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**THE INFLUENCE OF INTEREST, JCI, EXCHANGE RATE, ECONOMIC GROWTH, AND INFLATION ON THE PERFORMANCE OF EMPLOYEES HEALTH INVESTMENT IN BUKIT ASAM FOUNDATION**

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**Abstract:** This study aims to determine the effect of interest rates, JCI, Exchange Rate, Growth Economy and Inflation on Investment Performance Employees Health Foundation Bukit Asam. In this study, researchers used a regression method with a quantitative approach. The comparative research hypothesis is a hypothesis formulated to provide answers to the issues that are of influence. The population in this study were all of Interest Rate, JCI, Exchange Rate, Economic Growth and Inflation, and investment companies. Where the data of this study is the Interest Rate, JCI, Exchange Rate, Economic Growth and Inflation and investment company 2013 to 2017 period. The test used to test instrument this research is normality test, autocorrelation, Multicollinearity, heteroscedasticity. The results of the study that variable interest rates and a significant positive effect inverse of  $<0.05$  and JCI positive and significant effect of  $<0.05$  on the dependent variable, while the rupiah, Growth, and inflation is negative and not significant. While simultaneously or together there is a positive and significant influence of the independent variables on the dependent variable with a coefficient of determination of 10.1% while the remaining 89.9% is a combination of other factors not included in this study.

**Keywords:** Interest Rate, JCI, Value Rupiah exchange, Economic Growth, Inflation and Investment

**INTRODUCTION**

Health is not everything, but without health everything means nothing. That's what always encouraged by the Health Bukit Asam Foundation to all active and retired employees of PT Bukit Asam for Bukit Asam's Health Foundation is a guarantor of health and other social activities for employees and the retirees. Bukit Asam Company Limited listed himself as a public company in Indonesia Stock Exchange under the code "PTBA" engaged in mining.

Given the mining process is very risky for the miners, resulting in the company seeks to provide a means guarantor of health and safety for employees. The continuity of the implementation of health programs in question can be assured smoothly will require funding for the implementation of the program.

Funding is to be done in a professional, integrated and focused, especially about the development of the wealth of the Foundation. As a potential business strength in collecting and processing the employee fund in the long term, regulatory and investment restrictions are primarily aimed at maintaining the liquidity of existing funds, because the resources of the Foundation is derived from employee contributions, employer contributions and the company or investment returns which should eventually be returned to the owners or employees and retirees in the form of health benefits.

Since 1990 started to be held for the salary allowance for health programs, but pensioners have previously remained fixed dues and facilities guaranteed by the Company. More and more, the Company's financial burden by the number of health claims is quite large for retirees disease condition is a degenerative disease that requires a high cost. For that Bukit Asam, Health Foundation should generate a high return and keep the managed funds to remain safe and to optimize the investment portfolio to ensure sufficient funds for health programs Retired and active employees of PT Bukit Asam. In managing their wealth, especially in investment placement, the Foundation must be guided by the directives of the Founder based investment laws and regulations that exist.

In an investment activity, interest rates, indices, and the foreign exchange rate should be taken into account to determine the composition of the selection policy of investigation. activities of the composition of the investments that got a bigger part in the placement of investment are in the form of deposits Deposito. The other permitted forms of investment are stocks, Bonds, Mutual Funds, Investment in shares as well as land and building. Determining the composition of the investment made will certainly affect the return obtained by the Foundation. In addition to the composition of the investment, usually of economic growth and inflation also affects the performance of a company.

Based on the background trouble and supported by existing theories and equipped with data and facts from PT.BA, Therefore, this study was conducted by taking the title the influence of the level of interest rate, stock price index (CSPI), Exchange Rate, Growth Economy and Inflation on Investment performance Employees Health Bukit Asam Foundation.

## LITERATURE REVIEW

### **Flower degree to influence the performance of the Investment Foundation.**

Every businessperson good entrepreneurs, managers, individuals in carrying out economic and business activities can not be separated from a variety of alternative investment decisions and investment and financing. Decision a mutual decision. Theoretically, the reliability of investment and financing decisions are highly dependent on interest rates applicable. Pemahaman in more depth about the characteristics of the interest rate is very helpful in the accuracy of the results of investment decisions and financing decisions.

