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The Influence Of Liquidity, Productive Asset Quality And Operational Efficiency On Company Stock Prices
(Study of Banks Going Public for the 2016-2020 Period)

Tutut Wulansari[1], Suwardi[2], Dedik Purwanto[3], Nur Hidayah Chairunnisa[4], Firdaus[5], Ziyad Hibatullah[6], Vedro Choirul Marganis[7]
[1-7] Departement of Management, Faculty of Economic and Business, University of Muhammadiyah Semarang, Indonesia

Email Corespondent : fir@unimus.ac.id

Abstarct: *The purpose of this study was to determine the effect of Liquidity, Earning Asset Quality, and Operational Efficiency on the stock price of banking companies. The stock price in the capital market will determine the value of a company, where the performance and health of the company affect its share price, as well as the views of investors.This research is descriptive quantitative research. The population in this study are publicly listed banking companies in Indonesia which are listed on the Indonesia Stock Exchange (IDX) for the 2016-2020 period. The sample used in this study were 20 companies using the purposive sampling method. The data analysis technique used is multiple linear regression, classical assumption test, t test, F test, and the coefficient of determination R Square.The results of the partial test or t test show that Liquidity (LDR) has no significant effect on stock prices, Earning Asset Quality (NPL) has a positive and significant effect on stock prices and Operational Efficiency has a negative and significant effect on stock prices. While the simultaneous test or F test shows that together Liquidity (LDR), Earning Asset Quality (NPL) and Operational Efficiency (BOPO) have a simultaneous effect on stock prices.*

Keywords: *Liquidity, Earning Asset Quality, Operational Efficiency, Stock Price*

INTRODUCTION

World technology is increasingly showing improvements. Especially in the business world, improvements in technology have given rise to increasingly fierce business competition. With existing technology, every company is competing to gain greater profits. With greater profits the company will be able to develop. To expand its business, the company certainly needs a large amount of capital.

The capital market is a means by which companies can obtain funds from investors and a place for the public to invest in various financial instruments (Fasa & Masrifa, 2020). The capital market has an important role in the economic progress of a country and supports the economic development of the country concerned. The capital market in Indonesia is the Indonesian Stock Exchange which is located in Jakarta. The stock exchange regulates stock purchase and sale transactions in Indonesia. Companies listed on the IDX are grouped according to their fields as stated by Maulana (2021).

One of the companies listed on the Indonesian Stock Exchange is a banking company. According to Ahmatang and Junaidi (2021) banks are something that is viewed and considered important by the majority of society. This is because banks have a significant role in the economic life of society. When making transactions, investors really need historical data on

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* Tutut Wulansari , *fir@unimus.ac.id*

stock movements in order to know the movement of the stock index which functions to determine whether the market is rising or falling. Banking shares are the most popular shares. It was even reported that it outperformed the growth of the Composite Stock Price Index (IHSG). (Aris and Hasiara 2021).

In the banking sub-sector listed on the IDX, stock figures show fluctuating or up and down movements. Share prices in the Indonesian capital market are influenced by various factors. Factors that influence share prices include liquidity, quality of productive assets and operational efficiency. Liquidity is a ratio used as a measure of a bank's ability to fulfill its short-term obligations when bills arise. Productive Asset Quality is the ability of bank management to manage its productive assets. Operational efficiency is that the costs incurred to generate profits are smaller than the profits obtained from the use of these assets.

Based on the description of the problems that have been put forward, a formulation of the problem in this research was formulated, namely, What is the role of Liquidity, Productive Asset Quality and Operational Efficiency in increasing the share prices of Go Public banking companies for the 2016-2020 period.

LITERATURE REVIEW

The Effect of Liquidity on Stock Prices

According to (BI) Bank Indonesia, the assessment of the liquidity aspect reflects the bank's ability to manage adequate levels of liquidity to fulfill obligations in a timely manner and meet other needs. Banks must be able to guarantee that activities are managed efficiently in the sense that the bank can reduce high liquidity management costs and at any time the bank can liquidate its assets quickly with minimal losses. Bank liquidity can be proxied by LDR (Loan to Deposit Ratio), namely the comparison between credit and Third Party Funds (DPK). This ratio is used to assess the liquidity of a bank by dividing the amount of credit provided by the bank against third party funds. Results of research conducted by (A Fasa and Masrifa 2021); (Fatma 2021) that liquidity has a positive and insignificant effect on share prices. H1: Liquidity has a positive and significant influence on share prices of banking companies that go public for the 2016-2020 period.

