

IDENTIFICATION OF ASSET MANAGEMENT AND FINANCIAL PERFORMANCE ON MARKET VALUE OF PROPERTY COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE

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ABSTRACT

The purpose of this study was to analyze how much influence asset management and financial performance have on the market value of property companies listed on the Indonesia Stock Exchange. The design of this study uses secondary data, with a purposive sampling technique, namely property sector companies, with the property and real estate and building construction sub-sectors, which are listed on the Indonesia Stock Exchange, as many as 67 observations. The operational variable of this research is Asset Management measured based on Fixed Asset Turnover (FAT) and Inventory Turnover (IT); and Financial Performance is measured based on Return On Assets (ROA) and Return on Equity (ROE) to Market Value which is measured based on the Closing Share Price (HSP). The analysis of this study uses the classical assumption test and hypothesis testing.

Keywords: Fixed Asset Turnover, Inventory Turnover, Return on Assets and Return on Equity and Closing Share Price

ABSTRAK

Tujuan dari penelitian ini adalah untuk menganalisis seberapa besar pengaruh manajemen aset dan kinerja keuangan terhadap nilai pasar perusahaan properti yang terdaftar di Bursa Efek Indonesia. Rancangan penelitian ini menggunakan data sekunder, dengan teknik purposive sampling yaitu perusahaan sektor properti dengan subsektor properti dan real estate dan konstruksi bangunan yang terdaftar di Bursa Efek Indonesia sebanyak 67 observasi. Variabel operasional penelitian ini adalah Asset Management yang diukur berdasarkan Fixed Asset Turnover (FAT) dan Inventory Turnover (IT); dan Kinerja Keuangan diukur berdasarkan Return On Assets (ROA) dan Return on Equity (ROE) to Market Value yang diukur berdasarkan Harga Penutupan Saham (HSP). Analisis penelitian ini menggunakan uji asumsi klasik dan uji hipotesis.

Kata kunci: Perputaran Aset Tetap, Perputaran Persediaan, Pengembalian Aset dan Pengembalian Ekuitas dan Harga Penutupan Saham

INTRODUCTION

Asset management is a combination of management, finance, economics and work practices that are applied to physical assets with the aim of being able to provide an excellent level of service at the most efficient cost. The role of asset management is needed to analyze and optimize sources of income and an efficient service system to reduce costs through optimization studies towards profit orientation and intermediation for investors for marketable assets. Financial statements are prepared to provide financial information about a company. The information in these financial reports is expected to be used by interested parties as material for consideration in making economic decisions (Rusli, 2009). Temporary asset growth will be the independent variable that has the dominant influence on stock returns, and the value of the beta coefficient will be standardized to be greater than the Economic Value Added value, so that optimal company performance to create added value for the company needs to be considered, compared to company value in the market. (Setianan and Astika, 2020)

Currently, investments that are in great demand by investors include companies in the service sector, property and building construction, which are listed on the Indonesia Stock Exchange. The growth of the property business in Indonesia is progressing and the performance of the property stock index has also increased. There are as many as 44 companies that are included in the property and real estate sub-sector, and the building construction sub-sector. In general, the profit increase in the property and building construction sectors on the IDX will reach 57.5 percent in 2022, (according to the Main Director of the Indonesia Stock Exchange). This increase was higher than that of the chemical industry, which was 33.0 percent, compared to investment trade, which was 23.54 percent. In 2022, property companies, with a value of 23.5 percent (www.idx.co.id)

Sub property and real estate companies are expected to boom from 2008 until now. Property and real estate investment is considered bright because economic growth in Indonesia is higher than economic growth in this world. In 2020 and the first half of 2022, the Indonesian property sector experienced rapid growth, profits for Indonesian property developers soared. There were 26 companies experiencing net profit growth or 50% of the 45 property companies listed on the Indonesia Stock Exchange in 2020. Residential property prices grew by around 30% per year between 2020 and 2022. However, reality shows that residential property sales in 2022 experienced a significant decrease in the quarter to quarter ratio, from 40.1% in the first quarter of 2022, to 26.6% in the fourth quarter of 2021, based on a survey by Bank Indonesia (BI). Meanwhile, the rate of disbursement of mortgage loans at banks for housing and apartments in the first quarter of 2022 rose only 0.12% compared to the previous quarter. This of course will affect the stock price of companies in the property and real estate sector.

