

Working Capital Strategy on Profitability before and During the Covid-19 Pandemic in the Indonesia Stock Exchange



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ABSTRACT: The purpose of this study was to determine the effect of working capital strategy on profitability before and during the Covid-19 pandemic on the Indonesia Stock Exchange. The population used in this study is the restaurant, hotel & tourism sub-sector companies; pharmaceutical sub-sector; as well as the telecommunications sub-sector listed on the Indonesia Stock Exchange which was conducted in the 2nd quarter of 2018 to the 3rd quarter of 2021 (14 periods). With a total sample of 22 companies. The sampling technique was carried out using purposive sampling method. This study uses secondary data in the form of financial statements obtained from the official website of the Indonesia Stock Exchange www.idx.co.id.

The data analysis technique in this study used multiple linear regression analysis with dummy variables. By calculating descriptive statistics, multiple linear regression test, multicollinearity test, autocorrelation test, heteroscedasticity test, model fit test, regression coefficient test, and different test. The results showed that CCC, WCIA, WCFA, and Dummy together had a significant effect on ROA. CCC has no and no significant effect on ROA, WCIA and WCFA partially have a significant effect on ROA, Dummy has a negative and significant effect on ROA. And WCIA has a parallel different influence on ROA before and during the Covid-19 pandemic, WCFA has an intersecting different influence on ROA before and during the Covid-19 pandemic.

1. INTRODUCTION

At the end of 2019, the world was shocked by the emergence of new and infectious and dangerous diseases. This disease is called Coronavirus Disease of 2019 or known as Covid-19. Covid-19 was first discovered at the end of 2019, precisely in Wuhan City, Hubei Province, China. On March 2, 2020, Joko Widodo as President of Indonesia stated that Indonesia had been exposed to the corona virus, this was stated by the presence of two Indonesian citizens who were positively infected with the Covid-19 virus. (Ihsanuddin, 2020). Haryadi as General Chair of the Indonesian Hotel and Restaurant Association (PHRI) assessed that working capital incentives can provide resilience for the business world directly in tackling the impact of the Covid-19 pandemic due to the implementation of community activity restrictions (PPKM) which has made the tourism industry deserted (Santoso, 2021).

In contrast to the restaurant, hotel and tourism industries. The pharmaceutical industry and the telecommunications industry can survive the Covid-19 pandemic. (Gayetri, Dijaya, Atmojo, & Sari, 2020) stated PT. Kalbe Farma Tbk. which is one of the companies in the pharmaceutical industry that has had a positive impact due to the Covid-19 pandemic because it saw an increase in sales where in the first quarter of 2020 it got sales of 5,796 billion or an increase of 8.0% compared to the first quarter of 2019.

The telecommunications industry has also become one of the industries that was able to survive the Covid-19 pandemic. Director and Chief Financial Officer of PT. Tower Bersama Infrastructure Tbk. (TBIG), Helmy Yusman Santoso said "the telecommunications industry has the potential to grow rapidly, because the number of smartphone users in 2021 will increase rapidly, of course it will also increase internet users. This is because 80% of the 160 million internet access in Indonesia comes from smartphones." (Hastuti, 2021).

From the information above, it can be seen that various industries such as the restaurant, hotel & tourism industry; pharmaceutical industry; as well as the telecommunication industry feeling the impact of the Covid-19 pandemic, both from companies that experienced a decline as well as those that experienced an increase in revenue. One that affects income is the size of the working capital used by the company. The company's working capital is divided into two types, namely gross working capital and net working capital. Gross working capital is all the components in current assets, while net working capital is the component of current assets minus current liabilities or short-term debt. (Cashmere, 2016). Working capital management can be carried out with two approaches, namely an aggressive working capital approach and a conservative working capital approach. (Basyith, Djazuli, & Fitriya, 2021) To see the working capital strategy used by a company, the working capital investment

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approach (WCIA) and the working capital financing approach (WCFA) ratio can be used. The WCIA ratio is used to measure the level of conservativeness/aggressiveness of the investment approach in current assets. while the WCFA ratio is used to measure the level of conservativeness/aggressiveness of the financing approach in short-term liabilities.

Based on the description of the background, the formulation of the problem in this study is how does the working capital strategy affect profitability before and during the covid-19 pandemic on the Indonesia Stock Exchange?

