THE EFFECT OF CASH TURNOVER, NUMBER OF CUSTOMERS, LEVERAGE AND RECEIVABLE TURNOVER ON PROFITABILITY

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Abstract:
Institution Credit Village (LPD) is still experiencing problems, especially in the profitability factor is the LPD in the Subdistrict Seririt, Buleleng Regency. The purpose of this study is to empirically examine the effect of cash turnover, number of customers, leverage and receivables turnover on profitability at LPD Seririt District. The location of this research is the Village Credit Institution (LPD) in Seririt District. The object of the research is cash turnover, number of customers, leverage and receivables turnover on profitability at LPD Seririt District. The population in this study is the LPD of Buleleng Regency, totaling 169 LPD. From a population of 169 LPDs in Buleleng Regency, because the object in this study uses the Seririt sub-district, the sample is in the study this is whole LPD which there is in Subdistrict seririt, So the sample in this study took 25 samples of LPDs in Seririt District, which met the following sample criteria for all LPDs in Seririt District registered in the LPLPD of Buleleng Regency. The analysis technique used is multiple regression analysis. The results showed that Cash Turnover, Number of Customers, Leverage and Accounts Receivable Turnover had a positive effect on profitability at the Village Credit Institution (LPD) in Seririt District in 2018-2021.
Keywords: Cash Turnover, Total Customer, Leverage, Turnover Receivables, Profitability.

INTRODUCTION

Institution Credit Village (LPD) in Bali is Institution finance village owned by Village custom Institution Credit Village was established based on Letter Decision Governor Bali Number 972 in the Year 1984, which is implemented from policy strategic Balinese youth for could reach group Public countryside, in effort speed up enhancement level life Public Village LPD has start develop in Bali Since the year 1985 whose founder guided by on approach village. LPD is a body of effort finance owned by the village, which doing activity effort environment village and for manners village, LPD could be established on the village in region districts or city, where each – each village only could establish one LPD. Like in the general bank, LPD also wants to get profit. Profitability is the ability company uses to get profit on something period certain. Profitability shows the comparison Of profit obtained in specific periods with the amount of assets or company capital. Wrong one Institution Credit Village (LPD) is still experiencing problems, especially in the profitability factor is the LPD in the Subdistrict Seririt, Buleleng Regency (Gunawan, 2009; Juniariani & Saputra, 2020; Suardikha, 2013).

In addition, if the number of customers increases, it will undoubtedly have a positive effect on profitability which will increase and if the use of debt or leverage is reduced, it will increase the amount of LPD profit due to the reduced amount of debt interest expense that the LPD must bear, and receivables turnover must be managed properly because it is essential. Effect on LPD earnings.

LPD's ability to collect all of its receivables at maturity and cash inflows will occur, thereby accelerating LPD in obtaining profitability (Alvarez-Ferrer et al., 2018; Izzalqurny et al., 2019). The higher the cash turnover, receivables turnover, leverage and the number of credit customers that continue to increase, the profits of the company will increase. Cash turnover serves to measure the level of adequacy of the company's working capital needed to pay bills and finance sales. This means that the company has a more negligible risk of not being able to meet its financial obligations. This also does not mean that the company should try to maintain an extensive cash supply because the more significant the cash means, the more money that is unemployed will reduce its profitability (Najib & Rini, 2016; Pavlatos & Kostakis, 2018).

Credit customers are one part of the LPD's source of income. Credit customers are also defined as a source of income for the LPD. Logically, we can see that if the number of customers in the LPD increases, the profits will increase (Putra & Latrini, 2018; Saputra et al., 2019). The larger the credit customers, the higher the company's opportunity to earn profits. The growth rate of the number of customers has an essential role in increasing the profitability of a savings and loan cooperative because the more the number of customers, the better the mobility of the cooperative will be. Leverage shows the amount of funds used by management for the company's operational costs financed by debt. The company's leverage directly results from using a company's borrowed funds. The higher the leverage value, the greater the company's financial risk. Accounts receivable is an effort to retain existing customers and attract new customers to increase sales. A high receivables turnover indicates that the uncollectible receivables are getting smaller. A high receivables turnover indicates that the uncollectible receivables are getting smaller, so the cost of receivables is also small (Juniariani & Saputra, 2020; Suardikha, 2013).

