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Analysis of the Factors that Affect Financial Distress in Transportation Sector Companies Listed on the IDX for the Period 2018 – 2020

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Abstract

The purpose of this research is to find out what factors influence the occurrence of bad financial conditions (Financial Distress) in a company. Transportation sector companies are the population in this study, with a sample of 33 companies with a three-year study period. The technique used in determining the sample is purposive sampling technique. The independent variables in this study: ROA, Current Ratio, Debt Ratio and Company Size. The dependent variable in this study: Financial Distress as measured using the modelZmijewski. The results showed thatROA partially has a significant negative effect on Financial Distress, Current Ratio partially has no significant effect on Financial Distress, Debt Ratio partially has a significant positive effect on Financial Distress, Company Size partially does not have a significant effect on Financial Distress and ROA, Current Ratio, Debt Ratio and Company Size simultaneously affect Financial Distress.

Keywords
Return on assets (ROA); current ratio; debt ratio; company size (size); financial distress.

I. Introduction

Corona Virus Disease or better known as Covid-19 was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020 referring to more than 118,000 cases of infection in more than 110 countries and regions around the world with the risk of a wider global spread.https://health.detik.com/berita-detikhealth/d-4935355/who-official-state-virus-corona-covid-19-as a pandemic#). Indonesia is one of the countries affected by Covid-19. The first case occurred in Depok, West Java on March 2, 2020. The cumulative total as of December 1, 2020, recorded 543,975 people in Indonesia tested positive for the Corona virus (https://www.liputan6.com/news/read/4422520/update-corona-selasa-1-desember-2020-ada-543975-positive-covid-19-sembuh-454879-meninggal-17081).

The impact of the ongoing corona virus (covid-19) outbreak is not only detrimental from a health perspective. The virus that originated in the city of Wuhan, China has even affectedinstability in the economic sector due to the crisis caused by this pandemic, Indonesia is no exception. It was recorded that in the second quarter of 2020 economic growth slowed and contracted to minus 5.32 percent on an annual basis (Statistics Agency Report). The deepest contraction was experienced by the household consumption sector as the main pillar of the economy. (http://lipi.go.id/siaranpress/Survei-Dampak-Pandemi-COVID-19-terhadap-Ekonomi-Rumah-Tangga-Indonesia/22123).

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The outbreak of this virus has an impact of a nation and Globally (Ningrum et al, 2020). The presence of Covid-19 as a pandemic certainly has an economic, social and psychological impact on society (Saleh and Mujahiddin, 2020). Covid 19 pandemic caused all efforts not to be as maximal as expected (Sihombing and Nasib, 2020).

The world health agency (WHO) has also announced that the corona virus, also called COVID-19, is a global threat worldwide. The outbreak of this virus has an impact especially on the economy of a nation and globally. These unforeseen circumstances automatically revised a scenario that was arranged in predicting an increase in the global economy. (Ningrum, P. et al. 2020)

Minister of Finance (Menkeu) Sri Mulyani Indrawati said the economy in 2020 will be dramatic. The reason is none other than the impact of the corona virus disease 2019 (Covid-19) pandemic. Whereas in early 2020, the government predicted that the Indonesian economy could grow by 5.3% year on year (yoy) or higher than the realization of 2019 economic growth of 5.02%. However, as the corona virus pandemic progresses, the Indonesian economy is predicted to sink from minus 2.2% to minus 1.7%. To counteract the further impact of the pandemic, the Ministry of Finance through its fiscal policy has increased the deficit limit of the State Revenue and Expenditure Budget (APBN) from the 3% limit mandated in the State Finance Law (UU) to 6.34% of gross domestic product (GDP). (https://nasional.kontan.co.id/news/sri-mulyani-ekonomi-indonesia-pada-tahun-2020-berlanjut-dramatis-hasil-pandemi).

The transportation industry has entered a difficult period in recent years. Long before today, our economy has been overshadowed by the trade war between America and China which has an impact on national economic performance, the decline in world oil prices, and the massive and fatal impact of the spread of the Covid-19 virus has made transportation modes even worse. The PSBB policy in Indonesia has caused significant decrease in turnover in freight transport. For example, the road transport mode, the decline in passenger transport reached 75 percent to 100 percent in all modes. The decline in turnover occurred in both inter-city transportation modes, as well as non-subsidized public service obligation (PSO) urban transportation modes. In sea transportation, performance as of March 2020 has decreased by around 15 percent. This decline in performance is expected to get worse in the next few months due to a decrease in distribution. The same decline in performance also occurred in air transportation. If this condition persists, many transportation business actors will experience financial distress and end up going out of business (https://economic.business.com/read/20200416/98/1228385/sector-transportasi-terancam-kolaps-tiga-hal-ini-jadi-because).

