

THE EFFECT SHORT-TERM AND LONG-TERM LIABILITIES ON NET PROFIT OF PT. GUDANG GARAM TBK 2015-2024

Tabina Fauziyyah Rofa ^{1*}, Tia Listiani², Desi Ulandari ³

Management Study Program, Faculty of Economics and Business, Pamulang University

*Corresponding Author: tabina.sagara@gmail.com¹

Abstract

This study is intended to analyze the effect of short-term liabilities and long-term liabilities on net profit at PT Gudang Garam Tbk during the period 2015 - 2024. This study uses a quantitative approach with a multiple linear regression analysis pattern. The data used is secondary data obtained from the company's annual financial statements published through the official website of the Indonesia Stock Exchange. The independent variables in this study consist of short-term liabilities (X_1) and long-term liabilities (X_2), while the dependent variable is net profit (Y). The test results showed that either partially or simultaneously, short-term liabilities and long-term liabilities did not have a significant effect on PT Gudang Garam Tbk's net profit. These findings suggest that changes in liability structures do not directly affect a company's profitability. External factors such as production costs, tax policies, and cigarette market conditions are likely to have a greater influence on net profit. This research is expected to be a reference for company management and investors in understanding the relationship between funding policy and the company's financial performance.

Keywords: short-term liability, long-term liability, net profit, PT Gudang Garam Tbk

INTRODUCTION

Companies engaged in the cigarette sector, such as PT Gudang Garam Tbk, also need a financing strategy for the insertion of a business to run. One of the most fundamental things in debt is short-term liability and long-term liability. This is because debt affects the company's financial condition, especially on the income statement. The funds raised in debt are divided into short and long-term periods. Debt in the short term relates to the need for daily expenses, such as debt to suppliers and fees to be paid as well as maturing bank loans. In contrast, long-term debt is more for permanent investment needs and for larger corporate activities.

In the last ten years, the financing handled by PT Gudang Garam Tbk, as one of the largest cigarette companies in Indonesia, has undergone many changes. In the period 2015-2024, departing from the changes that occurred, competition and changes such as material costs, taxes, and Indonesia's volatile macroeconomic conditions. This affects the management of the company's funds, especially in utilizing both short-term and long-term debt, and leads to affecting the company's net profit. This research is to see and analyze

short-term and long-term debt statements to net profit, both as a unit and separately, to PT Gudang Garam Tbk. Hopefully the results of this research can be used for the benefit of many people. This study can be a recommendation for company management on how to control debt while maximizing net profit. For investors, the study offers additional information to assess a company's finances before making an investment decision. For academia, this study can broaden the understanding of financial management, especially how debt affects profits within a company. For the authors, this study aims to gain a better understanding of how capital structure theory is applied in public companies.

KAJIAN LITERATURE

Short-Term Liabilities and Long-Term Liabilities

According to the Financial Accounting Standard Statement (PSAK) No. 1 (Revised 2023), liabilities are the current obligations of the entity that arise due to past events and their settlement is expected to result in an outflow of economic resources. Liabilities are divided into two, namely short-term liabilities and long-term liabilities, based on the timing of the repayment of these obligations.

Short-term liability

short-term liabilities or debts based on PSAK No. 1 paragraph 70, are liabilities that will be settled within a period of no later than twelve months after the end of the reporting period or within one normal operating cycle of the company. Examples are business debt, interest debt, tax debt, and expenses that still have to be paid. Kasmir (2018) stated that short-term liabilities play an important role in maintaining the smooth operation and liquidity of the company, but must be managed carefully so as not to cause short-term cash pressure.

Long-term liability

Long-term liabilities or debts are liabilities that are maturing for more than one year or exceed one normal operating cycle of a company. Martani, Dwi and Partners (2021) explained that long-term liabilities are usually used to finance fixed assets, business expansion, or long-term investments that can increase profits in the future. However, excessive use of long-term liabilities can increase the interest burden and risk of default. Therefore, a balance between short-term and long-term liabilities is essential for the financial structure to remain healthy.

Net Profit

According to PSAK No. 1 (2023 Revision), net profit is the difference between all income and expenses including income tax during an accounting period. Net profit is the main indicator that shows the success of management in managing company resources. Gitman (2018) stated that net profit describes the effectiveness of a company in generating profits from its operational activities, while Kasmir (2018) added that net profit reflects the company's ability to maintain business sustainability. Net profit can be influenced by capital structure and financing policies. Companies that are able to manage their liabilities efficiently tend to have higher net income, while companies with high levels of liabilities will face a greater interest burden that can reduce net income.

Analysis of the Effect of Liabilities on Net Profit

This study aims to analyze the influence of short-term liabilities and long-term liabilities on the company's net profit. Theoretically, the relationship between the two variables can be explained through the concepts of capital structure and financial efficiency. Short-term liabilities can help companies meet daily operational needs, while long-term liabilities are used to support productive investments that can increase profits in the future. However, an excessively large proportion of liabilities can lower net income due to high interest expenses.

