



The Effect of Cash Management On Financial Performance With Accounts Receivable Management As An Intervening

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ABSTRACT

This study examined the effect of cash management on financial performance with accounts receivable management as a mediating variable among board members of KUD X in Rokan Hulu Regency. The cooperative functions as a guarantor for member loans from regional banks, which creates receivable risks requiring careful oversight. A quantitative causal design was employed. The population consisted of 43 board members, and a census sampling method was applied. Data were collected through questionnaires using a five-point Likert scale. Analysis utilized JASP and SPSS software. The results showed that cash management positively and significantly affected accounts receivable management. Accounts receivable management positively and significantly affected financial performance. Cash management also had a positive and significant direct effect on financial performance. Bootstrapping confirmed that accounts receivable management significantly mediated this relationship (indirect effect). The findings confirm that effective cash management improves receivable handling, which in turn enhances financial performance. The study contributes to agency theory and signaling theory in the context of cooperatives acting as loan guarantors.

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INTRODUCTION

Financial performance serves as a key indicator of an organization's capacity to generate profits. Within the cooperative sector, the Remaining Business Results (SHU) represents the primary measure of a cooperative's success in managing member funds and producing surplus. KUD X, situated in Rokan Hulu Regency, exemplifies a cooperative striving to enhance member services through optimal financial outcomes. Beyond managing member savings and loans, this cooperative also assumes the role of a guarantor for member loans from regional banks, thereby creating accounts receivable risks that necessitate careful oversight.

SHU Achievement Trend 2020-2024

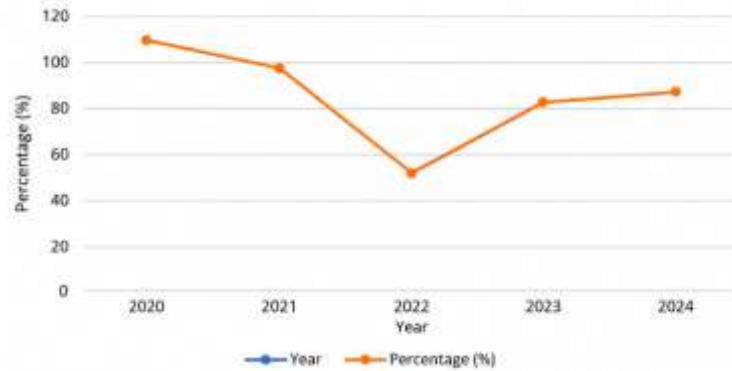


Figure 1. SHU Achievement Trend of KUD X (2020-2024)

As illustrated in Figure 1, the financial performance of KUD X has exhibited considerable fluctuation over the past five years. The cooperative attained its highest SHU achievement in 2020, reaching 111% of the target. This was followed by a decline to 98.86% in 2021. The most substantial deterioration occurred in 2022, when SHU achievement plummeted to 52.80% of the target—a reduction exceeding 46% from the previous year. Notably, although cooperative membership increased throughout this period, the growth in membership did not translate into proportional increases in SHU. A recovery commenced in 2023 (83.73%) and extended into 2024 (88.06%), yet the cooperative has yet to return to its 2020 performance level. It is worth noting that the SHU data spans only five annual periods (2020-2024), which is insufficient for time-series regression analysis.

The observed fluctuations and decline in SHU appear associated with two fundamental factors: cash management practices and accounts receivable management. Balle et al. (2025) discovered that cash turnover and receivable turnover significantly influence cooperative profitability. Similarly, Kalsum et al. (2024) emphasized that capital structure and asset management play crucial roles in determining SHU. These patterns align with Agency Theory (Jensen & Meckling, 1976), which explains the potential for conflicts of interest between members (as principals) and board members (as agents) in cooperative financial management. Board members, acting as agents, bear responsibility for effectively managing cash and collecting member receivables. Nevertheless, the fluctuating SHU data suggests that cooperative financial management has not achieved optimal performance.

Based on these observations, this study aimed to empirically examine: (1) the effect of cash management on accounts receivable management; (2) the effect of accounts receivable management on financial performance; (3) the direct effect of cash management on financial performance; and (4) the mediating role of accounts receivable management in the relationship between cash management and financial performance at KUD X, Rokan Hulu Regency.

