THE EFFECT OF PROFITABILITY AND LIQUIDITY ON COMPANY VALUE MEDIATED BY DIVIDEND POLICY IN PROPERTY, REAL ESTATE, AND BUILDING CONSTRUCTION COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE (IDX)

Veronicha[1]
I Gusti Agung Musa Budidarma[2]
Bunda Mulia University Jakarta, Indonesia[1,2]
Email: m81220042@student.ubm.ac.id, l2070@lecturer.ubm.ac.id
*Corespondence: m81220042@student.ubm.ac.id

ABSTRACT: The purpose of this study is to determine the effect of profitability, liquidity, and dividend policy on firm value. This study also aims to determine the indirect effect between profitability and liquidity on firm value through the dividend policy. This research used property, real estate, and building construction companies listed in Indonesia Stock Exchange. The research uses five recent years since 2018 until 2022 and selected by purposive sampling method. The analysis was performed using multiple linear regressions analysis method.

Keywords: Firm Value, Profitability, Liquidity, and Dividend Policy

INTRODUCTION

Based on population census data and population projections, Indonesia's population in mid-2018 was 264,161,600 people. This number continues to increase every year and reaches 275,773,800 people in mid-2022. Data on population growth each year can be seen in table 1.

Table 1. Population rowth

Population Growth					
Year	2018	2019	2020	2021	2022
Population	264.161.600	266.911.900	270.203.900	272.682.500	275.773.800

Source: www.bps.go.id

The growing population makes the development of the *property, real estate, and building construction* industries grow and will be bigger in the future. This is because the increasing population will require more buildings such as housing, office buildings, shopping centers, and so on. Quoted from the website of the Ministry of Finance, transaction activities in the

property sector, which are mostly immobile, show that the property sector is one of the sources of government revenue that has considerable potential in increasing local taxing power through regional tax instruments. The *property, real estate, and building construction* sector is one of the important sectors because it is able to attract and encourage activities in various economic sectors, influence the development of the financial sector, and have an impact on economic growth and employment. The growth of *property, real estate, and building construction* companies can be seen in table 2.

Table 2.

Growth of *Property, Real Estate, and Building Construction Companies*

Property, real estate, and building construction *companies* listed on IDX					
Year	2018	2019	2020	2021	2022
Number of Companies	73	83	98	103	110

Source: idx.co.id

Although the property, real estate, and building construction *industries play a strategic role in regional economic growth, it can be seen from* table 3 that the average price of property, real estate, and building construction shares each year tends to decline.

Table 3.

Average Closing Share Price *of Property, real estate, and building construction*

Average Closing Share Price *of Property, real estate, and building construction*					
Year	2018	2019	2020	2021	2022
Average Stock Price	1247.13	1152.32	954.92	835.64	875.68

Source: idx.co.id (Data processed)

The average share price   of *property, real estate, and building construction* at the end of 2018 was valued at 1,247 and decreased annually until the end of 2022 to 876. This will result in the value of *property, real estate, and building construction* companies in the eyes of investors will also decrease. Even though it can be seen that with the increasing population, this industry should increase in the future.

Company value is the perception of investors on the company's success rate which is often associated with stock prices (Hardiyanti, 2012) Earnings information causes changes in investor behavior seen from stock prices. Investors will buy shares of a company if there is potential profit in the company.

Thus, investors will invest their capital in the company. For companies, the capital invested by investors can be used to increase company growth. The goal of every business in a company is to make a profit. Competitive conditions in the increasingly competitive business world result in tighter competition so that companies also need to improve their competitiveness to obtain maximum profits. Companies must survive in business competition, for that they need weapons for companies to compete in the market (Manik & Ginting, 2022).

Company value is an important part that must be considered by company management because company value is one of the goals of the establishment of a company which is reflected in the company's share price in the capital market. The higher the value of the company, the higher the share price and shareholder prosperity (Hidayah and Rahmawati 2019)

The value of a company can be increased through many factors, namely profitability, liquidity and so on. These factors are evaluated in order to measure the suitability of their usefulness and will help the company determine the right decisions to improve company performance and company value.

Signalling Theory

Signalling Theory explains why companies need to provide financial statement information to outside parties. Spence (1973) says that by providing a signal that investors can use,

they will be able to adjust their decisions according to the signals they get. This definition shows that the signals given to investors are very influential on the value of a company. According to Connelly et al. (2011), signalling theory is useful for describing behavior when two parties (individuals or organizations) have access to different information. Typically, one party, the sender, must choose whether and how to communicate (or signal) that information, and the other party, the receiver, must choose how to interpret the signal. According to accounting.binus.ac.id, signalling theory explains how successful or failed management is in communicating signals to owners.

