# The Effect of Cash Turnover, Accounts Receivable Turnover, and the Number of Credit Customers on the Profitability (ROA) of Village Credit Institutions (LDP) in Negara District in 2021-2023

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**Abstract:** This study aims to determine the effect of cash turnover, receivables turnover, and the number of credit customers on profitability. This study was conducted at 10 LPDs registered at the LPLPD office in Jembrana Regency. This study is quantitative, using secondary data sourced from the LPD financial statements for 2021-2023. The data analysis technique used was multiple linear regression analysis. The results of the analysis indicate that partially, cash turnover has a positive and significant effect on profitability, receivables turnover has a negative but insignificant effect on profitability, and the number of credit customers has a positive and significant effect on profitability. Simultaneously, cash turnover, receivables turnover, and the number of credit customers simultaneously affect profitability (ROA) at LPDs in Negara District.

**Keywords:** *Cash Turnover, Accounts Receivable Turnover, Number of Credit Customers and Profitability (ROA)*

## INTRODUCTION

Bali, as a province in Indonesia, has earned an international reputation for its diverse customs and rich culture. In addition to this cultural richness, the Balinese people also have a traditional institutional system that contributes to economic prosperity. Efforts to increase village economic growth involve the establishment of local financial institutions. These institutions act as collectors of funds from the community and return these funds in the form of financing. In Bali, there are financial institutions based in traditional villages, namely the Village Credit Institution (LPD). LPDs are an integral part of the customary village institution and play a significant role in independently managing village financial potential. Furthermore, LPDs also contribute to maintaining the economic and cultural sustainability of the local community.

The Village Credit Institution (LPD) is a vital savings and loan institution in Balinese society. As a financial institution, LPDs focus their activities on traditional villages, or pakraman, which are communities based on customs, religious beliefs, and social values. According to Bali Provincial Regulation No. 3 of 2007, LPDs are recognized as village financial entities, serving to protect village communities in terms of financing.

LPDs were established to improve the social and economic welfare of villagers, reduce dependence on unprofitable loan sharks, and provide easy and affordable access to financing. Furthermore, LPDs also serve as guardians and preservers of Balinese cultural values, particularly the Tri Hita Karana concept, which forms the foundation of Balinese culture.

In 1984 the Bali government issued Governor's Decree (SK) No. 972 of 1984 concerning the Establishment of Village Credit Institutions in the Province of Bali, the LPD establishment project began and the existence of LPDs was regulated under Regional Regulations (PERDA) namely Bali Provincial Regulation Number 8 of 2002 concerning Village Credit Institutions (LPD), which has now been replaced by Bali Provincial Regulation Number 3 of 2007. The regulation regulates the requirements for establishing LPDs. LPDs are institutions established for the benefit of public services, especially in the economic sector in villages with the aim of improving the welfare of the traditional village community itself. The establishment of LPDs simultaneously in all traditional villages in Bali began to provide results in

improving the economy of traditional villages.

The basic principle behind the establishment of LPDs is their strategic role in strengthening the economy of traditional villages and supporting the preservation of arts, culture, and religious values within the community. One form of this social responsibility is realized through a 20% financial contribution to traditional village development and 5% to social activities, which the LPD regularly distributes to customary villages.

The establishment of Village Credit Institutions (LPDs) has had a significant positive impact on improving the economy of traditional villages. LPDs are unique in that they only provide services to local indigenous communities within their operational areas (Suarjana, 2016). The existence of LPDs in Bali aims to provide a means for developing traditional villages (pakraman) while simultaneously serving as a bulwark in preserving Balinese customs and culture. This reflects a new strategy for strengthening local community financing sources.

A traditional village is a customary law community unit that has a system of traditions, norms, and social systems based on Hindu teachings passed down through generations within the Kahyangan Tiga or Kahyangan Desa bond. It also has territory, wealth, and the authority to manage its own household (Kustina, 2017). Over time, the development of the LPD has shown significant progress, where this institution is able to explore and empower the economic potential of the traditional village community. Its role is very visible in helping fund the construction of temples, the implementation of religious ceremonies, and providing educational scholarships to village residents. The LPD carries a great responsibility because this institution manages funds from each banjar within the traditional village area. Therefore, its management must be carried out carefully, professionally, and with integrity to provide maximum benefits for the village and the institution itself. Given the importance of financial management in the LPD, good managerial skills are required from the leadership and all staff to adapt to the ever-evolving financial conditions and dynamics. Mistakes in management can have serious consequences for the sustainability of the institution.

