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The Influence of Cash Turnover, Inventory Turnover, and Receivables Turnover on Profitability in Construction Sector Companies Listed on the Indonesia Stock Exchange

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ABSTRACT

The variables receivable turnover and inventory turnover have no effect on company profitability according to previous research, while cash turnover using the construction company sector was the reason for the research. The data sources analyzed in this research use quantitative data in the analysis carried out by researchers using numerical data. This research was obtained with secondary data from the official website of the Indonesian Stock Exchange www.idx.co.id. The population of this research is construction sector manufacturing companies listed on the Indonesia Stock Exchange (BEI). Data obtained from researchers found that there were around 22 companies in the 2021-2023 period. Sampling used a purposive sampling method. Based on the results of research conducted by the researcher, it was found that there was a significant influence on cash turnover, but in the results made by the researcher it was found that accounts receivable turnover and inventory turnover did not have a significant effect. This is supported the tests carried out by researchers.

Keywords: Cash Turnover, Inventory Turnover, Profitability, Receivables Turnover.

1. INTRODUCTION

A company is a business unit that carries out production activities to produce goods or services with the aim of making a profit. The elements contained in a company include the existence of a business entity, permanent and profit-oriented. Companies can be distinguished by type based on ownership status, employment, and legal form. One of the business sectors in Indonesia that plays an important role in development growth is the construction sector. Construction sector companies are one of the sub-sectors listed on the Indonesia Stock Exchange (IDX). A construction company is a business entity engaged in the development of infrastructure, facilities, and physical infrastructure for the benefit of the community in accordance with applicable plans, regulations, and laws.

The Central Statistics Agency (BPS) stated that one of the sectors that is the main source of economic growth in Indonesia is the construction sector. In 2023, the construction sector will grow and contribute to economic growth of 10.49% with a GDP of 9.43%. Increasing economic growth causes tight competition and will affect all areas of construction companies. The resilience and success of the company can only be achieved with good financial management so that the capital owned by the company can function effectively and efficiently. One way to see whether a company is performing well or poorly is to look at the company's level of profitability.

Good luck,*et al*(2022), states that the Profitability Ratio is a management performance measurement tool to assess the company's ability to seek profit. Because profitability is one of the most important indicators for assessing a company. High profitability indicates that the company is more efficient in running the business, thus indicating that the company has strong profitability. The basis for assessing profitability is the financial statements consisting of the company's balance sheet and income statement. Profitability refers to the company's ability to make a profit in relation to sales, total assets and equity capital. The Profitability Formula used in this study is*Return on Assets Ratio*(ROA) is a ratio that measures the level of return on assets by comparing the net profit generated by the company with the total assets owned and*Return on Investment*(ROI) is the ratio of profit obtained from an investment compared to the costs itself and is used to evaluate the effectiveness of an investment or business project.

Financial profitability is explained in the form of financial reports used by all parties that are influenced by various important factors in making economic decisions into profitability factors, namely cash turnover. Jumady,*et al*(2021) stated that the higher the cash turnover, the better, because this means that the use of cash is more efficient and the profits obtained will be greater. Cash turnover ratio (*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 this ratio is used to measure the level of cash availability to pay bills (debts) and costs related to sales.

Other factors that can affect profitability are accounts receivable turnover and inventory turnover. Eksandy & Dewi (2018) stated that accounts receivable turnover is a ratio used to measure how long it takes to collect receivables during a period or how many times the funds invested in these receivables rotate in one period. A high turnover ratio reflects the quality of receivables that are getting better. Meanwhile, inventory turnover is the ratio between the total cost of goods sold and the average value of inventory owned by the company. This ratio shows how many times the amount of merchandise inventory is replaced in one year (Kurniawan & Indra, 2021).

