ID 002-H

Effect of Management Performance on Financial Performance at PT. HM Sampoerna, TBK Period 2007-2019

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Abstract. *This research aims to find out the effect of Management Performance on Financial Performance on PT. HM Sampoerna, Tbk. The method used is explanatory research. Analysis techniques use statistical analysis with regression testing, correlation, determination and hypothesis testing. The result of this study was a management performance variable obtained an average value of 3.81%. Variable Financial Performance obtained an average value of 3.91%. Management Performance has a positive and significant effect on Financial Performance with the regression equation value Y = 13.198 + 7.981X, and the correlation coefficient value is 0.667 or has a strong relationship rate with a determination value of 44.5%. Hypothetical test obtained significance of 0.000 < 0.05.*

Keywords: Management Performance, Financial Performance.

1. INTRODUCTION

Nowadays, the growth of cigarette industry in Indonesia is experiencing a fairly heavy dynamic, especially the imposition of high excise tax bae resulting in higher product prices. Financial problems are one of the most vital problems for companies in the development of business in all companies. One of the main objectives of the establishment of the company is to obtain maximum profit. But whether or not the company succeeds is to seek profit and maintain its company depending on financial management. The Company must maintain a healthy financial performance and to make a profit or profit. Therefore, the company must pay attention to important aspects of the company's financial problems such as the profit problem that must be obtained by the company, as well as financial problems in terms of debt because it is a problem that is quite concerning for the company. When the company is not healthy, surely the company will have debts and it will affect the company's profit because with the debt the company must pay the debt from the profit.

Looking at the development of the business world in Indonesia many emerging in the mark with the increasing competition of business. Facing such competition, companies or company leaders are required to be able to create or increase the value of the company and be able to manage existing production factors effectively. In this case, the company is also required to be able to determine maximum profit and minimize existing debt and make efficiency in the use of raw materials in order to create a good business, so that the company will be able to guarantee its survival.

The purpose of the company is to achieve or obtain maximum and optimal profit. To be able to stay afloat for the sake of his continued efforts. To achieve this goal, it is necessary to have a mature plan in determining capital structure as a measuring tool to generate high profits but reduce other operational costs.

The company's operating activities require investment, <javascript:void(0);> for both

assets b <javascript:void(0);> inventory and account receivable <javascript:void(0);> and long-term (property, plan, and equipment). The activity ratio describes the relationship of a <javascript:void(0);> between the level of operation of the company (sales) and the assets needed to support the company's operations. The activity ratio can also be used to predict the capital required by the company (both for operating and long-term activities). For example to increase sales will require additional assets. The activity ratio allows analysts to assess this need and assess the company's ability to obtain the assets needed to maintain its growth rate. Two examples of activity ratio: inventory turnover, <javascript:void(0);> total asset turn over.

Financial statements are one of the tools used to know the company's performance and financial condition. The financial statements present an overview of the financial position of the company's performance in generating profit. Therefore, in order for the company to survive or even grow, the company must reflect the condition of the company. To know the exact condition in the company, it is necessary to do the right analysis.

Financial ratio is a tool of financial analysis of the company to assess the company's performance based on comparison of financial data contained in the post financial statements (balance sheet, profit / loss statement, cash flow statement). Companies that have a good financial ratio will make outsiders think that the company's performance is also good.

To measure the financial condition of the company we must take into account the profit earned, the turnover of assets and also compare between debt and equity. The ratios used to take into account this include Asset Growth Ratio, Total Asset Turn Over Ratio, Financial Performance Ratio. Research conducted using one of the cigarette companies in Indonesia, the following financial data in the cigarette company:

Table 1. Development of Total Asset Turn Over (TATO) and Financial Performance (ROA) PT. HM Sampoerna Tbk, Year 2007-2019
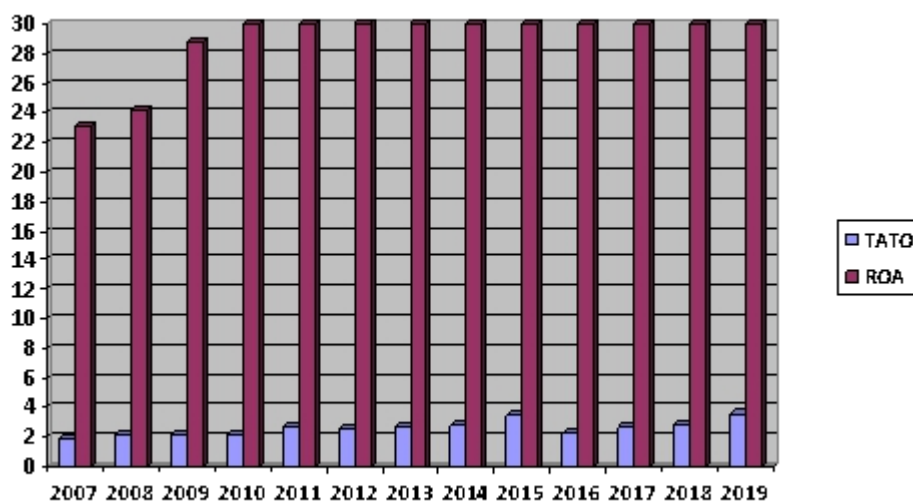
Based on the data in the graph above, shows that the turnover rate of TATO from 2007-2019 is also volatile tends to be unstable with fluctuating gains with an average achievement of only about 2.64%.

