The Influence of Intellectual Capital on the Financial Performance of Property and Real Estate Sector Companies

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Abstract. Return on assets in property and real estate firms traded on the Indonesia Stock Exchange is analyzed, along with the impact of human capital efficiency, structural capital efficiency, and capital employed efficiency (IDX). All 47 businesses in the property and real estate industry that were listed on the Indonesia Stock Exchange between 2017 and 2019 make up the population for this analysis. Purposive sampling was used to pick the sample, and a total of 23 companies meeting the requirements were found. The annual financial statements of companies trading in property and real estate on the Indonesia Stock Exchange were used as secondary data for this study. Multiple linear regression analysis is used to quantitatively approach the study question. Descriptive statistics, tests for assumptions (normality, heteroscedasticity, multicollinearity, and autocorrelation), and the triad of statistical procedures (coefficient of determination, partial, and simultaneous) are also employed. Companies in the property and real estate sector listed on the Indonesia Stock Exchange saw a positive and statistically significant relationship between human capital efficiency, structural capital efficiency, and capital employed efficiency and return on assets (IDX).

Keywords: human capital efficiency · structural capital efficiency · capital employed efficiency · return on asset

1 Introduction

Every business nowadays must be competitive and efficient to keep up with the expanding realms of globalization and free trade. Economic blocs around the world like the World Trade Organization, the North American Free Trade Agreement, the Asia-Pacific Economic Cooperation, and the Association of Southeast Asian Nations (ASEAN) have all had a role in the current global economic crisis. Companies within the economic block and outside of it have a responsibility to sustain the market and compete with one another. Additionally, businesses need to develop distinctive qualities or additional value for their products and services [1]. Companies need to prepare numerous strategies to boost competitiveness and maintain corporate survival as rapid innovation of technology

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and information makes competition in the business sector more intense. Winning in the market does not always require the use of physical assets. Companies that have been around for a while need to adjust their approach. Making the transition from a "labor-based" to a "knowledge-based" enterprise, characterized by the hallmarks of scientific inquiry, is one option [2].

The "Death of Samurai" is an example of the failures of companies that have not placed a premium on intellectual capital. Even Panasonic, one of Japan's most prominent conglomerates, was not immune to this catastrophe in terms of intellectual capital. The Japanese corporation is falling behind because of the country's penchant for consensus and peace. Intellectual capital, of which innovation is a subset, is crucial to the success of a business, as evidenced by the Panasonic phenomenon. Economic rivalry in today's free market period is fierce, and it has become clear that the recognition of intellectual capital is a factor that drives economic growth [3]. Companies like Nokia and Kodak show what may happen when an organization's culture is closed off to new ideas and inventions.

Management, IT, sociology, and even accounting are just few of the disciplines that have started paying close attention to the concept of intellectual capital (intellectual capital) [4]. The goal of investing in intellectual capital is to boost the company's economy for the long term. Positioned strategically, intellectual capital contributes to an institution's or society's success or development. The first reason is the general trend toward the transformation of industrial and service societies into knowledge-based ones. Second, in the context of rivalry and the pursuit of a competitive advantage basis, it appears to be very difficult to exclude or relate this development at the micro-enterprise level [5].

The country of Indonesia has yet to fully realize the potential of its intellectual capital. As a result, many Indonesian businesses use outdated methods of raising financing and producing goods, leaving the country's consumers behind [6]. To be competitive in today's market, businesses must invest heavily in their human and intellectual resources. According to data provided by the Business Competition Supervisory Commission (KPPU), Indonesia's competitiveness index has fallen once again. According to the 2016–2017 WEF report, Indonesia ranks 41st among 138 countries. According to the data, Indonesia dropped four spots from the previous year's ranking. Despite this improvement, the country is still ranked worse than some of its fellow ASEAN members.

