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Analysis of the Effect of Profitability, Liquidity, Leverage, and Firm Size on Financial Distress During Pandemic COVID-19

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Abstract

The purpose of this study was to determine the effect of Profitability (ROA), Liquidity (CR), Leverage (DER) and Firm size on Financial Distress in Telecommunication Sector Companies Listed in BEI for the 2019-2021 period during Pandemic **COVID-19.** The data used in this research is secondary data with purposive sampling technique. Where there are 4 companies as a sample from a population of 6 telecommunications companies. The research method used is multiple linear regression with classical assumption test prerequisites, followed by partial significance by using the hypothesis test, namely the T test while to find out simultaneously using the F test with a significance level of 5%. This study shows partial results (T test) by obtaining the results Profitability (ROA) has a negative and significant effect on Financial Distress, Liquidity (CR) has a negative and significant effect on Financial Distress, Leverage (DER) has a positive and significant effect on Financial Distress, and Firm size has no effect on Financial Distress. And for the simultaneous research results (F test) show the results of Profitability (ROA), Liquidity (CR), Leverage (DER), and Firm Size jointly affect Financial Distress. In addition, the predictive ability of the three independent variables on accounting conservatism can be seen from the coefficient of determination of 95.6% while the remaining 4.4% is explained by other variables that are not examined outside the research model.

Keywords: Profitability (ROA), Liquidity (CR), Leverage (DER), Firm Size and Financial Distress.

1. Introduction

Telecommunications has become an integral part of every individual's life activities, especially in the information age. High mobility and the need for fast and accurate information has caused a shift in the telecommunication needs of the Indonesian people. The shift occurs because the latest technology is considered more flexible and beneficial for people with high mobility. For this reason, telecommunications industry activists must be responsive and able to take the right solutions because the progress of the telecommunications industry has a major impact on Indonesia's economic development (Purnamasari & Kristiastuti, 2018: 108).

The Covid-19 pandemic is an opportunity for the telecommunications sector to adapt by increasing network capacity and preparing quality telecommunications services. Director General of SDPPI of the Ministry of Communication and Informatics Ismail, said jobs for the telecommunications sector in 2020 experienced extraordinary growth due to increases and changes in the configuration of internet usage in terms of traffic using telecommunications networks. According to the Director General of SDPPI, the new situation in Indonesia and the world that is currently happening is a new form of transformation of the way of life, way of being a state, transformation of work, social transformation and cultural transformation in a very broad sense. Therefore, according to him, it takes adaptive steps from the government, telecommunication operators and related stakeholders to deal with this condition. (Kominfo.go.id, 2021)

According to (Fahmi 2017: 107) this financial ratio or financial ratio is very important for analyzing the company's financial condition. for short and medium term investors are generally more interested in the short term financial condition and the company's ability to pay adequate dividends. This information can be known in a simpler way, namely with financial ratios that are in accordance with the wishes.

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1.1. Objectives

The objectives to be achieved in connection with this research are:

a. To find out whether Profitability has an effect on Financial Distress in Telecommunications Companies listed on the BEI during the COVID-19 pandemic for the 2019-2021 period
b. To find out whether Liquidity has an effect on Financial Distress in Telecommunications Companies listed on the BEI during the COVID-19 pandemic for the 2019-2021 period
c. To find out whether Leverage has an effect on Financial Distress in Companies listed on the BEI during the COVID-19 pandemic for the 2019-2021 period
d. To find out whether Firm size has an effect on Financial Distress in Telecommunications Companies listed on the BEI during the COVID-19 pandemic for the 2019-2021 period
e. To find out whether Profitability, Liquidity, Leverage and Firm size simultaneously affect Financial Distress in Telecommunications Companies listed on the BEI during the COVID-19 pandemic for the 2019-2021 period

2. Literature Review

Research is an effort made to find, develop, and test the truth of a knowledge based on data and facts through sources of knowledge (experience, tradition, authority methods) (Azwardi, 2018: 1). To find out the condition and potential of a company in the future or to predict the condition of a company's annual financial statements, it must be based on adequate knowledge of financial reporting and financial reporting techniques that are very relevant to the decisions taken.

