

EXECUTIVE INFORMATION SYSTEM ON STOCK TRADING IN JAKARTA ISLAMIC INDEX (JII)

(Sistem Informasi Eksekutif Pada Perdagangan Saham Di Jakarta Islamic Index (JII))

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Abstract

This study will examine the effect of executive information systems on stock price trading in the Jakarta Islamic Index (JII). Testing this research using library research techniques (Library Research) which is descriptive. Which in this study uses supporting data from previous studies. The results of the study show that the executive information system (SIE) has a significant effect on the trading price of share listed on the Jakarta Islamic Index (JII).

INTRODUCTION

Information technology can help companies to increase the efficiency and effectiveness of a process in their business, in management decision making and collaboration of a work group so that it can increase the competitiveness that occurs in the stock market which changes over time (Sudirman, 2020). Based on this opinion it can be said that currently information technology has an important role in the business world. This is inseparable from how to build and apply information technology that has been developed in a business so that the business becomes more effective, which is called an information system. An executive needs an information system that is fast, precise and accurate, besides that, with the availability

of various supporting facilities that make it easy to use but also can improve the quality of the decision-making process. The decision to invest is one of the most important things for investors, this is because an investment decision is related to profits (returns) and risk (risk) which comes from the investment that must be made by investors.

One part of internal control in a company is the management information system itself which is used as an alternative to solving business problems. Executive Information System is one of the management information systems used in the business world. This executive information system or SIE is a type of management information system designed to support and provide information requirements or executive decision making by enabling quick access to internal and external data that is important for achieving a strategic goal for an organization. (S.K. Singh, 2002). In other terms, SIE can be known as Executive Support System (ESS) because senior management uses it to assess, evaluate, and develop business strategy. This is the type of information system has composed of various data sources formed in a summary (Sutabri, 2012). In this case, the system simply displays reports and graphs of all business processes with in a company or organization so that it can make it easier for an executive to make decisions.

Currently, a group of stocks that have special concern for investors in investing in stocks with the shariah system are as follows Jakarta Islamic Index (JII) This is because the securities included in the index have high liquidity and fairly large capitalization. There are several shares, namely 30 of the most liquid shariah-based shares listed on the Indonesia Stock Exchange (IDX). Jakarta Islamic Index(JII), a shariah stock index. Based on the Indonesian Sharia Stock Index or (ISSI) using the largest average market capitalization and at the average daily transaction value level in the normal market, the IDX determines and selects several Islamic stocks that are constituents of JII. JII reviews sharia-based stocks that make up its portfolio twice a year, in May and November.

Based on this review, it is necessary to plan according to the Executive Information System (SIE) which will be used in terms of making

decisions on stock trading on Jakarta Islamic Index (JII) (Soemitra, 2015). Thus, the question arises "Does the Executive Information System affect stock trading on the Jakarta Islamic Index (JII)?" . In this regard, the authors received encouragement to conduct a study on "Executive Information Systems for Stock Trading on the Jakarta Islamic Index (JII)"

LITERATURE REVIEW

MANAGEMENT INFORMATION SYSTEM

According to (Nugroho, 2018), Management Information Systems can be said to be one part of internal control in an organization or a company that does it in an organized manner which then forms a system planning that occurs between humans and technology that uses management principles and accounting rules as a shortcut in solving problems that are related to business, for example: service, product innovation, or other business strategies.

The use of information and communication technology which is used as a place to collect, organize, store and share data in various forms such as audio, video, text and numbers using a computer or a communication device which is the center of strength of an organization as well as part of the factors in generating and upgrade an organization (Onyeiwu, 2015)

The integration of the information systems described above has an important role in a system, namely the Information System (Nugroho, 2018), as follows:

1. Information System for Competitive Advantage.

In general, any business that wants to grow tries to produce innovative goods and services that meet the needs of its clients. Many tactics are needed to do this, such as offering goods and services at a lower cost while still ensuring their quality. Information Systems support the existence of a competitive advantage in general, in businesses that want to grow trying to produce innovative goods and services that meet the needs of their clients. Many tactics are needed to do this, such as offering goods and services at a lower cost while still ensuring their quality.

2. Decision Support System.

Every business employs a manager to carry out a decisionmaking process and produce a fix for a problem. Every business must pay close attention to how employees respond to problem solving to reduce short-term and long-term business losses. Every manager usually will face a number of alternative decision making options to solve the current problem during the problem solving process. In general, methods such as alternative solutions, standards implementation, and constraint information management can be used to carry out alternative problem solving processes.

3. Use of Information Technology in the Use of e-Commerce As.

a form of a company's operational facilities and infrastructure, both internally and externally, access to information technology is currently widely used by e-Commerce operators. One of them is to take advantage of the fast availability of information in the framework of a digital transaction activity for a type of B2B and B2C business (Budiarta, Ginting dan Janner Simarmata, 2020).