Profitability is the main indicator that shows the ability of a company or institution to generate profits from its business activities. One measure of profitability that is commonly used is *Return on Asset* (ROA) is a ratio that shows how efficient an entity is in utilizing all its assets to generate profits. To obtain high profitability (ROA), things that must be considered by LPD management are healthy asset management, effective management of funding sources, and efficient management of business costs. Profitability is a measure to measure a company's performance in generating profits from sales, assets, investments, and equity. In addition, profitability is also used to measure the effectiveness of a company's management in achieving company goals (Yulistiani, 2016). In this case, the measure of profitability of a financial institution, which in this study is one that can be measured by*Return on Asset* (LONG). *Return On Asset* (ROA) is a ratio that shows how much assets contribute to creating net profit or the company's ability to generate net profit based on a certain level of assets. Furthermore, this study uses *Return on Asset* (ROA) as a measure of banking performance. Where *Return on Asset* (ROA) focuses on the Company's ability to generate profits by utilizing its assets. In carrying out its business activities, LPD is almost the same as banking management so that the factors that can affect the profitability of an LPD in a certain period are the cash turnover rate, receivables turnover, and the number of credit customers. Several previous studies have shown that profitability (ROA) is influenced by various financial factors

(Pratama, 2019) stated that profitability (ROA) is influenced by the cash turnover rate, receivables turnover and the number of credit customers. Meanwhile (Utami, 2019) stated that profitability is influenced by the cash turnover rate, company size, and funding compensation while (Nopiana, 2016) stated that the factors that affect profitability are the working capital turnover rate, cash turnover, receivables turnover, customer growth, and the number of employees. so it can be concluded that the variables that affect profitability are the cash turnover rate, receivables turnover, inventory turnover, LDR, BOPO, working capital turnover rate, number of credit customers, and capital adequacy.

This study focuses more on using the variables of cash turnover rate and receivables turnover rate and the number of credit customers that affect profitability (ROA). Based on the theory (Mulyadi, 2011) states, if the cash turnover rate increases, the receivables turnover rate will also increase, then it will be directly proportional to the ROA in the company. This statement is also supported by the theory (Kasmir, 2016) which states that if the cash turnover rate increases, the receivables turnover rate and the number of credit customers continue to increase, the company's profits will increase.

A factor suspected of influencing the profitability of Village Credit Institutions (LPD) is the cash turnover rate. The cash turnover rate can affect the ROA of an LPD. Cash is an element of working capital with the highest level of liquidity, indicating that the greater the amount of cash a company has, the lower its turnover. Theoretically, cash turnover is a ratio comparing total income, which in the context of financial institutions refers to the amount of income with the average cash available (Kasmir, 2020). The efficiency of cash use can be reflected in the amount of cash in the company and how it can circulate when invested. The higher the cash turnover rate, the better, this means higher cash use efficiency and greater profits obtained. In addition, factors that influence the cash turnover rate on Profitability (ROA) include the efficiency of managing incoming and outgoing funds, transaction frequency, and management policies related to liquidity. Factors that influence a company's cash turnover include consideration of cash inflows and outflows, cash flow storage, and good relationships with LPDs (Fitri, 2019). Cash turnover is a measure that reflects the availability of capital used for various purposes, including purchasing raw materials, paying off debts, paying various expenses, investing, and so on (Novika and Siswanti, 2022). A lower cash turnover results in a large amount of unproductive cash, which will reduce the company's profitability (Diana, 2016). This is supported by the opinion that factors influencing cash turnover include cash availability; excessive or insufficient cash can affect cash turnover (Riyanto, 2011).

