

THE EFFECT OF WORKING CAPITAL TURNOVER AND SALES GROWTH ON PROFITABILITY IN CONSUMER NON-CYCLICALS COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE (IDX) FOR THE 2020-2022 PERIOD

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Abstract

The aim of this research is to find out the influence of working capital turnover and sales growth on profitability in non-cyclical consumer companies listed on the Indonesian Stock Exchange (IDX) for the 2020-2022 period. This research was conducted using a quantitative method approach in the form of numbers and analyzed using statistics. The scope of the research took non-cyclical consumer companies listed on the Indonesia Stock Exchange, totaling 125 companies and the sample used was 46 companies with a sampling technique using Purposive Sampling, namely only taking samples from parts that were directly related to the research. Analysis using multiple linear regression. The results of the partial hypothesis testing research showed that working capital turnover had no effect on profitability, the second result was that there was an influence of sales growth on profitability, and the results of the simultaneous test showed that working capital turnover and sales growth had a simultaneous influence on profitability in consumer companies. non-cyclical listed on the Indonesia Stock Exchange for the 2020-2023 period.

Keywords: Working Capital Turnover, Sales Growth, Profitability, Indonesian Stock Exchange

INTRODUCTION

The ultimate goal that a company wants to achieve is to obtain profits or profits. The higher the profit generated by a company, the better the company's performance. Corporate profit is not only an indicator of a company's ability to fulfill its obligations to its investors, but also an element of company value creation that shows the company's future prospects. Companies that have high profitability reflect high revenue. According to Kasmir (2018:196), the profitability ratio is a ratio to assess a company's ability to make a profit. This ratio also provides a measure of the level of effectiveness of a company's management. This is indicated by the profit generated from sales and investment income. The bottom line is that the use of this ratio shows the efficiency of the company. Generally, the establishment of a company is based on achieving the goals that have been set by the founder of the company.

The most common goal that a company has is to make as much profit as possible. With the profit that the company has obtained, the company's performance will increase so that it can encourage the company to achieve other goals. The ability of a company to obtain profits through all existing capabilities and sources such as sales, cash, capital, and so on is profitability. The company's profitability is the upper benchmark. The company's performance shows the profit income that the company has earned in the specified period. A company's profitability can be assessed based on a comparison between the profits obtained from sales and the overall capital owned by the company.

The company will certainly always expect a high profitability figure because with a profitability ratio that continues to increase steadily, the company is able to carry out its activities efficiently and effectively so that it has the potential to increase the company's profits and encourage the company to achieve its goals. Although profitability is not a guarantee of the company's survival in the future, profitability can be used as a benchmark for company success for company leaders and as a benchmark for the prospects of capital invested by investors. The company's profitability report can help the management in conducting evaluations to continue to improve the company's performance in increasing the profits received so that the company's goals

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can be achieved optimally (Kasmir, 2014:187). From the perspective of shareholders and creditors, a company's profitability report can be used to see the company's performance on the prospects of the capital that has been invested in the company. In companies with a high profitability ratio, investors can give an assessment to the company and influence the investor's decision to invest in the company. Capital structure is one of the factors that can have a negative and significant effect on profitability. The higher the capital structure proxied, the more the company has a total debt compared to the total capital owned by itself, so the company gets a higher burden on outsiders. Companies that use higher debt in their operations will get a high interest expense, which will have an impact on the reduction of net profit that should be received by the company.

Capital is one of the most important factors for a company that is needed to finance its operations and long-term investments. There are two types of capital sources that companies use to finance their activities, which consist of the company's own capital and long-term debt. The comparison between these two sources of financing can be defined as the capital structure that is proxied. The use of capital derived from the company's internal funds will greatly reduce dependence on external parties, but with the limited funds owned by the company, of course, an alternative capital derived from external funds is needed. Decision Structure The establishment of a balanced and optimal capital structure can reduce the cost of capital and financial risk of the company. Working capital is in a state of revolving or operating in the company as long as the company in question is in a state of business. The working capital turnover period begins when cash is invested in the working capital component until the time when the cash turnover or the higher the turnover rate is.