METHOD STUDY

A. Research sites

Study This is done on the Indonesia Stock Exchange, via the website <http://www.bei.co.id>, in property sector companies, the property and real estate sub-sector, and the building construction sub-sector, which have financial reports from 2021 to 2022.

B. Data collection technique

Data collection techniques performed is field research, through the website <http://www.bei.co.id> And library research (library research) for literature study.

C. Research design

The research design was carried out using secondary data, with the use of purposive sampling techniques, namely property sector companies, with the property and real estate and building construction sub-sectors, which are listed on the Indonesia Stock Exchange, as many as 67 observations. The sample criteria used are:

1. Property companies listed on the IDX from 2021 to 2022, there are as many as 36 companies.
2. Companies with IPOsin 1990.
3. Property companies have a net profit positive.
4. The property company has audited financial reports and has reported to BEI.
5. Property companies have liquidity.

D. Research Model

This research model uses multiple linear regression.

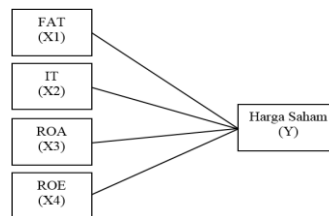


Figure 1: Research Model

Figure 1 explains that Asset Management is measured based on Fixed Asset Turnover (X1) and Inventory Turnover (X2); and Financial Performance is measured based on Return On Assets (ROA) (X3) and Return on Equity (ROE) (X4) to Market Value which is measured based on the Closing Stock Price (Y).

The mathematical equation of the research model is:

$$Y = a + bx_1 + bx_2 + bx_3 + bx_4 + e$$

AND RESULTS DISCUSSION

A. Normality test

This Normality Test uses the normal PP Plot graph on the Regression Standardized Residual

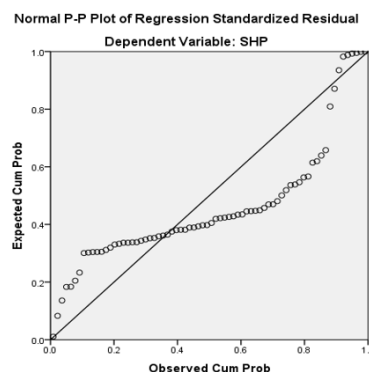


Figure 2: Normality test on market value

Figure 2 explains that the influence between Asset Management and Financial Performance on Market Value based on the Normality test is normal. It can be seen that the points are located along the diagonal line.

B. Autocorrelation

Autocorrelation of this study was carried out testing using Durbin Watson (DW)

Model Summary^a

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.405 ^a	.164	.114	2424.76870	2.462

a. Predictors: (Constant), ROE, IT, FAT, ROA
 b. Dependent Variable: SHP

Table 1: Based on Autocorrelation ResultsDW at Market Value

Table 1 shows that the output results for Durbin Watson (DW) at Market Value show that the DW value is 2.462. DW numbers lie between -2 to +2, which means that there is no autocorrelation in the data in this study.

C. Simultaneous Test (Test F)

The results of statistical analysis based on Simultaneous test (F test) can be seen as follows,

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	77418813.62	4	19354703.41	3.292	.016 ^b
	Residual	393926718.9	67	5879503.267		
	Total	471345532.5	71			

a. Dependent Variable: SHP
 b. Predictors: (Constant), ROE, IT, FAT, ROA

Table 2: Simultaneous Test Results (F Test) on Market Value

Table 2 states that the calculated F value is 3.292 and a significance level of 0.016 while the research F table has a value of 2.509 with a significance level of 0.05. This can be stated that $F_{count} > F_{table}$, namely $3.292 > 2.509$, while the significance level is $0.016 < 0.05$. H_0 is rejected, which means that together or simultaneously there is a positive and significant influence between Asset Management and Financial Performance on Market Value of property companies on the Indonesia Stock Exchange.