On LPD in Subdistrict Seririt experienced a drop in profitability. This indicates the drop in performance LPD in producing profit in a number of periods last, so party management LPD is best to evaluate policies strategic for repairing performance LPD in the future upcoming. Based on problems in the District LPD Seririt became a blocker in increasing profitability, between other cash turnovers, amount of customers, leverage, and rotation account receivable. The inconsistency of research results on the effect of Cash Turnover, Number of Customers, Leverage and Accounts Receivable Turnover on Profitability, this study discusses and re-examines some of these factors to obtain the latest research results with the title "The Influence of Cash Turnover, Number of Customers, Leverage and Accounts Receivable Turnover on Profitability at the Seririt District LPD" (Goebel, 2019; Izzalqurny et al., 2019; Teng et al., 2021).

The grand theory used in the study is the theory signal where the relationship when problematic cash turnover will certainly have an impact on declining profitability due to the depletion of LPD cash. In addition, if the number of customers increases, it will certainly have a positive effect on profitability which will increase debt or reduced leverage will increase LPD profit amount due to the decreased amount of burden flower debt that must be borne by the LPD, as well as rotation accounts receivable must be managed with good because very take effect on LPD profit. LPD's ability to bill all the debt on time due and will occur Genre cash enter to speed up LPD in getting profitability. The tall rotation of cash, turnover accounts receivable, leverage and amount of customer continuous credit will increase the company's profits (Xu et al., 2019).

Signal theory suggests the existence of information asymmetry between company management and the parties interested in the information. The signaling theory states that signals are actions by company management to signal investors about how management views the company's prospects. The signal given could be through publication information accountancy such as financial statements. The nature of signal theory forms the basis of this research theory because profitability is a signal for candidate investors, candidate debtors and creditors to invest in the

bank. A good relationship will continue if the owner or investor is satisfied with the management's performance and the signal receiver understands the signal company as signal-positive (Hummel & Schlick, 2016; Xu et al., 2019).

METHODS

The population in this study is the LPD of Buleleng Regency, totaling 169 LPD. From a population of 169 LPDs in Buleleng Regency, because the object in this study uses Seririt District, the sample in this study is all LPDs in Seririt District, so the sample in this study took 25 samples of LPDs in Seririt District, which met the following sample criteria for all LPDs in the District of Seririt. Seririt Subdistrict is registered in LPLPD Buleleng Regency, LPD which is still actively operating. Respondents selected are parties who have potential or are involved in the process of financial management and financial reporting of LPD, namely pemucuk (chairman), petengen (cashier), and casinoman. (administration). Thus, the number of samples in this study amounted to 25 LPD Seririt District.

Multiple linear regression analysis is a linear relationship between two or more independent variables and the dependent variable. This analysis is to determine the direction of the relationship between the independent variable and the dependent variable, whether each independent variable is positively related or negative and to predict the score from variable dependent if the value of the independent variable increases or declines. The data used are usually on an interval or ratio scale. Equality regression linear multiple in the study could see as follows:

$$Y = + 1 X 1 + 2 X 2 + 3 X 3 + 4 X 4 + e$$

RESULT AND DISCUSSION

Table 1. Statistical Analysis

Descriptive Statistics

	N	Minimum	Maximum m	mean	Std. Deviation
Cash Turnover	100	.12	15.92	3.6825	2.86143
Number of Customers	100	-.48	.94	.1356	.12723
Leverage	100	.00	4.93	1.4288	1.25048
Accounts Receivable Turnover	100	.00	.85	.3067	.26181
Profitability	100	.01	.76	.2243	.17344
Valid N (listwise)	100				

Source: processed by researchers

Based on the results of descriptive statistical analysis, cash turnover has the lowest value of 0.12, the highest value of 15.92, the average value of 3.6825 and a standard deviation of 2.86143. an average value more significant than the standard deviation indicates if the study data is normally distributed. Based on the results of descriptive statistical analysis, the number of customers who have the lowest value is -0.48, the highest value is 0.94, the mean value is 0.1356 and the standard deviation value is 0.12723. an average value that is greater than the standard deviation value indicates if the data in the study are distributed normally. Based on the results of descriptive statistical analysis, leverage has the lowest value of 0.00, the highest value of 4.93, the average value of 1.4288 and a standard deviation of 1.2723. an average value that is greater than the standard deviation value indicates if the data in the study is normally distributed. Based on the results of

descriptive statistical analysis of accounts receivable turnover, the lowest value was 0.00, the highest value was 0.85, the average value was 0.3067 and the standard deviation value was 0.26181. an average value that is greater than the standard deviation value indicates if the data in the study is normally distributed. Based on the results of descriptive statistical analysis, profitability has the lowest value of 0.01, the highest value of 0.76, the average value of 0.2243 and the standard deviation of 0.17344. an average value that is greater than the standard deviation value indicates if the data in the study is normally distributed.

