

**AS EFFESIENSI IS INTERVENING ? TO FINANCIAL PERFORMANCE IN THE  
CONSTRUCTION AND SUPPORTERS CORPORATION LISTED ON THE STOCK  
EXCHANGES OF INDONESIA**

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**ABSTRAK**

This study aims to to analyze the relation of an investment decision, funding decisions and decisions against the efficiency of operational and financial performance. Sampling technique in saturated sampling technique was used in the study, so that it is got 31 service company construction and non-financial supportingnya who in pt 2013-2017 the indonesia stock exchange a period of the year. A method of analisis in a pls 2.0 was used in the study. Research results in states that an investment decision, their funding and operational decision decision significant impact on efficiency and financial performance.

**Keywords :** Investment Decision, Financing Decision, Operational Decision, Financial Performance.

**INTRODUCTION**

The activity of the construction service sector has characteristic of having distinctive characteristic in carrying out its project work process. However, investment in the construction sector has yet to show any significant improvement. During the period 2016 - 2017 quarter I.

This period of construction entrepreneurs also still considered quite problematic in conducting their business compared to the previous quarter, as indicated by the General Index of business problems that amounted to in the first quarter of 2016 and 27.62 in the first quarter of 2017. The unstable price of building materials, decreasing demand, and high levels of competition. The price of building materials dictates the contract of work. When the price Unstable building materials will hurt the contractor because the time span between contract and implementation is different. Fluctuations in the index value of business conditions, business prospects and business problems are shown in the figure below

The Company will be declared successful and successful if it has the quality of an effective, efficient and economical in any financialdecisions taken by corporate finance managers. Debt is the structure of the funding decision as determining the optimal target of corporate finance. Do investment

decisions, funding decisions, operational decisions have a significant effect on financial performance and efficiency ?

**Figure 1. Indices of Business, Prospect, & Business Problems**



Source : Secondary Data

## RESEARCH METHODS

### Types of research

In this research method using quantitative method, this method is used if the problem is the starting point of research is clear, if the researcher want to get extensive information from a population and if the researcher intends to test the research hypothesis (Sugiyono, 2017 : 23).

### Research Subject

In this study are all Construction Services Company and Supportingnya in listed PT Bursa Efek Indonesia period 2013 - 2017. Sampling technique in this study using the technique Sampling saturation is a technique of determining the sample when all members of the population used as a sample. Another term saturated sample is a census, where all members of the population are sampled (Sugiyono, 2017: 85), the sample of this study amounts to 31 companies Construction Services and its supporting Listed PT Indonesia Stock Exchange period 2013- 2017 :

**Table 1. 31 Companies Construction Services & Supporting Listed in PT Indonesia Stock Exchange period 2013- 2017**

| NO       | COMPANY                                |
|----------|--|
| <b>A</b> | <b>Construction Service</b>            |
| 1        | (WSKT) PT. Waskita Karya               |
| 2        | (WIKA) PT. Wijaya Karya                |
| 3        | (PTPP) PT. Pembangunan Perumahan       |
| 4        | (ADHI) PT. Adhi Karya                  |
| 5        | (JSMR) PT. Jasa Marga                  |
| 6        | (ACST) PT. Acset Indonusa              |
| 7        | (DGIK) PT. Nusa Konstruksi Enjinerig   |
| 8        | (IDPR) PT. Indonesia Pondasi Raya      |
| 9        | (NRCA) PT. Nusa Raya Cipta             |
| 10       | (PTRO) PT. Petrosa                     |
| 11       | (SSIA) PT. Surya Semesta Internusa     |
| 12       | (TOTL) PT. Total Bangun Persada        |
| <b>B</b> | <b>Supporting Company</b>              |
| 13       | (BAJA) PT. Saranacentral Bajatama      |
| 14       | (GDST) PT. Gunawan Dian Jaya Steel     |
| 15       | (ISSP) PT. Steel Pipe Industry         |
| 16       | (JKSW) PT. Jakarta Kyoei Steel Work    |
| 17       | (JPRS) PT. Jaya Pari Steel             |
| 18       | (KRAS) PT. Krakatau Steel              |
| 19       | (LION) PT. Lion Metal                  |
| 20       | (BTON) PT. Beton Jaya Manunggal        |
| 21       | (WTON) PT. Wijaya Karya Beton          |
| 22       | (IKBI) PT. Sumi Indo Kabel             |
| 23       | (JECC) PT. Jembo Cable Company         |
| 24       | (KBLI) PT. KMI Wire and Cable          |
| 25       | (KBLM) PT. Kabelindo Murni             |
| 26       | (VOKS) PT. Voksel Elektrik             |
| 27       | (SULI) PT. SLJ Global                  |
| 28       | (TIRT) PT. Tirta Mahakam Resources     |
| 29       | (INTP) PT. Indocement Tunggal Prakarsa |
| 30       | (SMCB) PT. Holcim Indonesia            |
| 31       | (SMGR) PT. Semen Indonesia             |

