



ANALYSIS OF THE EFFECT OF CASH TURNOVER, INVENTORY TURNOVER, AND RECEIVABLES TURNOVER ON PROFITABILITY IN MANUFACTURING COMPANIES LISTED ON THE IDX FOR THE 2019-2021 PERIOD

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ABSTRACT

This study aims to find out and analyze whether there is a significant effect of cash turnover, inventory turnover, and accounts receivable turnover on the profitability of manufacturing companies listed on the IDX for the 2019-2021 period. The data used in this study is secondary data, namely the financial reports of manufacturing companies listed on the IDX for the 2019-2021 period. The type of data in this study is quantitative using panel data. The population of this study includes 46 manufacturing companies listed on the IDX for the 2019-2021 period. The sample used is 35 samples. The data analysis used in this study is the model feasibility test method, descriptive analysis, classic assumption test, multiple regression test, and hypothesis testing with panel data using Eviews 10 software. The results showed that the cash turnover variable had no effect on profitability, inventory turnover had a positive and significant effect on profitability, and accounts receivable turnover had a positive and significant effect on profitability.

Keywords: Cash Turnover, Inventory Turnover, Accounts Receivable Turnover, and Profitability.

INTRODUCTION

Basically, every company will carry out various activities to achieve the main objectives of the company determined. Every activity carried out by the company always requires funds, both to finance daily operational activities and also to finance long-term investments. Funds used to carry out daily operational activities are called working capital.

Working capital is needed by every company to finance its daily operational activities, where the working capital that has been issued is expected to return to the company in the short term through the sale of its production. Working capital derived from the sale of these products will soon be reused to finance further operating activities.

Working capital used by the company includes all current assets owned by the company to finance all operational activities of the company, which includes the purchase of raw materials, payment of employee salaries and so on to produce a product. The working capital issued is used operationally for a period of one year or in the short term. The period of obtaining working capital depends on the type and level of liquidity of the elements of current assets such as cash, marketable securities, receivables, inventories. Important components in carrying out the company's business activities.

Working capital is a fund that always rotates, which is initially spent to finance daily operational activities so that the production process can run. Then the production will be resold, and from these sales the company will get the expected profit so that it always increases. Part of the profit that has been generated previously will go back as the company's working capital. This working capital turnover will continue to occur during the period the company is still running.

In financing the company's operational activities, working capital turnover can be measured through 3 components, namely, cash turnover, inventory turnover, receivables turnover. Cash turnover is the most important thing in working capital, because cash is the element with the highest level of liquidity in current assets so that it can describe the company's position that changes every year. Cash is also a resource that can be used to reduce the risk of a liquidity crisis.

Inventory is an active element in the company's operational activities, because the amount of inventory in the company is always changing due to a reduction in the production process to be sold to consumers. Inventory or inventory is an asset that always experiences rotation, in other words, inventory is goods produced that are made and will be resold, and so on with the aim of getting a profit. However, that does not mean the company can provide its merchandise inventory in as much quantity as possible with the intention of getting as much profit as possible. Inventory owned by the company can be sold in cash or credit.

While the turnover of receivables is obtained from the sale of merchandise on credit which will be paid in the future period in accordance with the initial agreement, the sale of goods on credit poses a greater risk. The sale of credit will cause receivables, which are activities that occur due to the sale on credit of trade goods or services. In addition, the company needs to know how much the receivables turnover rate will affect the company's receipts and expenses.

These three elements of working capital are things that can increase the level of profitability of a company in a certain period. This is because these three elements are very related to each other in carrying out operational activities in order to make a profit.

In deciding working capital needs, attention and control are needed very accurately. In order to find out whether the available working capital is optimal or not so that it does not affect or even reduce the level of profit. And if the available working capital is smaller, it will disrupt the company's operational activities and can hamper the production process.

If the existing working capital is smaller than the working capital requirement, it can affect and disrupt the company's operational activities in terms of financing and result in a decrease in the company's profitability. However, if the available working capital is more than the required working capital, it will cause idle working capital to make the level of profitability decrease, and not optimal participation in working capital.

According to (Munawir, 2010) to recognize the success of an industry in getting profits can be seen from the success and expertise of the industry using working capital productively. This is because working capital turnover is a matter of importance in assets that must be managed by the industry efficiently and effectively.

The level of efficiency of using working capital can be measured from cash turnover, inventory turnover, and receivables turnover, the faster the turnover of the three components of working capital, the higher the company's profitability.