Measuring Intellectual Capital (IC) is important since IC has significant value to a business. The Value Added Intellectual Coefficient (VAIC) approach was created by Public in 1998 to evaluate IC. Profitability in creating value through a company's intellectual capacity is quantified by value added tax. Intellectual capital is made up of three subcomponents according to the Value Added Impact Chain (VAIC) approach: Human Capital Efficiency (HCE), Structural Capital Efficiency (SCE), and Capital Employed Efficiency (CEE) (CEE). In this analysis, the Return on Assets (ROA) ratio was used to assess the company's profitability. The Return on Assets (ROA) measures the return on the capital the company has invested, as stated by [7].

Commercial real estate and property services providers are the focus of this study. Companies in the service sector, especially those in the property and real estate sector, remain understudied in Indonesia, which is why this industry was selected as the focus of this investigation. Conversely, the success of service businesses hinges on the expertise of

Table 1. IDX-Listed Real Estate and Property Firms' After-Tax Profits, 2017–2019.

Year	Net Profit After Tax		
	ASRI	BEST	KIJA
2017	684.288	211.936	331.443
2018	510.243	336.288	426.542
2019	1.120.721	283.254	165.750

Sumber: IDX, Data Processed 2021

its employees (its intellectual capital). Furthermore, IC intensive enterprises, as defined by the Global Industries Classification Standard (GICS), include those in the property and real estate service industry. High-IC Intensive Industries are those that put a premium on developing and protecting their intellectual property in order to get an edge in their respective markets. Since the construction and real estate industries are intertwined with many others (including the manufacturing of building supplies and heavy machinery, the distribution of building plans and blueprints, the distribution of printed materials, the distribution of advertisements, the recruitment and training of employees, and the provision of housing), they are the primary engines [8].

Researchers are interested in the real estate and property industry in part because the industry's financial performance is volatile and generally poor from year to year. This is evidenced by a comparison of the three property and real estate firms listed on the Indonesia Stock Exchange in 2017 and 2019, each of which shows a significant increase in net profit after taxes:

Table 1 shows that while PT. Alam Sutera Realty Tbk (ASRI) saw its net profit fall in 2017 and 2018, it rose in 2019, while PT. Bekasi Fajar Industrial Estate Tbk (BEST) and PT. Jababeka Industrial Estate Tbk (KIJA) both saw their net profit rise in 2018 and fall in 2019. So, this is something of a phenomenon in the business at this point.

The topic of intellectual capital has been the focus of extensive study both at home and abroad. There is a discrepancy between the research' findings. Intellectual capital has been shown to improve a company's bottom line in a number of studies. [9] found that intellectual capital had a beneficial effect on the bottom lines of Indonesia Stock Exchange-listed banks (IDX). Financial success is also positively impacted by intellectual capital, as evidenced by studies [1]. Meanwhile, studies conducted by (Andriana, 2014) show that intellectual capital has little bearing on financial performance or corporate value [3]. [5] looked at a cross-section of IDX-listed companies in the real estate industry and came to the conclusion that a company's current and future performance are unrelated to its level of intellectual capital or its pace of intellectual capital growth. According to the findings of Nalal (2014)'s study, not all aspects of a firm's intellectual capital have a substantial impact on the profitability of that company [6].

Researchers must investigate intellectual capital and provide empirical proof that it has a favorable and significant effect on the financial performance of property and real estate companies listed on the IDX due to contradictory findings. In light of the aforementioned context and the contradictory findings of previous studies, this article will raise and discuss questions about the impact of intellectual capital on the bottom

lines of companies in the property and real estate sector that are traded on the Indonesia Stock Exchange (IDX) between 2017 and 2019.

1.1 Theoretical Review

Resources Based Theory (RBT). According to RBT, a business should be seen as a collection of distinct resources, each of which may be effectively managed to yield a distinct advantage. According to the pioneering resources-based theory (Penrose, 1959; Rahmah & Nanda, 2019), a firm's resources are diverse and not uniform; the available productive services stem from these resources, giving each firm its own identity [10]. [11] agree that a company's capacity to acquire and keep its physical, financial, human, and organizational resources is a key factor in determining its competitive edge.