To see a company experiencing financial distress (financial distress), transportation business actors need to pay attention to the profits generated by the company each year. In this case, business actors can see the profitability ratio as measured by return on assets (ROA). In addition to profit, the thing that needs to be considered for the survival of the company is the trust of the company's internal and external parties. Internal and external parties usually use the liquidity ratio to describe how much the company's ability to pay off its short-term obligations can be measured using the current ratio (CR). How big is the ability of the company's assets to pay off its debts also needs to be considered so that the company is not trapped in high debt and unable to pay off its long-term debt then the debt ratio can be used to see the ratio of debt owned by the company. Company size can also be used to see whether financial distress can occur in a company. Company size can be seen by total assets, total sales, total profit, and tax expense.Because of the problems above, the researcher is interested in discussing financial distress, so this research is entitled "Analysis

of factors that affect Financial Distress in Transportation sector companies listed on the IDX for the period 2018 - 2020".

II. Review of Literature

Financial Distress is one thing that is avoided by all companies because it can threaten the company's business. Financial Distress is a phenomenon that shows a downward trend in the financial performance of a company. Ffinancial distress is the stage of declining financial conditions experienced by a company before going bankrupt or liquidating (Fahmi, 2013).

2.1. The Effect of Profitability on Financial Distress

Ratioprofitability used to measure and assess the company's ability to earn profits with the sources owned by the company (Hery, 2017). According to research conducted by Oktakusanti (2015) shows that profitability has no effect on financial distress. According to research conducted by Imamasfaili (2019), it states that the profitability ratio as measured by ROA has a significant positive effect on financial distress conditions.

2.2. Effect of Liquidity on Financial Distress

The liquidity ratio is an indicator that shows the company's ability to pay its short-term obligations or debts that are due to be paid according to a predetermined time limit schedule (cashmere, 2017). If it cannot be fulfilled, the company can be indicated that it is experiencing financial distress. According to research conducted by Aridewi (2015) states that liquidity has a negative effect on financial distress. Meanwhile, according to research by Ardin (2016), liquidity as measured by the current ratio has a positive effect on financial distress.

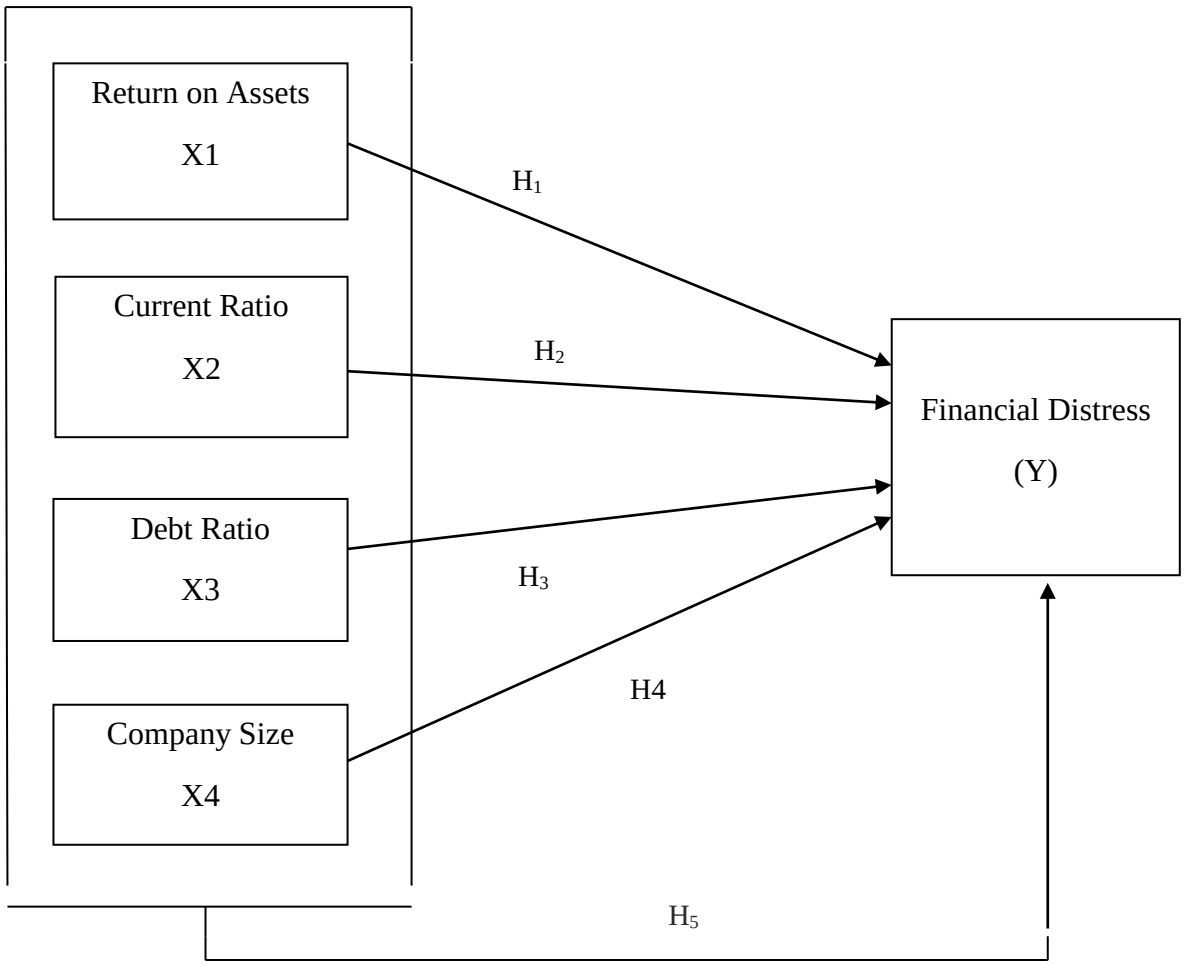
2.3. The Effect of Leverage on Financial Distress

