

## The Effect of Gross Profit Margin (GPM) on Profit Growth at the Indonesian Employee Cooperative (KPRI) Torch of Teachers Bima

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Submitted : March 26, 2021

Revised : March 30, 2021

Published : April 30, 2021

### ABSTRACT

Objective research to analyze the influence of GPM to profit growth in (KPRI) The Torch of Bima Teachers. The research cooperative instrument used was a list of tables containing data on gross profit, net sales, and net income (KPRI) Torch Guru-Guru Bima. The population in the study used was the financial report data of the Torch Teachers of Bima balance and PHU for the last 49 years, namely the years 1970-2019. The sample used is the financial data of the Bima Teachers Torch Cooperative for 10 years for the period 2010-2019. The research sampling method was the purposive sampling method. Data collected through observation, interviews, and literature. Data analysis techniques used are GPM, Profit Growth, Simple Linear Regression Analysis, Simple Correlation Coefficient Analysis, Simple Coefficient of determination, and partially the results t-test show that there is no significant effect of GPM on profit growth at (KPRI) Torch of Bima.

Keywords: *Gross Profit Margin, Profit Growth*

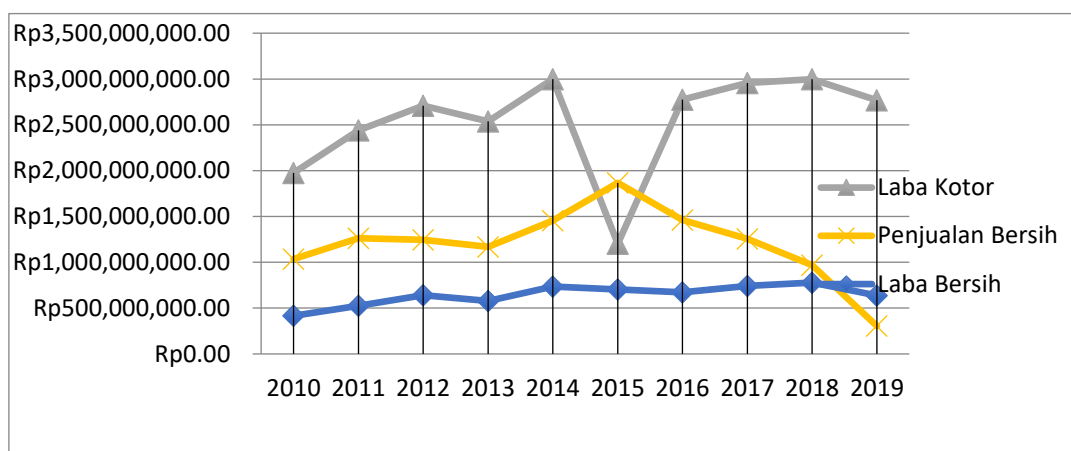
### INTRODUCTION

The covid-19 pandemic caused not only large companies are experiencing bankruptcy but also a cooperative institution. Many cooperatives experience *financial distance* so it is not surprising that many cooperatives are experiencing shortages *financial* due to the pandemic Covid-19 which weakens the joints of the community's economy. As we know institutions non-banking finance such as cooperatives are institutions that support society and the economy middle down.

According to the observations of researchers in Bima City, several cooperatives have had a pandemic impact on Covid-19, one of which is (KPRI) Torch Guru Bima, this is because the members are not able to pay installments and not a few cooperative members who withdraw their savings back. (KPRI) Torch Guru Bima has a legal entity no. 220 / BH / XXII Date 9 January 1970 through May 24, 1995 change to date No. 220A / BH / PAD / KWK23. Since its establishment on July 4, 1968, when viewed from the cooperative, it has been 43 years old, counting from the year the formation of July 4, 1968. (KPRI) Obor Guru-Guru Bima, apart from being a saving cooperative this cooperative borrowing also always provides all kinds of needs of members, such as basic material needs.

According to Sawir (2014: 18), GPM is a ratio that measures control efficiency the cost of production, or its cost. Meanwhile, profit growth is the difference in net income a certain year with the previous year's net income divided by the previous year's net income (Harahap, 2015: 310).

Figure 1. Graph of Gross Profit, Net Sales and Net Profit Data Employees Cooperative Republic of Indonesia (KPRI) Torch Teachers of Bima Year 2010-2019.



Data source: Secondary data were processed in 2021

From the graph above, it is known that the problems that occur in (KPRI) Torch of Bima Teachers when viewed from the GPM ratio component, it is known that gross profit and net sales have fluctuated over the last 10 years, gross profit has fluctuated or fluctuated due to unstable service revenue, while sales net has fluctuated due to unstable sales of goods from cooperatives, where only in 2014 to 2016 has increased, whereas in 2010 and 2013 to 2019 it continued to decline, namely from a total of IDR 1,867,490,900.00 down to a figure IDR 304,762,000.00 in 2019.