Brigham and Houston (2019) emphasized that the moderate use of liabilities can have a positive leverage effect on net profit, but if it is overused, it will pose financial risks that suppress profitability.

Previous studies support the relationship between liabilities and net income. Adi Saputra et al. (2019) found that short-term and long-term liabilities have a significant effect on the profitability of manufacturing companies. Grace Sriati Mengga et al. (2023) stated that simultaneously the two types of liabilities have an effect on the profitability of PT Astra Agro Lestari Tbk, although it is partially insignificant. Ayunda Tri Apriliana et al. (2023) found a significant positive influence on the profitability of PT Sepatu Bata Tbk, while Nurdiana et al. (2022) found a significant negative influence on PT Unilever Indonesia Tbk. Conversely, Lalu Rizal Ihwandi and Khairul Warok (2021) showed that both types of liabilities had no effect on the profitability of mining companies. The difference in the results of this study shows that the effect of liabilities on net profit can vary depending on the industry sector, financial policy, and the level of efficiency of the company's management.

METHOD

This study was conducted using a quantitative correlational approach with the aim of determining the influence of short-term liabilities and long-term liabilities on the company's net profit. This approach was chosen because the research focuses on measuring the relationship and magnitude of influence between variables using numerical data derived from the results of the company's financial statements. The subject of the research is a company in the field of goods production listed on the Indonesia Stock Exchange (IDX) during the period 2015–2024. The selection of this field is based on its characteristics of having a complex financial structure and consistency in the presentation of annual financial statements, making it relevant to be analyzed in the context of the influence of liabilities on net profit.

The information used in this study is in the form of secondary data taken through the documentation of the last ten years' financial statements, income statements, and records of financial statements published through the official website of the Indonesia Stock Exchange (www.idx.co.id) and the website of each company. The research variables consist of short-term liabilities (X_1) measured from total current liabilities, long-term liabilities (X_2) measured from total long-term liabilities, and net profit (Y) taken from the company's annual income statement.

The data analysis process was carried out through the SPSS Version 27 (Statistical Product and Service Solutions) program to test the relationship between variables through multiple linear regression patterns. Before the analysis, the data was first tested using classical assumption tests to ensure that they met statistical criteria, including normality,

multicollinearity, heteroscedasticity, and autocorrelation tests. Furthermore, a partial test (t test) and a simultaneous test (F test) were carried out to determine the significance of the influence of each independent variable or jointly on the dependent variable. The determination coefficient (R^2) test is used to determine the extent to which changes in net income can be explained by short-term liabilities and long-term liabilities.

The results of this study are expected to provide empirical findings related to the relationship between the company's liability structure and profitability, as well as input for management in determining the right financing strategy to improve financial performance in a sustainable manner.

RESULT

Before statistical data testing, financial statement data is first presented which is the basis for calculating each research variable. The following data contains the value of Short-Term Liabilities, Long-Term Liabilities, and Net Profit of PT Gudang Garam Tbk during the observation period 2015 - 2024.

Table.1

RESEARCH FINANCIAL STATEMENT DATA OF PT. GUDANG GARAM TBK PERIOD
2015 – 2024

Year	X1 (SHORT-TERM LIABILITY)	X2 (LONG-TERM LIABILITY)	Y (NET PROFIT)
2015	24,045,086	1,452,418	6,452,834
2016	21,638,565	1,748,841	6,672,682
2017	22,661,042	1,961,224	7,755,347
2018	22,003,567	1,960,367	7,793,068
2019	25,258,727	2,457,789	10,880,704
2020	17,009,992	2,658,949	2,446,609
2021	16,841,087	2,714,000	1,746,542
2022	29,125,010	1,581,641	1,076,900
2023	25,037,600	1,400,516	1,963,483
2024	20,824,215	2,198,470	595,572

The test results in this study were obtained from the output of the SPSS program version 27, which was presented in the form of an analysis table. The tables include the results of statistical descriptive tests, classical assumption tests, and multiple linear regression tests used to determine the effect of short-term liabilities and long-term liabilities on the net profit of PT Gudang Garam Tbk.

