

**THE INFLUENCE OF CASH TURNOVER, RECEIVABLES TURNOVER, INVENTORY TURNOVER  
AND WORKING CAPITAL SPREAD ON PROFITABILITY IN COAL MINING COMPANIES  
LISTED ON THE INDONESIA STOCK EXCHANGE FOR THE 2017-2021 PERIOD**

**Dea Putri Rahmadhani<sup>1</sup>, Anton<sup>2\*</sup>, Stanly<sup>3</sup>, Suharti<sup>4</sup>, Febdwi Suryani<sup>5</sup>**

<sup>1,2,3,4,&5</sup>Institut Bisnis dan Teknologi Pelita Indonesia

Email: [deaputri04122000@gmail.com](mailto:deaputri04122000@gmail.com)<sup>1</sup>, [anton.st.maharajo@lecturer.pelitaindonesia.ac.id](mailto:anton.st.maharajo@lecturer.pelitaindonesia.ac.id)<sup>2</sup>,

[stanlyzhang21@gmail.com](mailto:stanlyzhang21@gmail.com)<sup>3</sup>

\*correspondence author

**ABSTRACT**

There are many factors that affect the high and low profitability of a company such as liquidity, company size, company age, company growth, working capital, and cash ratios. This study aims to determine the effect of cash turnover, accounts receivable turnover, inventory turnover and working capital turnover on profitability. The population of this research is the 28 best companies listed on the Indonesian stock exchange (IDX) for the 2017-2021 period. The sampling technique used is purposive sampling, so there are 22 sample companies. The data analysis technique used is multiple linear regression analysis using spss software. The results of this study indicate that working capital turnover has a significant effect on profitability while cash turnover, accounts receivable turnover and inventory turnover have no effect on profitability.

**Keyword** : Cash Turnover; Accounts Receivable Turnover; Inventory Turnover; Working Capital Turnover; Profitability

## INTRODUCTION

### Background of the Problem

The economy in Indonesia is currently in the era of globalization which can lead to intense competition that occurs in companies. One of the goals of the company is to obtain maximum profit. The profit earned by the company can be a measure used to assess the success or failure of a company's management.

Profitability is the company's ability to generate profit (profit) within a certain time. High profitability will provide benefits for companies and shareholders, the benefits obtained in the form of increased profits. *Return on assets* (ROA) as a tool to measure company profitability.

The mining sector is one of the pillars of economic development of a country including Indonesia today, because it helps provide much-needed energy resources to support economic growth. In Indonesia, the mining industry is generally in the form of an integrated business where a company has many business units ranging from exploration, development and construction, production and processing in the form of a business unit or stand-alone business activities.

The coal sector experienced a drastic decline in ROA in 2020 of 1.94% reaching its lowest point. This means that every Rp. 1 asset user can generate a profit of Rp. 0.0194. Meanwhile, mining companies in other sectors did not experience a drastic decrease in their ROA. In 2021 the coal sub-sector experienced a drastic increase of 12.10%, meaning that every Rp. 1 asset user can generate a profit of Rp. 0.121. While other mining companies experienced a decrease of 13.15%. The profits of coal sub-sector mining companies fluctuate greatly, not all of them have good financial performance. The ups and downs of *Return On Assets* (ROA) are caused by unstable profits on sales, then followed by a decrease in total asset turnover.

Based on several previous studies, it proves that several ratios affect profitability. In research (Nurafika, 2018) and (Suminar, 2013) cash turnover has a significant effect on profitability, while research (Ferdinand & Siswanti, 2019) stated that cash turnover has no significant effect on profitability. The results of research conducted by (Pranadhani & Saryadi, 2019) and (Canizio, 2017) accounts receivable turnover has a significant effect on profitability, while research by (Eksandy & Dewi, 2018) states that cash turnover has no significant effect on profitability. (Eksandy & Dewi, 2018) stated that accounts receivable turnover had no significant effect on accounts receivable turnover. Research conducted by (Fuady & Rahmawati, 2018) and (Suminar, 2013) inventory turnover has a significant effect on profitability, contrary to research by (Surya et al., 2017). (Surya et al., 2017) which states that inventory turnover has no significant effect on profitability. Research conducted by (Wirasari & Sari, 2016) and (Santini & Baskara, 2018) working capital turnover has a significant effect on profitability, but contrary to the research conducted by (Nirmalasari, 2020) that working capital turnover has no significant effect on profitability.