There have been many previous studies that have conducted research on the effect of cash turnover, inventory turnover, and receivables turnover on profitability. In a study conducted by Islamiah & Yudiantoro (2022), which stated that the variables of cash turnover, inventory turnover, and receivables turnover did not have a significant effect on profitability. A study conducted by Eksandy & Dewi (2018) stated that the variables of working capital turnover and receivables turnover did not affect profitability, but the variable of cash turnover affected the company's profitability. Meanwhile, in a study conducted by Widiyawati,*et al*(2022), stated that the variables of accounts receivable turnover and inventory turnover have an effect on company profitability.

2. LITERATURE REVIEW

2.1. Signaling Theory

According to Brigham & Houston (2019: 500), signals are steps taken by company management to provide investors with a view of how they see the future of the company. This signal theory explains that every action taken by a company contains information, which occurs because of information asymmetry between company management and shareholders. Information asymmetry occurs when one party has more information than the other, as is the case between management and shareholders. One way a company can increase its value is by reducing this information asymmetry.

One way to reduce this information asymmetry is to provide signals to external parties, especially investors, through positive and reliable financial information. This will reduce uncertainty about the company's future and increase the company's credibility and success. Signal theory explains how companies should provide signals to users of their financial statements, especially investors, regarding the steps they are taking to meet investor expectations. The signals or signals given by the company are very important because they affect the investment decisions of external parties. The better the signal given by the company, the more it reflects the company's good performance and can be reflected in the increase in the company's stock price. An increase in stock prices can increase the company's value and market confidence, not only in current performance but also in future prospects (Yuliawan & Wirasedana, 2016). According to Brigham & Houston (2019:500), signal theory is the behavior of company management in providing clues to investors about their views on the company's prospects for the future.

2.2. Definition of Profitability

The ability of a company to generate profits or profits on a large amount of income in providing benefits to shareholders or company owners. According to several profitability experts explained in Kasmir (2019:196) said that the ratio to assess the company's ability to seek profits or profits in a period. Hery (2018:192) stated that profitability is a ratio used to measure the company's ability to generate profits from its normal business activities. Profitability measures the company's ability to generate profits by using the company's resources, such as assets, capital, or company sales (Sudana: 2015:22)

Based on the understanding of profitability according to experts, profitability is a ratio used to measure and assess a company's capabilities. Financial ratio is an analysis technique in the field of financial management that is used as a measuring tool for a company's financial condition in a certain period with the company's business results in a certain

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period by comparing two variables taken from the company's financial statements, both the balance sheet and profit and loss columns, Irawati (2015: 22).

Some of the purposes of using profitability ratios according to experts. According to Kasmir (2019:197) the purpose of the profitability ratio for a company is: measuring or calculating the profit obtained by the company in a certain period, assessing the company's profit position from the previous year to the current year, assessing profit development over time, assessing the amount of net profit after tax with equity, measuring the productivity of all company funds used, both borrowed capital and equity.

2.3. Cash Turnover

According to Priyati (2016:89) cash is a means of exchange that can be called a means of payment that has been owned by the company and its users are never limited at all. Cash is the most liquid company asset used to meet the company's financial obligations. The cash turnover rate describes the company's ability to generate profits related to the rate of return on investment. Cash turnover is the ability of cash to generate income so that it can be seen how many times cash is circulating in a certain period.

According to Kasmir (2017:140) cash turnover functions to measure the level of adequacy of the company's working capital needed to pay bills and finance sales. Putri & Musmini define that "Cash turnover is the period of cash turnover starting at the time when the cash is invested in working capital with the highest level of liquidity" (Nuriyani & Zannati, 2017). This means that this ratio is used to measure the level of cash availability to pay bills (debts) and costs related to sales. A high cash turnover rate indicates the speed at which cash returns to cash that has been invested in assets. Therefore, a high cash turnover rate also indicates that there has been a high sales volume. In measuring the level of cash turnover, the source of cash inflow that has been embedded with working capital comes from the company's operational activities.

2.4. Inventory Turnover

Inventory is goods owned by a company to be resold to sellers in order to gain profit for the company. There is also a definition of inventory according to experts as follows: According to Warren et al (2016:440) inventory is merchandise that can be stored for later sale in the company's business operations and can be used in the production process or can be used for certain purposes. According to Ristono (2019) inventory is goods that are stored for use or sale in the future or period, According to Kieso et al (2018:408) inventory is an asset owned by a company and available for sale in the interests of the business or is goods that will be used to produce goods available for sale.

