

CHAPTER V

CONCLUSION AND IMPLICATION

A. Conclusion

This research aims to determine the effect of Company Size, Net Working Capital and Growth Opportunity on Cash Holding with Profitability as intervening variable in the companies listed in the Transportation sub-sector 2018-2021. Based on the results of the discussion in the previous chapter, the researcher formulates the following conclusions:

1. Company size has a negative effect on profitability in transportation sub-sector.
2. Net working capital has a positive effect on profitability in transportation sub-sector.
3. Growth opportunity has a negative effect on profitability in transportation sub-sector.
4. Profitability has no effect on cash holding in transportation sub-sector.
5. Company size has no effect on cash holding in transportation sub-sector.
6. Net working capital has a positive effect on cash holding in transportation sub-sector.
7. Growth opportunity has no effect on cash holding in transportation sub-sector.
8. Profitability can not mediate the influence of company size on cash holding.
9. Profitability can mediate the influence of net working capital on cash holding.

10. Profitability can not mediate the influence of growth opportunity on cash holding.

B. Implication

Based on the results of this research, it can be obtained some implications are as follows:

1. Managerial Implication

- a. The company needs to ascertain the optimal level of cash holding to fulfill all operational funding requirements effectively, ensuring that there are no idle funds that could hinder the company's liquidity.
- b. Companies should pay attention to company size, net working capital, growth opportunities and profitability in order to increase the company's cash holding ownership.
- c. The company should balance the addition of assets and debt with the ability to manage these assets and debts, so that the company can generate income profitable.
- d. The management of the company must make the right decisions when the company obtains cash income. Through the manager must be able to determine whether the cash will be used for investment, buying shares, or saved for the company's needs at a later day.

2. Theoretical Implication

- a. This research can be used as a reference for further research that discusses cash holding practices.

- b. For further research, it is better to expand on other variables that can affect profitability and cash holding in companies, for example investment opportunity sets, leverage, and or cash conversion cycle.
- c. In future research, it is hoped that it will be able to extend the research period and use samples and populations in other sector companies in order to get a more in-depth picture of profitability and cash holding in various business sectors on the Indonesian Stock Exchange.

C. Research Limitation

Here are some descriptions of the limitations in this research:

1. This research only takes a period of four years, namely from 2018 to 2021, so there is a possibility that the data taken does not reflect the company's condition in the longer term.
2. This research only examines company size, net working capital, and growth opportunity as independent variables on cash holding as the dependent variable mediated by profitability proxied by net profit margin (NPM). There are still other factors that can affect cash holding in companies.
3. This research is limited to the transportation sector companies listed on the Indonesia Stock Exchange, so the results are less than optimal which can represent all industrial sectors listed on the Indonesia Stock Exchange.