A factor suspected of influencing the profitability of Village Credit Institutions (LPD) is the receivables turnover rate. The receivables turnover ratio is a measure used to assess how quickly the LPD can collect receivables within a given period. The higher this ratio, the less working capital is trapped in receivables, which indicates that the LPD's financial condition is improving (Munawir, 2019). Receivables within this institution will continue to circulate, and the receivables turnover rate illustrates the frequency of receivables that arise until they are successfully collected and returned to cash for the LPD. If the proportion of receivables distributed through credit increases, then the profits obtained are also expected to increase, which ultimately contributes to increased profitability (Riyanto, 2011). Companies engaged in selling products or services often have receivables. *(account receivable*) due to credit sales. These receivables represent claims on bills from consumers that have matured. Receivables turnover is a ratio used to measure how many times funds invested in receivables turn over during a period (Kasmir, 2017). The higher the

receivables turnover, the faster the investment funds in receivables can be collected into cash, indicating low working capital embedded in receivables. In addition, factors that do not affect receivables turnover are share capital, capital raised from company owners or investors also does not affect receivables turnover, because this capital is more related to the financial structure and not the operational receivables (Sutrisno, 2019).

The number of credit customers is considered a factor influencing the profitability of Village Credit Institutions (LPDs). Distributing funds in the form of loans, commonly known as credit, is one of the LPD's primary functions. According to Fahmi (2019), credit is defined as the provision of money or an equivalent claim, granted based on an agreement or contract between a financial institution and the borrower. The borrower is required to repay the debt within a specified period, along with agreed-upon interest. Transactions carried out by credit customers constitute one of the LPD's primary sources of income.

In general, it is understood that increasing the number of customers in a Village Credit Institution (LPD) has the potential to increase the institution's profits. This profit comes from interest on loans granted to credit customers. Therefore, the number of credit customers has a direct impact on LPD profits, which in turn affects the institution's profitability. Customers serve as the primary source of income for financial institutions, with income from credit interest being one of the largest contributors to profits. The more credit customers an LPD has, the greater the opportunity for an LPD to generate profits (Fahmi, 2020). This indicates that customers play a crucial role in maintaining the sustainability and profitability of banking businesses. Based on the results of interviews with sources, namely the Coordinator of LPLPD Jembrana Regency, I Dewa Putu Widiantara, stated that the influence of profitability and cash turnover rates in each LPD in Negara District is not proportional to the growth of assets owned. The following are the results of the calculation of the ROA Ratio of LPDs in Negara District for the 2021-2023 period.

Sample data that shows*Return On Asset* (ROA) from the LPD in the National District for the period 2021-2023, when viewed as a whole development *Return on Assets* (ROA) of each LPD in Negara District during 2021 to 2023 experienced fluctuations. *Return On Asset*(ROA) is the ratio between profit before tax to total assets, the greater Return *On Asset* (ROA) shows that the profitability of an LPD is also improving.

The following are some previous studies related to the influence of cash turnover rate, receivables turnover, number of customers on profitability (ROA). In Nugroho's research (2019) The Effect of Cash Turnover, Receivables Turnover on Profitability (ROA) in LQ 45 Companies listed on the IDX in 2012-2017. The results of the study show that Cash Turnover has a positive and significant effect on Profitability (ROA). While Receivables Turnover has a negative and insignificant effect on Profitability (ROA). Thus, company management to increase profitability (ROA must be able to manage its cash turnover so that the company's liquidity can be maintained properly. In addition, although receivables turnover in this study has a negative and insignificant effect, company management must also pay attention to ensure that the company's receivables have good quality so as not to impact the decline in company profits.

Puspita's (2021) research, "The Effect of Cash Turnover on Profitability (ROA) at LPDs in Sukasada District," showed that cash turnover has a positive and significant effect on profitability (ROA). This means that the faster the cash turnover, the higher the LPD's ability to generate profit.

Sari's research (2021) entitled the influence of cash turnover and inventory turnover on *Return on asset*(ROA) in cosmetic companies listed on the IDX. The

results of this study indicate that cash turnover has a negative and significant effect on ROA, while in the partial test, the inventory turnover variable has a negative and significant effect on ROA, and simultaneously, cash turnover and inventory turnover have a significant effect on ROA.