LITERATURE REVIEW

Agency Theory

Agency theory, introduced by Jensen and Meckling (1976), explains the relationship between principals (members) and agents (board members). Members entrust board members with the responsibility of managing the cooperative to achieve established goals. However, board members may possess alternative goals or interests that conflict with the cooperative's primary objectives, creating agency conflicts (Putra & Budiasih, 2017). Within the context of KUD X, agency conflicts may materialize regarding cash management from member savings and loan



operations, as well as the collection of receivables from members whose loans the cooperative guarantees. If board members fail to adequately manage these risks, members as principals suffer losses through reduced SHU (Tjahjadi et al., 2021).

Signaling Theory

Signaling theory, proposed by Spence (1973), describes the involvement of two parties: insiders (such as managers) who transmit signals, and outsiders (such as members and stakeholders) who receive those signals. In this study, financial ratios encompassing cash management, accounts receivable management, and financial performance (SHU) serve as signals of cooperative performance to members, partner banks, and other stakeholders (Khoirunnisa & Nirawati, 2024). For a cooperative functioning as a loan guarantor, effective cash management and accounts receivable management convey positive signals to banks regarding the cooperative's credibility and its capacity to honor guarantees. Conversely, poor cash and receivable management transmits negative signals that can adversely affect the cooperative's relationships with partner banks.

Legitimacy Theory

Legitimacy theory, first articulated by Dowling and Pfeffer (1975), explains that legitimacy constitutes a process through which society accepts an organization as a legitimate entity entitled to operate. For cooperatives acting as guarantors, legitimacy from members, partner banks, and the broader community is essential for sustainable operations. Sound cash management and accounts receivable management practices contribute to maintaining this legitimacy.

Financial Performance (SHU)

Profitability ratios generally fall into two primary categories: Return on Assets (ROA) and Return on Equity (ROE) (Siregar et al., 2022). However, within the cooperative context, SHU serves as the principal indicator of financial performance, reflecting the cooperative's success in generating profits after deducting operational costs (Choiriyah et al., 2021). SHU represents the cooperative's income derived from total revenue minus total expenses and obligations within a single fiscal year, thereby reflecting operational efficiency. It constitutes a fundamental measure of profitability, analogous to ROA or ROE in commercial entities. An increase in SHU directly indicates business growth and improved financial health. Moreover, within academic literature, SHU is recognized as a key financial perspective indicator when measuring cooperative performance, such as through the Balanced Scorecard method.

Cash Management

Cash management encompasses the processes of planning, organizing, directing, and controlling activities related to organizational cash inflows and outflows (Brigham & Houston, 2019). The objectives of cash management include maintaining liquidity and maximizing the efficiency of cash utilization (Kasmir, 2019). For cooperatives acting as guarantors, cash inflows derive primarily from member loan repayments and savings contributions. Cash outflows include guarantee claims disbursed to banks when members default (Neema et al., 2023).

Accounts Receivable Management

Accounts receivable management comprises a set of policies and procedures implemented to oversee receivables, spanning from credit provision and collection to the write-off of uncollectible accounts (Ross et al., 2018). A high receivable turnover ratio indicates that funds invested in receivables remain relatively low, suggesting effective receivable management (Yusuf & Hariani, 2024). Within KUD X's context, accounts receivable primarily consist of member loans guaranteed to regional banks. When members default on payments, the cooperative compensates the bank, and the obligation becomes a receivable owed by the member to the cooperative.

HYPOTHESIS DEVELOPMENT

The Effect of Cash Management on Accounts Receivable Management

Cash management reflects a cooperative's capacity to manage cash inflows and outflows to maintain liquidity and meet short-term obligations. Effective cash management provides the cooperative with sufficient liquidity to implement flexible credit policies, maintain collection efficiency, and reduce the risk of uncollectible receivables. According to Agency Theory (Jensen & Meckling, 1976), effective cash management functions as a control mechanism that reduces agency conflicts between members and board members concerning receivable collection. Research conducted by Balle et al. (2025), Gurning (2024), and Neema et al. (2023) reported that cash management and working capital components exert a positive effect on accounts receivable management and financial performance in cooperative settings.