The Influence of Productive Asset Quality on Share Prices

Non-performing credit is the quality of credit assets that are problematic due to loans by debtors who fail to repay due to external factors. Asset quality assessment is seen from the ability of bank management to manage its productive assets (Bukian and Sudiartha 2016). Asset Quality is calculated by the Non-Performing Loan (NPL) ratio. NPL is an external factor that causes

debtors to fail to repay their loans, resulting in problematic credit asset quality. NPL is the rate of return on credit given by depositors to the bank. In other words, NPL is the rate of bad credit at the bank. Previous research by (Diansyah and Hartanto 2018) proves that Non-Performing Loans (NPL) have a positive and significant effect on stock prices. Research by (Bukian and Sudiartha 2016) and (Fatma 2021) proves that the quality of productive assets has a positive and significant effect on share prices. H2: The quality of productive assets has a positive and significant influence on the share prices of banking companies that go public for the 2016-2020 period.

The Influence of Operational Efficiency on Share Prices

Level of operational efficiency to achieve operational income. Efficiency is related to cost control. This means that the costs incurred to generate profits are smaller than the profits obtained from using these assets. Banks that are unable to improve their level of business efficiency will lose their competitiveness both in terms of mobilizing public funds and in terms of channeling these funds in operational form as measured by (BOPO) Operational Costs to Operational Income. A lower BOPO indicates that operating cost efficiency is increasing. research conducted by (Harahap & Hairunnisah, 2017) shows that BOPO has a negative effect on stock prices. H3: Operational Efficiency Has a Negative and Significant Influence on the Share Prices of Banking Companies that Go Public for the 2016-2020 Period.

METODE PENELITIAN

This research is quantitative research with the basic data coming from secondary data, namely companies that went public within a certain period of time. The population in this research are banking companies that went public in the 2016-2020 period and were listed on the BEI (Indonesian Stock Exchange). The samples in this research were 20 banking companies that went public and were listed on the IDX for the 2016-2020 period. The sample in this study was selected using a purposive sampling method. The data analysis method used in this research is multiple regression analysis which is used to carry out hypothesis testing. The calculation itself was carried out using the SPSS version 21 program. The multiple regression model is as follows: $Y = a + b1X1 + b2X2 + b3X3 + e$

Descriptive statistical analysis is an analysis used to determine the average value (mean), middle value (median), highest value, lowest value and mode or data that often appears. Descriptive statistical analysis was carried out for each variable including liquidity variables, productive asset quality, operational efficiency. Classic assumption test to determine and test the feasibility of the regression model used in the research. Whether the regression model really shows a significant and representative relationship, the model must meet the classical assumptions of regression. According to Ghozali (2016) multiple linear regression analysis is used to measure the strength of the relationship or

influence between two or more variables, as well as to show the direction of the relationship between the dependent and independent variables. Hypothesis testing is carried out by testing the regression model and testing the partial influence of each independent variable. The regression test is used to determine the simultaneous influence of all independent variables. Testing the regression model with the F test, and t test for partial influence testing.

The formula for each variable is as follows.

Liquidity is calculated using the Loan to Deposit Ratio (LDR) ratio, which is the ratio between the amount of funds distributed to the community and the amount of community funds and their own capital used by Azizah, et al, (2018). Loan to Deposit Ratio is formulated as follows: $LDR=\frac{\text{Amount of Credit}}{Total\ Third\ Party\ funds}$

The quality of productive assets is calculated by the Non-Performing Loan (NPL) ratio, which is a non-performing loan, associated with the client's failure to pay its obligations or the risk that the debtor will not be able to pay off the debt. NPL is formulated as follows:

$$NPL=\frac{\text{Problematic Credit}}{(Number\ of\ Problem\ Loans)}$$

Operational efficiency is measured by BOPO (Cost of Revenue to Operational Costs). According to Hikmadina, et al (2021), the Operational Cost and Operational Income Ratio (BOPO) is used to determine the level of efficiency of a bank's ability to carry out its operational activities. BOPO is formulated as follows:

$$BOPO=\frac{\text{Operational expenses}}{\text{Operating Income}}$$

According to Hartono (2003:369), share prices are defined as equilibrium prices that reflect a common consensus among all market participants. The share price used is the closing share price. The share price formula is as follows:

Share price = Closing price.

RESULTS AND DISCUSSION

The samples in this research were 20 banking companies that went public in the 2016-2020 period and were listed on the BEI (Indonesian Stock Exchange).

Table 1. Sample Description

No	Company	No	Company
1	PT Bank Central Asia Tbk.	11	PT Bank Danamon Indonesia Tbk
2	PT Bank Rakyat Indonesia (Persero) Tbk	12	PT Bank Maybank Indonesia Tbk
3	PT Bank Mandiri (Persero) Tbk	13	PT Bank Rakyat Indonesia Agroniaga Tbk
4	PT Bank CIMB Niaga Tbk.	14	PT Bank MNC Internasional Tbk.
5	PT Bank Negara Indonesia (Persero) Tbk	15	PT Allo Bank Indonesia Tbk.
6	PT Bank Jago Tbk.	16	PT Bank Mestika Dharma Tbk.
7	PT Bank Mega Tbk	17	PT Bank Tabungan Negara Tbk.