Khoiriah's research (2022) entitled the influence of cash turnover, accounts receivable turnover on*Return On Asset*(ROA) at PT Sreeya Sewu Indonesia. The results of the study show that cash turnover has a negative and significant effect on*Return on Asset*(ROA) at PT Sreeya Sewu Indonesia, but accounts receivable turnover has a negative effect on*Return on Asset* (ROA) at PT Sreeya Sewu Indonesia.

Dian's (2024) research entitled The Effect of Cash Turnover, Accounts Receivable Turnover and Inventory Turnover on Profitability in *Food and Beverage* Companies *on* the Indonesia Stock Exchange for the 2017-2022 period. The results of this study indicate that cash turnover has a negative and significant effect on profitability, meaning that the higher the cash turnover, the lower the company's profitability tends to be. Furthermore, accounts receivable turnover also has a negative and significant effect on profitability, so that an increase in accounts receivable turnover can reduce the level of profitability. Meanwhile, inventory turnover has a positive and significant effect on profitability, indicating that a higher inventory turnover will increase the company's profitability. Simultaneously, the results of this study indicate that cash turnover, accounts receivable turnover, and inventory turnover together have a significant effect on company profitability.

Yasmita's (2019) research, entitled "The Effect of Liquidity, Credit Distribution, and the Number of Debtors on Profitability (ROA) of Village Credit Institutions (LPD) in Marga District, Tabanan Regency," shows that liquidity, credit distribution, and the number of debtors simultaneously influence the profitability (ROA) of Village Credit Institutions (LPD) in Marga District, Tabanan Regency.

Gilang's (2024) research entitled "The Influence of Credit Growth, Capital Adequacy, and the Number of Customers on the Profitability (ROA) of Village Credit Institutions (LPD) in Kerambitan District, Tabanan Regency." The results of the study showed that the number of customers had a positive and significant effect on profitability (ROA) in Kerambitan District, while credit growth and capital adequacy did not affect profitability (ROA) in Kerambitan District.

This research was conducted due to a discrepancy between theory and empirical research findings regarding the factors influencing profitability at Village Credit Institutions (LPD). This research gap indicates that factors such as cash turnover, receivables turnover, and the number of credit customers have not consistently influenced LPD profitability. Profitability is a crucial aspect because it indicates a company's financial performance and is the basis for maintaining its future viability. Based on the background described, the researcher intends to conduct further research with the title: "The Effect of Cash Turnover, Receivables Turnover, and Number of Credit Customers on Profitability (ROA) at Village Credit Institutions (LPD) in Negara District for the period 2021-2023."

## METHOD

The object of this research is the Village Credit Institutions (LPD) located in Negara District and active during the period 2019–2023. This research was conducted on 10 active LPDs in Negara District, Jembrana Regency. This research was conducted from early August 2024 to the end of May 2025. Research activities included collecting LPD profile data and financial reports, data processing using Microsoft Excel, and data analysis using*software IBM SPSS Statistics 25*.

The data collection technique used in this study is document analysis. In this study, the documents used are the financial reports of LPD Villages in Negara District for 2021-2023. The samples are neatly arranged according to the order of the research variables, namely Cash Turnover Rate (X1), Receivables Turnover (X2), Number of Credit Customers (X3), and Profitability (ROA) (Y). The types of data in this study are qualitative and quantitative. The population used is all LPDs active in Negara District.

Data analysis techniques are the process of studying and processing data to identify patterns, relationships, and important information contained within. The goal is to gain a deeper understanding of the analyzed data and make decisions based on the information found. The data collection technique used in this study was with the help of computer *program Statistical Package For Social Science* (SPSS) 25.0 *for Windows*. The analysis methods used are Descriptive Statistics test, Classical Assumption Test, Normality Test, Multicollinearity Test, Heteroscedasticity Test, Multiple Linear Regression Analysis, F Test, T Test, and Coefficient of Determination.

## RESULTS AND DISCUSSION

In the data description, descriptive statistics are explained which are used to provide a description or description of data seen from the average value (*mean*) and the value of the research data. The results of the descriptive statistical tests of each research variable can be seen in the following table.