Profitability is one of the clues present in the information about the long-term performance of the company. The financial performance can be reviewed from the company's financial statements. The Profitability Ratio can also provide an idea of the level of effectiveness in managing the company. The greater the profitability of the company, the healthier the company.

Profitability is also one of the considerations for investors in depositing funds to invest, therefore company management must be able to make the company obtain good profitability.

The size of a company's profitability is influenced by several factors such as working capital and liquidity. Liquidity is a measure of how much a company is able to meet its cash needs to pay its debts and to fund daily operations as working capital. Liquidity indicates the level of available working capital needed to fund operational activities, therefore liquidity has a relationship with profitability.

The Probability Ratio is usually measured using measuring instruments called ROA (Return on Assets), ROI (Return On Investment) and ROE (Return on Equity). ROA (Return On Assets) is a ratio used to measure the ability of company management to earn overall profits ROA is considered important for companies because it is used to measure the effectiveness of the company in generating profits.

According to Nurwardi and Lubis (2019), the profitability ratio is used to estimate how high the profit received by the company. Before the financial manager makes a decision, of course, he must first understand the state of the company's LK at that time. The company's financial situation is summarized in the financial report which is made as the view of the superior before taking the decision. The profitability of the company shows the ratio between profit and assets or capital obtained by the profit.

It is the profitability ratio that ultimately provides answers about the effectiveness of company management, this ratio gives an idea of the company's management activities. The profitability of the company can be seen from the presentation of a company's financial statements. Financial statements are information about the finances and management of a company in an accounting period. The purpose of financial statements is to help companies to make the right decisions.

Based on this background, the researcher will discuss and raise the problem with the title: "Analysis of the Effect of Cash Turnover, Inventory Turnover, and Receivables Turnover on the Profitability of Manufacturing Companies listed on the IDX for the 2019-2021 period"

Problem Statement

Based on the background of the problem that has been made above, the researcher draws the formulation of the problem as follows:

1. Does cash turnover affect the profitability (ROA) of manufacturing companies listed on the IDX?
2. Does inventory turnover affect the profitability (ROA) of companies listed on the IDX?
3. Does receivables turnover affect the profitability (ROA) of manufacturing companies listed on the IDX?

Research Objectives and Research Uses

The objectives in this study are:

1. To determine and analyze whether there is a significant effect of cash turnover on profitability in manufacturing companies listed on the IDX.
2. To determine and analyze whether there is a significant effect of inventory turnover on profitability in manufacturing companies listed on the IDX.
3. To determine and analyze whether there is a significant effect of receivables turnover on profitability in manufacturing companies listed on the IDX.

Research Uses

This research is expected to provide the following uses:

1. Become a reference or reference for similar research for people or groups who want to research similar things further.
2. Provide benefits for practitioners and academics by providing information related to the effect of working capital on the company's profitability.
3. Increase the knowledge of researchers in finance and deepen the science of working capital and profitability.

RESEARCH METHODS

Object of study.

According to Iwan Satibi (2011) explained that the object of research is an activity that aims to map or describe research or research targets or research comprehensively. Without an object of research, the topic of problems in research or research will not just arise. The object of this study is profitability which is influenced by cash turnover, receivables and inventory turnover in manufacturing companies listed on the IDX.

Research Data.

1. Data source

The source of data that will be analyzed in this study is secondary data. Secondary data is data collected from company documents, from literature research, and from other related agencies. The skunder data from this study is the financial statements of manufacturing companies listed on the IDX

2. Data Type.

The type of data in this study is Quantitative data. Quantitative data is data, which when viewed from its value, consists of a series of numbers. . Quantitative data is data in the form of numbers whose calculations use various statistical formulas. The type of data in this study is quantitative using panel data Panel data is a combination of time series data and cross section data. (Caraka and Rezzy Eko, 2017)

3. Population and Sample.

According to Sugiyono (2010) Population is the total possible value, the result of quantitative measurements or calculations about certain characteristics of all members of the complete and clear group that want to study their properties and then draw conclusions. The population in this study is all manufacturing companies listed on the IDX with a total of 46 companies.

While the sample is part of the number and characteristics possessed by the population (Sugiyono, 2010). The sample in this study is 35 consumer goods sub-sector manufacturing companies listed on the IDX.

4. Data Collection Techniques and Tools.

Data collection techniques and tools using the Documentation method. Documentation is an activity carried out by recording the required documents or official and accountable written evidence that has to do with the problem under study such as various journals, books, and sources related to research. The documentation used in this study is the financial statements of manufacturing companies in the sub-sector of consumption agencies listed on the IDX.

