

The Influence of Current Ratio, Debt To Equity Ratio, and Total Asset Turn Over on Return on Assets in Manufacturing Companies Listed on the IDX for the 2019-2023 Period

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Abstract – Return on Assets is a profitability ratio used to measure a company's effectiveness in generating profits by utilizing the assets it owns. This research aims to determine the influence of Return on Assets (ROA), Current Ratio (CR), Debt to Equity Ratio (DER), and Total Asset turnover (TATO) in industrial sector manufacturing companies listed on the Indonesia Stock Exchange (BEI) for the 2019 period. -2023. The research method used in this research is associative quantitative research, with a quantitative approach with a population of 66 manufacturing companies in the industrial sector. The sampling method used in this research was purposive sampling, 7 companies were obtained that met the specified sampling criteria. The analysis technique used in this research is multiple linear regression analysis. The data was processed using SPSS Version 26. The results show that there is no influence on the current ratio (CR), debt to equity ratio (DER) partially has no influence, while total asset turnover (TATO) influences the return on assets (ROA). Simultaneously the current ratio (CR), debt-to-equity ratio (DER), and total asset turnover (TATO) influence Return on Assets (ROA).

Keywords – Current ratio, Debt to Equity Ratio, Total Asset Turn Over, Return on Asset.

INTRODUCTION

Manufacturing companies in Indonesia in the era of globalization are currently facing economic challenges, many companies produce similar goods with different brands which causes fierce competition, and some companies are trying to produce high-quality goods but at low cost. Based on data from the Central Statistics Agency (BPS), Indonesia experienced a contraction in economic growth in 2020 of -2.07 percent. This caused the Indonesian economy in 2020 to experience deflation or a drastic decline because economic development in Indonesia has an unstable movement, changes that occur are influenced by the Covid-19 pandemic (Ministry of Finance, 2022). In line with economic growth, the growth of the manufacturing industry sector in Indonesia has experienced various dynamics from 2014 to 2023. However, amid global and national economic conditions, the manufacturing industry recorded positive achievements, which showed

optimism and competitive performance. In the 2014-2022 period, the average GDP growth of Indonesia's manufacturing industry was 3.44%. Again, this figure puts Indonesia higher than the average contribution of world manufacturing GDP (OECD data and World Bank data) with a contribution of 19.9%.

Related to the increasing competition at this time, companies are required to improve performance, especially in their financial performance. Companies are required to determine their good business performance as a guarantee of their survival. In essence, the company was established to generate maximum profits so that it can be said to have good profitability. This is very important so that resources can be used optimally in the face of environmental changes. Companies with high rates of return allow companies to finance most of their internal funding, in other words, companies with larger retained earnings, will use retained earnings first before deciding to use debt. The ratio that is commonly used in

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this analysis is Return On Assets (ROA) (Gultom et.al, 2020).

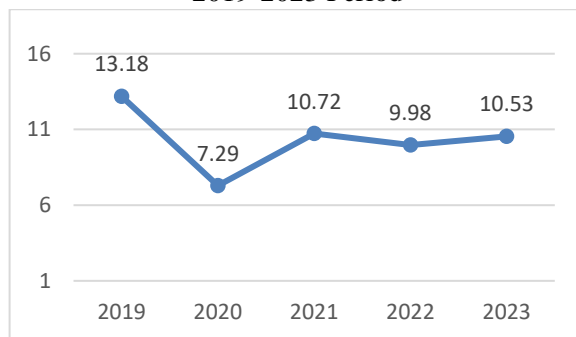
In measuring the success of a company, several ratios can be used, such as the Current Ratio (CR) is a commonly used measure of short-term solvency, the ability of a company to meet debt needs when it matures. The Current Ratio shows the extent to which current assets cover current liabilities. The Current Ratio is used to measure the ability of a corporation to meet its short-term obligations, assuming that all current assets are converted into cash.

Debt To Equity Ratio is a ratio used to assess debt to equity. This ratio is useful for finding out the amount of funds provided by the borrower (creditor) to the owner of the company. In other words, this ratio serves to find out each rupiah of its capital that is used as debt collateral (Sari Puspitarini 2019).

Total Asset Turnover is an overall measure of asset turnover. This ratio is quite often used as a comprehensive scope. Regardless of the type of business, this ratio can describe how well all assets support sales (Prihadi, 2008).

By analyzing the financial ratio, it can know the state of the company, and whether the company's development is good or bad. Thus, it can be estimated that the survival of the company will be in the future (Bambang Riyanto, 2015).