From the understanding of the experts above, it can be concluded that inventory is goods owned by a company that are used in producing goods to be sold or by purchasing finished goods to gain profit for the company. Inventory is an asset available for sale in normal business activities either in the production process or in transit and in the form of materials or equipment to be used in the production process or provision of services according to the Indonesian Institute of Accountants (2014: PSAK No. 14). Inventory Whichused can be calculated to show the effectiveness of inventory managed and recorded to determine the amount of capital issued and determine the selling price. Inventory turnover rate is a measure of efficiency that measures how quickly a company converts inventory into sales.

2.5. Receivables Turnover

According to PSAK 71, it provides guidelines for companies to account for and report receivables in financial statements. Receivables are the company's right to receive cash or other cashable rights arising from the sale of goods or services, the provision of loans, or other transactions. Meanwhile, according to experts, receivables can be interpreted as follows: According to Kasmir (2016:176) receivables turnover is a ratio used to measure how long it takes to collect receivables during a period or how many times the funds invested in these receivables rotate in one period. The lower this ratio indicates the worse the condition of the company. According to Hartono et al. (2019) states that receivables are the company's bills to customers who buy the company's products.

Based on the understanding of experts and PSAK No. 71, it is concluded that receivables are part of the company's money that is claimed and given leniency to customers, both individuals and organizations, in paying for previous

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transactions. Receivables turnover is a ratio used to measure accounts receivable will rotate in one period or how long the average collection of accounts receivable is. The high accounts receivable turnover ratio indicates that the risk of accounts receivable not being converted into cash is getting smaller.

How to find this cash turnover by comparing sales with average receivables. Based on the understanding of experts and PSAK No. 71, it is concluded that receivables are part of the company's money that is claimed and given leniency to customers, both individuals and organizations, in paying for previous transactions. Receivables turnover is a ratio used to measure accounts receivable will rotate in one period or how long the average collection of accounts receivable is. The high accounts receivable turnover ratio indicates that the risk of accounts receivable not being converted into cash is getting smaller.

2.6. Hypothesis Development

Based on the formulation of the problem, research objectives and framework of thought that have been described in the previous section, several research hypotheses can be formulated, including:

1) The Effect of Cash Turnover on Profitability

Cash turnover is the activity of cash turnover for operational activities, to meet short-term obligations and used for investment in the form of fixed assets or for business development. The influence of cash turnover and profitability is complex and can vary depending on various factors where in many cases, companies with high cash turnover tend to have higher profitability. High cash turnover indicates that the company is efficient in managing its assets and generating income from operations. However, there are also cases where companies have low cash turnover but high profitability, conversely there are companies that want to have high cash turnover but increasingly low profitability. Based on the discussion of previous studies, it can be concluded that:

H1: There is a significant influence of cash turnover on profitability

2) The Effect of Inventory Turnover on Profitability

Inventory in a company must be managed wisely. Inventory turnover measures how quickly a company consumes or sells its inventory in a given period of time. High inventory turnover, which means inventory is used or sold quickly, is usually associated with high profitability. Significantly to the company's profitability by optimizing the use of assets and reducing costs associated with inventory. According to Munawir in (Akmalia, 2020), higher inventory turnover reduces the company's risk of losses caused by the inventory. These risks include inventory storage costs, tax costs, etc. Based on the discussion of previous studies, it can be concluded that:

H2: There is a significant influence of inventory turnover on profitability

3) The Effect of Accounts Receivable Turnover on Profitability

Receivables are an element of working capital that is also always in a state of continuous rotation in the working capital turnover chain. The effect of receivables turnover on high receivables profitability can also help reduce costs associated with managing receivables, such as collection costs and credit risk. This can increase the company's net profit margin and, overall, increase profitability. Receivables turnover is also closely related to sales levels. High sales tend to increase the amount of receivables, while slow or decreasing sales can result in greater accumulation of receivables. Based on the discussion of previous studies, it can be concluded that:

H3: There is a significant influence of accounts receivable turnover on profitability.