Types of Variables Used.

1. Independent Variable is a variable that affects other variables. In this study, the independent variables are cash turnover (X1), receivables turnover (X2), inventory turnover (X3).
 - a) Cash turnover (X1), namely net sales divided by cash, Rahma (2011) states that cash turnover shows the ability of cash to generate income, so it can be seen how many times cash rotates in a

certain period. The higher this cash turnover will be the better, this means the higher the efficiency of cash use and the greater the profit obtained.

b) Inventory turnover (X2), i.e. cost of goods sold divided by inventory. Inventory is the main element of working capital which is an asset in a state of constant rotation and continuous change (Riyanto, 2011).

c) Receivables turnover (X3), i.e. credit sales divided by receivables. Receivables turnover is a ratio that shows the length of time to convert receivables into cash (Riyanto, 2011). Receivables turnover is calculated by dividing net credit sales by the average balance of receivables

2. Dependent Variable is a variable that is influenced by an independent variable. In this study, the dependent variable is Return On Asset (Y).

a) Return On Assets (ROA) is a ratio used to measure the ability of company management to earn overall profits. ROA is the ratio between profit before tax to total asset. According to Munawir (2002) stated that ROA reflects how much the company has obtained results on all financial resources invested in the Company.

RESULTS AND DISCUSSION

Research Results.

1. Description of the object of study.

A manufacturing company is a company engaged in the management of raw materials into a finished good that is ready to be used or sold to consumers. The characteristics of manufacturing companies are engaged in the business of managing raw materials into finished products, tangible or clearly visible production results because this type of company produces materials and is not engaged in services, and consumers have no role in a series of production and only enjoy finished products. Companies in the consumer goods industry sector are manufacturing companies, namely processing industry companies that process raw materials into semi-finished goods or finished goods.

2. Company Brief Profile.

Here is a brief history of the 35 companies included in the research sample:

1) Company Brief Profile of PT Gudang Garam Tbk (GGRM).

Gudang Garam Tbk (formerly PT Perusahaan Cigarette Tjap) (GGRM) was established on June 26, 1958 and started its commercial business activities in 1958. The head office of Gudang Garam is located at Jl. Semampir II/ 1, Kediri, East Java 64121, and has factories located in Kediri, Gempol, Karanganyar and Sumenep. In addition, GGRM also has representative offices on Jl. Jenderal A. Yani 79, Jakarta 10510 and Jl. Letjen. Sutoyo 55, Sidoarjo, East Java 61256 – Indonesia. The scope of GGRM activities is engaged in the cigarette industry and other activities related to the cigarette industry. Gudang Garam produces various types of kretek cigarettes, including low-tar and nicotine (LTN) types as well as traditional hand-rolled kretek cigarette products.

2) Company Brief Profile of PT Ultrajaya Milk Industry & Trading Company Tbk (ULTJ).

Ultrajaya Milk Industry & Trading Company Tbk (ULTJ) was established on November 2, 1971 and started its commercial operations in early 1974.

Ultrajaya's head office and factory are located at Jl. Raya Cimareme 131 Padalarang, Bandung 40552 – Indonesia. Based on the Company's Articles of Association, Ultrajaya's scope of activities is engaged in the food and beverage industry. Among others, Ultrajaya produces beverages such as liquid milk, fruit juice, tea, traditional drinks and health drinks, which are processed with UHT (Ultra High Temperature) technology, sweetened condensed milk, milk

powder and tropical fruit concentrates. The company markets its products by direct sales, indirect sales and through modern markets.

3) Company Profile of PT Mayora Indah Tbk (MYOR)

PT. Mayora Indah Tbk (MYOR) was established on February 17, 1977 and started its commercial operations in May 1978. The head office of Mayora Indah Tbk is located on the 8th floor of Mayora Building, Jl. Tomang Raya 21-23, Jakarta 11440 – Indonesia, and the factories are located in Tangerang and Bekasi. Based on the scope of MYOR's activities is to run a business in the fields of industry, trade and agents / representatives. Currently, MYOR's main activities are running the food, confectionery and biscuit industries.

4) Company Brief Profile of PT Indofood Cbp Sukses Makmur Tbk (ICBP).