Graph 1.1
Track Return on Company Assets
Manufacturing in the Industrial Sector for the
2019-2023 Period



Source: www.idx.co.id (data processed)

Based on the chart above, it illustrates that the average *Return on Asset* (ROA) in manufacturing companies in the industrial sector listed on the Indonesia Stock Exchange has fluctuated. In 2019 the average ROA was 13.18%, in 2020 it decreased by 5.89% to 7.29%, then in 2021, it increased by 3.43% to 10.72%, in the

following year it decreased by 0.74% to 9.98%, and in 2023 it increased by 0.55 to 10.53%.

The author's consideration of choosing the current ratio (CR) variable is because there are differences in results between previous researchers, so it is necessary to re-examine to prove the correctness of the existing theory. The difference in the results of the study was shown by Lely Diana and Maria Osesoga (2020), Ega Reynando Gamara et.al (2022), and Renil Septiano and Rysha Mulyadi (2023) stating that the current ratio affects the return on assets. However, the results of the study contradict research conducted by Yuli Astuti et.al (2021) which stated that the current ratio does not affect the return on assets.

Furthermore, the author's consideration is to choose the Debt to debt-equity ratio (DER) variable because there is a difference in results between previous researchers, so it is necessary to re-examine to prove the correctness of the existing theory. The difference in the results of the study was shown by Ega Reynando Gamara et.al (2022), Lely Diana et.al (2020), and Sari Puspitarini (2019), concluding that the debt-to-equity ratio had no effect. However, the results of the study contradict the research conducted by Henny Anita Siallagan et.al (2019) which stated that the debt-to-equity ratio affects return on assets.

Next, the author's consideration is to choose the Total assets Turnover variable because there is a difference in results between previous researchers, so it is necessary to re-examine to prove the correctness of the existing theory. The difference in the results of the study was shown by Henny Anita Siallagan et.al (2019), Sari Puspitarini (2019), and Ega Reynando Gamara et.al (2022) who stated that Total Assets Turnover had a significant positive effect on return on assets. However, the results of the study contradict research conducted by Surya Sanjaya et.al (2019) and Dedek Kurniawan Gultom et.al (2020) which stated that Total Assets Turnover does not affect the return on assets.

OBJECTIVES OF THE STUDY

Current Ratio (CR)

The current Ratio is a ratio that shows the level of a company's ability to pay off its short-term debt using its current assets. The higher the Current Ratio or the more liquid the company is, it shows the high level of ability to pay off existing short-term debts by using current assets owned in the company (Lely Diana, Maria Stefani Osesoga, 2020).

Debt to Equity Ratio (DER)

According to Sujarweni (2020: 111) in (Ega Reynando et.al 2022). Debt to Equity Ratio (DER) is a comparison between debts and capital in a company's funding and shows the sustainability of its own capital, the company to fulfill all its obligations.

Total Asset Turn Over (TATO)

Total Assets Turn Over (TATO) is a ratio used to measure the effectiveness of the total assets owned by the company in generating sales, or in other words to measure how much sales will be generated from each rupiah of funds embedded in total assets, Hery (2016) in (Sri Mawarsih et.al, 2020).

MATERIALS AND METHODS

The type of research used in this study is associative quantitative research, with a quantitative approach. The purpose of using this type of research is to identify and measure the degree of relationship between two or more variables without concluding a cause-and-effect relationship. This study aims to find out how strong and directional the relationship between these variables is. In collecting data sources, collecting secondary data sources is used by researchers in their research because the data sources are not obtained directly. The source of data obtained by the researcher and by the discussion of the research, namely the

financial statements of manufacturing companies in the industrial sector published by the Indonesia Stock Exchange on its official website www.idx.co.id. The population in this study is all manufacturing companies in the industrial sector listed on the Indonesia Stock Exchange (IDX) in 2019-2023, consisting of 66 companies. This study uses a sampling technique with the purposive sampling method which is a technique for determining a sample of population members with certain considerations or criteria (Sugiyono, 2009:122). Using the purposive sampling technique, as many as 7 companies in the industrial sector were obtained which were sampled with the criteria that had been determined.

RESULTS AND DISCUSSION

Descriptive Statistical Analysis

Based on Table 1. above, the number of processed data (N) as many as 35 pieces of average value (Mean) obtained for the CR variable value is 5.4688%, for the DER value is 3.8964%, the TATO value is 4.1304%, and the ROA is 1.9975%. The standard deviation value for the CR variable is 0.60815%, for the DER variable 1.08187%, for the TATO variable 0.42729%, and for the ROA variable is 0.42729%. The Maximum Value of CR is 6.76%, the DER value is 5.48%, the TATO value is 4.92%, the ROA is 3.59%, and the minimum value of the four variables is CR 4.34%, DER is 0.68%, TATO is 3.37%, and ROA is -1.31%.