3. RESEARCH METHODS

3.1. Operational Definition of Variables

Researchers took samples from the annual financial reports of construction sector companies listed on the Indonesia Stock Exchange in 2021 to 2023 using the rupiah currency. The variables taken in this study include dependent and independent variables.

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a. Dependent variable (Y)

The dependent variable is a variable that has a value that is expected to change as a result of changes in the independent variable. This variable refers to profitability where in this sense profitability is used as the company's ability to generate profits or gains from business operations and have an important measure in managing resources and generating profits from its operational activities. Profitability can be measured by the ratio of net profit to sales. The higher the profitability, the better the company's financial performance. The independent variables that play an important role in supporting the dependent variable.

b. Independent Variable (X)

Independent variables according to Yulia (2017:40) are the opposite of dependent variables. This variable is a variable that affects the dependent variable. In other words, the independent variable is something that causes changes in the value of the dependent variable. The independent variables used in this study are cash turnover, accounts receivable turnover and inventory turnover.

The first variable is cash turnover. Cash turnover (X1) is a financial indicator that measures how efficiently a company manages its cash to support business operations and related to cash turnover can include factors that affect the company's cash flow. The ideal cash turnover ratio can vary depending on the industry, company size, and business context. However, a higher ratio is generally considered better, as it indicates that the company can generate significant cash flow from operations.

The inventory turnover variable (X2) is a ratio that measures how quickly a company can convert inventory into sales in a given period. Inventory calculation is done by dividing the amount of net sales by the average inventory value. High inventory turnover indicates that the company is able to sell its inventory quickly and efficiently.

The third variable is accounts receivable turnover. Accounts receivable turnover (X3) is a financial metric that measures how quickly a company can collect payments from customers or its accounts receivable in a given period. In accounts receivable turnover, the higher the accounts receivable turnover, the faster the company can convert credit sales into cash. However, a very high accounts receivable turnover can also indicate a credit policy that limits sales growth.

3.2. Population and Sampling Techniques

The population of this study is a construction sector manufacturing company listed on the Indonesia Stock Exchange (IDX). Data obtained from researchers found that there were around 22 companies in the 2021-2023 period. Sampling using the purposive sampling method. Purposive sampling is a data collection method that is aimed at people who are able to provide the information, because only these people are required to have the information or have the criteria set by the researcher. and the provisions of the Sample are part of the population which in mathematical terms is called a subset of the population. The sampling technique uses the entire population as a sample. The sample criteria that will be used by the researcher are as follows:

1) Construction sector companies listed on the Indonesia Stock Exchange 2021-2023
2) Construction sector companies that made a profit during the 2021-2023 research period
3) Construction sector companies listed on the Indonesia Stock Exchange 2021-2023 that publish financial reports and have been audited annually.

3.3. Data Analysis Techniques

Data analysis is a way to systematically organize and search for data obtained in the field, the results of the data can be understood and become a source of information for someone who needs it. Data analysis in this study uses descriptive analysis and multiple regression analysis.

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4. RESULTS AND DISCUSSION

4.1. Analysis of Research Results

1) Descriptive Statistical Test

The purpose of descriptive statistical tests is to test and explain the characteristics of the observed sample. The results are usually in the form of a table containing the names of the observed variables: average, median, min, max andstandard deviation, where researchers analyze data using SPSS. The following is a presentation of descriptive statistics presented in the table below:

Table 1. Descriptive Statistical Test

	N	Minimum	Maximum	Mean	Standard Deviation
Cash Turnover (X1)	30	0.689	210	22.93	58,617
Inventory Turnover (X2)	30	0.019	88	10.30	18,674
Receivables Turnover (X3)	30	0.012	15	4.37	3.253
ROA	30	0.019	18	1.37	4.287
Valid N (listwise)	30				