Agency Theory (Agency Theory)

The concept of agency theory according to R.A Supriyono (2018: 63) is a contractual relationship between principal and agent. This relationship is carried out for a service where the principal gives authority to the agent regarding making the best decisions for the principal by prioritizing interests in optimizing company profits so as to minimize burdens, including tax burdens by avoiding taxes. In the modern economy, the management and control of companies is increasingly separated from ownership. The manager is responsible for the owner which then impacts the company's funding either from investors or creditors.

Financial statements

Based on PSAK No. 1, the notion of financial statements is a presentation process that is carried out in a structured manner. The presentation is made starting from the existing financial position to the equity financial performance.

Financial Ratios

According to Kasmir (2018: 104) financial ratios are activities of comparing the numbers in financial statements by dividing one number by another. Comparisons can be made between one component and another in one financial report or between components in the financial statements. Then, the numbers being compared can be numbers in a period or several periods.

Financial Distress

According to Hery (2016: 33) financial difficulties are a situation in which a company has difficulty meeting its obligations, a condition in which the company's revenue cannot cover total costs and suffers losses. For creditors, this situation is an early symptom of debtor failure

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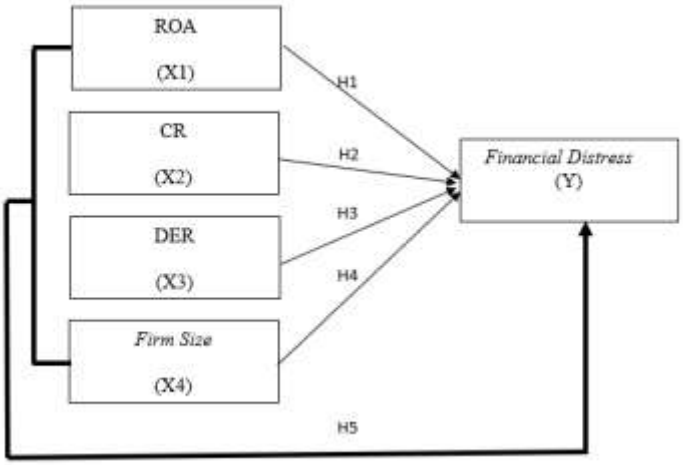
Framework



3. Methods

Data source

The data used in this study uses secondary data obtained from the financial reports of telecommunications companies listed on the Indonesia Stock Exchange for the 2019-2021 period which are published via www.idx.co.id and the company's website.

4. Data Collection

According to Sugiyono (2019: 2), the research method is a scientific way to obtain data with specific purposes and uses. Research methods are closely related to the procedures, techniques, tools and research designs used. The research design must match the chosen research approach. The procedures, techniques, and tools used in research must also be compatible with the established research methods

Population

According to Sugiyono (2018: 80) The population is a generalization area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to study and then draw conclusions. So the population is not only people, but also objects and other natural objects. The population is also not just the number of objects/subjects studied, but includes all the characteristics/traits of the subjects or objects studied and the population in this study are 6 telecommunications sector infrastructure companies listed on the BEI for the 2019-2021 period.

Sample

The sample is part of the number and characteristics possessed by the population. The population has a large number so that researchers use samples from that population. The sample was taken because of the limitations of the researchers in conducting research both in terms of funds, time, manpower, and a very large population.

Table 1 Sample Selection Matrix

No.	Criteria	Amount
1	Telecommunications sector infrastructure company listed on the Indonesian Stock Exchange (BEI) for the 2019-2021 period.	6
2	Telecommunication sector infrastructure companies that do not issue complete quarterly financial reports for the 2019-2021 period on the BEI	(2)
Number of Company Samples		4

Source : www.idx.co.id

Table 2 Company Sample

No.	Code	Company's Name

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1.	EXCL	PT XL Axiata Tbk.
2.	FREN	PT Smartfren Telecom Tbk.
3.	ISAT	PT Indosat Tbk.
4.	TLKM	PT Telkom Indonesia Tbk.