**Table 1**
**Descriptive Statistical Test Results**
**Descriptive Statistics**

| | N | Min | Max | Mean | Std. |
|---|---|---|---|---|---|
| X1 | 30 | 2.23 | 49.50 | 13.53 | 12.69 |
| X2 | 30 | .64 | 9.85 | 1.39 | 1.62 |
| X3_ | 30 | .38 | 42.90 | 14.4 | 12.52 |
| Y_ ROA | 30 | .02 | 2.86 | 1.09 | .708 |
| Valid N | 30 | | | | |

Based on the results of the descriptive statistical analysis of the data shown in table 4.1, it can be seen that the sample used was 30 with the following description, namely Profitability (ROA) (Y) is the dependent variable, Profitability (ROA) has an average value of 1.0942. The minimum value is 0.02 and the maximum value is 2.86. The standard deviation of Profitability (ROA) of 0.70872 shows that the difference in Profitability (ROA) to the average is 0.70872.

Cash Turnover Rate (X1) is *independent variable* which has an average value of 13.5353. The minimum value is 2.23 and the maximum value is 49.50. The standard deviation of the Cash Turnover Rate of 12.69430 indicates that the difference in the Cash Turnover Rate from the average is 12.69430.

Accounts Receivable Turnover (X2) is an independent *variable which* has an average value of 1.3940. The minimum value is 0.64 and the maximum value is 9.85. The standard deviation of Receivables Turnover of 1.62477 indicates that the difference between Receivables Turnover and the average is 1.62477.

The number of credit customers (X3) is an independent *variable* which has an average value of 14.4913. The minimum value is 0.38 and the maximum value is 42.90. The standard deviation of the number of credit customers is 12.52277, which shows that the difference between the number of credit customers and the average is 12.52277.

### Classical Assumption Test

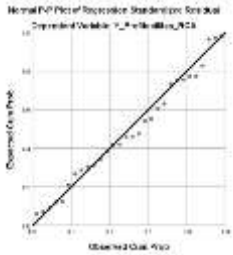
Classical assumption testing is carried out to ensure that the research results are valid and the theoretical data used is unbiased and stable, and the estimation of the regression coefficients is efficient.

The normality test aims to test whether in the regression model, the disturbances or residuals have a normal distribution (Ghozali, 2018). In this study, the normality test was conducted using *One-Sample Kolmogorov-Smirnov*, If *Asymp. Sig (2-*

*tailed)* greater than *level of* significance 0.05 is used, it can be concluded that the residual data is said to be normally distributed.

Based on the Normality Test, the method used is statistics of *Kolmogorov-Smirnov*. If *Asymp. Sig (2-tailed)* greater than *level of significance* 0.05 is used, it can be concluded that the residual data is said to be normally distributed. The results of the normality test for this study can be seen in Table 4.2, which shows the *Asymp.* value *Sig (2-tailed)*0.200 which indicates greater than *level of significance* 0.05 is used, it can be concluded that the residual data is said to be normally distributed.

**Figure 1**
**Normality Test (Normal Probability Plot)**



Graphics of *normal probability plot which* is shown in Figure 1. shows that there is a normal distribution pattern where the data in the form of a plot is spread around the diagonal line and follows the direction of the diagonal line.

Multicollinearity Test

The multicollinearity test aims to test whether a regression model finds a correlation between independent variables. A good regression model should not have a correlation between independent variables (Ghozali, 2018). To detect multicollinearity, the value can be seen *tolerance* and *variance influence* from the results of multiple regression calculations. If the *tolerance* value >0.10, and if the VIF value is <10, it can be interpreted as no multicollinearity. The results of the multicollinearity test can be seen in the following table.

**Table 2**
**Multicollinearity Test Results**

| | | Collinearity Statistics | |
|---|---|---|---|
| Model | Say. | Tolerance | VIF |
| X1 | .000 | .986 | 1.015 |
| X2 | .054 | .971 | 1.030 |
| X3 | .000 | .965 | 1.037 |

Based on table 2, the results of the multicollinearity test show that the VIF value = 1.015 for the Cash Turnover Rate variable (X1) with tolerance = 0.986, Accounts Receivable Turnover variable (X2) with VIF value = 1.030 and tolerance = 0.971, the variable Number of Credit Customers (X3) has a VIF value of 1.037 and tolerance= 0.965. Thus, value *tolerance on* each variable > 0.10 and the VIF value of each variable < 10, it can be interpreted that there is no multicollinearity.