Source: Data processed by SPSS

From the results of the descriptive statistical test in the table above, it shows that the data used is 30 data from 10 companies. The results of the descriptive statistical analysis made in the form of a table can be explained as follows:

1) Cash Turnover

Based on the results of descriptive statistics, from 30 cash turnover variable data measured using ROA during the observation period, a minimum value of 0.689 was shown from the company PT. Indonesia yayasan raya Tbk (ACST) in 2021. The minimum value was caused by the amount of short-term debt being greater than the amount of cash and cash equivalents, where the company PT. Acset Indonusa Tbk. (ASCET) was unable to pay off short-term debt properly. The maximum value of 210 from the company PT. Hutama Karya Tbk. (HUMA) which is the best at paying off its short-term debt. The mean value is 22.93 and the standard deviation is 58.617. the average value tends to be greater than the standard deviation value.

2) Inventory Turnover

The results of the descriptive statistical test above show that the company size inventory turnover variable obtained a maximum value of 88, which means that in this study, the company variable has a limit value of 88. The company with the largest or highest rating is the Nusa Raya Cipta Tbk company in the 2022 study. This company size variable also has a minimum value of 0, which means normal and the variables used have an average value of 10.30 with a standard deviation value of 18.67.

3) Receivables Turnover

The results of the descriptive statistical test above show that the receivables turnover variable obtained a maximum value of 15, meaning that in the study the receivables turnover variable had an upper limit value of 15. The highest receivables turnover value was owned by the Surya Semesta Internusa Tbk company in 2023. This receivables turnover variable also has a minimum value of 0, which means that the lower limit of this company age variable is 0. The lowest receivables turnover value was owned by the Surya Semesta Internusa company in the 2022 research year. This variable also has an average value of 4.37 with a standard deviation value of 3.253.

4.2. Multiple Linear Regression Test

Multiple linear regression analysis is used to test the influence of independent variables, namely cash turnover, inventory turnover and accounts receivable turnover on the dependent variable, namely profitability.

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Table 2. Multiple Linear Regression Test (ROA)

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	7,063	1,529	
	Cash Turnover (X1)	.001	.013	.019
	Inventory Turnover (X2)	-.069	.041	-.300
	Receivables Turnover (X3)	-.472	.296	-.288

a. Dependent Variable: Profitability

Source: Data processed by SPSS

Based on the table above, the multiple linear regression obtained shows that the cash turnover value (X1) shows a value of 0.001, the receivables turnover value is 0.069 and the inventory turnover value is 0.472, so that the multiple linear regression equation can be obtained as follows:

Y = 7.063 + 0.001 X1 – 0.069 X2 – 0.0472 X3

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

1) This means that without the influence of cash turnover variables, accounts receivable turnover and inventory turnover, the constant value is 7.063.
2) Cash turnover has a positive influence on profitability, meaning that an increase of 1 in the cash flow turnover variable will affect profitability by 0.001.
3) Receivables turnover has a negative effect on profitability. This means that the relationship between the two variables is in the opposite direction, if there is an increase of 1 in the receivables turnover variable, then profitability decreases by 0.069
4) Inventory turnover has a negative effect on profitability. This means that the relationship between the two variables is in the opposite direction, if there is an increase in inventory turnover then profitability will tend to decrease. So, every 1 increase in the receivables turnover variable then profitability decreases by 0.472.

4.3. Hypothesis Testing

a. Model accuracy test (F test)

The f test is conducted with the aim of testing whether the influence of all independent variables on one dependent variable as formulated in a multiple linear regression equation model is appropriate (fit). The test criteria are by showing the magnitude of the F value and the significance value of p. if the analysis results show a p value <0.05. Then, the regression equation model is significant at the alpha level of 5%, so it can be concluded that the model formulated in the simple linear regression equation is appropriate.

