7: It is suspected that Commissioners Board moderated by Intellectual Capital Disclosure has an influence on the Financial Performance (ROE) of telecommunications companies in Indonesia for the 2015-2024

RESEARCH METHOD

The type of research used is quantitative method. Quantitative research method is based on the philosophy of positivism, used to study specific populations or samples, collecting data using research instruments. Data analysis is quantitative or artistic, with the aim of testing predetermined hypotheses (Sugiyono, 2020).

In this study, the researcher collected secondary data, namely the annual financial reports of telecommunications companies listed on the Indonesia Stock Exchange (IDX) for the 2015-2024 period, through

internet access at the official Indonesia Stock Exchange (IDX) website, www.idx.co.id. The IDX was chosen as the research site because it presents comprehensive and well-organized annual financial reports related to the companies being studied.

Table 1. Research Population

No.	Stock Code	Emiten Name
1	TLKM	PT Telkom Indonesia Tbk
2	ISAT	PT Indosat Tbk
3	EXCL	PT XL Axiata Tbk
4	SMRT	PT Smart Telecom
5	FREN	PT Smartfren Telecom Tbk
6	HCPT	PT Hutchison CP Telecommunication

Of the six companies in the study population, two were eliminated due to mergers. PT Smart Telecom merged with PT Smartfren Telecom in 2025, and PT Hutchison CP Telecommunication merged with PT Indosat in 2021.

Table 2. Research Sample

No.	Stock Code	Emiten Name	Date of IPO
1	TLKM	Telekomunikasi Indonesia Tbk	14 November 1995
2	ISAT	Indosat Tbk	19 Oktober 1994
3	EXCL	XL Axiata Tbk	29 September 2005
4	FREN	Smartfren Telecom Tbk	29 November 2006

Research variables are anything, in any form, determined by the researcher to be studied to obtain information about them and then draw conclusions.

Table 3. Operational Variable Definition

No.	Variable	Indicator of Variable	Scale
1	Commissioner Board (X)	Commissioner Board = number of members of the commissioner board. (Veres, dkk. 2013)	Nominal
2	Intellectual Capital Disclosure (Z)	ICD index = Number of items disclosed in the annual report / Total ICD items x 100% (Bukh, et al. 2005)	Ratio
3	Financial Performance ROA and ROE (Y)	$ROA = \frac{Net\ Income\ After\ Tax}{Total\ Assets} \times 100\%$ $ROE = \frac{Net\ Income\ After\ Tax}{Equity} \times 100\%$	Ratio

(Van Horne dan Wachowicz. 2005)

RESULTS AND DISCUSSION

Model Selection Test

Chow Test

The Chow test in this study is used to determine which model is most appropriate: the Common Effects Model or the Fixed Effects Model. This test can be seen in the probability values of random cross-sections with the following hypothesis:

Table 4. Chow Test Equalition

Effect Test 1 (BC & ROA) Cross-section F	Statistic	d.f	Prob
	0.000000	(3,31)	1.0000

Cross-Section Chi-square	0.000000	3	1.0000
Effect Test 2 (BC & ROE)	Statistic	d.f	Prob
Cross-section F	0.000000	(3,35)	1.0000
Cross-Section Chi-square	0.000000	3	1.0000
Effect Test 3 (BC & ICD)	Statistic	d.f	Prob
Cross-section F	0.000000	(3,35)	1.0000
Cross-Section Chi-square	0.000000	3	1.0000
Effect Test 4 (ICD & ROA)	Statistic	d.f	Prob
Cross-section F	-0.000000	(3,31)	1.0000
Cross-Section Chi-square	0.000000	3	1.0000
Effect Test 5 (ICD & ROE)	Statistic	d.f	Prob
Cross-section F	0.000000	(3,35)	1.0000
Cross-Section Chi-square	0.000000	3	1.0000
Effect Test 6 (BC, ICD & ROA)	Statistic	d.f	Prob
Cross-section F	-0.000000	(3,29)	1.0000
Cross-Section Chi-square	0.000000	3	1.0000
Effect Test 7 (BC, ICD & ROE)	Statistic	d.f	Prob
Cross-section F	0.000000	(3,33)	1.0000
Cross-Section Chi-square	0.000000	3	1.0000

Source: Data processed by the author (2025)

According to Table 4, the cross-section chi-square probability for all models is 1.0000, which indicates that the value is bigger than the significance level of $\alpha = 5\%$ (0.05). Therefore, the Common Effect Model (CEM) is more suitable for all models than the Fixed Effect Model (FEM).

