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# The Effect of Cash Turnover and Accounts Receivable Turnover on Profitability at PT Sido Muncul TBK Herbal Medicine and Pharmaceutical Industry 2014 - 2025

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***Abstract****: Profitability is an important indicator in assessing a company's ability to manage capital and generate profits. This study aims to analyze the effect of cash turnover and receivables turnover on profitability at PT Industri Jamu dan Farmasi Sido Muncul Tbk for the period 2014–2025. The study uses a quantitative approach with descriptive and verification methods. The population is the company's financial statements, with samples of financial position statements and income statements for the period 2014–2025 selected using purposive sampling. Secondary data were analyzed using SPSS 25 through descriptive statistics, classical assumption tests, multiple linear regression, coefficient of determination, t-test, and F-test. The results show that cash turnover has a positive and significant effect on profitability, while receivables turnover does not have a significant effect partially. Simultaneously, both have a significant effect on profitability with an $R^2$ of 84%. In conclusion, the effectiveness of cash management has an important role in increasing company profitability.*

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## Introduction

The increasingly rapid development of the business world in the era of globalization requires companies to be able to manage resources effectively and efficiently to maintain business continuity and increase competitiveness. Increasingly fierce business competition requires companies not only to increase sales but also to generate optimal profits. Profitability is an important indicator in assessing a company's ability to manage its resources. One indicator used in this study is Return on Equity (ROE), a ratio that measures a company's ability to generate net profit based on its equity. According to Hery (2023), the higher the ROE value, the better the company's ability to provide returns to shareholders. At PT Industri Jamu dan Farmasi Sido Muncul Tbk, the use of ROE is relevant because the company is a public company whose shares are traded on the Indonesia Stock Exchange, making the return on capital a concern for shareholders and investors.

To increase profitability, companies need to pay attention to the effectiveness of working capital management, particularly cash and receivables. Cash is the most liquid asset and is used to support various company operational activities. According to Jaya et al. (2023), cash turnover is a ratio used to measure the ability of cash to generate sales during a certain period. In addition to cash, receivables are also an important component of working capital because they arise from credit sales transactions. According to Rasmawati (2022), receivables turnover is a ratio used to measure a company's ability to collect receivables during a certain period. Cash turnover and receivables turnover were chosen because both are part of the activity ratios that indicate the company's effectiveness and efficiency in managing current assets to support operational activities. Both are also part of the cash conversion cycle, when collectible receivables are converted into cash and cash is used again to finance operational activities that generate sales.

The research problem is evident from the differences in previous research results regarding the relationship between cash turnover and accounts receivable turnover with profitability. Gultom et al. (2025) showed that cash turnover has a positive effect on profitability, while Hidayanti and Widyastuti (2025) showed that accounts receivable turnover affects profitability. Andriyani and Arif (2024) found that cash turnover and accounts receivable turnover simultaneously affect profitability in pharmaceutical manufacturing companies listed on the Indonesia Stock Exchange. Rafiadi et al. (2024) also showed a relationship between cash turnover and accounts receivable turnover and a company's ability to generate profits, while Masari and Octovian (2024) stated that cash turnover and accounts receivable turnover affect profitability.

However, these results do not yet demonstrate a consistent relationship. Fitriana et al. (2020) found that cash turnover and accounts receivable turnover had no significant effect on profitability. Monica (2022) showed that cash turnover had no effect on profitability, while accounts receivable turnover had a significant effect. These differences in results indicate inconsistencies in empirical findings regarding the effect of cash turnover and accounts receivable turnover on profitability, thus creating a research gap that requires further analysis. This situation is even more relevant because the research object is PT Industri Jamu dan Farmasi Sido Muncul Tbk, one of the largest pharmaceutical and herbal companies in Indonesia and is listed on the Indonesia Stock Exchange. As a public company, the company is required to maintain and increase profitability to provide added value to shareholders.

Empirical issues are also evident in the development of cash turnover, receivables turnover, and ROE from 2014 to 2025. Cash turnover tends to increase from 1.23 times in 2014 to 3.75 times in 2025, but this increase is not always followed by an increase in ROE. In 2021, cash turnover was 2.56 times with an ROE of 0.36%, while in 2022, cash turnover decreased slightly to 2.50 times and ROE decreased to 0.31%. On the other hand, receivables turnover tends to decline after reaching 4.93 times in 2016 to 2.94 times in 2025. This decrease is also not always followed by a decrease in ROE. In 2024, receivables turnover decreased to 3.20 times, while ROE increased to 0.33%. Then, in 2025, receivables turnover decreased again to 2.94 times, while ROE increased to 0.39%. This condition indicates that changes in cash turnover and receivables turnover do not always move in line with a company's profitability.