The autocorrelation test aims to determine whether in a linear regression model there is a strong positive or negative relationship between the existing data on the study of the variables. Autocorrelation arises from successive observations over time with respect to one another. This problem arises because the residual (interference error) is not independent of one observation to another.

Table. 2 Test Results Autocorrelation

Model Summary b					
Model	R	R Square	Adjusted R Square	RStd. Error of the Estimate	Durbin - Watson
1	.725 a	.631	.424	.17137	1,881

a. Predictors: (Constant), Accounts Receivable Turnover, Number of Customers, Cash Turnover, Leverage
b. Dependent Variable: Profitability

Source: processed by researchers

The test results show that the DW (Durbin Watson) value is 1.881. Where the value of dU (Durbin Upper) in this study is dU = 1.758, DW = 1.881, and (4-dU) = 2.241, so that the results obtained are 1.758 < 1.881 < 2.241. These results prove that the regression model compiled does not occur autocorrelation.

Test Heteroscedasticity. The heteroscedasticity test aims to test whether, in the regression model occur, inequality variance from residual one observation to another observation. In this test the value of sig. > 0.05 then the data is said to be free from heteroscedasticity.

Table 3. Test Heteroscedasticity

Coefficients a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.188	.021		.960	.258
	Cash Turnover	-.008	.004	-.217	-.201	.730
	Amount Customer	-.028	.038	-.073	-.748	.456
	Leverage	-.015	.008	-.213	-.862	.366
	Accounts Receivable Turnover	-.012	.047	-.031	-.264	.792
a. Dependent Variable: ABSRES						

This test aims to test whether the regression analysis model found a correlation between the independent variables (independent). Model regression which good should not occur correlation

between variable independent. Multicollinearity could is known by analyzing the correlation matrix of the independent variables, it can be seen from the Tolerance value and the Variance Inflation Factor value. (VIF).

Table 4. Test Results Multicollinearity

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficient	t	Si g.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.285	.035		8.075	.000		
	Cash Turnover	.122	.061	.201	2.988	.015	.961	1.040
	Number of Customers h	.007	.064	.105	3.105	.009	.985	1.016
	Leverage e	.084	.014	.731	2.623	.035	.715	1.399
	Perputa Accounts Receivable	.093	.079	.140	2.718	.024	.698	1.434

a. Dependent Variable: Profitability

Source: processed by researchers

Multiple linear regression analysis is a linear relationship between two or more independent variables and the dependent variable. This analysis is to determine the direction of the relationship between the independent variable and the dependent variable, whether each independent variable is positively or negatively related and to predict the value of the dependent variable if the value of the independent variable increases or decreases.

Table 5. Analysis Results Multiple Linear Regression

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.285	.035		8075	.000
	Cash Turnover	.122	.061	.201	2,988	.015
	Number of Customers	.007	.064	.105	3.105	.009
	Leverage	.084	.014	.731	2,623	.035
	Accounts Receivable Turnover	.093	.079	.140	2.718	.024

a. Dependent Variable: Profitability

Source: processed by researchers

Based on Table 11, the multiple linear regression formula for this research variable is presented as follows:

$$Y = + _1 X_1 + _2 X_2 + _3 X_3 + _4 X_4 + e$$
$$Y = 0.285 + 0.122 X_1 + 0.007 X_2 + 0.084 X_3 + 0.093 X_4 + e$$

Based on the results of the multiple linear regression equation, it can be explained as follows:

(1) The constant value of 0.285 means that if the cash turnover is the number of customers and leverage and rotation accounts receivable are considered constant or zero, profitability increases by 0.285.

(2) The cash turnover regression coefficient (X_1) is 0.122 (positive), meaning that if cash turnover increases by 1%, profitability will increase by 0.122%, assuming other variables remain constant or zero.

(3) The regression coefficient value of the number of customers (X_2) is 0.007 (positive), meaning that if the number of customers increases by 1%, then profitability will increase by 0.007%, assuming other variables remain constant or zero.

(4) The regression coefficient value of leverage (X_3) is 0.084 (positive), meaning that if leverage increases by 1%, profitability will increase by 0.084%, assuming other variables remain constant or zero.

(5) The value of the receivables turnover regression coefficient (X_4) is 0.093 (positive), meaning that if the receivables turnover increases by 1 %, then profitability will increase by 0.093%, assuming other variables remain constant or zero.