The purpose of this study is to determine and analyze the effect of cash turnover, accounts receivable turnover, inventory turnover and working capital turnover on the profitability of coal sub-sector mining companies listed on the Indonesia Stock Exchange (IDX) for the period 2017-2021.

## LITERATURE REVIEW

### *Signaling Theory*)

Signal theory states that good quality companies will deliberately provide signals to the market in order to distinguish good and bad quality companies. There is certain information that is only known by managers, while shareholders do not know this information. As a result, when the company's funding policy changes, it can bring information to shareholders that will make the company's value change. In other words, there is a sign or signal (*Signaling*).

### Financial Report

According to Financial Accounting Standards PSAK No.1 states "Financial Statements are periodic reports prepared according to generally accepted accounting principles on the financial status of individuals, associations or business organizations consisting of balance sheets, cash flow statements and notes to financial statements". Financial statements can be used to evaluate the past and current financial position of the company's operating results. (Mukaromah & Supriono, 2020). Financial statements are the result of an accounting process that is generally about the financial status of an individual, social or business organization that shows the company's financial condition at this time or within a certain period.

### *Return On Assets (ROA)*

*Return On Asset* (ROA) is part of the profitability ratio in producing financial reports on the company's financial performance reports in obtaining optimal profits seen from the position of its assets. The higher the *Return On Asset* (ROA) value, the better the condition of the company. The formula used to calculate *Return On Asset* (ROA) is:

$$\text{Return On Asset (ROA)} = \frac{\text{Laba Bersih}}{\text{Total Aset}}$$

#### Cash Turnover

Cash turnover is the number of times the company has rotated cash during the reporting period, which is calculated from cash turnover based on the company's revenue divided by the average cash balance during the period. The higher the cash turnover rate means the faster the return of cash to the company. Thus the cash turnover rate can be formulated as follows:

$$\text{Rasio Perputaran Kas} = \frac{\text{Penjualan Bersih}}{\text{Rata - rata Kas}}$$

$$\text{Rata - rata Kas} = \frac{\text{Kas Awal} + \text{Kas Akhir}}{2}$$

#### Receivables Turnover

According to (Purnamasari & Fitria, 2015) accounts receivable is a ratio used to measure how long it takes to collect receivables during one period. This ratio provides an analysis of the number of times each year the funds embedded in receivables rotate from receivables to cash. The way to find this ratio is to compare credit sales with average receivables. The formula for finding *receivable turnover* is as follows:

$$\text{Rasio perputaran Piutang} = \frac{\text{Penjualan}}{\text{Rata - rata Piutang}}$$

$$\text{Rata - rata Piutang} = \frac{\text{Piutang awal} + \text{Piutang Akhir}}{2}$$

#### Inventory Turnover

According to (Judin et al., 2020) *inventory turnover* is a ratio that serves to measure how efficiently the company controls its merchandise or *inventory*. The indicator of this ratio is that if the greater the ratio value, the more effective the company will be in selling its inventory. The formula for finding inventory turnover is as follows:

$$\text{Rasio Perputaran Persediaan} = \frac{\text{Harga Pokok Penjualan}}{\text{Rata - rata Persediaan}}$$

$$\text{Rata - rata Persediaan} = \frac{\text{Saldo awal} + \text{Saldo Akhir}}{2}$$

#### Working Capital Turnover

Capital is a very important factor in the company. Companies have different capital needs depending on the type of business they run.

The working capital *turnover period* begins when cash is invested in the working capital component until the cash returns to cash. (Burhanudin, 2017). The formula used to measure the amount of working capital turnover in this study is:

$$\text{Perputaran Modal Kerja} = \frac{\text{Penjualan}}{\text{Modal Kerja Rata - rata}}$$

#### Influence between Variables and Hypotheses

##### Effect of Cash Turnover on Profitability

Cash turnover is the number of times the company has rotated cash during the reporting period, which is calculated from cash turnover based on company revenue divided by the average cash balance during the period. The relationship between cash turnover and profitability shows that the higher the cash turnover is managed in a certain period, the better the profitability will be, and the greater the profit earned.