LM Test

The LM test in this study is used to determine which model is most appropriate: the Common Effects Model or the Random Effects Model. This test can be seen in the probability values of random cross-sections with the following hypothesis:

Table 5. LM Test Equalition

Effect Test 1 (BC & ROA)	Cross-section	Time	Both
Breusch-Pagan	2.250000 (0.1336)	54.00000 (0.0000)	56.25000 (0.0000)
Effect Test 2 (BC & ROE)	Cross-section	Time	Both
Breusch-Pagan	2.222222 (0.1360)	60.00000 (0.0000)	62.22222 (0.0000)
Effect Test 3 (BC & ICD)	Cross-section	Time	Both
Breusch-Pagan	2.222222 (0.1360)	60.00000 (0.0000)	62.22222 (0.0000)
Effect Test 4 (ICD & ROA)	Cross-section	Time	Both
Breusch-Pagan	2.250000 (0.1336)	54.00000 (0.0000)	56.25000 (0.0000)

Effect Test 5 (ICD & ROE) Breusch-Pagan	Cross-section 2.222222 (0.1360)	Time 60.00000 (0.0000)	Both 62.22222 (0.0000)
Effect Test 6 (BC, ICD & ROA) Breusch-Pagan	Cross-section 2.250000 (0.1336)	Time 54.00000 (0.0000)	Both 56.25000 (0.0000)
Effect Test 7 (BC, ICD & ROE) Breusch-Pagan	Cross-section 2.222222 (0.1360)	Time 60.00000 (0.0000)	Both 62.22222 (0.0000)

Source: Data processed by the author (2025)

In table 5, LM test results show Cross section value of Breusch-Pagan are 0.1336 and 0.1360 and based on the provision that those values are bigger than 0.05, so it can be concluded that the Common Effect Model (CEM) approach is more appropriate to use than the Random Effect Model (REM).

Model Conclusion

Table 6. Model Conclusion

No	Method	Testing	Result
Equation 1 (BC & ROA)	Chow Test	CEM vs FEM	CEM
	LM Test	CEM vs REM	CEM
Equation 2 (BC & ROE)	Chow Test	CEM vs FEM	CEM
	LM Test	CEM vs REM	CEM
Equation 3 (BC & ICD)	Chow Test	CEM vs FEM	CEM
	LM Test	CEM vs REM	CEM
Equation 4 (ICD & ROA)	Chow Test	CEM vs FEM	CEM
	LM Test	CEM vs REM	CEM
Equation 5 (ICD & ROE)	Chow Test	CEM vs FEM	CEM
	LM Test	CEM vs REM	CEM
Equation 6 (BC, ICD, ROA)	Chow Test	CEM vs FEM	CEM
	LM Test	CEM vs REM	CEM
Equation 7 (BC, ICD, ROE)	Chow Test	CEM vs FEM	CEM
	LM Test	CEM vs REM	CEM

Source: Data processed by the author (2025)

The results of the panel data regression model test above indicate that the selected Common Effects Model (CEM) can be further used to estimate the board commissioner to financial performance, both ROA and ROE. Common Effects Model (CEM) can be further used also to estimate the board commissioner to financial performance, both ROA and ROE through intellectual capital disclosure.

Normality Test

The normality test is that if the significant probability is smaller than alpha 0.05, it means that the data is normally distributed.