8	PT Bank Permata Tbk	18	PT Bank Ina Perdana Tbk.
9	PT Bank Mayapada Internasional Tbk	19	PT Bank Maspion Indonesia Tbk.
10	PT Bank OCBC NISP Tbk.	20	PT Bank Sinarmas Tbk.

Table 2. Descriptive Statistic

Variabel	N	Mean	Std. Deviation
Likuiditas	75	88.11	9.671
Kualitas Aset Produktif	75	1.67	.864
Efisiensi Operasional	75	83.98	9.122
Harga Saham	75	2261	2639

Based on the table above, the amount of data used was 75 data samples with 4 research variables. The Liquidity variable shows a mean of 88.11 and standard deviation. amounting to 9,671. Productive Asset Quality shows a mean value of 1.67 and a standard deviation of 0.864. Operational Efficiency mean value is 83.98 and standard deviation is 9.122. Share prices show a mean value of 2261 and a standard division of 2637.

Uji Asumsi Klasik

Table 2. Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		75
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1759.24805973
Most Extreme Differences	Absolute	.119
	Positive	.119
	Negative	-.062
Kolmogorov-Smirnov Z		1.033
Asymp. Sig. (2-tailed)		.236

The table above shows that the significance value is 0.236 > 0.05 so that the variables of liquidity, productive asset quality, operational efficiency and share prices are normally distributed. So the variables can be used to carry out regression tests.

Table 3. Multikolenierity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	Likuiditas	.983	1.017
	Kualitas Aset Produktif	.529	1.890
	Efesiensi Operasional	.530	1.888

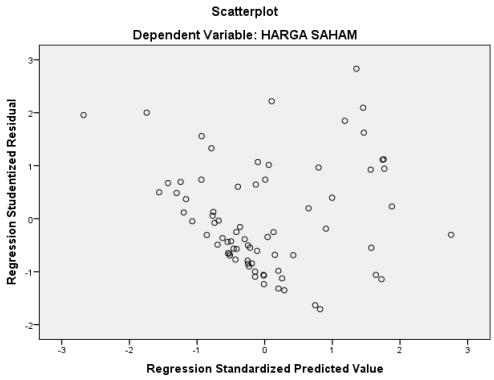
Based on the table which shows that each independent variable has a tolerance value > 0.10 and VIF (variance inflation factor) < 10.0. So, it can be concluded that there are no symptoms of multicollinearity.

Table 4. Autokorelation Test

Model	R	R Square	Durbin-Watson
1	.745[a]	.556	.665

Based on the table above, it shows that the D-W value of 0.665 is between -2 and +2. So, it can be concluded that in the regression model of this research there are no symptoms of autocorrelation.

Table 5. Heteroskedastisity Test



Based on the image above, it shows that the points are distributed irregularly and are spread above and below the number 0 on the Y axis. This means that the regression model in this study is free from heteroscedasticity.

Table 5. Multiple Linear Regression Analysis

Model		Unstandardized Coefficients	
		B	Std. Error
1	(Constant)	258.659	3099.668
	Likuiditas	-32.091	21.774
	Kualitas Aset Produktif	865.157	331.997
	Efisiensi Operasional	-264.034	31.444

The General Equation Model of Multiple Linear Regression is as follows:

Y = 25815.659 + -32.091) + 865.157 + -264.034 + e

The results of the regression coefficient can be interpreted based on the regression equation above as follows: The constanta value listed in Table 4.6 above is 25815.659. A positive constant value S indicates that the relationship between the independent and dependent variables has a directly proportional interaction. If liquidity, productive asset quality and operational efficiency are the same as no then the share price is 25815,659. The regression coefficient for the liquidity variable is -32,091, meaning that if there is an increase in liquidity of one unit, there will be a decrease in share prices of 32.09 with other factors considered constant. The regression coefficient for the productive asset quality variable is 865,157, meaning that if there is an increase in the quality of productive assets by one unit,

there will be an increase in share prices of 865,157 with other factors considered constant. The regression coefficient for the operational efficiency variable is -264,034, meaning that if there is an increase in operational efficiency by one unit, there will be a decrease in share prices of -264,034 with other factors considered constant.