According to the researcher (Nurafika, 2018) and (Nuriyani & Zannati, 2017) cash circulation affects profitability. This is contrary to research conducted (Ferdinand & Siswanti, 2019) which states that cash turnover has no effect on profitability.

**H1 : Cash Turnover affects Profitability (ROA) in Coal Sub-Sector Mining Companies Listed on the Indonesia Stock Exchange.**

##### Effect of Receivables Turnover on Profitability

Accounts receivable turnover is the length of time it takes to convert receivables into cash. The higher the receivables turnover ratio, the lower the working capital invested in receivables. The relationship between accounts receivable turnover and profitability is that the higher the accounts receivable turnover indicates that the profit or profit earned will be greater.

According to the results of researchers (Canizio, 2017) and (Pranadhani & Saryadi, 2019) which states that accounts receivable turnover affects profitability. This is contrary to research (Eksandy & Dewi, 2018) which states that accounts receivable turnover has no effect on profitability.

**H2 : Receivables turnover affects Profitability (ROA) in Coal Sub-Sector Mining Companies Listed on the Indonesia Stock Exchange.**

#### Effect of Inventory Turnover on Profitability

Inventory turnover is a ratio used to measure how many times the funds invested by the company in its inventory move in and out of the company in a period. The relationship between inventory turnover and profitability states that high inventory turnover will be better for capital investment which affects profitability which will increase.

According to researchers (Fuady & Rahmawati, 2018) and (Suminar, 2013) stated that inventory turnover has an effect on profitability. This is contrary to research conducted (Surya et al., 2017) which states that Inventory Turnover has no effect on profitability.

**H3 : Inventory Turnover affects Profitability (ROA) in Coal Sub-Sector Mining Companies Listed on the Indonesia Stock Exchange.**

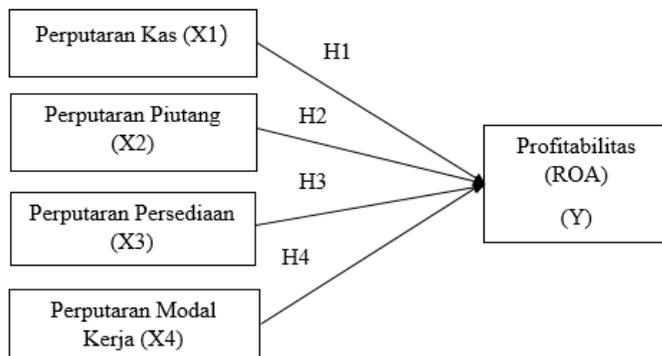
#### Effect of Working Capital Turnover on Profitability

Working capital turnover is one of the ratios used to measure or assess the effectiveness of the company's working capital during a certain period. The relationship between working capital turnover and profitability states that a good and sufficient working capital turnover will support the high profitability of the company. The higher the level of working capital turnover, the more effective the use of working capital and the faster working capital rotates so that the greater the profit obtained to increase profitability.

According to the results of researchers (Wirasari & Sari, 2016) and (Santini & Baskara, 2018) working capital turnover affects profitability. This is contrary to the researchers (Nirmalasari, 2020) which states that working capital turnover has no effect on profitability.

**H4: Working Capital Turnover affects Profitability (ROA) in Coal Sub-Sector Mining Companies listed on the Indonesia Stock Exchange.**

#### Framework of Thought



**Figure 1. Framework of Thought**

#### RESEARCH METHODS

##### Place and Time of Research

The place of research was carried out by taking the financial statements of coal sub-sector mining companies listed on the Indonesia Stock Exchange for the 2017-2021 period on the official website of the Indonesia Stock Exchange, namely [www.idx.co.id](http://www.idx.co.id) the time of this research was conducted from October 2022 to December 2022.

## Population and Sample

### Population

Population is a generalization area consisting of objects or subjects that have certain qualities and characteristics that are used by research to study so that conclusions can be drawn in population provisions. The population of this study were 28 coal sub-sector mining companies listed on the bej for the period 2017-2021.

### Sample

The sample is part of the population that has the same properties and characteristics as the population. The sample withdrawal in this study was carried out using *Purposive Sampling* technique, namely the population used as the research sample is a population that meets the sample withdrawal criteria.