This leverage ratio measures how far the company is financed by debt (Harahap, 2013). The use of debt that is too high for profitability (Return On Assets) endangers the company because the company will fall into the category of extreme leverage, namely the company is trapped in high debt and it is difficult to release the debt burden (Fahmi, 2015). This situation occurs when the assets owned are not sufficient to pay off the debt because the debt is too large. If this is not handled properly, the potential for financial distress is unavoidable. According to Ayu's research (2017), it is stated that leverage by using the debt ratio has an effect on financial distress. Meanwhile, Cynantia & Mersikuiwati (2015) stated that leverage has no effect on financial distress.

2.4. Effect of Firm Size on Financial Distress

Jessica and Ekadjaja (2019) stated that companies with large company sizes will be less likely to experience financial distress conditions. With this, it can be said that company size has a negative relationship to financial distress conditions, because the larger the company size, the smaller the company size. The possibility of financial distress because the company is considered capable of paying off its obligations in the future. According to Kusanti's research (2015) it is stated that the size of the company has no effect on financial distress. Meanwhile, Ajeng Eka (2016) states that the size of the company has an effect on financial distress.

2.5. Conceptual Framework



The hypotheses in this study are:

H1: Return On Assets have a partial effect on Financial Distress in transportation sector companies listed on the Indonesia Stock Exchange 2018 – 2020.

H2: Current Ratio has a partial effect on Financial Distress in transportation sector companies listed on the IDX 2018 – 2020.

H3: Debt Ratio has a partial effect on Financial Distress in transportation sector companies listed on the IDX 2018–2020.

H4: Company size has a partial effect on Financial Distress in transportation sector companies listed on the Indonesia Stock Exchange 2018 – 2020.

H5: Return on Assets, Current Ratio, Debt Ratio, and Company Size have a Simultaneous effect on Financial Distress in transportation sector companies listed on the IDX 2018 - 2020.

III. Research Method

The purpose of this study is to see how the influence of one variable on other variables. This research was conducted on transportation sector companies listed on the Indonesia Stock Exchange (IDX) by downloading the company's financial statements through the website www.idx.co.id. This study uses financial distress as the dependent variable, while profitability, liquidity, leverage, and firm size as independent variables.

3.1 Population and Sample

This study uses the transportation sub-sector companies listed on the Indonesia Stock Exchange in the 2018-2020 period, totaling 46 companies as the research population, while the sample is 33 companies. The sampling technique was through purposive sampling technique using the following criteria:

1. Transportation sub-sector companies listed on the Indonesia Stock Exchange for the period 2018-2020.
2. Transportation sector companies listed on the Stock Exchange that publish financial statements for the period 2018 - 2020.

Table 1. Sample Selection

No	**Description**	Amount
1	Transportation sub-sector companies listed on the IDX during the 2018–2020 period.	46
2	Transportation sub-sector companies listed on the IDX that did not publish their financial statements during the 2018 – 2020 period.	(13)
	Number of Samples	**33**
	Number of Periods	**3**
	Number of Observations = 33 x 3	**99**

3.2 Data Collection Technique

Methods of data collection with documentation studies by recording, collecting, and studying data on transportation sector companies sourced from financial reports

3.3 Data Types and Sources

The type of data used is secondary data obtained from the site www.idx.co.id in the form of company financial statements.