The Heteroscedasticity Test aims to test whether there is inequality in the regression model of *variance* from the residual of one observation to another observation. If *variance* of the residuals from one observation to another remains the same, it is called Homoscedasticity and if they differ, it is called Heteroscedasticity (Ghozali, 2018:137). The results of the analysis using the test by *Glazes* in table 3, as follows.

**Table 3.**
**Heteroscedasticity Test Results**

| Model | T | Say. |
|---|---|---|
| X1 | .608 | .548 |
| X2_ | -1.064 | .297 |
| X3 | -1.612 | .119 |

` Based on the results of the heteroscedasticity test with the test of *glazes* in table 3, each variable Cash Turnover Rate (X1), Accounts Receivable Turnover (X2) and Number of Credit Customers (X3) has a significance value greater than the value of *alpha*(α) 0.05. So it can be concluded that in the regression

model there are no symptoms of heteroscedasticity in this study.

Regression analysis is a statistical method that explains the directional pattern of the relationship between independent variables and dependent variables, 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 (Ghozali, 2018). The results of the multiple linear regression analysis can be seen in the following table.

Based on the results of the multiple linear regression analysis test, a multiple linear regression model equation can be seen as follows:

$Y = \alpha + \beta 1X1 - \beta 2X2 + \beta 3X3 + e$

$Y = 0{,}054 + 0{,}029\ X_1 - 0{,}041\ X_2 + 0{,}049\ X_3 + \varepsilon$

The multiple linear regression equation shows the direction of each independent variable towards the dependent variable. The multiple linear regression equation can be described as follows:

a = The constant value of 0.054 indicates that if the cash turnover rate, receivables turnover and number of credit customers are equal to zero, then Profitability (ROA) is 0.054.

b1 = 0.029 shows that the cash turnover rate has a positive effect on Profitability (ROA), if the cash turnover rate increases then Profitability (ROA) will increase.

b2 = -0.041 shows that accounts receivable turnover has a negative effect on profitability (ROA), if accounts receivable turnover increases, then profitability (ROA) will decrease.

b3 = 0.049 shows that the number of credit customers has a positive effect on Profitability (ROA), if the number of credit customers increases then Profitability (ROA) will increase.

The F test is used to determine whether there is a simultaneous influence of independent variables on the dependent variable (Ghozali, 2018). The test is carried out by comparing the calculated F with the F table at a significance level of 5%. If the significance value is <0.05, then there is a significant simultaneous influence and the proposed variable is suitable for use. The F table is determined by looking at the value of the degrees of freedom df1 (n1) and df2 (n2). The formula is, df1 = 3 and df2 = 27, so the F table value based on the critical value table of the F distribution can be determined that the F table value is 2.96. The following are the results of the simultaneous regression coefficient significance test (F Test) as described below.

**Table 4**
**F Test Results**

| Model | F | Say. |
|---|---|---|
| Regression | 150.934 | .000[b] |

Based on table 4.6 it can be seen that the significance value is 0.000. This shows that the significance value of 0.000 is lower than the alpha (α) value of 0.05 (0.000 <0.05). Furthermore, for the Fcount value of 150.934 or greater than the Ftable of 2.96 in other words, Fcount> Ftable, then according to the basis for decision making in the F Test it can be concluded that the regression model in the study is considered worthy of testing and proof of the hypothesis can be continued or it can be said that the three independent variables, namely the cash turnover rate (X1), receivables turnover (X2) and the number of credit customers (X3) simultaneously affect Profitability (ROA) (Y).

The T test is carried out to test the significance of the independent variables on the dependent variables individually, this is done by comparing the calculated T with the table level *of* significant5% (0.05) and consideration of the T-table value. Respondents in this study consisted of 30 data with 3 independent variables and 1 dependent variable, then df or degrees of freedom is 26, then Ttable is 2.056. The

results of the T test can be seen in table 5 as follows.