### Data Analysis Technique

#### Descriptive Statistical Analysis

Descriptive statistics are used to provide a description of the data collected on research variables, or as a means of describing a summary of research variables without correlating or comparing with other variables.

#### Classical Assumption Test

##### Normality Test

The purpose of this test is to determine whether the dependent, independent or both variables are normally distributed, close to normal, or not.

##### Multicollinearity Test

The multicollinearity test aims to determine whether the regression model found a correlation between independent variables. To find out if there is a problem in the *multicollinearity* test, it can be seen from the *Collinearity Statistic* results, namely the *Variance Inflation Factor (VIF)* and *Tolerance* values.

##### Heteroscedasticity Test

The heteroscedasticity test is conducted to determine whether in a regression model there is an inequality of variance and residuals of one observation to another. If an observation to another observation is constant, it is called homoscedasticity, meanwhile, for different variances it is called heteroscedasticity. A good regression model is that heteroscedasticity does not occur. Detection of the presence or absence of heteroscedasticity can be done by looking at certain patterns on the *scatter plot* graph between SRESID and ZPRED where the Y axis is the predicted y and the X axis is the residual (Y prediction - Y actual) that has been *studentized*.

##### Autocorrelation Test

The autocorrelation test aims to determine whether in a linear regression model there is a strong positive or negative relationship between the data in the research variables. Autocorrelation testing can be done with the Durbin Watson method (DW-Test). The hypothesis to be tested is  $H_0$  (no autocorrelation,  $r=0$ ) and  $H_a$  (there is autocorrelation,  $r \neq 0$ ).

### Multiple Regression Analysis

Multiple regression is used to determine the relationship between independent variables / independent variables (X) with dependent variables / related variables (Y). This study consists of four independent variables (cash turnover, accounts receivable turnover, inventory turnover and working capital turnover) and one related variable (*Return On Asset*).

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where:

Y : *Return On Assets (ROA)*

a : Constant

$\beta_1 \beta_2 \beta_3 \beta_4$  : Regression coefficients of cash turnover, accounts receivable turnover, inventory turnover and working capital turnover.

X1 : Cash turnover

X2 : Accounts receivable turnover

X3 : Inventory recruitment

X4 : Working capital recruitment

e : *Error*

### Statistical Test

#### F Test (Model Test)

The model test or F test aims to see the extent to which the effect of cash turnover, accounts receivable turnover, inventory turnover and working capital turnover together affects ROA in coal subsector mining companies listed on the Indonesia stock exchange in 2017-2021.

#### Coefficient of Determination

The coefficient of determination is intended to measure how far the model's ability to explain the dependent variable. The coefficient of determination is ( $R^2$ ) is between zero and one. The assessment criteria are :

If the coefficient of determination ( $R^2$ ) is greater or closer to one, it can be said that the ability of the independent variable (X) to the related variable (Y). This means that the model used is getting stronger to explain the effect of the independent variables studied with related variables.

If the coefficient of determination ( $R^2$ ) is getting smaller or closer to 0, it can be said that the ability of the independent variable (X) to the related variable (Y) is getting smaller. This means that the model used is not strong enough to explain the influence of the independent variables studied on the related variables.

The value used is the adjusted  $R^2$  value because the independent variable used is more than 1.

#### Test t (Partial Test / Hypothesis Test)

The t test aims to see or to determine the extent to which the effect of cash turnover, accounts receivable turnover, inventory turnover, and working capital turnover partially affects ROA in coal subsector mining companies listed on the Indonesia Stock Exchange in 2017-2021. (Umar, 2013).

## RESEARCH RESULTS AND DISCUSSION

### Overview and Object of Research

The research object used in this study is the Coal Sub-Sector Mining Company listed on the Indonesia Stock Exchange with several predetermined criteria. A total of 22 companies in the Coal Sub-Sector Mining Companies listed on the Indonesia Stock Exchange.

### Descriptive Analysis

Descriptive analysis of the data taken for this study was 22 companies from 2017 to 2021 totaling 110 observations. The variables in the descriptive statistics used by the data in this study include the minimum value, maximum value, and average value.

#### Descriptive Value of Cash Turnover Variable

The company that has the highest cash turnover value is ARII which is 70.908 while BRMS has the lowest value of 0.127. The average value of accounts receivable turnover in the coal sector is 7.427.