Table 1. Results of Descriptive Statistical Analysis

	Descriptive Statistics				
	N	Minimum	Maximum	Mean	Std. Deviation
Current Ratio	35	4.34	6.76	5.4688	.60815
Debt to Equity Ratio	35	.68	5.48	3.8964	1.08187
Total Asset Turn Over	35	3.37	4.92	4.1304	.42729
Return On Asset	35	-1.31	3.59	1.9975	.96670

Sources: IBM SPSS Statistics Ver.26 Output Data

**Classic Assumption Test
Normality Test**

Based on Table 1.2 above, the results of the Kolmogorov-Smirnov test can be seen as the value of a Symp.sig (2-tailed) is 0.178 which

means it is greater than 0.05 so it can be concluded that the data is normally distributed.

Table 2. Normality Test Results

One-Sample Kolmogorov-Smirnov Test	
	Unstandardize d Residual

N		35
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.78110502
Most Extreme Differences	Absolute	.126
	Positive	.087
	Negative	-.126
Test Statistic		.126
Asymp. Sig. (2-tailed)		.178c

Sources: IBM SPSS Statistics Ver.26 Output Data

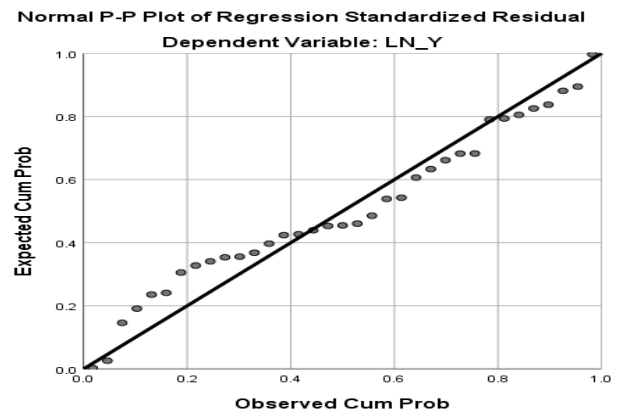


Fig. 1. P-Plot Normality

Based on Figure 1. shows that the data is scattered around the diagonal line or the residual value is close to the straight line and follows the diagonal line, it can be concluded that the data meets the assumption of normality.

Multicollinearity Test

Table 3. Multicollinearity Test Results

Coefficients ^a								
Model	Unstandardized Coefficients		Standardized Coefficients	t	Mr.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	BRIGH T	
1 (Constant)	-2.905	2.592		-1.121	.271			
Current Ratio	.085	.331	.054	.257	.799	.487	2.054	
Debt to Equity Ratio	-.070	.183	-.078	-.382	.705	.505	1.982	
Total Asset Turnover	1.140	.434	.504	2.626	.013	.572	1.748	

a. Dependent Variable: LN_Return On Asset

Source:SPSS V.26 data processing results processed in 2024

Based on table 3 above, shows that the tolerance value in the three variables > 0.10. Meanwhile, the VIF value on the three variables < 10, so it can be concluded that there is no multicollinearity.

Heteroscedasticity Test

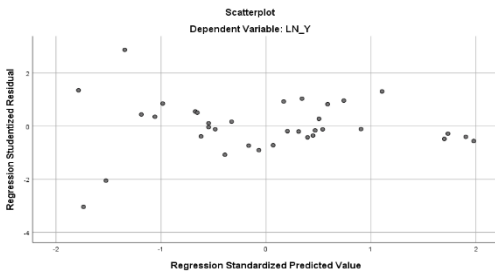


Fig. 2. Heteroscedasticity Test Results

Based on the Scatter Plot chart above, it is clear that there is no specific line because the point of spread is irregular above and below the zero digits on the Y axis, so it can be concluded that there is no heteroscedasticity in this regression model. With that in mind, it can be said that the classical assumption condition in the regression model is acceptable.

Autocorrelation Test

Table 4. Autocorrelation Test Results

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.589	.347	.284	.81803	1.597
a. Predictors: (Constant), LN_TOTAL ASSET TURN OVER, LN_DEBT TO EQUITY RATIO, LN_CURRENT RATIO					
b. Dependent Variable: LN_RETURN ON ASSET					

Source : SPSS V.26 data processing results processed in 2024

Based on the results of the autocorrelation test shown by the output of SPSS V.26 above, it can be seen that the *Durbin Watson* (DW) value shows a result of 1.597, far from the number -2 to the number 2, so it can

be concluded that there is no autocorrelation between the observation data and the regression analysis is worthy of testing.