The next problem that occurred was da in terms of the component of the Profit Growth ratio, namely where the Net Profit (KPRI) Torch of Bima teachers has also fluctuated in the last 10 years, such as in 2017 the total net profit was Rp. 740,823,771.20 increased to Rp. 778,767,543.20 and back. decreased to as much as Rp. 638,266,519.32, this is due to unstable sales of goods and the large number of trade receivables that are not paid by customers or can be called customer bad credit.

In Bionda and Mahdar's (2017) research, on the effect of *Gross Profit Margin*, *Return on Assets*, and *Return on Equity* on Profit Growth in Manufacturing Companies on the Indonesia Stock Exchange, states that the *Gross Profit Margin* variable does not affect the Profit Growth variable. Whereas in Prasty's (2018) research, on the effect of CR, NPM, GPM, and TATO on Profit Growth in Pharmaceutical Companies state that the *Gross Profit Margin* variable affects the Profit Growth variable.

## METHOD

This research is associative to determine the influence between variables (Sugiyono, 2016). The purpose of this study is to analyze and determine whether there is a significant influence between GPM on Profit Growth in (KPRI) Torch Teachers Bima. The research instrument used is a list of tables containing data on gross profit, net sales, and net income (KPRI) Torch of Bima Teachers. The population is in the form of financial statements of the Obor Guru-Guru Bima Cooperative with balance sheets and PHU for the last 49 years, namely 1970-2019. Samples and sampling techniques are 10 years 2010-2019 period and purposive sampling. The data collected through the method of observation, interviews, and literature. Research data

analysis techniques used are GPM, Profit Growth, Simple Linear Regression, Simple Correlation, Simple Determination, and t-test.

## RESULTS AND DISCUSSION

Table 1. Simple linear regression test

Model	Coefficients <sup>a</sup>			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
(Constant)	.068	.070		.960	.365
<i>Gross Profit Margin (X)</i>	.014	.020	.236	.687	.512

a. Dependent Variable: Profit Growth (Y)

Data Source: Secondary Data SPSS Version 20 Processed 2021

Based on the above data, the Simple Linear Regression equation is:

$$Y = a + bX$$

$$Y = 0,068 + 0,014X$$

From the above equation it can be explained that:

Y = predicted value, namely profit growth

a = constant or if the value of X = 0 then the value of the Profit Growth variable is 0,068

b = GPM regression coefficient, if it is increased by 1 criterion so that profit growth will increase by 0,014

X = GPM

Table 2 correlation coefficient

		Gross Profit Margin	Profit Growth
Gross Profit Margin	Pearson Correlation	1	.236
	Sig. (2-tailed)		.512
	N	10	10
Profit Growth	Pearson Correlation	.236	1
	Sig. (2-tailed)	.512	
	N	10	10

Data Sources: Secondary Data SPSS Version 20 Processed in 2021

Table 2 shows the results of the correlation coefficient of 0,236 with a significant value of 0,512 which means that the level of GPM on profit growth is in a low position.

Table 3. The coefficient of determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.236 <sup>a</sup>	.056	-.062	.139504

a. Predictors: (Constant), Gross Profit Margin (X)

Data Sources: Secondary Data SPSS Version 20 Processed in 2021

Based on table 4 above shows the contribution or contribution of the SPSS test results of determination shows a value of 0,056 or 5,6%, the rest is influenced by several other elements such as Return on Equity, Return on Assets which are not examined.

Table 4. T-test results  
Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.068	.070		.960	.365
Gross Profit Margin (X)	.014	.020	.236	.687	.512

a. Dependent Variable: Profit Growth (Y)

Data Sources: Secondary Data for SPSS Version 20 Processed in 2021

From the results of table 4, the t-test results of the SPSS version 20 output show that partially the t value is 0,687 while the t table is 2,306 with a significant level of 0,512. So that the decision cannot be influential and insignificant. This is due to the sale of goods and the large number of trade receivables that are not paid by customers or bad credit.

This study the same as research conducted by Nainggolan, et al (2019), with the research title "The Effect of *Quick Ratio*, *Total Asset Turn Over* and *Gross Profit Margin* on Profit Growth in *Food and Beverage* Listed on the Indonesia Stock Exchange 2013-2017 Period. ", Which states that the *Gross Profit Margin* has no significant effect on Profit Growth.

## CONCLUSION

Based on the results of the above research, it can be concluded that there is no significant effect between *Gross Profit Margin* (GPM) on Profit Growth in (KPRI) Torch Bima teachers.

Companies should maximize existing costs and must continue to increase sales of their products so that they have an impact on profit growth (KPRI) Torch Bima teachers. Besides, the next researchers can use it as a reference and it is hoped that the differentiated again GPM will be on profit growth and extend the research period so that the research results are more accurate.

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