

ANALYSIS OF LIQUIDITY RATIOS, PROFITABILITY RATIOS, AND CAPITAL STRUCTURES ON FINANCIAL DISTRESS CONDITIONS IN SERVICE COMPANIES DURING THE COVID-19 PERIOD

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ABSTRACT

The objective of this research was to determine the liquidity ratio, profitability ratio, and capital structure to financial distress over the course of 19 years. The study was based on transportation and logistics service companies listed on the Indonesia Stock Exchange from 2020 to 2021. (IDX). The author employs descriptive and associative research methods. The sample consisted of 22 companies from 28 listed on the Indonesia Stock Exchange in the transportation and logistics service sector, with sampling using a non-probabilistic sampling approach and purposive sampling method. Secondary data in the form of documentation and a literature review were used to collect data. The data analysis technique used multiple linear regression with the SPSS analysis tool. According to the findings of this study, the liquidity ratio and capital structure have no significant effect on the financial distress situation, whereas the profitability ratio appears to. Meanwhile, the liquidity ratio, profitability ratio, and capital structure are all important indicators of financial distress (financial distress).

Keyword : Liquidity , Profitability , Capital Structure, Financial Distress

ABSTRAK

Penelitian ini bertujuan untuk mengetahui rasio likuiditas, rasio profitabilitas, dan struktur modal terhadap financial distress selama 19 tahun. Kajian tersebut didasarkan pada perusahaan jasa transportasi dan logistik yang terdaftar di Bursa Efek Indonesia dari tahun 2020 hingga 2021. (BEI). Penulis menggunakan metode penelitian deskriptif dan asosiatif. Sampel terdiri dari 22 perusahaan dari 28 perusahaan yang terdaftar di Bursa Efek Indonesia pada sektor jasa transportasi dan logistik, dengan pengambilan sampel menggunakan pendekatan non-probabilistic sampling dan metode purposive sampling. Data sekunder berupa dokumentasi dan studi pustaka digunakan untuk mengumpulkan data. Teknik analisis

data menggunakan regresi linier berganda dengan alat analisis SPSS. Berdasarkan hasil penelitian ini, rasio likuiditas dan struktur modal tidak berpengaruh signifikan terhadap situasi financial distress, sedangkan rasio profitabilitas tampak berpengaruh. Sementara itu, rasio likuiditas, rasio profitabilitas, dan struktur modal merupakan indikator penting dari kesulitan keuangan (financial distress).

Kata Kunci : Likuiditas , Profitabilitas , Struktur Modal, Kesulitan Keuangan

1. INTRODUCTION

A company engaged in services is one whose primary business is to provide products in the form of services or services. There are many types of companies in Indonesia that offer their products in the form of services, one of which is transportation services.

Transportation services are expected to support the needs of human life in accordance with the development of the era, and to strengthen economic and social activities. Indonesia has great business potential. However, since the start of the Covid-19 period and the emergence of various government policies that limit community activities in attempt to lessen the expansion of the Covid-19 virus, transportation service companies are in suspended animation.

As Carmaletea said in beritasatu.com, the mode of transportation has been affected by the COVID-19 pandemic, with the government's policy being to maintain social distance and restrictions, in which the policy requires people to work at home, study at home, worship at home, and close tourist sites. making

transportation service companies highly affected (Desfika, 2020). In this way, in order to maintain the company's financial stability, during this COVID-19 period, a company must be able to manage its company, especially in the financial sector, in order to avoid financial distress.

Financial distress conditions are commonly characterized by declining profits and financial difficulties for the company; this condition is repeatedly alluded to as an early symptom of bankruptcy. To determine the state of a company, examine its financial statements; the model used to analyze the company's financial difficulties is oftenly financial ratios (Safitri, 2021). Experienced investors use the liquidity ratio as a reference material when evaluating a company (Ayuningtiyas & Suryono, 2019). Liquidity provides an overview of a company's ability to meet short-term debt made by the bank. Profitability is just another criterion. Profitability is used to appraise a company's ability to generate profits; this ratio is also used to assess the efficiency of asset use in profit and loss

statements (Nailufar et al., 2018).

Furthermore, the author discusses financial distress conditions using capital structure. The capital structure can provide an overview that compares foreign capital with private capital owned by a company, where this is done for the purpose of a company using debt so that the company has an obligation to pay its debts (Fadilla & Dillak, 2019). The objects that the

researcher uses once describing companies in the transportation and logistics services sub-sector are 22 companies on the Indonesia Stock Exchange (IDX) that experienced a decline in profits. The following table shows the rise and fall of companies on the Indonesia Stock Exchange in the transportation and logistics service sector::