Source : PT Indonesia Stock Exchange period 2013- 2017

### Operational Definition and Variable Measurement

Investment decisions are a financial decision regarding the purchase of assets that must be purchased by the company to make future profits. The funding decision is the company's decision to seek financing to finance the investment and determine the composition of the funding source (Kumar et al., 2012). Operational decisions According to Heizer and Rander (2011), operations management is a series of activities that generate value in the form of goods and services by converting inputs into outputs. Efficiency is a measure in comparing the use of input plans with realized use or other words of actual use

(Mulyadi, 2005: 3). Financial performance is an analysis conducted to see the company has implemented the rules of financial implementation properly and correctly. Here is the variable measurement matrix :

**Table 2. Variable Measurement Matrix**

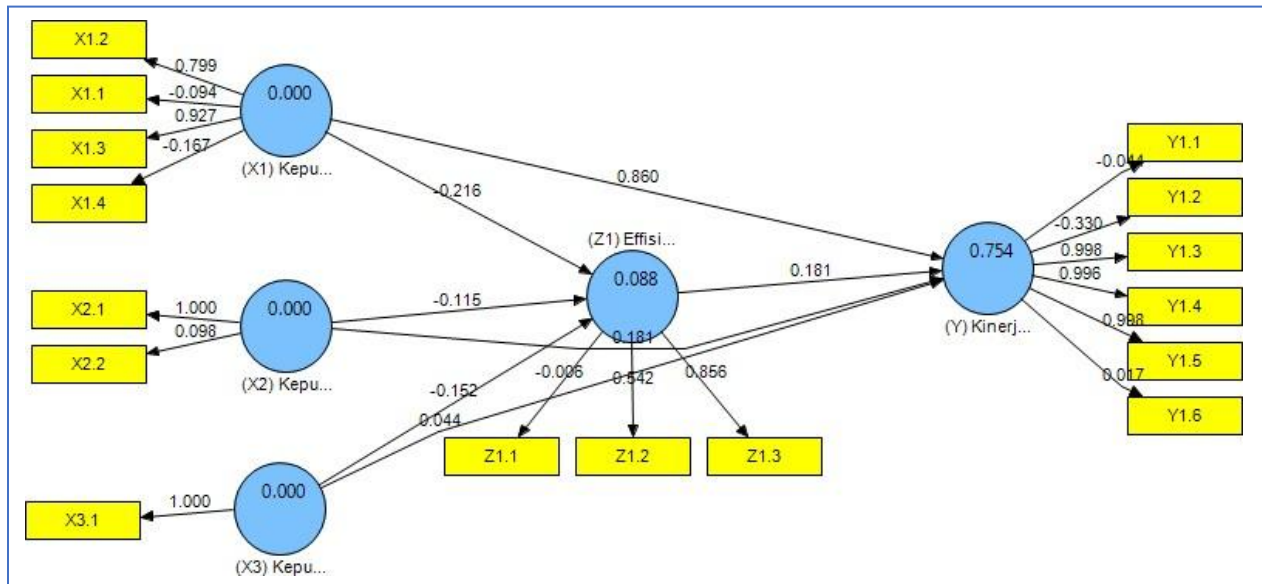
| NO | Konstruk              | Indikator   | Measurement  |
|----|-----------------------|---|--|
| 1  | Investation decision  | Market to Book Value of Assets (MVA/BVA)                      | $\frac{MVA}{BVA} = \frac{(TA - TE) + (\sum \text{Saham} \times \text{Harga Saham})}{TA}$ |
|    |                       | Asset Structure Current To Total Assets                       | $= \frac{\text{Smoothly Assets}}{\text{Total Assets}}$                                   |
|    |                       | Non-Permanent Asset Structure Against Total Assets            | $= \frac{\text{NonFixed Assets}}{\text{Total Assets}}$                                   |
|    |                       | Other Asset Structure Against Total Assets                    | $= \frac{\text{other assets}}{\text{Total Assets}}$                                      |
| 2  | Funding Decisions     | Debt to Equity Ratio (DER)                                    | $DER = \frac{\text{Total Amoun of debt}}{\text{Total capital}}$                          |
|    |                       | Debt to total Assets Ratio (DAR)                              | $DAR = \frac{\text{Total Hutang}}{\text{Total Aset}}$                                    |