For the growth of net income that can be obtained from the company's wealth in 2007-2019 tends to rise and fall with an average achievement of only about 34.24%.

Based on the background description that has been presented above, the researchers are interested in conducting research on the influence of asset growth level and management performance that affects debt policy, the author will present scientific writing with the title "Effect of Management Performance (TATO) on Financial Performance (ROA) on

PT. HM Sampoerna, Tbk".

2 RESEARCH METHODS/METHODOLOGY

Population in this study pt financial statements. HM Sampoerna, Tbk for 13 years. Sampling techniques in this study are saturated samplel, where all members of the population are used as samples. Thus the samples in this study are pt financial statements. HM Sampoerna, Tbk for 13 years. The type of research used is associative, where the goal is to find out the connection between independent variables to their dependent variables In analyzing the data used validity test, reliability test, simple linear regression analysis, correlation coefficient, coefficient of determination and hypothesis test.

3 RESULTS AND DISCUSSION
3.1. Descriptive Analysis

In this test is used to know the minimum and maximum score of the highest score, ratting score and standard deviation of each variable. The results are as follows:

Table 1. Descriptive Statistics Analysis Result

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
TATO (X2)	13	1.93	3.58	2.636	.51584
ROA (Y)	13	23.13	41.75	34.244	6.17508
Valid N (listwise)	13				

Management performance obtained a minimum value of 32 and a maximum value of 48 with an average of 3.81 with a standard deviation of 4,019. Financial Performance obtained a minimum value of 32 and a maximum value of 48 with an average of 3.91 with a standard deviation of 4,019.

3.2. Verifikative Analysis.

This analysis is intended to determine the effect of independent variables on dependent variables. The test results are as follows:

a. Simple Linear Regression Analysis
This regression test is intended to determine the change in dependent variables if independent variables change. The test results are as follows:

Table 2. Simple Linear Regression Test Results

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	13.198	7.218		1.829	.095
	TATO (X)	7.981	2.690	.667	2.967	.013

a. Dependent Variable: ROA (Y)

Based on the test results in the table above, obtained regression equation Y = 13,198 + 7,981X.

b. Correlation Coefficient Analysis
Correlation coefficient analysis is intended to determine the relationship strength tingkt of independent variables to dependent variables both partially and simultaneously. The test results are as follows:
Table 3. Results of Testing Coefficient of Management Performance Correlation to Financial Performance.

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Correlations[b]

		TATO (X)	ROA (Y)
TATO (X)	Pearson Correlation	1	.667[*]
	Sig. (2-tailed)		.013
ROA (Y)	Pearson Correlation	.667[*]	1
	Sig. (2-tailed)	.013	

*. Correlation is significant at the 0.05 level (2-tailed).
b. Listwise N=13

Based on the test results obtained a correlation value of 0.667 means that Management Performance has a strong relationship to Financial Performance.

c. Coefficient Analysis of Determination
Coefficient analysis of determination is intended to determine the percentage of influence of independent variables on dependent variables. The test results are as follows:
Table 4. Results of Testing Coefficient of Management Performance Determination against Financial Performance.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.667[a]	.445	.394	4.80695

a. Predictors: (Constant), TATO (X)

Based on the test results obtained a determination value of 0.445 means that Management Performance has an influence contribution of 44.5% to financial performance.

d. Hypothesis Test
Hypothesis testing with t test is used to determine which hypothesis is accepted.
Hypothetical formulation: There is a significant influence between Management Performance and Financial Performance.

Table 5. Results of Management Performance Hypothesis Test on Financial Performance.

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	13.198	7.218		1.829	.095
	TATO (X)	7.981	2.690	.667	2.967	.013

a. Dependent Variable: ROA (Y)

Based on the test results in the table above, obtained the value of t calculate > t table or (2.967 > 2.201), thus the hypothesis proposed that there is a significant influence of Management Performance on Financial Performance received.

Discussion Of Research Results

1. Respondents' Answer Condition Management Performance Variables
   Based on empirical data and data analysis, Management Performance variables obtained an average value per year of 3.81%.
2. Respondents' Answer Condition variable Financial Performance
   Based on empirical data and data analysis, Financial Performance variables obtained an average value per year of 3.91%.

3. Effect of Management Performance on Financial Performance
   Management Performance has a significant effect on Financial Performance with regression equation Y = 13,198 + 7,981X, correlation value of 0.667 or has a strong relationship with an influence contribution of 44.5%. Hypothetical testing obtained the value t > t table or (2,967 > 2.201). Thus the hypothesis proposed that there is a significant influence between Management Performance and Financial Performance is accepted.

CONCLUSION

Management Performance variable conditions based on the 13-year financial statement period obtained average Management Performance of 3.81. Variable condition of Financial Performance based on 13-year financial statement period obtained average Management Performance of 3.91. Management Performance has a significant effect on Financial Performance with regression equation Y = 13,198 + 7,981X, correlation value of 0.667 or strong and influence contribution of 44.5% while the remaining 57.9% is influenced by other factors. Hypothetical test obtained t value > t table or (2,967 > 2,201).

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