Diversity term interest rates have consequences on the determination of the amount of the cost of the use of funds and the determination of the expected results of an investment project. The high-interest rates also will increase capital costs to be borne by the company and also will lead to the return signaled investor from an investment will be increased to presumably influence interest rate on the investment performance of the foundation.

### **Effect of Composite Stock Price Index of the Investment Performance**

The stock price index is the door and the beginning of our considerations to make investments, because of this index we know the situation in general. An index number is a number that made such that it can be used to compare the activities or events such as changes in stock prices over time. The increase in the stock price index shows the market is changing passionate. Not share price index showed the situation was stable, whereas if the price index stocks decline significantly market conditions are showing sluggishness. When the stock price index (CSPI) has been above 100 means the market is in a state crowded, otherwise when JCI under the number 100 means the market is in a lethargic state. When JCI right shows the number 100, then the market was stable.

Generally, a high index indicates a high potential gain from the company that has the leading shares. For the foundation, higher market prices than the price of the acquisition of its shares resulted in the value of the wealth of the Foundation.

Economic growth and inflation rates affect the stock price. If economic growth increases people's purchasing power increases, which will increase the rate of inflation. If inflation increases, assuming demand remains stock and stock offerings increased, then the stock price will decline so it can presumably JCI influence the investment foundation.

### **Effect of Exchange Rate on Investment.**

Exchange Rate (Exchange Rate) or more popularly known by the name of the currency exchange rate is a record (quotation) market price of a financial transaction. The exchange rate is the macroeconomic variables that influence stock price volatility. The depreciation of the domestic currency will increase the volume of exports. When the international market demand is quite elastic it will improve the cash flow of domestic companies, which then increases in stock prices, which is reflected in JCI. Conversely, if the issuer buys products in the country, and has a debt in the form of dollars then the share price will go down.

Exchange rate depreciation will raise the stock price reflected on the JCI in the economy experiencing inflation. When the exchange rate rises so that the production of goods or services produced the country will be expensive when calculated with the currencies of other countries. As a result, the demand for goods and services is expected to decline and there is a possibility of the use of substitution which in turn will further depress demand.

Declining demand will be addressed by the manufacturer by reducing the supply to reach a new equilibrium. Supply reduction is done by reducing production. When production has decreased, people, as the recipient of factors of production and the company as the manufacturer will experience a decline in income. As a result of funds provided for in investigation and store will be reduced, so that it can presumably influence Investment Exchange Rates against the foundation.

### **Effect of Growth Investment performance Ekonomiterhadap**

Economic growth is the increase in output of capita and is continuous in the long term. Economic growth is one indicator of the success of the development. Thus the higher the

economic growth is usually the higher the welfare of the community, although there are other indicators that the distribution of income.

The main contributor to economic growth on the demand side to date is estimated to come from consumption and export. while the supply-side economic growth is expected to come from industry and trade as well as investment.

Economic growth has a positive relationship with the investment. This means that when the Gross Domestic Product (GDP) rises, changes to the investment will increase. So it can be suspected of the influence of economic growth on the investment performance of the foundation.

### **Inflation influence on the performance of the Investment**

Inflation led to rising prices in general and continuously, resulting in a decrease in the purchasing power of individuals and companies. When the costs rise, then to maintain the level of profit, the company raised the price. The level high inflation is typically associated with economic conditions that are too hot ( overheated). That is, the economy experienced a demand for a product that exceeds the capacity of its product offerings, so prices-prices tend to rise. Inflation is too high will cause a decrease in the purchasing power of money (purchasing power of money). Also, high inflation can reduce the level of real income earned from the investment so that investors can presumably Inflation effect on investment performance.

### **Influence jointly Rate, JCI, Exchange Rate, Economic Growth and Inflation on Investment Performance**

The reliability investment and financing decisions are highly dependent on the prevailing interest rates. From borrower interest rate is the cost of the use of funds (cost of borrowing funds) should be considered in funding decisions, while from the standpoint of lenders the interest rate is the rate expected results (required return).