Multiple Linear Regression Test

Table 5. Multiple Linear Regression Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Mr.
	B	Std. Error	Beta		
(Constant)	-2.905	2.592		-1.121	.271
Current Ratio	.085	.331	.054	.257	.799
Debt to Equity Ratio	-.070	.183	-.078	-.382	.705
Total Asset Turnover	1.140	.434	.504	2.626	.013
a. Dependent Variable: LN_RETURN ON ASSET					

Source: SPSS V.26 data processing results processed in 2024

From Table 5 above, it can be seen that the calculation of multiple linear regression is formulated into the regression equation as follows:

1. The value of Constant (a), The result of the constant (a) of the multiple linear regression equation above is -2.905. This means that if *the* Current Ratio (CR), debt-to-equity ratio

(DER), and total asset turnover (TATO) are considered constant or have a value of zero (0), then the return on asset (ROA) value is -2,905.

2. The value of the current ratio coefficient (β_1 CR), the result of the regression coefficient of the liquidity variable (CR) from the multiple linear regression equation above has a positive

value of 0.085. This shows a change in the unidirectional relationship between the Current Ratio (CR) and return on assets (ROA). This means that if the Current Ratio (CR) increases, it will be offset by an increase in return on assets (ROA) of 0.085.

3. The value of the debt to equity ratio regression coefficient (β_{2DER}), The result of the debt to equity ratio (DER) regression coefficient from the multiple linear equations above has a negative value of -0.070. This shows a change in the opposite relationship between the debt-to-equity ratio (DER) and return on assets (ROA). This means that if the debt-to-equity ratio (DER) increases by one unit, the return on assets (ROA) will decrease by -0.070.
4. The value of the total asset turnover regression coefficient (β_{3TATO}), The value of the total

asset turnover regression coefficient (TATO) of the multiple linear equations above is 1.140. This shows a change in the one-way relationship between total asset turnover (TATO) and return on assets (ROA). This means that if the total asset turnover (TATO) increases in unit stau, it will be followed by an increase in return on assets (ROA) of 1,140.

Correlation Coefficient Test

Determination Coefficient Test (R2)

The determination coefficient (R2) is carried out to measure the model's ability to explain how the independent variables' Current ratio, Debt to debt-to-equity ratio, and Total Asset turnover together (simultaneously) affect the dependent variable *Return On Asset* which can indicate the extent to which the Adjusted R-Square value can be indicated.

Table 6. Determination Coefficient Test Results (R2)

Model Summary^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.589a	.347	.284	.81803	1.597
a. Predictors: (Constant), LN_TOTAL ASSET TURN OVER, LN_DEBT TO EQUITY RATIO, LN_CURRENT RATIO					
b. Dependent Variable: LN_RETURN ON ASSET					

Source: SPSS V.26 data processing results processed in 2024

Based on the table above, the R Square value is obtained at 0.347. Furthermore, the calculation of the determination coefficient (Kd) is used to determine the value of Return On Asset (ROA) which is influenced by the Current Ratio (CR), Debt to debt-to-equity ratio (DER), and Total Asset turnover (TATO). While the rest of the amount is explained by other variables that are not used in this study.

This result shows a value of 34.7%, thus showing that the independent variables, namely Current Ratio (CR), Debt to Equity Ratio (DER), and (TATO), affect the dependent variable, namely financial performance (ROA) by 34.7%. While the remaining 65.3% were influenced by other factors that were not studied in this study. Thus, it can be concluded that between the liquidity variable (CR), solvency ratio (DER), and activity ratio (TATO) affect the dependent variable, namely financial performance

(ROA) has a positive influence because the interval value is between 0 to 1.

Hypothesis Testing

Test T

The t-test is carried out by comparing the $T_{calculated}$ with the T_{table} so that it is called the T-Test. The t-test can be seen on the SPSS output of the coefficient table. In the table what is seen is the value of t or sig. Decision making in the t-test is:

1. If the value of the sig < 0.05, or $T_{calculated} > T_{table}$, it can be said that there is an influence of the independent variable (X) on the bound variable (Y).
2. If the value of the sig > 0.05, or the $T_{is\ calculated} < T_{table}$, it can be said that there is no influence of the independent variable (X) on the bound variable (Y).

If the results obtained are negative, the basic assumptions of decision-making are reversed, which are as follows:

1. If $-Count > -T_{table}$ then H_0 is accepted and H_a is rejected, then there is no significant influence of

the independent variable on the dependent variable.

2. If $-Count < -T_{table}$ then H_0 is rejected and H_a is accepted, then there is a significant influence of the independent variable on the dependent variable.