(6) Based on the results of the study shows that cash turnover had a positive effect on profitability at Village Credit Institutions (LPD) in Seririt Regency in 2018-2021. This is evidenced from statistical testing, which has a coefficient value of 0.122 (positive) and a significant value of 0.015, small than the score alpha (α) 0.05 (0.015< 0.05). This shows that the increasing cash turnover, the greater the profitability of the Village Credit Institutions (LPD) in Seririt District in 2018-2021. Thus, it can be concluded that H1 in this study is accepted.

(7) Based on the signal theory on cash turnover, cash signals are expected to increase the company and can increase the value of the company. In this case, it is likely to provide a positive signal for investors because the profits obtained from the company will increase the amount of cash owned by the company as well Rosnah, (2017). Signal theory occurs when the LPD is healthy with high liquidity. High liquidity is interpreted as a high level of cash turnover, thus indicating that operational activities are running smoothly. Cash turnover shows the ability of cash to generate income so that it can be seen how many times the cash rotates in a certain period. The higher the cash turnover, the better the profitability.

Based on the results of the study shows that the number of customers has a positive effect on profitability at the Village Credit Institution (LPD) in Seririt District in 2018-2021. This is evidenced from statistical testing, which has a coefficient value of 0.007 (positive) and a significant value of 0.009 more small than the score alpha (α) 0.05 (0.009 < 0.05). This shows that the increasing number of customers, the greater the profitability of the Village Credit Institutions (LPD) in Seririt District in 2018-2021. Thus, it can be concluded that H2 in this study is accepted. Signal theory suggests how a company should provide signals to customers on the number of customers. This signal is in the form of information about what management has done to realize the owner's wishes (Mahoney et al., 2013).

The results of the study indicate that leverage positively affects the profitability of Institution Credit Village (LPD) in Seririt District in 2018-2021. This is evidenced from statistical testing which has a coefficient value of 0.084 (positive) and a significant value of 0.035 which is smaller than the alpha (α) value of 0.05 (0.035 < 0.05). This shows that the increasing leverage management will

increase the profitability of the Village Credit Institutions (LPD) in Seririt District in 2018-2021. Thus, it can be concluded that H3 in this study was rejected. The effect between leverage and profitability is that leverage shows the amount of use of funds used by management for the benefit of the company's operational costs financed by debt (debt). The company's leverage is a direct result of the use of a company's borrowed funds. The higher the leverage value, the greater the company's financial risk. This shows that the company's financial manager must be able to make good financial considerations between the risks that will be accepted by the company and the value of using leverage (Ardiyanti & Supriadi, 2018; Asare et al., 2017).

Based on the results of the study, it shows that receivables turnover had a positive effect on profitability at the Village Credit Institution (LPD) in Seririt District in 2018-2021. This is evidenced from statistical testing which has a coefficient value of 0.093 (positive) and a significant value of 0.024 more small than the score alpha (α) 0.05 (0.024 < 0.05). This shows that the increasing receivables turnover, the greater the profitability of the Village Credit Institutions (LPD) in Seririt District in 2018-2021. Thus, it can be concluded that H4 in this study is accepted. Accounts receivable is an effort to retain existing customers and attract new customers to increase sales. High accounts receivable turnover indicates that uncollectible receivables the more small. Rotation accounts receivable tall show that accounts receivable no collectible the more small, so the cost of accounts receivable was also small (Ayu & Munidewi, n.d.; Juniariani & Saputra, 2020; Saputra et al., 2019; Suardikha, 2013). For example, costs for credit analysis and collection of receivables and the possibility of bad debts.

CONCLUSION

Based on the results of data analysis and discussion in the previous chapter, it can be concluded from this research as follows:

1. Cash turnover positively affected profitability at the Village Credit Institution (LPD) in Seririt District in 2018-2021. This shows that the higher the cash turnover, the higher the profitability of the Village Credit Institutions (LPD) in Seririt District in 2015. 2018-2021.
2. The number of customers had a positive effect on profitability at the Village Credit Institution (LPD) in Seririt District in 2018-2021. This shows that the increasing number of customers, the greater the profitability of the Village Credit Institutions (LPD) in Seririt District in 2015. 2018-2021.
3. Leverage had a positive effect on profitability at the Village Credit Institution (LPD) in Seririt District in 2018-2021. This shows that the more leverage management increases, the more increase profitability of Institution Credit Village (LPD) in Seririt District in 2018-2021.
4. Accounts receivable turnover had a positive effect on profitability at the Village Credit Institution (LPD) in Seririt District in 2018-2021. This shows that the higher the receivables turnover, the more increase in profitability of Institution Credit Village (LPD) in Seririt District in 2018-2021.

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