| 3  | Operational Decisions | Working Capital Turnover (WCT)                                | $WCT = \frac{\text{Sales}}{\text{Current Assets} - \text{Current Liabilities}}$          |
| 4  | Efficiency            | Cost of Sales Ratio to total revenue                          | $\text{Effisiensi} = \frac{HPP}{\text{Total income}}$                                    |
|    |                       | Ratio of Business Cost (Sales and Marketing) to total revenue | $\text{Efficiency} = \frac{\text{Business costs}}{\text{Total income}}$                  |
|    |                       | Ratio of General and Administrative Costs to total revenue    | $\text{Efficiency} = \frac{\text{General Fees}}{\text{Total income}}$                    |
| 5  | Financial performance | Rasio Lancar (Current ratio)                                  | $CR = \frac{\text{Aktiva Lancar}}{\text{Kewajiban Lancar}} \times 100\%$                 |
|    |                       | Perputaran Piutang (Receivable Turnover)                      | $RT = \frac{\text{Penjualan}}{\text{Piutang}}$   |
|    |                       | Perputaran Persediaan (Inventory turnover)                    | $IT = \frac{\text{Harga Pokok Penjualan}}{\text{Rata - Rata Persediaan}}$                |
|    |                       | Return On Asset (ROA)   | $ROA = \frac{\text{laba bersih setelah pajak}}{\text{Total Aktiva}} \times 100\%$        |
|    |                       | Return On Equity (ROE)  | $ROE = \frac{\text{laba bersih setelah pajak}}{\text{Total Modal}} \times 100\%$         |

Data analysis technique Data analysis in this study using SEM (Structural Equation Modeling) with PLS program application (Partial Least Square) version 2.0 PLS (Partial Least Square) was developed firstly by wold as common method to estimate path model using latent construct with mutipe indicator.

**RESEARCH RESULT AND DISCUSSION**

An indicator is valid if it has a loading factor above 0.50 (Imam Ghozali, 2006 : 39) of the intended construct. The Smart PLS output for loading factor gives the following results :

