The Influence of Financial Performance on Stock Prices Moderated by Institutional Ownership (Case Study of Textile And Garment Companies)

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Abstract. This study aims to determine: (1) the influence of Return On Assets (ROA) on institutional ownership, (2) the influence of Earning Per Share (EPS) on institutional ownership, (3) the influence of Return On Equity (ROE) on institutional ownership, (4) the influence of ROA on stock prices, (5) the influence of EPS on stock prices, (6) the influence of ROE on stock prices, (7) the influence of institutional ownership on stock prices, (8) the influence of ROA on stock prices is moderated by institutional ownership, (9) the influence of EPS on stock prices is moderated by institutional ownership, and (10) the influence of ROE on stock prices is moderated by institutional ownership of textile and garment companies listed on the indonesian stock exchange in 2022. The population in this study is all companies engaged in textiles and garment and are listed on the Indonesia Stock Exchange in 2022. The sample in this study was 18 textile and garment companies. The data in this study was collected using the documentation method, then analyzed using path analysis with the help of the SPSS 20 program. The results showed that: (1) ROA had a negative but insignificant influence on institutional ownership, (2) EPS had a positive but insignificant influence on institutional ownership, (3) ROE had a negative but insignificant influence on institutional ownership, (4) ROA had a positive but insignificant influence on stock prices, (5) EPS had a positive but not significant influence on stock prices, (6) ROE had a negative but not significant influence on stock prices, (6) ROE had a negative but not significant influence on stock prices, (7) institutional ownership has a negative but insignificant influence on stock prices, (8) ROA has a positive but insignificant influence on stock prices moderated by institutional ownership, (9) EPS has a negative but insignificant influence on stock prices moderated by institutional ownership, and (10) ROE has a positive but insignificant influence on stock prices moderated by institutional ownership of textile and garment companies listed on the Indonesia Stock Exchange in 2022.

Keywords: financial performance, stock prices, institutional ownership, textile and garment companies.

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1 Introduction

The capital market is a benchmark for the back and forth of the country's economy within the scope of the modern economy. This is because the capital market is an effective facility in building a country, and also because the capital market can be a vehicle in raising long- term community funds to be channeled to productive sub-sectors. The capital market can also be an alternative for companies to get additional funds or capital.

The capital market functions in two aspects, namely the economic function and the financial function. From the aspect of economic function, the capital market facilitates a meeting between two interests, namely the party that provides funds (lenders) and the party who needs funds (brower). As for the financial function, it is as a means of providing funds needed by the brower obtained directly from lenders and lenders who provide funds do not have to be directly involved in the ownership of real assets.

The Indonesia Stock Exchange as a place for stock trading transactions of various types of companies in Indonesia, is grouped by sectors consisting of the agricultural sector, mining sector, textile sector, basic industry and chemical sector, various industrial sectors, goods and consumption industry sector, property sector, infrastructure sector, financial sector, and investment services trade sector. In this study, the researcher focused research on the textile sector.

Financial performance is an investor's assessment in buying company shares, the company's financial performance must improve in order to be attractive to investors. The company's financial performance is one of the factors for investor decision making with improved performance being a positive thing for investors.

Assessment of the financial performance of the company can be carried out by analysis of financial ratios. According to Brigham & Houston (2013), there are five financial ratios tha can be used to analyze stock prices, namely liquidity ratio, asset management ratio, debt management ratio, profit (profitability) ratio, and market value ratio.

Some financial ratios that can be used to measure a company's financial performance are Return on Asset (ROA), Earning per Share (EPS), and Return on Equity (ROE). Return on Asset (ROA) is a ratio that shows the result on the amount of assets used in generating company profits (Kasmir, 2012). ROA is important information because it describes the net profit that can be obtained from all assets owned by the company. The higher the ratio, the higher the profit earned by the company. This will attract investors to invest, and the increasing demand for stocks will lead to an increase in the stock price.

Earnings Per Share (EPS) is a form of profit given to shareholders from each share they own (Fahmi, 2012). EPS information is also useful for investors because it describes the company's future earnings prospects (net profit to be distributed to shareholders). Therefore, the increase in earnings per share leads to an increase in demand for shares, which will make the stock price also rise.

Return on Equity (ROE) or can be called ordinary return on equity is a ratio used to measure how much return on ordinary equity (Brigham & Houston, 2013). A high ROE reflects that the company has successfully used its own capital to make a profit.

An increase in ROE can also increase the value of a company's sales, which will have an impact on the stock price.

Return on Assets (ROA), Earning Per Share (EPS), and Return on Equity (ROE) are part of the financial ratios commonly used by most investors. The analysis of the three ratios has implications for stock prices in the stock exchange market, because the higher the level of a company's ability to make a profit, the greater the interest of investors to invest.

The emergence of interest from potential investors in order to own shares in a particular company depends largely on the stock price. If the stock price of a company rises, then it becomes an assessment for investors or potential investors that the company has achieved success in managing its business. The results of the assessment gave rise to investor confidence or potential investors which then made the stronger the urge to invest in the company.

Analysis of stock prices that are commonly used consists of two types, namely technical analysis and fundamental analysis consisting of economic analysis, industry analysis, and company analysis. Fundamental analysis of the financial performance of a particular company is important to study because it can provide a description of the pattern of stock price behavior in that company. Good company financial performance can make the company's high value indicated by the company's capitalization value. The high value of the company's capitalization indicates a better economic growth rate.

The value of the company's capitalization is a factor that makes investors interested in making investments, which then provides an increase in demand for the company's shares and is followed by an increase in the company's stock price. Stocks are an alternative in investing in the capital market and are the dominant alternative used by investors because the profits are greater and the funds used are relatively smaller when compared to bonds. The purpose of investing in shares made by the company is to maximize welfare for shareholders through the maximized value of the company's shares.