H₁: Cash management positively affects accounts receivable management.

The Effect of Accounts Receivable Management on Financial Performance

Accounts receivable management reflects the effectiveness of cooperative policies in managing member receivables, from credit provision through collection. High receivable turnover indicates effective collection processes, reduces the risk of uncollectible receivables, and improves cash flow, ultimately increasing profitability. According to Signaling Theory (Spence, 1973), effective receivable management conveys positive signals to members and partner banks regarding the cooperative's credibility and financial health. Research by Neema et al. (2023) found that working capital management, including accounts receivable management, has a significant positive impact on the financial performance of savings and credit cooperative societies. Their study indicated that effective receivable management enhances liquidity and supports improved earnings. Balle et al. (2025) similarly confirmed that accounts receivable turnover positively affects profitability in cooperative contexts.

H₂: Accounts receivable management positively affects financial performance.

The Direct Effect of Cash Management on Financial Performance

Cooperatives with effective cash management can maintain optimal liquidity levels, avoid cash shortages or excesses, and deploy cash for productive short-term investments. For cooperatives acting as guarantors for member loans, effective cash management ensures the cooperative's ability to honor guarantee claims when members default, thereby protecting financial performance. Research by Balle et al. (2025) found that cash turnover exerts a positive and significant effect on profitability. Gurning (2024) confirmed this finding, and Neema et al. (2023) also found that working capital management, including cash management, positively influences the financial performance of cooperative societies.

H₃: Cash management positively affects financial performance.

The Mediating Role of Accounts Receivable Management

Accounts receivable management serves as a mechanism transmitting the effect of cash management to financial performance. Strong cash management enables cooperatives to implement effective collection processes and manage member receivables efficiently, which in turn drives improvements in financial performance. Without effective receivable management, even strong cash positions may fail to translate into improved financial performance. Research by Neema et al. (2023) confirmed that working capital components collectively influence the financial performance of cooperative societies, highlighting the strategic importance of integrated working capital management in cooperative settings.

H₄: Accounts receivable management mediates the effect of cash management on financial performance.

Based on the phenomenon of fluctuating SHU achievement at KUD X, the gap between membership growth and financial performance, and the theoretical review of Agency Theory, Signaling Theory, and Legitimacy Theory, the research framework is presented in Figure 2.

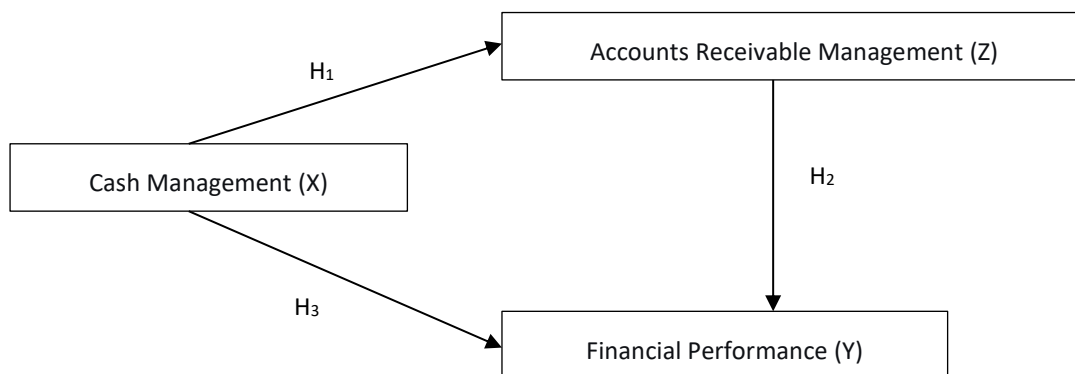


Figure 2. Framework of Study

METHOD

Research Design

A quantitative approach was adopted to measure and test relationships among the study variables. This investigation employed a causal design examining the extent to which the independent variable (cash management) influences the dependent variable (financial performance), and whether accounts receivable management functions as a mediating variable in this relationship.