**Figure 2. Smart PLS Output For Loading Factor**



**Table 3. Result For Outer Loading**

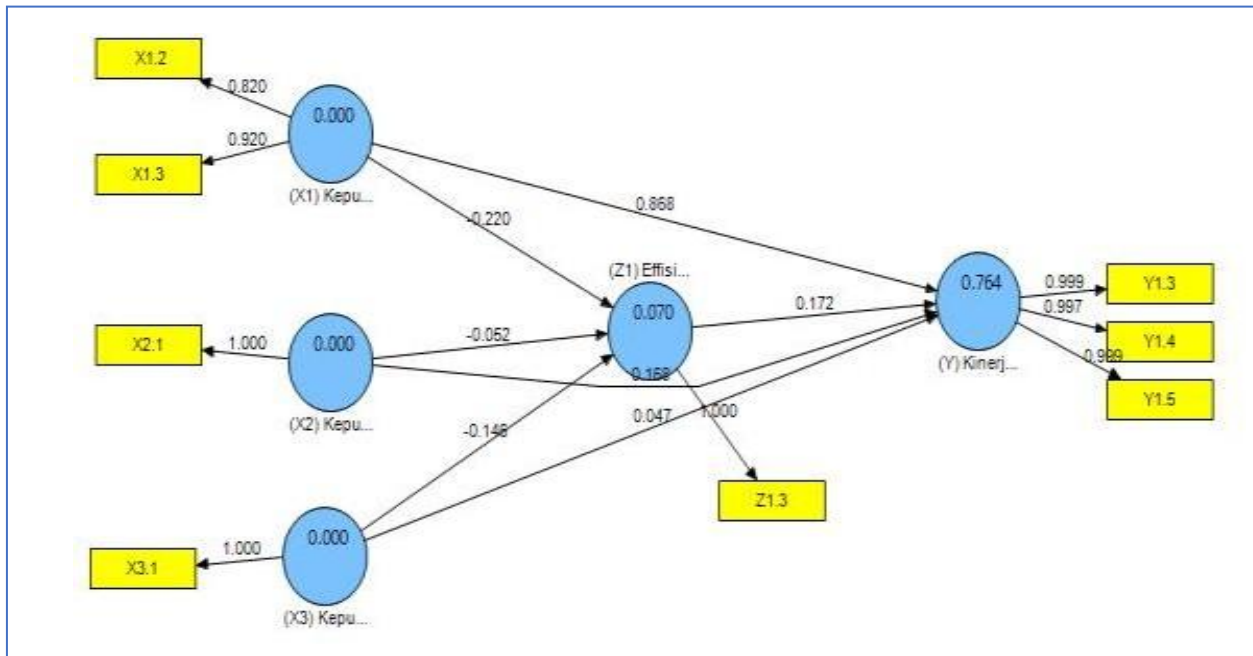
|      | (X1) Keputusan Investasi | (X2) Keputusan Pendaan | (X3) Keputusan Operasional | (Y) Kinerja Keuangan | (Z1) Efisiensi   |
|------|--------------------------|------------------------|----------------------------|----------------------|------------------|
| X1.2 | 0.799168                 |                        |                            |                      |                  |
| X1.1 | <b>-0.093631</b>         |                        |                            |                      |                  |
| X1.3 | 0.926530                 |                        |                            |                      |                  |
| X1.4 | <b>-0.167139</b>         |                        |                            |                      |                  |
| X2.1 |                          | 0.999839               |                            |                      |                  |
| X2.2 |                          | <b>0.097512</b>        |                            |                      |                  |
| X3.1 |                          |                        | 1.000000                   |                      |                  |
| Y1.1 |                          |                        |                            | <b>-0.044450</b>     |                  |
| Y1.2 |                          |                        |                            | <b>-0.329867</b>     |                  |
| Y1.3 |                          |                        |                            | 0.997931             |                  |
| Y1.4 |                          |                        |                            | 0.996443             |                  |
| Y1.5 |                          |                        |                            | 0.997979             |                  |
| Y1.6 |                          |                        |                            | <b>0.017044</b>      |                  |
| Z1.1 |                          |                        |                            |                      | <b>-0.005865</b> |
| Z1.2 |                          |                        |                            |                      | 0.541729         |
| Z1.3 |                          |                        |                            |                      | 0.855579         |

Source : Primary Data

Based on the data that has been described then there are some indicators used as a measure of the variable is removed from the model because it has a loading factor of less than 0.50 (Imam Ghazali, 2006: 43) and tested again to get better results.

