

CHAPTER V

CONCLUSION AND IMPLICATIONS

A. Conclusion

The conclusions obtained are:

1. Liquidity as measured by the current ratio is statistically proven to have a positive influence on the company's profitability in the textile and garment sector.
2. Working capital management as measured by cash conversion cycles has not been shown to have a significant effect on company profitability in the textile and garment sector.
3. The company size did not shown to have a significant influence on the profitability of companies in the textile and garment sector.

B. Implications

Based on the results of research and conclusions, the implication in this study is that companies in the textile and garment sector need to focus more on the current ratio, namely by maintaining and regulating how the company's current assets remain greater than its current debt so that the company has no difficulty in carrying out its short-term obligations, so that the company's operations run well, which ultimately drives the company's profit generation.

C. Research Limitations

This research seeks to provide the best results, but of course it cannot be separated from some limitations. Some limitations in this study are as follows:

1. *The Adjusted R-Square* obtained in this study is only 11.16 percent, this figure is relatively small so it is considered that there

are many other variables that may have an influence on company profitability in the textile and garment sector. This condition opens up opportunities for further research in the future by adding variables such as capital structure (Seyoum et al., 202) or leverage, and sales growth (Ahmad et al, 2015), intellectual capital (Zhang et al., 2021)

2. The time period in this study is only 5 years, from 2017 to 2021, so future research is expected to expand the research time period so that it can better capture more comprehensive historical data =. In addition to the long term, you can distinguish between normal conditions and during covid19.
3. This study did not find empirical evidence of the effect of company size and cash conversion cycle on profitability in the textile and garment sector, future research needs to be replicated to retest with more comprehensive data and more complex variables to find *reasoning* What is concrete from the findings is the absence of the effect of company size and cash conversion cycle on profitability in the textile and garment sector.