#### Descriptive Value of Receivables Turnover Variable

The company that has the highest Receivables Turnover value is FIRE which is 137.086 while the BRMS company has the lowest Receivables Turnover value of 00.00. The average value of Accounts Receivable Turnover is 8.805.

#### Descriptive Value of Inventory Turnover Variables

The company that has the highest Inventory Turnover value is FIRE, which is 30,123 while the BSSR company has the lowest Inventory Turnover value of -127,212. The average value of Inventory Turnover is -10,069.

#### Descriptive Value of Working Capital Turnover Variable

The company that has the highest Working Capital Turnover value is BUMI which is 5.959 while the company ARII has the lowest Working Capital Turnover value of -0.271. The average value of Working Capital Turnover is 1.673.

#### Descriptive Value of Return On Asset (ROA) Variable

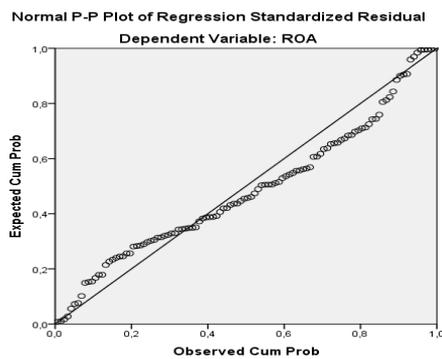
the company that has the highest Return On Asser (ROA) value is BYAN, which is 0.520, while the SMRU company has the lowest Return On asset (ROA) value of -0.112. The average value of Return On Asset (ROA) is 0.086.

### Classical Assumption Test

#### Normality Test

The Influence of Cash Turnover, Receivables Turnover, Inventory Turnover and Working Capital Spread on Profitability in Coal Mining Companies Listed on the Indonesia Stock Exchange for The 2017-2021 Period (Dea Putri Rahmadhani, Anton, Stanly, Suharti, and Febdwi Suryani)

The data normality test can use the normal *Plot* graph. Research data using the normal *Plot* graph can be seen as shown below:



Source: *Processed Data 2023*

**Figure 2. Normal P-Plot Curve**

In Figure 2, it can be seen that the test results show that the data (dots) have spread around the diagonal line and the distribution follows the direction of the diagonal line so that it can be said that the data is normally distributed.

**Multicollinearity Test**

To find out if there is a problem in the *multicollinearity* test, it can be seen from the *Collinearity Statistic* results, namely the *Variance Inflation Factor (VIF)* and *Tolerance* values.

**Table 1. Multicollinearity Test Results**

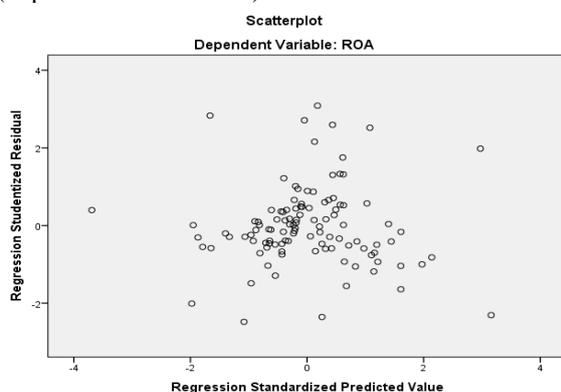
Variables	Tolerance	VIF	Description
Cash Turnover (X1)	,935	1,069	No Multicollinearity
Receivables Turnover (X2)	,957	1,045	No Multicollinearity
Inventory Turnover (X3)	,922	1,085	No Multicollinearity
Working Capital Turnover (X4)	,903	1,107	No Multicollinearity

Source: *Processed Data 2023*

From table 1 above, it can be seen that the VIF value of the research independent variables is < from 10, which means that there is no multicollinearity in this research model. So it can be concluded that this research is free from multicollinearity.

**Heteroscedasticity Test**

Detection of the presence or absence of heteroscedasticity can be done by looking at certain patterns on the *scatter plot* graph between SRESID and ZPRED where the Y axis is the predicted y and the X axis is the residual (Y prediction - Y actual) that has been *studentized*.



Source: *Processed Data 2023*

**Dependent Variable: ROA**

From Figure 3 above, it can be seen that the points are scattered around zero on the vertical axis and do not form a certain pattern or look random, so it can be concluded that this regression model does not contain heteroscedasticity or is homogeneous.