Stakeholder Theory. The stakeholder perspective is emphasized more in stakeholder theory. The corporation gives this group top priority when deciding what to include in the performance report and what to leave out. According to the principles of stakeholder theory, a company's responsibility extends beyond reporting its financial results. There are two distinct categories of information included in the yearly financial statements: required and optional disclosures. Informational differences help to illustrate the distinction. More financial details are revealed in the required disclosures, while more details are revealed in the optional ones. Among the optional details is data regarding intangible assets. This data demonstrates that the firm has a value-added in the intellectual capital management process [12].

Human Capital Theory. Human capital theory, created by Gary Becker in 1964, argues that investing in people is just as important as investing in physical or financial assets [13]. In addition, according to Becker, the theory's central tenet is that training and education have a substantial impact on output. According to Human Capital Theory, a company's capacity to acquire and keep its physical, financial, human, and organizational resources is what gives it an edge over its competitors.

Definition of Financial Performance. Identifying metrics that may quantify an enterprise's ability to turn a profit is central to the concept of financial performance, as defined by [14]. This is consistent with what Yulandari (2019) said, namely that a company's financial success is indicative of its health in relation to predetermined targets, benchmarks, and criteria [15]. The health of an organization can be gauged by how well it manages its finances. You can judge the corporation by its financial performance. Investors and stockholders can use them to make informed choices.

Financial Ratios. Financial ratios are calculated by comparing two different monetary values, as stated by [16]. Meanwhile, financial ratio analysis is defined by Firmansyah (2012) as the process of comparing one report entry against other financial statement entries, either singly or collectively, in order to establish causality between entries in the balance sheet and the income statement [17]. The ratio characterizes the connection and comparison between two amounts in separate line items of the financial statements. Applying analytical tools like this ratio will shed light on the company's good or bad status or financial position.

Understanding Intellectual Capital. The knowledge and expertise of the company's employees constitute intellectual capital, an intangible asset that serves as the foundation of the firm's key competences and, thus, its ability to weather adverse conditions and

gain an advantage in the marketplace. Non-monetary assets that can be valued but are not represented by anything tangible are considered intangible assets. Klein and Prusak (Denopoljac et al., 2016; Wijayani, 2017) laid the groundwork for the concept of intellectual capital by defining it as "stuff that has been collated, captured, and exploited to generate higher asset values [18]." It is widely believed that the presence of intellectual capital is crucial to the delivery of future high-value economic benefits.

Value Added Intellectual Coefficient (VAIC). Company intelligence can be evaluated with the help of the Value of Imagination and Creativity (VAIC) metric. Starting with the company's value creation capabilities, this model (VA). According to this theory, the effectiveness of Human Capital (HC), Structural Capital (SC), and Employee Capital (EC) all have an impact on VA (CE). Because it is built from accounts in the financial statements (balance sheet and income/loss statement), Public's 1997 technique is straightforward to implement (Janoevi et al., 2013) [19]. The public elaborated that VA is determined by subtracting the outcome from the input. Everything created and sold by the business is considered its output (OUT), which is equivalent to its total revenue. Concurrently, IN represents all costs borne by the business in order to turn its output (OUT) into a profit. Importantly, under this model, employee costs are not factored into the IN since they are seen as an investment in the company's future success rather than a necessary evil.

Employing people with the right mix of skills, experience, and creativity is the key to running a successful business, and this is where human capital comes in. According to the resource-based idea, businesses can gain a competitive edge and increase their worth by properly managing and putting to use their stockpile of intellectual capital. An organization's ability to generate income and profit is directly correlated to the quality of its management of its human resources (HR) [4]. According to the findings (Rahmah & Nanda, 2019), human capital efficiency has a favorable and statistically significant effect on financial success [10]. The study's first hypothesis is based on this description:

HI: Human Capital Efficiency (HCE) has a positive and significant effect on Financial Performance

The capacity of an organization to carry out its everyday processes and structures, which in turn support the efforts of its personnel to create peak intellectual performance and overall commercial success, is known as its "Structural Capital" [20]. This demonstrates that a company's ability to generate a solid performance, which in turn boosts the company's profits and output, is directly tied to the quality of its management of its structural capital. According to the findings of the research (Rini & Boedi, 2017), structural capital efficiency has a favorable and statistically significant effect on financial performance [7]. The second hypothesis of this investigation is based on this description.