Based on the phenomenon and research gap, this study aims to determine the effect of Cash Turnover on Profitability, determine the effect of Receivables Turnover on Profitability, and determine the effect of Cash Turnover and Receivables Turnover simultaneously on Profitability at PT Industri Jamu dan Farmasi Sido Muncul Tbk in 2014–2025. This research is important to contribute to the development of financial management studies and financial statement analysis, especially regarding the management of cash, receivables, and company profitability. Practically, the results of the study are expected to be a consideration and evaluation material for management in managing cash and receivables more effectively and efficiently and provide information for investors regarding the company's financial condition. The novelty of this study lies in testing the relationship between Cash Turnover and Receivables Turnover on Profitability proxied by ROE at PT Industri Jamu dan Farmasi Sido Muncul Tbk with an observation period of 2014–2025, especially in seeing the relationship


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between the two variables amidst the discrepancy between the empirical development of the variables and the inconsistency of previous research results.

## Research methods

This study uses a quantitative research type with a descriptive and verification approach. According to Sugiyono (2023:16), the quantitative method is a research method based on the philosophy of positivism, used to study a specific population or sample, with data collection using research instruments and quantitative or statistical data analysis to test the established hypothesis. The descriptive approach is used to describe the conditions of Cash Turnover, Receivables Turnover, and Profitability, while the verification approach is used to test the influence between variables based on the formulated hypothesis. The study was conducted at PT Industri Jamu dan Farmasi Sido Muncul Tbk using the annual financial report for the period 2014–2025.

The research instrument is secondary data derived from the financial position report, profit and loss report, and financial ratio calculations of PT Industri Jamu dan Farmasi Sido Muncul Tbk published through the company's official website. The research variables consist of Cash Turnover as X1, Receivables Turnover as X2, and Profitability proxied by Return on Equity as Y. Cash Turnover is measured by the comparison of Net Sales with Average Cash, Receivables Turnover is measured by the comparison of Net Sales with Average Receivables, while ROE is calculated by the comparison of Net Profit with Total Equity multiplied by 100%. Data analysis was carried out using quantitative methods with the help of IBM SPSS Version 25. Analysis techniques include descriptive statistics, classical assumption tests, multiple linear regression analysis, coefficient of determination, and hypothesis testing through t-tests and F-tests. Classical assumption tests consist of normality, multicollinearity, heteroscedasticity, and autocorrelation tests.

The population in this study is the financial statements of PT Industri Jamu dan Farmasi Sido Muncul Tbk. According to Sugiyono (2022:91), a population in quantitative research is a generalization area consisting of objects or subjects that have certain qualities and characteristics to be studied and then conclusions drawn. The research sample was determined using a non-probability sampling method with a purposive sampling technique based on predetermined criteria. The sample used was part of the financial statements, specifically the financial position statement and profit and loss statement of PT Industri Jamu dan Farmasi Sido Muncul Tbk for the years 2014–2025.

The research procedure begins with collecting secondary data in the form of annual financial reports of PT Industri Jamu dan Farmasi Sido Muncul Tbk for the period 2014–2025 through the company's official website. The data obtained are then reviewed and used to calculate Cash Turnover, Accounts Receivable Turnover, and Profitability proxied by ROE. Next, the data are tabulated and analyzed using IBM SPSS Version 25. The analysis is carried out through descriptive statistics, testing classical assumptions including normality, multicollinearity, heteroscedasticity, and autocorrelation, then continued with multiple linear regression analysis. The next stage is testing the coefficient of determination and hypothesis testing through the t-test to determine the partial effect and the F-test to determine the simultaneous effect of Cash Turnover and Accounts Receivable Turnover on Profitability.

## Results and Discussion

### Cash Turnover Calculation Data

**Table 1. Data on the Results of Cash Turnover Calculations at PT Industri Jamu and Farmasi Sido Muncul Tbk for 2014-2025**

| Year | Sale | Average Cash | Cash Turnover |
|---|---|---|---|
| 2014 | 2,197,907 | 1,781,351 | 1.23 Times |
| 2015 | 2,218,536 | 1,283,279 | 1.73 Times |
| 2016 | 2,561,806 | 1,335,543 | 1.92 Times |
| 2017 | 2,573,840 | 1,448,561 | 1.78 Times |
| 2018 | 2,763,292 | 1,305,769 | 2.12 Times |
| 2019 | 3,067,434 | 1,238,245 | 2.48 Times |
| 2020 | 3,335,411 | 1,380,801 | 2.41 Times |
| 2021 | 4,020,980 | 1,573,064 | 2.56 Times |


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| | | | |
|---|---|---|---|
| 2022 | 3,865,523 | 1,543,743 | 2.50 Times |
| 2023 | 3,565,930 | 1,338,111 | 2.66 Times |
| 2024 | 3,919,084 | 1,257,913 | 3.11 Times |
| 2025 | 4,079,659 | 1,086,866 | 3.75 Times |
| **MAX** | | | **3.75 Times** |
| **MIN** | | | **1.23 Times** |
| **MEAN** | | | **2.35 Times** |

*Source: Processed by the author*

The table above shows that cash turnover at PT Industri Jamu dan Farmasi Sido Muncul Tbk fluctuated but tended to increase during the 2014-2025 period. Cash turnover indicates how effectively a company utilizes its cash to generate sales.