### Autocorrelation Test

To determine the value of  $dL$  (*durbin lower*) and  $dU$  (*durbin upper*) by looking at the Durbin-Watson table, at  $\alpha = 5\%$  and  $k = 4$  (the value of  $k$  indicates the value of the independent variable) where  $n$  is the number of respondents.

**Table 2. Autocorrelation Test Results**

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate	Durbin-Watson
1	,245 <sup>a</sup>	,060	,024	,13933	1,098

Source: Processed Data 2023

Based on table 2 of the analysis results above, the DW number of 1.098 lies between 0 and  $dL$ , it can be concluded that the null hypothesis is rejected, which means there is autocorrelation in this study.

### Multiple Linear Regression

To find out how much influence from cash turnover, accounts receivable turnover, inventory turnover and working capital turnover on profitability (ROA) Multiple Linear Regression Test Results can be seen in the following table:

**Table 3. Multiple Linear Regression Test Results**

Model	Unstandardized Coefficients		Standardized Coefficients	
	B	Std. Error	Beta	
	(Constant)	,054	,028	
1	Cash Turnover	-,003	,001	-,169
	Receivables Turnover	,000	,001	,026
	Inventory Turnover	,000	,001	-,027
	Working Capital Turnover	,028	,013	,215

Source: Processed Data 2023

Based on table 5 of the results of the table analysis above, the regression model equation is obtained:

$$Y = 0.054 - 0.003 X_1 + 0.000 X_2 + 0.000 X_3 + 0.028 X_4$$

The multiple linear regression equation above can be explained as follows:

From the multiple regression above, a constant ( $\alpha$ ) of 0.054 is obtained, which means that the cash turnover, accounts receivable turnover, inventory turnover and working capital turnover value is 0, then the profitability value is 0.054 units.

The multiple linear regression coefficient value of the cash turnover variable is -0.003, which means that the value of the other independent variables is constant and the cash turnover variable has decreased by 1 unit, then profitability has increased by -0.003 units. The coefficient is negative, meaning that there is a negative relationship, where high cash turnover will reduce the company's ROA.

The multiple linear regression coefficient value of the accounts receivable turnover variable is 0.000, which means that the value of the other independent variables is fixed and the accounts receivable turnover variable has increased by 1 unit, then profitability has increased by 0.000 units. The coefficient is positive, meaning that there is a positive relationship, where high accounts receivable turnover will increase the company's ROA.

The multiple linear regression coefficient value of the inventory turnover variable is 0.000, which means that the value of the other independent variables is constant and the inventory turnover variable increases by 1 unit, then profitability increases by 0.000 units. The coefficient is positive, meaning that there is a positive relationship, where high inventory turnover will increase the company's ROA.

The multiple linear regression coefficient value of the working capital turnover variable is 0.028, which means that the value of the other independent variables is constant and the working capital turnover variable has increased by 1 unit, then profitability has increased by 0.028 units. The coefficient is positive, meaning that there is a positive relationship, where high capital turnover will increase profitability.

### Model Feasibility Test

#### Simultaneous Test (F Test)

The results of hypothesis testing in this study can be seen in table 4.9 below:

**Table 4. F Test Results**

The Influence of Cash Turnover, Receivables Turnover, Inventory Turnover and Working Capital Spread on Profitability in Coal Mining Companies Listed on the Indonesia Stock Exchange for The 2017-2021 Period (Dea Putri Rahmadhani, Anton, Stanly, Suharti, and Febdwi Suryani)

Model	Sum Squares	of Df	Mean Square	F	Sig.	F-Table
1 Regression	,131	4	,033	1,683	,160 <sup>b</sup>	2,69
Residuals	2,038	105	,019			
Total	2,169	109				

Source: *Processed Data 2023*

Based on table 3, the test results using the SPSS program obtained  $F_{count}$  of 1.683 with a significance value of 0.160 and an  $F_{table}$  value of 2.69. Because the value of  $F_{hitung} < F_{tabel}$  which is  $(1.683 < 2.69)$  and with a significance of  $0.160 > 0.05$  it can be concluded that there is no influence between cash turnover, receivables turnover, inventory turnover and working capital turnover on ROA.