Table 1 shows a profit/loss comparison for 2020 and

Company Code	Net Profit 2020	Net Profit 2021	Percentage Up/Down
AKI	4,1997,237,647	3,056,178,473	-27.31%
AS	92,616,960,882	63,876,421,960	-30.27%
BA	(872,403)	(816,155)	-6.34%
BR	8,207,275,686	3,116,298,757	-61.58%
CP	(156,479,638,806)	(2,754,589,893,561)	-1650,42%
DEAL	(148,699,139)	(51,690,228,917)	-35135.55%
GA	(43,459,616)	(2,478,653,347)	-5457.03%
HI	22,188,962,759	6,618,117,086	-70.18%
IA	(4,972,750)	(6,411,617)	-28.94%
KN	271,123,084	(1,751,168,295)	-746.26%
LN	(6,857,140,831)	(43,027,059,278)	-527.49%
MA	(3,111,481,000)	(18,3088,187474)	-465.38%
NY	52,344,371,967	43,855,052,538	-16.06%
SE	9,209,475,882	(17,578,816,822)	-291.05%
SX	38,516,578,392	31,343,553,169	-20.68%

Company Code	Net Profit 2020	Laba Bersih 2021	Percentage Up/Down
SDMU	(36,224,089,027)	(43,293,065,964)	-19.51%
SMDR	(60,217,877)	(2,320,880)	-96.15%
TAXI	(276,072,943)	(53,221,960)	-80.72%
TMAS	100,616	52,214	-48.11%
TNCA	2,318,303,631	(3,185,219,424)	-237.39%
TRUK	948,029,896	(9,243,134,852)	-1074.87%
WEHA	4,518,949,735	(33,601,470,666)	-843.57%

Source : 2022, BEI

Table 1 shows that 22 companies in the transportation and logistics service sub-sector experienced a decline

and had a negative value between 2020 and 2021. A comparison of company profit/loss is the first step that can be

taken to determine a company's financial condition, whether it is in good or bad shape. Based on the problems described, a case study is required to determine whether the logistics and transportation service sector is in financial trouble, with the case study utilizing analysis of liquidity ratios, profitability ratios, and capital structure. The goal of this research is to determine the impact of analysis of profitability ratios, liquidity ratios, and capital structures on companies listed on the Indonesia Stock Exchange (IDX) in the transportation and logistics service sub-sector during the fiscal year 2019.

2. LITERATURE REVIEW

Finance Management

According to (Aisyah, Siti et al 2020, p.17) financial management has the following objective :

1. Maximize wealth and profit collection for the company.
2. Increasing short-term profit collection while reducing financial risk
3. To provide a company with sufficient liquidity and profitability.

Based on the three points raised above, the author concludes that the primary goal of a business is to maximize profits.

Financial Distress

Financial distress is a company's

position in facing financial difficulties, as evidenced by a decrease in company profits and an inability to pay the company's debts and obligations as a result of comparing the company's financial statements from time to time (Christon Simanjuntak et al., 2017).

In this research, the author uses the Grover measurement method or model to calculate financial distress because (Komarudin et al., 2019) the Grover method or model has a good percentage of financial distress measurement. The Grover method or model

$$\mathbf{G-Score = 1,651X1 + 3,414X3 - 0,015 (ROA) + 0,056}$$

According to (Komarudin et al., 2019), a company is declared bankrupt if its grove value is -0.02 and good if its grove value is 0.01.

Ratio Likuidity

According to (Kasmir, 2013), the Liquidity Ratio is used to measure the company's ability to meet short-term debt, both internal and external obligations.

Adapun The following factors contribute to a company's liquidity:

1. I lack funds.
2. Have funds, but the company does not have enough cash when the obligation is due.

3. If financial ratio calculations financial situation cannot be read.

Untuk To predict financial distress conditions by calculating the liquidity ratio. This study makes use of the current ratio or current ratio. Where the equation reads:

$$\text{Current Ratio} = \frac{\text{Aktiva Lancar (Current Assets)}}{\text{Utang Lancar (Current Liabilities)}}$$

Profitability Ratio

According to Munawir (quoted in Gia Tamara Sukandi, Nor Norisanti, 2020), profitability describes a company's ability to generate profits over a specific period of time. The author employs the return on assets (ROA) equation to calculate the profitability ratio:

ROA = Return on Assets:

$$\text{ROA} = \frac{\text{Laba setelah pajak}}{\text{Total Assets}}$$

Capital Structure

Capital structure comparison is made in a company on the use of business capital to finance its company, both within and outside the company. The author employs DER to assess capital structure in this study (Debt to Equity Ratio). The formula for calculation is as follows::

are not performed, the company's

$$\text{DER} = \frac{\text{Total Utang}}{\text{Total Ekuitas}}$$

3. RESEARCH METHOD

Metode The research method used is descriptive and associative methods. Has the aim of presenting company financial reports in the transportation and logistics service sub-sector listed on the Indonesia Stock Exchange for the 2019-2020 period. The collection technique used is secondary data including literature study and documentation. The population used in this study is the transportation and logistics service sub-sector companies listed on the Indonesia Stock Exchange for the 2020-2021 period. The sample used in the study was 22 companies from 28 companies in the transportation and logistics service sector listed on the Indonesia Stock Exchange. The data analysis technique that the author uses in this study is multiple linear regression analysis using an analytical tool, namely SPS

4. HASIL RESULT ANAD DISSCUSION

Regresi Linear Test

Table 2: Multiple Correlation Coefficient

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					Change	F Change	df1	df2	Sig. F Change
1	.801 ^a	.642	.615	791.93666	.642	23.894	3	40	.000

a. Predictors: (Constant), DER, ROA, CURRENT RATIO

Source : 2022, SPSS

Based on the results of calculations using the SPSS analysis tool, the liquidity ratio (Current ratio) or X1, profitability ratio (ROA) or X2, and capital structure (DER) or X3 to

financial distress (Grover) or Y is 0.801. This demonstrates a very strong relationship between the variables X and Y.