The high-interest rates also will increase capital costs to be borne by the company and also will lead to the return signaled investor from an investment will increase.

Interest rates on deposits have a reciprocal relationship, which means that if interest rates rise, inflation will rise as well, and vice versa if interest rates go down, inflation will come down. Rising interest rates will simultaneously lead to higher inflation and stock prices affected economic growth.

If economic growth increases people's purchasing power increases, which will increase the rate of inflation. If inflation increases, assuming demand remains stock and stock offerings increased, then the stock price will go down. While the exchange rate of a currency that results from interactions between the demand and supply including the market of foreign currency will decline to foreign currencies are the US dollar will have an impact on the rising cost of imported raw materials and equipment needed by the company so that the rising cost of production, or in other words, the weakening of the rupiah against the US dollar hurt the national economy which in turn decreases the performance of the company so presumably the influence of interest rate, exchange rate, stock index,

## METHODOLOGY

In this study, researchers used a descriptive quantitative method that will be used to assess the effect of interest rate, exchange rate, stock index, economic growth, and inflation employee health foundation PT.BA.

In this study the type, source, and data collection techniques that will be used are:

1. Research field (Field Research), is conducting research PT.BA directly to the site to collect data and information related to the independent variables on the dependent variable on the health foundation PT.BA. Data collection is done by direct interviews with stakeholders in PT.BA.
2. Library research (library research) is conducting the research literature by taking a few references and literature relevant to the problems studied. Theories of severe and research management experts gathered to support the framework's purpose of doing research.

### Population and sample

1. Population according to Sugiyono (2006: 35) is a generalization region consisting of the object or subject that has certain characteristics that set quality researchers to learn and then withdrawn conclusions. In this study population was all grades interest rate, exchange rate, stock index, economic growth and inflation during the year 2013-2017.
2. Samples according to Kuncoro (2013: 118) is part of the number and characteristics possessed by this population. What was learned from the sample, the conclusion will be applied to the population. The samples used for this study are the interest rate, exchange rate, stock index, economic growth and inflation over the years 2013-2017.

## RESULT AND DISCUSSION

### Descriptive statistics

Investment performance on average over a period of 5 years is at 227 027, the minimum value of investment performance seen at 140.27 in June 2013 and reached a maximum value of 385.15 in December 2017. The deposit interest rate for 5 years at the level of the average 9:10%, The smallest level stood at 5.9% in July 2017 and the highest level reached 12.8% from May to October 2013. Indeks Price (JCI) for 5 years is at 1953.93. The smallest index recorded in February 2014 at 1230.66 while the highest index recorded in December 2015. The rupiah exchange rate against the dollar during the 5-year average is at US \$ 10254.80 / USD. Reached its lowest point in April 2014 amounted to Rp. 9275.00 / USD and reached its highest in November 2017 amounted to USD 12651.00 / USD. Indonesia's economic growth rate of over 5 years on average in the range of 5.83%, while the smallest growth rate recorded in July 2013 at 4:19% and the largest growth rate was achieved in December 2014 at 6.85%. The inflation rate in Indonesia during the 5-year average at the level of 0,42% per month, while the lowest rate of inflation is shown in September 2017 amounted to -0.35% and the highest figure recorded up to 3:29% in July 2017.

## Multiple Linear Regression Analysis

### Normality test

Based normality test results, the Kolmogorov-Smirnov column can be in the know that the significant value of Interest Rate 0.108, 0.076 JCI, US Dollar exchange rate of 0.002, 0.149 Ekonomi Growth and Inflation 0.456. Because of the significant value for all variables must be greater than 5% or 0.05. In sig > 0.05 then H0 accepted or in other words the data studied to meet the normal distribution.

### Multicollinearity test

From the results of the statistical calculation table 4.3 above, it can be in the know that the value of Variance Inflation factor (VIF) for a variable interest rate of 2.436, JCI 1.271, 2.695 rupiah exchange rate, Economic Growth and Inflation 1.046 2.978.