EXECUTIVE INFORMATION SYSTEM

Executive Information System (SIE), based on McLeod's book (2001), is a system specifically created for a manager to make a strategic plan and provide information to executives about the overall performance of a company where information can be retrieved easily and in various details and displayed. in the form of a graph, table, and narrative. Another opinion says that the executive information system is a kind of computer-based information system that is designed to support the information needs of executives related to achieving company goals (Achmad, 2018).

According to (Purwanto, 2020) in his journal entitled "Design of a web-based management information system in the UPT Bali agricultural biology laboratory for determining plant seed diseases" said Executive information is a calculation that is often used by executives in a company; This SIE is usually used to assess problems and find indications that are quite important, system management can also facilitate an information need

that has a relationship with the achievement of an organization's goals. (Sulistyo, 2019) shares the basic ideas of executive information systems into three categories: critical success factors (CSF), management by exception (MBE), which shows how planned performance is as well as an actual performance against comparison, and models. One's mind to understand, make judgments and estimates, choose the right steps, and cancel in execution.

SYARIAH STOCK MARKET

Syariah Stock Concept

Sharia shares are certificates in which they state the ownership of a company that has been issued or launched by a business activity committee and the process does not deviate from sharia principles. Shares are a letter that has a price that represents part of the main capital of the company. However, according to sharia principles, share capital is practiced in companies that do not conflict with sharia principles, such as for example gambling, usury or additions and the production of a prohibited item (Choirunnisak, 2019)

Syariah Stock Index

One indicator of the development of sharia stocks or the sharia stock market is the sharia stock index. The performance of Islamic stock portfolios is compared and measured with Islamic stock indexes (Abdalloh, 2019) The Islamic stock index is a fairly unique index because there is a collection of Islamic-based equities, which have been selected according to a set of standards which include: standard stocks that are in accordance with Islamic values . Currently, there are several sharia stock indices in Indonesia (BEI, 2020).

1. Indonesian Sharia Stock Index (ISSI), is an index which contains components contained in Islamic stocks listed on the IDX
2. *Jakarta Islamic Index* (JII) is a sharia-based stock index which was inaugurated and published on July 3 th 2000 in the capital

market. JII itself has 30 sharia shares that have been listed as liquid on the IDX.

3. *Jakarta Islamic Index 70 (JII70)*)which is a sharia index which was inaugurated on May 17 2018.

In addition, there are driving factors that cause Islamic stock prices in Indonesia to decrease and increase, as stated by (Andrian Prasetyo, 2020) that *Indeks Dow Jones Industrial Average (DJIA)* is the main factor that can increase and decrease sharia stock prices in Indonesia. The Dow Jones industrial average index is an index consisting of 30 large companies in the United States. Therefore, this is inseparable from the relationship between the Indonesian economy and the United States.

RESEARCH METHODS

Types of Research

In the research that is being carried out, it will use a type of approach, namely with library research (*Studi Kepustakaan*) which is descriptive. In this study, the focus is on explaining systematically and giving a description of the facts that have been obtained. Literature study can be interpreted as a series of activities regarding library data collection, reading and recording which are then processed into research material. (Zed, 2008)

The literature study also examines various books as references and uses previous research that has similarities in order to obtain a theoretical basis for the problem under study (Sarwono, 2010) This study analyzes executive information systems as well as stock trading in the Islamic stock market, namely *Jakarta Islamic Index (JII)*.

Data Source

Sources of information needed for this research come from various books, magazines and websites related to the subjects studied. There are two variables in this study namely Executive Information System and Sharia Stock Index or Jakarta Islamic Index (JII).

Method of Collecting Data

Methods of data collection is done by the method of Library Studies. As well as collecting and analyzing data in reference books, journals and papers that are related to the research being carried out. Looking for data and analyzing related to Executive Information Systems (SIE) and Islamic stock indexes on Jakarta Islamic Index(JII).

Data Analysis Technique

In data analysis, the technique used to research this is a descriptive analysis technique which is used to describe a phenomenon through the collected data.

DISCUSSION RESULTS AND CONCLUSIONS

Does the Executive Information System affect trading stock in Jakarta Islamic Index (JII)?.

The results of the research that has been carried out state that the Executive Information System (SIE) is an information system that should display a number of information from various other sources in a concise form and make it easier for an executive to make decisions or plans. In Executive Information Systems that can increase company competitiveness as well as a decision making system. Thus, the Executive Information System (SIE) can produce accurate data, and it is hoped that executives can make the right decisions.

With the existence of an Executive Information System (SIE), it will make it easier for executives to make investment decisions in stock trading Jakarta Islamic Index (JII) precisely and accurately. Which with the existence of an Executive Information System (SIE) can affect the trading of shares that have been registered into Jakarta Islamic Index (JII) namely by viewing and collecting data or history existing company Jakarta Islamic Index (JII). That matter supported by research from (Santoso, 2019) which has conducted testing on Earnings Proceeds Ratio (EPS), Return On Equity

(ROE) on stock prices at Jakarta Islamic Index (JII) which turned out to have a positive influence.

THANK-YOU NOTE

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