In 2014, cash turnover was 1.23 times, the lowest value during the study period. This indicates that every Rp. 1 of cash the company held was able to generate Rp. 1.23 in sales. Subsequently, cash turnover increased to 1.73 times in 2015 and 1.92 times in 2016. However, in 2017, it decreased to 1.78 times. From 2018 to 2021, cash turnover increased again from 2.12 times to 2.56 times, although in 2020 it experienced a slight decrease to 2.41 times. In the 2022-2025 period, cash turnover shows an improving trend, namely from 2.50 times in 2022 to 2.66 times in 2023, 3.11 times in 2024 and reaching the highest value of 3.75 times in 2025.

This increase in cash turnover indicates that the company is increasingly effective in managing cash to support sales activities. A higher cash turnover rate indicates a more efficient use of cash to generate revenue. Conversely, a low cash turnover rate indicates that cash is not being utilized optimally to generate sales.

**Accounts Receivable Turnover Calculation Data**

**Table 2. Data on the Results of Calculation of Accounts Receivable Turnover at PT Industri Jamu and Farmasi Sido Muncul Tbk 2014-2025**

| Year | Sale | Average Accounts Receivable | Accounts Receivable Turnover |
|---|---|---|---|
| 2014 | 2,197,907 | 491,253 | 4.47 Times |
| 2015 | 2,218,536 | 490,356 | 4.52 Times |
| 2016 | 2,561,806 | 519,202 | 4.93 Times |
| 2017 | 2,573,840 | 580,865 | 4.43 Times |
| 2018 | 2,763,292 | 631,819 | 4.37 Times |
| 2019 | 3,067,434 | 673,696 | 4.55 Times |
| 2020 | 3,335,411 | 861,284 | 3.87 Times |
| 2021 | 4,020,980 | 995,786 | 4.04 Times |
| 2022 | 3,865,523 | 1,007,389 | 3.84 Times |
| 2023 | 3,565,930 | 1,081,023 | 3.30 Times |
| 2024 | 3,919,084 | 1,224,542 | 3.20 Times |
| 2025 | 4,079,659 | 1,388,851 | 2.94 Times |
| **MAX** | | | **4.93 Times** |
| **MIN** | | | **2.94 Times** |
| **MEAN** | | | **4.04 Times** |

*Source: Processed by the author*

Based on Table 2 above, the accounts receivable turnover rate of PT Industri Jamu dan Farmasi Sido Muncul Tbk fluctuated during the 2014-2025 period, with a downward trend in recent years. Accounts receivable turnover demonstrates the company's ability to manage and collect receivables arising from credit sales.

In 2014, accounts receivable turnover was recorded at 4.47 times, then increased to 4.52 times in 2015 and reached its highest value of 4.93 times in 2016. This condition indicates that the company


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is able to collect receivables relatively quickly so that funds invested in receivables can be immediately returned to cash. However, in 2017 and 2018 there was a decrease in accounts receivable turnover to 4.43 times and 4.37 times, respectively. In 2019, accounts receivable turnover increased again to 4.55 times, but then experienced a significant decline in 2020 to 3.87 times. Furthermore, accounts receivable turnover fluctuated and continued to show a downward trend until it reached 2.94 times in 2025, which was the lowest value during the study period.

The decline in accounts receivable turnover indicates that the company is taking longer to collect receivables. This could be due to an increase in uncollectible receivables or a more lenient credit policy towards customers. Conversely, a higher accounts receivable turnover indicates a more effective company in managing and collecting its receivables, thus minimizing the risk of bad debts.

**Profitability Calculation Data**

**Table 3. Profitability Calculation Results (ROE) Data at PT Industri Jamu dan Farmasi Sido Muncul Tbk 2014-2025**

| Year | Net profit | Total Equity | ROE |
|---|---|---|---|
| 2014 | 415,193 | 2,634,659 | 0.16% |
| 2015 | 437,475 | 2,598,314 | 0.17% |
| 2016 | 480,525 | 2,757,885 | 0.17% |
| 2017 | 533,799 | 2,895,865 | 0.18% |
| 2018 | 663,849 | 2,902,614 | 0.23% |
| 2019 | 807,689 | 3,064,707 | 0.26% |
| 2020 | 934,016 | 3,221,740 | 0.29% |
| 2021 | 1,260,898 | 3,471,185 | 0.36% |
| 2022 | 1,104,714 | 3,505,475 | 0.31% |
| 2023 | 950,648 | 3,385,941 | 0.28% |
| 2024 | 1,171,026 | 3,487,844 | 0.33% |
| 2025 | 1,229,202 | 3,120,434 | 0.39% |
| **MAX** | | | **0.39%** |
| **MIN** | | | **0.16%** |
| **MEAN** | | | **0.26%** |