Source : www.idx.co.id

Research variable

Independent Variable / Independent Variable (x)

The independent variables are stimulus, predictor, and antecedent variables. Independent variables are variables that influence or cause changes or the emergence of dependent (bound) variables (Sugiyono, 2019: 69). The independent variables in this study include Profitability (Return On Assets), Liquidity (Current Ratio), Leverage (Debt to Equity Ratio) and Firm size.

Bound Variable / dependent variable (Y)

The dependent variable is often referred to as the output, criterion, consequent variable. The dependent or dependent variable is the variable that is affected or becomes the result, because of the independent variable (Sugiyono, 2019:69). The dependent variable in this study is Financial Distress at telecommunications companies listed on the Indonesia Stock Exchange (IDX) during the pandemic period 2019-2021 per quarter.

Table 3 Operational Variables

Variabel	**Proksi**	**Skala Pengukuran**
Financial Distress	$X = -4{,}3 - 4{,}5X_1 + 5{,}7X_2 - 0{,}004X_3$ X = Financial Distress X_1 = Earning After Tax / Total Asset (ROA) X_2 = Total Debt / Total Asset (DAR) X_3 = Current Asset / Current Liabillities (CR) Titik cut-off : $X \geq 0$ (distressed) $X < 0$ (non-distressed)	Nominal
Return On Assets (ROA)	$ROA = \frac{\text{Laba Bersih}}{\text{Total Aset}}$	Rasio
Current Ratio (CR)	$CR = \frac{\text{Aset lancar}}{\text{Hutang Lancar}}$	Rasio
Debt to Equity Ratio (DER)	$DER = \frac{\text{Total Hutang}}{\text{Ekuitas}}$	Rasio
Firm size	Size = Ln (Total Aktiva)	Nominal

Source: Processed from various references

5. Result and Discussion

This research is intended to obtain empirical evidence regarding the Effect Analysis of Profitability (ROA), Liquidity (CR), Leverage (DER) and Firm size on Financial Distress. In answering the problem formulation and proving the hypothesis in this study an analysis of the data that has been collected was carried out. The process of data analysis carried out begins with collecting data. The data used in this study were obtained from the financial reports of telecommunications companies for the 2019-2021 quarterly period. The data obtained will be processed and analyzed using SPSS 25.0.

Data Analysis Test

The hypothesis in this study was tested using a multiple linear regression model. The aim is to obtain a comprehensive picture of the Analysis of the Effect of Profitability (ROA), Liquidity (CR), Leverage (DER) and Firm size on Financial Distress.

Descriptive Statistics Test

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The results of descriptive statistics in table 4 show the average value and standard deviation of each variable, both independent and dependent variables which are calculated based on the data as a whole. The following are descriptive statistical data in this study:

Table 4 Descriptive Statistical Analysis

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
ROA	48	-,079	,125	,01979	,050856
CR	48	,192	1,045	,46896	,217749
DER	48	,740	5,153	2,22721	1,058385
Firm size	48	12,278	31,401	19,87067	6,974643
Financial Distress	48	-2,185	,261	-,65531	,765005
Valid N (listwise)	48				

Source: Secondary data processed with SPSS 25.0

Based on the table, it can be explained that the number of samples is 48 research data. The descriptive statistics that have been processed are as follows:

a. The variable Return On Assets (ROA) has a minimum value of -0.079 and a maximum value of 0.125, an average value of 0.01979 with a standard deviation of 0.050856.
b. The variable Current Ratio (CR) has a minimum value of 0.192 and a maximum value of 1.045, an average value of 0.46896 with a standard deviation of 2.17749.
c. The Debt To Equity Ratio (DER) variable has a minimum value of 0.740 and a maximum value of 5.153, an average value of 2.22741 with a standard deviation .
d. Firm size variable has a minimum value of 12.278, a maximum value of 31.401, an average value of 19.87067 with a standard deviation of 6.974643,
e. The Financial Distress variable has a minimum value of -2.185, a maximum value of 0.261, an average value of -0.65531 with a standard deviation of 0.765005.