Institutional ownership is one of the factors that can strengthen the influence of financial performance on stock prices. The main goal of the company is to increase profits or profits which then have a welfare impact on the company's shareholders. Widhiadnyana & Ratnadi (2019) stated that the existence of institutional ownership can provide convenience in conducting supervision so as to prevent managers from taking actions that can harm the company's shareholders.

The purpose of this study is to determine: (1) the effect of Return On Assets (ROA) on institutional ownership, (2) the effect of Earning Per Share (EPS) on institutional ownership, (3) the effect of Return On Equity (ROE) on institutional ownership, (4) the effect of Return On Assets on stock prices, (5) the effect of Earning Per Share (EPS) on stock prices, (6) the effect of Return On Equity on stock prices, (7) the effect of institutional ownership on stock prices, (8) the effect of Return On Assets (ROA) on stock prices moderated by institutional ownership, (9) the effect of Earning Per Share (EPS) on stock prices moderated by institutional ownership, and (10) the effect of Return On Equity (ROE) on stock prices moderated by institutional ownership.

2 Literature Review

2.1 Agency Theory

Agency theory examines the relationship between managers (agents) and investors (principals). In the company's business activities, there are sometimes conflicts between the two parties. According to Putra & Nuzula (2017) the conflict can arise if the parties concerned have different objectives (conflict interest) which can trigger agency costs.

Agency theory asserts that a company is a nexus of contract, which is a place where contracts between parties can create conflicts of interest. This conflict is reflected in dividend policy, funding and investment policy (Jensen & Meckling in Ismail, 2018).

According to Jensen & Meckling in Ismail (2018), agency costs are divided into three groups, namely: (1) the monitoring expenditure by the principal is the cost of supervision that must be borne by the owner; (2) the bonding cost refers to the supervision fee that the principal must pay to the agent; (3) the residual loss is a sacrifice as a result of the reduced prosperity of the principal due to the difference in decisions between the principal and the agent.

2.2 Signalling Theory

Signaling theory was first proposed by Michael Spence in 1973. Spence suggests that with signaling, the owner of the information seeks to provide information that can be used by the recipient of the information. Furthermore, the receiver can adjust its behavior based on its understanding of the signal (Amanda et al., 2019).

Signalling theory emphasizes the importance of information that needs to be published by the company as a basis or reference for parties outside the company to make investment decisions. Information is an important element for investors and business people because in essence through information in the form of financial statement records, it can provide an overview for the survival of the company and past, present and future securities market conditions (Aprilia, et al., 2015).

Signalling theory explains the reasons that encourage companies to provide financial statement information to external parties. The reason for providing such information is the occurrence of information asymmetry between the company and external parties (investors and creditors). The future prospects of the company are often unknown to external parties including investors. The provision of signals in the form of financial information to potential investors can reduce information asymmetry while increasing company value (Sucipto & Sudiyatno, 2018).

2.3 Financial Performance

The financial performance of a company is an analysis to understand how well the company carries out its activities correctly and precisely in accordance with the rules of financial implementation. So financial performance is a process carried out by

companies to find out to what extent the rules of financial implementation have been used.

According to financial performance, the company's achievement in its financial management during a certain period (Rengganis, et al. 2020). Meanwhile, according to Fahmi (2012), financial performance is an analysis carried out to find out whether a company uses the rules of financial implementation properly and correctly.

Financial performance is a measure of a company's success in carrying out its business activities. The higher the performance value of a company, the better the company will be. Therefore, the higher the company's financial performance, the higher the company's value (Supitriyani, et al. 2020).

One of the factors commonly used as a tool to measure the financial performance of a company is the use of financial ratios. Investors will definitely focus on the fundamentals when evaluating the expected return, since investors are considered rational (Febrianty & Wulandari, 2018), and financial ratios are the most commonly used tool for analyzing financial statements.

Financial ratios that are often used in analyzing financial statements are liquidity ratio, solvency ratio, profitability ratio and activity ratio. In this study, the ratio used was the profitability ratio which among others consisted of: Return on Assets (ROA), Earning Per Share (EPS), and Return on Equity (ROE).

Return on Assets or Return on Investment is a ratio that shows the yield (return) on the amount of assets used by the company. ROA is also a measure of the effectiveness of management in managing investments (Kasmir, 2012).

According to Kasmir (2012) Return on Equity or rentability of own capital is a ratio to measure net profit after tax with own capital. This ratio indicates the efficiency of using own capital. The higher this ratio, the better. This means that the position of the owner of the company is getting stronger, and vice versa.

Earnings per Share (earnings per share ordinary) also known as the book value ratio is a ratio to measure management's success in achieving profits for shareholders. A low ratio means that management has not managed to satisfy shareholders, on the contrary with a high ratio, the welfare of shareholders increases (Kasmir, 2012).

2.4 Stock

Stocks are one of the dominant capital market tools in demand by investors. Shares are papers that clearly state the name of the company, its face value, and are followed by the rights and obligations that have been explained to each holder (Fahmi, 2012).

Stocks (shares) are securities issued by a limited liability company (PT) or commonly known as an issuer. The shares state that the owner of these shares is also the partial owner of the company. So if an investor buys shares, then they become the owner or shareholder of the company (Rahmawati & Handayani, 2017).

According to Darmadji & Fakhruddin (2018), stock is a sign of ownership or participation of a person or entity in a company. The shape of the stock is in the form of a piece of paper in which describes the owner of the paper.

Based on some of the understandings that have been described above, it can be concluded that stocks are one of the tools traded in the capital market in the form of

paper and become a sign of proof of someone's ownership or involvement in a company.