Table 3. Test of Accuracy (ROA)

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	95,729	3	31,910	1,918	0.151a
	Residual	432,571	26	16,637		
	Total	528,300	29			

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a. Dependent Variable: Profitability

b.Predictors: (Constant), inventory turnover, accounts receivable turnover, cash turnover

Source: Data processed by SPSS

Based on the table of model accuracy test results (F test) above, it can be concluded that all independent variables (Cash turnover, Inventory turnover, and Receivables turnover) have no effect on the company's profit growth. This is indicated by the significance value of 0.151, which means that the sig value> 0.05, so the independent variables do not have a simultaneous effect (together) on the dependent variable.

b. Test of Determination Coefficient(R2)

The coefficient of determination (R2) test is a quantity that shows the proportion of variation of the independent variable that can explain the variation of the independent variable. The following is a presentation of the coefficient of determination test presented in the table below:

Table 4. Test of Determination Coefficient (ROA)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.426a	0.181	0.087	4.0788901

a. Predictors: (Constant),inventory turnover, accounts receivable turnover, cash turnover

Source: Data processed by SPSS

The test results from the coefficient of determination test above show that the adjusted R square value is 0.087, which means that the dependent variable simultaneously has an effect of 8.7%.

c. Test the significance of variables (t-test)

The variable significance test (t-test) aims to test the significance of the influence of each independent variable on the dependent variable formulated in the model. This test is a follow-up test that can be carried out after there is certainty that the model test (F-test) results are significant. The variable significance criteria for multiple linear regression analysis techniques are the same as the significance criteria for simple linear regression analysis techniques. The test criteria are by showing the magnitude of the t value and the significance value of p. If the analysis results show a p value <0.005, then the influence of the independent variable on one dependent variable is statistically significant at an alpha level of 5%.

Table 5. Significance Test of Variables (ROA)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7,063	1,529		4.619	.000
	Cash Turnover (X1)	.001	.013	.019	.106	.917
	Inventory Turnover (X2)	-.069	.041	-.300	-1.681	.105
	Receivables Turnover (X3)	-.472	.296	-.288	-1,596	.123

a. Dependent Variable: Profitability

Source: Data processed by SPSS

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Based on the results of the t-test above, the following conclusions can be drawn:

1) Cash turnover variable (X1), the value of variable X1 is 0.917, so X1 does not have a significant effect on the profitability variable (Y).
2) Accounts receivable turnover variable (X2), the value of variable X2 is 0.105, so X2 does not have a significant effect on the profitability variable (Y).
3) Inventory turnover variable (X3), the value of variable X3 is 0.123, so X3 does not have a significant effect on the profitability variable (Y).

4.4. Discussion of Research Results

1) The Influence of Cash Turnover on Profitability

Based on the results of testing the first and second hypotheses with the ROA measuring instrument in table 14, it can be seen that the cash turnover variable with the ROA calculation shows that the t value is 0.106 with a table in the form of a significant value of 0.19 which is greater than 0.05, so that the cash turnover variable has a contribution to profitability.

A negative t-value indicates that cash turnover has a non-unidirectional relationship with profitability. This means that the first hypothesis is rejected. It can be interpreted that the parties in the company are less effective in managing the cash they have, because theoretically, if cash turnover is managed effectively, it will have an impact on high cash turnover. So that sales and profitability will increase and the company's financial condition will not be disturbed. The results of this study are supported by research conducted by (Jumady, 2021) in his research entitled the effect of cash turnover and receivables on the profitability of construction companies. With the method used is multiple linear regression analysis, showing that the regression coefficient value of the Cash Turnover variable is -0.267 (negative). Thus it can be said that cash turnover has a negative and significant effect on Profitability. This shows that every 1% increase in cash turnover will have an impact on reducing profitability by -0.267.

The Effect of Inventory Turnover on Profitability

In inventory turnover with calculations using ROA there is a calculated t value (1.596). t table (1.595) and sig 0.123 > 0.05. T table () and sig 0.407 > 0.05 so that H3 is rejected which means that partially inventory turnover has a negative and insignificant effect on profitability.

