



**THE EFFECT OF CASH TURNOVER, ASSET MANAGEMENT, AND
LEVERAGE ON FINANCIAL PERFORMANCE IN TELECOMMUNICATION
COMPANIES IN INDONESIA AND THAILAND**

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Abstract:

This study aims to determine the effect of cash turnover, asset management, and leverage on financial performance in telecommunications companies in Indonesia and Thailand. The research method used is quantitative research. The population in this study were telecommunications companies listed on the Indonesia Stock Exchange and the Thailand Stock Exchange in 2019 to 2022. The sample technique used in this study was purposive sampling. This research sample consists of 21 companies and 109 data observations. The data analysis method used is panel data regression using EViews 9 software. The results showed that partially, cash turnover affects the financial performance of Indonesian telecommunications companies while in Thai telecommunications companies it has no effect, asset management affects financial performance in telecommunications companies in Indonesia and Thailand, leverage has no effect on financial performance in telecommunications companies in Indonesia and Thailand.

Keywords: Cash Turnover, Asset Management, Leverage, Financial Performance.



BACKGROUND

Telecommunications companies in Indonesia have become one of the key pillars of the national economy, as the rapid development of the digital era has led to intense competition among companies. Competition within the telecommunications sector is driven by various technological innovations such as 5G, the Internet of Things, and other digital services. To address this intensifying competition, companies must manage their resources effectively and efficiently to achieve their objectives.

The success and sustainability of a company in the face of intense competition are largely determined by its financial performance. High financial performance demonstrates that the company's financial performance is good, with effective management and efficient utilization of the company's resources (Birowo & Fuadati, 2021). A company's financial performance reflects the achievement of the work plan implemented by management, enabling the company's performance to be evaluated and improved in the following year (Laksmi et al., 2020).

The measurement of whether a company's financial performance is good or not can be seen from the information in the company's financial statements. The information contained in the financial statements can be one of the bases for users of financial statements to see the company's financial performance in the past so that they can predict how the financial performance will be in the future (Diana & Osesoga, 2020).

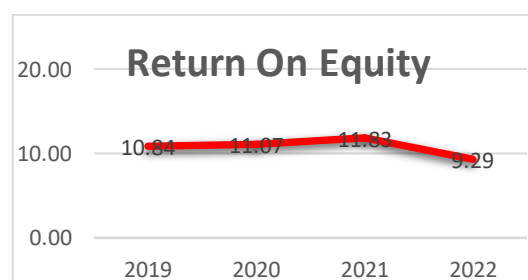


Figure 1Return on Equity Chart for Telecommunications Companies in Indonesia

Source: Data processed by the author (2025)

Overall, over the past four years, the average return on equity of telecommunications companies in Indonesia has fluctuated annually. The highest average ROE was in 2021 at 11.83%, which means that in that year, companies were able to manage their capital to generate profits. The success of a company can be



measured by its ROE value. If the ROE ratio is high, it indicates that the company is able to manage its capital to generate profits. From the data above, it can be seen that in 2022, the average ROE decreased by 3%, indicating that the company's ability to generate profits or manage its capital has slightly declined. A decrease in return on equity can be caused by a decrease in profits. A decrease in profits can be caused by income tax or bank interest that must be paid.

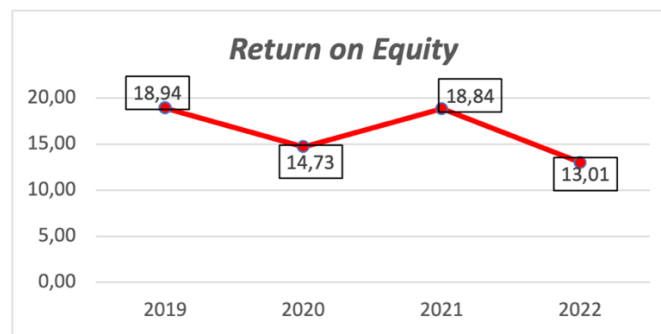


Figure 2 Return on Equity Chart for Telecommunications Companies in Thailand

Source: Data processed by the author (2025)

It can be seen from the graph that the average ROE of telecommunications companies in Thailand as a whole from 2019 to 2022 has fluctuated. The highest average ROE was in 2019 at 18.94%, which means that in that year telecommunications companies were able to manage their capital well to generate profits or gains. Similar to Indonesia, Thailand experienced a decline in ROE in 2022, which was 5.83%, indicating that the companies' ability to manage their capital declined significantly that year. The decline in ROE itself can be attributed to several factors, such as an increase in capital that was not followed by an increase in after-tax profits, and high debt.

With fast cash turnover, it will affect the increase in the company's profits, because with sufficient cash, the company can fulfill its obligations and finance other unexpected costs. Therefore, with fast cash turnover, it can increase ROE.