Indofood CBP Sukses Makmur Tbk (ICBP) was established on September 2, 2009 and started its commercial operations on October 1, 2009. ICBP is the result of the transfer of business activities of the Instant Noodle Division and the Flavoring Division of Indofood Sukses Makmur Tbk (INDF). Indofood CBP's head office is located at Sudirman Plaza, Indofood Tower, 23rd Floor, Jl. Jend. Sudirman, Kav. 76-78, Jakarta 12910 – Indonesia. The scope of ICBP's activities consists of, production of noodles and seasonings, culinary food products, biscuits, snacks, nutrition and special foods, non-alcoholic beverages, packaging, trading, transportation, warehousing and refrigeration, management services and research and development.

5) Company Brief Profile of PT Wilmar Cahaya Indonesia Tbk (CEKA).

Wilmar Cahaya Indonesia Tbk (formerly Cahaya Kalbar Tbk) (CEKA) was established on February 3, 1968 under the name CV Tjahaja Kalbar and started its commercial operations in 1971. The head office of Wilmar Cahaya Indonesia Tbk is located in Jababeka Industrial Estate II, Jl. Industri Selatan 3 Blok GG No.1, Cikarang, Bekasi, West Java 17532 – Indonesia, while the factory location is located in Jababeka Industrial Estate, Cikarang, West Java and Pontianak, West Kalimantan. The scope of CEKA's activities includes the food industry in the form of vegetable oil industry (palm oil and its derivative products), tengkawang seeds, tengkawang oil and vegetable oils specialized for the food & beverage industry.

3. Description of Research Data.

In this study using three independent variants of research, namely cash turnover (X1), inventory turnover (X2), and receivables turnover (X3) and one dependent variable, namely Profitability (Y).

a. Descriptive Statistical Analysis.

Descriptive statistical analysis is used to select data, so that the data produced has a normal distribution. The data generated from descriptive statistical analysis indicate that the mean, maximum, and minimum values are derived from each variable studied, both independent and dependent variables.

Table 4.1 Descriptive Statistical Test Results

	Y	X1	X2	X3
Mean	0.174571	26.54819	5.592190	8.899048
Median	0.110000	9.110000	4.480000	6.540000
Maximum	1.750000	227.7900	27.17000	61.37000
Minimum	-0.190000	-61.55000	0.020000	0.150000
Std. Dev.	0.253779	41.79181	4.470150	9.415699
Skewness	3.463054	2.568629	2.014483	3.530870

Analysis of The Effect of Cash Turnover, Inventory Turnover, and Receivables Turnover on Profitability in Manufacturing Companies Listed on The IDX For The 2019-2021 Period

Kurtosis	18.29501	11.03940	8.346174	17.29110
Jarque-Bera	1233.349	398.2272	196.0619	1111.703
Probability	0.000000	0.000000	0.000000	0.000000
Sum	18.33000	2787.560	587.1800	934.4000
Sum Sq. Dev.	6.698006	181641.8	2078.153	9220.160
Observations	105	105	105	105

source : *Eviews Data Processing* 10, 2023.

From the table above, it shows that the data used in this study amounted to 105 observations or as many as 105 samples from 35 company financial statements and as many as 3 years, namely 2019-2021.

The interpretation of the data above is as follows:

1) Cash turnover (X1).

The minimum cash turnover value is -61.55000 in 2019 by PT Bentoel Internasional Investam (RMBA). The maximum value of cash turnover was 227.7900 by PT Sariguna Primatirta Tbk (CLEO) in 2019. The average value (mean) of cash turnover in 35 companies with a period of 3 years is 26.54819. And the standard deviation value in the cash turnover for the 2019-2021 period is 41.79181.

2) Inventory turnover (X2).

The minimum value of inventory turnover is 0.020000 in 2020 by PT Tri Banyan Tirta Tbk (ALTO). The maximum value of inventory turnover is 27.17000 by PT Wilmar Cahaya Indonesia Tbk (CEKA) in 2021. The average value (mean) of inventory turnover in 35 companies with a period of 3 years is 5.592190. And the standard deviation value in inventory turnover for the 2019-2021 period is 4.480000.

3) Receivables turnover (X3).

The minimum value of receivable turnover is 0.150000 in 2020 by PT Tri Banyan Tirta Tbk (ALTO). The maximum value of inventory turnover (receivable turnover) is 27.17000 by PT Wilmar Cahay Indonesia Tbk (CEKA) in 2021. The average value (mean) of inventory turnover in 35 companies with a period of 3 years is 5.592190. And the standard deviation value in inventory turnover for the 2019-2021 period is 4.480000.

4) ROA(Y)

The minimum ROA value is -0.19000 in 2021 by PT Chitose Internasional Tbk.(CINT). The maximum value of ROA is 1.750000 by PT Indofarma Tbk (INAF) in 2020. The average value (mean) of ROA in 35 companies with a period of 3 years is 0.174571. And the standard deviation value in the ROA for the 2019-2021 period is 0.253779.

b. Inferential Statistical Test.