According to Darmadji & Fakhruddin (2012:6), there are several types of stocks described as follows:

1. In terms of the ability to make claims, shares are divided into two, namely:
   a. Common stock, is the stock that puts the owner the most junior in terms of dividend distribution.
   b. Preferred stock, is a stock that has the characteristics of a combination of ordinary shares and bonds.
2. Judging by the way of maintenance, shares are distinguished into:
   a. Bearer stock, which means the absence of the owner's name on the stock, makes it easier for the stock to be transferred between investors.
   b. Registered stock, are shares whose owners are clearly written accompanied by the transfer procedure.
3. Judging from the trading performance, stocks can be classified as follows:
   a. Blue-chip stock, which is an ordinary stock of a company with a high reputation, which acts as a leader in similar industries.
   b. Income stock, which is ordinary shares of a business entity or issuer with the ability to pay dividends that are higher than the average dividend paid in the previous year.
   c. Growth stock-well known, which are stocks of business entities or issuers whose income has experienced high growth, which become leaders in similar industries with a high reputation.
   d. Speculative stock, which is a stock in a company that has not been able to be consistent in getting high income in the future.
   e. Counter cyclical stock, which are stocks that are free from the influence of macroeconomic conditions and the influence of the business situation in general.

According to Pandji & Piji (2013), stock prices can be divided into three, namely as follows:The nominal price of stocks is the price contained in the issued stocks, which is used for accounting purposes.

1. The initial stock price is the initial price for investors in an initial public offering in the initial market that is not necessarily the same as the nominal price of the stocks.
2. Market price is the price of stocks on the stock exchange at that time.

2.5 Institutional Ownership

Institutional ownership is the number of shares owned by an outside institution compared to the entire issued company shares (Karamoy & Tulung, 2020). Institutional investors more effectively supervise the management of the company than individual investors. This is because institutional investors have more shares, have more information, and have better investment skills and knowledge. Thus, institutional ownership can provide input for company managers, thereby increasing

the value of the company which is reflected in the stock price (Widhiadnyana & Ratnadi, 2019).

Maulana (2016) posits that institutional ownership ensures that managers act in the interests of shareholders, which will also have implications for increasing the value of the company. Therefore, the existence of institutional ownership will optimize the monitoring of management performance, which in turn will improve the performance of the company. With improved performance, it will boost the stock price (Karamoy & Tulung, 2020).

3 Research Hypothesis

The hypothesis in this study was made based on the causal relationship (influence) between free variables and bound variables shown in the following figure.

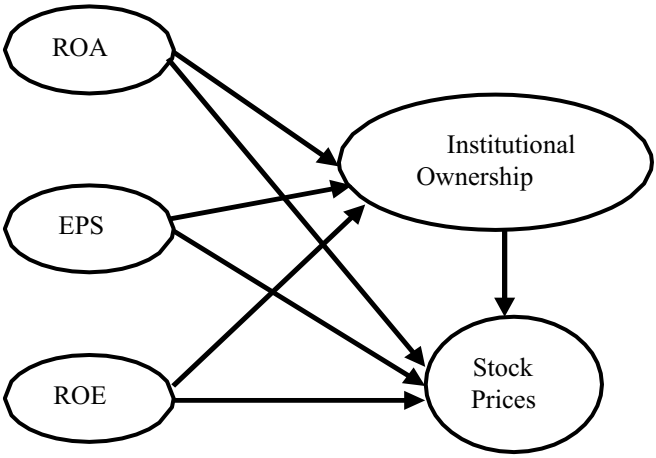

Fig. 1. Research Models

Based on figure 1, the research hypothesis is compiled as follows:

1. Direct Influence:
   a. There is an influence of Return On Assets (ROA) on institutional ownership.
   b. There is an influence of Earning Per Share (EPS) on institutional ownership.
   c. There is an influence of Return On Equity (ROE) on institutional ownership.
   d. There is an influence of Return On Assets (ROA) on stock prices.
   e. There is an influence of Earnings Per Share (EPS) on stock prices.
   f. There is an influence of Return On Equity (ROE) on stock prices.
   g. There is an influence of institutional ownership on stock prices
2. Indirect Influence

a. There is a Return On Assets (ROA) effect on stock prices moderated by institutional ownership.
b. There is an effect of Earnings Per Share (EPS) on stock prices moderated by institutional ownership.
c. There is an effect of Return On Equity (ROE) on stock prices moderated by institutional ownership.

4 Research Methods

This research uses a quantitative approach. Quantitative methods can beinterpreted as research methods based on the philosophy of positivism, used to research certain populations or samples, data collection using research instruments, quantitative / statistical data analysis, with the aim of testing predetermined hypotheses (Sugiyono, 2016).

The population in this study is all companies engaged in textiles and clothing and listed on the Jakarta Stock Exchange in 2022. The sample in this study was 18 textile and garment companies with the following details.

Table 1. Research Samples

No.	Company Code	Company Name
1	ADMG	Polychem Indonesia Tbk
2	ARGO	Argo Pantes Tbk
3	BELL	PT Trisula Textile Industries Tbk
4	CHEM	PT Chemstar Indonesia Tbk
5	CNTX	PT Century Textile Industry Tbk
6	ERTX	Eratex Djaja Tbk
7	ESTI	Ever Shine Tex Tbk
8	HDTX	Panasia Indo Resources
9	INDR	Indo Rama Synthetic Tbk
10	MYTX	PT Asia Pacific Investama Tbk
11	PBRX	Pan Brother Tbk
12	POLY	Asia Pasific Fibers Tbk
13	RICY	Ricky Putra Globalindo
14	SBAT	PT Sejahtera Bintang Abadi Textile Tbk.
15	SRIL	PT Sri Rejeki Isman Tbk
16	SSTM	Sunson Textile
17	TFCO	Tifico Fiber Indonesia

18	TRIS	Trisula International Tbk

The data collection technique used in this study is documentation. Documentation, that is, the process of reviewing written materials such as books, regulatory documents. Other reports, data collection techniques through documents related to the problems studied on the Indonesia Stock Exchange in the form of IDX company reports.