*Source: Processed by the author*

Based on Table 3 above, the profitability data, measured using return on equity (ROE), at PT Industri Jamu dan Farmasi Sido Muncul Tbk during the 2014-2025 period tends to increase, despite some fluctuations in certain years. ROE indicates a company's ability to generate net profit from its equity. The higher the ROE, the more effectively the company utilizes its equity to generate profits for shareholders.

In 2014, the ROE was 16%, the lowest value during the study period. This value indicates that every Rp1 of equity capital was able to generate a net profit of Rp0.16. Subsequently, ROE increased to 17% in 2015 and 2016, then increased to 18% in 2017. From 2018 to 2021, ROE showed a significant increase, from 23% in 2018 to 26% and reached 36% in 2021. This increase indicates that the company is increasingly effective in managing its equity to generate profits. However, in 2022 and 2023, ROE decreased to 31% and 28%, respectively. This decrease indicates that the company's ability to generate profits from equity has decreased compared to the previous year. However, in 2024 and 2025, ROE increased again to 33% and 39%. The ROE value in 2025 was the highest value during the research period.


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**Descriptive Analysis**

**Table 4. Results of Descriptive Statistical Tests**

**Descriptive Statistics**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Perputaran Kas | 12 | 1,23 | 3,75 | 2,3551 | ,67035 |
| Perputaran Piutang | 12 | 2,94 | 4,93 | 4,0395 | ,62443 |
| Profitabilitas | 12 | ,16 | ,39 | ,2629 | ,08064 |
| Valid N (listwise) | 12 | | | | |

Source: Processed by SPSS Version 25

Based onTable 4 above, the Cash Turnover variable has an average of 2.3551 with a minimum value of 1.23 and a maximum of 3.75 and a standard deviation of 0.67035. The Receivables Turnover variable has an average of 4.0395 with a minimum value of 2.94 and a maximum of 4.93 and a standard deviation of 0.62443. Meanwhile, Profitability has an average of 0.2629 with a minimum value of 0.16 and a maximum of 0.39 and a standard deviation of 0.08064.

**Classical Assumption Test**

**1. Normality Test**

**Table 5. Normality Test Results**

**One-Sample Kolmogorov-Smirnov Test**

| | | Unstandardized Residual |
|---|---|---|
| N | | 12 |
| Normal Parameters[a,b] | Mean | ,0000000 |
| | Std. Deviation | ,03226315 |
| Most Extreme Differences | Absolute | ,200 |
| | Positive | ,200 |
| | Negative | -,164 |
| Test Statistic | | ,200 |
| Asymp. Sig. (2-tailed) | | ,198[c] |

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

*Source: Processed by SPSS Version 25*

Based on the test results in the table above, the significance value was obtained 0.198> 0.05. Thus, the distribution assumption of the equation in this test is normal.

The normality test is also carried out using a probability plot graph where the residual variables can be detected by looking at the distribution of residual points following the direction of the diagonal line, and this is in accordance with the results of the distribution diagram processed with SPSS Version 25 as in the image below:

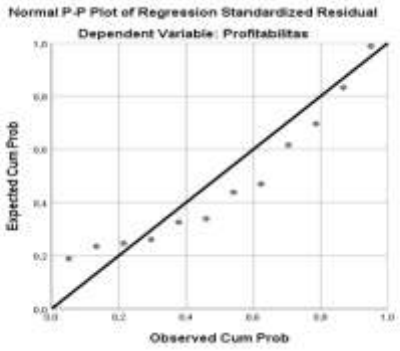



**Figure 1. Normal PP Plot Graph**

*Source: Processed by SPSS Version 25*


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The image above shows that the normal probability plot graph exhibits a normal pattern. This is evident from the points being spread around the diagonal line and following the diagonal line. Therefore, it can be concluded that the regression model meets the assumption of normality.

**2. Multicollinearity Test**

**Table 6. Multicollinearity Test Results**

**Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | t | Sig. | Tolerance | VIF |
| 1 | (Constant) | ,102 | ,192 | | ,532 | ,608 | | |
| | Perputaran Kas | ,097 | ,030 | ,805 | 3,263 | ,010 | ,292 | 3,426 |
| | Perputaran Piutang | -,017 | ,032 | -,129 | -,522 | ,614 | ,292 | 3,426 |

a. Dependent Variable: Profitabilitas

*Source: Processed by SPSS Version 25*

The results of the multicollinearity test in the table above obtained a tolerance value for the Cash Turnover variable of0.292and Accounts Receivable Turnover of0.292, where both values are less than 1, and the Variance Inflation Factor (VIF) value of the Cash Turnover variable is3,426and Accounts Receivable Turnover3,426where the value is less than 10. Thus, this regression model does not have multicollinearity interference.