The level of DER affects the company's desired ROE. If the cost of borrowing is lower than the cost of equity, then borrowing or debt is more effective in generating profits. Conversely, if the level of debt is higher than the equity, it will result in losses. This can affect the company's profits.

TATO provides an overview of a company's effectiveness in managing its assets. The TATO value shows the efficiency of the use of the company's total assets



to generate a certain level of sales. TATO can affect profitability. Therefore, the TATO value can be increased by increasing assets by striving to increase sales, which will generate income that can improve the company's profitability.

Based on the background and previous research, the author is interested in conducting research titled “The Influence of Cash Turnover, Asset Management, and Leverage on the Financial Performance of Telecommunications Companies in Thailand and Indonesia.”

THEORETICAL FRAMEWORK

Corporate Finance Theory

Corporate finance theory is a theory that studies the principles and practices of managing the financial resources of a company or business. This theory is important for making the right financial decisions and increasing a company's profitability. This theory discusses how a company manages its finances well to generate profits or gains.

This theory aligns with financial management, which can be defined as activities related to acquiring, managing, and optimizing a company's assets to help the company achieve its desired goals (Kasmir, 2019). Good financial management can be useful for companies in maximizing profits or gains. Good financial management is not only about generating profits, but also about ensuring the sustainability or condition of a company and its ability to invest in future growth.

Financial Performance

Financial performance can be defined as a formal effort undertaken by a company to evaluate the efficiency and effectiveness of its activities during a specific period of time (Sofyan, 2019). Financial performance is also used as an indicator to measure overall financial health. Menurut Haukilo & Widyaswati (2022) Financial performance is the result of decisions made by management to achieve a goal effectively and efficiently.



Financial Statementy

Financial statements are a summary of financial information presented in a systematic and structured manner. Financial statements reflect the financial position and cash flow of a company during a specific period. All entities or companies have financial statements that aim to provide information on the financial condition of the company, which is useful for stakeholders such as investors to make efficient decisions. According to reseacrh Putri (2020) financial statements provide various information needed by companies, and the information contained in specific financial statements includes various reports in those statements.

Cash Turnover

Menurut Abdullah & Siswanti (2019) Cash turnover is one of the activity ratios related to cash turnover, when cash is initially invested in working capital components and then returned as cash to be used to pay liabilities and finance sales. In this case, it can be interpreted that this ratio is used to measure a company's ability to manage cash that will later be used to pay bills and costs related to sales.

Asset Management

Asset management is the process of managing assets owned by individuals, organizations, or companies efficiently to achieve predetermined goals. With systematic and structured asset management, companies can achieve their desired goals. According to Wulandari et al. (2020) asset management is a structured process that includes planning, managing, maintaining, improving, and disposing of assets efficiently. The term is often used in the financial world to describe companies that manage investments on behalf of others.

Leverage

According to (Subramanyam, 2019) the leverage or solvency ratio is a ratio that measures a company's ability to meet its long-term obligations. According to Kasmir (2019) the leverage ratio is a ratio used to assess the extent to which a company's assets are financed through debt. Therefore, companies must pay attention to the level of



leverage because the higher the leverage ratio, the more it will affect a company's profitability and create financial risks for the company, which will ultimately damage the company's reputation.

Research Hypothesis

With sufficient cash, the company's operational activities will run more quickly and the cash can be used to meet the company's obligations or other unexpected costs. The higher the cash turnover, the better, as it can be said that the higher the efficiency of cash usage, the greater the profits obtained, which will impact the increase in the company's profits or profitability (Tan et al., 2020).

H_{1a}: Cash turnover has a significant effect on the financial performance of telecommunications companies in Indonesia.

H_{1b}: Cash turnover has a significant effect on the financial performance of telecommunications companies in Thailand.

In this study, asset management is measured using the Total Asset Turnover Ratio (TATO). TATO is a ratio used to measure the effectiveness of total assets in generating sales. According to research by Rachmat (2023) and Ambari et al. (2020) TATO affects ROE. Further research conducted by Juliana (2024) explains that TATO has a significant negative effect on ROE. The higher the TATO, the more efficient the company is in using all of its assets to generate sales. This is in line with ROE, which relies on net income to increase the ratio value and improve profitability.

H_{2a}: Asset management affects the financial performance of telecommunications companies in Indonesia.

H_{2b}: Asset management affects the financial performance of telecommunications companies in Thailand.

If a company cannot manage its debt properly, it will pose financial risks and cause the company's profits to decline. This will be in line with ROE because the DER ratio itself serves to determine the extent of a company's ability to secure its debt with its own capital. The higher the DER, the greater the company's debt to creditors, which will result in a decline in the company's profits. Thus, it can be said that leverage affects a company's financial performance.