D. Partial Test (t test)

The results of statistical analysis based on the partial test (t test) can be seen as follows:

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1294.644	371.712		3.483	.001
	FAT	-.008	.094	-.010	-.085	.933
	IT	11.830	3.491	.386	3.389	.001
	ROA	7.416	17.507	.126	.424	.673
	ROE	-6.844	11.273	-.180	-.607	.546

a. Dependent Variable: SHP

Table 3: Partial Test Results (t test) on Market Value

Table 3 states that the value of Asset Management which consists of FAT (X1) and IT (X2) and Financial Performance which consists of ROA (X3) and ROE (X4) to Market Value, which consists of Closing Share Price or HSP (Y), namely: The value of t count on FAT to SHP is -4.804 and the value of t table is 1.66023 so that t count < t table (-0.085 < 1.994). The significance level of FAT to SHP is 0.933 more than 0.05 (0.933 > 0.05). This means that there is no positive and insignificant effect between FAT on Market Value (HSP).

The calculated t value for IT against SHP is 3.389 and the t table value is 1.66023 so that t count > t table (3.389 > 1.66023). The significance level of IT to SHP is 0.001 less than 0.05 (0.001 < 0.05). This means there is influence and significant between IT to Market Value (HSP).

The calculated t value for ROA against SHP is 0.424 and the t table value is 1.66023 so that tcount < t table (0.424 < 1.66023). The significance level of ROA for SHP is 0.673 more than 0.05 (0.673 > 0.05). This means that there is no positive and insignificant effect between ROA on Market Value (HSP).

The calculated t value for ROE to SHP is -0.607 and the t table value is 1.66023 so that t count < t table (-0.607 < 1.66023). The significance level of ROE to SHP is 0.546 more than 0.05 (0.546 > 0.05). This means that there is no positive and insignificant effect between ROE and Market Value (HSP). The results of this research analysis state that the effect of Asset Management (FAT and IT) and Financial Performance (ROA and ROE) on Market Value (HSP) of property companies listed on the Indonesia Stock Exchange, can be seen in the form of the equation:

$$Y = 1294,644 - 0,008X_1 + 11,830X_2 + 7,416X_3 - 6,844X_4 + e$$

This equation explains that if Asset Management (FAT) is increased by one unit, the Market Value (HSP) will decrease by 0.008 units. Asset Management (IT) level by one unit, the Market Value (HSP) will increase by 11,830 units. Financial Performance (ROA) is increased by one unit, so the Market Value (HSP) will increase by 7.416 units. Financial Performance (ROE) is increased by one unit, so the Market Value (HSP) will decrease by 6.844 units.

E. Coefficient of Determination (R)

The results of statistical analysis based on the coefficient of determination (R) can be seen as follows:

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.405 ^a	.164	.114	2424.76870

a. Predictors: (Constant), ROE, IT, FAT, ROA

b. Dependent Variable: SHP

Table 4: Results of the Coefficient of Determination (R²) on Market Value

Table 4 can be seen that the relationship between Financial Management and Financial Performance on Market Value has a value of R = 0.405, meaning that the results of this study have a fairly close relationship.

While Adjusted R Square of 0.114 means an increase in Market Value of 11.4%, while the remaining 88.6% can be explained by other variables which are not examined in

research. Based on the Classical Assumption test stated that the Influence between Asset Management and Financial Performance on Market Value based on the Normality test is normal and the Autocorrelation (DW) test states that there is no autocorrelation in the data.

Based on the Hypothesis test, which consists of a Simultaneous test (test F) stating that Asset Management and Financial Performance jointly or simultaneously have a positive and significant influence on Market Value of listed property companies on the IDX.