The length of the working capital turnover period depends on how long the turnover period of each component of the working capital is. If the company has too large a debt, the costs incurred will also increase, reducing the profit earned by the company and will further increase the company's risk if the profit earned does not reach the target to pay the company's debt. Rahmawati & Mahfudz (2018) in their research explained that capital structure has a negative effect on profitability. Sales growth is an increase in the number of sales over the years or over time. Sales growth reflects a manifestation of past investment success and can be used as a prediction of future growth. Sales growth is also an indicator and competitiveness of a company in an industry. The growth rate of a company will affect its ability to maintain profits in future opportunities. High sales growth will reflect increased revenue. Sales growth can have a positive effect on a company's profitability. With an increase in sales growth by the company with efficient use of assets and optimal use of resources, it indicates that the company can continue to maintain its economic position and survival so that it has a positive impact on profitability.

Sales are one of the main sources of revenue for companies, especially in trading and manufacturing companies. Sales growth is one of the factors that can affect the increase in profits received by the company so that it also affects the increase in the company's profitability ratio. The company will always intensify its company activities in the hope of continuing to increase its sales with the aim of continuing to increase the company's profit which at the same time affects the increase in the company's profitability ratio. The increased sales growth reflects the company's good performance, where sales achieved in one year are higher than in the previous year. The increasing sales that have been carried out by the company from year to year in the current period can produce better profits so that it can be a benchmark that the company has increased in its profitability. According to Sukadana (2018) in his research explained that sales growth can have a positive and significant effect on profitability

In 2020, an outbreak of a new virus caused a new pneumonia that originated in Wuhan, Hubei Province which then spread rapidly to more than 190 countries and territories. This outbreak is named Coronavirus Disease 2019 (Covid-19) caused by Severe Acute Respiratory Syndrome Coronavirus-2 (SARS-CoV-2). The spread of this disease has had a wide impact socially and economically (Susilo et al., 2020). Responding to the Corona Virus Disease 2019 (Covid-19) pandemic, the Indonesia government began to implement restrictions with social distancing policies by maintaining distance and avoiding crowds, then physical distancing by maintaining a

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distance of at least 1.8 meters between people since early March 2020. The policy has drastically reduced people's activities and movements in employment, education, business, and others. The existence of various impacts caused by the Covid-19 pandemic has caused many negative influences on the world economy, including Indonesia. One of the most affected business sectors is retail sub-sector companies that sell various types of commodity goods that will be consumed by the public. Retail or retailer sub-sector companies are business sectors with a product marketing system where sales transactions are directly aimed at consumers or Business to Consumer. Through retail, a product can meet directly with its users or Business to Consumer. However, the Covid-19 pandemic has had a very significant effect on the activities of retail companies to carry out their sales transactions on a Business-to-Consumer basis.

The impact of public consumption of goods sold by retail business actors has decreased at varying rates, thus having an impact on declining company profits. The impact felt by the retail business sector has affected the company's profitability. Profitability is the ability of a company to obtain profits in relation to sales, total assets and its own capital. Profitability provides an overview of the extent of the company's effectiveness in making sales and investments made to generate profits for the company (Kasmir, 2013:114). Without profitability, businesses will not survive in the long run. Profitability is an important prospect for companies to assess how the company's condition will be in the future where increasing profits can be a signal for investors (Syofyan, 2020). High profitability will be able to support operational activities to the maximum.

The object used in this study is non-cyclical consumer sector companies listed on the Indonesia Stock Exchange in the 2019-2021 period. Non-Cyclical Consumer Sector Companies or Primary Consumer Goods are companies that produce or distribute products and services that are generally sold to consumers for anti-cyclical goods or primary/basic goods that are often used for daily needs by consumers so that the demand for goods and services offered by companies is not affected by economic growth (www.idx.co.id). Non-cyclical consumer sector companies produce goods or services that are always needed by consumers in their daily activities so that they are not influenced by economic growth but are influenced by the company's own fundamental factors. Based on the research background that has been described, the author is interested in writing a thesis with the title "The Effect of Working Capital Turnover and Sales Growth on Profitability in Non-Cyclical Consumer Companies Listed on the Indonesia Stock Exchange (IDX) for the 2020-2022 Period".