H2: Structural Capital Efficiency (SCE) has a positive and significant effect on financial performance

Another form of intellectual capital, capital employed, quantifies the value created by a business's investment in physical capital. Acquiring CEE occurs when a business's operations are so well-oiled that they produce favorable conditions for both the business

Table 2. Operational Variables.

Variables	Indicator	Major Reference
Human Capital Efficiency (HCE) (X1)	HCE = VA/HC	(Gupta & Raman, 2021)
Structural Capital Efficiency (SCE) (X2)	SCE = SC/VA	(Bontis et al., 2018)
Capital Employed Efficiency (CEE) (X3)	CCE = VA/CE	(Ozkan et al., 2017)
Return on Asset (Y)	$\text{ROA} = \frac{\text{N}ett\textit{Profit}}{\text{TotalAset}}$	(Habibah & Riharjo, 2016)

and its clients. Increasing sales often follows the introduction of new capital, or the introduction of significantly more capital. This demonstrates how proper capital allocation may boost sales and ultimately boost a company's bottom line. According to the findings of Salim and Karyawati (2013), capital employed efficiency has a favorable and significant impact on financial performance [8]. In light of this information, the third hypothesis of this investigation is as follows:

H3: Capital Employed Efficiency (CEE) has a positive and significant effect on financial performance.

2 Methodology

Quantitative methods were used in this investigation. The 47 businesses in the property and real estate industry that were traded on the Indonesia Stock Exchange between 2017 and 2019 make up the population for this analysis. Purposive sampling was employed here to collect the study's sample. A definition of what constitutes a purposeful sample in this study is provided. Between 2017 and 2019, a number of real estate and property development companies entered the Indonesia Stock Exchange. Financial statements in Rupiah from property and real estate companies listed on the Indonesia Stock Exchange that have been audited or presented consistently throughout 2017–2019. From 2017 to 2019, property and real estate businesses traded on the Indonesia Stock Exchange posted positive earnings. The study's sample size of 23 businesses was based on those criteria. All information is derived from secondary sources. Companies in the property and real estate sector that were listed on the Indonesia Stock Exchange (IDX) between 2017 and 2019 were the subjects of this secondary data collection. The documentation approach was used to gather secondary data. Descriptive statistics, a test for classical assumptions (including normality, heteroscedasticity, multicollinearity, and autocorrelation), and tests of all hypotheses (using the coefficient of determination test, a partial test, and a simultaneous test) must be performed after data collection is complete (Table 2).

3 Results and Discussion

3.1 Results

The amount of data (N) and the range (maximum, minimum, mean, and standard deviation) of each variable were summarized using descriptive statistics. Table 3 shows the results of using the SPSS application to process the data.

From 2017's data (Table 3), we can conclude that PT BUMI Cita Permai Tbk has the lowest Human Capital Efficiency (HCE) value, at 1.15300. In 2019, PT Bekasi Fajar Industrial Estate Tbk produced the highest HCE value, 8.67842. In terms of HCE, the mean is 3.6075165 and the standard deviation is 1.90671383. Since 3.6075165 > 1.90671383, the average value of the HCE variable for the observation period (2017–2019) is likely to be satisfactory. Simultaneously, PT Bumi Cita Permai Tbk in 2018 has the lowest value of 0.13270 for the Structural Capital Efficiency (SCE) variable. In 2017, PT Bekasi Fajar Industrial Estate Tbk produced the highest SCE value, at 0.88477. SCE averages 0.6332528 and fluctuates by 0.19641436 on average. The SCE variable over the observation period (2017–2019) has a mean that is higher than the standard deviation, with a value of 0.6332528 and a standard deviation of 0.19641436 respectively, suggesting that the data is likely to be of high quality.