Based on the above output is obtained throughout the independent variables meet the requirements of tolerance values > 0:01 and VIF <10.00 which indicates that between independent variables does not happen multicollinearity.

### Heteroskedastisitas test

It can be in the know that the value of Significance for the variable Interest Rate 0.017, 0.787 JCI, the US Dollar exchange rate 0.958, 0.341 Inflation 0,134dan Economic Growth. Thus for X1 sig <0.05, H0 has rejected means that there are symptoms of variable heteroskedasticity while others are not.

### Autocorrelation test

The value of  $d = 0.39$  The table compared with the Durbin Watson show with  $n = 60$  and  $k$  (the number of variables) = 6 obtained  $dL = 1,248$  smaller, it can be concluded there is no autocorrelation in the models studied.

### F test

F test the effect of an independent variable on the dependent variable of Residual amounts Sum of Squares (RSS) amounted to 14.990 with significant values (0.000) < 0.05 with a value amounting SSReg; 1188163.400 df = 5 of SSReg of 856062.603 df = 54.

### Significant Test Parameters Multiple Linear Regression

This test examines the calculated F value be obtained by comparing the F-table and a significant level of  $\alpha = 0.05$  (5%). In the test F-test, if the F-count < F-table and Sig. > 0.05 then H0 is accepted, it means that the independent variable does not affect the dependent variable. Conversely, if the F-count > F-table and Sig. < 0.05 then Ha accepted, meaning that the independent variables affect the dependent variable.

From the test results of t-test, output generated as follows:

1. Ho:  $b_1 = b_2 = b_3 = 0$ ,
2. Ha:  $b_1 \neq b_2 \neq b_3 \neq b_4 \neq b_5 \neq 0$ ,

Statistics count :

$$188163.400 / 5 = 237632,680 = 14,990$$

$$856062.603 / 54 = 15853.011$$

From the results of the test statistic obtained F count = 14.990. The significance value (probabilitasnya) is smaller than a significant level used in penilitian  $\alpha = 0.05$ . Results showed no effect on the value of the independent variables together on the dependent variable, so  $H_0$  is received and  $H_a$  is rejected.

Thus the hypothesis to six stating a significant difference between the independent variables together to dependent variable proven or relevant.

### **Coefficient of Determination Regression**

Of the coefficient of determination (Adjusted R-square) obtained at 10.1% which is the contribution of the independent variables together on the dependent variable, while the remaining 89.9% is contributed by other factors not be input in our model.

### **CONCLUSION**

1. For the first hypothesis that the value sig (0.00) <(0.05), so that the initial hypothesis that reads There is the influence of the Interest Rate Investment Foundation significant negative effect.
2. For the second hypothesis obtained sig (0.005) <(0.05), so that the initial hypothesis that reads There is the influence Composite Stock Price Index of the Investment Foundation significant positive effect.
3. For the third hypothesis that the value sig (0.422)> (0.05) so that the initial hypothesis that reads There is the influence of Exchange Rate on Investment Yayasanpengaruhnya negative and insignificant. According to prevailing theories and previous research that there is significant influence between the Exchange Rate of the investment, but the results from this study showed the effect is not significant because the company invests in Rupiah.
4. For the fourth hypothesis that the value sig (0.986)> (0.05) so that the initial hypothesis that reads There is the influence of economic growth on the negative and not significant Investasipengaruhnya caused because there is a scarcity factor the availability of treatment facilities in the country so that the employees have to do treatment abroad,
5. For the fifth hypothesis is obtained and sig (0,447)> (0.05) so that the initial hypothesis that reads There is the influence of Inflation on Investment Foundation and no significant negative impact due to the inflation rate is valid for 5 years, according to the company high enough to result in the fall of the purchasing power of the investment rate decreased company.
6. The sixth hypothesis is a hypothesis testing together, which reads "There is the influence of Investment, Interest Rate, Composite Stock Price Index, Exchange Rate, Economic Growth, Inflation simultaneously to the Investment Foundation" test results obtained with the calculation of F count = 14.990> 1.264 with sig (0.00) <(0, 05) to obtain a decision to accept the initial hypothesis made

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