Bird In Hand Theory

The bird in hand theory states that cash paid to shareholders is worth more than reinvested (Gordon, 1963). This theory reveals that dividends are better than capital gains, because dividends distributed contain less risk. (Bello and Olarinde 2020) state that of companies with identical earnings, notes, and prospects, but one pays greater dividends than the other, the former will inevitably get a higher price simply because shareholders prefer present value over future value. (Morni, Iskandar, and Banchit 2019) also states that investors would rather receive dividends now than wait for future capital gains.

Agency Theory

Agency theory is a contractual relationship between the owner of capital and an agent to carry out a

number of activities in accordance with the wishes of the owner. Jensen and Meckling (1976) explain an agency theory of having a trust to carry out a contractual relationship created between shareholders and agents. According (Zogning 2017) *Agency Theory* aims to explain globally organizational behavior by emphasizing the relationship between managers as "agents" of the company, and shareholders as "principals". Agency relationships can cause conflicts between shareholders and management because each party has different decisions but can be overcome slightly by uniting the interests of management in making decisions that can be felt directly benefits. The value of the company can influence managers in identifying potential conflicts of interest between shareholders and agents.

Efficient Market Hypothesis Theory

The Efficient Market Hypothesis theory states that the stock price formed is a reflection of all existing information. (Naseer and Bin Tariq 2015)) state that the *efficient market hypothesis (EMH)* suggests that the price of a security prevailing at all times in the market should be an unbiased reflection of all currently available information. wikipedia.org The *efficient market hypothesis (EMH)* is a hypothesis in financial economics that states that asset prices reflect all available information.

Company Value

Company value is the perception of investors on the company's success

rate which is often associated with stock prices (Hardiyanti, 2012) A high stock price makes the value of the company also high and increases the level of investor confidence to invest in the company.

Company value has a great influence on investment decisions in a company. Companies that have high corporate value will have good prospects in the future, so that they can attract investors to invest and vice versa (Permatasari and Azizah 2018).

Profitability

Profitability is the ability of a company to generate profits over a certain period at a certain level of sales, assets and share capital. There are various measures of Profitability namely: *return on equity (ROE)* which is a ratio or comparison between *earnings after taxes (EAT)* with capital and *return on assets (ROA)* which is a ratio or comparison between *EAT* by the amount of treasure (Winarno, Hidayati, and Darmawati 2015). Good management performance will affect the high or low profits generated by the company

Liquidity

Liquidity is defined as an indicator of a company's ability to pay all short-term financial obligations at maturity using available current assets (Dewi, 2016). Liquidity is the amount of cash or cash equivalents a company has and the amount of cash it can obtain in a short period of time

Dividend Policy

According to (C Oliver, S Iniviei, and S Daniel 2016)Dividend policy is defined as the deliberate action of managers to distribute a portion of income to shareholders in proportion to their holdings in the company called dividends. (Kusuma and Semuel 2019) Dividend policy is a decision about how much current profit will be paid out as dividends and how much will be retained to reinvest in the company.

RESEARCH METHODS

Population and Sample

The object of research used in this study is the company *Property, Real Estate, and Building Construction* listed on the Indonesia Stock Exchange in 2018 – 2022. The criteria set out in this study are:

1. Property*, real estate, and building construction* companies that are consistently listed on the Indonesia Stock Exchange in the period 2018 to 2022.

2. A *property, real estate, and building construction* company that consistently provides financial statements and annual reports ending December 31 during 2018 to 2022.

3. Property*, real estate, and building construction* companies that consistently distribute dividends during the period 2018 to 2022.

Data Sources and How to Form a Sample

The data used in this study consists of company reports for the period 2018 to 2022. The source in this study comes from the Indonesia Stock Exchange taken from www.idx.co.id website. The list of companies will be taken from the *Annual Statistics* data which is always published annually on the IDX website. The sampling technique used in this study was *purposive sampling*.

Variable Measurement

Company Value

$$PBV = \frac{Price\ Per\ Share}{Book\ Value\ Per\ Share}$$

$$BV = \frac{Total\ Equity}{Number\ of\ Outstanding\ Share}$$

Profitability

$$ROE = \frac{Net\ Profit\ After\ Tax}{Total\ Equity}$$

Liquidity

$$CR = \frac{Current\ Assets}{Current\ Liabilities}$$

Dividend Policy

$$DPR = \frac{Dividend\ per\ Share}{Profit\ per\ Share}$$

Data Analysis Methods

Data analysis in this study was carried out using multiple linear regression analysis methods using the SPSS program. This study uses *multiple regression – path analysis* with the following equation:

Model 1:

PBV $= \alpha + \beta_{1ROE} + \beta_{2CR} + \beta_{3DPR} + \varepsilon_1$

Model 2:

HOUSE $= \alpha + \beta_{4ROE} + \beta_{5CR} + \varepsilon_2$

Information   :

PBV   : Company Value

B1 – β5   : Regression coefficient of each independent variable

ROE   : Profitability
CR   : Liquidity
HOUSE   : Dividend policy
ε1 – ε2   : Error

RESULTS OF RESEARCH AND DISCUSSION
Description of Research Object Data
Sample Overview (Research Object)

The population in this study is *property, real estate, and building*

construction companies listed on the Indonesia Stock Exchange during 2018 to 202. The criteria used in sample selection are as follows:

Table 4.
Sample Selection Procedure

Sample Criteria	Sum Company	Sum Data
Property, real estate, and building construction companies that are consistently listed on the Indonesia Stock Exchange in the period 2018 to 2022.	69	345
Property, *real estate, and building construction* companies that do not consistently provide financial statements and annual reports ending December 31 during 2016 to 2020.	(10)	(50)
Property, *real estate, and building construction* companies that did not consistently distribute dividends during the period 2018 to 2022	(49)	(245)
Total data used in the Research	10	50

Source: Data from Indonesia Stock Exchange (IDX)

Table 4 shows that based on the first criterion, namely property, real estate, and building construction *companies* that are consistently listed on the Indonesia Stock Exchange in the period 2018 to 2022, there are 69 Company samples or 345 sample data. Based on the second criterion, there are 10 companies or 50 sample data that do not consistently provide financial statements and annual reports ending December 31 during 2018 to 2022. The last criterion shows that there are 49 companies or 245 sample data that did not consistently distribute dividends during the period 2018 to 2022. Table 5 is a list of companies that have met the criteria.

Table 5. Company Name List

No	Company Code	Company Name
1.	CTRA	PT Ciputra Development Tbk
2.	DMAS	PT Puradelta Lestari Tbk

3.	JPRT	PT Jaya Real Property Tbk
4.	MKPI	PT Metropolitan Kentjana Tbk
5.	MTLA	PT Metropolitan Land Tbk
6.	RDTX	PT Roda Vivatex Tbk
7.	NRCA	PT Nusa Raya Cipta Tbk
8.	PBSA	PT Paramita Bangun J Sarana Tbk
9.	TOTL	PT Total Bangun Persada Tbk
10.	WEGE	PT Wijaya Karya Bangunan Gedung Tbk

Descriptive Statistics

Table 6.

Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
PBV	50	0,5157	5,7514	1,4033	1,1053
ROE	50	0,0040	0,2440	0,1088	0,0537
CR	50	0,9363	12,7685	2,4532	1,7871
HOUSE	50	0,0597	3,6464	0,5301	0,6064

Source: SPSS 25 Data Processing Results

Table 6 indicates that the Company's value (PBV) has a minimum value of 0.5157, a maximum value of 5.7514, and an average value of 1.4033 which means that the stock value of a company has a higher price than its book value. A stock value of more than one means that the value of the company is high.

Profitability (ROE) has a minimum value of 0.0040 and a maximum value of 0.2440. The average ROE value is 0.1088, which means that Rp 1 of the company's equity can generate Rp 0.1088 lab in a sample of property, real estate, and building construction companies.

Liquidity (CR) has a minimum value of 0.9363 and a maximum value of 12.7685. The average liquidity value was 2.4532. If the liquidity value is more than one, it shows that the company is able to pay off its short-term debt using its current assets.

Dividend Policy (DPR) has a minimum value of 0.0597 and a maximum value of 3.6464. The average score is 0.5301. This means that the average company in the sample of property, real estate, and building construction companies distributes dividends of more than 50% annually to its shareholders.

Data Quality Test

Residual Data Normality Test Before *Outlier Test*

Table 7. Residual Data Normality Test Results Before Model 1 Outlier Test

	Unstandardized Residual

	Unstandardized Residual
Asymp. Sig. (2-tailed)	0,000

Source: SPSS 25 Data Processing Results

The normality test results of the residual data model 1 using *One Sample Kolmogorov-Smirnov* showed *the Asymp. value of sig (2-tailed) of 0.000,* *where if* the value of Asymp. sig (2-tailed) < *0.05 then the residual data is not normally distributed.*

Table 8. Residual Data Normality Test Results Before Model 2 Outlier Test

	Unstandardized Residual
Asymp. Sig. (2-tailed)	0,001

Source: SPSS 25 Data Processing Results

The normality test results of the residual data model 2 using *One Sample Kolmogorov-Smirnov* showed the Asymp. sig (2-tailed) value of 0.000, where if the *Asymp. sig (2-tailed)* value < 0.05 then the residual data is not normally distributed. Data not normally distributed can cause the data in the study not to reflect the real phenomenon and the results to be biased. It is necessary to handle research data that is not normally distributed, by removing data that is distorted (considered extreme) too far from other research data. Outlier tests are necessary in handling these cases of non-normally distributed data.