LITERATURE REVIEW

Definition of Accounting

Accountancy is a methodology and a set of knowledge related to the information system of economic units, regardless of its form, divided into two parts. First, accounting is a knowledge related to the process of carrying out bookkeeping in a broad sense. Second, auditing is a knowledge or science related to an audit and assessment (evaluation) of the results of the bookkeeping process. Because, the name of accounting (accountancy) is broader to include the fields of theory, bookkeeping process, application or practice, as well as examination and assessment. Meanwhile, the term accounting only indicates the field of theory (Sadeli: 2016).

Definition of Working Capital

Working capital turnover is a measurement carried out by a company in measuring the effective level of its working capital in a predetermined period. By using this ratio, the company can find out how much working capital has been rotated in a certain period that is used to finance the company's daily operational activities. To measure it, you can compare net sales with working capital or average working capital. (Pratiwi & Ardini, 2019:3)

Definition of sales growth

According to Munawir (2014:33), the definition of profitability is as follows: "Profitability or profitability is showing the ability of a company to generate profits over a certain period. The

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profitability of a company is measured by the success of the company and the ability to use its assets productively, thus the profitability of a company can be determined by comparing the profit earned in a period with the number of assets or the amount of capital of the company."

Framework of Thought

Based on the description above, the author can describe the following frame of mind: :

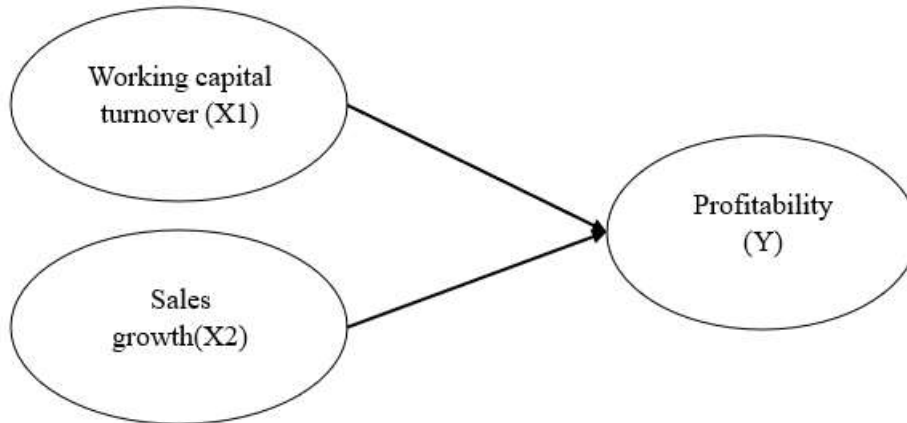


Figure 1
Thinking Framework

Hypothesis

Based on the theoretical foundation and framework of thought above, the hypothesis proposed in this study consists of two, including:

- Ho1: Working capital turnover has no effect on profitability Company Consumer non Cyclical Listed on the Indonesia Stock Exchange (IDX) for the 2020-2022 period
- Ha1: Working capital turnover on profitability Company Consumer non Cyclical Listed on the Indonesia Stock Exchange (IDX) for the 2020-2022 period
- Ho2: Sales growth affects profitability Company Consumer non Cyclical Listed on the Indonesia Stock Exchange (IDX) for the 2020-2022 period
- Ha2: Sales growth affects profitability Company Consumer non Cyclical Listed on the Indonesia Stock Exchange (IDX) for the 2020-2022 period
- Ho3: Working capital turnover and sales growth have no simultaneous effect on profitability Company Consumer non Cyclical Listed on the Indonesia Stock Exchange (IDX) for the 2020-2022 period
- Ha3: Working capital turnover and sales growth have a simultaneous effect on profitability Company Consumer non Cyclical which is listed on the Indonesia Stock Exchange (IDX) for the 2020-2022 period.

RESEARCH METHODS

Methods used

The method used in this study is a quantitative descriptive method. In this study, the quantitative descriptive method was used to test the influence of capital turnover and sales turnover on profitability in consumer non-cyclicals companies listed on the Indonesia Stock Exchange (IDX) for the 2020-2022 period and to test the theory by testing a hypothesis whether it was accepted or rejected. The definition of quantitative methods according to Sugiyono (2016:14) is: "Statistics used to analyze data by describing or describing the data that has been collected as it is". By using this research method, a significant relationship between the variables studied will be known so as to produce conclusions that will clarify the picture of the object being studied.