Inferential Analysis is a statistical technique used to analyze sample data and the results are applied to the population. This inferential statistic is a process of summarizing all data methods or methods related to the analysis of some data. The inferential analysis method used in this study is panel data regression analysis.

c. Panel Data Model Selection.

1) Test Chow.

According to Ghazali and Ratmono (2011), the chow test is used to determine panel data regression models, namely to choose which model is better between the ordinary OLS model (common effect model) and fixed effect model (fixed effect model).

Table 4.2
Chow Test Output Results

Redundant Fixed Effects Tests Equation: FEM Test cross-section fixed effects			
Effects Test	Statistics	d.f.	Prob.
Cross-section F	2.8482	(34,6	0.0002
	63	0)	
Cross-section Chi-square	94.166	34	0.0000
	995		

Source : Eviews 10, 2023.

The probability of Chi-square cross-section of 0.0000 is less than the significance value $\alpha=0.05$. So it can be concluded that the Fixed Effect Model was selected, and continued with the testing of the Hausman Test.

2) Hausman Test.

After the stage of testing the significance of fixed effect and pooled OLS models is obtained, it is continued with the Hausman test. According to Ghazali and Ratmono (2011), the hausman test is used to select panel data regression models, namely to determine which model is better between fixed effect models and random effect models. Hausman statistical testing using the Chi-square distribution.

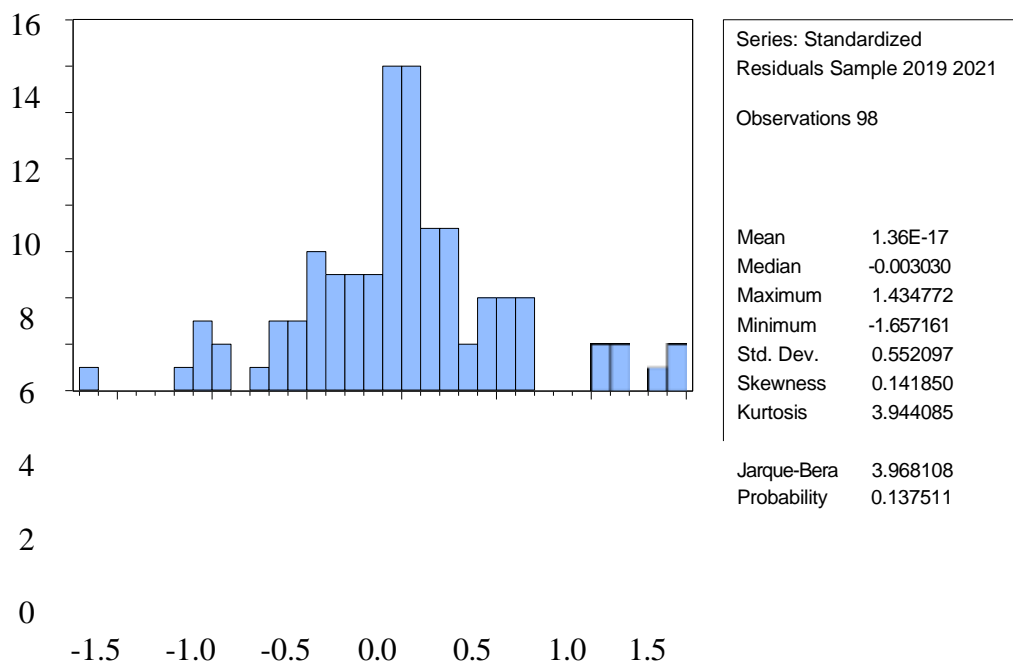
It is known that the random Probability Cross-section value of 0.0000 is less than the significance value of $\alpha=0.05$. So it can be concluded that the Fixed Effect Model was selected. If Fixed Effect Model is selected, then testing stops at the Hausman test, there is no need to test the Lagrange Multiplier.

d. Classical Assumption Test.

1) Normality Test.

The normality test in the regression model is used to test whether the residual values are normally distributed or not. A good regression model is one that has residual values that distribute normally. The results of normality testing based on the research model used in this study are as follows:

Figure 4.1
Normality Histogram Chart



Source : Olah data *Eviews* 10, 2023

From figure 4.1 above, it can be seen that the probability value of 0.137511 is greater than the significance level of $\alpha = 5\%$ or 0.05, so it can be concluded that the data is normally distributed.