Outlier Test

The results of the normality test of the residual data of model 1 and model 2 show that the residual data is not normally distributed, so *an outlier test is needed*. Outlier tests are carried out to determine outlier (extreme) data that need to be removed from the study. Z-scores that are above or equal to 2.5 will be excluded from the study. After the outlier test*, the residual data showed that there were 7* outlier data so that the number of data after the *outlier* test was 43 data. The results of the residual data normality test after the *outlier* test are shown in the following table:

Table 9. Residual Data Normality Test Results After Outlier Model 1 Test

	Unstandardized Residual
Asymp. Sig. (2-tailed)	0,200

Source: SPSS 25 Data Processing Results

The normality test results of the residual data of model 1 after *the outlier* test showed *asymp. Sig. (2-tailed)* of 0.200. The result *of asymp. Sig. (2-tailed)*

greater than 0.05 means that the data in the regression model are normally distributed.

Table 10. Residual Data Normality Test Results After Outlier Model 2 Test

	Unstandardized Residual
Asymp. Sig. (2-tailed)	0,147

Source: SPSS 25 Data Processing Results

The normality test results of the residual data of model 2 after *the outlier test* showed *asymp. Sig. (2-tailed)* of 0.147. *Asymp. Sig. (2-tailed)* results greater than 0.05 mean that the data in the regression model are normally distributed, and this means that after discarding extreme data, the data becomes normally distributed, then the study will use the data after the *outlier test*.

Classical Assumption Test
Multicollinearity Test

A study with a good regression model is when there is no multicollinearity or there is no correlation between independent variables. The more common measures for identifying multicollinearity are tolerance values and variance inflation factor (VIF). The results of the multicollinearity test can be seen in the table below:

Table 11. Model 1 Multicollinearity Test Results

Variable	*Tolerance*	VIF	Conclusion
ROE	0,875	1,142	No multicollinearity occurs
CR	0,824	1,213	No multicollinearity occurs
HOUSE	0,741	1,349	No multicollinearity occurs

Source: SPSS 25 Data Processing Results

The results showed that there was no multicollinearity in the variables of profitability, liquidity, and dividend policy with company value as the dependent variable. This shows that there is no relationship or correlation between independent variables in regression model 1.

Table 12. Model 2 Multicollinearity Test Results

Variable	*Tolerance*	VIF	Conclusion
ROE	1,000	1,000	No multicollinearity occurs
CR	1,000	1,000	No multicollinearity occurs

Source: SPSS 25 Data Processing Results

The results showed that there was no multicollinearity in profitability and liquidity variables with dividend policy as the dependent variable. This shows that there is no relationship or correlation between independent variables in regression model 2.

Heteroscedasticity Test

Heteroscedasticity test to test for similarity or inequality of variance from residual observations to other observations in the regression model. A good regression model is a model that has good research data, namely homoscedasticity data or heteroscedasticity does not occur. The results of the heteroscedasticity test can be seen in the following table:

Table 13. Model 1 Heteroscedasticity Test

Variable	Sig value .	Conclusion
ROE	0,057	No heteroscedasticity occurs
CR	0,353	No heteroscedasticity occurs
HOUSE	0,081	No heteroscedasticity occurs

Source: SPSS 25 Data Processing Results

Based on the table above, the value of *sig*. From the variables of profitability, liquidity and dividend policy greater than 0.05 which means that there is no heteroscedasticity problem. This shows that there is no variance inequality from the residual of one observation to another observation in the regression model 1.

Table 14. Model 2 Heteroscedasticity Test

Variable	Sig value .	Conclusion
ROE	0,236	No heteroscedasticity occurs
CR	0,132	No heteroscedasticity occurs

Source: SPSS 25 Data Processing Results

Based on the table above, the value of *sig*. from the variables of profitability and liquidity greater than 0.05 which means that heteroscedasticity does not occur. This shows that there is no variance inequality from the residual of one observation to another observation in regression model 2.

Test the hypothesis
Correlation Coefficient Analysis

Table 15. Model 1 Correlation Coefficient Test Results

R
0,637

Source: SPSS 25 Data Processing Results

The results of the analysis show that the correlation value between independent variables, namely profitability, liquidity, and dividend policy with the dependent variable of company value is strong, which is 0.637. The resulting R value is close to 1 so that the analysis results show a strong correlation.