1. Statistical Descriptive Test

Table.2 Statistical Descriptive Test Results

		Statistics		
		SHORT-TERM LIABILITY	LONG-TERM LIABILITIES	NET PROFIT
N	Valid	10	10	10
	Missing	0	0	0
Mean		22444489.10	2013421.50	4738374.10
Median		22332304.50	1960795.50	4449721.50

Mode	16841087a	1400516a	595572a
Minimum	16841087	1400516	595572
Maximum	29125010	2714000	10880704

Source : output SPSS 27

Based on the results of the descriptive test, all research variables, namely X1 Short-Term Liability, Long-Term Liability, and Net Profit, had a valid data number of 10 and there was no missing data (*missing value = 0*). The mean value for each variable is Short-Term Liabilities of 22,444,489.10, Long-Term Liabilities of 2,013,421.50, and Net Profit of 4,738,374.10. The maximum values of each variable are 29,125,010, 2,714,000, and 10,880,704, while the minimum values are 16,841,087, 1,400,516, and 595,572. These results show that the data used has a fairly high level of variation and there is no shortage of data, so it is worthy of further analysis in this study.

2. Classic Assumption Test

a. Normality Test

Table 3 normality test results

	Tests of Normality			Shapiro-Wilk		
	Statistic	df	Itself.	Statistic	df	Itself.
				Kolmogorov-Smirnova		
X1	.133	10	.200*	.956	10	.736
X2	.143	10	.200*	.928	10	.433
And	.239	10	.111	.891	10	.175

Source : output SPSS 27

Based on the results of the Kolmogorov-Smirnov and Shapiro-Wilk tests, significance values were obtained for Short-Term Liabilities (0.736), Long-Term Liabilities (0.433), and Net Income (0.175). Since the entire significance value is greater than 0.05, the data can be declared to be normally distributed. Thus, the regression model meets the assumption of normality.

b. Multicollinearity Test

Table 4 multicollinearity test results

Model	Coefficients						Collinearity Statistics	
	Unstandardized Coefficients		Standardized Coefficients		t	Itself.	Collinearity Statistics	
	B	Std. Error	Beta				Tolerance	BRIGHT
1 (Constant)	-6804597.673	17733746.603			-.384	.713		
X1	.347	.500		.363	.693	.511	.488	2.049
X2	1.868	3.886		.252	.481	.645	.488	2.049

Source : output SPSS 27

The results of the multicollinearity test showed a *Tolerance* value of 0.488 and a *VIF* value of 2.049 for both independent variables. Since $\text{Tolerance} > 0.1$ and $\text{VIF} < 10$, it can be concluded that there are no symptoms of multicollinearity, meaning that the relationships between independent variables in the model do not strongly influence each other.

c. Heterokedasticity Test

Table.4 Heterokedasticity test results

Model		Coefficients			t	Itself.
		B	Std. Error	Standardized Coefficients Beta		
1	(Constant)	-6804597.673	17733746.603		-.384	.713
	X1	.347	.500	.363	.693	.511
	X2	1.868	3.886	.252	.481	.645

Source : output SPSS 27

The results of the heterokedasticity test showed a significance value for Short-Term Liabilities of 0.511 and Long-Term Liabilities of 0.645. Both are greater than 0.05, so it can be concluded that there are no symptoms of heterokedasticity in this regression model.

d. Autocorrelation Test

Table.5 Autocorrelation test results

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.254a	.064	-.203	3926123.013	1.664

Source : output SPSS 27

The Durbin-Watson (DW) value obtained was 1.664. Based on the decision-making criteria ($dU < DW < 4 - dU$), this model does not undergo autocorrelation, thus meeting the residual independence assumption.

3. Multiple Linear Regression Test

a. Determination Coefficient Test (R^2)

Table 5 test results Coefficient of Determination (R^2)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.254a	.064	-.203	3926123.013

Source : output SPSS 27

The R^2 value of 0.064 and the Adjusted R^2 of -0.203 indicate that the Short-Term Liability and Long-Term Liability variables together are only able to explain the change in Net Profit by 6.4%, while the remaining 93.6% is influenced by other factors not examined in this model. This indicates that the contribution of both variables to net profit is relatively small.

b. F Test (Simultaneous)

Table 6 test results F (simultaneous)

		ANOVA				
Model		Sum of Squares	df	Mean Square	F	Itself.
1	Regression	7413792326253.047	2	3706896163126.523	.240	.792b
	Residual	1079010934066.85.860	7	15414441915240.838		

Total	11531488573293 8.900	9			
-------	-------------------------	---	--	--	--

Source : output SPSS 27

Based on the results of the ANOVA test, an F value was obtained calculated as 0.240 with a significance of 0.792 (> 0.05). Thus, it can be concluded that simultaneously Short-Term Liabilities and Long-Term Liabilities do not have a significant effect on the Net Profit of PT Gudang Garam Tbk.

c. t-test (Partial)

Table 7 test results t-test (Partial)

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Itself.
		B	Std. Error			
1	(Constant)	-6804597.673	17733746.603		-.384	.713
	X1	.347	.500	.363	.693	.511
	X2	1.868	3.886	.252	.481	.645

Source : output SPSS 27

The results of the t-test showed that:

- Short-Term Liabilities have a *tcal value* = 0.693 with *sig.* = 0.511
- Long-Term Liabilities have a *tcal value* = 0.481 with *sig.* = 0.645

Both significance values are greater than 0.05, so there is no significant influence between Short-Term Liabilities and Long-Term Liabilities on Net Income.

