

ABSTRACT

*The effect of the Internal and External factors
On the financial performance of the Listed
manufacturing companies in Indonesia*

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The establishment of a company is aimed to increase wealth of company owner or stock holder of a listed company. The financial performance is very important for the stock holder as a sign that company is on its right track and should be maintain properly.

Unfortunately, since the mid of 1997 the monetary crisis had attacked Indonesia. Rupiah plunge sharply to its lower value, the due of international loan hurtled Indonesia economy and business painfully, and national banks increase bank interest even halted credit policies due to monetary chaos. It is very rational this conditions influence the performance of company listed in Indonesia, especially in Jakarta Stock Exchange (JSX). Increasing the price, in Rupiah of imported material and other goods as well as services from other countries that based on dollar value distorted the companies ability to maintain their financial performance.

The aims of this study were to analyze the influence of internal and external factors to financial performance of manufacturing industry of go public companies in Indonesia. Hypotheses of this research were predicted based on Internal and External analysis from SWOT method and financial performance theory.

Research population was manufacturing industry companies that have been registered in Jakarta Stock Exchange since 1996 and were still active in 2000, and had foreign transactions. Data samples were 31 companies. Data analyzing technique to answer the research questions and to examine the research hypotheses using SPSS version 10.01.

Analysis result, price to book value ratio and Inventory turn over of internal factors were insignificant. IHSG of external factors was insignificant too. The empirical evidences found that internal factors influence financial performance dominantly.

Key words: internal factors, external factors, financial performance, listed company, monetary crisis.