Table 16. Model 2 Correlation Coefficient Test Results

R
0,509

Source: SPSS 25 Data Processing Results

The results of the analysis showed that the correlation value between independent variables, namely profitability and liquidity, with the dependent variable of dividend policy was weak, which was 0.509. The resulting R value is close to 1 so that the analysis results show a strong correlation.

Analysis of the Coefficient of Determination (Adjusted R^2)

Table 17. Results of Coefficient of Determination Analysis (Adjusted R^2) Model 1

Adjusted R Square
0,360

Source: SPSS 25 Data Processing Results

The results of the analysis show that the value of the Adjusted R Square is 0.360 or 36%, meaning that independent variables, namely profitability, liquidity, and dividend policy, are able to explain the variation in the dependent variable, namely the value of the company by 36% and the remaining 64% is explained by other factors that are outside the research model.

Table 18. Results of Coefficient of Determination Analysis (Adjusted R^2) Model 2

Adjusted R Square
0,222

Source: SPSS 25 Data Processing Results

The results of the analysis show that the value of the Adjusted R Square is 0.22 or 22%, meaning that the independent variables, namely profitability and liquidity, are able to explain the variation of the dependent variable, namely dividend policy by 22% and the remaining 78% is explained by other factors that are outside the research model.

Statistical Test F

Table 19.
Statistical Test F Model 1

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	3,062	3	1,021	8,892	0,000
Residuals	4,476	39	0,115		
Total	7,538	42			

Source: SPSS 25 Data Processing Results

Based on the F test, it can be seen that *the significance* value is 0.000 where this value is smaller than 0.05. So that the research regression model can be concluded that the independent variables used in the study have a joint influence on the dependent variable.

Table 20.
Statistical Test F Model 2

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	1,425	2	0,712	6,981	0,003
Residuals	4,082	40	0,102		
Total	5,507	42			

Source: SPSS 25 Data Processing Results

Based on the F test, it can be seen that *the significance* value is 0.03 where this value is smaller than 0.05. So that the research regression model can be concluded that the independent variables used in the study have a joint influence on the dependent variable.

Statistical Test t

Table 21.
Statistical Test Results t Model 1

Variable	B	t	Sig.	Conclusion
(Constant)	0,567	4,052	0,000	
ROE	2,259	2,128	0,040	Ha1 accepted
CR	-0,012	-0,375	0,710	Ha2 not accepted

HOUSE	0,590	3,520	0,001	Ha3 accepted

Source: SPSS 25 Data Processing Results

PBV = 0.567 + 2.259ROE - 0.012CR + 0.590DPR + ε1

Based on the test results, it can be seen that the *value of* profitability significance (ROE) is 0.040 where the value is smaller than 0.05 with a t value of 2.128, so it can be concluded that the first hypothesis (Ha 1) is accepted. This shows that the variable profitability has a positive and significant effect on the value of the company. The higher the profitability, the higher the value of the company.

High profitability is a signal to investors that the company has a positive value that is getting better in the future. Profitability is part of determining the company's ability because high profits indicate that the company's performance is good. Good company performance will give a positive signal to the signal receiver so that the company's value will increase because it is considered capable of advancing the company. The results of this study are in line with research conducted by (Umar, Nur Anggraeni, and Haryani 2020) and (Mangesti Rahayu, Suhadak, and Saifi 2020).

Result test showing values *Significance* liquidity (CR) is 0.710 where the value is greater than 0.05 with t is 0.375, so it can be concluded that the second hypothesis (Ha2) is not accepted. This shows that liquidity variables have no effect on the value of the company.

Companies with high liquidity value are not able to affect the size of the company's value, this can happen because the high liquid funds available are not prioritized for increasing dividend payout ratios. The results of this study are in line with research conducted by (Kristianti and Foeh 2020), (Olivia Dwi Putri and Gst Bgs Wiksuana 2021), (Santosa, Aprilia, and Tambunan 2020), (Devi and Suardana 2022), (Sari and Sedana 2020), (Markonah, Salim, and Franciska 2020)and (Silvia Mutiara Prihanta et al. 2023)

Based on the test results, it can be seen that the *significance value of* dividend policy (DPR) is 0.001 where the value is smaller than 0.05 with a t value of 3.590 so that it can be concluded that the third hypothesis (Ha 3) is accepted. This shows that dividend policy variables have a positive and significant effect on company value.

Dividend policy is important because it involves the amount of money for recurring payments. Besides that, it can be a consideration for the investors to invest in companies. High dividend payments will attract investors' attention to increase the stock price which ultimately increases the value of the company. The results of this study are in line with research conducted by (Kusumawati, Robiyanto, and Harijono 2021) and (Senata 2016).