**3. Autocorrelation Test**

**Table 7. Autocorrelation Test Results**

**Model Summary[b]**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|---|---|---|---|---|---|
| 1 | ,916[a] | ,840 | ,804 | ,03567 | 1,033 |

a. Predictors: (Constant), Perputaran Piutang, Perputaran Kas

b. Dependent Variable: Profitabilitas

*Source: Processed by SPSS Version 25*

Based on the results of the autocorrelation test in the table above, the Durbin-Watson value is 1.033. With the number of observations (n) of 12 and the number of independent variables (k) of 2, the lower limit (dL) value is 0.812 and the upper limit (dU) is 1.579. Because the Durbin-Watson value is in the range dL < DW < dU (0.812 < 1.033 < 1.579), the test results are in the inconclusive area. Based on the following Durbin-Watson test decision-making table.

**Table 8. Durbin-Watson Test Decision Making**

| H0 | Decision | If |
|---|---|---|
| There is no positive autocorrelation | Reject | 0 < d < dl |
| There is no positive autocorrelation | No decision | dl < d < du |
| There is no negative autocorrelation | reject | 4-d < d < 4 |
| There is no negative autocorrelation | No decision | 4-du < d < 4-dl |
| There is no positive or negative autocorrelation | Accept | du < d <4- du |

*Source: Ghozali (2021:162)*

Thus, the Durbin-Watson autocorrelation test cannot be continued. However, the autocorrelation test can also be performed using a Run Test. Therefore, the author's alternative was to conduct a Run Test.


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**Table 9. Run Test Results**

**Runs Test**

| | Unstandardized Residual |
|---|---|
| Test Value[a] | -,01021 |
| Cases < Test Value | 6 |
| Cases >= Test Value | 6 |
| Total Cases | 12 |
| Number of Runs | 4 |
| Z | -1,514 |
| Asymp. Sig. (2-tailed) | ,130 |

a. Median

*Source: Processed by SPSS Version 25*

The Run Test is declared passed if the Asymp.sig (2-tailed) value is greater than 0.05 and based on the data above, the Asymp.sig (2-tailed) value is 0.130, which means it is greater than 0.05. Therefore, it can be concluded that there are no autocorrelation symptoms that initially could not be overcome by the Durbin-Watson test but were finally overcome by the Run Test.

**4. Heteroscedasticity Test**

**Table 10. Results of Heteroscedasticity Test**

**Coefficients[a]**

| Model | | Unstandardized Coefficients B | Unstandardized Coefficients Std. Error | Standardized Coefficients Beta | t | Sig. |
|---|---|---|---|---|---|---|
| 1 | (Constant) | -,012 | ,119 | | -,104 | ,919 |
| | Perputaran Kas | ,008 | ,018 | ,258 | ,423 | ,682 |
| | Perputaran Piutang | ,004 | ,020 | ,137 | ,225 | ,827 |

a. Dependent Variable: ABS_RES

*Source: Processed by SPSS Version 25*

Based on the test results in the table above, the Glejser test model on the Cash Turnover variable obtained a significance value (Sig.) of 0.682, which means it is greater than 0.05. Meanwhile, the Accounts Receivable Turnover has a significance value (Sig.) of0.827, which is greater than 0.05. Overall, because the significance value of both variables is greater than 0.05, according to the basis for decision-making in the Glejser test, it can be concluded that the data in this study do not show symptoms of heteroscedasticity in the regression model.

**Linear Regression Analysis**

**Table 11.Multiple Linear Regression Test Results**

**Coefficients[a]**

| Model | | Unstandardized Coefficients B | Unstandardized Coefficients Std. Error | Standardized Coefficients Beta | t | Sig. |
|---|---|---|---|---|---|---|
| 1 | (Constant) | ,102 | ,192 | | ,532 | ,608 |
| | Perputaran Kas | ,097 | ,030 | ,805 | 3,263 | ,010 |
| | Perputaran Piutang | -,017 | ,032 | -,129 | -,522 | ,614 |

a. Dependent Variable: Profitabilitas

*Source: Processed by SPSS Version 25*

Based on table 10 above, it can be seen that the multiple linear regression equation is formulated as follows:

$$Y = 0.102 + 0.097\ (X1) - 0.017\ (X2) + e$$

Based on this equation, the following things can be explained:


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1. The constant value is 0.102, which shows that if the Cash Turnover and Receivables Turnover variables are considered to have no change or have a value of zero, then the value of the Profitability variable remains at 0.102.
2. The regression coefficient for the Cash Turnover variable is 0.097, indicating a positive effect on the Profitability variable. This indicates that each increase in Cash Turnover will increase the Profitability value by 0.097, assuming other variables are held constant.
3. The regression coefficient for the Receivables Turnover variable is -0.017, indicating a negative effect on the Profitability variable. This indicates that each increase in Receivables Turnover will actually decrease the Profitability value by 0.017, assuming other variables remain constant.