2) Autocorrelation Test.

Autocorrelation test aims to determine whether or not in a linear regression model there is a relationship between one observational residual with another observation residual. This Autocorrelation test uses the Durbin Watson (DW) method. The results of the Autocorrelation test are as follows:

Table 4.4
Autocorrelation Test Output Results.

R-squared	0.653266	Mean dependent var	-
Adjusted R-squared	0.439447	S.D. dependent var	2.041065
S.E. of regression	0.701981	Akaike info criterion	0.937599
Sum squared resid	29.56665	Schwarz criterion	2.415067
Log likelihood	-	Hannan-Quinn criter.	3.417401
F-statistic	80.33828	Durbin-Watson stat	2.820491
Prob(F-statistic)	3.055229		2.219508
	0.000058		

Source : *Eviews* 10, 2023.

Based on table 4.4 which shows the Durbin-Watson value of 2.219508. In accordance with Durbin Watson's table for $k = 3$ $n = 98$ with a significance value of 0.05, a dL value of 1.7345 and a dU value of 1.6036 were obtained. The value $(4-dU)$ is $4 - 1.6036 = 2.3964$, then $dU < d < 4-dU$ is $1.6036 < 2.2195 < 2.3964$. As described above, it can be concluded that there is no auto correlation in the regression model.

3) Multicollinearity Test.

The multicollinearity test aims to test whether in the regression model there is a high or perfect correlation between independent variables. Ghozali and Ratmono (2011). To detect the presence or absence of multicollinearity in the regression model, namely by looking at the correlation value between independent variables. If the correlation value between independent variables < 0.90 , it can be interpreted that there is no multicollinearity between independent variables.

**Table 4.5
Multicollinearity Test Output Results.**

	CTO	RTO	ITO
X1	1.000000	-0,020002	-0,05035
X2	-0,020002	1.000000	0.091865
X3	-0,050347	0.091865	1.000000

Source : Olah data *Eviews* 10, 2023

Based on the results of table 4.5 it can be seen that the correlation results between independent variable indicators (X1 cash turnover, X2 inventory turnover, and X3 receivables turnover) have a correlation value of < 0.09 so that it can be concluded that there is no multicollinearity problem between independent variables.

4) Heteroscedasticity Test.

The heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residual of one observation to another, if the variant from the residual of one observation to another observation is different then it is called heteroscedasticity. Imam Ghozali (2013).

There are many steps and ways to test for heteroscedasticity, in this study, researchers used the Glejser test. The Glejser test can be done by looking at the probability value of the independent variable, if the probability value of the independent variable is more than the significance value (>0.05) then it can be concluded that the regression model does not indicate heteroscedasticity (Ghozali and Ratmono, 2011). After receiving residuals from OLS regression, Glesjer suggested progressing the absolute value of the residuals (resids) to variable X which is estimated to have a close correlation using the resulting variance.

Table 4.6
Heteroscedastitas Test Output Results.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.178285	0.079852	2.232688	0.0289
X1	-0.000308	0.000791	-0.389585	0.6981
X2	-0.016503	0.010031	-1.645127	0.1046
X3	0.006714	0.007421	0.904844	0.3688

Source : Olah Data *Eviews* 10, 2023

Based on the results of the Heteroscedastitas test in table 4.6 with the glacier test method in table 4. It can be seen that the probability value of the independent variables, namely X1, X2, and X3, each is more than the significance value, which is $\alpha = 5\%$. That is, the researchers concluded that the regression data did not indicate the presence of symptoms of heteroscedasticity.

5) Multiple Regression Analysis.

Multiple linear regression analysis is an analysis of the relationship between one dependent variable and two or more independent variables. Multiple linear regression analysis in this study was used to calculate the magnitude of the influence of the independent variables of cash turnover, inventory turnover and receivables turnover on the dependent variable profitability (ROA).

This analysis is to predict the value of the dependent variable if the value of the independent variable increases or decreases and to determine the direction of the relationship, between the independent variable and the dependent variable whether each independent variable is positively or negatively related (Ghozali, 2013). Multiple linear regression analysis in this *Eviews* software uses a fixed effect model.

Table 4.7
Multiple Regression Analysis Output Results.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.103844	0.296980	-7.084124	0.0000
X1	-7.616338	0.000139	-0.548446	0.5854
X2	-0.073099	0.035146	-2.079853	0.0418
X3	0.054639	0.026189	2.086363	0.0412

Source : Olah data *Eviews* 10,2023.

