

ABSTRACT

The impact of the global economic shift can be felt in the increasing use of technology. One of the industries affected by this technology is the banking industry. Developments that show innovation in the digital era have the potential to increase productivity and economic efficiency through better access to information, and have the potential to give birth to new business models and sources of economic growth. This study is a descriptive verification study aimed to determine the productivity of conventional commercial banks using the Malmquist Productivity Index (MPI). The variables used in this study are Total Loans, Securities Investments, and Other Income as output variables. While the input variables are General and Administrative Expenses, Fixed Assets, and Total Deposits to measure bank productivity. Bank Specific Variables include Bank Size, ROE, CAR, LDR, NPL and Environmental Variables including GDP, Inflation, Rupiah Exchange Rate, BI Rate to test what variables can affect bank productivity. The sample used in this study is Conventional Commercial Banks in Indonesia which are included in BUKU I and BUKU II for the 2016-2019 period.

The results of this study state that the average value of BUKU I and BUKU II during the research period is said to have been productive because the TFPCH value is more than 1. This is influenced by the TECHCH value, which means that BUKU I and BUKU II are quite good at utilizing their technology. In addition, Bank Specific Variables namely ROE, CAR, LDR, NPL have a significant effect on Productivity, but Bank Size does not have a significant effect on Productivity. While all Environmental Variables, namely GDP, Inflation, Rupiah Exchange, BI Rate do not have a significant effect on Productivity. Simultaneously, Bank Specific Variables: Bank Size, ROE, CAR, LDR, NPL and Environmental Variables: GDP, Inflation, Rupiah Exchange Rate, BI Rate have no significant effect on Productivity.

Keywords: Malmquist Productivity Index, Produktivitas, Perbankan.