

The Effect of Gold Price on Profit Achievement at PT. Pegadaian (Persero) Maros Branch, South Sulawesi

Rachmawaty Kadir^{1*}, Andi Naila Quin Azisah Alisyahbana², Fajriani Azis³

^{1,2} Universitas Patompo, Jl. Inspeksi Kanal No.10 Makassar 90233, Indonesia

³ Universitas Negeri Makassar, Jl. A.P. Pettarani Makassar, 90222, Indonesia

*Corresponding e-mail: rachmawaty279@unpatompo.ac.id

ARTICLE INFO	ABSTRACT
Keywords: Gold price; Profit achievement Received: 20 May 2023 Accepted: 25 Jun 2023 Published: 30 Jun 2023	<p>The purpose of this research is to determine the effect of gold prices on profit achievement at PT Pegadaian (Persero) Maros Branch, South Sulawesi. This type of research is quantitative in nature explanatory. The population is the financial statements, and the sample is the profit and loss of PT. Pegadaian Maros Branch during the period 2018 - 2022. The data analysis technique used is simple linear regression with the help of the SPSS program. The results showed that the price of gold had a positive and significant effect on the profit achievement of PT. Pegadaian (Persero) Maros Branch South Sulawesi. This means that the price of gold is able to make a significant contribution to the achievement of the profit of PT. Pegadaian (Persero) Maros Branch South Sulawesi. Given the gold price factor that greatly affects the achievement of profit, PT. Pegadaian Maros Branch Sul-Sel needs to pay attention to pricing activities that will be carried out so that consumers and potential consumers / buyers know and understand the ups and downs of gold prices in PT. Pegadaian Maros Branch so as to increase the achievement of future profits.</p>

This is an open access article under the [CC BY-SA](#) license



1. INTRODUCTION

Gold has long been considered an asset and a symbol of wealth and stability. Its price is influenced by various factors, including global economic conditions, geopolitical events, and investor sentiment (Albaity et al., 2023; Bossman et al., 2023). For financial institutions and companies involved in the gold industry (Fanning, 2016), understanding the relationship between gold price fluctuations and their financial performance is crucial for effective decision-making and strategic planning (Greiner et al., 2014).

Gold price volatility has been a subject of great interest for investors, economists, and financial analysts (O'Connor et al., 2015; Yousef & Shehadeh, 2020). Fluctuations in gold prices can have significant implications for financial institutions, particularly those engaged in gold-related activities (Schmidbauer & Rösch, 2018; Su et al., 2022). PT. Pegadaian (Persero) Maros Branch operates in an environment where the gold market plays a crucial role in its operations and profitability. Understanding the relationship between gold price movements and profit achievement is vital for PT. Pegadaian (Persero) Maros Branch to manage risks effectively, optimize their revenue streams, and remain competitive in the market.

PT. Pegadaian (Persero) is a state-owned Pegadaian company in Indonesia that offers various financial services, including gold-based lending and collateral. As one of the leading players in the gold industry, PT. Pegadaian (Persero) is directly impacted by changes in gold prices, as they influence the value of gold collateral and the profitability of gold-based lending activities. Analyzing the relationship



between gold price and profit achievement is essential for assessing the financial performance of PT. Pegadaian (Persero) Maros Branch and understanding the dynamics of the gold market in South Sulawesi.

South Sulawesi, the location of PT. Pegadaian (Persero) Maros Branch, is known for its rich mineral resources, including gold. The region's gold market dynamics, influenced by both local and global factors, can significantly impact the profitability of the branch. The research conducted at PT. Pegadaian (Persero) Maros Branch will provide valuable insights into the specific market conditions and dynamics faced by a financial institution operating in South Sulawesi, contributing to the existing knowledge about regional variations in the gold market's effect on financial performance.

The objective of this study is to investigate the effect of gold price fluctuations on the profit achievement of PT. Pegadaian (Persero) Maros Branch. By analyzing historical gold price data and financial performance indicators, valuable insights can be gained regarding the relationship between gold price movements and the profitability of the branch. This research will provide empirical evidence and contribute to the existing body of knowledge on the gold market's impact on the financial performance of financial institutions.