Classic assumption test

Normality test

The normality test aims to test whether in the regression model, the dependent variable and the independent variable both have a normal distribution or not. A good distribution model is having a normal or close to normal data distribution. The results of the normality test in a graphical probability plot using SPSS version 25 for the stock price variable are shown in the graph below.

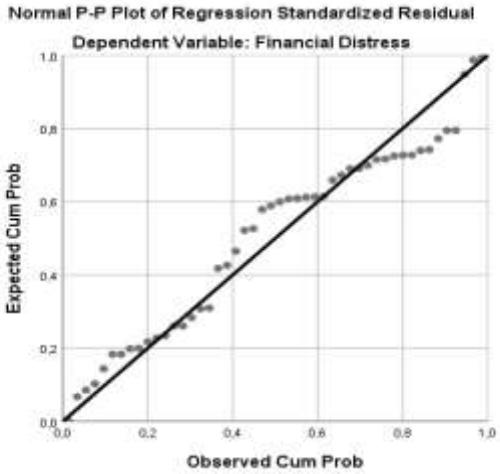

Figure 1 P-Plot Normality Test Results

Table 5 Kolmogorov-Smirnov Test Normality Test

One-Sample Kolmogorov-Smirnov Test

	Unstandardized Residual

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N		48
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	,15378506
Most Extreme Differences	Absolute	,132
	Positive	,132
	Negative	-,124
Test Statistic		,132
Asymp. Sig. (2-tailed)		,034[c]
Exact Sig. (2-tailed)		,338
Point Probability		,000

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

Source: Secondary data processed with SPSS 25.0

Based on the display of the Normal P-Plot image, it can be concluded that the normal chart pattern can be seen from the dots that spread around the diagonal line and the distribution follows the direction of the diagonal line. Based on the normal P-Plot graph, it shows that the regression model is feasible to use in research.

Based on the table, it is known that the significance value of Exact. Sig (2-tailed) is 0.338. Exact value. Sig (2-tailed) is greater than 0.05. So according to the basis for decision making in the Kolmogorov-Smirnov normality test above, it can be concluded that the pre-treatment and post-treatment data were normally distributed. Thus, the normality assumptions or requirements in the regression model have been fulfilled.

Multicollinearity Test

Multicollinearity test can be seen from the Tolerance and Variance Inflation Factor (VIF) values. These two measures show which independent variables are explained by other independent variables. Tolerance measures the variability of the selected independent variables which cannot be explained by other variables. A good regression model requires no multicollinearity problem. Commonly used values are Tolerance values above 0.10 or the same as VIF values below.

Table 6 Multicollinearity Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1,158	,230		-5,044	,000		
	ROA	-5,217	,724	-,347	-7,205	,000	,406	2,465
	CR	-,816	,196	-,232	-4,163	,000	,302	3,308
	DER	,525	,025	,726	20,811	,000	,771	1,297
	Firm size	-,009	,006	-,083	-1,434	,159	,281	3,562

a. Dependent Variable: *Financial Distress*

Source: Secondary data processed with SPSS 25.0

Based on the table it can be seen that there is no Tolerance value below 0.10 and no VIF value above 10. This means that the four independent variables do not have a multicollinearity relationship and can be used to predict Financial Distress for the 2019-2021 quarterly observation period.

Autocorrelation Test

The autocorrelation test is used to test whether a linear regression model has a correlation between confounding errors in period t and errors in period t-1 (previously). A good regression model is one that is free from autocorrelation (Singgih, 2015: 192). The decision making for the Durbin–Watson test is as follows:

a. A D-W number below -2 means there is a positive autocorrelation.
b. A D-W number between -2 to +2 means that there is no autocorrelation.
c. A D-W number above +2 means there is a negative auto correlation.