Hypothesis testing

Table 7. t Test (Partial)

Model		T	Sig.
1	(Constant)	8.329	.000
	Likuiditas	-1.474	.145
	Kualitas Aset Produktif	2.606	.011
	Efesiensi Operasional	-8.397	.000

Based on the results of the partial t test, the results can be described as follows:

Hypothesis Testing the Effect of Liquidity on Share Prices of Banking Companies that Go Public for the 2016-2020 Period. The results of statistical tests show that the effect of liquidity has a beta value of -32.09 with a significance level of 0.145, where the significance is greater than 0.05. The liquidity variable as measured by LDR has a negative and insignificant effect on the share prices of banks that go public in Indonesia. This means that the higher the liquidity in banking, the lower the share price will be. The liquidity value in the company has no effect on banking share prices.

Hypothesis 1, which states that there is a positive and significant influence of the liquidity variable on share prices, is rejected. This research is in line with research conducted (Harahap & Hairunnisah, 2017), that liquidity as measured by LDR (Loan to Deposit Ratio) does not affect changes in company share prices.

Hypothesis Testing the Effect of Productive Asset Quality on Share Prices of Banking Companies that Go Public for the 2016-2020 Period

The productive asset quality variable as measured by non-performing loans (NPL) shows that the productive asset quality variable (NPL) has a positive effect on the stock prices of publicly traded banks in Indonesia. The positive value of productive asset quality can be seen from the beta value of 865,157 with a significance level of 0.011, where the significance is smaller than 0.05. This means that the higher the quality of productive assets in banking, the higher the share price will be. Low productive asset quality has a negative effect on share prices.

The hypothesis 2 which states that the quality of banking assets has a positive and significant effect on share prices is accepted. The results of this research are in line with research conducted by (Friantin & Ratnasari, 2019) and (Octaviani et al., 2021) that NPLs have a positive and significant effect on stock prices. Because many banks in Indonesia have NPL

values in the low category, which only ranges from 1.17 to 1.93, meaning they are still under good control.

The Influence of Operational Efficiency on Share Prices of Banking Companies Going Public for the 2016-2020 Period

The research regression results show that the operational efficiency variable has a negative effect on the stock prices of publicly traded banks in Indonesia. The higher the operational efficiency in banking, the lower the share price will be. **Hypothesis 3, which states that there is a negative and significant influence of operational efficiency variables on share prices, is accepted.**

Statistical tests show that the negative influence of operational efficiency can be seen from the beta value of -264,034 with a significance level of 0.000, where the significance is smaller than 0.05. The higher the operational efficiency of banking, the lower share prices will be. The results of this research are in line with research conducted by (Harahap & Hairunnisah, 2017) and (Made et al., 2016) that BOPO has a negative effect on stock prices.

Table 8. F Statistical Test

Model		F	Sig.
1	Regression	29.600	.000[b]
	Residual		
	Total		

Based on the F test, it can be concluded that the calculated F value > F table, 29,600 > 2.73, and the significance value is 0.000 < 0.05, so there is an influence between the independent variable and the dependent variable simultaneously.

Table 9. Coefficient of Determination Test (R2)

Model	R	R Square	Std. Error of the Estimate
1	.745[a]	.556	1796.03074

Based on the coefficient of determination test in the table, the adjusted R2 value is 0.537 or 53.7%, which means that the share price variable can be explained by the variables liquidity, productive asset quality and operational efficiency of 53.7% and the remaining 46.3% (100% - 53.7%) explained by other variables.

CONCLUSION

This research was conducted to examine the influence of Liquidity, Productive Asset Quality, and Operational Efficiency on banking company share prices for the 2016-2020 period. Based on the results of research carried out by researchers, the following conclusions

can be drawn: The t test (partial) on the Liquidity variable shows the calculated t value = -1.474 and the significance is 0.145 > 0.05. This shows that liquidity has a negative and significant effect on share prices. The t test (partial) on Productive Asset Quality shows the calculated t value = 2,606 and the significance is 0.011 < 0.05. This shows that Asset Quality has a positive and significant effect on share prices. The t test (partial) on the Operational Efficiency variable shows that the calculated t value = -8.397 and the significance is 0.000 < 0.05. This means that operational efficiency has a negative and significant effect on share prices. Based on the F test, it can be concluded that the calculated F value > F table, 29,600 > 2.73 and the significance value is 0.000 < 0.05, so there is an influence of the independent variable on the dependent variable simultaneously.

SUGGESTION

For investors, what potential investors need to pay attention to is the company's performance which can be seen through financial reports, especially liquidity, quality of productive assets and operational efficiency in relation to changes in share prices from year to year. Based on the results of this research, it can be used as a tool for consideration in making investment decisions. For companies, providing complete and clear financial information to reduce asymmetric information and as a source of information regarding the company's financial condition by external parties who use the company's financial reports or investors is necessary for the company. Further research, adding other variables outside of this research variable, other research objects besides banking companies, and longer time related to stock prices to find out more and clearly about what factors have an influence on stock prices.

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