Asset Management in Improved Performance Optimization

Eni Wuryani
Universitas Negeri Surabaya

ABSTRACT

Asset management is a systematic process of deploying, operating, maintaining, upgrading, and disposing of assets cost-effectively. The purpose of this study was to analyze the management of asset management in optimizing the performance improvement. This study was conducted in 12 Regional Owned Enterprises (BUMD) in East Java. Asset management is measured by using the accounts receivable turnover and total asset turnover. Performance is measured by Return on Equity (ROE). Data were taken from the financial statements BUMD in 2010-2014. Analysis of data using multiple linear regression using SPSS. The results showed no effect on the asset management performance, this is due in asset management enterprises must conform existing regulations. Bureaucracy and rules that must be done, enterprises that no decree in the operation can not be optimal in conducting its operations. Submission of incomplete asset legality of the government, can not be reported as assets of enterprises.

INTRODUCTION

This study analyzes the management of asset management in optimizing the performance improvement on Regional Owned Enterprises (BUMD) of East Java Province, there are 12 enterprises in East Java. BUMD majority ownership is held by the government of East Java Province. Asset management is a systematic process of deploying, operating, maintaining, upgrading, and disposing of assets cost-effectively. Value of the company is very important and needs to be improved for the benefit of shareholders and stakeholders in order to increase shareholder wealth, and the interests of other stakeholders. It is therefore necessary to understand what factors that influence the value of the company in order to enhance corporate value. Firm value is reflected in the company's market price, and is a price to pay when the company experienced take over. (Ocean Tomo, 2009). Malackowski (2009) states that this value deviation or gap indicates that the assets which physically and financially reflected in the company's balance are calculated less than 20% of the actual value of the company. Their research further showed that a significant portion of the value of these intangible assets are patents on the technology. The results of this study was strengthened by Ben McClure (2009) which results in his study of 3500 companies in the United States proves that the current book value was only 28% of market value (in 1975 still 95%), and in the last 20 years there is a dramatic increase in the value of intangible assets. From the statement indicates that the significant differences between the book value and the company's market value because the increase of intangible assets in the company. The company's main goal is to enhance corporate value by increasing the prosperity of the investors or shareholders. The higher the value of the company the greater the prosperity that will be received by the owner of the company or the investors (Fama, 1978; Wright and Ferris, 1997; Walker, 2000) in the Haruman (2007). To increase the value of the company which also means prosperity for investors, managers try to maximize the welfare of investors by making financial decisions and policies, investment decisions, and dividend policy. These three financial decision needs to be done because the decision was mutually affect one another and can affect firm value (Jensen & Smith, 1984; Fama and French, 1998).

Asset Management is an asset management process both tangible and intangible that has economic value, commercial value, and the exchange rate, to encourage the attainment of the objectives of the individual and the organization. Through the process of management planning, organizing, leading and Controlling. aims to benefit and reduce the cost (cost) efficiently and effectively. Basically Asset can
classified into two main parts: the current assets and non-current assets. Which includes a group of current assets is as follows: (a) cash, or cash that can be used to finance the company’s operations. (b) Short-term investments (c) notes receivable. (d) Accounts receivable. (e) Inventories. While the definition of non-current assets are: (a) Long-term investment. (b) Fixed assets, (c) intangible fixed assets. (d) Charges were suspended. (e) Other assets.

**Methodology:**
This research uses SPSS regression for analysis and the data are the entire annual financial statement data BUMD in 2010-2014. There are 31 data used in this research. The data used in this research is the documentation of data. The independent variable is asset management, and the dependent variable is kinerja. Asset management is measured by proxy receivable turnover and total asset turnover. Performance is measured by ROE.

Here is the formula receivable turnover, asset turnover and ROE:

\[
\text{Receivable turnover} = \frac{\text{Net sales}}{\text{Average Receivables}}
\]

\[
\text{Total asset turnover} = \frac{\text{Net sales}}{\text{Total assets (t-1)}}
\]

\[
\text{ROE} = \frac{\text{Loss for the year}}{\text{Total equity}}
\]

**Specification:**

\[
Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + e
\]

**Table 1: Description of Research Variables.**

<table>
<thead>
<tr>
<th>Model</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>PP</td>
<td>31</td>
<td>0.04</td>
<td>139.95</td>
<td>10.194</td>
<td>26.8327</td>
</tr>
<tr>
<td>PA</td>
<td>31</td>
<td>0.00</td>
<td>21.00</td>
<td>0.8352</td>
<td>3.7437</td>
</tr>
<tr>
<td>ROE</td>
<td>31</td>
<td>0.00</td>
<td>19.04</td>
<td>1.5042</td>
<td>4.71264</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>31</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Number : Output SPSS, dioolah penulis

The amount of data processed in the study a number of 31. The data show the number of rounds receivable and the amount of at least 0.04 at 139.95 maximum. The average amount of accounts receivable turnover of 10.19 and a standard deviation of 26.83. Data total asset turnover indicates the minimum amount of 0.00 and maximum number of 21.00. The average amount of total asset turnover of 0.83 and a standard deviation of 3.74. ROE shows a minimal amount of data and number maximum 0,00 19.4. The average number of ROE of 1.50 and a standard deviation of 4.71.

**Table 2. Results of Regression**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>1,746</td>
<td>2</td>
<td>873</td>
<td>.037</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>664,523</td>
<td>28</td>
<td>23,733</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>666,268</td>
<td>30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a.</td>
<td>Dependent Variable: ROE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td>Predictors: (Constant), PA, PP</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on the results of multiple linear regression, asset management does not affect the performance. Results of this study showed results greater alpha of 0.05 is equal to 0.964.

**Table 3: Coefficients**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.555</td>
<td>.964</td>
<td>.612</td>
</tr>
<tr>
<td></td>
<td>PP</td>
<td>.000</td>
<td>.033</td>
<td>.002</td>
</tr>
<tr>
<td></td>
<td>PA</td>
<td>-.064</td>
<td>.238</td>
<td>-0.051</td>
</tr>
<tr>
<td>a.</td>
<td>Dependent Variable: ROE</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

When a simultaneous test of no effect, it does not need to see the partial test asset turnover and accounts receivable turnover ROE.

**RESULTS AND DISCUSSIONS**

As the above evidence, the results of hypothesis testing, by specifying relationships between variables in this model shows also the not significance test by comparing the p-value with α (alpha). In fact, it produces endogenous variable Return on Equity that can be significantly explained by exogenous asset management.

Management of an asset well, we need a system of asset management information that governs the process of managing an asset so that the existence of
an asset in an entity accountable. Transferring assets from East Java Government must be accompanied by formal legality. When the assets given to the legality of the enterprises no tidy enterprises can perform the optimization of a given asset.

Summary:
The results showed no effect on the asset management performance, this is due in asset management BUMD must conform existing regulations. Bureaucracy and rules that must be done, enterprises that no decree in the operation can not be optimal in conducting its operations. Submission of incomplete asset legality of the government, can not be reported as assets of BUMD.

REFERENCES
Huges Duncan, 2005. Asset Management In Theory and Practice, New Age International, United Kingdom