The data analysis technique used in this study is path analysis with a two-path equation model. As for the model, it is shown in the following figure.

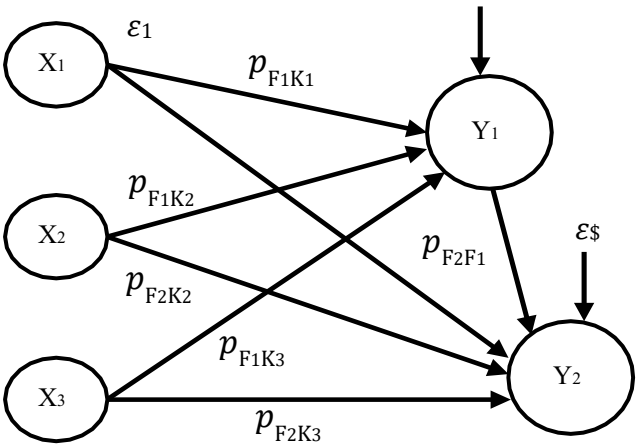

Fig. 2. Path Diagram Model

The path diagram model as shown in figure 2 consists of two structural equations, namely as follows:

$$Y_1 = p_{F_1K_1} + p_{F_1K_2} + p_{F_1K_3} + \varepsilon_1$$

$$Y_\$ = p_{F_2K_1} + p_{F_2K_2} + p_{F_2K_3} + p_{F_2F_1} + \varepsilon_\$$$

Where:

$Y_\$$: Stock prices
Y_1 : Institutional ownership
X_1 : ROA
$X_\$$: EPS
X_3 : ROE
$\varepsilon_1, \varepsilon_\$$: Error

The calculation of the regression and correlation coefficient (R) is performed using the SPSS 20 program.

5 Result

5.1 Variable Description

The Return on Assets (ROA) value is obtained from the percentage of net profit sharing with total assets/assets based on the company's financial statements as of December 31, 2021. The results are presented in the following table 2.

Table 2. Return on Assets (ROA) Value

No.	Company Code	Return on Assets (ROA)
1	ADMG	1,95%
2	ARGO	-1,44%
3	BELL	0,76%
4	CHEM	14,31%
5	CNTX	-13,67%
6	ERTX	2,30%
7	ESTI	3,15%
8	HDTX	-12,06%
9	INDR	9,34%
10	MYTX	-4,33%
11	PBRX	2,21%
12	POLY	0,80%
13	RICY	-4,10%
14	SBAT	-6,74%
15	SRIL	-86,80%
16	SSTM	12,31%
17	TFCO	4,10%
18	TRIS	1,72%

Based on table 2 above, it appears that companies: ARGO, CNTX, HDTX, MYTX, RICY, SBAT, and SRIL obtained negative ROA values. This indicates that these companies suffered losses in the period of December 31, 2021. The company that obtained the highest ROA value was the CHEM company (PT Chemstar Indonesia Tbk) with an ROA value of 14.31% and the lowest was the SRIL company (PT Sri Rejeki Isman Tbk) with an ROA value of -86.80%.

The Earning Per Share (EPS) value is obtained from the net profit sharing with the number of shares outstanding based on the company's financial statements as of December 31, 2021. The results are presented in the following table 3.

Table 3. Earning Per Share (EPS) Value

No.	Company Code	Earning Per Share (EPS)
1	ADMG	0,00102
2	ARGO	-0,00337
3	BELL	0,55331

4	CHEM	7,62844
5	CNTX	-0,07807
6	ERTX	0,00130
7	ESTI	0,00080
8	HDTX	-0,01160
9	INDR	0,12924
10	MYTX	-0,00002
11	PBRX	0,00238
12	POLY	0,00077
13	RICY	-108,24557
14	SBAT	-9,84484
15	SRIL	-0,05238
16	SSTM	49,52867
17	TFCO	0,00285
18	TRIS	5,80952

The Return on Equity (ROE) value is obtained from the percentage of net profit sharing with total equity based on the company's financial statements as of December 31, 2021. The results are presented in the following table 4.

Table 4. Return on Equity (ROE) Value

No.	Company Code	Return on Equity (ROE)
1	ADMG	2,32%
2	ARGO	1,22%
3	BELL	1,54%
4	CHEM	30,80%
5	CNTX	41,72%
6	ERTX	8,39%
7	ESTI	11,06%
8	HDTX	204,42%
9	INDR	18,23%
10	MYTX	126229,99%
11	PBRX	5,29%
12	POLY	-0,20%
13	RICY	-22,89%
14	SBAT	-18,08%
15	SRIL	268,60%
16	SSTM	23,74%
17	TFCO	4,53%
18	TRIS	2,77%

The value of institutional ownership is derived from the number of shares owned divided by the number of shares outstanding. The results are presented in the following table 5.

Table 5. Institutional Ownership Value

No.	Company Code	Institutional Ownership Value
1	ADMG	2,1856
2	ARGO	4,0000
3	BELL	1,3793
4	CHEM	2,8235
5	CNTX	1,8571
6	ERTX	2,4434
7	ESTI	1,4887
8	HDTX	3,3320
9	INDR	1,5282
10	MYTX	1,9800
11	PBRX	1,8523
12	POLY	4,9513
13	RICY	1,7952
14	SBAT	1,2624
15	SRIL	2,4447
16	SSTM	1,7081
17	TFCO	1,0000
18	TRIS	1,2733

The company's stock price is obtained from the closing stock price as of October 12, 2022, which is accessed from the Indonesia Stock Exchange (www.idx.co.id) website. The list of prices of such shares is presented in the following table 6.