Table 7 Autocorrelation Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson

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1	,980[a]	,960	,956	,160779	1,481

a. Predictors: (Constant), *Firm size*, DER, ROA, CR

b. Dependent Variable: *Financial Distress*

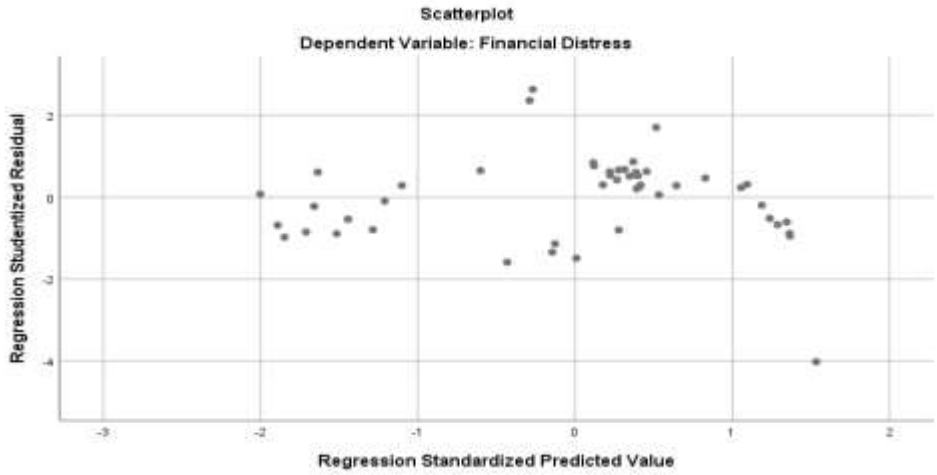
Source: Secondary data processed with SPSS 25.0

In the table of autocorrelation test results based on sample (n) 48 and the number of independent variables 4 (k = 4) shows that the value of Durbin Watson is 1.481. From the results of the autocorrelation test it can be seen that the resulting Durbin Watson value is 1.481 where the Durbin Watson value lies between -2 and 2. It can be concluded that there is no autocorrelation

Heteroscedasticity Test

The purpose of the Heteroscedasticity Test is to test whether in the regression model there is an inequality of variance from one residual observation to another. A good regression model requires no heteroscedasticity problem.

Figure Heteroscedasticity Test Results



Source:Secondary data processed with SPSS 25.0

Based on the figure, it can be seen that the data (dots) spread in an unclear pattern above and below the number 0 on the Y axis, do not gather in one place, and do not form a specific pattern, so it can be concluded that there is no Heteroscedasticity problem and the regression model is feasible to use.

Multiple Linear Regression Test

The regression equation can be seen from the table of coefficient test results based on the output of SPSS version 25. There are four independent variables, namely Return On Assets (ROA), Current Ratio (CR), Debt to Equity Ratio (DER), Firm size to Financial Distress, shown in the following table.

Table 8 Multiple Linear Regression Analysis Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1,158	,230		-5,044	,000		
	ROA	-5,217	,724	-,347	-7,205	,000	,406	2,465
	CR	-,816	,196	-,232	-4,163	,000	,302	3,308
	DER	,525	,025	,726	20,811	,000	,771	1,297
	Firm size	-,009	,006	-,083	-1,434	,159	,281	3,562

a. Dependent Variable: *Financial Distress*

Source: Secondary data processed with SPSS 25.0

Based on the table, the multiple linear regression equation can be produced as follows:

$$\mathbf{Y = \alpha + \beta X1 + \beta X2 + \beta X3 + \beta X4}$$

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FD = -1,158 -5,217(ROA) -0,816(CR) + 0,525(DER) -0,009(FS)

Based on the regression model and table 4.11. then the results of multiple regression can be explained as follows:

a. The linear regression equation above, is known to have a constant of -1.158 with a negative sign so that the magnitude of the constant indicates that if the independent variables (ROA, CR, DER, Firm size) are assumed to be constant or zero, then the dependent variable, namely Financial Distress, has a negative value of 1.158
b. Profitability variable coefficient (ROA) of -5.217. This means that if CR, DER and Firm size are fixed, ROA has increased by one unit, so Financial Distress has decreased by 5.217.
c. Constant variable Liquidity (CR) of -0.816. This means that if ROA, DER and Firm size are fixed, CR has increased by one unit, Financial Distress has decreased by 0.816.
d. The DER variable constant is 0.525. This means that if ROA, CR and Firm size are fixed, DER has increased by one unit, so Financial Distress has increased by 0.525.
e. Firm size variable constant is -0.009. This means that if ROA, CR and DER are constant, Firm size has increased by one unit, so Financial Distress has decreased by 0.009.