3.4. Identification and Operational Definition of Research Variables

Table 2. Operational Definition

No	**Variable**	**Operational Definition**	**Indicator**	**Scale**
1	**Profitability (X1)**	Profitability is measured using Return on Assets (ROA), which is how much profit the company generates (Hery, 2016).	$ROA = \frac{\text{Laba Bersih}}{\text{Total Aset}}$	Ratio

2	**Liquidity (X2)**	Liquidity is measured using the Current Ratio, namely the company's ability to pay its short-term obligations (Harahap, 2016).	$\text{Current Ratio} = \frac{\text{Aset Lancar}}{\text{Kewajiban Lancar}}$	Ratio
3	**Leverage (X3)**	Leverage is measured using the Debt Ratio, namely the company's ability to pay long-term and short-term debts that have matured (Kasmir, 2015).	$\text{Debt Ratio} = \frac{\text{Total Hutang}}{\text{Total Aset}}$	Ratio
4	**Company Size (X4)**	The size of the company is measured by total assets, total sales, share value and so on (Putu Ayu and Gerianta, 2018).	$\text{Size} = \text{Ln (Total Aset)}$	Ratio
5	**Financial Distress (Y)**	Financial distress occurs when the company's operating cash is not sufficient to pay off current obligations so that the company is forced to take corrective action (Hapsari, 2012).	Using models Zmijewski, with the following measurements: >=1 (one) Financial Distress <= 0 (zero) Non Financial Distress	Nominal

3.5. Data Analysis Technique

1. Descriptive Statistical Analysis

This descriptive analysis aims to provide an overview or describe the data in the variables seen from the average (mean), minimum, maximum and standard deviation values.

2. Classical Assumption Test

a) Normality Test

The normality test is used to determine whether the data is normally distributed or not, using histogram graphs and p-plots. The normality test used the Kolmogorov Smirnov analytical test tool.

b) Multicollinearity Test

To detect the presence or absence of multicollinearity in the regression model, it is done by looking at the tolerance value and the Variance Inflation Factor (VIF) value which can be seen from the SPSS output, with the following results: 1) If the tolerance value is > 10 percent and the VIF value is < 10, then there is no multicollinearity. between independent variables in the regression model. 2) If the tolerance value is < 10 percent and the VIF value is > 10, then the multicollinearity between the independent variables in the regression model exists.

c) Autocorrelation Test

The aim is to test whether in the linear regression model there is a correlation between the confounding error in period t and the confounding error in period t-1. In this study, to determine whether there is autocorrelation or not, identification is carried out using the Durbin Watson test, if the Durbin Watson value is between 1.54 and 2.46 then there is no autocorrelation.

d) Heteroscedasticity Test

To detect the presence of heteroscedasticity, it is done by looking at the graph plot between the predicted value of the dependent variable (ZPRED) and the residual (ZRESID), if there is no certain pattern and the points spread above and below zero on the Y axis, then there is no heteroscedasticity.

3. Multiple Regression Analysis

Regression analysis is used to measure how strong the relationship is between two or more variables, and to show the direction of the relationship between the dependent variable and the independent variable. This analysis is needed to find out the regression coefficients and their significance so that they can be used to answer the existing hypotheses.

Similarities:

$$Y' = a + b1X1 + b2X2 + b3X3 + b4X4 + e$$

Description:

Y' = Financial Distress
a = Constants (the value of Y' if X1, X2, .Xn = 0)
b1 - b4 = Regression Coefficient
X1 = Profitability Variable
X2 = Liquidity Variable
X3 = Variable Leverage
X4=Company Size Variable
e = Error / error rate

4. Coefficient of Determination

The coefficient of determination (R2) is used to measure how far the model's ability to describe variations in independent variables is. The small value of R2 means that the ability of the independent variables in explaining the variation of the dependent variable is very limited.

5. Simultaneous Test (Statistical Test F)

The f test aims to see what the effect of the independent variable is together with the dependent variable. By comparing the count with table f and if F count > F table then Ho is rejected and Ha is accepted.

6. Partial Test (t Test)

The t-test statistic shows how far the influence of the independent variables individually explains the variation of the dependent variable. The t-test can be done by comparing t-count with t-table or by looking at the significance of each. If the value of sig <0.05 then the independent variable has an effect on the dependent variable. If the value of sig> 0.05 then the independent variable has no effect on the dependent variable.−

IV. Results and Discussion

4.1 Descriptive Statistics

The sample in this study is 33 companies with 3 years of research period, so the data sample is 99. The following can be seen an overview of the Minimum, Maximum, Mean (average) and Standard Deviation values for each variable:

Table 3. Descriptive Statistics

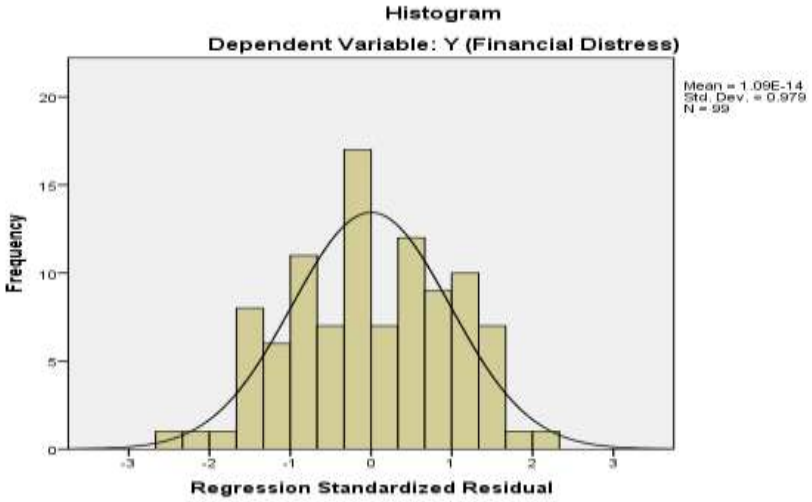
	N	Minimum	Maximum	mean	Std. Deviation
X1 (ROA)	**99**	**-3.2**	**.8**	**-.062**	**.3519**
X2 (Current Ratio)	**99**	**.0**	**11.7**	**1,607**	**2.0554**
X3 (Debt Ratio)	**99**	**.1**	**12.8**	**.697**	**1.3022**
X4 (Company Size)	**99**	**22.7**	**32.6**	**27,568**	**1.6846**
Y (Financial Distress)	**99**	**-4.3**	**83.1**	**-.024**	**8.8816**
Valid N (listwise)	**99**				

Source: Data processed with SPSS, 2021

1. ROA (Return On Asset) has a minimum value of -3.2 owned by PT AirAsia Indonesia Tbk (CMPP) in 2018 and a maximum value of 0.8 owned by Berlian Laju Tanker Tbk (BLTA) in 2018. The average ROA value from 2018-2020 is -0.062 with a standard deviation of 0.3519 .
2. The Current Ratio has a minimum value of 0.0 which is owned by PT Maming Enam Sembilan Mineral Tbk (AKSI) in 2018 and a maximum value of 11.7 is owned by PT Trimuda Nuansa Citra Tbk (TNCA) in 2019. The average value of the Current Ratio from 2018-2020 of 1.607 with a standard deviation of 2.0554.
3. The Debt Ratio has a minimum value of 0.1 which is owned by Rigs Tenders Tbk (RIGS) in 2019 and 2020 and a maximum value of 12.8 which is owned by PT AirAsia Indonesia Tbk (CMPP) in 2018. The average value of the Debt Ratio from 2018- 2020 is 0.697 with a standard deviation of 1.3022.
4. Company Size has a minimum value of 22.7 owned by PT Blue Bird Tbk (BIRD) in 2019 and 2020 and a maximum value of 32.6 owned by Garuda Indonesia (Persero) Tbk (GIAA) in 2020. Average value of Company Size from 2018-2020 of 27,568 with a standard deviation of 1.6846.
5. Financial Distress as measured by the Zmijewski model has a minimum value of -4.3 which is owned by Berlian Laju Tanker Tbk (BLTA) in 2018 and a maximum value of 83.1 which is owned by PT AirAsia Indonesia Tbk (CMPP) in 2018. Average value Financial Distress from 2018-2020 is -0.24 with a standard deviation of 8.8816.

4.2. Classic Assumption Test

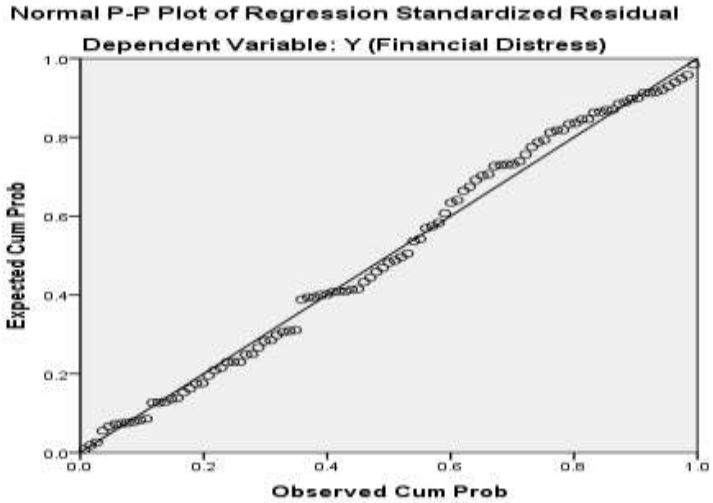
a. Normality Test



Source: Data processed with SPSS,2021

Figure 1. *Histogram Graph Normality Test*

From Figure 1 above, it can be concluded that the data is normally distributed because the research data tends to be symmetrical with a bell shape, but to ensure that the research data is truly normally distributed, it can be seen in the test. The following P-Plot chart:



Source: Data processed with SPSS,2021

Figure 2. *P-Plot Normality Test*

Figure 2 above shows that the data spreads around the diagonal line and follows the direction of the diagonal line. Thus it can be concluded that the data in this study were normally distributed.