Location and Time

According to Sugiyono (2016:43), the location of the research is to show the sense of a place or social location of research which is characterized by the presence of elements of actors, places and activities that can be observed". This study takes secondary data from Consumer Non Cyclical Companies listed on the Indonesia Stock Exchange (IDX) for the 2020-2022 period. The time used to conduct the research was carried out from November 2023 to April 2024

Research Population

Population according to Sugiyono (2013:115) is a generalization area consisting of objects/subjects that have certain qualities and characteristics that are applied by researchers to be studied and then drawn conclusions. The population to be studied in this study is non-cyclical consumer companies listed on the Indonesia Stock Exchange (IDX) for the 2020-2022 period.

Research Sample

According to Sugiyono (2013:115), the sample is part of the number and characteristics possessed by the population. The sample is done if the population is large and the researcher is unlikely to study everything in the population. Sampling using non-probability sampling techniques, is a sampling technique that does not provide equal opportunities or opportunities for elements or members of the population to be selected as samples. In this study, the samples used are Balance Sheet financial statements, Income Statements, and Retained Income Statements of non-cyclical consumer companies listed on the Indonesia Stock Exchange (IDX) for the 2020-2022 period.

The sampling technique used is the purposive sampling method which means that it is:

- a. Samples are selected based on the suitability of the characteristics of the specified sample.
- b. To minimize errors in the sample selection process.
- c. Based on considerations regarding data completeness, data clarity, and availability of data collected. The properties that must be possessed by the sample are as follows (Sukandarrumidi, 2015):
 - a. It has properties that are possessed by the population, namely if the population is characterized by the color, dimension and hardness of the material, then the sample is also characterized by the same thing.
 - b. Representing the population, that is, if from a number of population members after considering enough to take a sample, the test results of the sample will represent all members of the population.
 - c. It can be used to generalize the results of the analysis In relation to the information above, the results will apply to all members of the population. Based on the definition above, the sample used in this study must meet the following characteristics:
 1. Companies listed consecutively during the 2020-2022 period
 2. Those who publish financial statements consecutively during the 2020-2022 period
 3. Consecutive profits during the 2020-2022 period Companies that use rupiah.

Data Determination Techniques

According to Sugiyono (2010:73) said that the definition of a sample is as follows: "A sample is part of the number and characteristics possessed by the population." The sampling technique in this study was carried out by sampling technique with a type of non-probability sampling with a purposive sampling technique Purposive sampling is a technique for determining samples with certain considerations, which are considered to match the characteristics of the specified sample to be used as a sample.

RESEARCH RESULTS AND DISCUSSION

Descriptive Statistical Analysis

Statistical Test

In this study to describe the results of the research data, the variables used consisted of the dependent variable, namely Profitability, while the independent variables were working capital growth and sales growth. Based on this sample of consumer non-cyclicals sector companies listed on the Indonesia Stock Exchange for the 2020-2022 period with a total of 138 observations. The data descriptive statistics in this study can be seen in the following table:

Table 1
Results of Descriptive Statistical Analysis

	N	Minimum	Maximum	Mean	Std. Deviation
Working Capital Turnover	138	-1277.10	0.98	-9.2381	108.71833
Sales Growth	138	0.14	12.61	2.6207	2.66066
Profitability	138	0.00	1.43	0.1658	0.21216
Valid N (listwise)	138				

Source: Output SPSS 24 (2024)

Based on the results of the statistical test in table 4.5 above, it shows that the number of observations on companies listed on the IDX during the 2020-2022 period is 138 data. Descriptively, profitability as a dependent variable has a minimum value of 0.00 owned by PT. Indah Kapuk Dua, Tbk. in 2020. This means that of the 138 observation data hinted, 0.00 profitability is revealed by this company. Meanwhile, the maximum value of 1.43 is owned by PT. Unilever Indonesia, Tbk in 2020. This means that of the 138 observation data hinted, 1.43 profitability was disclosed by this company. The average value of the company is 0.1658 with a standard deviation of 0.21216. The average value is smaller than the standard deviation, which means that profitability has large fluctuations from the overall data.