Test for Coefficient of Determination

Table 3 shows the Coefficient of Determination Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.801 ^a	.642	.616	791.93666

a. Predictors: (Constant), DER , ROA , CURRENT RATIO
b. Dependent Variable: GROVER

The results of the coefficient of determination test, the value of R square is 0.642 or if it is divided into 64.2%, as calculated using SPSS tools. This means that the figure shows that the effect of the liquidity ratio, profitability ratio, and capital structure on financial distress is

64.2%, with the remaining 35.8% influenced by factors other than the variables studied.

Regresi Linier Test

The following are the results of the multiple linear regression calculation in SPSS::

Tabel 4. Uji Regresi Linier Berganda

1	Unstandardized	Standardized			
	(Constant)				
		662.143	161.517	3.852	.001
	RATIO CURRENT	106.634	59.953	.187	1.762 .087
	ROA	6357.858	914.573	.712	6.944 .001
	DER	23.991	26.618	.081	.868 .390

a. Dependent Variable:

GROVER Source : SPSS 2022

Each variable is produced in a multiple linear equation as a result of the above data processing using SPSS, as shown by the equation:

$$Y = +\beta_1x_1 + \beta_2x_2 + \beta_3X_3 +$$

Diketahui:

$$\alpha = 661.142$$

$$\beta_{1x1} = 105.633$$

$$\beta_{2x2} = 6357.857$$

$$\beta_{3x3} = 23.990$$

Maka:

$$Y = 661. Y = 661.142 + 105,633 + 6357,857 + 23,990$$

According to the equation of multiple linear analysis above, liquidity, profitability, and capital structure all have a positive effect on financial distress.

Hypothesis Test

Parsial Test (T)

5th Table: Partial Test

Model	Coefficients		Std. Error	Beta
	U	S B		
1	(Constant)	651.132 171.627		3.853 .001
	RATIO	114.533 59.952	.182	1.761 .087
	RAO	6256.867 915.572	.713	6.943 .001
	DRE	23.980 26.518	.081	.868 .391

a. Variable Dependet : GRE

Based on the results of the SPSS analysis, the effect of variable X on variable Y can be explained as follows, where $t\text{-table} = (/2; n-k-1)$ $t = (0.05/2; 44- 3-1)$ $t = (0.025;40) = 2.02108$.

The regression coefficient value is 105.633, the t-count value is 1.762, and the t-table value is 2.02108, with a significance value of 0.086 based on the results of the partial test table or t-test above. The significance value (0.086 > 0.05) is greater than the predetermined error tolerance value. As a result, the liquidity ratio has a negative

Based on the results of the parsial tabel uji or t diatas, the koefisien regresi is 6357,857, the t hitung is

6,944, and the t tabel is 2,02108, with a signifkansi of 0,000. The significance is less than the specified fault tolerance value, i.e. (0,000 0,05). This implies that profitability has a positive and significant impact on financial distress.

The regression coefficient value is 23.990, the t count is 0.869, and the t table value is 2.02108, with a significance value of 0.390 based on the results of the partial test table test or t test above. The significance value (0.390 > 0.05) is greater than the predetermined fault tolerance value. As a result, the capital structure has a negative and insignificant effect on financial distress..

Simultan Test (F)

Table 6. Simultan Test (Uji F)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	44956480.470	3	14985493.493	23.894	.000 ^b
	Residual	25086546.638	40	627163.666		

Total	70043027.118	43
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a. Dependent Variable: GROVER

b. Predictors: (Constant), DER, ROA, CURRENT

RATIO Source : 2022, SPSS

The Fcount value is 23.894, and the F table value is 2.892, with a significance value of 0.000, based on the results of data processing and calculations using SPSS above. Where $F_{count} > F_{table}$ and the significance value is less than or equal to 0.000 0.05.

As a result, the model used in this study is a viable model. As a result, it proves that the liquidity ratio, ratio profitability, and capital structure all have a significant effect on financial distress at the same moment.

financial difficulties.

5. CLOSING

Conclusion

Based on the findings and discussion above, it is possible to conclude that:

1. The liquidity ratio has marginally significant effect on financial distress. Simultaneously has a significant impact on financial distress.
2. Profitability ratios have an impact on financial distress, either completely or partially.
3. Partial capital structure has no effect on financial distress. Simultaneously has a significant impact on financial distress.

Suggestion

This study or research is expected to expand our knowledge and understanding of the financial difficulties situation. It is also hoped that it will assist businesses in avoiding

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