Correlation Coefficient Test

Pearson Product Moment Correlation is an analysis to measure the closeness of the relationship between two variables that have normal data distribution. Based on the processed data, the calculation results of the correlation coefficient analysis are as follows:

Table 9 Correlation coefficient test results

Correlations

		ROA	CR	DER	Firm size	Financial Distress
ROA	Pearson Correlation	1	,694**	-,203	-,745**	-,594**
	Sig. (2-tailed)		,000	,166	,000	,000
	N	48	48	48	48	48
CR	Pearson Correlation	,694**	1	-,351*	-,774**	-,664**
	Sig. (2-tailed)	,000		,014	,000	,000
	N	48	48	48	48	48
DER	Pearson Correlation	-,203	-,351*	1	,075	,872**
	Sig. (2-tailed)	,166	,014		,612	,000
	N	48	48	48	48	48
Firm size	Pearson Correlation	-,745**	-,774**	,075	1	,409**
	Sig. (2-tailed)	,000	,000	,612		,004
	N	48	48	48	48	48
Financial Distress	Pearson Correlation	-,594**	-,664**	,872**	,409**	1
	Sig. (2-tailed)	,000	,000	,000	,004	
	N	48	48	48	48	48

***. Correlation is significant at the 0.01 level (2-tailed).*

**. Correlation is significant at the 0.05 level (2-tailed).*

Source: Secondary data processed with SPSS 25.0

Based on the table. shows the calculation of the correlation coefficient (r), as follows:

a. Return On Assets (ROA) to Financial Distress is -0.594, so the relationship between Financial Distress and Return on Assets (ROA) is moderate, namely in the range of 040.-0.599. With a significance (sig 2-tailed) of 0.000 (0.000 <0.05) it can be concluded that Return on Assets (ROA) has a negative relationship of (-0.594) to Financial Distress, the higher the Current Ratio (CR), the lower possibility of Financial Distress.
b. Current Ratio (CR) to Financial Distress is -0.664, so the relationship between Financial Distress and Current Ratio (CR) is strong, namely in the range of 0.60-0.799. With a significance (sig 2-tailed) of 0.000 (0.000

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<0.05) it can be concluded that the Current Ratio (CR) has a negative relationship of (-0.664) to Financial Distress, the higher the Current Ratio (CR), the lower the possibility occurrence of financial distress.

c. The Debt to Equity Ratio (DER) to Financial Distress is 0.872, so the relationship between Financial Distress and the Debt to Equity Ratio (DER) is very strong, namely in the range of 0.80-1.000. With a significance (sig 2-tailed) of 0.000 (0.000 <0.05) it can be concluded that the Debt to Equity Ratio (DER) has a positive relationship of 0.872 to Financial Distress, if the higher the Debt to Equity Ratio (DER), the higher the probability occurrence of financial distress.

d. Firm size to Financial Distress is 0.409, so the relationship between Financial Distress and Firm size is medium, namely in the range of 0.40-0.599. With a significance (sig 2-tailed) of 0.004 (0.004 > 0.05) it has a positive relationship of 0.409 to Financial Distress, the higher the firm size, the higher the possibility of Financial Distress.