**Table 5**
**T-Test Results**

| Model | T | Say. |
|---|---|---|
| (Constant) | .764 | .452 |
| X1 | 11.138 | .000 |
| X2 | -2.016 | .054 |
| X3 | 18.601 | .000 |

Based on table 4.7 above, the cash turnover rate (X1) has a significance level of 0.000 < 0.05 and a Tcount value of 11.138 > 2.056, so it can be concluded that the cash turnover rate (X1) has a significant effect on Profitability (ROA) (Y). The receivables turnover variable (X2) has a significance level of 0.054 > 0.05 and a Tcount value of -2.016 < 2.056, so it can be concluded that the receivables turnover (X2) does not have a significant effect on Profitability (ROA) (Y). The number of credit customers (X3) has a significance level of 0.000 < 0.05 and a Tcount value of 18.601 > 2.056, so it can be concluded that the number of credit customers (X3) has a significant effect on Profitability (ROA) (Y).

The coefficient of determination (R2) is used to measure the extent to which a model can explain variations in the dependent variable. The coefficient of determination value is between 0 (zero) and 1 (one). If the Adjusted R2 value is small (close to zero), it means that the independent variables' ability to explain variations in the dependent variable is very limited. Conversely, if the Adjusted R2 value is large, it means that the independent variables' ability to explain variations in the dependent variable is large. The results of the coefficient of determination (R2) test can be seen in Table 4.8 as follows.

**Table 6**
**Results of the Determination Coefficient Test ($R^2$)**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .972[a] | .946 | .939 | .17442 |

Based on the table above, it shows the value *Adjusted R Square* of 0.939 or 93.9%. This means that 93.9% of the profitability variable (ROA) (dependent variable) can be explained by the three independent variables, namely cash turnover rate ($X_1$), accounts receivable turnover ($X_2$) and the number of credit customers ($X_3$). While the remaining 6.1% (100% - 93.9%) is explained by other variables outside the model.

**Discussion and Presentation of Data Analysis Results**

**The Effect of Cash Turnover Rate on Profitability (ROA) Village Credit Institution (LPD) in Negara District**

Based on the test results in this study, it can be seen from the significant value of the cash turnover rate (X1) of 0.000 <0.05 and the T count value of 11.138 > 2.056, it can be concluded that the cash turnover rate (X1) has a significant effect on Profitability (ROA) (Y). The unstandardized beta coefficient of the cash turnover rate variable has a positive value of 0.029, which means it has a positive relationship with Profitability (ROA). The test results indicate that the first hypothesis (H1) is accepted. This shows that the increasing cash turnover rate will increase Profitability (ROA). The higher the cash turnover rate, the better, this means the higher the efficiency of cash use and the greater the profits obtained by LPDs in Negara District. These results are supported by the results of previous studies conducted by Amelia (2023), Hartati (2018), and Evi (2019) which stated that cash turnover has a positive and significant effect on profitability (ROA).

**The Effect of Accounts Receivable Turnover on Profitability (ROA) of Village Credit Institutions (LPD) in Negara District**

Based on the test results in this study, it can be seen from the significant value of accounts receivable turnover ($X_2$) has a significance level of 0.054 > 0.05 and a calculated T value of -2.016 < 2.056, so it can be concluded that the accounts receivable turnover ($X_2$) does not have a significant effect on Profitability (ROA) (Y). Beta unstandardized *coefficient.* The receivables turnover variable has a negative value of -0.041, which means it has a negative relationship with profitability (ROA). The test results indicate that the second hypothesis ($H_2$) is rejected. This indicates that if the receivables turnover increases, Profitability (ROA) will decrease. Low receivables turnover, or even too low, can lead to long receivables collection times, thus not having a significant impact on profitability. This can be seen from the receivable's turnover in several LPDs in Negara District, which shows that the value of credit sales is lower than the average receivables. The receivables turnover rate is too low and takes a long time to be collected in cash, resulting in few credit sales, resulting in decreased sales and decreasing company profitability. These results corroborate research conducted by Juliana & Sidik (2020), Jesica and Martha (2020), and Candra (2023), which states that receivables turnover has a negative but insignificant effect on profitability (ROA).