**Hypothesis Testing**

**Table 12. t-Test Results**

**Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | t | Sig. |
| 1 | (Constant) | ,102 | ,192 | | ,532 | ,608 |
| | Perputaran Kas | ,097 | ,030 | ,805 | 3,263 | ,010 |
| | Perputaran Piutang | -,017 | ,032 | -,129 | -,522 | ,614 |

a. Dependent Variable: Profitabilitas

*Source: Processed by SPSS Version 25*

**1. The Effect of Cash Turnover on Profitability**

Based on the results of the t-test in the table above, it can be seen that the Cash Turnover variable has a t-value of 3.263 > t-table 2.262 and has a significant value of 0.010 < 0.05 so it can be concluded that Cash Turnover has a positive and significant effect on profitability at PT Industri Jamu dan Farmasi Sido Muncul Tbk in 2014-2025.

**2. The Effect of Accounts Receivable Turnover on Profitability**

Then, the variable Accounts Receivable Turnover has a t-value of -0.522 < t-table 2.262 and has a significant value of 0.614 > 0.05 so it can be concluded that accounts receivable turnover does not have a significant effect on profitability at PT Industri Jamu dan Farmasi Sido Muncul Tbk in 2014-2025.

**3. The Effect of Cash Turnover and Accounts Receivable Turnover on Profitability**

To test the influence of the Cash Turnover and Receivables Turnover variables simultaneously on Profitability, an F statistical test (simultaneous test) with a significance level of 5% was used. In this study, a significance criterion of 5% (0.05) was used, namely comparing the calculated F value with the F table with the following provisions:

1) If the F count value < F table: it means H0 is accepted and H3 is rejected.
2) If the calculated F value > F table: it means H0 is rejected and H3 is accepted.

Hypothesis testing can also compare the significance value with 0.05, with the following provisions:

1) If the significance value > 0.05, it means H0 is accepted and H1 is rejected.
2) If the significance value is < 0.05, it means H0 is rejected and H1 is accepted.

To determine the size of Ftable, search using the conditions df1 = (k), df2 = (nk-1), then df1 (2), df2 is obtained(12-2-1) = 9, so Ftable =4.26(F table attached).
The criteria are said to be significant if the F count value > F table or ρ value < Sig.0.05.

The results of data processing using the SPSS Version 25 program, with the following results:


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**Table 13. F Test Results**

**ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | ,060 | 2 | ,030 | 23,612 | ,000[b] |
| | Residual | ,011 | 9 | ,001 | | |
| | Total | ,072 | 11 | | | |

a. Dependent Variable: Profitabilitas

b. Predictors: (Constant), Perputaran Piutang, Perputaran Kas

*Source: Processed by SPSS Version 25*

Based on table 13 above, the F count value is 23.612 > F table 4.26 and has a significant value of 0.000 < 0.05 so it can be concluded that cash turnover and accounts receivable turnover simultaneously have a significant effect on profitability at PT Industri Jamu dan Farmasi Sido Muncul Tbk in 2014-2025.

**Correlation Coefficient Test**

**Table 14. Correlation Coefficient Test Results**

**Correlations**

| | | Perputaran Kas | Perputaran Piutang | Profitabilitas |
|---|---|---|---|---|
| Perputaran Kas | Pearson Correlation | 1 | -,841** | ,914** |
| | Sig. (2-tailed) | | ,001 | ,000 |
| | N | 12 | 12 | 12 |
| Perputaran Piutang | Pearson Correlation | -,841** | 1 | -,807** |
| | Sig. (2-tailed) | ,001 | | ,002 |
| | N | 12 | 12 | 12 |
| Profitabilitas | Pearson Correlation | ,914** | -,807** | 1 |
| | Sig. (2-tailed) | ,000 | ,002 | |
| | N | 12 | 12 | 12 |

**. Correlation is significant at the 0.01 level (2-tailed).

*Source: Processed by SPSS Version 25*

A correlation coefficient test was conducted to determine the level of closeness of the relationship between cash turnover, accounts receivable turnover, and profitability. Table 13 above shows the results of the relationship between each variable, with the following explanation:

1. The correlation coefficient between cash turnover and profitability is 0.914, with a significance level of 0.000. This value indicates a very strong positive relationship between cash turnover and profitability. Because the significance level is less than 0.05, the relationship is considered significant. This indicates that higher cash turnover tends to increase a company's profitability.
2. The correlation coefficient between accounts receivable turnover and profitability is -0.807, with a significance level of 0.002. This value indicates a negative relationship between accounts receivable turnover and profitability. Since the significance level is less than 0.05, the relationship is significant. This indicates that an increase in accounts receivable turnover tends to be followed by a decrease in company profitability during the study period.