Table 22.
Statistical Test Results t Model 2

Variable	B	t	Sig.	Conclusion
(Constant)	0,008			
ROE	2,233	2,383	0,022	Ha4 accepted
CR	0,077	2,918	0,006	Ha5 accepted

Source: SPSS 25 Data Processing Results

HOUSE = 0.008 + 2.233ROE + 0.077CR + ε2

Based on the test results, it can be seen that the *profitability significance* value (ROE) is 0.022 where the value is smaller than 0.05, with a t value of 2.383. It can be concluded that the fourth hypothesis (Ha 4) is accepted. This shows that profitability variables have a positive and significant effect on dividend policy.

If the company's profitability level is high, the dividends distributed to shareholders will be even greater. The management will strive to obtain the maximum profit to increase the ability to pay dividends. The results of this study are in line with research conducted by (Siahaan and Hanantijo 2020)) and (Kristianti and Foeh 2020; Nur 2018).

The results of testing the liquidity variable (CR) show a *significance* value of 0.006 where the value is greater than

0.05 with a t value of 2.918, so it can be concluded that the fifth hypothesis (Ha5) is accepted. This shows that liquidity variables have a positive and significant effect on dividend policy.

Liquidity provides information about a company's ability to pay off its short-term obligations. So that high liquidity indicates that the company can handle all short-term financial obligations at maturity including paying dividends using the company's current assets. This will also increase investor confidence in the company's ability to pay dividends. The results of this study are in line with research conducted by (Chartady et al. 2021) and (Althov Feizal, Sudjono, and Badawi Saluy 2021).
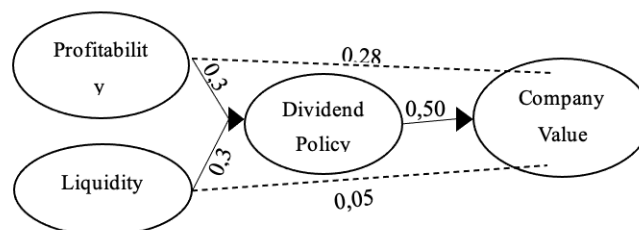
Path Analysis

Figure 4.1
Path analysis

Table 23.
Path analysis results

Variable	Coefficient of independent variable to intervening variable (A)	Coefficient of intervening variable to dependent variable (B)	Indirect Influence (AxB)	Direct Influence (Standardized B)	Conclusion
ROE	0,324	0,504	0,163	0,281	Ha6 not accepted
CR	0,397	0,504	0,200	0,051	Ha7 accepted

Source: SPSS 25 Data Processing Results

The results showed that profitability had a positive and significant effect on the value of the company (B 2.259 with *Sig* 0.040 and t of 2.128). Meanwhile, profitability also has a positive and significant effect on dividend policy (B 2.233 with *Sig* 0.022 and t 2.383). Profitability has no effect on the value of the company through dividend policy.

This shows that the sixth hypothesis (Ha$_6$) is not accepted, which means that dividend policy cannot mediate the relationship between profitability and company value (value of the coefficient of direct influence |0.281| greater than indirect influence |0.163|). High profits are not always used to be distributed as dividends. It will not increase the value of the company. The results of this study are in line with research conducted by (Olivia Dwi Putri and Gst Bgs Wiksuana 2021).

The results showed that liquidity had no effect on the value of the company (B -0.012 with *Sig* 0.710 and t 0.375). Meanwhile, liquidity has a positive and significant effect on

dividend policy (B 0.077 with *Sig* 0.006 and t 2.918). Profitability affects the value of the company through dividend policy.

This shows that the seventh hypothesis (Ha$_7$) is accepted, which means that dividend policy can mediate the relationship between liquidity and company value (value of direct influence coefficient |0.051| less than indirect influence |0.200|). High liquidity means that the company has enough assets to pay off its short-term debt and will likely use the rest of its assets to be distributed as dividends to investors. This will be a good signal to investors so that it will cause an increase in the value of the company. This is also supported by research conducted by (Chartady et al. 2021).