Population and Sample

Primary cross-sectional data were collected through questionnaires distributed to board members of KUD X in Rokan Hulu Regency. Data collection occurred during a one month period from January to February 2025. The population comprised all board members of KUD X, totaling 43 individuals, including the chairman, vice chairman, secretary, treasurer, and unit managers. The study employed a census sampling method, utilizing all available respondents as the sample (n=43) (Sugiyono, 2019).

Variables and Instruments

Three main variables were examined: Cash Management (X) as the independent variable, Accounts Receivable Management (Z) as the mediating variable, and Financial Performance (Y) as the dependent variable. Data were collected using a questionnaire with a five-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree). Prior to data collection, the questionnaire underwent validity testing using Corrected Item-Total Correlation with a criterion of $r > 0.30$, and reliability testing using Cronbach's Alpha with a criterion of $\alpha > 0.70$ (Nunnally & Bernstein, 1994).

Data Analysis Techniques

Data analysis utilized multiple linear regression with JASP and SPSS software. Classical assumption tests included normality testing (Shapiro-Wilk), heteroscedasticity testing (Glejser), and multicollinearity testing (Variance Inflation Factor). Hypothesis testing employed simple linear regression for H₁, H₂, and H₃, and multiple linear regression for H₄. Mediation testing was conducted using bootstrapping with 5,000 resamples, providing bias-corrected confidence intervals for the indirect effect (Preacher & Hayes, 2008).

RESULTS

Validity and Reliability Test Results

Before conducting hypothesis testing, the research instrument was tested for validity and reliability. Validity testing was conducted using Corrected Item-Total Correlation with a criterion of $r > 0.30$, while reliability testing used Cronbach's Alpha with a criterion of $\alpha > 0.70$ (Nunnally & Bernstein, 1994; Sugiyono, 2019).

Table 1. Validity and Reliability Test Results

Variable	Cronbach's Alpha	Valid Items	Invalid Items	Status
Cash Management (X)	0.889	12	0	Reliable
Accounts Receivable Management (Z)	0.875	12	0	Reliable
Financial Performance (Y)	0.862	12	0	Reliable

Source: Primary data processed (SPSS), 2025

As shown in Table 1, Cronbach's Alpha values for all variables exceeded 0.70: 0.889 for Cash Management, 0.875 for Accounts Receivable Management, and 0.862 for Financial Performance. These values confirm instrument reliability. Furthermore, all 12 items for each variable demonstrated validity (Corrected Item-Total Correlation > 0.30), with no invalid items detected.

Common Method Bias Test

To assess the potential presence of common method bias, Harman's single-factor test was conducted (Podsakoff et al., 2003). All 36 questionnaire items were entered into an unrotated factor analysis using SPSS. The results indicated that a single factor accounted for 38.4% of the total variance, which falls below the recommended threshold of 50%. This finding suggests that common method bias does not represent a serious concern in this study.

Table 2. Harman's Single-Factor Test Results

Indicator	Value
Number of items	36
Variance explained by single factor	38.4%
Threshold (<50%)	Met
Conclusion	No serious common method bias

Source: Primary data processed (SPSS), 2025

Classical Assumption Test Results

Before conducting hypothesis testing, classical assumption tests were performed to ensure the regression model satisfied the Best Linear Unbiased Estimator (BLUE) criteria.

Table 3. Classical Assumption Test Results

Test	Variable	Value	p-value / Sig.	Cut-off	Conclusion
Normality (Shapiro-Wilk)	Residual	0.955	0.091	> 0.05	Normal
Heteroscedasticity (Glejser)	Cash Management (X)	-	0.712	> 0.05	No heteroscedasticity
Heteroscedasticity (Glejser)	Accounts Receivable Management (Z)	-	0.580	> 0.05	No heteroscedasticity
Multicollinearity (VIF)	Cash Management (X)	1.462	-	< 10	No multicollinearity
Multicollinearity (VIF)	Accounts Receivable Management (Z)	1.462	-	< 10	No multicollinearity

Source: Primary data processed (SPSS & JASP), 2025

Normality Test

The Shapiro-Wilk test statistic was 0.955 with a p-value of 0.091. Since the p-value exceeded the significance level $\alpha = 0.05$, the null hypothesis was accepted. Therefore, the residual data in the regression model were normally distributed (Ghozali, 2018).