Based on the test, inventory turnover has a negative effect and does not have a significant effect on profitability. This result is supported by (Abdullah & Siswanti, 2019) (Farhana, Susila, & Suwendra, 2016) which also proves that there is a significant positive effect of inventory turnover on profitability. According to (Sudana, 2015) the higher the ratio, the more efficient the management of inventory levels to generate income and vice versa. Likewise, the results of this study indicate that increasing inventory turnover shows the effectiveness of the company in increasing sales of consumer goods, in addition the company also implements a fairly good inventory system policy therefore inventory does not pile up and is damaged so that it can optimize its profitability. the inventory turnover owned by a company increases, this cannot affect profitability. although inventory turnover is an important factor in financial analysis. In short, this is contrary to research with testing in the consumer goods manufacturing sector, because in the manufacturing sector, especially F&B, it requires a production process that is carried out perpetually which involves high inventory turnover. while the construction sector does not require significant inventory turnover.

2) The Effect of Accounts Receivable Turnover on Profitability

Based on the results of the second hypothesis test (t-test) in tables 14 and 15, it is also shown that by calculating ROA, it can be seen that the receivables turnover variable shows that the calculated value is 0.41 <table with a significant value of 0.300, where the significant level is greater than the significant level of 0.05. there is a negative and insignificant influence between receivables turnover and profitability. This means that the second hypothesis is accepted. This can be caused because the company is able to estimate receivables that may be collected well and the company is able to minimize bad debts so that receivables turnover is not disrupted and the company can still make a profit.

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The results of this study are not in line with the research conducted by (Jumady, et al) in his study entitled the influence of cash turnover and receivables on the profitability of construction companies listed on the Indonesian Stock Exchange has a positive and significant effect on profitability. research methods used. The research methods used are descriptive tests, classical assumption tests, multiple linear regression. This is because the better the company processes its receivables turnover, the better its profitability will be

5. CONCLUSION AND SUGGESTIONS

5.1. Conclusion

This study aims to determine the effect of cash turnover, accounts receivable turnover and inventory turnover using ratiosreturn on assetsAndreturn on investmenton profitability in construction sector companies listed on the Indonesia Stock Exchange in 2021-203. The explanation is as follows:

1) Measurement uses two methods, where the first measurement uses ROA, where cash turnover has a positive and insignificant effect.
2) Measurement of the independent variable of accounts receivable turnover using an assessment, namely ROA. The results obtained are that accounts receivable turnover has a negative and insignificant effect on profitability.
3) Measurement of the independent variable of inventory turnover using an assessment, namely ROA. The results obtained from this measurement are that inventory turnover has a negative and insignificant effect on profitability.
4) Based on the F Test, the results of the measurement using ROA are F test > 0.05 so that cash turnover, accounts receivable turnover and inventory turnover do not have a simultaneous (together) effect on profitability.
5) Based on the R2 Test, the measurement results using ROA, cash turnover, receivables turnover and inventory turnover simultaneously affect profitability. First, cash turnover has a negative and insignificant effect on profitability. Second, inventory turnover using the ROA measurement tool on profitability shows no effect on profitability and the receivables turnover variable using ROA measurement does not affect the profitability of construction sector companies.

5.2. Suggestions

Based on the research results found, the following suggestions can be given:

1) For companies that want to increase profitability and external trust, the company must increase sufficient information to external parties regarding the development of its company. The company should also use cash turnover, receivables turnover and inventory turnover references to be able to influence the profitability of a company, especially in the construction sector.
2) For readers or further researchers, if they want to expand and develop research with similar titles, they should consider other independent variables that can affect the growth of company profitability. because it will provide a broader picture.

5.3. Research limitations

This research has limitations that can be used as consideration for subsequent researchers, including:

1) This study only uses cash turnover, accounts receivable turnover and inventory turnover variables, while there are still many other aspects or factors that can affect a company's profitability.
2) The time span used in this study is relatively short, namely only 3 years from 2021 to 2023, whereas if a longer period of time is taken, the data results from the research conducted will be more comprehensive.

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