H_{3a}: *Leverage* berpengaruh terhadap kinerja keuangan perusahaan telekomunikasi di Indonesia.

H_{3b}: *Leverage* berpengaruh terhadap kinerja keuangan perusahaan telekomunikasi di Thailand.

METHOD

Conceptual Framework

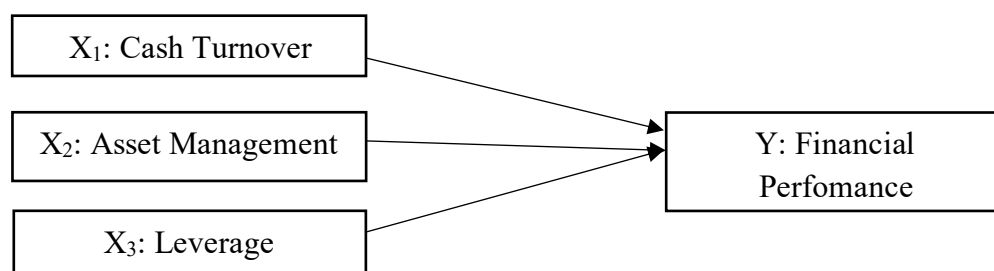


Figure 3 Path Analysis Model

Source: Data processed by the author (2025)

Population and Sample

The population in this study was telecommunications companies listed on the Indonesia Stock Exchange and Thailand Stock Exchange from 2019 to 2022. In this study, the researcher used purposive sampling. The following are the criteria for sample selection:

Table 1 Number of Research Sample

No	Criteria	Number
1	Companies listed on the Indonesia Stock Exchange and included in the telecommunications sub-sector for the period 2019-2022.	17
2	Companies listed on the Thailand Stock Exchange and included in the telecommunications sub-sector for the period 2019-2022.	20
3	Indonesian telecommunications companies that did not incur losses during the 2019-2022 period.	10
4	Thai telecommunications companies that did not incur losses during the 2019-2022 period.	11
5	Number of companies included in the research sample.	22
6	Number of observations during the 2019-2022 period.	109

Source: Data processed by the author (2025)



Data Collection Techniques

In this study, the researcher used quantitative research. Quantitative research is a research method that uses numbers to collect and analyze data. The data used in this study is secondary data. Secondary data is a data source that does not directly provide data to data collection.

Operationalization of Variabel

Cash Turnover

Cash turnover is a ratio that compares sales to average cash (Tan et al., 2020). Cash turnover is used to measure a company's efficiency in using cash. The formula used to calculate cash turnover is:

$$\text{Cash Turnover} = \frac{\text{Sales}}{\text{Average Cash}}$$

Asset Management

Asset management is a structured process that includes planning, managing, maintaining, improving, and disposing of assets efficiently. The formula for calculating asset management is:

$$\text{Total Assets Turnover Ratio} = \frac{\text{Sales}}{\text{Total Assets}}$$

Leverage

According to (Subramanyam, 2019) the leverage or solvency ratio is a ratio that measures a company's ability to meet its long-term obligations. The formula for calculating the leverage ratio is:

$$\text{Debt to Equity Ratio} = \frac{\text{Total Debt}}{\text{Total Equity}}$$

Financial Performance

Financial performance is an indicator used to measure a company's financial condition and ability to generate profits. The formula used to calculate financial performance is:



$$\text{Return on Equity} = \frac{\text{Net Profit}}{\text{Total Equity}} \times 100 \%$$

RESULT

Descriptive Statistics

Researchers conducted descriptive statistical tests aimed at analyzing data by describing the available data without making general decisions. The following are the results of descriptive statistical tests of telecommunications companies in Indonesia and Thailand:

Table 2 Descriptive Statistical Test of Indonesian Telecommunications Companies

	X1	X2	X3	Y
Mean	7.288192	0.257929	1.301044	10.75702
Median	7.132175	0.180555	0.871710	8.347962
Maximum	31.39547	0.612849	4.589376	28.58457
Minimum	0.429710	0.102147	0.072908	0.517602
Std. Dev.	6.232135	0.155180	1.260806	8.995885
Probability	0.000000	0.044809	0.021897	0.135196

Source: Eviews 9 Output

Table 3 Descriptive Statistical Test of Thailand Telecommunications Companies

	X1	X2	X3	Y
Mean	11.40102	0.343103	1.333321	13.51568
Median	8.610210	0.290848	0.790303	9.656888
Maximum	81.87683	1.693283	3.641339	45.27237
Minimum	0.748542	0.060331	0.003656	2.170000
Std. Dev.	13.56069	0.339017	1.202460	9.903540
Probability	0.000000	0.000000	0.077075	0.000208

Source: Eviews 9 Output

Chow Test

Table 4 Chow Test Indonesian Telecommunication Company

Redundant Fixed Effects Tests
 Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	42.645954	(9,27)	0.0000
Cross-section Chi-square	108.892107	9	0.0000

Source: Eviews 9 Output



The results of the Chow test show that the cross-sectional probability value F is $0.0000 \leq 0.05$, meaning that H_0 is rejected. Thus, the most appropriate model for estimating the regression equation is the Fixed Effect Model (FEM).