This is in accordance with Erawati's research (2022) which states that simultaneously the variables liquidity, asset management, liability management, and profitability have a significant effect on stock prices. This states that the financial performance of a company is very beneficial to various parties (stakeholders) such as investors, creditors, analysts, financial consultants, stockbrokers, government and management himself Martono and Harjito (2010).

In this case the decision to buy shares occurs when the estimate of a share is below the market price, to determine the share price investors must do an analysis first first on stocks. The aim is to assess whether the pricing of a company's shares is offered fairly or not, Sunariyah (2020).

Based on the Partial test (t test) states that only IT has a positive and significant effect, FAT, ROA and ROE have no positive and insignificant effect on Market Value (HSP). Asset management (using activity ratios) is a company's ability to obtain the maximum level of output by using the company's assets as efficiently as possible maybe (Hardiningsih, 2007).

In this case, a low ratio will indicate that the company is not operating optimally on its asset investment, conversely, the higher the activity ratio, the more efficient the company is using its assets (Wiagustini, 2010). This research is in accordance with Karcaka and Savsar (2020) and Rosyadi (2002), using Inventory Turnover (IT) as a measuring tool for activity ratios to determine inventory turnover in one period in a company. However, this is contrary to Rusli's research, (2009) which concluded that Inventory Turnover has a negative effect if done partial testing.

Companies that generate profits will reflect good company performance, so that the company's stock price also increases. Investors will capture this information and will choose to invest in profitable companies, thus increasing profits and reducing profits the risk of the investment.

Study this is in accordance with research Suciayati (2010) and Putri (2020) that ROE has no influence on stock prices. The same research was also conducted by Hatta (2020), Haque and Murtaza, Placido (2020), Machfiro (2020), and Silviana and Rocky (2022) stated that ROA has no significant effect on stock prices. Based on the Coefficient of Determination (R) states that Financial Management and Financial Performance to Market Value have a fairly close relationship, with an increase of 11.4%, while the remaining 88.6%. This is in accordance with Pasaribu's research (2008) that the proxy value of the coefficient of determination is between 21.98% and 85.41%; and still dominated by other variables.

CONCLUSIONS AND RECOMMENDATIONS

A. Conclusion

Asset Management and Financial Performance based on the Simultaneous test (F test) states that jointly or simultaneously has a positive and significant effect on Market Value, with an F count $>$ F table, namely $3.292 > 2.509$, and a significance level of $0.016 < 0.05$. However, based on the partial test (t test) states that IT alone has a positive and significant effect with a t count $>$ t table, namely $3.389 > 1.66023$, and a significance level of $0.001 < 0.05$.

Temporary FAT, ROA and ROE have no positive and significant effect. Financial

Management and Financial Performance have a fairly close relationship to Market Value, (based on the coefficient of Determination) with a value of $R = 0.405$ and an Adjusted R Square value of 10.1%.

B. Suggestion

In this study only used 2 (two) variables to assess Asset Management, namely; Fixed Asset Turnover (FAT) and Inventory Turnover (IT); This means that there are still many other variables that can be carried out in subsequent research, namely Account Receivable Turnover (ART), Working Receivable Turnover (WRT) and so on to consider and analyze investment decisions in the capital market, especially for property and real estate companies. The period used also needs to be added, at least for the last 5 (five) years so that the data can be generalized.

Financial performance outside the form of ratiosprofitability (soverability ratios, liquidity, and others) can be used as an independent variable, which has a dominant influence on market value, so that it can optimally create and add value to the company in the market. Besides that, systematic risk; company size and operating cash flow, can also be used as managerial performance on the independent variable. Factors that have a dominant influence to market value, namely Inventory Turnover (IT) in Activity Management, then this can be a better consideration for investors to make investment decisions. Thus the measurement of market value is not only limited to the closing share price, but can also be measured in the company's stock return, so that the research results obtained are better and more accurate.

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