Based on table 4.7 which shows the results of multiple regression analysis panel data using a fixed effect model approach. Then the explanation is as follows:

$$ROA = -2.10384 - 7.61633 \text{ CTO} - 0.070399 \text{ ITO} + 0.05463 \text{ RTO} + e$$

The multiple linear regression equation is:

a. The value of constant (a) is obtained at -2.10384 which means that if the independent variables Cash Turnover, Inventory Turnover, and Receivables Turnover are considered 0, then profitability (Return on Assets) is -2.10384.

b. The value of the cash turnover coefficient (b1) is -7.61633 which means that if other independent variables have fixed values, while variable X1 increases 1 time, then variable Y, namely profitability (Return on Assets) decreases by -7.61633. This means that a negative coefficient indicates that if cash turnover increases, profitability will decrease.

c. The value of the inventory turnover coefficient (b2) is -0.07309 which means that if other independent variables have fixed values, while variable X2 increases 1 time, then variable Y, namely profitability (Return on Assets) decreases by -0.07309. This means that the negative value coefficient shows that if inventory turnover increases, profitability will decrease.

d. The value of the receivables turnover coefficient (b3) is 0.05463 which means that if other independent variables have fixed values, while variable X3 increases 1 time, then variable Y, namely profitability (Return on Assets) increases by 0.05463. This means that the positive value coefficient shows that if receivables turnover increases, profitability will increase.

e) Hypothesis Test.

1) Test t.

The t test is performed to determine significantly the influence of each independent variable on the dependent variable. The t test is a test performed to see whether there is an influence between the independent variable and the dependent variable partially. With a significance level of 5% or 0.05.

Table 4.8 t-Test Output Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.103844	0.296980	-7.084124	0.0000
X1	-7.62E-05	0.000139	-0.548446	0.5854
X2	-0.073099	0.035146	-2.079853	0.0418
X3	0.054639	0.026189	2.086363	0.0412

Source : Olah data Eviews 10, 2023

From table 4.8 above, it can be explained that:

a) The effect of cash turnover (X1) on ROA (Y).

From the calculation results above, the probability value of cash turnover X1 is 0.5854 which means the variable is more than the significance value of 0.05 which means it has no significant effect on variable X1, namely cash turnover does not have a significant effect on profitability (ROA). Then H1 is rejected.

b) Effect of Inventory Turnover (X2) on ROA (Y).

The probability value for inventory turnover (X2) is 0.0418 which means that the variable is less than the significance value of 0.05. So inventory turnover has a positive and significant effect on profitability (ROA). Then H2 is accepted.

c) Effect of Receivables Turnover (X3) on ROA (Y).

Judging from the results of the t test in the table above, the probability value for receivables turnover (X3) is 0.0412 which means that the variable is smaller than the significance value of 0.05. So the turnover of receivables has a positive and significant effect on profitability (ROA). Then H3 is accepted.

2) Test f.

The F statistical test is performed to show whether all independent or independent variables included in the study have a simultaneous impact on the dependent or dependent variable. Significant results can be seen in the GIS value (p-value) or compare the calculated F value with the F table.

Table 4.9 Test Output Results f

<i>F-statistic</i>	3.055229
<i>Prob(F-statistic)</i>	0.000058

Source : Eviews 10, 2023.

Based on table 4.9 F value is calculated as seen from F-statistic 3.055229 with probability seen from Prob (F-stastic) of 0.00058. When compared with the significance level value of 5% or 0.05, this probability value shows a result smaller than 0.05. This means that the independent variables of cash turnover (X1), inventory turnover (X2), and receivables turnover (X3) simultaneously (overall) affect the dependent variable, namely the profitability of return on assets.

3) Test Coefficient of Determination (R²)

The coefficient of determination (R²) aims to measure how far the model is able to explain the variation of the dependent variable (Ghozali & Ratmono, 2011). The value of the coefficient of determination is between 0 and 1. The greater the coefficient of determination, the better the independent variables are at explaining the dependent variable.

Table 4.10 Output Results of Coefficient of Determination Test (R²)

R-squared	0.653266	Mean dependent var	-2.041065
Adjusted R-squared	0.439447	S.D. dependent var	0.937599
S.E. of regression	0.701981	Akaike info criterion	2.415067
Sum squared resid	29.56665	Schwarz criterion	3.417401
Log likelihood	-80.33828	Hannan-Quinn criter.	2.820491
F-statistic	3.055229	Durbin-Watson stat	2.219508
Prob(F-statistic)	0.000058		

Source : Eviews 10, 2023.