Table 6. Stock Prices

No.	Company Code	Stock Prices (rupiah)
1	ADMG	162
2	ARGO	1.015
3	BELL	137
4	CHEM	162
5	CNTX	312
6	ERTX	185
7	ESTI	75
8	HDTX	120
9	INDR	6.975
10	MYTX	59
11	PBRX	78
12	POLY	162
13	RICY	117

14	SBAT	50
15	SRIL	146
16	SSTM	740
17	TFCO	640
18	TRIS	137

5.2 Path Analysis Results

5.2.1 Path Analysis I

Normality testing for path analysis I using the chart analysis method. The graph used is normal p-plot graph of the SPSS output. The SPSS output result in the form of a normal p-plot graph is shown in the following figure 2.

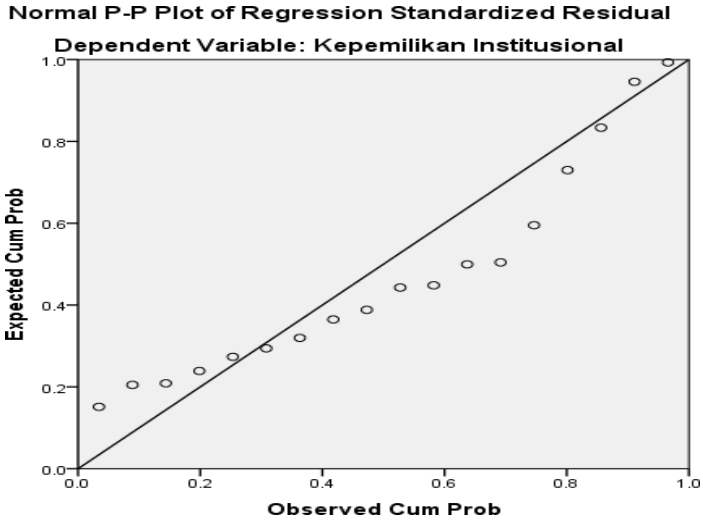

Fig. 2. Normal P-Plot Graph Model Path I

In figure 2, it appears that the data is spread around a diagonal line. Thus it can be concluded that the assumption of normality has been fulfilled.

Heterochedasticity testing aims to test whether between free variables in regression have a perfect or near-perfect influence on bound variables. A good regression model is that heterochedasticity does not occur. Heterochedasticity testing is carried out by looking at the scatterplot graph, if in the regression results the scatterplot graph forms a certain regular pattern such as wavy, widening then narrowing, then heterochedasticity occurs. The scatterplot graph of the results of the regression analysis is shown in figure 3.

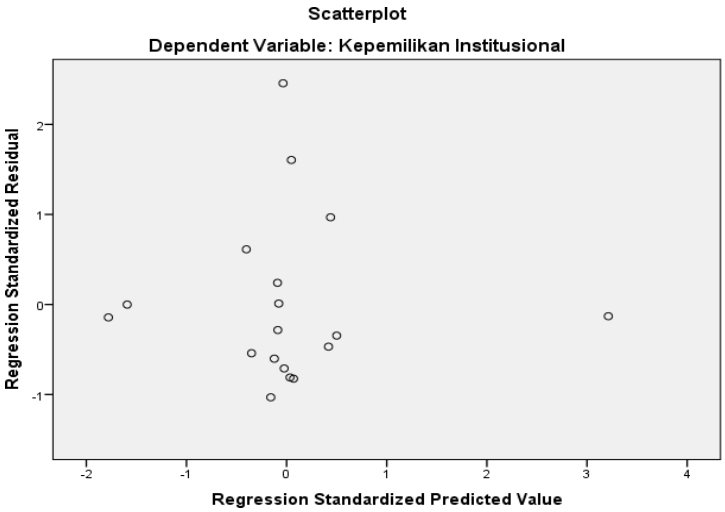

Fig. 3. Scatterplot Graph Model Path I

In figure 3, you can see that the dots are spread out and do not form a certain clear pattern, and are scattered both above and below the number 0 on the Y axis this means that heterochedasticity does not occur in the regression model, so this model is feasible to use.

Multicholinearity testing is intended to find out whether in the regression model there is a collation between independent variables. A good model should not be the occurrence of high choleration among selected free variables that cannot be explained by other variables. Based on the rules of Variance Inflation Factor (VIF) and tolerance, if the VIF value is less than 10 or the tolerance is more than 0.10, it is stated that there are no symptoms of multicholinearity. The results of the multicholinearity test can be seen in table 7 below.

Table 7. Multicholinearity Test Results Model Path I

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	ROA	.991	1.009
	EPS	.990	1.010
	ROE	.999	1.001

From table 7 it appears that the VIF values for the ROA, EPS, and ROE variables are less than 10 and the tolerance values for the ROA, EPS, and ROE variables are more than 0.10. Thus it can be said that there are no symptoms of multicholinearity.

Autocorrelation testing uses the Durbin-Watson (DW) test, which is performed by directly comparing the DW value (d calculated) with the table d value. The

calculation of DW values is carried out using SPSS 20. The results are presented in the following table 8.

Table 8. Durbin Watson (DW) Value Model Path I

Model	Durbin-Watson
1	2.317

From these calculations obtained the value of DW = 2.317. Next is sought the value of d table where it is known the number of variables or k = 5 and the number of samples or n = 18. Based on Durbin Watson's table obtained the value of DL = 0.8204 and the value of DU = 1.8719. The criteria for the absence of autocorrelation are met if DU < DW < 4-DU. A value of 2.317 (DW) is more than a value of 1.8719 (DU) and also more than a value of 2.1281 (4-DU) or can be written 1.871 < 2.1281 < 2.317 (DU < 4-DU < DW). Thus it can be concluded that the criterion of the absence of autocorrelation is not met.

