

Capital Management on Profitability (Study of Family Companies in the Food and Beverages Sector Listed on the Stock Exchange Indonesian Effects 2018-2022)

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Abstract: Working capital management is very important for businesses because working capital management includes managing business operational activities. Effective working capital management can increase business profitability. Meanwhile, poor working capital management can lead to lower profitability, even losses. Companies suffering from these losses grow every year. Although it is known that the number of companies listed on the Indonesian Stock Exchange in this sector is increasing every year. Therefore, this research was conducted to detect and find evidence of the impact of working capital management which includes average maturity, inventory conversion period, debt moratorium and cash flow activities on the profitability of family businesses in the food and beverage sector. listed on the stock exchange. Indonesia Stock Exchange for the period 2018 - 2022. The sampling method used was an intentional sampling method obtained from 25 companies with a sample size of 125. The data analysis technique used multiple regression analysis. The research results show that the average delivery time and inventory conversion time have a significant and negative effect on profitability. At that time, the debt moratorium had a positive but insignificant impact on profitability. Meanwhile, operating cash flow has a positive and significant effect on profitability.

Keywords: Profitability; Operating Cash Flow; Inventory Conversion Period; Period Debt Suspension; Control Variables

INTRODUCTION

Increasing community needs as a result of human needs that are not limited, resulting in development human thought is increasingly advanced and technological sophistication. This has led to an increasing rise in the business world and intense competition among companies with different business structures. Company the strong will survive, while the company the less competitive ones most likely will liquidated or bankrupt. The main goal of the company as a whole is to obtain the greatest possible profit or benefit that can be expected (Maming, 2018).

Profitability is the ability of a company to earn a profit. Profitability can be used to asses the company's ability to manage its operations and the likelihood that investors will receive a return on investment the capital. Management of a company's working capital is a factor in determining its profitability. Capital is part ownership or wealth of a business (assets) which is measured by calculating the difference between assets minus liabilities.

Return on Assets (ROA) is a measure that can be used to see the profitability of a company. The company's rate of return on assets is measured by *ROA*. *ROA* describes a company's ability to achieve optimal returns with the placement of its assets. The higher the *ROA level*, the higher the profit the company achieves.

Working capital management is an important need for the company, because including management of company operations. The operational management in question is management of cash, inventory, receivables and mailvaluable that can be bought and sold which is financed at the lowest cost (Maula & Muid, 2018). Effective working capital management can be achieved if the average acceptance time shorter and inventory conversion periods, the longer the debt suspension period and the higher the operating cash flow (Ketut Mangku & Wulandari, 2021).

In this research, the current ratio is used as a control variable. The current ratio influences the rise and fall of *ROA* (Dessi Herliana, 2021). The current ratio is a ratio that reflect ability company For pay its short-term obligations with assets fluent (Firm Ardiansah & Ickhsanto Wahyudi, 2022). Measurement ratio fluent withhow to compare total short-term debt with total asset fluent.

Object from study This is company family Which move in fieldindustry *food and beverages* Which registered inIndonesia Stock Exchange in 2018 until with year 2022. During pandemic in Indonesia, manufacturing companies in the subsector food and beverages have increased and is in great demand by investors because included as basic needs that are not can be put aside in daily needs day. Wrong One sector Which support growth economy manufacture And social Indonesia as well as the country's population growthis industry food And drink. So thatbased on the analysis carried out that sub sector This will own quite a prospect tall in time Which long.

METHODE STUDY

Method collection data on This research used research quantitative. Objective main from study quantitative is clarifying, count And construct model statistics For explain the research topic that will be studied. The data used in this research aredata secondary. Data secondary is source data study Which accepted researcher in a way No directly through intermediary media from the website Exchange Effect Indonesia, www.idx.co.id.