To achieve the research objective, a quantitative research approach will be employed. Data will be collected from PT. Pegadaian (Persero) Maros Branch's financial reports and gold price data from reputable sources. Profit achievement will be measured using relevant financial performance indicators, such as net income, return on assets, and return on equity. Statistical analysis techniques, including regression analysis, will be utilized to examine the relationship between gold price and profit achievement.

Moreover, the research findings will provide valuable insights for policymakers and regulators in the financial industry. As gold plays a significant role in the Indonesian economy, understanding the impact of gold price on the financial performance of institutions like PT. Pegadaian (Persero) Maros Branch can inform policy formulation and regulatory measures to ensure the stability and sustainability of the gold market. The research outcomes can also contribute to the broader body of knowledge on the gold market's dynamics and its implications for financial institutions.

Additionally, this study can serve as a reference for researchers and academicians interested in the relationship between gold prices and financial performance. By examining the specific case of PT. Pegadaian (Persero) Maros Branch, the research can provide valuable insights into the micro-level effects of gold price fluctuations. Future studies can build upon this research to explore the broader implications for the financial industry and the gold market in different regions or countries.

The findings of this study are expected to have significant implications for PT. Pegadaian (Persero) Maros Branch and the broader financial industry. Understanding the relationship between gold price fluctuations and profit achievement can assist PT. Pegadaian (Persero) Maros Branch in developing effective risk management strategies, optimizing their gold-based lending activities, and making informed decisions regarding gold collateral valuation. Furthermore, the research outcomes can contribute to the industry's knowledge and serve as a basis for future research on the impact of gold prices on financial institutions' performance.

It is important to note that this study focuses specifically on PT. Pegadaian (Persero) Maros Branch in South Sulawesi. The results may have limited generalizability to other branches or financial institutions in different regions or countries. However, the findings can still provide valuable insights and serve as a reference point for similar studies in the gold industry or other financial sectors.

This study aims to explore the effect of gold price on profit achievement at PT. Pegadaian (Persero) Maros Branch in South Sulawesi. By examining the relationship between gold price fluctuations and financial performance indicators, this research will provide valuable insights for the branch's



management, industry practitioners, and researchers interested in the gold market and its impact on financial institutions' profitability.

2. METHOD

2.1 Population and Sample

The population in this report is the financial statement data of PT Pegadaian (Persero) Maros Branch, South Sulawesi. The sample in this study, namely financial statement data consisting of gold prices and profit and loss for the last 5 (five) years, namely the period 2018-2022 at PT. Pegadaian (Persero) Maros Branch South Sulawesi.

2.2 Data Collection Technique

In conducting this research, the authors carried out data collection techniques in the following ways: 1) Documentation, namely research conducted by collecting documents at PT. Pegadaian (Persero) Maros Branch South Sulawesi. 2) Interview, which is research conducted by asking questions to sources who have in-depth knowledge of the variables and research locations. This activity is carried out directly by meeting face to face with the sources.

2.3 Analysis Method

The data collected will be analyzed using induction statistical analysis in the form of:

Simple Linear Regression Analysis

Simple Linear Regression Analysis, namely the linear relationship between one independent variable (X) and the dependent variable (Y). this analysis is to determine the direction of the relationship between the independent variable and the dependent variable whether positive or negative and to predict the value of the dependent variable if the value of the independent variable increases or decreases. The data used is usually interval or ratio scale.

$$Y = a + bX + e$$

Description:

Y = Gold Profit

X = Gold Price

a = Constant Value

b = Regression coefficient

e = Standard error

Determination Coefficient Analysis (Determination)

Determination Coefficient Analysis (Determination) Is an analysis used to measure the strength or not of the influence of the price of gold on the achievement of profit at PT Pegadaian (Persero) Maros Branch, South Sulawesi. Description: In SPSS Ver.22 r = Correlation Coefficient. n = Sample Size. x = Free Variable (gold price). y = Bound Variable (Profit achievement)

3. RESULTS AND DISCUSSION

3.1 Simple Regression Analysis

Simple regression analysis is an analysis used to determine the nature of the relationship between selling price (X_1) and profit achievement with the following equation form:

$$Y = a + bX + e$$

$$Y = 1.355 + 0.885 + 1.8620$$

Which is:

Y = Profit achievement

a = Constant

b = Regression coefficient

X = Gold price

E = error / Confounding variables

Table 1. Simple Regression Test Result

Model	Unstandardized	Standardized	t	Sig
Coefficients	Coefficients			
(Constant)	1,355			
Harga Emas	540	523	5,965	.003
Dependent Variabel : Pencapaian Profit Laba				

Source: Data processed, 2023

$$Y = 2.707 + 0.869$$

The constant value of 1.355 states that if there is no gold price variable, the achievement of profit will still produce a value of 1.669 or in other words, if the gold price variable is equal to 0, the achievement of profit will still produce 1.355.

The regression coefficient value of X of 0.885 states that every 1% increase in the level of gold price value will increase the company's profit profit achievement by 0.885% assuming there are no other variables that influence.

The t-test is used to determine the extent of the influence of the independent variable on the dependent variable and to test the hypothesis proposed whether it is accepted or not. Through the t-test, it can also be known about information about how much influence the independent variable has on purchasing decisions. By using a sample of 60 respondents with $df = n - k - 1$ or $df = 60 - 1 - 1 = 60$, the $t_{table} = 2.663$ was obtained with a significance level (α) of 0.05.

Pada tabel di atas kita melihat T_{hitung} lebih besar dari pada T_{tabel} ($5,965 > 1.67065$) yang di artikan variable harga emas mempunyai pengaruh terhadap pencapaian laba profit. Dari hasil output di atas harga emas signifikan terhadap pencapaian laba profit dapat dilihat dari kolom sig. yang melihatkan $0.003 < 0.05$.

Perumusan Hipotesis:

$H_0: \beta \geq 0$ Diduga variabel harga emas (X) tidak berpengaruh signifikan terhadap variabel pencapaian laba profit (Y)

$H_a: \beta < 0$ Diduga variabel harga emas (X) berpengaruh signifikan terhadap variabel pencapaian laba profit (Y)

Syarat di terimanya hipotesis alternatif (H_a) apabila nilai t-hitung > nilai t- tabel dan nilai signifikansinya $\alpha \leq 0,05$ dan sebaliknya, hipotesis 0 (H_0) diterima apabila nilai thitung < nilai t-tabel. Dari hasil uji-t di atas, dapat dilihat bahwa nilai t-hitung > nilai ttabel sehingga hipotesis yang diterima adalah hipotesis alternatif (H_a) yaitu “variabel Harag Emas (X) berpengaruh signifikan terhadap variabel Pencapaian Laba Profit (Y)”.

3.2 Simple Linear Correlation Test (Determination)

After knowing the correlation coefficient value, then look for the determination (contribution) ($R = r^2 \times 100\%$). The R Square value shows how much the regression model can explain the dependent variable. The following table 2 simple linear correlation (Determination):

Table 2. Determination Test Results

Mode	R	R-Square	Adjusted R-Square	Std.Error the Estimate
	885	898	886	1.8620

a. Predictors : (Constant), Harga Emas

b. Dependent Variabel : Pencapaian Laba Profit

Source: Data processed, 2023

From table 2, in the correlation coefficient (R) column, it is found that the result of 0.885 is below 0.800 - 1.000. From these results, it can be interpreted that the relationship between the Gold Price variable (X) and the Profit Profit Achievement variable (Y) has a very strong level of relationship. In the coefficient of determination column (R Square), a value of 0.898 or 89.8% was found, the remaining 10.2% was influenced by other variables not examined in this study.

3.3 Discussion

Based on the results of the study, it is known that the price of gold has an effect on profit achievement at PT Pegadaian (Persero) Maros Branch, South Sulawesi. This means that the selling price of gold can make a significant contribution to profit achievement. The development of the selling price of gold during the period 2018-2022 experienced a positive trend which illustrates that demand conditions have increased. The increase in the selling price of gold every year spurs profit growth because according to Kristhy et al. (2022) customers have high expectations for gold, so investment increases.