Profitability Ratio

Profitability ratio is the ratio used to assess the company's ability to seek profit (Cashmere, 2016). The types of profitability ratios that can be used are:

1. Profit margin (profit margin on sales)

Profit margin or profit margin on sales is a ratio used to measure the company's ability to earn a profit on the company's sales. There are two formulas to find the profit margin, namely for the gross profit margin and for the net profit margin.

a. Gross profit margin

Gross profit margin is a ratio that indicates the company's ability to generate gross profit from its sales. The formula used to calculate the gross profit margin is:

$$\text{Profit Margin} = \frac{\text{Penjualan bersih} - \text{HPP}}{\text{Penjualan}}$$

b. Net profit margin

Net profit margin is a ratio that indicates the company's ability to generate net profit from its sales. The formula used to calculate the net profit margin is:

2. Return on investment (ROI)

Return on investment (ROI) is a ratio that shows the results of the total assets used in the company. Return on investment is also known as return on total assets (ROA) which is used to measure the effectiveness of the company's overall operations. The formula used to measure return on investment is:

$$\text{Profit Margin} = \frac{\text{Earning After Interest and Tax (EAIT)}}{\text{Penjualan}}$$

$$\text{Return on Investment (ROI)} = \frac{\text{EAIT}}{\text{Total Assets}}$$

$$\text{Return on Total Assets (ROA)} = \frac{\text{EAIT}}{\text{Total Assets}}$$

3. Return on equity (ROE)

Return on equity (ROE) or profitability of own capital is a ratio used to measure net profit after tax with own capital. The formula used to measure return on equity is:

$$\text{Return on Equity (ROE)} = \frac{\text{EAIT}}{\text{Equity}}$$

4. Earnings per share (Earnings per share/EPS)

Earnings per share or the so-called book ratio is a ratio used to measure the success of management in achieving profits for shareholders. The formula used to measure earnings per share of common stock is:

$$\text{Laba Per Lembar Saham (EPS)} = \frac{\text{Laba Saham}}{\text{Saham yang Beredar}}$$

In this study, the indicator used is return on assets (ROA) because it measures the extent to which the company's ability to achieve profits.

Working capital

According to (Cashmere, 2018) Working capital is defined as the capital used to finance the daily operations of the company, especially those with a short period of time. In other words, working capital is an investment invested in current assets or short-term assets such as cash, banks, securities, receivables, inventory, and other current assets. Every company needs working capital. To calculate the company's working capital requirements, the cash conversion cycle (CCC) concept can be used. (Anwar, 2019) CCC or cash turnover cycle is a cycle that occurs from the start of the company issuing cash (cash) until the company gets cash back. The formula for calculating the cash conversion cycle is used the following formula:

$$\text{CCC} = \text{AAI} + \text{ACP} - \text{APP}$$

1. Average age of inventory (AAI) is the average age of the company's inventory in a period.

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$$AAI = \frac{\text{Persediaan}}{\text{Harga Pokok Penjualan}} \times 365 \text{ hari}$$

2. Average collection period (ACP) is the average length of time the company collects collectible receivables.

$$ACP = \frac{\text{Piutang}}{\text{Penjualan Bersih}} \times 365 \text{ hari}$$

3. Average payment period (APP) is the average length of time a company pays its debts to suppliers.

$$APP = \frac{\text{Utang}}{\text{Pembelian}} \times 365 \text{ hari}$$

According to (Brigham & Houston, 2019) the formula used to calculate the average payment period is:

$$APP = \frac{\text{Utang}}{\text{Harga Pokok Penjualan}} \times 365 \text{ hari}$$

Working Capital Strategy

According to (Anwar, 2019) The strategy to fulfill working capital needs can be divided into two, namely:

1. Aggressive funding strategy

Aggressive funding strategy is a strategy to fulfill working capital with long-term funding sources used to meet permanent working capital needs and short-term financing sources used to meet seasonal working capital.

2. Conservative funding strategy

A conservative funding strategy is a strategy to fulfill working capital by using long-term financing sources to meet all the company's working capital needs.

(Basyith, Djazuli, & Fitriya, 2021) To see the working capital strategy used by a company, the working capital investment approach (WCIA) and the working capital financing approach (WCFA) ratio can be used.

$$WCIA = \frac{\text{Total Aset Lancar}}{\text{Total Aset}}$$

If the WCIA ratio is less than 0.5, the company tends to have an aggressive working capital investment strategy and vice versa, if the WCIA ratio is more than 0.5, the company tends to use a conservative working capital investment strategy.

$$WCFA = \frac{\text{Total Utang Lancar}}{\text{Utang Jangka Panjang}}$$

If the WCFA ratio is less than 0.5 then the company tends to have an aggressive working capital financing strategy and vice versa, if the WCFA ratio is more than 0.5 then the company tends to use an aggressive working capital financing strategy.