The first independent variable has a minimum value of -1277.10 owned by PT. Indah Kapuk Dua, Tbk. in 2020. Meanwhile, the maximum value of 0.98 owned by PT. Unilever Indonesia, Tbk. in 2022. The average value of working capital turnover is -9.2381 with a standard deviation of 108.71833. The average value is smaller than the standard deviation, which means that cash turnover has high fluctuations from the overall data. Sales growth as the first independent variable has a minimum value of 0.14 owned by PT. Indah Kapuk Dua, Tbk. in 2020. Meanwhile, the maximum value of 12.61 owned by PT. Unilever Indonesia, Tbk. in 2022. The average value of sales growth results is 2.6207 with a standard deviation of 2.66066. The average value is smaller than the standard deviation, which means that inventory turnover has high fluctuations from the overall data

Normality Test

The normality test for residuals in this study used the Kolmogorov-Smornov test with the significance level used $\alpha = 0.05$. The test results are:

Table 2
Normality Test Results

		FMD	PP	Profitability
N		0.138	0.138	0.138
Normal Parameters ^{a,b}	Mean	-9.2381	2.6207	0.1658
	Std. Deviation	108.71833	2.66066	0.21216

Most Extreme Differences	Absolute	0.512	0.212	0.228
	Positive	0.463	0.212	0.228
	Negative	-0.512	-0.176	-0.217
Test Statistic		0.512	0.212	0.228
Asymp. Sig. (2-tailed)		0.000C	0.000C	0.000C

Source: Data Processing Results, 2024

Based on the normality test carried out with a histogram on the SPSS application, the results were obtained that the statistical test value of working capital turnover was 0.512, sales turnover was 0.212 and profitability was 0.228 and the probability value was above the significant value of 0.000. Where the results show a probability value below the value of $\alpha = 0.05$. This shows that this data is normally distributed

Autocorrelation Test

Autocorrelation is caused by continuous observation over a certain period of time related to each other. The autocorrelation test aims to test whether in the linear regression model there is a correlation between the perturbation error in the t-period and the perturbation error in the t-1 period (previously). If there is a correlation, it is called an autocorrelation problem (Ghozali, 2009). One way to see for autocorrelation is with a run test. The run test is used to test whether there is a high correlation between the residuals. If there is no correlation between the residuals, then it can be said that the residuals are random or random. The run test aims to see whether the residual data occurs randomly or not (systematically). If the significance of the run test value < 0.05 , then the data has autocorrelation symptoms and if the significance is > 0.05 , the data does not have autocorrelation symptoms (Ghozali, 2011: 139).

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Table 3
Autocorrelation Test Results

Type	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.384a	0.147	0.135	0.19737	0.734

a. Predictors: (Constant), Sales Growth, Working Capital Turnover

b. Dependent Variable: Profitability

Source: Data Processing Results, 2024

The Durbin Watson value in the Summary model is 0.734. So because 0.734 is between -2 and +2 means that there is no autocorrelation

Multicollinearity test

The multicollinearity test was used to find out whether in the research regression model there was a strong correlation or relationship between independent variables or independent variables. To detect the presence of symptoms of multicollinearity or not is to look at the values of Tolerance and Variance Inflating Factor (VIF) in the regression model. If the tolerance value is greater than 0.10 and the VIF value is less than 10, then the symptoms of multicollinearity do not occur. The results of the multicollinearity test are presented in the following table:

Table 4
Multicollinearity Test Results

Type		t	Sig.	Collinearity Statistics	
				Tolerance	VIF
1	(Constant)	3.739	0.000		
	Working Capital Turnover	1.138	0.257	0.996	1.004
	Sales Growth	4.751	0.000	0.996	1.004

a. Dependent Variable: Profitability

Source: Data Processing Results, 2024

The results of the calculation of the Tolerance value and the Variance Inflating Factor (VIF) value can be seen. Each of the independent variables used in this study had a Tolerance value greater than 0.10. The variable of working capital turnover has a Tolerance value of 0.996, the sales growth variable has a Tolerance value of 0.996, and each independent variable obtained a VIF value of less than 10. For the working capital turnover variable, it has a VIF value of 1.004,