Coefficient of Determination (Adjusted R Square)

Table 10 Determination Coefficient Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,980[a]	,960	,956	,160779	1,481

a. Predictors: (Constant), *Firm size*, DER, ROA, CR

b. Dependent Variable: Financial Distress

Source: Secondary data processed with SPSS 25.0

The table shows how much the percentage of contributions influences the variables Return On Assets (ROA), Current Ratio (CR), Debt To Equity Ratio (DER), and Firm size simultaneously on the Financial Distress variable. From the Summary model table it can be seen that the value of R2 (Adjusted R Square) is 0.956 or 95.6%. This means that 95.6% of Financial Distress is influenced by the four independent variables Return On Assets (ROA), Current Ratio (CR), Debt To Equity Ratio (DER), and Firm size. While the remaining 0.044 or 4.4% is influenced by other factors outside the model such as Dividend Per Share (DPS), Earning Per Share (EPS), Net Profit Margin (NPM), Return On Investment (ROI), Debt to Asset Ratio (DER), Operating capacity.

Partial Test (T-Test)

The t test aims to see the significance level of a variable partially to the dependent variable, namely Financial Distress. With a significance level of 0.05/2 = 0.025 (two-tailed test) and df = (n-k-1) = (48-4-1) = 43 a t-table of 2.017 is obtained. The results of the regression analysis to test the hypothesis can be seen in the following table:

Table 11 T –Statistics Test Results (Partial Test)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1,158	,230		-5,044	,000		
	ROA	-5,217	,724	-,347	-7,205	,000	,406	2,465
	CR	-,816	,196	-,232	-4,163	,000	,302	3,308
	DER	,525	,025	,726	20,811	,000	,771	1,297
	Firm size	-,009	,006	-,083	-1,434	,159	,281	3,562

a. Dependent Variable: Financial Distress

Source: Secondary data processed with SPSS 25.0

Based on the table, it can be seen that the results of the calculation of each independent variable on the dependent variable can be described as follows:

a. Profitability Variable (ROA). Table data. it can be seen from the results of the partial test calculations for the Profitability variable (ROA) that the t-count value is -7.202 while the t-table is -2.017. The t-count value is smaller than the t-table (-7.202 < -2.017). With a significant level of 0.000 <0.05, the conclusion is that

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Profitability (ROA) has a negative and significant effect on Financial Distress in Indonesian telecommunications companies for the period 2019-2021 per quarter.

b. Liquidity Variable (CR). Table data can be seen from the results of partial test calculations for the Liquidity variable (CR) obtained by t-count -4.163 while t-table is -2.017. The t-count value is smaller than the t-table (-4.163 <-2.017). With a significant level of 0.000 <0.05, the conclusion is that Liquidity (CR) has a negative and significant effect on Financial Distress in Indonesian telecommunications companies for the period 2019-2021 per quarter.
c. Variable Leverage (DER). Table data. it can be seen from the results of the partial test calculations for the Leverage variable (DER) that the t-count value is obtained while the t-table is 20.811. The t-count value is greater than the t-table (20.811 > 2.030). With a significant level of 0.000 <0.05, the conclusion is that Leverage (DER) has a positive and significant effect on Financial Distress in Indonesian telecommunications companies for the period 2019-2021 per quarter.
d. Firm size variable. Table data can be seen from the results of partial test calculations for the Firm size variable, the t-count value is -1.434 while the t-table is -2.017. The t-count value is smaller than the t-table (-1.434 > 2.017). With a significant level of 0.159 > 0.05, the conclusion is that firm size does not have a significant effect on Financial Distress in Indonesian telecommunications companies for the 2019-2021 quarter.

Simultaneous Test (F-Test)

The F test or regression coefficient test is jointly used to determine whether the independent variables (ROE, CR, DER and Firm size) have a significant effect on the dependent variable (Financial Distress). The results of the calculation of the F test are as follows:

Table 12 F Test Results – Statistics (Simultaneous Test)