**The Influence of the Number of Credit Customers on the Profitability (ROA) of Village Credit Institutions (LPD) in Negara District**

Based on the test results in this study, it can be seen from the significant value number of credit customers ($X_3$) has a significance level of 0.000 < 0.05 and a calculated T value of 18.601 > 2.056, so it can be concluded that the number of credit customers ($X_3$) has a significant effect on Profitability (ROA) (Y). Beta coefficient *unstandardized coefficient.* The variable number of credit customers has a positive value of 0.049, which means it has a positive relationship with profitability (ROA). The test results indicate that the third hypothesis ($H_3$) is accepted. This shows that If the number of credit customers increases, profitability (ROA) at the LPD in Negara District will also increase. A higher number of credit customers will also increase interest income, or LPD profits.These results are supported by the results of previous research conducted by Agus (2020), Tanaya (2016), and Gilang (2024), which stated that the number of credit customers has a positive and significant effect on profitability (ROA).

**The Influence of Cash Turnover Rate, Receivables Turnover and Number of Credit Customers on the Profitability (ROA) of Village Credit Institutions (LPD) in Negara District**

Based on the test results in this study, it can be seen from the significant value in the F test of 0.000 or lower than the alpha value (α) of 0.05 (0.000 < 0.05). Furthermore, for the calculated F value of 150.934 or greater than the F table of 2.96, in other words, 150.934 > 2.96, it can be concluded that the cash turnover rate ($X_1$), accounts receivable turnover ($X_2$) and the number of credit customers ($X_3$) simultaneously influence Profitability (ROA) (Y). The test results indicate that the fourth hypothesis ($H_4$) is accepted. Value of *Adjusted R Square* of 0.939 (93.9%) means that 93.9% of the Profitability (ROA) variable (dependent variable) can be explained by the three independent variables, namely cash turnover rate ($X_1$), accounts receivable turnover ($X_2$) and the number of credit customers ($X_3$). This result is supported by the results of previous research conducted by Mulyadi (2018), Tanaya (2016) and Pramana (2016) which stated that the level of cash turnover, turnover of receivables owned, and the number of credit customers have a positive

and significant effect on profitability (ROA).

## CONCLUSION

Based on the results of data analysis and discussion, the following conclusions were drawn from the research results.

Cash turnover has a positive and significant effect on the profitability (ROA) of Village Credit Institutions (LPDs) in Negara District. This indicates that increasing cash turnover will increase profitability (ROA). A higher cash turnover rate is better, indicating higher cash efficiency and greater profits for LPDs in Negara District. Accounts receivable turnover has a negative but insignificant effect on the profitability (ROA) of Village Credit Institutions (LPDs) in Negara District.

This indicates that if accounts receivable turnover increases, profitability (ROA) will decrease. A low, or even excessively low, receivables turnover can lead to lengthy receivable collection periods, thus not significantly impacting profitability at LPDs in Negara District.

The number of credit customers has a positive and significant impact on the profitability (ROA) of Village Credit Institutions (LPDs) in Negara District. This indicates that an increase in the number of credit customers will also increase the profitability (ROA) of LPDs in Negara District. A higher number of credit customers will also increase the interest earned, or profits, by the LPD.

Cash Turnover Rate, Receivables Turnover and Number of Credit Customers simultaneously influence the Profitability (ROA) of Village Credit Institutions (LPD) in Negara District.

If the cash turnover rate increases, the receivables turnover rate also decreases, then profitability (ROA) will decrease and the number of credit customers will continue to increase, so it will be directly proportional to the profitability of the company.

## SUGGESTION

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

For LPD in Negara District

Based on the research results, the researcher suggests that LPD in Negara District optimize cash flow management, control cash outflows to be more selective, and evaluate credit policies considering that credit sales at LPD in Negara District are still experiencing ups and downs, which causes its receivables turnover to remain low. The low receivables turnover indicates an increase in uncollectible receivables, so it is hoped that LPD can implement scheduled collections. LPD is expected to build trust and social closeness so that the community is loyal to LPD compared to other financial institutions.

For Further Researchers

Future research is expected to expand this study to reflect current phenomena. It is hoped that further research will expand the sample size, use a longer period, and add independent variables that may influence profitability, such as*Non-performing loan*(NPL) and liquidity level (*current ratio*) and can expand the scope of research which is not only limited to LPD in Negara District.

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