### Test Coefficient of Determination ( $R$ )<sup>2</sup>

The results of hypothesis testing in this study can be seen in table 4.10 below:

**Table 5. Test Results of the Coefficient of Determination ( $R$ )<sup>1</sup>**

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	,245 <sup>a</sup>	,060	,024	,13933

Source: *Processed Data 2023*

From table 5, the results of calculations using the SPSS program in table 4. It is known that the R value which is the correlation coefficient is 0.245, which indicates that the relationship between the cash turnover variable ( $X_1$ ), accounts receivable turnover variable ( $X_2$ ), inventory turnover variable ( $X_3$ ) and working capital turnover variable ( $X_4$ ) with the profitability variable (Y) is classified as moderate. Based on Adjust R Square, the ability of the cash turnover variable ( $X_1$ ), accounts receivable turnover variable ( $X_2$ ), inventory turnover variable ( $X_3$ ) and working capital turnover variable ( $X_4$ ) in explaining the profitability variable (Y) is 0.024 or 2.4%, the remaining amount ( $100\% - 2.4\% = 97.6\%$ ) is influenced by other variables outside this study.

### Partial Test (t)

The results of hypothesis testing in this study can be seen in table 4.11 below:

**Table 6. Partial Test Results (t)**

Variables	$t_{hitung}$	$t_{tabel}$	Sig	Description
Cash Turnover	1,723	1,6590	0,088	No Significant Effect
Receivables Turnover	0,273	1,6590	0,785	No Significant Effect
Inventory Turnover	0,277	1,6590	0,782	No Significant Effect
Working Capital Turnover	2,157	1,6590	0,033	Significant Effect

Source: *Processed Data 2023*

Based on the table above, the partial test results can be explained as follows:

The test results show that the  $t_{count}$  value of the cash turnover variable is 1.723 while  $t_{tabel}$  is 1.6590 with a sig value of 0.088. This means that  $H_0$  is accepted and  $H_1$  is rejected and it can be concluded that cash turnover has no significant effect on ROA of coal companies listed on the Indonesia Stock Exchange (IDX) 2017-2021.

The test results show that the  $t_{count}$  value of the accounts receivable turnover variable is 0.273 while  $t_{tabel}$  is 1.6590. This means that  $H_0$  is accepted and  $H_2$  is rejected and it can be concluded that accounts receivable turnover has no significant effect on ROA of coal companies listed on the Indonesia Stock Exchange (IDX) 2017-2021.

The test results show that the  $t_{count}$  value of the inventory turnover variable is 0.277 while  $t_{tabel}$  is 1.6590. This means that  $H_0$  is accepted and  $H_3$  is rejected and it can be concluded that inventory turnover has no significant effect on the ROA of coal companies listed on the Indonesia Stock Exchange (IDX) 2017-2021.

The test results show that the  $t_{count}$  value of the working capital turnover variable is 2.157 while  $t_{tabel}$  is 1.6590. This means that  $H_0$  is rejected and  $H_4$  is accepted and it can be concluded that working capital turnover has an insignificant effect on ROA of coal companies listed on the Indonesia Stock Exchange (IDX) 2017-2021.

## Discussion of Research Results

### Effect of Cash Turnover on Profitability

This cash turnover shows the ability of cash to generate income so that it can be seen how many times cash rotates in a certain period.

In 2017, 2018, 2020 and 2021 the movement of cash turnover in accordance with theory has a positive relationship where an increase in cash turnover is followed by an increase in profitability (ROA). However, in 2019 the cash turnover variable is not in accordance with the theory because the increase in cash turnover is followed by a decrease in profitability (ROA).

Based on the results showed that cash turnover has no significant effect on profitability (ROA) so that it can be drawn cash turnover has no effect on profitability (ROA). The results of this study support research (Ferdinand & Siswanti, 2019) which states that it has no effect on the company's profitability (ROA). While research (Nurafika, 2018) and (Nuriyani & Zannati, 2017) which states that cash turnover affects profitability.

#### **The Effect of Receivables Turnover on Profitability**

The higher the level of accounts receivable turnover means that the working capital invested in accounts receivable turnover is low. The relationship between accounts receivable turnover and profitability is that the higher the level of accounts receivable turnover, the higher the level of profit or profitability of the company obtained will be greater.