Conclusion

The following is a conclusion to answer the formulation of the research problem which is divided into seven statements, namely: 1). Profitability has a positive and significant effect on the value of the company in property, real

estate and building construction companies listed on the Indonesia Stock Exchange. This shows that increasing profitability will have an impact on increasing value in a company. 2). Liquidity does not affect the value of companies in property, real estate and building construction companies listed on the Indonesia Stock Exchange. This shows that increased liquidity has no effect on increasing value in a company. 3). The dividend policy has a positive and significant effect on the value of companies – property, real estate and building construction companies listed on the Indonesia Stock Exchange. This shows that increasing dividend policy will have an impact on increasing value in a company. 4). Profitability has a positive and significant effect on dividend policy in property, real estate and building construction companies listed on the Indonesia Stock Exchange. This shows that increasing profitability will have an impact on increasing dividend policy in a company. 5). Liquidity has a positive and significant effect on dividend policy in property, real estate and building construction companies listed on the Indonesia Stock Exchange. This shows that increased liquidity will have an impact on increasing dividend policy in a company. 6). Profitability does not affect the value of the company if mediated by dividend policies in property, real estate, and building construction companies listed on the Indonesia Stock Exchange. This shows that the direct effect of

profitability on company value is greater than if mediated by dividend policy. 7). Liquidity has a positive and significant effect on the company's value if mediated by dividend policies in property, real estate, and building construction companies listed on the Indonesia Stock Exchange. This shows that the effect of liquidity on the value of the company if mediated by dividend policy is greater than its direct influence on the value of the company.

REFERENCE

Althov Feizal, D., Sudjono, S., & Badawi Saluy, A. (2021). The Effect of Profitability, Leverage and Liquidity on Dividend Policy for Construction Issuers in 2014-2019. *Dinasti International Journal of Economics, Finance & Accounting*, *2*(2), 171–184. https://doi.org/10.38035/dijefa.v2i2.821

Bello, A. A., & Olarinde, M. O. (2020). Relevance of Dividend (The Bird in Hand Theory) Analysis of Nigeria Banking Sector (2000-2014). *International Journal of Economics, Commerce and Management*, *VIII*(1), 143–160.

C Oliver, E., S Iniviei, E., & S Daniel, E. (2016). Effect of Dividend Policy on the Value of Firms (Emperical Study of Quoted Firms in Nigeria Stock Exchange). *Research Journal of Finance and Accounting*, *7*(3), 17–24.

Chartady, R., Satria, H., Sahara, M. A., Utami, R., & Kurnia, S. (2021). Profitability and Liquidity on Firm Value with Dividend Policy Evidence From Indonesian. *The International Conference on Government Education Management and Tourism (ICoGEMT)*, 305–312.

Devi, D. A. Y., & Suardana, K. A. (2022). Dividend Policy Moderated the Influence of Profitability, Company Size, Liquidity on the Value of Banking Companies 2016–2020. *European Journal of Business and Management Research*, *7*(3), 327–334. https://doi.org/10.24018/ejbmr.2022.7.3.1394

Dewi, U. (2016). Analisis Pengaruh Tingkat Likuiditas Terhadap Efisiensi Dan Kebutuhan Modal Kerja Pada Pt Industri Telekomunikasi Indonesia (Persero). *Jurnal Ekonomi, Bisnis & Entrepreneurship*, *Vol. 10*(No. 2), 91–103.

Hardiyanti, N. (2012). *Analisis Pengaruh Insider Ownership, Leverage, Profitabilitas, Firm Size dan Dividen Payout Ratio terhadap Nilai Perusahaan (Studi pada Perusahaan Manufaktur yang Terdaftar di BEI Tahun 2007 - 2010)*. 1–30.

Hidayah, N. E. F., & Rahmawati, R. (2019). The Effect of Capital Structure, Profitability, Institutional Ownership, and Liquidity on Firm Value. *Indonesian Journal of Contemporary Management Research*, *1*(1), 55–64.

Kristianti, D., & Foeh, J. E. H. J. (2020). The Impact Of Liquidity And Profitability On Firm Value With Dividend Policy As An Intervening Variable (Empirical Study Of Manufacturing Companies In The Pharmaceutical Sub Sector Listed On The Indonesia Stock Exchange In 2013-2017). *Jurnal Bisnis Dan Kewirausahaan*, *16*(1), 65–78. https://doi.org/10.31940/jbk.v16i1.1829

Kusuma, O., & Semuel, H. (2019). The Effect of Company Performance on Dividend Policy in Manufacturing Companies. *Petra International Journal of Business Studies*, *2*(2), 87–95. https://doi.org/10.9744/ijbs.2.2.87-95

Kusumawati, V. C., Robiyanto, R., & Harijono, H. (2021). Profitability and Dividend Policy Affects Firm Value in The Infrastructure, Utility and Transportation Sector. *International Journal of Social Science and Business*, *5*(1), 8–15. https://doi.org/10.23887/ijssb.v5i1.29822

Mangesti Rahayu, S., Suhadak, & Saifi, M. (2020). The Reciprocal Relationship Between Profitability and Capital Structure and Its Impacts on The Corporate Values of Manufacturing Companies in Indonesia. *International Journal of Productivity and Performance Management*, *69*(2), 236–251. https://doi.org/10.1108/IJPPM-05-2018-0196

Manik, D. A., & Ginting, E. H. S. B. (2022). The Influence of Liquidity, Profitability, Company Size and Leverage on Dividend Policy in Big Trading Companies (Wholesale) Listed on the IDX. *Journal Research of Social, Science, Economics, and Management*, *1*(11), 1816–1829.