2. METHODOLOGY

The type of research used in this research is associative research, uses secondary data, which is a source of research data obtained by researchers indirectly through intermediary media, namely from the official website of PT. Bursa Efek Indonesia through www.idx.co.id, in this study is the data for the period 2018-2021.

The population in this study were all companies in the restaurant, hotel & tourism sub-sector; pharmaceutical sub-sector; and the telecommunications sub-sector listed on the Indonesia Stock Exchange in 2018-2021. The sample used is as many as 22 companies with a sampling technique carried out using the purposive sampling method.

The data analysis used in this research is quantitative analysis. The analytical technique used in this research is multiple linear regression analysis with dummy variables and different tests are carried out to see the effect before and during the Covid-19 pandemic.

3. RESULTS AND DISCUSSION

Descriptive Statistics Test

1. Restaurant, Hotel & Tourism Sub-Sector

Table 1. Descriptive Statistics of Restaurant, Hotel & Tourism Sub-Sector

Descriptive Statistics					
	N	Minimum	Maximum	mean	Std. Deviation
ROA	140	-.1221	1.1103	-.006728	.0389388
CCC	140	-13521.6611	18927.4184	776.247546	3364.9455674
WCIA	140	.0159	2.7970	.255769	.2432783

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WCFA	140	.1044	7.9603	.978481	1.3067394
Valid N (listwise)	140				

Source: Diolah Penulis, 2022

Table 1 explains that the average ROA value is -0.006728 or -0.67% with the minimum ROA value being -0.1221 or 12% and the maximum ROA value being 0.1103 or 11%. This indicates that the spread of ROA is more skewed to the left.

The average value of the cash conversion cycle (CCC) is 776.25 or 776 days. This means that the turnover of assets from cash to cash back is 776 days or more than 25 months. The minimum value of CCC is -13521.66 or -13522 days and the maximum value of CCC is 18927 days.

The average value of working capital investment approach (WCIA) is 0.255769, this indicates that companies use an aggressive working capital investment approach more than using a conservative working capital investment approach. The minimum value of WCIA is 0.0159 or 1.59% and the maximum value of WCIA is 2.7970 or 279.7% or the ratio of the value of current assets to total current is 279.7%.

The average value of the working capital financial approach (WCFA) is 0.978481 or 97.8%, the value of current liabilities is 97.8 times higher than long-term debt. This shows that companies use an aggressive working capital financing approach more than using a conservative working capital financing approach. The minimum WCFA value is 0.1044 or 10.44% with the maximum WCFA value is 7.9603 or 796.03%. This means that the value of current debt is 796.03 greater than long-term debt.

2. Pharmaceutical Sub-Sector

Table 2. Pharmaceutical Sub-Sector Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	mean	Std. Deviation
ROA	112	.0009	1.0000	.082251	.1296223
CCC	112	45.8243	1559.5406	334.183310	258.5532775
WCIA	112	.3469	.8468	.619590	.1283881
WCFA	112	.2455	29.0903	4.216014	4.2093530
Valid N (listwise)	112				

Source: Diolah Penulis, 2022

Table 2 explains that the average ROA value is 0.082251 or 8.2% with the minimum ROA value being 0.0009 or 0.09% and the maximum ROA value being 1.0000 or 100%.

The average value of the cash conversion cycle (CCC) is 334.18 or 334 days. This means that the turnover of assets from cash to cash back is 334 days or more than 9 months. The minimum CCC value is 45.8243 or 46 days and the maximum CCC value is 1559.5406 or 1560 days.

The average value of working capital investment approach (WCIA) is 0.619590, this indicates that companies use a conservative working capital investment approach rather than using an aggressive working capital investment approach. The minimum value of WCIA is 0.3469 or 34.69% and the maximum value of WCIA is 0.8468 or 84.68% or the ratio of the value of current assets to total current is 84.68%.