After the classical assumption test was carried out, further testing of the hypothesis, regression coefficient, and R value for the model path I was carried out.

Table 9. Regression Coefficient Test Results Model Path I

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.183	.280		7.798	.000
ROA	-.005	.013	-.100	-.375	.713
EPS	.002	.010	.063	.238	.816
ROE	-1.758E-006	.000	-.051	-.191	.851

Table 10. R and *R Square* Values Model Path I

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.123[a]	.015	-.196	1.12825571

Based on table 9, it is known that the regression coefficient for ROA is -0.100 with a p value (Sig.) of 0.713 which is more than 0.05, the EPS regression coefficient of 0.063 with a p value (Sig.) of 0.816 which is more than 0.05, and the ROE regression coefficient is -0.051 with a p value (Sig.) of 0.851 which is more than 0.05. This means that: ROA (X_1) exerts an insignificant negative influence on institutional ownership (Y_1), EPS ($X_\$$) exerts an insignificant positive influence on

institutional ownership (Y_1), and ROE (X_3) exerts an insignificant negative influence on institutional ownership (Y_1).

Based on table 10, it is known that the value of R Square is 0.015. This means that the contribution that ROA, EPS and ROE make to institutional ownership $0.015 \times 100\% = 1.5\%$. Untuk nilai ϵ_1 From $= \sqrt{1 - 0.015} = 0.993$.

From these results can be drawn the path diagram model I as follows.

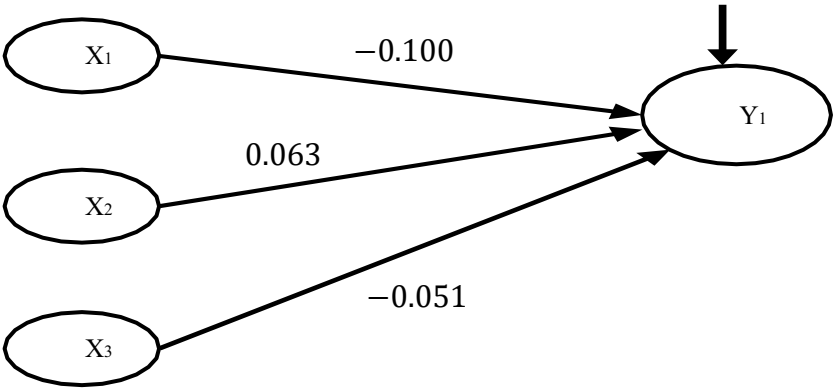

Fig. 4. Path Diagram Model I

From figure 4 can be made a structural equation:

$Y_{\$} = -0.100X_{\$} + 0.063X_2 - 0.051X_{\&} + 0.993$

Where,

Y_1 : Institutional Ownership

X_1 : ROA

$X_{\$}$: EPS

X_3 : ROE

5.2.2 Path Analysis II

Normality testing for path analysis II also uses the chart analysis method. The results are shown in the following figure 5.

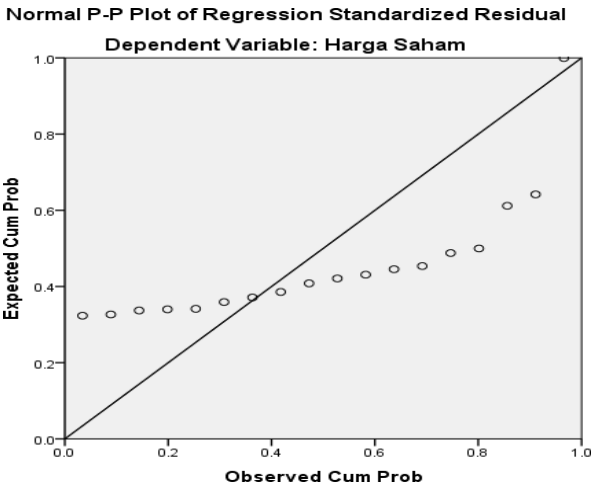

Fig. 5. Normal P-Plot Graph Model Path II

In figure 5 it appears that the data spreads around a diagonal line. Thus it can be concluded that the assumption of normality has been fulfilled.

The results of the heterochedasticity test on the model II path are in the form of scatterplot graph shown in figure 6 below.

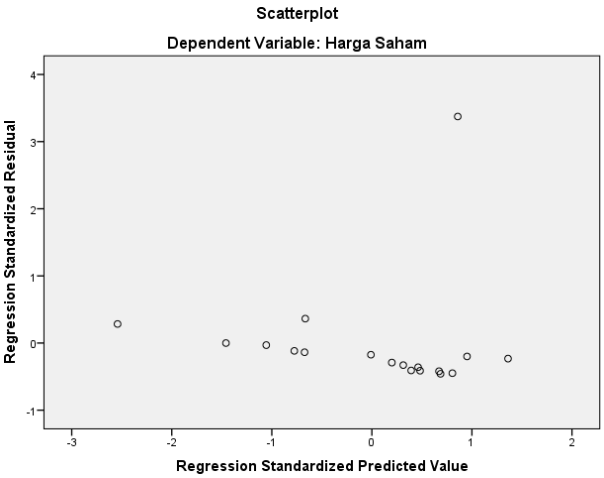

Fig. 6. Scatterplot Graph Model Path II

In figure 6, you can see the dots spreading out and not forming a certain clear pattern, and scattered both above and below the number 0 on the Y axis this means

that heterochedasticity does not occur in the regression model, so this model is feasible to use.