Table 5 Chow Test Thailand Telecommunication Company

Redundant Fixed Effects Tests
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	15.433278	(10,30)	0.0000
Cross-section Chi-square	79.883995	10	0.0000

Source:EvIEWS 9 Output

The results of the Chow test show that the cross-sectional probability F is $0.0000 \leq 0.05$, meaning that H_0 is rejected. Thus, the most appropriate model for estimating the regression equation is the Fixed Effect Model (FEM).

Hausman Test

Table 6 Hausman Test Indonesian Telecommunication Company

Correlated Random Effects - Hausman Test
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	2.961591	3	0.3976

Source:EvIEWS 9 Output

The results of the hypothesis test show that the probability value of the random cross section is $0.3976 \geq 0.05$, meaning that H_0 is accepted. Thus, the most appropriate model for estimating the regression equation is the Random Effect Model.

Table 7 Hausman Test Thailand Telecommunication Company

Correlated Random Effects - Hausman Test
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	1.645615	3	0.6491

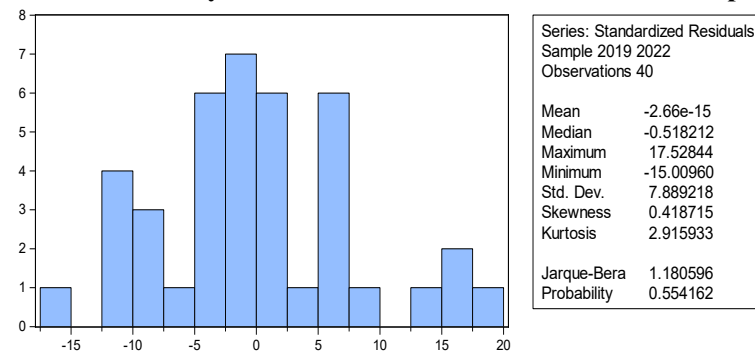
Source:EvIEWS 9 Output



The results of the hypothesis test conducted by a telecommunications company in Thailand show that the cross-sectional random probability value is $1.645615 \geq 0.05$, meaning that H_0 is accepted. Thus, the most appropriate model for estimating the regression equation is the Random Effect Model (REM).

Normality Test

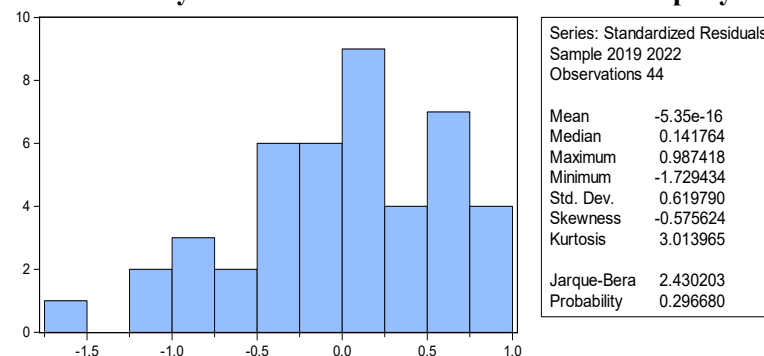
Table 8 Normality Test Indonesian Telecommunication Company



Source: Eviews 9 Output

The test results show that the Jarque-Bera probability value is 0.554162. Therefore, it can be concluded that the data in this study is normally distributed, because the probability value of $0.554162 \geq 0.05$.

Table 9 Normality Test Thailand Telecommunication Company



Source: Eviews 9 Output

The results of the normality test show that the Jarque-Bera probability value is 0.296680. Therefore, it can be concluded that the data in this study is normally distributed, because $0.296680 \geq 0.05$.



Multicollinearity Test

Table 10 Multicollinearity Test Indonesian Telecommunication Company

Variance Inflation Factors
Sample: 1 40
Included observations: 40

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	6.927957	5.422788	NA
X1	0.039452	2.809681	1.169390
X2	59.56206	4.196227	1.094624
X3	0.906546	2.300920	1.099786

Source:Eviews 9 Output

The results obtained from the multicollinearity test show a centered VIF value of less than 10, meaning that the data in this study is free from multicollinearity.