The average working capital financial approach (WCFA) is 4.216014 or 421.6%, current liabilities are 421.6 times higher than long-term debt. This shows that companies use an aggressive working capital financing approach more than using a conservative working capital financing approach. The minimum WCFA value is 0.2455 or 24.55% with the maximum WCFA value is 29.0903 or 2909.03%. This means that the value of current debt is 2909.03 greater than long-term debt.

3. Telecommunication Sub Sector

Table 3. Telecommunication Sub Sector Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	mean	Std. Deviation
ROA	56	-.1409	.1308	.010528	.0574237
CCC	56	-529.1014	6.7691	-138.579931	123.8062232
WCIA	56	.0423	1.3343	.141937	.0657805
WCFA	56	.4561	1.6555	.867417	.2730384
Valid N (listwise)	56				

Source: Diolah Penulis, 2022

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Table 3 explains that the average ROA value is 0.010528 or 1% with the minimum ROA value being -0.1409 or -14.09% and the maximum ROA value being 0.1308 or 13.08%.

The average value of the cash conversion cycle (CCC) is -138.579931 or -139 days, this indicates that the age of debt in the telecommunications sub-sector is greater than the age of the receivables. The minimum CCC value is -529.1014 or -529 days and the maximum CCC value is 6.77 or 7 days.

The average value of working capital investment approach (WCIA) is 0.141937, this indicates that companies use an aggressive working capital investment approach more than using a conservative working capital investment approach. The minimum value of WCIA is 0.423 or 42.3% and the maximum value of WCIA is 0.2589 or 25.89% or the ratio of the value of current assets to total current is 25.89%.

The average value of working capital financial approach (WCFA) is 0.867417 or 86.74%, the value of current liabilities is 86.74 times higher than long-term debt. The minimum WCFA value is 0.4561 or 45.61% with the maximum WCFA value is 1.6555 or 165.5%. This means that the value of current debt is 165.5 greater than long-term debt.

Normality test

The normality test was conducted to test whether the regression model of the dependent variable and the independent variable had a normal distribution or not. Based on the results of the normality test on each variable used by removing the extreme data contained in each variable, it can be said that the data is normally distributed and is suitable for use in research because it meets the assumption of normality.

Regression analysis

Table 4. Multiple Linear Regression Test Results with Dummy Variables

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Significance
		B	Std. Error	Beta		
1	(Constant)	-.034	.007		-4.748	.000
	CCC	7.072E-6	.000	.025	.416	.678
	WCIA	.116	.013	.517	8,566	.000
	WCFA	.030	.007	.189	4.106	.000
	DUMMY	-.017	.005	-.164	-3,595	.000

a. Dependent Variable: ROA

Source: Diolah Penulis, 2022

From table 4 above, the results of multiple linear regression with variables of working capital requirements (CCC), working capital investment strategy (WCIA), working capital financing strategy (WCFA), dummy (D) on profitability (ROA) are shown. The regression equation can be written as follows:

$$ROA = -0.034 + 7.072CCC + 0.116 WCIA + 0.030WCFA - 0.017D$$

D = 0, Before the Covid-19 Pandemic

D = 1, During the Covid-19 Pandemic

The regression equation at D = 0, before the Covid-19 pandemic is as follows:

$$ROA = -0.034 + 7.072 CCC + 0.116 WCIA + 0.030 WCFA - 0.017(0)$$

$$ROA = -0.034 + 7.072 CCC + 0.116 WCIA + 0.030 WCFA$$

The regression equation at D = 1, during the Covid-19 pandemic is as follows:

$$ROA = -0.034 + 7.072 CCC + 0.116 WCIA + 0.030 WCFA - 0.017(1)$$

$$ROA = -0.034 + 7.072 CCC + 0.116 WCIA + 0.030 WCFA - 0.017$$

$$ROA = -0.051 + 7.072 CCC + 0.116 WCIA + 0.030 WCFA$$

Based on the calculation of the regression equation above, the constant value is -0.033, meaning that if CCC, WCIA, WCFA, D are equal to 0, then the ROA is -0.034. The calculation result of the coefficient of working capital requirement (CCC) is 7.072, indicating that working capital requirement (CCC) has a positive effect on profitability (ROA). This means that if the CCC increases by 1%, the profitability (ROA) will increase by 7.072. The calculation result of the working capital investment strategy (WCIA) coefficient value is 0.116. shows the working capital investment strategy (WCIA) has a positive effect on profitability (ROA). This means that if the WCIA increases by 1%, the profitability (ROA) will increase by 0.116.