The results of the multicholinearity test for the model path II can be seen in the following table 11.

Table 11. Multicholinearity Test Results Model Path II

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
ROA	.981	1.019
EPS	.986	1.014
ROE	.997	1.003
Kepemilikan Institusional	.985	1.015

From table 11 it appears that the VIF values for the ROA, EPS, ROE, and Institutional Ownership variables are less than 10 and the tolerance values for the ROA, EPS, ROE, and Institutional Ownership variables are more than 0.10. Thus it can be said that there are no symptoms of multicholinearity.

The autocorrelation test results for the model path II also use the Durbin- Watson (DW) test whose results are presented in the following table 12.

Table 12. Durbin Watson (DW) Value Model Path II

Model	Durbin-Watson
1	2.016

From these calculations obtained the value of DW = 2.016. Next is sought the value of d table where it is known the number of variables or k = 5 and the number of samples or n = 18. Based on Durbin Watson's table obtained the value of DL = 0.8204 and the value of DU = 1.8719. The criterion of absence of autocorrelation is met if DU < DW < 4-DU. A value of 2.016 (DW) is more than the value of 1.8719 (DU) and less than the value of 2.1281 (4-DU) or writable 1.8719 < 2.016 < 2.1281 (DU < DW < 4-DU). Thus it can be concluded that the criterion of the absence of autocorrelation on the model path II is met.

After testing classical assumptions, further testing of hypotheses, regression coefficients, and R values for model II pathways was performed. The results are presented in the following table.

Table 13. Regression Coefficient Test Results Model Path II

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1(Constant)	1133.455	1022.684		1.108	.288
ROA	11.919	19.983	.162	.596	.561
EPS	3.912	15.070	.070	.260	.799
ROE	-.005	.015	-.095	-.354	.729
Kepemilikan Institusional	-187.117	422.391	-.120	-.443	.665

Table 14. R and *R Square* Values Model Path II

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.241[a]	.058	-.231	1783.142

Based on table 13, it is known that the regression coefficient for ROA is 0.162 with a p value (Sig.) of 0.561 which is more than 0.05, the EPS regression coefficient of 0.070 with a p value (Sig.) of 0.799 which is more than 0.05, the ROE regression coefficient of -0.095 with a p value (Sig.) of 0.729 which is more than 0.05, and the Institutional Ownership regression coefficient of -0.120 with a p value (Sig.) of 0.665 which is more than 0.05. This means that: ROA (X_1) has an insignificant positive influence on stock price ($Y_\$$), EPS ($X_\$$) has an insignificant positive influence on stock price ($Y_\$$), ROE (X_3) has an insignificant negative influence on stock price ($Y_\$$).

Based on table 14, it is known that the value of R Square is 0.058. This means that the contribution made by ROA, EPS, ROE, and Institutional Ownership to the stock price is $0.058 \times 100\% = 5.8\%$. Untuk nilai $\epsilon_\$$ diperoleh dari $= \sqrt{1 - 0.058} = 0.971$.

From these results can be drawn the path diagram model II as follows

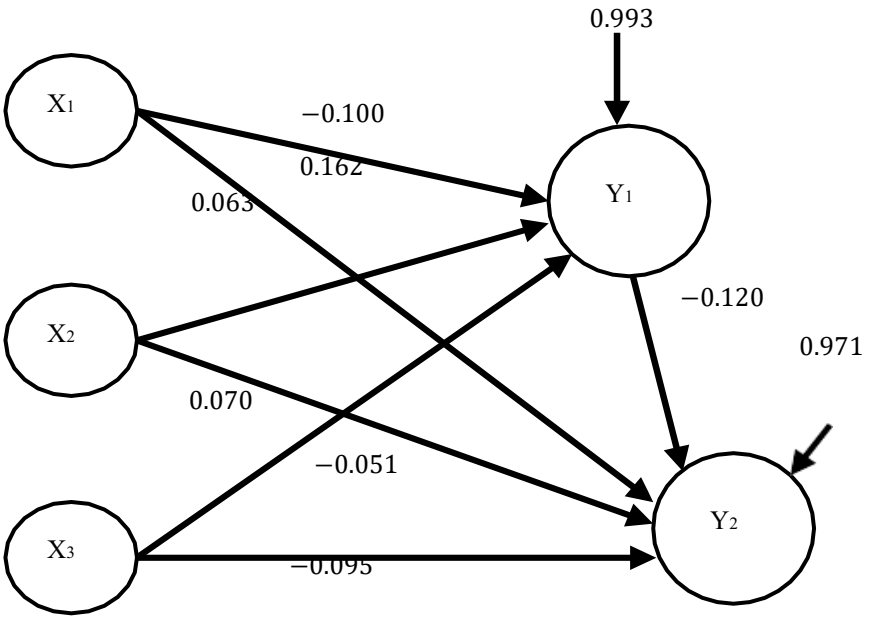

Fig. 7. Path Diagram Model II

From figure 8 a structural equation can be made for the model path II, namely:

$Y_2 = 0.162X_{\$} + 0.070X_2 - 0.095X_{\&} - 0.120Y_{\$} + 0.971$

Where,

$Y_{\$}$: Stock price

Y_1 : Institutional ownership

X_1 : ROA

$X_{\$}$: EPS

X_3 : ROE

The coefficient of indirect influence of ROA (X_1) on stock price ($Y_{\$}$) moderated by institutional ownership (Y_1) is obtained from $-0.100 \times (-0.120) = 0.012$. Since the influence of ROA on institutional ownership is insignificant, and the influence of institutional ownership on stock price is not significant, the influence of ROA on stock price moderated by institutional ownership is also insignificant. From these results it can be concluded that ROA exerts an insignificant positive influence on the stock price moderated by institutional ownership.