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	26,394	4	6,599	255,267	,000[b]
	Residual	1,112	43	,026		
	Total	27,506	47			

a. Dependent Variable: *Financial Distress*

b. Predictors: (Constant), *Firm size*, DER, ROA, CR

Source: Secondary data processed with SPSS 25.0

Based on the table shows that the calculated F is 255.264 and the F table can be found with a significance level of α = 0.05 , df 1 = k -1 and df 2 = n – k, where n = 48, k = 5, then df 1 = 5 -1 = 4 and df 2 = 48 – 5 = 43 so that the F table is 2.59. So it can be seen that F count > F table (255.264 > 2.59) with a significance of 0.00 <0.05 then H5 is accepted. So it can be concluded that simultaneously (together) ROA, CR, DER and Firm size have a significant influence on Financial Distress at Indonesian telecommunications companies for the 2019-2021 period per quarter. This means that any changes that occur in the independent variables, namely Return On Assets (ROA), Current Ratio (CR), Debt to Equity Ratio (DER) and Firm size simultaneously or jointly affect Financial Distress in Indonesian telecommunications companies for the 2019-2021 period per Quarter.

6. Conclusion

Based on observations and analysis conducted by researchers regarding the effect of Profitability (ROA), Liquidity (CR), Leverage (DER), and Firm size on Financial Distress in Telecommunication Companies listed on the IDX for the period 2019 – 2021 per quarter during the pandemic, the conclusions are as follows :

a. Profitability (ROA) against Financial Distress. Profitability (ROA) based on the t test with a significance level (α) = 0.05 produces a t count of -7.205 and the results of the t table can be searched with a significance level of 0.05/2 = 0.025 which is -2.017. Then the magnitude of t count is smaller than t table (-7.205 < -2.017). Meanwhile, the significance level is 0.000. So that the significant level is less than 0.05 (0.000 <0.05). So the conclusion is that Ha1 is accepted or the Profitability variable (ROA) has a negative and significant effect on Financial Distress in Telecommunications Companies listed on the IDX for the period 2019 – 2021 per quarter during the pandemic.
b. Liquidity (CR) on Financial Distress. Liquidity (CR) based on the t test with a significance level (α) = 0.05 produces a t count of -4.163 and the results of the t table can be found with a significance level of 0.05/2 = 0.025 which is -2.017. Then the magnitude of t count is smaller than t table (-4.163 < -2.017). Meanwhile, the significance level is 0.000. So that the significant level is less than 0.05 (0.000 <0.05). So the conclusion is that

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Ha2 is accepted or the Liquidity variable (CR) has a negative and significant effect on Financial Distress in Telecommunications Companies listed on the IDX for the period 2019 – 2021 per quarter during the pandemic.

c. Leverage (DER) on Financial Distress. Leverage (DER) based on the t test with a significance level (α) = 0.05 produces a t count of 20.811 and the results of the t table can be found with a significance level of 0.05/2 = 0.025 which is 2.017. Then the value of t count is greater than t table (20.811 > 2.017). Meanwhile, the significance level is 0.000. So that the significant level is less than 0.05 (0.000 <0.05). So the conclusion is that Ha3 is accepted or the Leverage variable (DER) has a positive and significant effect on Financial Distress in Telecommunications Companies listed on the IDX for the period 2019 – 2021 per quarter during the pandemic.
d. Firm size on Financial Distress. Firm size based on the t test with a significance level (α) = 0.05 produces a t count of -1.434 and the results of the t table can be found with a significance level of 0.05/2 = 0.025 which is -2.017. Then the magnitude of t count is smaller than t table (-1.434 < -2.017). Meanwhile, the significance level is 0.159. So that the significant level is greater than 0.05 (0.159 > 0.05). So the conclusion is that Ha4 is rejected or the Firm size variable has no significant effect on Financial Distress in Telecommunications Companies listed on the IDX for the period 2019 – 2021 per quarter during the pandemic.
e. Based on the F test or simultaneous test shows an F-count value of 255.267 with a significance of 0.000. The significance value is less than 0.05 and the calculated F-value is greater than the F-table, namely 255.267 > 2.59, so the hypothesis is accepted. The conclusion is that Profitability (ROA), Liquidity (CR), Leverage (DER), and Firm size together have a significant effect on Financial Distress in Telecommunications Companies listed on the IDX for the period 2019 – 2021 per quarter during the pandemic.

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