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The calculation result of the coefficient of working capital financing strategy (WCFA) is 0.030, indicating that the working capital financing strategy (WCFA) has a positive effect on profitability (ROA). This means that if WCFA increases by 1%, the profitability (ROA) will increase by 0.030.

The result of the calculation of the value of the dummy coefficient (D) is -0.017. From the results of the regression equation on the value of the dummy coefficient, it can be interpreted that there is a difference between before and during the Covid-19 pandemic. Because before the pandemic it was marked with the number 0 and during the pandemic it was marked with the number 1, it can be concluded that the negative sign on the dummy regression coefficient is that the Covid-19 pandemic has a negative effect on ROA. This means that if before the Covid-19 pandemic the ROA value was equal to 0, then during the Covid-19 pandemic the ROA value decreased by 0.017.

Classic assumption test

Based on the results of the classical assumption test that has been carried out, it can be concluded that the data does not contain multicollinearity, autocorrelation, and does not occur heteroscedasticity.

Hypothesis testing

a. Model Fit

Table 5. Model Fit Test Results

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Significance
1	Regression	.301	4	.075	45,292	.000b
	Residual	.504	303	.002		
	Total	.806	307			
a. Dependent Variable: ROA						
b. Predictors: (constant) DUMMY, CCC, WCFA, WCIA...						

Source: Diolah Penulis, 2022

Based on table 5 shows that the significant value of $F_{count} 45.292 > F_{table} 2.4014$ and $sig. \alpha 0.000 < sig. 0.05$, then H_0 is rejected and H_a is accepted, which means that all independent variables CCC, WCIA, WCFA, and DUMMY have an influence on the dependent variable ROA.

b. Regression Coefficient Test

Table 6. Regression Coefficient Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Significance
		B	Std. Error	Beta		
1	(Constant)	-.034	.007		-4.748	.000
	CCC	7.072E-6	.000	.025	.416	.678
	WCIA	.116	.013	.517	8,566	.000
	WCFA	.030	.007	.189	4.106	.000
	DUMMY	-.017	.005	-.164	-3,595	.000
a. Dependent Variable: ROA						

Source: Diolah Penulis, 2022

Determine t_{table} with 95% confidence level and error rate (α) 5% = 0.05 and df 303. So the value of $t_{table} = 1.9678$

Based on table 6 for CCC of $0.416 < 1.9678$, with a significant level of $0.678 > 0.05$ (not significant), then H_a cannot be rejected and H_0 is accepted, meaning that there is no effect and no significant CCC on ROA before and during the Covid-19 pandemic. 19 on the Indonesia Stock Exchange.

The value for WCIA is $8.566 > 1.9678$, with a significant level of $0.000 < 0.05$ (significant), then H_0 is rejected and H_a is accepted, meaning that there is a significant effect of WCIA on ROA before and during the Covid-19 pandemic on the Indonesia Stock Exchange.

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The value for WCFA is 4.106 > 1.9678, with a significant level of 0.000 < 0.05 (significant), then H₀ is rejected and H_a is accepted, meaning that there is a significant effect of WCFA on ROA before and during the Covid-19 pandemic on the Indonesia Stock Exchange.

The value for DUMMY is (negative) 3.595 > 1.9678, with a significant level of 0.000 < 0.05 (significant), then H₀ is rejected and H_a is accepted, meaning that before the Covid-19 pandemic and during the Covid-19 pandemic had a significant effect on profitability (ROA).

Different Test

1. WCIA Difference Test with ROA

Table 7. WCIA Regression Equation

Model	Source	Sum of Square	df	Mean Square	F	Sig
1	Regression	.252	1	.252	139,549	.000
	Residual	.553	306	.002		
2	Regression	.273	2	.137	78.332	.000
	Residual	.532	305	.002		
3	Regression	.278	3	.093	53,511	.000
	Residual	.527	304	.002		

Source: Diolah Penulis, 2022

a. Coincidence Test for WCIA Line

Based on table 7, the coincidence test can be carried out as follows:

$$\begin{aligned}
 F(XD, D|X) &= \frac{[\text{regression SS}(X, D, XD) - \text{regression SS}(X)]/2}{\text{MS residual}(X, D, XD)} \\
 &= \frac{[0,278 - 0,252]/2}{0,002} \\
 &= \frac{0,013}{0,002} \\
 &= 6,5
 \end{aligned}$$