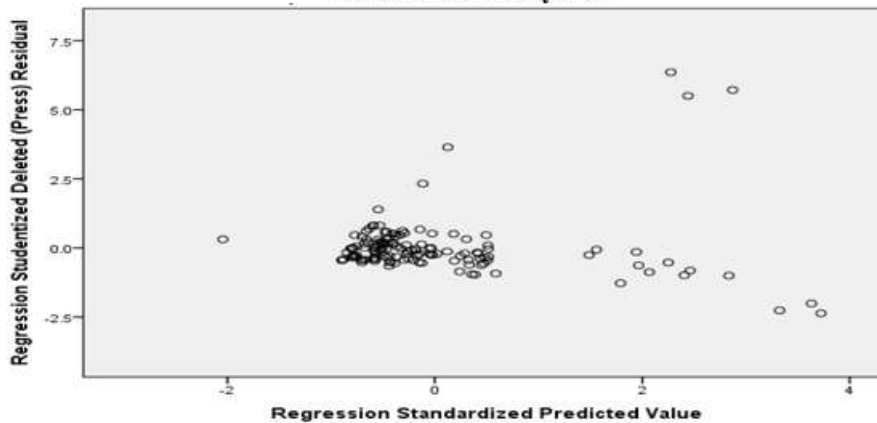
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the sales growth variable has a VIF value of 1.004. Thus, it can be concluded that in this regression model, there are no symptoms of multicollinearity

Heteroscedasticity Test

The heteroscedasticity test aims to test whether in the regression model there is a variational and residual inequality of one observation to another. A good regression model is one in which heteroscedasticity does not occur. To see whether there is heteroscedasticity or not is to look at the scatterplot graph. A regression model that does not have heteroscedasticity symptoms is a regression model in which the points on the scatterplot graph are formed by randomly spreading both above and below the number 0 on the Y axis..

Table 5
Heteroscedasticity Test



Source: Data Processing Results, 2024

Showed the value of R2 or the correlation coefficient in the endogenous construct of the leadership style variable had an R2 value of 0.547 which indicated that the leadership style and teacher performance had a strong relationship.

Furthermore, the adjusted R2 value or determination coefficient in the endogenous construct of the leadership style variable had an influence of 53.9% on the teacher's performance, and the remaining 47.1% was influenced by other variables outside this study.

Multiple Linear Regression Analysis

Multiple Linear Regression

This regression test aims to find out how the influence of independent variables on dependent variables based on the results of multiple linear regression analysis tests with computer tools using SPSS programs, can be seen in the following table

Table 6
Multiple Linear Regression Analysis Results

Type	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1 (Constant)	0.088	0.024		3.739	0.000	
Working Dividend	Capital	0.000	0.000	0.091	1.138	0.257
	Sales Growth	0.030	0.006	0.378	4.751	0.000

a. Dependent Variable: Profitability

The results of the calculation from the multiple linear regression test obtained the value of the constant (α) from the regression model = 0.088 and the regression coefficient (β) of each

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variable - the independent variable obtained $\beta_1 = 0.000$ $\beta_2 = -0.030$. Based on the value of the constant and the regression coefficient, the relationship between the independent variable and the dependent variable in the regression model can be formulated as follows:

$$Y = 0.088 + 0.000(X_1) - 0.030(X_2) + \varepsilon$$

From the above equation it can be explained as follows:

1. The value of the Constant (α) is 0.088. This means that if the profitability variable is considered constant (value 0), then the company's value is 0.088.
2. The regression coefficient value of the Working Capital Turnover variable is 0.000. This shows that there is a positive relationship with profitability. Every 1% increase in Working Capital Turnover will reduce profitability by 0.000.
3. For the value of the regression coefficient of the Sales Growth variable is -0.030. This shows that there is a positive relationship with profitability. Any decrease in inventory turnover by 1% will reduce profitability by 0.030.

Hypothesis Testing

Partial Test (t-Test)

The basis for making decisions to accept or reject a research hypothesis is that if the calculated t-value is greater than the t-value of the table, then the hypothesis is accepted, meaning that statistical variables have an influence on individual dependent variables. Likewise, if the calculated t-value is less than the t-value of the table, the hypothesis is rejected, meaning that the statistical variable has no influence on the dependent variable individually. In addition, to see the significance by comparing the alpha significance level, if the significance value is less than 0.05 then the hypothesis is accepted and if the significance value is greater than 0.05 then the hypothesis is rejected. The results of the partial test (t-test) are presented in the following table:

Table 7
Partial Test Results (t-Test)