Capital Employed Efficiency (CEE) ranges from a minimum of 0.02432, based on 2017 data from PT. SentulCity Tbk, to a maximum of 0.50026, based on 2018 data from PT Plaza Indonesia Realty Tbk. The typical range of CEE is 0.06667268, with a mean value of 0.1293686. Specifically, the CEE variable's data typically centers around, or lies close to, the value of 0.1293686. Given that 0.1293686 > 0.06667268, we may assume that the CEE variable's observational period (2017–2019) data is reliable. PT Anggada Realty Tbk has the lowest value of the study's dependent variable, Return on Assets (ROA), at 0.47 for the year 2017. PT Plaza Indonesia Realty Tbk has a 2019 ROA of 15.82%, which is the best of any company. Standard deviation for ROA is 3.15865 (mean = 5.0361). For the time period under consideration (2017–2019), the ROA variable shows promise, as its mean value, 5.0361, is larger than its standard deviation, 3.15865.

Moreover, the normality test is intended to determine if the regression model's dependent variable, independent variable, or both have a normal distribution. The Kolmogorov-Smirnov (KS) test was employed to check for statistical normality in this investigation. Table 4 displays the outcomes of the tests.

Table 3. Descriptive Statistical Analysis.

	N	Minimum	Maximum	Mean	Std. Detion
HCE	69	1,15300	8,67842	3,6075165	1,90671383
SCE	69	,13270	,88477	,6332528	,19641436
CEE	69	,02432	,50026	,1293686	,06667268
ROA	69	0,47	15,82	5,0361	3,15865
Valid N (listwise)	69				

Table 4. Kolmogrov Smirnov Test.

		Unstandardized Residual
N		69
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	1,22480043
Most Extreme Differences	Absolute	,098
	Positive	,098
	Negative	-,060
Test Statistic		,092
Asymp. Sig. (2-tailed)		,099[c]

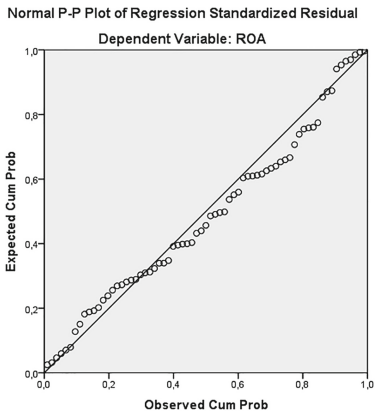

Fig. 1. Normal P-Plot of Regression Standardized Residual

Table 4 reveals a Kolmogrov Smirnov test statistic of 0.092 at a 0.099 level of significance. Since 0.099 is more significant than 0.05, we can conclude that the data follows a normal distribution. Normal probability plot analysis can be used to assess for normality in addition to statistical testing (the Kolmogorov-Smirnov test). Due to the fact that the data has a normal distribution across the diagonal of the plot graph, the normality assumption of the regression model can be safely applied to this study (Fig. 1).

Data in Fig. 2 scatters down the Y axis without forming any discernible pattern, as seen by the scatterplot graphic. This demonstrates that the regression model is free of heteroscedasticity, making it possible to use the influencing variables—Human Capital Efficiency (HCE), Capital Employed Efficiency (CEE), and Structural Capital Efficiency (SCE)—to forecast Return on Assets (ROA) (SCE).

The purpose of the multicollinearity test is to determine if the independent variables in the regression model are highly correlated with one another or perfectly correlated. In colliery statistics, the tolerance value approach or Variance Inflation Factor (VIF) is employed in this test. There is no multicollinearity if either the tolerance value or the

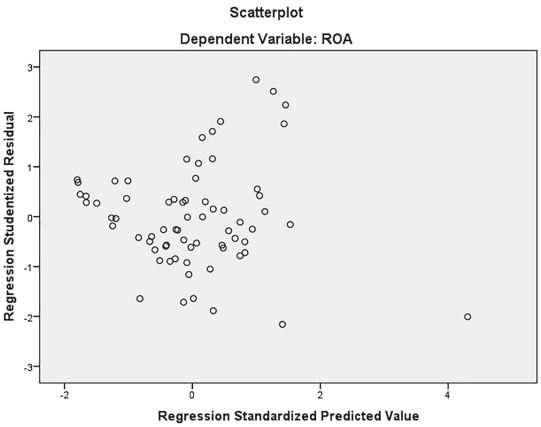

Fig. 2. Scatterplot Graph

Table 5. Multicollinearity Test Results.