Here's the Outer Loading result after dropping on one of the indicators in the variable :

**Figure 3. Outer Loading Result After Dropping on One of The Indicators**



**Table 4. Result For Outer Loading Dropping**

|      | (X1) Keputusan Investasi | (X2) Keputusan Pendaan | (X3) Keputusan Operasional | (Y) Kinerja Keuangan | (Z1) Efisiensi |
|------|--------------------------|------------------------|----------------------------|----------------------|----------------|
| X1.2 | 0.820088                 |                        |                            |                      |                |
| X1.3 | 0.920398                 |                        |                            |                      |                |
| X2.1 |                          | 1.000000               |                            |                      |                |
| X3.1 |                          |                        | 1.000000                   |                      |                |
| Y1.3 |                          |                        |                            | 0.999272             |                |
| Y1.4 |                          |                        |                            | 0.997222             |                |
| Y1.5 |                          |                        |                            | 0.999267             |                |
| Z1.3 |                          |                        |                            |                      | 1.000000       |

Source : Primary Data

The model now meets the Convergent Validity requirement because there is no loading factor whose value is below 0.05.

### Test Reliability

Reliability test is done by looking at the Composite Reliability value of the indicator block that measures the construct. Composite Reliability results will show satisfactory value if above 0.7 (Imam Ghozali, 2006: 39). Here is the value of Composite Reliability on output :

**Table 5. Composite Reliability**

| Variable                                     | Composite Reliability |
|--|-----------------------|
| <b>(X<sub>1</sub>) Keputusan Investasi</b>   | 0,863141              |
| <b>(X<sub>2</sub>) Keputusan Pendanaan</b>   | 1,000000              |
| <b>(X<sub>3</sub>) Keputusan Operasional</b> | 1,000000              |
| <b>(Y) Kinerja Keuangan</b>                  | 0,999057              |
| <b>(Z<sub>1</sub>) Effisiensi</b>            | 1,000000              |

Source : Primary Data

All variables have met a very good level of reliability indicated by all values of variables above 0.70 (as a Condition of Reliability Level).

### Structural Model Testing (Inner Model)

After the estimated model meets the Outer Model criteria, the next test is structured model (Inner model). Here is the R-Square value of the construct :

**Table 6. R-Square**

| Variable                                     | R Square |
|--|----------|
| <b>(X<sub>1</sub>) Keputusan Investasi</b>   |          |
| <b>(X<sub>2</sub>) Keputusan Pendanaan</b>   |          |
| <b>(X<sub>3</sub>) Keputusan Operasional</b> |          |
| <b>(Y) Kinerja Keuangan</b>                  | 0,763681 |
| <b>(Z<sub>1</sub>) Effisiensi</b>            | 0,069922 |

Source : Primary Data

Table R2 above gives a value of 0,069922 for variable (Z) Efficiency which means that (X<sub>1</sub>) Investment Decision, (X<sub>2</sub>) Decision of Pendanaan and (X<sub>3</sub>) Operational Decision can be explained (Z) Efficiency of 6,9% and the remaining 93,1% is not explained in this study on the other hand the value of 0,763681 for the variable of Financial Performance (Y) which means that means that (X<sub>1</sub>) Investment Decision, (X<sub>2</sub>) Decision of Pengdaaan and (X<sub>3</sub>) Operational Decision and (Z) finance (Y) of 76,3% and the remaining 23,7% is not described in this study.