Table 11 Multicollinearity Test Thailand Telecommunication Company

Variance Inflation Factors
Sample: 1 44
Included observations: 44

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.071368	8.454141	NA
LOG(X1)	0.009976	5.784650	1.057016
LOG(X2)	0.010428	3.728937	1.033067
LOG(X3)	0.003980	1.160913	1.091005

Source:Eviews 9 Output

The results obtained from the multicollinearity test show a centered VIF value of less than 10, meaning that the data in this study is free from multicollinearity.

Heteroscedasticity Test

Table 12 Heteroscedasticity Test Indonesian Telecommunication Company

Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistic	2.075147	Prob. F(3,36)	0.1207
Obs*R-squared	5.897336	Prob. Chi-Square(3)	0.1167
Scaled explained SS	4.160560	Prob. Chi-Square(3)	0.2446

Source:Eviews 9 Output



Based on the results of the heteroscedasticity test above, the test results show that the chi-square probability value is 0.1167. This means that the data in this study is free from heteroscedasticity because $0.1667 \geq 0.05$.

Table 13 Heteroscedasticity Test Thailand Telecommunication Company

Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistic	2.602040	Prob. F(3,40)	0.0653
Obs*R-squared	7.184631	Prob. Chi-Square(3)	0.0662
Scaled explained SS	7.809924	Prob. Chi-Square(3)	0.0501

Source:Eviews 9 Output

The table above shows the results of the heteroscedasticity test for telecommunications companies in Thailand. The test results show that the chi-square probability value is 0.0662. This means that the data in this study is free from heteroscedasticity because $0.0662 \geq 0.05$.

Autocorrelation Test

Table 14 Autocorrelation Test Indonesian Telecommunication Company

Durbin-Watson stat	1.990931
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Source:Eviews 9 Output

The calculation based on the criteria of $DW > DU$ and $(4-DW) > DU$ is $1.990931 > 1.6589$ and $2.009069 > 1.6589$. From these results, it can be stated that the data used in this study is free from autocorrelation problems.

Table 15 Autocorrelation Test Thailand Telecommunication Company

Durbin-Watson stat	1.679326
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Source:Eviews 9 Output

The calculation based on the criteria of $DW > DU$ and $(4-DW) > DU$ is $1.679326 > 1.6647$ and $2.320674 > 1.6647$. From these results, it can be stated that the data used in this study is free from autocorrelation problems.



Panel Data Regression

$$Y = -0,371227 + -0,232456X_1 + 42,33180X_2 + 1,463321X_3 + e$$

From the panel data regression equation above, it can be explained as follows:

1. The constant value C shows a result of -0.371227, meaning that if the independent variable is 0, then the dependent variable (Financial Performance) has a value of -0.371227.
2. The value of X1 or the cash turnover variable is -0.232456, meaning that every 1% increase in the cash turnover variable will be followed by a decrease in the financial performance variable of 0.232456%, assuming that the other coefficients are equal to 0.
3. The value of X2 or the asset management variable is 42.33180, meaning that every 1% increase in the asset management variable will be followed by a 42.33180% increase in the financial performance variable, assuming that the other coefficients are equal to 0.
4. The value of X3 or the leverage variable is 1.463321, meaning that every 1% increase in the leverage variable will be followed by an increase in the financial performance variable of 1.463321%, assuming that the other coefficients are equal to 0.

$$Y = 3,074991 + -0,012759X_{1it} + 0,460229X_{2it} + -0,000597X_{3it} + e$$

From the panel data regression equation above, it can be explained as follows:

1. The constant value C shows a result of 3.074991, meaning that if the independent variable is 0, then the dependent variable (Financial Performance) has a value of 3.074991.
2. The value of X1 or the cash turnover variable is -0.012759, meaning that every 1% increase in the cash turnover variable will be followed by a decrease in the financial performance variable of -0.012759%, assuming that the other coefficients are equal to 0.
3. The value of X2 or the asset management variable is 0.460229, meaning that every 1% increase in the cash turnover variable will be followed by an increase in the financial performance variable of 0.460229%, assuming that the other coefficients are equal to 0.



4. The value of X3 or the leverage variable is -0.000597, meaning that every 1% increase in the leverage variable will be followed by a decrease in the financial performance variable of -0.000597%, assuming that the other coefficients are equal to 0.