Population Which used in This research is a *food and beverage sector company beverages* Which registered in Exchange Effect Indonesia(IDX) during year 2018 – 2022, data obtained from the Indonesian Stock Exchange (BEI) website, namely www.idx.co.id *website* company concerned,And emitmen.kontan.co.id. Sample Which used in this research is the

companyfamily sector *food and beverages* .Taking sample with technique purposivesampling that is based on considerations/criteria certain.

Variable Dependent

Based on Wijaya (2019) variable *ROA* be measured with formula :

$$ROA = \frac{Laba Bersih}{Total Asset} \times 100\%$$

Variable Independent

$$\text{Period reception average} = \frac{\text{Rata-rata piutang} \times 365 \text{ hari}}{\text{Penjualan}}$$

$$\text{Period conversion supply} = \frac{\text{Rata-rata persediaan} \times 365 \text{ hari}}{\text{Harga pokok penjualan}}$$

$$\text{Period suspension debt} = \frac{\text{Rata-rata utang} \times 365 \text{ hari}}{\text{Harga pokok penjualan}}$$

$$\text{Ratio current cash operation} = \frac{\text{Arus kas bersih operasi}}{\text{Rata-rata utang jangka pendek}}$$

Variable Control

$$\text{Ratio fluent Which be measured with} = \frac{\text{Total aset lancar}}{\text{Total utang jangka pendek}}$$

Method Analysis Data

Data analysis method in this research carried out using SPSS software version 26 For make it easier writer in do calculation statistics.

RESULT AND DISCUSSION

Descriptive Statistical Analysis

Statistik Deskriptif					
	N	Minimum	Maximum	Mean	Std. Deviation
ROA	125	-0.58	0.42	0.0730	0.10698
ACP	125	0.41	156.74	49.4428	30.51818
ICP	125	8.06	400.72	68.3731	52.47517
PDP	125	0.18	168.24	35.6121	25.89897
AKO	125	-0.54	3.56	0.7101	0.72834
CR	125	0.06	13.31	2.8231	2.63029
Valid N (listwise)	125				

Sumber : Data sekunder telah diolah, 2023

Normality test

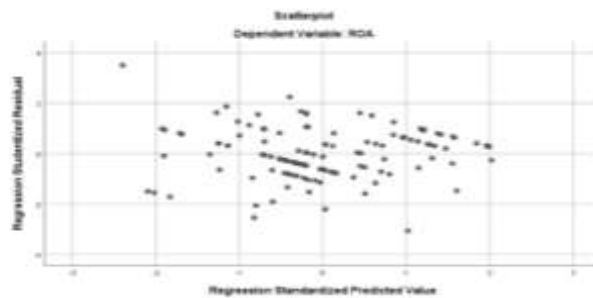
	Unstandardized Residual	
	Tanpa Kontrol	Dengan Kontrol
N	125	125
Kolmogorov-Smirnov Z	0,057	0,059
Asymp.Sig. 2-tailed)	0,200	0,200

Can is known that mark *Asymp.Sig. (2-tailed)* as big as 0.200 more big from level The research significance is 5% (0.05) based on the results of the normality test without control variables. Findings test normality with variable control show that mark *Asymp.Sig. (2-tailed)* as big as 0.200 is greater than the research significance level of 5% (0.05). These results show that research data has been normally distributed. Based on test results the, then data can used For testing with model regression multiple.

Classic assumption test

Test Heteroscedasticity

Results Test Heteroscedasticity With Variable Control



The test results in the graph above can be concluded that the data points spread are above and below or around 0, the points are not clustered just above or below and the distribution of points data No form pattern. Based on on results test on chart above does not exist symptom heteroscedasticity.