		Model Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.088	0.024		3.739	0.000
	Working Capital Turnover	0.000	0.000	0.091	1.138	0.257
	Sales Growth	0.030	0.006	0.378	4.751	0.000

a. Dependent Variable: Profitability

Source: Data Processing Results, 2024

The result of the calculation of table 4.7 The magnitude of the table number with the condition $t\text{-table} = t(n-k)$ or $(138-2) = t(0.05; 1.656)$ so that a value of 1.656 was obtained. So the influence of each of the following variables can be known. The variable of Working Capital Turnover on Coefficient Profitability was obtained with a value of t calculated 1.138 which means $t\text{ calculated} < t\text{ table}$ ($1.138 < 1.656$) with a significance value of $0.257 > 0.05$ so that it can be said that H_01 is accepted and H_a1 is rejected. The variable Sales Growth on Coefficient Profitability was obtained with a value of t calculated 4.751 which means $t\text{ calculated} > t\text{ table}$ ($4.751 > 1.656$) with a significance value of $0.000 < 0.05$ so that it can be said that H_02 was rejected and H_a2 was accepted. This means that Sales Growth affects Profitability.

Simultaneous Test (Test F)

The simultaneous significance test aims to test the influence of independent variables together or simultaneously on the bound variables. The results of the F statistical test have been

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presented in table 4.8. The proof was carried out by comparing the F value of the calculation on the regression output using SPSS with the F table contained in the F table and the significance level of 0.05 ($\alpha = 5\%$). The results of Test F can be seen as follows:

Table 8
Simultaneous Test Results (Test F)
ANOVAa

Type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	0.907	2	0.454	11.647	0.000b
	Residual	5.259	135	0.039		
	Total	6.166	137			

a. Dependent Variable: Profitability

b. Predictors: (Constant), Sales Growth, Working Capital Turnover

Source : Output SPSS 24 (2024)

Working Capital Turnover and Sales Growth together or simultaneously have a significant effect on the dependent variable, namely profitability in consumer non-cyclicals companies

Determinant Coefficient

The determination coefficient is used to determine how much the regression model can explain the dependent variation. The value of the determination coefficient is measured by looking at the value of R Square or value Adjusted R Square. Value R Square It is usually used in research with one or two independent variables. While Adjusted R Square used in research with more than two independent variables. To find out how far the independent variables, namely cash turnover, sales turnover, receivables turnover and working capital turnover, explain the variation of the dependent variable, namely profitability, can be seen in the following table:

Table 9
Determinant Coefficient Test Results
Model Summaryb

Type	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.384a	0.147	0.135	0.19737	0.734

a. Predictors: (Constant), Sales Growth, Working Capital Turnover

b. Dependent Variable: Profitability

Source : Output SPSS 24 (2024)

The determination coefficient in the table above shows an Adjusted R Square value of 0.384 which shows that the ability of independent variables, namely working capital growth and sales growth, in explaining the variation of the dependent variable, namely profitability is 38.4%, while the remaining 61.6% is explained by other variables that are not examined in this study

CONCLUSIONS AND SUGGESTIONS

Conclusion

Based on the results of the research and the discussion that has been described earlier, several conclusions can be conveyed as follows:

1. The turnover of working capital has no effect on profitability. This is due to the fact that the turnover of working capital is not high and its use is less effective which results in reduced sales so that the company's profitability does not increase.

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2. Sales growth affects profitability. Where sales growth has a positive and significant influence on ROE profitability. Based on the correlation coefficient test, the direction of the relationship generated by sales growth to profitability is positive. This is due to high sales growth, most sales transactions are dominated by cashless transactions, which is related to the increase in cash value.

Working capital turnover and sales growth have a simultaneous effect on profitability.

Suggestion

Based on the conclusions and limitations of the research that the researcher has previously explained, the following are suggestions for the company and the next researcher:

1. For the next researcher, it is expected to use other financial ratios as independent variables, because other financial ratios can also affect the profitability of the company. And it can be used as a reference material for further research by developing the research scope.
2. For companies, research on the influence of working capital turnover and sales growth on profitability is expected to provide a reference to increase profits for the company. Based on the results of this study, companies should also pay attention to other financial ratios such as liquidity ratios, solvency, company size, stock prices that can affect the profitability of construction sector companies.
3. For investors, the advice for investors to be more careful in investing by analyzing working capital turnover and sales growth as well as other factors that can affect the profitability of the company will affect the risks in investing

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