T Test

Table 16 T Test Indonesian Telecommunication Company

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.371227	4.138238	-0.089707	0.9290
X1	-0.232456	0.081715	-2.844702	0.0073
X2	42.33180	9.634687	4.393687	0.0001
X3	1.463321	0.878172	1.666326	0.1043

Source: Eviews 9 Output

The following are the results of partial hypothesis testing in telecommunications companies in Indonesia, which can be explained as follows:

1. The results for the cash turnover variable (X1) indicate that it is significantly less than 0.05 ($0.0073 < 0.05$) with a t-value of -2.844702. This indicates that the t-value is greater than the t-table value ($-2.844702 > 2.028094$), meaning that the cash turnover variable has a significant negative effect on financial performance.
2. The results for the asset management variable (X2) show that it is significantly less than 0.05 ($0.0001 < 0.05$) with a t-value greater than the t-table ($4.393687 > 2.028094$), meaning that the asset management variable has a significant positive effect on financial performance.
3. The results for the leverage variable (X3) show that it is significantly greater than 0.05 ($0.1043 > 0.05$) with a t-value of 1.666326, which is smaller than the t-table value ($1.666326 < 2.028094$), meaning that the leverage variable has no effect and is not significant on financial performance.

Table 17 T Test Thailand Telecommunication Company

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.074991	0.349393	8.800943	0.0000
X1	-0.012759	0.102990	-0.123889	0.9020
X2	0.460229	0.112976	4.073671	0.0002
X3	-0.000597	0.063304	-0.009434	0.9925



Source:Eviews 9 Output

The following are the results of partial hypothesis testing in telecommunications companies in Thailand, which can be explained as follows:

1. The results for the cash turnover variable (X1) indicate that it is significantly greater than 0.05 ($0.9020 > 0.05$) with a calculated t-value of -0.123889, which is smaller than the t-table value ($-0.123889 < 2.021075$), meaning that the cash turnover variable has no effect and is not significant on financial performance.
2. The results for the asset management variable (X2) indicate that it is significantly less than 0.05 ($0.0002 < 0.05$) with a calculated t-value of 4.073671 greater than the table t-value ($4.073671 > 2.021075$), meaning that the asset management variable has a positive and significant effect on financial performance.
3. The results for the leverage variable (X3) show that it is significantly greater than 0.05 ($0.9925 > 0.05$) with a t-value of -0.009434, which is smaller than the t-table value ($-0.009434 < 2.021075$).

Goodness of Fit Test

Table 18 Goodness of Fit Test Indonesian Telecommunication Company

F-statistic	10.16064
Prob(F-statistic)	0.000055

Source:Eviews 9 Output

From the simultaneous test table or f test above, it can be explained that the probability of the F statistic is less than 0.05 ($0.000055 \leq 0.05$) and the Fcount value is greater than Ftable ($10.16064 > 2.866$), meaning that the results of this test show that the model used in this study is appropriate and feasible for research.

Table 19 Goodness of Fit Test Indonesian Telecommunication Company

F-statistic	5.905042
Prob(F-statistic)	0.001957



Source: Eviews 9 Output

From the above test results, it can be explained that the F statistic is smaller than 0.05 ($0.001957 < 0.05$) and the calculated F value is greater than the table F value ($5.905042 > 2.839$), meaning that the results of this test show that the model used in this study is appropriate and feasible for research.

Test The Coefficient of Determination

Table 20 R² Test Indonesian Telecommunication Company

R-squared	0.458499
Adjusted R-squared	0.413374

Source: Eviews 9 Output

The table above shows that the adjusted R-squared value is 0.413374, which will be converted into a percentage. Thus, the independent variables in this study explain 41% of the variation in financial performance variables. The remaining 59% is influenced by other variables that are not measured in this regression model.

Table 21 R² Test Thailand Telecommunication Company

R-squared	0.306941
Adjusted R-squared	0.254961

Source: Eviews 9 Output

The table above shows that the adjusted R-squared value is 0.254961, which will be converted into a percentage. Thus, the independent variable in this study explains 25% of the variation in the financial performance variable. Meanwhile, the remaining 75% is influenced by other variables that are not measured in this regression model.

DISCUSSION

The Effect of Cash Turnover on Financial Performance in Telecommunications Companies in Indonesia

Cash turnover affects financial performance. This can be interpreted that the higher the value of cash turnover, the higher the financial performance of a company



or the higher the profitability of the company. The results of this study are supported by research conducted by Anggraini et al. (2023) and Tan et al. (2020) which explains that cash turnover affects financial performance. In his research, it is explained that cash owned by the company is called one of the financial elements in the company requires good management in order to support the company's objectives in carrying out the company's operational activities and in maximizing company profits.

In the descriptive statistical data analysis, it can be seen that the company that has the highest cash turnover is PT Bali Towerindo Sentra Tbk in 2019. From the financial statements of PT Bali Towerindo Sentra Tbk, it can be seen that the company's cash flow is used for the company's operating costs, which can increase the company's revenue which will increase the company's profitability.