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**Coefficient of Determination Test (R2)**

**Table 15. Results of the Determination Coefficient Test**

**Model Summary[b]**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|---|---|---|---|---|---|
| 1 | ,916[a] | ,840 | ,804 | ,03567 | 1,033 |

a. Predictors: (Constant), Perputaran Piutang, Perputaran Kas

b. Dependent Variable: Profitabilitas

*Source: Processed by SPSS Version 25*

Based on the table above, the simultaneous coefficient of determination (R Square) is 0.840, or 84%. This indicates that the cash turnover and accounts receivable turnover variables are able to explain 84% of the variation in profitability (ROE). The remaining 16% is explained by other variables outside the research model that were not examined, such as inventory turnover, liquidity, capital structure, company size, operational efficiency, and other factors.

**Research Discussion**

**1. The Effect of Cash Turnover on Profitability**

Based on the results of the t-test, it is known that the cash turnover variable obtained a t-value of 3.263 with a significance value of 0.010. Because the significance value is smaller than 0.05, and the t-value is greater than the t-table of 2.262, it can be concluded that cash turnover has a significant effect on profitability (ROE) at PT Industri Jamu dan Farmasi Sido Muncul Tbk in 2014-2025. These results indicate that the higher the company's cash turnover rate, the more efficient the use of cash in operational activities becomes, thus supporting an increase in company profits. Conversely, if cash turnover is low, the company's funds tend to be idle, making it less optimal in generating profits.

This condition can be seen at PT Industri Jamu dan Farmasi Sido Muncul Tbk, which demonstrated the ability to manage cash to support operational activities throughout the study period. Effective cash management enables the company to meet operational needs, pay short-term liabilities, and support sales activities, ultimately increasing profitability.

If we look closely at the data in Table 1.1, the cash turnover of PT Industri Jamu dan Farmasi Sido Muncul Tbk shows a fairly consistent increasing trend, namely from 1.23 times in 2014 to 3.75 times in 2025. This increase is in line with the results of the correlation coefficient test which shows a very strong positive relationship between cash turnover and profitability, namely 0.914. The higher the cash turnover, the greater the cash available to generate sales in the same period, so that the company's funds are not stored as idle cash that is not productive.

These findings reinforce the working capital management theory, which states that efficient cash management will accelerate a company's operating cycle, enabling it to more quickly convert cash into revenue and back into cash. For public companies like PT Industri Jamu dan Farmasi Sido Muncul Tbk, efficient cash management also serves as a positive signal to investors regarding the quality of company management in optimizing resources to increase shareholder returns (ROE).

The results of this study align with those of Gultom et al. (2025), who stated that cash turnover has a positive and significant effect on profitability. Furthermore, these findings support the research of Rafiadi et al. (2024), who found that cash turnover is related to a company's ability to generate profits, as well as research by Andriyani and Arif (2024) on pharmaceutical manufacturing companies, which showed that cash turnover contributes to company profitability. Thus, consistent with various studies using similar companies, cash turnover has been shown to be a significant factor in determining the profitability of pharmaceutical companies.

**2. The Effect of Accounts Receivable Turnover on Profitability**

Based on the results of the t-test, it is known that the receivables turnover variable obtained a t-value of -0.522 with a significance value of 0.614 greater than 0.05, and t-count is smaller than t-table 2.262, it can be concluded that receivables turnover does not affect profitability at PT Industri Jamu dan


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Farmasi Sido Muncul Tbk in 2014-2025. These results indicate that a high receivables turnover rate reflects the faster the company collects receivables from customers so that funds embedded in receivables can immediately return to cash. This condition will help the company increase liquidity and support operational activities so that it has the potential to increase profitability.

At PT Industri Jamu dan Farmasi Sido Muncul Tbk, effective accounts receivable management is crucial because the company sells products to various distributors and customers. The faster receivables are collected, the lower the risk of bad debts and the greater the company's opportunity to maximize profits.

Although the partial test results indicate that accounts receivable turnover does not significantly affect profitability, the correlation coefficient test results in Table 4.13 indicate a significant negative relationship between accounts receivable turnover and profitability, namely -0.807. This difference in results can be explained by the tolerance value of 0.292 and VIF of 3.426 in both independent variables, which indicates a relationship (shared variance) between cash turnover and accounts receivable turnover. In other words, some of the effect of accounts receivable turnover on profitability is likely represented by cash turnover in the multiple regression model, so that the partial effect of accounts receivable turnover becomes insignificant even though the direct relationship (simple correlation) remains strong.