The development of profit achievement at PT Pegadaian (Persero) Maros Branch, South Sulawesi in 2021 was the highest profit achievement. This is because in that year gold sales were very high, so profits also increased. However, the declining gold price can also affect gold sales, the impact of which can be positive or negative. However, the results of this study indicate that changes in gold prices always have a positive impact because when the price of gold falls, not a few customers buy and invest in gold and precious metals at PT Pengadaian (Persero) Maros Branch, South Sulawesi. The results of this study are



in accordance with the results of research conducted by Jain & Biswal (2016) and Dhanabhakym & Monish (2018) that changes in gold prices always have a positive impact. In conditions where the price of gold rises, it is known that customers who buy and invest in gold and precious metals at PT Pegadaian (Persero) Maros Branch, South Sulawesi have not decreased which has a positive impact on profit achievement. This is also in line with research conducted by Adhianto (2023) where if the price of gold rises, the achievement of the profit target will have no effect.

During the 2018-2022 period, the selling price of gold experienced a positive trend, indicating an increase in demand. This is in accordance with the opinion of Rosiyani & Hasyim and Sari & Azzafira (2021) that customer interest in gold is getting higher, thus encouraging increased investment activity. The increase in the selling price of gold every year further encourages the profit growth of PT Pegadaian (Persero) Maros Branch. This is in line with the opinion of Emmrich & McGroarty (2013) because it is caused by high customer expectations of gold as an asset, thus encouraging them to make gold transactions and investments.

When gold prices fall, this study reveals that a large number of customers continue to buy and invest in gold and precious metals at PT Pegadaian (Persero) Maros Branch, South Sulawesi. This shows their trust in gold as a long-term investment despite short-term price fluctuations. This is in line with research conducted by Purnamasari & Sukmana (2017) which states that, on the other hand, when gold prices rise, customers who conduct gold and precious metal transactions at PT Pegadaian (Persero) Maros Branch do not experience a decrease in purchasing and investment activities. This sustainable demand has a positive effect on profit achievement.

These findings emphasize the importance of closely monitoring and analyzing gold price fluctuations for effective decision-making at PT Pegadaian (Persero) Maros Branch. The branch's management should consider these findings when formulating pricing strategies, implementing risk management measures, and identifying investment opportunities. Understanding the impact of gold price changes on profit achievement enables the branch to adapt its business strategies and optimize operations to enhance financial performance.

The study highlights the significant influence of gold price on profit achievement at PT Pegadaian (Persero) Maros Branch, South Sulawesi. The positive trend in the selling price of gold indicates increased demand, leading to profit growth. Despite fluctuations in gold prices, changes in the price of gold consistently have a positive impact, as customers continue to engage in gold transactions and investments. These findings provide valuable insights for PT Pegadaian (Persero) Maros Branch's management, enabling them to navigate the gold market effectively and make informed decisions to enhance profit achievement.

4. CONCLUSIONS AND RECOMMENDATIONS

This study was conducted to determine the effect of the price of gold on the achievement of the profit of PT Pengadaian Cabang Maros South Sulawesi in 2013-2017. Based on the data that has been studied, it can be concluded as follows: 1) The price of gold has a significant influence on the profit achievement of PT. Pegadaian Maros Branch South Sulawesi. The large income of PT. Pegadaian comes from the price of gold which can be seen from the effect of the price of gold on profit achievement. 2) The test results say that the price variable (X) partially has a very strong influence on profit achievement. This is due to the increasing need for gold at PT.Pegadaian (PERSERO) Maros Branch.

Based on the conclusions above, the authors suggest several things at once, namely: 1) To PT. Pegadaian Maros Branch, South Sulawesi Considering the gold price factor that greatly affects the achievement of profit profit, PT. Maros Branch Pegadaian, South Sulawesi needs to pay attention to pricing activities that will be carried out so that consumers and potential consumers / buyers know and understand the ups and downs of gold prices in PT. Pegadaian Cab. Maros to increase the achievement

of future profits. 2) To researchers, seeing from the results of research that has many limitations, further research is expected to use other factors that may affect the achievement of profit profit other than the price of gold with more references. 3. The weaknesses of PT.Pegadaian (PERSERO) Maros Branch are high capital rents, there must be collateral for movable goods that have value, collateral cannot be used, the amount of credit provided is still limited.