The Effect of Cash Turnover on Financial Performance in Telecommunication Companies in Thailand

The results of this study are supported by research conducted by Veleennice & Lestari (2022) and M. D. Putri & Wijayanto (2020) which shows that cash turnover has no effect on financial performance. In his research, he explained that this was due to the fluctuating cash development every year and was also caused by bad debts which resulted in the company having to cover losses due to increased cost of goods sold, payment of operating expenses, and increased taxes so that the cash contained in the company was used to cover these costs. In addition, the company also uses cash for asset purchases and additional investment, this causes cash turnover to not be able to generate profits in a short time.

In the descriptive statistical analysis data, it is explained that the company that has the highest cash turnover is the 3BB Internet Infrastructure Fund company. In the financial statements of the 3BB Internet Infrastructure Fund company, it is explained that the cash owned by the company is not fully used for operational costs, but is used for investment costs. In its financial statements it is also written that the 3BB Internet Infrastructure Fund company cannot make lease payments and does not generate cash flow from operations and future capital sources in an amount sufficient to fund its liquidity needs and lease payments.

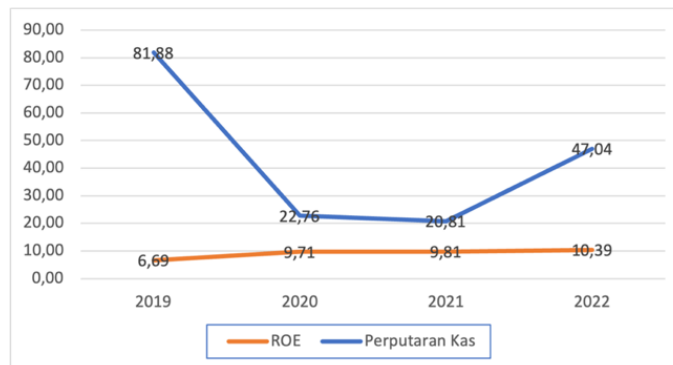


Figure 4 Cash Flow and ROE Calculation Chart for Thai Telecommunications Companies

Source: Data processed by the author (2025)

The graph data above is the calculation of ROE and cash turnover at the 3BB Internet Infrastructure Fund company, in the graph it can be seen that with cash turnover fluctuating from 2019-2022, profitability (ROE) in that year continued to increase. It can be interpreted that in this study the increase or decrease in profitability can be caused by other variables.

The difference in research results related to cash turnover in telecommunications companies in Indonesia and Thailand, caused by telecommunications companies in Indonesia such as PT Telkom Indonesia and XL Axiata tend to manage cash turnover for operational activities and optimization of working capital, while Thai telecommunications companies prefer to maintain liquidity and cash flow stability, so that high cash turnover is not always followed by increased profitability.

The Effect of Asset Management on Financial Performance in Telecommunication Companies in Indonesia

Asset management has a significant effect on financial performance. The results of this study are supported by research conducted by Ambari et al. (2020) and Rachmat (2023) which state that asset management has a positive and significant effect on financial performance. In his research, it is explained that the higher the TATO ratio, the better the turnover of the company's assets to get profit and vice versa, if the lower the TATO ratio, the slower the turnover of the company's assets in obtaining profit. The turnover of total assets is very important for a company,



because it can determine the level of efficiency or not the use of all assets in generating sales in a company. It can be interpreted that if the company is able to manage its assets properly to generate revenue, it will increase the profitability of a company.

The Effect of Asset Management on Financial Performance in Telecommunication Companies in Thailand

Asset management has a significant effect on the financial performance of telecommunications companies in Thailand. The results of this study are supported by research conducted by Angelina et al. (2020), Apriliana et al. (2023) , and Apriliana et al. (2023) which explains that this can be caused by an increase in company sales. With increasing sales, the TATO ratio will increase which in turn will result in an increase in company profits, so that the company's profitability increases. Vice versa, if sales decrease, the TATO ratio decreases which in turn will reduce company profits, so that profitability decreases. In previous research it was also explained that the more effectively the company uses its assets, the fewer assets that need to be in the company because the cost of using assets will be less and will increase profitability.

The similarity of the results of this study is due to the fact that telecommunications companies in Indonesia and Thailand are both investing in 5G technology and digitalization, from the results of this investment can improve operational efficiency, expand services, and support revenue growth so that it can drive increased profitability. Both countries also implement strict fixed asset management, including care, maintenance, and optimal utilization of assets to support operations and customer services that will support profit growth.

The Effect of Leverage on Financial Performance of Telecommunication Companies in Indonesia

Leverage has no effect and is not significant to financial performance. The results of this study are in line with research conducted by Pratiwi et al. (2021) which explains that leverage (DER) has no effect on the company's financial performance (ROE). In this study, it is explained that if the DER value is low, the company does



not overly utilize the use of debt against equity or capital in its business operations. The results of this study are also supported by research conducted by Wardani et al. (2023) which states that DER has no effect on ROE, this is because the telecommunications sub-sector company has a high DER value in a certain period because the borrowed debt is not managed efficiently and optimally to run the company's business, so that the profits obtained are not appropriate.

