

Effect Of Profitabilitas, Liquidity, Leverage & Inventory Turnover On The Deviation Of The Actual Growth Rate From Sustainable Growth Rate In Consumer Non Cyclical Companies

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Abstract

The purpose of this study was to determine the effect of return on assets, current ratio, debt to equity ratio and inventory turnover, on the deviation of the actual growth rate from the sustainable growth rate in non-cyclical consumer companies listed on the Indonesia Stock Exchange (IDX). The research period is 4 years, namely the period 2018 - 2021. The sampling technique uses a purposive sampling technique. The criteria set as 32 companies. The type of data used is secondary data obtained from the Indonesia Stock Exchange. The analytical method used is panel data regression analysis. The results showed that inventory turnover had a positive effect on the deviation of the actual growth rate from the sustainable growth rate, while the return on assets, the current ratio and debt to equity ratio were not significant for the deviation of the actual growth rate from the sustainable growth rate. The stages of data analysis carried out in this study used the eviews version 10 application program.

Keywords: Actual deviation growth rate from sustainable growth rate, return on assets, current ratio, debt to equity ratio, inventory turnover.



INTRODUCTION

Many companies are expanding to expand their business reach in the midst of intense global competition. Companies that are going to expand need to prepare a well-thought-out plan to be able to attract investors and creditors. Plans to expand the business or expansion require additional funds from both internal parties in the form of retained earnings from the company as well as external funding from creditors and investors. The decision to choose a company's funding source greatly influences the value of the company. An increase in company value will increasingly attract creditors and investors to lend and invest their funds in the company. The thing that becomes a consideration for creditors and investors is whether the company has growth prospects such as profits and assets.

The company's growth can be measured in several ways, namely by looking at sales growth, operating profit, net profit by adding the efficiency of capital use and the last is the capital itself (Waskito, 2008). Measuring by only looking at sales growth alone is not able to see the overall growth achieved by the company because it only looks at the marketing aspect. Measurement of the company's growth can be done by using the measurement of sustainable growth rate (sustainable growth). Using actual growth and sustainable growth rate the company can measure the growth that occurs. This measurement is done by using the deviation that occurs between the two.

The deviation of the actual growth rate from the sustainable growth rate is the difference between the actual growth rate and the sustainable growth rate. This indicates that the actual growth rate is ideal when it refers to the sustainable growth rate (Sari, 2014). This difference will determine the direction of company policy in the future. will come. The actual growth rate in sales is the percentage change in sales from one period to the next (Saputro and Purwanto, 2013). The actual growth rate is below the sustainable growth rate, meaning that the company has more than enough capital to meet its investment needs and wants an increase in liquid assets. reduction in leverage or increase in dividends (Higgins, 1992 in Saputro and Purwanto, 2013).

Previous research conducted by Amouzesh et. al (2010) and Hartono and Utami (2016) stated that ROA has an influence on the deviation of the actual growth rate from the sustainable growth rate. Meanwhile, another study conducted by Saputro and Purwanto (2013) showed that ROA has a negative effect on the deviation of the actual growth rate from the sustainable growth rate.

Previous research conducted by Saputro and Purwanto (2013) and research conducted by Sari (2014) also support this argument. Their research shows that CR has a negative effect on the deviation of the actual growth rate from the sustainable growth rate. Meanwhile, according to Amouzesh et al (2011) it shows that it has a

positive effect on the deviation of the actual growth rate from the sustainable growth rate.

In the research conducted by Gunawan & Leonnita (2015) the results show that the debt to equity ratio (DER) has a positive effect on the Deviation Actual Growth Rate of the Sustainable Growth Rate. This is different from research conducted by Putra (2015) which states that the debt to equity ratio (DER) has no significant effect on the actual growth rate deviation.

Parmanto and Murtini's research (2014) explains that return on assets and inventory turnover partially have no effect on the deviation of the actual growth rate from the sustainable growth rate, whereas according to Gunawan and Leonnita (2015) IT has a positive effect on the deviation of the actual growth rate from the sustainable growth rate.

RESEACRH METHODS

Research Approach

This type of research used is quantitative research. Quantitative research can be interpreted as a research method based on the philosophy of positivism. The type of data used in this research is secondary data with documentation techniques as a data collection technique, where the data used is obtained from the IDX's official website, namely www.idx.co.id.