Table 4. One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		99
Normal Parameters, b	mean	0,E-7
	Std. Deviation	.21122584
Most Extreme Differences	Absolute	.064
	Positive	.047
	negative	-.064
Kolmogorov-Smirnov Z		.641
asymp. Sig. (2-tailed)		.806

Source: Data processed with SPSS, 2021.

From table 4 above, the significance value is 0.806. In accordance with the basis for making decisions on the normality test, the data is normally distributed if the significance value is > 0.05. So it can be concluded that the data is normally distributed because the significance value is greater than > 0.05.

b. Multicollinearity Test

To detect the presence or absence of multicollinearity symptoms, it can be seen through the tolerance value and VIF. If the tolerance value is > 0.10 and the VIF value is < 10.00 then there is no multicollinearity and if the tolerance value is < 0.10 and the VIF value is > 10.00 then there is no multicollinearity occurs.

Table 5. Multicollinearity Test

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-4.701	.379		-12,409	.000		
	X1 (ROA)	-4.008	.149	-159	-26,854	.000	.174	5.762
	X2 (Current Ratio)	.015	.011	.004	1.361	.177	.881	1.135
	X3 (Debt Ratio)	5.825	.041	.854	142,635	.000	.169	5.909
	X4 (Company Size)	.013	.013	.002	.930	.355	.931	1.074

Source: Data processed with SPSS,2021

From table 5 above, it can be concluded that there is no multicollinearity in the regression model because all independent variables have a tolerance value of more than 0.10 and a VIF value of <10.00.

c. Autocorrelation Test

Symptoms of autocorrelation can be detected using the Durbin-Watson (DW) test.

Table 6. Autocorrelation test

Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	1,000a	.999	.999	.2166	1.999

*Source: Data processed with SPSS,*2021

From table 6 above, the DW value is 1.999. This value will then be compared with the significance table value of 5%, the number of samples is 99 (n) and the number of independent variables is 4 (K=4). Then the value will be obtained:

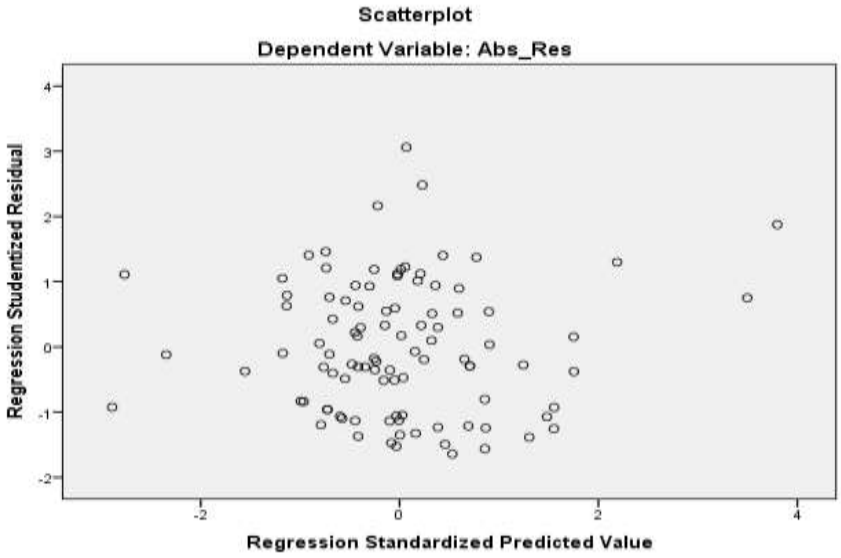
du =1.7575 4 –dl =2.2425

dl =1.5897 4 – dl =2.4103

So that the Durbin Watson test results meet the criteria du < d < 4 – du or 1.7575 < 1.999 < 2.4103. In accordance with the decision making if d lies between dU and (4-dU), then there is no autocorrelation in the regression model.

d. Heteroscedasticity Test

Heteroscedasticity test in this study using graphs and statistical methods, the statistical method used is the Glejser test.



Source: Data processed with SPSS, 2021.

Figure 3.*Test the Scatterplot Graph*

From Figure 3 above, it can be seen that the data points are spread above and below or around zero, do not collect, the data distribution does not form a pattern so that it can be concluded that in this study there were no symptoms of heteroscedasticity.