Model	Collinearity statistics		Information
	Tolerance	VIF	
I (Constant)			
HCE (X1)	,243	4,222	Multicollinearity does not occur
SCE (X2)	,245	4,378	Multicollinearity does not occur
CEE (X3)	,812	1,250	Multicollinearity does not occur

Table 6. Autocorrelation Test Results.

Model	Durbin–Watson	dU < d < 4 – dU	Info
1	2,010	1,7015 < 2,010 < 2,2985	No symptoms of autocorrelation

VIF value is greater than 0.10 or less than 10, respectively. Multicollinearity develops when the tolerance value is less than 0.10 or the VIF value is greater than 1.

Looking at the results in Table 5, the calculation of the tolerance value shows that none of the three independent variables has a tolerance value of less than 0.10 and the results of the VIF calculation show that none of the independent variables has a VIF value greater than 10. Referring to the calculation of the value of tolerance and VIF, there is no multicollinearity between independent variables in the regression model.

The autocorrelation test aims to test the regression assumption where the dependent variable is not correlated with itself. Correlation means that the value of the dependent variable is not related to the variable itself, either the last variable or the value of the period after.

Table 6 shows that the Durbin-Watson value is 2.010 based on the autocorrelation test findings. Since this number is within the range of 1.7015 to 2.2985, it follows that autocorrelation does not occur in the regression model employed. Additionally, when

Table 7. Multiple Linear Regression Test Results.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-2,767	,614		-4,507	,000
HCE	,427	,145	0,287	2,945	,005
SCE	3,826	1,621	0,239	2,360	,020
CEE	27,835	2,489	0,588	11,183	,000

Table 8. Results of the Coefficient of Determination (R2).

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,917[a]	,827	,822	1,25189	2,010

investigating the impact of several independent factors on a single dependent variable, multiple regression analysis is an invaluable tool. Table 4 presents the test results for the coefficients derived from the SPSS version 24 output that are used to forecast the link between HCE, SCE, and CEE and ROA.

The multiple linear regression equation is derived from the data in the table of test results for this method.

$$Y = -2,767 + 0,427X1 + 3,826X2 + 27,835X3$$

The constant value of -2.767 in the multiple regression results indicates that when the independent variables (Capital Employed Efficiency, Human Capital Efficiency, and Structural Capital Efficiency) are all zero (0), the value of the dependent variable is also zero (0), as predicted by the regression model. Human Capital Efficiency (bl) has a positive regression coefficient of 0.427. Assuming the other independent variables (SCE and CEE) remain constant, this suggests that a one-unit rise in HCE will result in a 0.427 percentage point gain in financial performance (ROA). Structural capital efficiency (b2) has a positive regression coefficient of 3.826. If we assume that the two independent variables (CEE and HCE) remain constant, then an increase of one unit in SCE will result in an increase of 3,826 in financial performance (ROA). Positively-slanted regression coefficient (b3) for capital employed efficiency. If we hold the other two independent variables (HCE and SCE) constant, then we find that a one-unit increase in CEE results in a 27.835 percentage point increase in financial performance (ROA).

With the first hypothesis in mind, we can examine the impact of the three independent variables—human capital efficiency, structural capital efficiency, and capital employed efficiency—on the dependent variable—financial performance—by calculating the coefficient of determination (R2) (ROA).