Dependent Variable

The dependent variable is the variable that is affected or the variable that is the result because of the independent variable in this study will use the dependent variable Actual growth rate from sustainable growth rate. The Sustainable Growth Rate (SGR) is the maximum level when a company's sales can increase without running out of financial resources (Higgins, 1989 in Amouzesh et al., 2011). This concept is considered more useful because it combines operating elements (profit margin and asset efficiency) and financial elements (capital structure and retention rate) into one comprehensive measure (Amouzesh et al., 2011). The deviation of the actual growth rate from the sustainable growth rate is the difference between the actual growth rate and the sustainable growth rate. This indicates that the actual growth rate is ideal when it refers to the sustainable growth rate (Sari, 2014). This difference will determine the direction of company policy in the future. will come.

The actual growth rate is the percentage change from sales in one period to the next (Saputro and Purwanto, 2013). Saputro & Purwanto (2013) states that the financial plan for sustainable growth means that actual growth in sales (actual growth rate) must be aligned with resources, both faster or slower growth which can lead to

crises, both financial and corporate survival. Actual deviation The growth rate of the sustainable growth rate is the difference between the actual growth rate and the sustainable growth rate. Deviation value of the actual growth rate from the company's sustainable growth rate. This deviation value will be used by management in making changes to operating and financial policies.

$$DAS = AGR_t - SGR_t$$

Where :

$AGR = (Final\ Value / Initial\ Value) (1 / number\ of\ years) - 1$

$SGR = Return\ on\ Equity \times (1 - Dividend\ Payout\ Ratio)$

$t = Year$

Independent Variables (Independent)

Return On Assets

According to Kasmir (2016: 201) ROA is used to show a company's ability to generate profits by using its total assets. Return On Assets (ROA) shows the company's ability to generate profits from the assets used. ROA is the most important ratio among existing profitability ratios. ROA or what is often called Return On Investment (ROI) is obtained by comparing net profit after tax to total assets (James Van Horne and John M. Wachowicz, 1997).

$$ROA = Net\ Profit / Total\ Assets \times 100\%$$

Current Ratio

The Current Ratio is a current ratio that measures a company's ability to pay short-term obligations or debts that are due soon when billed (Kasmir, 2017: 134).

$$CR = Current\ Assets / Current\ liabilities \times 100\%$$

Debt to equity ratio

Debt to Equity Ratio (DER) is the ratio used to assess debt to equity. This ratio is sought by comparing all debt, including current debt with all equity. This ratio is useful for knowing the amount of funds provided by the borrower and the owner of the company. In other words, this ratio serves to find out every rupiah of own capital that is used as collateral for debt (Kasmir, 2018: 158).

$$DER = Total\ Debt / Equity \times 100\%$$

Inventory turnover

Inventory turnover is the ratio used to measure the number of times the funds invested in this stock (inventory) rotate in a period Kasmir (2015: 114). The ability of funds embedded in the inventory to rotate within a certain period, or the liquidity of the inventory and the tendency for "overstock". Wiratna Sujarweni (2017:63).

$$IT = Sales / Supply \times 100\%$$



Definition and Measurement of Research Variables

The following is an operational table in the Independent variable (X) Return on assets, Current ratio, Debt to equity ratio and Inventory turn over (Y) Devisiasi actual growth rate from sustainable growth rate.

Table 1. Definition and measurement of variables

NO	VARIABLE	VARIABLE DEFINITIONS	MEASUREMENT	SCALE
1	Return On Assets (ROA)	According to Kasmir (2016: 201) ROA is used to show ability the company generates profits by using the total assets owned.	$ROA = \frac{\text{Net Profit}}{\text{Total Assets}} \times 100\%$	Ratio
2	Current Ratio (CR)	According to Hery (2018: 152) the current ratio is the ratio used to measure a company's ability to meet its short-term obligations that are due soon by using the total available current assets.	$CR = \frac{\text{Current Assets}}{\text{Current liabilities}} \times 100\%$	Ratio
3	Debt to Equity Ratio (DER)	According to Ross, et al. (2015:67) Debt to Equity Ratio is a ratio that used to value debt against equity.	$DER = \frac{\text{Total Debt}}{\text{Equity}} \times 100\%$	Ratio
4	Inventory Turnover (IT)	According to Kasmir (2015: 114). Inventory turnover is the ratio used to measure how many times the funds invested in this stock (inventory) rotate in a period.	$IT = \frac{\text{Sales}}{\text{Supply}} \times 100\%$	Ratio
	Deviation of the Actual	Companies can calculate the size of the difference between actual growth and sustainable growth rate using the deviation		