To prove the hypothesis is to see the significance of the influence between variables by looking at the coefficient parameters and significance t-statistic. In PLS 2.0 it is done by looking at Algorithm Bootstrapping report, following result :



Figure 4. Algorithm Boostrapping report

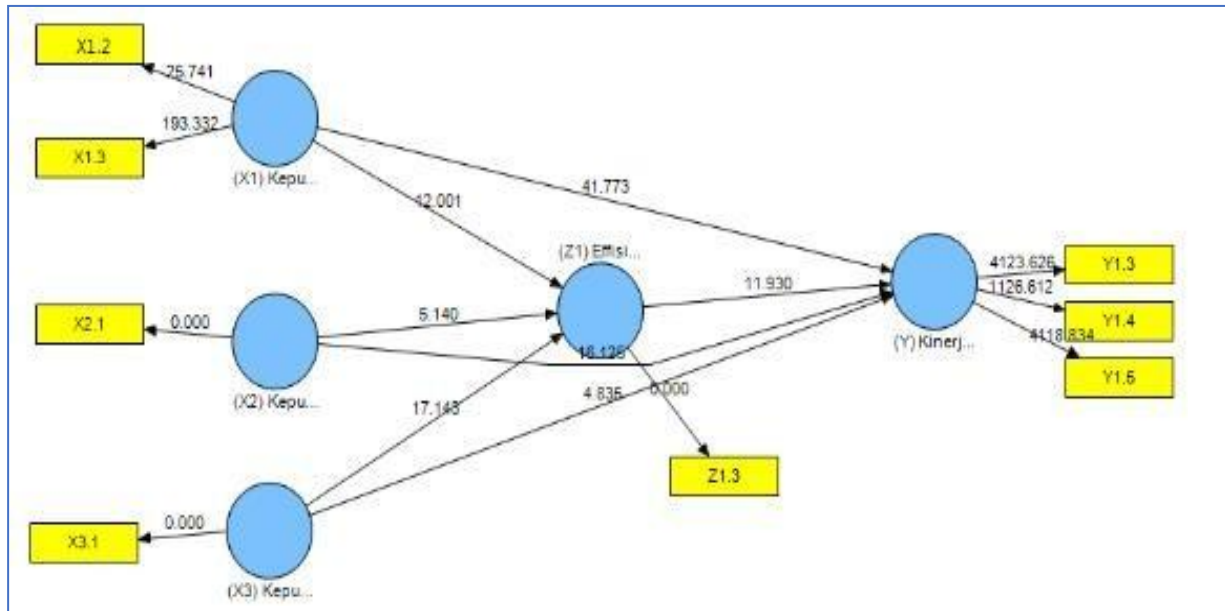


Table 7. Path Coefficients (Mean, STDEV, T- Values)

| Variable  | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | Standard Error (STERR) | T Statistics (O/STERR) | Keterangan             |
|---|---------------------|-----------------|----------------------------|------------------------|------------------------|------------------------|
| (X <sub>1</sub> ) Keputusan Investasi > (Y) Kinerja Keuangan          | 0,868111            | 0,862589        | 0,020782                   | 0,020782               | 41,772748              | Berpengaruh Signifikan |
| (X <sub>1</sub> ) Keputusan Investasi > (Z <sub>1</sub> ) Efisiensi   | -0,219505           | -0,224447       | 0,018291                   | 0,018291               | 12,000581              | Berpengaruh Signifikan |
| (X <sub>2</sub> ) Keputusan Pendaan > (Y) Kinerja Keuangan            | 0,168418            | 0,167611        | 0,010445                   | 0,010445               | 16,124671              | Berpengaruh Signifikan |
| (X <sub>2</sub> ) Keputusan Pendaan > (Z <sub>1</sub> ) Efisiensi     | -0,052254           | -0,052167       | 0,010167                   | 0,010167               | 5,139744               | Berpengaruh Signifikan |
| (X <sub>3</sub> ) Keputusan Operasional > (Y) Kinerja Keuangan        | 0,047465            | 0,047923        | 0,009817                   | 0,009817               | 4,835052               | Berpengaruh Signifikan |
| (X <sub>3</sub> ) Keputusan Operasional > (Z <sub>1</sub> ) Efisiensi | -0,145880           | -0,146783       | 0,008510                   | 0,008510               | 17,142576              | Berpengaruh Signifikan |
| (Z <sub>1</sub> ) Efisiensi > (Y) Kinerja Keuangan                    | 0,171605            | 0,174130        | 0,014384                   | 0,014384               | 11,930411              | Berpengaruh Signifikan |