Table 7. Normality Test Equation

Model	Jarque-Bera	Probability	Result
Equation 1 (BC & ROA)	4.426232	0.109359	Normal
Equation 2 (BC & ROE)	1.561223	0.458126	Normal
Equation 3 (BC & ICD)	2.628043	0.268737	Normal
Equation 4 (ICD & ROA)	6.193204	0.045203	Abnormal

Equation 5 (ICD & ROE)	3.153238	0.206673	Normal
Equation 6 (BC, ICD, ROA)	1.523653	0.466814	Normal
Equation 7 (BC, ICD, ROE)	6.666189	0.035683	Abnormal

Source: Data processed by the author (2025)

Based on the results of the normality test graph for equation 1, 2, 3, 5, and 6, it can be seen that the graphs pattern above shows a normal distribution pattern, as indicated by probability values are greater than $\alpha = 0.05$ (5%) or. There are normality problems in equation 4 (ICD & ROA) and in equation 7 (BC, ICD & ROE). To fix normality problem, we can see the value of skewness and kurtosis from interactions between variables. If the value of skewness is between -2 and +2, and the value of kurtosis is between -7 and +7, then the data is normal (Kurnia and Akbar, 2023).

In Equation 4, the value of skewness and kurtosis are:

Table 8. Normality Test Equation 4

	ROA	ICD
Skewness	0.710606	0.279409
Kurtosis	2.245916	1.584576

Source: Data processed by the author (2025)

The values of skewness in ROA (0.710606) and ICD (0.279409) are between -2 and +2, the values of kurtosis in ROA (2.245916) and ICD (1.584576) are between -7 and +7, then we can conclude that the data is normal.

In Equation 7, the value of skewness and kurtosis are:

Table 9. Normality Test Equation 7

	ROE	BC	ICD	INTERACTION
Skewness	0.115514	-1.073313	0.315903	-0.078235
Kurtosis	2.167784	3.176000	1.691323	2.297457

Source: Data processed by the author (2025)

The values of skewness in ROE (0.115514), BC (-1.073313), ICD (0.315903) and interaction (-0.078235) are between -2 and +2, the values of kurtosis in ROE (2.167784), BC (3.176000), ICD (1.691323) and interaction (2.297457) are between -7 and +7, then we can conclude that the data is normal. From the test results in table 7, 8, 9, the conclusion is all the equations are normal. Consequently, this study has a normal distribution, which means that the normality requirements are met.

Heteroscedasticity Test

The heteroscedasticity test aims to determine whether the regression model exhibits unequal variances from residuals from one observation to another. A good regression model is homoscedastic, meaning there is no heteroscedasticity.

Table 10. Heteroscedasticity Test Equalition

Model	Lower Limit	Upper Limit
Equation 1 (BC & ROA)	-2.2	4
Equation 2 (BC & ROE)	-4.3	6
Equation 3 (BC & ICD)	-0.12	16
Equation 4 (ICD & ROA)	-2	4
Equation 5 (ICD & ROE)	-4	6
Equation 6 (BC, ICD, ROA)	-2.8	3.8

Table 10 shows the fractional probability value. Heteroscedasticity can be seen from the residual graph which does not exceed the limits (500 and -500), meaning the residual variances are the same. Therefore, there are no symptoms of heteroscedasticity. (Napitupulu, et al. 2021)

PANEL DATA REGRESSION, t-TEST

Table 12. Panel Data Regression Analysis Test Equation Common Effect Model

	Coefficient	Std. Error	t-Statistic	Prob.
Equation 1	-0.446667	0.344710	-1.295776	0.2038
Equation 2	-0.836000	0.455592	-1.834976	0.0743
Equation 3	-0.008205	0.012985	-0.631888	0.5312
Equation 4	4.006689	4.356602	0.919682	0.3642
Equation 5	9.415796	5.706610	1.649981	0.1072
Equation 6	DK : -12.05330	4.207639	-2.864624	0.0073
	ICD : -1.338960	49.07240	-2.728540	0.0102
	Interaksi : 14.99916	5.388057	2.783780	0.0089
	DK : -8.792503	3.187747	-2.758219	0.0091
	ICD : -84.5308	36.97687	-2.286037	0.0282
Equation 7	Interaksi : 11.08192	4.363130	2.539902	0.0155

Source: Data processed by the author (2025)

Based on the results of the table above, several conclusions were obtained regarding the partial test (t-test) between the independent variables and the dependent variable.