5	Growth Rate from the Sustainable Growth Rate	between the two. The deviation of actual growth from the sustainable growth rate is the difference that occurs between actual growth and the sustainable growth rate (Saputro, 2013).	$DAS = AGR_t - SGR_t$	Ratio
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Sampling method

The sampling method using purposive sampling according to Notoatmodjo (2010) is sampling based on certain considerations such as population characteristics or previously known characteristics. Research Sample Criteria:

- Companies in the consumer non cycals sector that are listed on the IDX for the 2018-2021 period.
- Companies that consistently earn 2018-2021 profits.
- Companies that publish their financial reports on the IDX for the 2018-2021 period.

DISCUSSION

Description of Research Object

The objects in this study are industrial companies in Indonesia that are listed on the IDX.

Description Statistical Analysis

Table 2. Analysis Descriptive

Date: 11/04/22 Time: 21:12 Sample: 2018 2021					
	DAS	ROA	DER	CR	IT
Mean	0.308083	1.572429	1.160681	29.83808	15.79613
Median	0.102750	0.073200	0.824700	1.840300	8.225400
Maximum	12.73640	110.2212	10.74030	3428.575	311.3901
Minimum	-3.189100	0.000400	0.000400	0.349100	0.645400
Std. Dev.	1.644630	11.90351	1.270177	302.8100	37.23607
Skewness	5.145456	8.141745	3.798906	11.17669	6.119127
Kurtosis	35.68424	68.91552	26.75196	125.9483	42.50833
Jarque-Bera	6262.199	24586.71	3316.706	83285.11	9123.641
Probability	0.000000	0.000000	0.000000	0.000000	0.000000
Sum	39.43460	201.2709	148.5672	3819.275	2021.905
Sum Sq. Dev.	343.5104	17995.07	204.8954	11645123	176088.6
Observations	128	128	128	128	128

In the table above, it can be explained that the amount of data (observations) used in this study was 128 data. The mean is the average of the data, obtained by adding up all the data and dividing it by the number of data (Winarno, 2015: 3.9). The largest mean value was experienced by the CR variable, which was 29.838084, while the ROA variable had the smallest mean value, which was 0.311164.

The median is the middle value (the average of the two middle values if the data is even) when the data is sorted from smallest to largest (Winarno, 2015:3.9). The largest median was experienced by the IT variable, which was 8.225400, while the variable had the smallest median, namely ROA, which was 0.073200.

Maximum is the largest value of the data (Winarno, 2015: 3.9). The biggest maximum experienced by the CR variable is 3428.5750. while the DER variable has the smallest maximum of 10.74030.

The minimum is the smallest value from the data (Winarno, 2015: 3.9). The biggest minimum was experienced by the IT variable, which was 0.645400, while the DAS variable had the smallest minimum, which was (3.189100).

std. Dev is a measure of the dispersion or distribution of data (Winarno, 2015: 3.10). The largest standard deviation value is experienced by the CR variable, which is equal to 302.8100, which means that the CR variable has a higher level of risk compared to other variables. While the DER variable has the lowest level of risk, which is equal to 1.270177. This shows that the DER variable during the study period experienced changes that were not too volatile. Skewness is a measure of the asymmetry of the data distribution around the mean.

Selection of Model Estimation Model

Chow Test

Table 3. Chow Test

Redundant Fixed Effects Tests

Equation: EQ01

Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	1.079999	(31,92)	0.3778
Cross-section Chi-square	39.725760	31	0.1353

Based on the calculation results of cross-section F and cross-section chi-square $> \alpha$ (0.05), it can be concluded that the Fixed Effect Model (FEM) is more appropriate to use than the Common Effect Model (CEM).



Hausmant Test**Table 4. Hausman Test**

Correlated Random Effects - Hausman Test
Equation: EQ01
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	5.635688	4	0.2281

Based on the results of the calculation of the random cross-section prob > α (0.05), it can be concluded that the Random Effect Model (REM) is more appropriate to use than the Fixed Effect Model (FEM).