This condition is also reflected in the data in Table 1.1, where the accounts receivable turnover of PT Industri Jamu dan Farmasi Sido Muncul Tbk actually tends to decrease during the study period, from 4.93 times in 2016 to 2.94 times in 2025, while the company's ROE generally shows an upward trend. This pattern indicates that the decrease in the speed of receivables collection does not necessarily reduce the company's profitability, possibly because the company is still able to maintain the quality of receivables despite the slightly longer collection period, or because other factors such as cash efficiency and operational cost management provide a more dominant contribution to the increase in profit.

The results of this study also complement the findings of previous studies, which still showed inconsistent results regarding the effect of accounts receivable turnover on profitability. This is in line with Fitriana et al. (2020), who found that accounts receivable turnover had no significant effect, but differs from the results of studies by Hidayanti and Widyastuti (2025) and Monica (2022), who found that accounts receivable turnover had a significant effect on profitability. These differences in results confirm the research gap described in the introduction, which is likely influenced by differences in the characteristics of the research subjects, observation periods, and control variables used in each study.

Although statistically the effect of accounts receivable turnover on profitability is not significant in this study, company management still needs to maintain good credit and receivable collection policies, because effective receivable management plays an important role in maintaining liquidity and reducing the risk of bad debts, which ultimately supports the stability of the company's profitability in the long term.

### 3. The Effect of Cash Turnover and Accounts Receivable Turnover on Profitability

Based on the results of the F test, it is known that the F count value is 23.612 with a significance level of 0.000. Because the significance value is smaller than 0.05 and the F count is greater than F table 4.26, it can be concluded that cash turnover and accounts receivable turnover simultaneously have a significant effect on profitability (ROE) at PT Industri Jamu dan Farmasi Sido Muncul Tbk in 2014-2025. These results indicate that the company's profitability is not only influenced by one factor, but is also influenced by the effectiveness of working capital management as reflected through cash turnover and accounts receivable turnover. Good cash management will ensure the smooth operation of the company, while effective accounts receivable management will accelerate cash receipts from sales. The combination of these two factors can help the company increase its ability to generate profits.

At PT Industri Jamu dan Farmasi Sido Muncul Tbk, sound cash and receivables management was a key factor in maintaining profitability throughout the study period. Effective working capital management allows the company to optimally conduct operational activities and maximize revenue.


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The results of this study align with research conducted by Gultom et al. (2025), which stated that cash turnover and accounts receivable turnover simultaneously have a significant impact on profitability. This study explains that the combination of effective cash and accounts receivable management can simultaneously improve a company's financial performance.

The strong simultaneous influence is also supported by the results of the coefficient of determination (R Square) test of 0.840 or 84%, which shows that the cash turnover and receivables turnover variables together are able to explain 84% of the variation in profitability (ROE) of PT Industri Jamu dan Farmasi Sido Muncul Tbk during the 2014-2025 period, while the remaining 16% is explained by other factors outside the research model, such as inventory turnover, liquidity, capital structure, company size, and operational efficiency. The magnitude of this contribution shows that the effectiveness of working capital management, especially cash and receivables, is one of the main determinants of company profitability.

This finding also confirms that although accounts receivable turnover is partially insignificant, its contribution, together with cash turnover, still has a significant impact on profitability. This reinforces the importance of viewing cash and accounts receivable management as an integrated working capital management strategy, rather than as two separate policies, given their mutual influence in supporting a company's smooth operating cycle.

## Conclusion

This study indicates that cash turnover has a positive and statistically significant association with profitability, measured by Return on Equity (ROE), at PT Industri Jamu dan Farmasi Sido Muncul Tbk during 2014–2025. In contrast, accounts receivable turnover is not a statistically significant individual predictor of ROE when cash turnover is included in the regression model. However, the regression model is statistically significant overall, indicating that cash turnover and accounts receivable turnover jointly explain a substantial proportion of the variation in ROE, with an $R^2$ of 84%. These findings should be interpreted as statistical associations rather than evidence of causal relationships and remain subject to verification of the ROE calculations and statistical outputs. In practical terms, the company should maintain sound cash management and effective receivables monitoring to support operational continuity and financial performance without assuming that improvements in these ratios will necessarily increase profitability.

This study has several limitations. It examines only one company and uses 12 annual observations, which limits the generalizability of the findings and the statistical analysis. Furthermore, the model includes only cash turnover and accounts receivable turnover, leaving other factors that may be associated with profitability outside its scope. Future research is recommended to include more companies, extend the observation period, and incorporate additional relevant financial variables, such as inventory turnover, liquidity, capital structure, and operational efficiency. These extensions may provide a more comprehensive understanding of the factors associated with corporate profitability.

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