Table 9. T-Test Results.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-2,767	,614		-4,507	,000
HCE	,427	,145	,287	2,945	,005
SCE	3,826	1,621	,239	2,360	,020
CEE	27,835	2,489	,588	11,183	,000

Coefficient of determination (COD) and correlation (R) values are displayed in Table 7. (R square). How closely the independent variables are related to the dependent variable is represented by the value of R. Data analysis reveals a robust connection between variables X (HCE, SCE, and CEE) and Y (ROA), with a value of 0.917 (or 91.7%). Human Capital Efficiency, Structural Capital Efficiency, and Capital Employed Efficiency were shown to have a combined R square value of 0.827, or 82%, indicating their significance in explaining financial outcomes (ROA). The remaining 18% is accounted for by variables not included in the study.

The t-test was used to compare the impact of the three independent variables (human capital efficiency, structural capital efficiency, and capital employed efficiency) on the dependent variable (return on assets). The significance level of the test is determined by comparing the t-count values of the dependent and independent variables; if the t-count value of the dependent or independent variable is less than 0.05 (sig value 0.05), the hypothesis is accepted (Table 9).

Research into the correlation between HCE and return on investment (ROI) reveals a statistically significant relationship. As the significance level of 0.005 is less than 0.05 (0.005 0.05), this is clearly the case. That Human Capital Efficiency (HCE) significantly affects financial performance (ROA) is the first hypothesis (H1), which is supported by the results. T = 2.888 means the effect has a positive correlation with the dependent variable.

The relationship between Structural Capital Efficiency (SCE) and Return on Assets (ROA) is demonstrated through testing. This is evident from the fact that the 0.020 significance value is less than 0.05 (0.020 0.05). If structural capital efficiency (SCE) is found to significantly affect financial performance (ROA), then the second hypothesis (H2) is adopted. An effect size of 2.383 suggests a positive impact on the dependent variable.

Analysis of the relationship between CEE and return on investment (ROI) yielded statistically significant results. An indicator of this is the significance value of 0.000, which is less than 0.05 (0.000 0.05). Therefore, the third hypothesis (H3) is accepted; this hypothesis asserts that Capital Employed Efficiency (CEE) significantly affects financial performance (ROA). A t-value of 11.127 suggests a favorable impact on the dependent variable.

Table 10. F-Test Results

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	576,411	3	192,137	121,992	,000[b]
Residual	102,024	65	1,5696		
Total	678,435	68			

The F test determines if there is a statistically significant relationship between the independent factors and the dependent variable. Table 10 displays the results of the concurrent tests, which were analyzed using SPSS version 24.

Table 10 displays the F value of 122.434 with a significance level of 0.000, as determined by the results of the F test. For a 5% confidence interval, the F table yields a value of 2,740, which is the value requested in the distribution table. Human Capital Efficiency, Structural Capital Efficiency, and Capital Employed Efficiency all together (simultaneously) have a considerable effect on financial performance, as the estimated F value (121.992) is larger than the F-tally table's of 2.740. (ROA). In addition, the significance value at a 5% level can be examined while doing the F test. Processing results show that a significance value of 0.000 is less than 0.05, indicating that the efficiency of property companies listed on the Indonesia Stock Exchange's Real Estate Sector has a significant effect on the financial performance (ROA) of Human Capital Efficiency, Structural Capital Efficiency, and Capital Employed Efficiency all at once (IDX).

3.2 Discussion

Human capital efficiency (HCE) was found to have a statistically significant and beneficial effect on financial outcomes (ROA). To put it another way, if you have a high level of Human Capital Efficiency (HCE), it will have a good impact on your return on investment (ROI). HCE rises when a company makes good use of the expertise it has on staff. Human capital is the key to a successful business, as it is the driving force behind growth and innovation. When a firm invests more in its people, it improves both its intellectual output and its bottom line. HCE is achieved if the money spent on workers will result in the desired increase in sales or will give more substantial benefits than the money spent. An organization receives a value-added (or profit) if the sum of its employee costs is less than its net profit. This means that for every rupiah put into human capital, the corporation sees a corresponding increase in value. Companies in the property and real estate industries understand that their human capital is the key to establishing a stable customer base and expanding into new markets. That is to say, the faster the cash flow and the amount of cash spent in the firm are returned through higher sales, the more skilled the company's personnel must be.