In testing the Comissioner Board with financial performance (ROA), t-statistic shows a result of $-1.295776 < t\text{-table } 2.024$, with prob. $0.0743 > 0.05$, so it can be concluded that the Comissioner Board has no effect on financial performance (ROE). This means that the board of commissioners' oversight role does not improve asset utilization efficiency. ROA is more influenced by day-to-day managerial and operational factors, rather than strategic board decisions. This research is in line with the research of Zakaria, Mardiyati, & Pena (2022): Independent commissioners have no effect on ROA (Indonesian banking study).

In examining the relationship between Comissioner Board and financial performance (ROE), t-statistic shows a result of $-1.834976 < t\text{-table } 2.024$, with prob. $0.2038 > 0.05$, so it can be concluded that the Comissioner Board has no effect on financial performance (ROA). ROE reflects shareholder returns. The absence of any influence indicates that the board's strategic decisions have not directly impacted the company's capitalization policy and net profit. This research aligns with research by Nugroho & Hartomo (2020), which found that the board of commissioners had no significant influence on ROE in manufacturing companies.

In testing the Comissioner Board with intellectual capital disclosure, t-statistic shows a result of $-0.631888 < t\text{-table } 2.024$, with prob. $0.5312 > 0.05$, so it can be concluded that Comissioner Board has no effect on intellectual capital disclosure. This indicates that the board of commissioners is not actively promoting transparency regarding intellectual capital. This could be due to the weak regulations on ICD disclosure in Indonesia, which makes it a low priority for the board. This research aligns with research by Puspitarini & Panjaitan (2018) that the number of independent commissioners has no effect on the level of ICD in the banking sector.

In examining the relationship between intellectual capital disclosure and financial performance (ROA), the value of prob. is $0.3642 > 0.05$, and the value of t-statistic is $0.919682 < 2.024$, the conclusion is intellectual capital disclosure has no effect on financial performance (ROA). This indicates that IC disclosure is not correlated with operational efficiency. IC information is qualitative and has a long-term impact, so it is not reflected in ROA. This research aligns with Firer & Williams' (2003) research: in South Africa, IC disclosure was insignificant on profitability (ROA).

In verifying the connection between intellectual capital disclosure and financial performance (ROE), the value of prob. is $0.1072 > 0.05$, and the value of t-statistic is $1.649981 < 2.024$, the finding is intellectual capital disclosure has no effect on financial performance (ROE). This indicates that IC disclosure is not correlated with operational efficiency. IC information is qualitative and has a long-term impact, so it is not reflected in ROA. This research aligns with Firer & Williams' (2003) research: in South Africa, IC disclosure was insignificant on profitability (ROA). This is because Indonesian investors may not yet consider IC disclosure as a signal of company value. Therefore, IC disclosure does not significantly impact equity returns. This research aligns with Ulum's (2017) research: IC disclosure (VAIC) does not significantly impact ROE of companies listed on the IDX.

In examining the relationship between commissioner board and financial performance (ROA) moderated by intellectual capital disclosure, the value of t-statistics on commissioner board is $-2.864624 > 2.024$ and the prob. is 0.0073 . This means Commissioner board negatively impacts ROA. The larger the proportion of commissioners, the lower ROA. This could indicate that the board's presence is ineffective in driving asset efficiency. The value IC disclosure of prob. is $0.0102 < 0.05$, and the value of t-statistic is $-22.728540 > 2.024$. This means IC disclosure negatively impacts ROA. The more IC disclosure, the lower the efficiency of asset utilization. This could be because IC disclosure is more costly and has no direct financial impact. The value interaction of prob. is $0.0089 < 0.05$, and the value of t-statistic is $2.783780 > 2.024$, so that intellectual capital disclosure is proven to moderate the influence of commissioner board on financial performance (ROA).