Table 7. Statistic test

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.248	.202		1,228	.222		
	X1 (ROA)	-.077	.080	-.235	-.971	.334	.174	5.762
	X2 (Current Ratio)	.007	.006	.133	1,235	.220	.881	1.135
	X3 (Debt Ratio)	-.025	.022	-.283	-1.152	.252	.169	5.909
	X4 (Company Size)	-.003	.007	-.037	-.357	.722	.931	1.074

*Source: Data processed with SPSS,*2021

From table 7 above, it can be concluded that there is no heteroscedasticity in this study because the significance value of the ROA, Current Ratio, Debt Ratio, and Company Size variables is greater than a significance value of 0.05.

4.3. Multiple Linear Regression Analysis Test

Table 8. Multiple Linear Regression Analysis Test

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-4.701	.379		-12,409	.000		
	X1 (ROA)	-4.008	.149	-159	-26,854	.000	.174	5.762
	X2 (Current Ratio)	.015	.011	.004	1.361	.177	.881	1.135
	X3 (Debt Ratio)	5.825	.041	.854	142,635	.000	.169	5.909
	X4 (Company Size)	.013	.013	.002	.930	.355	.931	1.074

*Source: Data processed with SPSS,*2021

From table 8 the results of the test table above, the equation can be made, namely: Financial Distress = -4.701–4.008 ROA +0.015 Current Ratio +5.825 Debt Ratio +0.013 Company Size.

Based on the results of the multiple regression equation above, it can be explained as follows:

1. The constant value of -4.701 indicates that the independent variables (ROA, Current Ratio, Debt Ratio and Company Size) are constant or zero, then financial distress will occur at -4.701.
2. The Return On Assets (ROA) variable shows a significance value of 0.000 with a significance value of less than 0.05 with a regression coefficient of -4.008. Thus it can be concluded that the ROA variable has a negative effect on financial distress.

3. The Current Ratio variable shows a significance value of 0.177 with a significance value of more than 0.05, with a regression coefficient of 5.825. Thus, it can be concluded that the Current Ratio variable has no effect on financial distress.
4. The Debt Ratio variable shows a significance value of 0.000 with a significance value of less than 0.05, with a regression coefficient of 0.015. Thus, it can be concluded that the Debt Ratio variable has a positive effect on financial distress.
5. The Firm Size variable shows a significance value of 0.355 with a significance value of more than 0.05, with a regression coefficient of 0.013. So it can be concluded that the firm size variable has no effect on financial distress.

4.4. Coefficient of Determination

Table 9. Adjusted R Square

Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	1,000a	.999	.999	.2166

*Source: Data processed with SPSS,*2021

Based on table 9 the results of the coefficient of determination above, the value of the coefficient of determination (Adjusted R Square) is 0.999, which means that 99% of the Financial Distress variable as measured by the Zmijewski model can be explained by the four independent variables (Profitability as measured by ROA, liquidity as measured by Current). Ratio, leverage as measured by Debt Ratio, and Company Size) are used and the remaining 1% is influenced by other variables outside the research model.

4.5. Test F (Simultaneous)

Table 10

ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7,726,092	4	1,931,523	41,173,190	.000b
	Residual	4.410	94	.047		
	Total	7,730,502	98			

*Source: Data processed with SPSS,*2021

From table 10 the results of the F test above can be seen. The value of the F table for df 1 (4) and df 2 (94) is 2.469. Thus, F count (41.173,190) > F table 2,469 and a significant value of 0.000 < 0.05 then Ha is accepted which means that simultaneously X1, X2, X3, and X4 have a significant effect on Simultaneous response to Financial Distress in transportation sector companies listed on the Indonesia Stock Exchange 2018 – 2020.

4.6. T Test (Partial)

Table 11. T Uji test
Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-4.701	.379		-12,409	.000
	X1 (ROA)	-4.008	.149	-159	-26,854	.000
	X2 (Current Ratio)	.015	.011	.004	1.361	.177
	X3 (Debt Ratio)	5.825	.041	.854	142,635	.000
	X4 (Company Size)	.013	.013	.002	.930	.355

*Source: Data processed with SPSS,*2021

From table 11 the results of the T test above show the significance value for each variable. Then from the above regression equation is:

1. Based on the partial statistical test, the significance value of profitability as measured by ROA is 0.000 <0.05. So it can be concluded that H1 is accepted which means ROApartial effect on Financial Distress in transportation sector companies listed on the IDX 2018 – 2020.
2. Based on the statistical test partially shows the significance value of Liquidity as measured by the Current Ratio, which is 0.177 > 0.05. So it can be concluded that H2 is rejected, which means the Current Ratio is notpartial effect on Financial Distress in transportation sector companies listed on the IDX 2018 – 2020.
3. Based on the statistical test partially shows the significance value of Leverage as measured by the Debt Ratio, which is 0.000 <0.05. So it can be concluded that H3 is accepted which means Debt Ratiopartial effect on Financial Distress in transportation sector companies listed on the IDX 2018 – 2020.
4. Based on the statistical test partially shows the significance value of the company size, which is 0.355> 0.05. So it can be concluded that H4 is rejected, which means that the size of the company is notpartial effect on Financial Distress in transportation sector companies listed on the IDX 2018 – 2020.