Lagrange Multiplier Test**Table 5. Lagrange Multiplier Test**

Lagrange multiplier (LM) test for panel data
Date: 11/08/22 Time: 20:11
Sample: 2018 2021
Total panel observations: 128
Probability in ()

Null (no rand. effect) Alternative	Cross-section One-sided	Period One-sided	Both
Breusch-Pagan	0.010648 (0.9178)	0.780998 (0.3768)	0.791647 (0.3736)
Honda	-0.103191 (0.5411)	-0.883741 (0.8116)	-0.697866 (0.7574)
King-Wu	-0.103191 (0.5411)	-0.883741 (0.8116)	-0.874505 (0.8091)
GHM	-- --	-- --	0.000000 (0.7500)

Based on the results of the calculation of the Breausch-pagan Cross-section Prob > α (0.05), it can be concluded that the Common Effect Model (CEM) is more appropriate to use than the Random Effect Model (REM).

Conclusion Panel Data Regression Model Used**Table 6. Conclusion panel of data regression**

Based on the results of the three tests that have been carried out, it can be concluded that the panel data regression model that will be used in the Hypothesis Test and the panel data regression equation is the Common Effect Model (CEM).

Hypothesis Test

Model Feasibility Test (F Test)

Table 7. F Test

R-squared	0.146651	Mean dependent var	0.308083
Adjusted R-squared	0.118900	S.D. dependent var	1.644630
S.E. of regression	1.543763	Akaike info criterion	3.744602
Sum squared resid	293.1341	Schwarz criterion	3.856010
Log likelihood	-234.6545	Hannan-Quinn criter.	3.789867
F-statistic	5.284515	Durbin-Watson stat	2.634347
Prob(F-statistic)	0.000582		

The output above shows that the F-statistic is 5.284515, while the F-table value is 2.445368. Thus the F-statistic > F table and the prob value (F-statistic) is 0.000582 < 0.05, it can be concluded that H_a is accepted, it can be concluded that the variable independent in this study together have an influence on the dependent variable.

Partial Hypothesis Test (T Test)

Table 8. T Test

No	Method	Testing	Results
1	Chow test	CEMs vs FEMs	CEM
2	Hausman test	REM vs FEM	REM
3	Lagrange Multiplier Test	CEM vs REM	CEM

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.044880	0.193201	0.232297	0.8167
ROA	0.000942	0.011550	0.081599	0.9351
DER	-0.003038	0.108981	-0.027872	0.9778
CR	-6.30E-05	0.000453	-0.139311	0.8894
IT	0.016911	0.003705	4.564604	0.0000

1. The effect of ROA on the deviation of the actual growth rate from the sustainable growth rate.

In this study, the T-table with a level of $\alpha = 5\%$, $df = 123$ obtained a T-table value of 1.65734. The T-statistic ROA value of 0.081599. Thus the T-statistic ROA < T-table and the prob value is 0.9351 > 0.05, it can be concluded that ROA has no effect on the deviation of the actual growth rate from the sustainable growth rate.

2. The effect of DER on the deviation of the actual growth rate from the sustainable growth rate.

In this study, the DER T-statistic value was (0.027872) < T-table value 1.65734. Thus the T-statistic DER < T-table and the prob value is 0.9778 > 0.05, it can be concluded that DER has a significant negative effect on the deviation of the actual growth rate from the sustainable growth rate .

3. The effect of CR on the deviation of the actual growth rate from the sustainable growth rate.

In this study, The CR T-statistic value is (0.139311) < T-table value 1.65734. Thus the T-statistic CR < T-table and the prob value is 0.8894 > 0.05, it can be concluded that CR has a negative effect on the deviation of the actual growth rate from the sustainable growth rate.

4. The effect of IT on the deviation of the actual growth rate from the sustainable growth rate.

In this study, IT's T-statistic value is 4.564604 < T-table value is 1.65734. Thus the T-statistic IT < T-table and the prob value 0.0000 > 0.05, it can be concluded that CR has a positive effect on the deviation of the actual growth rate from the sustainable growth rate.

CONCLUSION

Testing with the F Test (Simultaneous) shows the results that ROA, CR, DER and IT simultaneously affect the deviation of the actual growth rate from the sustainable growth rate in non-cyclical consumer companies. Testing with the t-test (Partial) shows that the ROA results have no effect on the actual deviation growth rate from sustainable growth rate. CR has a significant negative effect on the deviation of the actual growth rate from the sustainable growth rate. DER has a significant negative effect on the deviation of the actual growth rate from the sustainable growth rate. IT does not have a significant positive effect on the deviation of the actual growth rate from the sustainable growth rate.

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