Heteroscedasticity Test



The Glejser test yielded significance values of 0.712 for Cash Management and 0.580 for Accounts Receivable Management, both exceeding 0.05. This indicates the absence of heteroscedasticity in the regression model (Ghozali, 2018).

Multicollinearity Test

VIF values for both independent variables were 1.462 (<10), with Tolerance values of 0.684 (>0.10). These results indicate no multicollinearity between Cash Management and Accounts Receivable Management (Hair et al., 2019; Ghozali, 2018).

Hypothesis Testing Results

Regression Analysis

Hypothesis testing was conducted using simple linear regression to test H₁, H₂, and H₃, and multiple linear regression to test H₄. The analysis was performed using JASP software.

Table 4. Regression Analysis Results

Hypothesis	Model	R ²	Variable	B	Std. Error	t	p	Conclusion
H ₁	X → Z	0.989	Cash Management	0.763	0.013	60.65	< 0.001	Accepted
H ₂	Z → Y	0.987	Accounts Receivable Management	1.669	0.029	56.65	< 0.001	Accepted
H ₃	X → Y	0.988	Cash Management	1.281	0.022	58.378	< 0.001	Accepted
H ₄	X+Z → Y	0.990	Cash Management	0.685	0.189	3.620	< 0.001	Accepted
			Accounts Receivable Management	0.781	0.247	3.169	0.003	Accepted

Source: Primary data processed (JASP), 2025

Base on Table 4 All four hypotheses were supported. Cash management alone explained 98.9% of the variation in accounts receivable management. Accounts receivable management alone explained 98.7% of the variation in financial performance. Cash management alone explained 98.8% of the variation in financial performance. When both predictors were entered simultaneously, they jointly explained 99.0% of the variation in financial performance.

Mediation Test (Bootstrapping)

To overcome the limitations of the traditional Sobel test and provide more robust estimates of the indirect effect, bootstrapping with 5,000 resamples was employed using JASP software (Preacher & Hayes, 2008).

Table 5. Bootstrapping Mediation Test Results (5,000 samples)

Indirect Effect	a (X→Z)	b (Z→Y)	a×b	SE	95% Lower	CI 95% Upper	p-value
X → Z → Y	0.763	0.781	0.596	0.189	0.225	0.967	0.002

Note: CI = Confidence Interval. Mediation is significant at the 0.05 level because the 95% confidence interval does not include zero (Preacher & Hayes, 2008).

Source: Primary data processed (JASP), 2025

As shown in Table 5, the indirect effect of cash management on financial performance through accounts receivable management was 0.596, with a 95% confidence interval ranging from

0.225 to 0.967. Since this interval does not contain zero, the indirect effect is statistically significant at the 0.05 level. The regression coefficient for cash management decreased from 1.281 (in H₃) to 0.685 (in H₄) following the inclusion of accounts receivable management, indicating partial mediation.

DISCUSSION

Justification of High R² Values

Before discussing the specific findings, it is important to address the exceptionally high R² values observed in this study (ranging from 0.987 to 0.990). While such values are relatively uncommon in social science research, they can be justified on several grounds. First, the study employed a census approach with a highly homogeneous sample. All respondents were board members of the same cooperative (KUD X), sharing similar roles, responsibilities, and knowledge of the cooperative's financial operations. This homogeneity reduces unexplained variance, producing higher R² values than typically observed in studies with diverse samples.

Second, the theoretical relationships among cash management, accounts receivable management, and financial performance in a cooperative context are particularly strong. Working capital management directly determines liquidity and profitability in small-scale financial institutions, resulting in tighter causal linkages than generally observed in large corporations. Third, the measurement items for each variable were derived from established financial management theories (Brigham & Houston, 2019; Ross et al., 2018) and demonstrated high internal consistency (Cronbach's $\alpha > 0.86$), contributing to the strong explanatory power. Fourth, the Harman's single-factor test (38.4% variance explained) confirmed that common method bias does not seriously threaten the validity of these findings. Nevertheless, replication studies with larger and more diverse samples are recommended to confirm the stability of these results.