DISCUSSION

The results of the study show that both short-term and long-term liabilities do not have a significant effect on PT Gudang Garam Tbk's net profit for the 2015–2024 period. This means that changes in the company's liability structure do not directly affect its profitability levels during the observation period. Although the company has fluctuations in the amount of liabilities, net income does not show a statistically significant one-way or inverse relationship.

These findings show that PT Gudang Garam Tbk is able to maintain the stability of its net profit despite changes in the debt structure. Most likely, other factors such as operational efficiency, production strategy, and pricing and tax policies have a more dominant influence on the company's profit performance than the liability aspect. In theory, this result is in line with the view of Brigham and Houston (2019) who stated that the use of liabilities only provides a positive leverage effect if managed proportionally to the company's ability to generate profits.

When viewed from the results of existing research, the results of this study are in line with the findings of Lalu Rizal Ihwandi and Khairul Warok (2021) who stated that liability does not have a significant effect on profitability in mining companies. However, these results are different from the research of Adi Saputra et al. (2019) and Apriliana et al. (2023) which found a significant influence on other manufacturing companies. These differences in results can occur due to variations in industry characteristics, financing structures, and managerial efficiency in each company.

In terms of implementation, this study clearly gives an idea that the management of PT Gudang Garam Tbk needs to emphasize more on managing operational factors and production cost efficiency rather than focusing only on the liability structure. Meanwhile,

for investors, these results indicate that changes in corporate debt levels are not always the main indicator in assessing potential net profit. This research has several limitations, including a relatively limited amount of data for only ten years and a focus on one company. Therefore, further research is recommended to extend the observation period, increase the number of company samples, and include other variables such as total assets, equity, and net sales so that the results of the analysis are more comprehensive.

CONCLUSION

Based on the results of the analysis that has been carried out, it can be concluded that short-term liabilities and long-term liabilities do not have a significant effect on PT Gudang Garam Tbk's net profit during the 2015-2024 period, both simultaneously and partially. This shows that the size of the company's debt does not directly affect the company's profitability.

Traditionally, this study contributes to enriching the literature on the relationship between liability structure and net profit in manufacturing companies. Practically, this result can be an input for the management of PT Gudang Garam Tbk in determining a more efficient funding policy, as well as for investors in assessing the company's financial performance from other aspects besides the level of liability.

For further research, it is recommended that researchers expand the scope of the sample, use a longer time period, and add other independent variables that may affect net profit such as working capital, asset turnover, or leverage ratio in order to obtain more in-depth and accurate results.

ACKNOWLEDGMENTS

We would like to thank the lecturer in charge of the research methodology course at Pamulang University for their guidance and direction during the preparation of this mini research. Gratitude was also conveyed to fellow students who have provided support and input so that this research can be completed properly.

REFERENCE

Adi Saputra, A., Ananda, R., & Sari, D. (2019). *The effect of short-term and long-term liabilities on the profitability of manufacturing companies in the consumer goods sector listed on the Indonesia Stock Exchange*. Journal of Accounting Science and Research, 8(2), 1-12.

Apriliana, A. T., Rachmawati, R., & Astuti, A. (2023). *The effect of short-term liabilities and long-term liabilities on profitability in PT Sepatu Bata Tbk*. Journal of Accounting and Finance, 15(1), 44-53.

Brigham, E. F., & Houston, J. F. (2019). *Fundamentals of financial management* (14th edition). Jakarta: Salemba Four.

Gitman, L. J. (2018). *Principles of managerial finance* (15th ed.). Boston: Pearson Education.

Grace Sriati Mengga, G., Lestari, N., & Setiawan, I. (2023). *Analysis of the influence of short-term liabilities and long-term liabilities on profitability at PT Astra Agro Lestari Tbk*. Journal of Management and Business Sciences, 9(3), 210-220.

Indonesian Institute of Accountants (IAI). (2023). *Financial Accounting Standard Statement (PSAK) No. 1: Presentation of Financial Statements* (Revised 2023). Jakarta: Financial Accounting Standards Board.

Cashmere. (2018). *Analysis of financial statements*. Jakarta: Rajawali Press.

Then Rizal Ihwandi, L., & Warok, K. (2021). *The effect of liability on profitability in mining companies listed on the Indonesia Stock Exchange*. Journal of Economics and Business, 6(2), 97–105.

Martani, D., et al. (2021). *PSAK-based intermediate financial accounting*. Jakarta: Salemba Four.

Nurdiana, N., Pratiwi, A., & Hidayat, F. (2022). *The effect of liability on profitability in PT Unilever Indonesia Tbk*. Journal of Multiparadigm Accounting, 13(2), 102–112.