Source : Primary Data

Path Coefficient shows the significance of the relationship between variables in the study. Thus gives the following results :

H1: Investment decisions have a significant effect on the efficiency of construction service companies and supporting. The coefficient of influence Investment decisions on efficiency is significant, the value of T-statistics of 12,000581 > 1,96. The original value of sample estimate is -0,219505 shows



the direction of the relationship between investment decisions on efficiency is opposite direction that can be interpreted that if the investment decision is improved then the efficiency decreased.

*H2: Investment decisions have a significant effect on the financial performance of construction service companies and supporting.* Based on the table of influence Investment decisions on financial performance is a significant influence, the value of T-statistics of  $41,772748 > 1,96$ . The original sample estimate value of  $0,868111$  shows the direction of the relationship between investment decisions on financial performance is unidirectional that can be interpreted that if the investment decision is improved then the financial performance also increased.

*H3: The funding decision has a significant effect on the efficiency of the financial performance of the construction service companies and supporting.* Based on the table of influence The funding decision on efficiency is significant, the value of T-statistics of  $5,139744 > 1,96$ . The original sample estimate of  $-0,052254$  shows the direction of the relationship between the funding decision to efficiency is the opposite direction that can be interpreted that if the investment decision is improved then the efficiency decreases.

*H4: Funding decisions have a significant effect on the financial performance of the construction services companies and its supporting.* Based on the table of influence Funding decision on financial performance is a significant influence, the value of T-statistics of  $16,124671 > 1,96$ . The original sample estimate value of  $0,168418$  shows the direction of the relationship between investment decisions on financial performance is one way that can be interpreted that if the funding decision is improved then the financial performance has increased as well.

*H5: Operational decisions have a significant effect on the efficiency of the financial performance of the construction services company and its supporting.* Based on the table of influence Operational decisions on efficiency is significant, the value of T-statistics of  $17,142576 > 1,96$ . The original value of sample estimate is  $-0,145880$  shows the direction of the relationship between operational decisions on efficiency is the opposite direction that can be interpreted that if the investment decision is improved then the efficiency decreased.

*H6: The operational decisions have a significant effect on the financial performance of the construction services company and its supporting.* Based on the table of influence Operational decisions on financial performance is a significant influence, the value of T-statistics of  $4,835052 > 1,96$ . The original sample estimate of  $0,047465$  indicates the direction of the relationship between operational decisions on financial performance is the direction that can be interpreted that if the funding decision is improved then the financial performance also increased.

*H7: Efficiency decisions have a significant effect on the financial performance of construction and supporting companies.* Based on the table the effect of efficiency on financial performance is a

significant influence, the value of T-statistics of 11,930411 > 1,96. The original sample estimate value of 0,171605 shows the direction of the relationship between operational decisions on financial performance is one direction that can be interpreted that if efficiency is improved then the financial performance also increased.

## **CONCLUSIONS, & RECOMMENDATIONS**

### **Conclusion**

Based on the test result and discussion, it can be concluded that investment decision, funding decision and operational decision have a significant effect to financial performance and efficiency of its construction and supporting service company listed on Indonesia Stock Exchange (IDX).

### **Suggestions**

From the results of research, then for the benefit of the company, as well as further science delivered some suggestions as follows:

1. The findings obtained by researchers can be input and consideration to develop the next research so that the development of science, especially Science of financial management in decision-making or policy in accordance with the development and the real state of a company.
2. To the leaders of the company to always pay attention to all forms pembiayaan existing in the company to improve financial performance.

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