The Effect of Cash Management on Accounts Receivable Management (H₁)

The results demonstrate that cash management exerts a positive and significant influence on accounts receivable management ($B = 0.763$; $p < 0.001$; $R^2 = 0.989$). This finding suggests that cooperatives maintaining better cash management practices are more capable of managing their receivables effectively. Adequate cash availability enables cooperatives to implement flexible credit policies and establish efficient collection procedures.

This result aligns with Indonesian research by Balle et al. (2025), who found that cash turnover positively affects profitability in consumer cooperatives. Gurning (2024) also confirmed that cash turnover influences profitability in plantation companies. Similarly, Neema et al. (2023) emphasized that working capital efficiency, including cash management, plays a crucial role in driving financial performance in savings and credit cooperative societies.

Within the specific context of KUD X, effective cash management provides sufficient liquidity to cover guarantee claims when members default on bank loans while simultaneously enabling efficient receivable collection processes. Balle et al. (2025) found that cash turnover and receivable turnover significantly influence cooperative profitability. This finding supports Agency Theory (Jensen & Meckling, 1976), which posits that effective financial management functions as a control mechanism to reduce agency conflicts between members (principals) and board members (agents).

The Effect of Accounts Receivable Management on Financial Performance (H₂)

The findings indicate that accounts receivable management exerts a positive and significant effect on financial performance ($B = 1.669$; $p < 0.001$; $R^2 = 0.987$). This result implies that more effective receivable management leads to improved financial outcomes for the cooperative.

This finding is strongly supported by research on cooperative financial performance. Neema et al. (2023) found that working capital management, including accounts receivable turnover, has a significant positive impact on the financial performance of savings and credit cooperative societies. Their study indicated that faster collection enhances liquidity and supports improved earnings in cooperative settings. Balle et al. (2025) further confirmed that accounts receivable turnover positively affects profitability in cooperative contexts.



For KUD X, effective receivable management results in high collectability rates and reduced risk of uncollectible accounts. This is particularly crucial given the cooperative's role as a guarantor for member loans from regional banks. When members make timely loan repayments, the cooperative avoids paying guarantee claims, contributing to stable cash flow and improved SHU. This finding supports Signaling Theory (Spence, 1973), as sound receivable management conveys positive signals to partner banks regarding the cooperative's credibility and financial health.

The Direct Effect of Cash Management on Financial Performance (H₃)

The results show that cash management exerts a direct positive and significant effect on financial performance ($B = 0.685$; $p < 0.001$). This finding indicates that cooperatives with strong cash management practices can maintain optimal liquidity levels, avoid cash shortages or surpluses, and deploy cash for productive short-term investments. Research by Balle et al. (2025) found that cash turnover exerts a positive and significant effect on profitability in consumer cooperatives. Gurning (2024) confirmed that cash turnover influences profitability in plantation companies. Neema et al. (2023) similarly found that working capital management, including cash management, positively influences the financial performance of cooperative societies. Arimbawa and Badera (2018) also found that current asset turnover positively influences cooperative profitability, and Kalsum et al. (2024) emphasized that capital structure and asset management play crucial roles in determining cooperative SHU.

For KUD X, cash from member savings and loan operations must be managed efficiently to cover operational expenses, pay guarantee claims to banks when members default, and maintain SHU achievement. The fluctuating SHU data presented in Figure 1—specifically the sharp decline from 111% in 2020 to 52.80% in 2022—highlights the critical importance of effective cash management. This finding supports Legitimacy Theory (Dowling & Pfeffer, 1975), which suggests that sound cash management practices help organizations maintain legitimacy in the eyes of members, partner banks, and the broader community.

The Mediating Role of Accounts Receivable Management (H₄)

The bootstrapping mediation results demonstrate that accounts receivable management significantly mediates the relationship between cash management and financial performance (indirect effect = 0.596; 95% CI: 0.225 to 0.967; $p = 0.002$). The regression coefficient for cash management decreased from 1.281 to 0.685 after including accounts receivable management in the model, indicating partial mediation (Baron & Kenny, 1986).