Test Statistics t

Results Test Statistics t With Variable Control

		<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>		
	Model	B	Std. Error	Beta	t	Sig.
1	(Constant)	8,343	1,498		5,571	0,000
	ACP	-0.264	0.063	-0.388	-4,158	0,000
	ICP	-0.440	0.085	-0.605	-5,191	0,000
	PDP	0.388	0.288	0.087	2,291	0.048
	AKO	0.336	0.103	0.372	3,275	0.001
	CR	0.455	0.033	0.818	13,774	0,000

a. Results Test Hypothesis First

The first hypothesis test is a test on the average acceptance period variable . B value on the variable period reception average that is as big as -0.264 with mark significance as big as $0,000 < 0.05$, so can concluded that **H 1 accepted.**

a. Results Test Second Hypothesis

Test hypothesis second is test on variable period conversion supply. Mark B on variable period inventory conversion is -0.440 with a significance value of $0.000 < 0.05$, then it can be concluded that **H 2 accepted.**

b. Results Test Third Hypothesis

Test hypothesis third is test on variable period suspension debt. Mark B on variable perioddebt suspension is 0.388 with a significance value of $0.048 < 0.05$, so **H 3 accepted**.

c. Results Test Fourth Hypothesis

The fourth hypothesis test is a test on the operating cash flow variable. B value in the operating cash flow variable that is as big as 0.336 with mark significance as big as $0.001 < 0.05$, so that **H 4 accepted**.

d. Results Test Hypothesis Fifth

The fifth hypothesis test is a test on the current ratio variable. The value of B in the current ratio variable is as follows the control variable is 0.455 with a significance value of $0.000 < 0.05$, so that **H 5 accepted**.

Discussion Results Study

Influence Period Reception Average on Profitability

In use test Partial obtained results that period reception average own negative and significant influence on profitability. The hypothesis in this study states there is a negative influence between the average revenue period and profitability, research results show influence negative Which means there is influence period reception to company profitability as measured by (*ROA*) then it can be concluded that **hypothesis 1 accepted**.

Influence Period Conversion Supply to Profitability

In using the partial test (t statistical test) the results were obtained conversion period supply own influence significant to profitability toward negative. Hypothesis on study This state exists influence negative between period conversion supply with profitability, the research results show a negative effect, which means there is a period effect conversion supply to profitability so **hypothesis 2 accepted**.

Influence Period Suspension Debt to Profitability

In use test statistics t obtained results that period suspension debt has a significant influence on profitability towards the positive. Hypothesis on this research states that there is a positive influence between the debt suspension period and profitability, results study show influence positive Which means there is influential to profitability so **hypothesis 3 accepted**.

Influence Current Cash Operation to Profitability

In use test statistics t obtained results that current cash operation own influence positive And significant to profitability. Hypothesis on study This state exists influence positive between current cash operation with profitability, results study show influence positive Which means there is influence with hypothesis so **hypothesis 4 accepted**.

Influence Ratio Fluent as Variable Control to Profitability

In use test statistics t obtained results that ratio fluent as variable control has a significant influence on profitability towards the positive. Hypothesis on this research state exists influence positive between ratio fluent with profitability, results study shows a positive influence, which means there is an influence with the hypothesis **hypothesis 5 accepted**.

CONCLUSION

- a. Test results on the first hypothesis concluded that influence period reception average own direction negative significant to profitability on family company in *the food and sector beverages* Which registered in BEI year 2018-2022. **Hypothesis accepted.**
- b. Test results on the second hypothesis concluded that influence period conversion supply own direction negative significant to profitability on family company in *the food and sector beverages* Which registered in BEI year 2018-2022. **Hypothesis accepted.**
- c. Test results on the third hypothesis concluded that influence period suspension debt own direction positive significant to profitability on family company in *the food and sector beverages* Which registered in BEI year 2018-2022. **Hypothesis accepted.**
- d. Results testing in hypothesis fourth concluded that influence current cash operation own direction positive significant to profitability on company family sector *food and beverages* Which registered in BEI year 2018-2022. **Hypothesis accepted.**
- e. Test results on the fifth hypothesis concluded that influence of ratio fluent as variable control own influence significant to profitability on family company in *the food and sector beverages* Which registered in BEI year 2018-2022. **Hypothesis accepted.**

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