REFERENCE

- Adhianto, R. D. (2023). Pengaruh Harga Emas, Bunga KPR, Kurs Terhadap Harga Saham PT BTPN Syariah 2021-20220. *Jurnal E-Bis*, 7(1), 261-276.
- Albaity, M., Saadaoui Mallek, R., & Mustafa, H. (2023). Heterogeneity of investor sentiment, geopolitical risk and economic policy uncertainty: do Islamic banks differ during COVID-19 pandemic?. *International Journal of Emerging Markets*.
- Bossmann, A., Gubareva, M., & Teplova, T. (2023). EU sectoral stocks amid geopolitical risk, market sentiment, and crude oil implied volatility: an asymmetric analysis of the Russia-Ukraine tensions. *Resources Policy*, 82, 103515.
- Dhanabhakyan, M., & Monish, P. (2018). A Study on Impact of Crude Oil Price in the Price of Gold. *International Journal of Current Research in Multidisciplinary (IJCRM)*, 10(2), 30-35.
- Emmrich, O., & McGroarty, F. J. (2013). Should gold be included in institutional investment portfolios?. *Applied Financial Economics*, 23(19), 1553-1565.
- Fanning, K., & Centers, D. P. (2016). Blockchain and its coming impact on financial services. *Journal of Corporate Accounting & Finance*, 27(5), 53-57.
- Greiner, R., Puig, J., Huchery, C., Collier, N., & Garnett, S. T. (2014). Scenario modelling to support industry strategic planning and decision making. *Environmental modelling & software*, 55, 120-131.
- Jain, A., & Biswal, P. C. (2016). Dynamic linkages among oil price, gold price, exchange rate, and stock market in India. *Resources Policy*, 49, 179-185.
- Kristhy, M. E., Oktalita, S., Yonathan, S., Ba, T. S., & Hikmah, W. N. (2022). Keuntungan investasi emas antam di masa pandemi COVID-19. *Jurnal Komunitas Yustisia*, 5(1), 388-399.
- Livieris, I. E., Pintelas, E., & Pintelas, P. (2020). A CNN-LSTM model for gold price time-series forecasting. *Neural computing and applications*, 32, 17351-17360.
- O'Connor, F. A., Lucey, B. M., Batten, J. A., & Baur, D. G. (2015). The financial economics of gold—A survey. *International Review of Financial Analysis*, 41, 186-205.
- Purnamasari, D., & Sukmana, R. (2017). Pengaruh Harga Emas Dunia, Harga Minyak Mentah Dunia Dan Indeks Produksi Industri Terhadap Indeks Saham Di Jakarta Islamic Index (JII) dalam Jangka Panjang Dan Jangka Pendek (Periode Januari 2005-Desember 2015). *Jurnal Ekonomi Syariah Teori Dan Terapan*, 4(7), 315269.
- Rosiyani, N., & Hasyim, F. (2021). Analisis Pengaruh Minat Generasi Milenial Dalam Menggunakan Produk Tabungan Emas di Pegadaian Syariah. *JEKSYAH Islamic Economics Journal*, 1(02), 65-79.
- Sari, J. D. P., & Azzafira, S. A. (2021). Analisis pengaruh pendapatan dan pengetahuan terhadap minat calon nasabah berinvestasi emas di Pegadaian Syariah. *Jurnal Investasi Islam*, 6(2), 95-117.
- Schmidbauer, H., & Röscher, A. (2018). The impact of festivities on gold price expectation and volatility. *International Review of Financial Analysis*, 58, 117-131.



LONTARA
DIGITECH
INDONESIA

Fundamental and Applied Management Journal

E-ISSN: 2988-6341; P-ISSN: 2988-6333

Journal Homepage: <http://journal.lontaradigitech.com/FAMI>



Fundamental and
Applied Management
Journal

- Su, C. W., Pang, L., Umar, M., & Lobont, O. R. (2022). Will gold always shine amid world uncertainty?. *Emerging Markets Finance and Trade*, 58(12), 3425-3438.
- Yousef, I., & Shehadeh, E. (2020). The impact of COVID-19 on gold price volatility. *International Journal of Economics and Business Administration*, 8(4), 353-364.