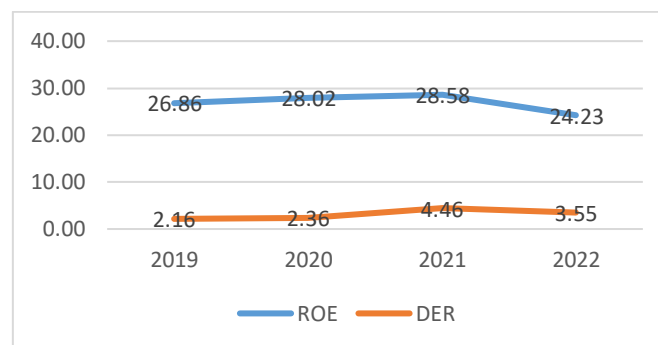


Figure 5 Graph of DER and ROE Calculations for Telecommunications Companies in Indonesia

Source: Data processed by the author (2025)

From the graph above, it can be seen that DER fluctuates from 2019 to 2022. In 2019 to 2021 DER continues to increase, but in that year also the financial performance (ROE) of the company PT Sarana Merana Nusantara has increased. In the financial statements of PT Sarana Merana Nusantara, it is explained that the company made an acquisition of tower portfolio expansion. This requires large funding and increases leverage. However, this acquisition also expands revenue and can improve operational efficiency. In other words, debt is used for productive investments, so that revenue and margin growth is greater than the increase in interest and debt costs.

The Effect of Leverage on Financial Performance of Telecommunication Companies in Thailand

Leverage has no effect and is not significant to financial performance. The results of this study are supported by research conducted by Haukilo & Widyaswati (2022) which explains that the capital structure using DER measurement cannot explain and predict the increase in financial performance. This is also supported by



research conducted by Renia (2023) which explains that the effect of financial performance can be influenced by other variables not contained in the study. It can be concluded that the increase or decrease is not only caused by leverage, but can be caused by other variables such as company size, asset management, and sales growth.

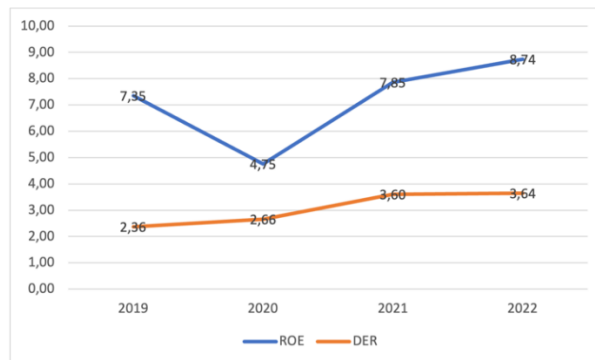


Figure 6 Graph of DER and ROE Calculations for Telecommunications Companies in Thailand

Source: Data processed by the author (2025)

From the graph above, it can be seen that from 2020 to 2022 it can be seen that the increase in DER is always followed by an increase in profitability in the company. This can be caused by telecommunication companies in Thailand relying more on other sources of funding such as issuing shares or reinvesting retained earnings compared to the use of debt in their capital structure. Further analysis indicates that telecommunication companies in Thailand have different capital structure management characteristics from companies in Indonesia. The coefficient value that is almost close to zero (-0.000597) and a very high probability value (0.9925) indicate that the leverage variable has almost no contribution in explaining the variation of financial performance of telecommunication companies in Thailand.

The similarity of the results of this study is caused by telecommunications companies in Indonesia and in Thailand using existing debt for infrastructure investment and operations, but the interest expense incurred does not significantly reduce net income because the company is able to manage its debt well and the company's income tends to be stable. Profitability in both countries is more influenced by operational efficiency, customer growth and service innovation.



Leverage is only one component of the capital structure and is not a dominant factor in determining net profit.

CONCLUSION

Based on the results of testing and analysis that has been carried out in this study, the conclusions obtained are as follows:

1. Cash turnover has a significant effect on the financial performance of telecommunications companies in Indonesia.
2. Cash turnover has no effect on the financial performance of telecommunications companies in Thailand.
3. Asset management has a significant effect on the financial performance of telecommunications companies in Indonesia.
4. Asset management has a significant effect on the financial performance of telecommunications companies located in Thailand.
5. Leverage has no effect on the financial performance of telecommunications companies located in Indonesia.
6. Leverage has no effect on the financial performance of telecommunications companies located in Thailand.

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