This finding aligns with Neema et al. (2023), who confirmed that working capital components collectively influence the financial performance of savings and credit cooperative societies, highlighting the strategic importance of integrated working capital management in cooperative settings. This study contributes new empirical evidence demonstrating that accounts receivable management can function as a mediator in the relationship between cash management and financial performance, specifically within the context of Indonesian rural cooperatives acting as guarantors for member loans. The partial mediation finding indicates that cash management retains a significant direct effect on financial performance even after accounting for the mediating role of receivable management. Therefore, cooperative board members should simultaneously strengthen both cash management systems and receivable collection processes to maximize financial performance.

CONCLUSIONS AND SUGGESTIONS

Conclusions

Based on the analysis and discussion presented, several conclusions can be drawn from this study. First, cash management exerts a positive and significant effect on accounts receivable management. The better the cooperative's cash management practices, the more effective its receivable management becomes. Second, accounts receivable management exerts a positive and significant effect on financial performance. More effective receivable management leads to improved financial outcomes for the cooperative. Third, cash management exerts a positive and

significant direct effect on financial performance. Even without considering the mediating role of receivables, good cash management directly enhances financial performance. Fourth, accounts receivable management significantly mediates the relationship between cash management and financial performance. Cash management influences financial performance both directly and indirectly through the quality of receivable management.

Suggestions for Cooperative Board Members

Cooperative board members must attend to their cash management practices, as effective cash management can improve accounts receivable management and ultimately enhance financial performance. Wisely managed cash serves as a tool for maintaining liquidity and sends positive signals to members and partner banks regarding the cooperative's financial health. However, board members must also attend to accounts receivable management, as poor receivable collection can diminish financial performance. Cooperatives need to improve collection efficiency and financial transparency to ensure that SHU achievement accurately reflects performance valued by members and stakeholders.

Additionally, cooperatives are advised to reassess their guarantee schemes for member loans and strengthen performance-based incentives to more effectively drive improvements in financial performance. Cooperatives should also maintain their commitment to good relationships with partner regional banks, as this enhances credibility and access to financing, given that cooperative sustainability is increasingly assessed based on financial health alongside member service quality.

Limitations of the Study

Several limitations should be acknowledged when interpreting these findings. First, this study was conducted at a single cooperative (KUD X) in Rokan Hulu Regency, which limits the generalizability of the findings to other cooperatives with different characteristics, sizes, or regional contexts. The unique role of KUD X as a guarantor for member loans may also influence the specific relationships observed. Second, the sample size of 43 respondents, while representing the entire population of board members through a census approach, is relatively small for complex mediation analysis. This may affect statistical power and the stability of parameter estimates. Future research should replicate this study with larger samples from multiple cooperatives. Third, the cross-sectional design captures relationships at a single point in time and cannot establish long-term causality. Longitudinal studies are needed to examine how cash management and accounts receivable management affect financial performance over time. Fourth, this study measured financial performance using perceptual questionnaire items. While the cooperative maintains objective SHU records, these cover only five fiscal years—too few for robust regression analysis. Future studies with longer observation periods (10-15 years) should validate these perceptual findings using objective financial data. Fifth, despite acceptable VIF values and the Harman's single-factor test indicating no serious common method bias, the exceptionally high R^2 values (ranging from 0.987 to 0.990) warrant caution. Replication studies with larger and more diverse samples are recommended to confirm the stability of these findings. Sixth, this study did not consider external economic factors such as CPO prices or regional bank interest rates, which might influence cooperative financial performance. Future research should incorporate these macroeconomic variables as additional controls.

Suggestions for Future Research

Future researchers are encouraged to extend the research period and increase the sample size to obtain a more representative sample of actual conditions. Additionally, future researchers should test other variables suspected to influence financial performance, such as member participation, internal control systems, or external economic factors including CPO prices and regional bank interest rates. Replication studies with longer periods of objective SHU data (10-15 years) are also recommended to validate the findings obtained from perceptual measures.

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