Intellectual capital disclosure strengthens the role of the board of commissioners in improving asset efficiency. This means that corporate transparency regarding intellectual capital disclosure will increase the effectiveness of the Board of Commissioners' oversight in improving asset efficiency. This means that even though the Board of Commissioners itself is negative, with a high ICD, the Board of Commissioners' role becomes more effective in increasing ROA. These results demonstrate a paradox: individually, both DK and ICD negatively impact ROA. However, their interaction produces a positive effect. This means that intellectual capital disclosure can strengthen the oversight role of the board of commissioners, thereby offsetting the negative impact of DK on asset efficiency (ROA) by IC disclosure. This supports the view that governance mechanisms are more effective when supported by transparency.

This finding contrasts with research by Ardianto et al. (2025), which found that the role of the Board of Commissioners was not always a significant moderating factor in the relationship between intellectual capital disclosure and firm value. This reinforces the hypothesis that the interaction between governance mechanisms and intellectual capital disclosure often does not produce significant synergies, especially when asset efficiency (ROA) is used as a performance measure.

In examining the relationship between commissioner board and financial performance (ROE) moderated by intellectual capital disclosure, the value of t-statistics on commissioner board is $-2.758219 > 2.024$ and the prob. is 0.0091 . This means Commissioner board negatively impacts ROE. Increasing the board's shareholders' equity does not improve, and in fact, decreases, return on equity. This could be because board policies reduce risk but reduce shareholder profitability. The value IC disclosure of prob. is $0.0282 < 0.05$, and the value of t-statistic is $-2.286037 > 2.024$. This means IC disclosure negatively impacts ROE. ICD negatively impacts ROE, indicating that investors do not view IC disclosure as a factor that increases equity returns. The value interaction of prob. is $0.0155 < 0.05$, and the value of t-statistic is $2.539902 > 2.024$, so that intellectual capital disclosure is proven to moderate the influence of commissioner board on financial performance (ROE).

The ICD also strengthens the board's influence in increasing shareholder returns. IC transparency increases investor confidence, resulting in greater market appreciation of board policies. The ICD also strengthens the board's influence in increasing shareholder returns. IC transparency increases investor confidence, resulting in greater market appreciation of board policies. This finding aligns with Equation 6, which states that intellectual capital disclosure acts as an enabler, transforming the negative impact of the board of commissioners into a more positive one on financial performance. Although both the board of commissioners and ICD are directly negatively related to ROE, their combination actually produces a positive effect. This demonstrates a synergistic effect: a strong board will only effectively increase shareholder returns if accompanied by IC disclosure.

There is no exact research; it can be claimed as a novelty. Similar literature supports ICD as a strategic factor that strengthens the relationship between governance and financial performance (e.g., Chen et al., 2005).

CONCLUSION

Based on the results of previous research on the Influence of commissioner board on company performance (ROA and ROE) with intellectual capital disclosure as a moderating variable, it can be concluded that the results of the partial test (t-test) of commissioner board (x) have no significant effect on financial performance (y), both on ROA and ROE. Commissioner board (x) has no significant effect on intellectual capital disclosure (z). Intellectual capital disclosure (z) has no significant effect on financial performance (y), both on ROA and ROE. Intellectual capital disclosure is proven to moderate the influence of commissioner board on financial performance, both on ROA and ROE.

RECOMMENDATIONS

Further research is needed, expanding the time period and sectors to make the results more generalizable. Add control variables (firm size, leverage, growth) to reduce bias. Examining the subcomponents of intellectual capital (human capital, structural capital, and relational capital) separately to determine which is most relevant. Conducting a cross-industry study to compare whether this influence is unique to the telecommunications sector or also applies to other sectors.

Commissioner Board needs to focus more on not only compliance but also asset efficiency strategies to impact ROA. Companies need to improve the quality of intellectual capital disclosure, so that it is not merely a formality but truly provides added value for investors. IC transparency should be directed towards strengthening shareholder trust, thereby boosting ROE.

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