Employees are supposed to be motivated to work more in exchange for higher pay and better benefits in order to improve sales and profits. According to human capital theory, which contends that a company's output is heavily influenced by its investment in its people, this makes sense. The findings of this study corroborate those of a previous

study (Maisaroh, 2015) that found HCE to have a favorable and statistically significant impact on ROI [11]. Contrary to the findings of the aforementioned study, however, HCE has been found to have no appreciable impact on financial performance [13]. (ROA).

Structural capital efficiency (SCE) was found to have a positive and statistically significant effect on ROA (ROA). As is, a high level of Structural Capital Efficiency (SCE) has an impact on financial performance in the same way that a high level of return on assets does (ROA). In general, a firm's financial results will improve in proportion to the size of its SCE. A firm's efficacy and efficiency can be increased with the help of good structural capital, which is an organizational structure that can link people with data and make it easier to put company actions into action. The ratio of structural capital to human capital is inverse. Effective utilization of structural capital reduces the workload of workers by making business processes easier to access, faster to complete, and requiring fewer workers overall. And that lighter load means more money in the company's pocket.

Organizational capabilities that go to market, hardware, software, databases, structures, patents, trademarks, and everything else that helps organizations be productive are all examples of structural capital. Better financial results can be achieved through increased productivity thanks to the use of efficient Structural capital. In accordance with the human capital theory, which holds that a company's resources include not only its physical assets but also its human capital and its organizational and structural frameworks, all of which have the potential to contribute to the company's bottom line if managed effectively. According to previous studies (Yulandari & Gunawan, 2019), SCE has a favorable and significant effect on financial performance, and the findings of the current study support these findings (ROA) [15]. In contrast, studies (Simarmata & Subowo, 2016) have found that SCE does not have a major impact on a company's bottom line [21].

Capital employed efficiency (CEE) was found to have a statistically significant and positively impact financial outcomes (ROA). That a high level of Capital Employed Efficiency (CEE) has a positive impact on ROA suggests that CEE influences ROA in the same way that the return on assets does. A higher CEE correlates to improved financial results for a business (ROA). The results of this study demonstrate that the property and real estate firms analyzed maximized their utilization of capital to boost their earnings (ROA). The corporation has effectively leveraged its human resources to manage its capital to ensure low operating expenses and streamlined procedures. Capital efficiency occurs when a company's expenses are less than its profits from those expenses. The value provided to the business, measured by the gap between revenues and expenses, determines the company's bottom line. An increase in the company's earnings will be reflected positively in the ratio of return on assets to total assets.

The resource-based view predicts that a company's economic worth will increase if it is able to effectively manage and make use of its resources (including its physical and financial assets). This study's findings corroborate those of [21]. Who found a positive and statistically significant relationship between CEE and financial performance, and those of (Maisaroh, 2015), who found no such relationship between CEE and ROA-measured financial performance for businesses [11].

4 Conclusion

Based on the results and discussions that have been carried out, it can be concluded that Human Capital Efficiency (HCE) has a positive and significant effect on the financial performance of property and real estate companies, meaning that human capital efficiency can improve financial performance. This shows that the better the company manages and utilizes its human resources, the more competitive advantages will be created, improving financial performance. Structural Capital Efficiency (SCE) has a positive and significant effect on the financial performance of property and real estate companies, meaning that structural capital efficiency can improve financial performance. This shows that the better the structural capital owned by the company, the better employees will work so that it will create added value and produce a better financial performance as well. Capital Employed Efficiency (CEE) has a positive and significant effect on the financial performance of property and real estate companies, meaning that capital employed efficiency can improve financial performance. This shows that the higher the value of a company's capital employed, the more efficient the management of its intellectual capital to improve its financial performance.

Focusing on managing intangible assets like intellectual capital is preferable for firms to attain the required financial performance or better. Intellectual property is a company's most valuable asset and should be given more consideration by investors. Researchers can enhance their perspective on studies pertaining to intellectual capital by conducting longer studies, including additional variables, and establishing a new study's object of inquiry.

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