4.7. Discussion

a. Effect of ROA on Financial Distress

The results of this study indicate that the Profitability variable measured using Return on Assets (ROA) has a significantly negative effect on financial distress in transportation sector companies for the 2018-2020 period. Profitability value has a significance of 0.000 which is smaller than 0.05 and a regression coefficient of -4.008 with a negative direction, which means that a company's profit that drops significantly can cause the company to be in bad financial condition or experiencing financial distress. The results of this study are in line with research conducted by Agoestina Mappadang, Syauqi Ilmi, Wuri Septi Handayani, & Amir Indrabudiman (2019) that profitability as measured by ROA has a significantly negative effect on Financial Distress. However, it is different from the research resultsAlfinda Rohmadini, Muhammad Saifi, Ari Darmawan (2018) that profitability as measured by ROA has no significant effect on financial distress.

b. Effect of Liquidity on Financial Distress

The results of this study indicate that the Liquidity variable measured using the Current Ratio has no significant effect on financial distress in transportation sector companies for the 2018-2020 period. The results of this study are in line with research conducted by Riza Milatul Khoiriyah (2018),Alfinda Rohmadini, Muhammad Saifi, Ari Darmawan (2018)that liquidity as measured by the Current Ratio has no significant effect on financial distress. However, it is different from the results of research by Agoestina Mappadang, Syauqi Ilmi, Wuri Septi Handayani, & Amir Indrabudiman (2019) that liquidity as measured by the Cuurent Ratio has a significant positive effect on financial distress.

c. The Effect of Leverage on Financial Distress

The results of this study indicate that the leverage variable measured using the Debt Ratio has a significant positive effect on Financial Distresss. The results of this study are in line with research conducted by Agoestina Mappadang, Syauqi Ilmi, Wuri Septi Handayani, & Amir Indrabudiman (2019), Riza Milatul Khoiriyah (2018), Alfinda Rohmadini, Muhammad Saifi, Ari Darmawan (2018) that Leverage as measured by the Debt Ratio has a significant positive effect on financial distress.However, it is different from the research results Cynantia & Mersikuiwati (2015) that leverage has no effect on financial distress.

d. Effect of Firm Size on Financial Distress

The results of this study indicate that the firm size variable has no significant effect on financial distress in transportation sector companies for the 2018-2020 period. The results of this study are in line with researchCynantia & Mersikuiwati (2015), Adindha Sekar Ayu, Siti Ragil Handayani, Topowijono (2017) that company size has no significant effect on financial distress.However, it is different from the results of research conducted by Agoestina Mappadang, Syauqi Ilmi, Wuri Septi Handayani, & Amir Indrabudiman (2019) that company size has a significant positive effect on financial distress.

V. Conclusion

Based on the results of the study, the conclusions that can be drawn from this research are:

1. Profitability as measured by ROA partially has a significant negative effect on Financial Distress in transportation sector companies listed on the IDX for the period 2018 – 2020.
2. Liquidity as measured by the Current Ratio partially does not have a significant effect on Financial Distress in transportation sector companies listed on the IDX for the period 2018 – 2020.
3. Leverage as measured by the Debt Ratio partially has a significant positive effect on Financial Distress in transportation sector companies listed on the IDX for the period 2018 - 2020.
4. Company size partially does not have a significant effect on Financial Distress in transportation sector companies listed on the IDX for the period 2018 – 2020.
5. Profitability as measured by ROA, Liquidity as measured by the Current Ratio, Leverage as measured by the Debt Ratio and Company Size simultaneously affect Financial Distress in transportation sector companies listed on the IDX for the period 2018 – 2020.

Suggestion

Based on the results of the study, suggestions that can be given in connection with this research are for further researchers, the researchers suggest that the independent variables and the period of the research year be added so that they can provide updates for the development of science. For companies in the transportation sector, it is recommended that they pay attention to ROA and Debt Ratio in order to minimize the possibility of companies experiencing bad financial conditions (Financial Distress) so that companies can avoid bankruptcy, and investors should be more careful. notice and consider ratio leverage company before make decision for invest.

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