Markonah, M., Salim, A., & Franciska, J. (2020). Effect of Profitability, Leverage, and Liquidity to The Firm Value. *Dinasti International Journal of Economics, Finance & Accounting*, *1*(1), 83–94. https://doi.org/10.38035/dijefa.v1i 1.225

Morni, F., Iskandar, A. M., & Banchit, A. (2019). The Relevance of Bird-in-Hand Theory to Shariah - Inclined Investors: A Case Study of Malaysia. *Journal of International Business, Economics and Entrepreneurship*, *4*(2), 67. https://doi.org/10.24191/jibe.v4i2. 14317

Naseer, M., & Bin Tariq, Y. (2015). *The Efficient Market Hypothesis: A Critical Review of the Literature Literature View project. December 2015*.

Nur, T. (2018). Pengaruh Profitabilitas Dan Likuiditas Terhadap Kebijakan Dividen Dengan Firm Size Sebagai Pemoderasi (Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia Periode 2013-2017). *Esensi*, *21*(2), 1–15.

Olivia Dwi Putri, M., & Gst Bgs Wiksuana, I. (2021). The Effect of Liquidity and Profitability on Firm Value Mediated By Dividend Policy. *American Journal of Humanities and Social Sciences Research*, *212*(5), 204–212.

Permatasari, D., & Azizah, D. F. (2018). Pengaruh Struktur Modal Terhadap Nilai Perusahaan (Studi pada Perusahaan Sub Sektor Makanan dan Minuman yang Terdaftar di Bursa Efek Indonesia Tahun 2013 - 2016). *Jurnal Administrasi Bisnis*, *61*(4), 100–106.

Santosa, P. W., Aprilia, O., & Tambunan, M. E. (2020). The Intervening Effect of the Dividend Policy on Financial Performance and Firm Value in Large Indonesian Firms. *International Journal of Financial Research*, *11*(4), 408. https://doi.org/10.5430/ijfr.v11n4p 408

Sari, I. A. G. D. M., & Sedana, I. B. P. (2020). Profitability and Liquidity on Firm Value and Capital Structure as Intervening Variable. *International Research Journal of Management, IT and Social Sciences*, *7*(1), 116–127. https://doi.org/10.21744/irjmis.v7n 1.828

Senata, M. (2016). Pengaruh Kebijakan Dividen Terhadap Nilai Perusahaan yang Tercatat pada Indeks LQ-45 Bursa Efek Indonesia. *Jurnal Wira Ekonomi Mikroskil*, *6*(1), 73–84. https://doi.org/10.55601/jwem.v6i 1.276

Siahaan, A. P., & Hanantijo, D. (2020). The Role of Profitability on Dividend Policy in Property and Real Estate Registered Subsector

Company in Indonesia. *International Journal of Progressive Sciences and Technologies (IJPSAT, 23*(2), 376–383. https://doi.org/http:/http://dx.doi.org/10.52155/ijpsat.v23.2.2351

Silvia Mutiara Prihanta, Hapsari, I., Santoso, S. B., & Wibowo, H. (2023). Effect of Profitability, Leverage, and Liquidity on Company Value with Dividend Policy as A Moderation Variable (In IDX High Dividend Companies 20 Period 2017 – 2021). *Formosa Journal of Applied Sciences*, *2*(1), 1–24. https://doi.org/10.55927/fjas.v2i1.2393

Umar, U., Nur Anggraeni, R., & Haryani, S. (2020). The Influence of Capital Structure and Profitability on Firm Value on Property and Real Estate Sector in Indonesia Stock Exchange. *International Journal of Health, Economics, and Social Sciences (IJHESS)*, *2*(3), 184–195. https://doi.org/10.56338/ijhess.v2i3.1279

Winarno, W., Hidayati, L. N., & Darmawati, A. (2015). Faktor-Faktor Yang Memengaruhi Profitabilitas Perusahaan Manufaktur Yang Listed Di Bursa Efek Indonesia. *Jurnal Economia*, *11*(2), 143–149. https://doi.org/10.21831/economia.v11i2.7957

Zogning, F. (2017). *Agency theory: A critical review Agency Theory: A Critical Review. 9*(2), 2222–2839.