F_{count} 6.5 > F_{table} 2.6343 then H₀ is rejected and H_a is accepted, which means that the two WCIA lines are not coincidental, meaning that they are not in the same line, then proceed with the Parallel test.

b. Parallel Test for WCIA Line

Based on table 7, parallel tests can be carried out as follows:

$$\begin{aligned}
 F(XD|X, D) &= \frac{\text{regression SS}(X, D, XD) - \text{regression SS}(X, D)}{\text{MS residual}(X, D, XD)} \\
 &= \frac{0,278 - 0,273}{0,002} \\
 &= 2,5
 \end{aligned}$$

F_{count} 2.5 < F_{table} 2.6443, then H₀ cannot be rejected and H_a is accepted, which means the two WCIA lines are parallel. This means that the WCIA line to ROA both before and during the Covid-19 pandemic is parallel.

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2. WCFA Difference Test with ROA

Table 8. WCFA regresi regression equation

Model	Source	Sum of Square	df	Mean Square	F	Sig
1	Regression	.044	1	.044	17.639	.000
	Residual	.762	306	.002		
2	Regression	.075	2	.037	15,655	.000
	Residual	.731	305	.002		
3	Regression	.113	3	.038	16.518	.000
	Residual	.693	304	.002		

Source: Diolah Penulis, 2022

a. Coincidence Test for WCFA Line

Based on table 8, the coincidence test can be carried out as follows:

$$\begin{aligned}
 F(XD, D|X) &= \frac{[\text{regression SS}(X, D, XD) - \text{regression SS}(X)]/2}{\text{MS residual}(X, D, XD)} \\
 &= \frac{[0,113 - 0,044]/2}{0,002} \\
 &= \frac{0,0345}{0,002} \\
 &= 17,25
 \end{aligned}$$

F (0.05) V1 = 3 and V2 = 304

$F_{\text{count}} 17.25 > F_{\text{table}} 2.6343$, then H_0 is rejected and H_a is accepted, which means that the two WCFA lines are not a coincidence.

b. Parallel Test for WCFA Line

Based on table 8, parallel tests can be carried out as follows:

$$\begin{aligned}
 F(XD|X, D) &= \frac{\text{regression SS}(X, D, XD) - \text{regression SS}(X, D)}{\text{MS residual}(X, D, XD)} \\
 &= \frac{0,113 - 0,075}{0,002} \\
 &= 19
 \end{aligned}$$

$F_{\text{count}} 19 > F_{\text{table}} 2.6343$, then H_0 is rejected and H_a is accepted, which means the two WCFA lines are not parallel.

c. Equal Intercepts Test for WCFA Lines

Based on table 8, the equal intercepts test can be carried out as follows:

$$\begin{aligned}
 F(D|X) &= \frac{\text{regression SS}(D, X) - \text{regression SS}(X)}{\text{MS residual}(X, D, XD)} \\
 &= \frac{0,075 - 0,044}{0,002} \\
 &= 15,5
 \end{aligned}$$

$F_{\text{count}} 10.5 > F_{\text{table}} 2.4014$, then H_0 is rejected and H_a is accepted, which means that the two WCFA lines do not have the same intercepts or have intersecting lines. That is, the WCFA line to ROA both before and during the Covid-19 pandemic is intersecting.

4. CONCLUSION

Based on the results of research and discussion, the following conclusions can be drawn:

1. Cash conversion cycle, working capital investment strategy, working capital financing strategy simultaneously affect return on assets before and during the Covid-19 pandemic on the Indonesia Stock Exchange.

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2. Cash conversion cycle partially has no effect and is not significant on return on assets before and during the Covid-19 pandemic. Working capital investment strategies and working capital financing strategies partially have a significant effect on return on assets before and during the Covid-19 pandemic. The dummy for "0" before and "1" during the Covid-19 pandemic partially had a significant effect on return on assets.
3. Working capital investment strategies have different effects in parallel or parallel to return on assets before and during the Covid-19 pandemic. Working capital financing strategies have different intersecting or intersecting effects on return on assets before and during the Covid-19 pandemic.

5. SUGGESTION

Based on the results of research that has been done, the suggestions that can be given by the author are as follows:

1. It is advisable for further researchers to add variables and use populations and samples with a wider scope with the aim of obtaining better results from this research and increasing knowledge.
2. Extend the research period to maximize results at the end of the study.

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