Based on the results of the coefficient of determination test in table 4.10, the R² value is 0.653266, or 65%, meaning that all independent variables (X1), (X2), and (X3) in manufacturing companies listed on the Indonesia Stock Exchange for the 2019-2021 period can explain that the dependent variable, namely variable (Y), is 65% and the remaining 35% is influenced by variables outside the study.

a. The Effect of Cash Turnover on Profitability.

The results of this study show that cash turnover has no effect on profitability. This illustrates that the financial management of manufacturing companies is less effective in managing their cash, as a result of which the average year-on-year cash turnover tends to show a declining turnover rate. Cash turnover that is too high can hurt the company to lack funds as a result it can reduce the company's profitability.

Cash turnover can show the ability of cash to generate income as a result it can be reviewed how many times cash rotates in a certain period. The higher this cash turnover will be better, which means increasing the efficiency of cash use and the profits obtained will be greater as well.

Supported by the theory related between cash and profitability according to Brigham and Houston (2006), that cash is often considered to be an asset that does not produce profits. Insignificance can also be caused by samples used annually so that they have not been able to reflect the financial position of a company.

The results of this study are also in line with the research of M. A Canizio (2017) the results of this study stated that there was no significant influence on profitability in the supermarket companies studied.

b. Effect of Inventory Turnover on Profitability.

The results of this study show that inventory turnover has a positive and significant effect on profitability. So it can be said that partial inventory turnover has a positive and significant effect on the profitability of Return on Assets. This shows that inventory turnover can increase profitability in these manufacturing companies. The cause of inventory turnover is able to increase profitability in manufacturing companies caused by the inventory owned by manufacturing companies is managed optimally by each management from each period to the next, so as to increase profitability.

At a high inventory turnover rate means high sales of goods as well. With a high inventory turnover rate, it can reduce costs or risks borne and generate high sales volumes. As a result, the profit that will be obtained by the company will increase.

Supported by the theory stated by Kasmir (2010) which states the higher the level of inventory turnover, the higher the costs that can be reduced so that the greater the profit of a company. But on the contrary, if the longer the turnover of inventory of goods, the smaller the profitability gain.

Supported by previous researcher A.W. Bahy (2021) who showed that inventory turnover has a positive and significant influence on profitability.

c. Effect of Receivables Turnover on Profitability.

The results of this study show that receivables turnover has a positive and significant effect on profitability. This indicates that any increase in receivables turnover can be followed by an increase in return on assets. This is also because, because manufacturing companies are able to estimate receivables that may not be collected properly and companies are able to minimize bad loans as a result of which the turnover of receivables is not disturbed and the company can always get profits.

Receivables occur due to sales on credit. The position of receivables can be assessed by

calculating the turnover rate of their receivables. The high state of receivables turnover shows that the more efficiently and effectively manufacturing companies manage receivables, this means that the profitability of manufacturing companies can be maintained.

Supported by the theory of A. Sartono (2008) which says that the speed of receipt of receivables repayment results in one period of receivables turnover will affect the company's liquidity, because if the payment of receivables is faster than expected and how far the company's receivables can be used to meet the short term. So that when the company's liquidity is formed, the condition of the company's assets will be better.

In accordance with Febby's research, at all (2022) states that Receivables Turnover has a significant and positive value on ROA. This shows that if the turnover of receivables increases by one unit aka ROA (Y) will increase. Receivables arise because the company sells on credit to increase its business volume.

CONCLUSION

Based on the results of the analysis and interpretation of the data above, this study can be concluded as follows: Cash turnover does not affect profitability in manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange for the 2019-2021 period. This means that the financial management of manufacturing companies is less effective in managing their cash, as a result of which the average year-on-year cash payment tends to show a declining turnover rate, but too high cash turnover can also cause the company to lack funds as a result it can reduce the company's profitability. Inventory turnover has a positive and significant effect on profitability in manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange for the 2019-2021 period. This means that the inventory owned by the manufacturing company is managed optimally by each management from each period to the next, so as to increase profitability. The higher the level of inventory turnover, the higher the costs that can be suppressed so that the greater the profit of a company. Receivables turnover has a positive and significant effect on profitability in manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange for the 2019-2021 period. This means that manufacturing companies are able to estimate receivables that may not be collected properly and companies are able to minimize bad loans as a result of which the turnover of receivables is not disturbed and the company can always make a profit. The higher the receivables turnover, it shows that the more efficiently and effectively the company manages receivables, this means that the company's profitability can be maintained.

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