The coefficient of indirect influence of EPS ($X_{\$}$) on stock price ($Y_{\$}$) moderated by institutional ownership (Y_1) is obtained from $0.063 \times (-0.120) = -0.008$. Since the influence of EPS on institutional ownership is insignificant, and the effect of institutional ownership on stock price is not significant, the influence of EPS on stock price moderated by institutional ownership is also insignificant. From these results it can be concluded that EPS exerts an insignificant negative influence on the stock price moderated by institutional ownership.

The coefficient of indirect influence of ROE (X_3) on stock price ($Y_\$$) moderated by institutional ownership (Y1) is obtained from $-0.051 \times (-0.120) = 0.006$. Since the influence of ROE on institutional ownership is insignificant, and the influence of institutional ownership on stock price is not significant, the influence of ROE on stock price moderated by institutional ownership is also insignificant. From these results it can be concluded that ROE exerts an insignificant positive influence on the stock price moderated by institutional ownership.

6 Discussion

The results of the analysis of the path I obtained a structural equation: Y1 = – 0.100X1 + 0.063X2 – 0.051X3 + 0.993. From the equation, it is indicated that the influence on institutional ownership (Y1) caused by EPS (X2) is positive while by ROA (X1) and ROE (X3) is negative. This means that if the value of EPS increases then the value of institutional ownership also increases. Unlike the case with ROA and ROE, if the ROA and ROE values increase, it can actually reduce the value of institutional ownership. The results of the path analysis I also show that each of the ROA, EPS, and ROE variables has an insignificant influence on the institutional ownership of textile and garment companies listed on the indonesia stock exchange in 2022.

The results of the analysis of path II obtained the structural equation: Y2 = 0.162X1 + 0.070X2 – 0.095X3 – 0.120Y1 + 0.971. From the equation, it is indicated that the influence on stock price (Y2) caused by ROA (X1) and EPS (X2) is positive while by ROE (X3) and institutional ownership (Y1) is negative. This means that if the ROA and EPS values increase, the value of the stock price also increases. Unlike the case with ROE and institutional ownership, if the value of ROE and institutional ownership increases, it can actually reduce the value of the stock price. The results of the path analysis II also show that each of the variables ROA, EPS, ROE, and institutional ownership has an insignificant influence on the stock price of textile and garment companies listed on the Indonesia Stock Exchange in 2022.

The finding that Return on Asset (ROA) has a positive but insignificant effect on the stock price of textile and garment companies listed on the Indonesia stock exchange in 2022 is in line with the results of research by Rosalina, et al. (2018) which concluded that there is a positive influence of ROA on stock prices. Earning Per Share (EPS) has a positive but not significant effect on the stock price of textile and garment companies listed on the Indonesia stock exchange in 2022. This result is in line with the results of research by Takaful, et al. (2021) which shows that EPS has a positive and insignificant influence on stock prices.

Return on Equity (ROE) has a negative but not significant influence on the stock price of textile and garment companies listed on the Indonesia stock exchange in 2022. This result is in line with the results of research by Rosalina, et al. (2018) which shows a negative influence of ROA on stock prices.

From the results of the path analysis obtained also the value of the coefficient for indirect influence. The influence of ROA on stock prices moderated by institutional ownership shows a positive value of 0.012 and is insignificant. The influence of EPS on stock prices moderated by institutional ownership shows a negative value of

-0.008 and is insignificant. The influence of ROE on stock prices moderated by institutional ownership shows a positive value of 0.006 and is insignificant.

The positive value of each of the influences of ROA and ROE on stock prices moderated by institutional ownership indicates that institutional ownership contributes positively in strengthening the influence of ROA and ROE on the company's stock price, respectively. This is in line with the results of Ramadhani's research (2020) which concluded that institutional ownership strengthens the impact of Return on Asset (ROA) and Return on Equity (ROE) on stock returns. This means that the existence of institutional ownership as a moderator can strengthen the relationship between Return on Asset (ROA) and Return on Equity (ROE) to stock returns.

7 Conclusion

Based on the results of research and discussion, several aspects can be drawn as follows:

1. Return on Asset (ROA) has a negative but not significant influence on the Institutional Ownership of textile and garment companies listed on the Indonesia stock exchange in 2022.
2. Earning Per Share (EPS) has a positive but not significant influence on the Institutional Ownership of textile and garment companies listed on the Indonesia stock exchange in 2022.
3. Return On Equity (ROE) has a negative but not significant influence on the Institutional Ownership of textile and garment companies listed on the Indonesia stock exchange in 2022.
4. Return on Asset (ROA) has a positive but not significant influence on the stock price of textile and garment companies listed on the Indonesia stock exchange in 2022.
5. Earning Per Share (EPS) has a positive but not significant influence on the stock price of textile and garment companies listed on the Indonesia stock exchange in 2022.
6. Return On Equity (ROE) has a negative but not significant influence on the stock price of textile and garment companies listed on the Indonesia stock exchange in 2022.
7. Institutional ownership has a negative but insignificant influence on the Stock price of textile and garment companies listed on the Indonesia stock exchange in 2022.
8. Return on Asset (ROA) has a positive but insignificant influence on the Stock price moderated by the Institutional Ownership of textile and garment companies listed on the Indonesia stock exchange in 2022.
9. Earnings Per Share (EPS) has a negative but insignificant influence on the Stock price moderated by the Institutional Ownership of textile and garment companies listed on the Indonesia stock exchange in 2022.
10. Return On Equity (ROE) has a positive but insignificant influence on the Stock

price moderated by the Institutional Ownership of textile and garment companies listed on the Indonesia stock exchange in 2022.

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