The movement of ROA in accordance with the theory has a positive relationship where an increase in accounts receivable turnover is followed by an increase in ROA. However, in 2020 the movement of accounts receivable turnover showed different results where the increase in accounts receivable turnover movement was followed by a decrease in ROA. This result is not in accordance with the results of the significance test in this study.

Based on the results of this study, it shows that accounts receivable turnover has no effect on profitability (ROA). The results of this study are not in line with research conducted by (Canizio, 2017) and (Pranadhani & Saryadi, 2019) which states that accounts receivable turnover affects profitability. However, this research is in line with research (Eksandy & Dewi, 2018) which states that accounts receivable turnover has no effect on profitability. This shows the changes in the ups and downs of accounts receivable turnover from year to year of the company on the credit policy provided as well as the level of the company's ability to collect its receivables and effective collection of the credit provided.

#### **Effect of Inventory Turnover on Profitability**

The relationship between inventory turnover and profitability states that high inventory turnover will be better for capital investment which affects profitability which will increase.

The movement of inventory turnover in accordance with the theory has a negative relationship where a decrease in inventory turnover is followed by a decrease in ROA, and vice versa if inventory turnover increases, ROA will also increase.

Based on the results of this study, it shows that inventory turnover has no effect on profitability (ROA). The results of this study are not in line with research conducted by (Fuady & Rahmawati, 2018) and (Suminar, 2013) stated that inventory turnover has an effect on profitability. But this research is in line with research conducted by (Surya et al., 2017) which states that Inventory Turnover has no effect on profitability.

#### **Effect of Working Capital Turnover on Profitability**

In the management of working capital, three elements of working capital need to be considered, namely cash, accounts receivable and inventory. The relationship between working capital turnover and profitability is that good and sufficient working capital will support the high profitability of the company. The faster the rate of working capital turnover, the greater the profit obtained to increase profitability.

the movement of working capital turnover in accordance with the theory has a negative relationship where a decrease in working capital turnover is followed by a decrease in ROA. And conversely, an increase in working capital turnover is followed by an increase in ROA.

Based on the results of this study indicate that working capital turnover affects profitability (ROA). So it can be drawn that working capital turnover has an influence on profitability (ROA). The results of this study are in line with research conducted by (Wirasari & Sari, 2016) and (Santini & Baskara, 2018) which states that working capital turnover affects profitability. However, contrary to researchers (Nirmalasari, 2020) which states that working capital turnover has no effect on profitability.

## CLOSING

This study was conducted to see whether or not there is an influence of Cash Turnover, Receivables Turnover, Inventory Turnover and Working Capital Turnover on Profitability in Coal Sub-Sector Mining companies listed on the Indonesia Stock Exchange (IDX) for the period 2017-2021. The conclusions that can be drawn from the results of the research that has been done include: (1) Cash Turnover has no significant effect on profitability (ROA) of Coal Sub-Sector Mining companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2021 period. This shows that cash turnover which is getting faster or slower affects the profitability of the company. (2) Accounts receivable turnover has no significant effect on profitability (ROA) of Coal Sub-Sector Mining companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2021 period. This shows that the faster or slower the turnover of accounts receivable will not affect the profitability of the company. (3) Inventory turnover has no significant effect on profitability (ROA) of Coal Sub-Sector Mining companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2021 period. This shows that the faster or slower the inventory turnover does not affect the profitability of the company. (4) Working capital turnover has a significant effect on profitability (ROA) of Coal Sub-Sector Mining companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2021 period. This shows that the faster or slower the turnover of working capital can affect the profitability of a company.

This research has been conducted according to the procedure, but still has limitations, namely: This study did not examine all populations as samples due to the use of *purposive sampling* method in research sampling. (1) Limitations on the sample studied in Coal Sub-Sector Mining companies listed on the IDX for the 2017-2021 period. (2) Limitations on research variables, where researchers only examine cash turnover variables, accounts receivable turnover, inventory turnover and working capital turnover.

Based on the research conducted, the limitations of existing research, and taking into account the conclusions above, the suggestions that can be given are to: (1) For previous researchers, so that in future researchers, the sample used is expanded, covering all sectors listed on the Indonesia Stock Exchange (IDX). (2) For investors when making a decision to invest in a company, you should pay attention to the level of working capital turnover of a company. Because working capital affects the profitability of the company.

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