Table 7. T Test Results

Coefficients ^a							
Model	Unstandardized Coefficients		Standardized Coefficients	t	Mr.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	BRIG HT
(Constant)	-2.905	2.592		-1.121	.271		
Current Ratio	.085	.331	.054	.257	.799	.487	2.054
Debt to Equity Ratio	-.070	.183	-.078	-.382	.705	.505	1.982
Total Asset Turnover	1.140	.434	.504	2.626	.013	.572	1.748

a. Dependent Variable: LN_RETURN ON ASSET

Source: SPSS V.26 data processing results processed in 2024

Based on the table above, it can be seen that the calculation value for the Current Ratio (CR)(X1) shows a figure of 0.257 for the Debt to Equity Ratio (DER)(X2) of -0.382, and for the Total Asset Turn Over (TATO)(X3) of 2.626. Furthermore, the calculation of the t table value was carried out with the criterion of significance level of 0.05 and the degree of freedom (dk) = n-k, where n is the number of samples and k is the number of variables. Then you get 35-3 = 32. So the t-value of Table 2.037 was obtained. Referring to the t-test, the influence of each independent variable on related variables can be concluded as follows:

1. Based on the calculation of the t-test, the results of the t-test were obtained to calculate the t-table $< (0.257 < 2.037)$ and the sig. $(0.799 > 0.05)$. So the conclusion taken, namely H_0 was accepted and H_a was rejected. Thus, it can be concluded that the current ratio (CR) does not affect the return on assets (ROA) in manufacturing companies in the industrial sector listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period.
2. Based on the test calculations, the results of the t-t-count test $> t$ table $(-0.382 > -2.037)$ and the sig. Values of $0.705 > 0.05$ were obtained. So the

decision that was made, namely H_0 was accepted and H_a was rejected. Thus, it can be concluded that the debt-to-equity ratio (DER) does not affect the return on assets (ROA) of manufacturing companies in the industrial sector listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period.

3. Based on the calculation of the t-test, the results of the t-hypothesis test were obtained for the t-table calculation $> (2.626 > 2.037)$ and the value of sig. $0.13 > 0.05$. So the decision that was handed down, namely H_0 , was rejected and H_a was accepted. Thus, it can be concluded that there is a significant influence between total asset turnover (TATO) on return on assets (ROA) in manufacturing companies in the industrial sector listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period.

Test F

The F test is used to see if there is a feasibility or simultaneous influence between the independent variable and the dependent variable used in a study. The f test aims to see whether or not there is a simultaneous influence (together) given by the independent variable (X) to the variable (Y).

Table 8. Test Result F

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Mr.
1	Regression	11.029	3	3.676	5.494	.004b
	Residual	20.744	31	.669		
	Total	31.774	34			
a. Dependent Variable: Return on Asset						
b. Predictors: (Constant), Total Asset Turn Over, Debt to Equity Ratio, Current Ratio						

Source: SPSS V.26 data processing results processed in 2024

Based on the table above, it can be seen that the value of F_{cal} is 5.494 while the value of F_{table} taken using $df_2 = (n-k-1)$ $df_2 = (35-3-1) = 31$ with a confidence level of 5% ($\alpha=0.05$), and F table is obtained of 2.91. It can be seen that $F_{cal} > F_{table}$ ($5.494 > 2.91$) with a significance level of $0.004 < 0.05$. Therefore, it can be concluded that there is a simultaneous influence of the current ratio (CR), debt-to-equity ratio (DER), and total asset turnover (TATO) on return on assets (ROA).

The Influence of Current Ratio (CR) on Return on Assets (ROA)

The current ratio is a ratio used as an indicator to describe the company's ability to pay or pay off its short-term debt that will soon mature using current assets.

Based on the results of the statistical analysis calculation in this study, it can be seen that the results of the t-test (partial) that for the current ratio (CR) variable, the tcount value is $0.257 < 2.037$ with a significant value of $0.799 > 0.05$. Therefore, it can be concluded that the current ratio does not affect the return on assets (ROA) of manufacturing companies in the industrial sector listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period.

The results of this study are supported by previous research conducted by Ega Reynando Gamara et.al (2022), Dedek Kurniawan Gultom et.al (2020), and Ade Ulfa Utami et.al (2019) which stated that the current ratio (CR) does not affect the return on assets (ROA).

The Influence of Debt-to-Equity Ratio (DER) on Return on Assets (ROA)

Debt to equity ratio is a ratio used to measure a company's financial performance in assessing the extent to which the company uses funds obtained from debt to pay off long-term obligations and finance its assets by relying on debt.

Based on the results of statistical analysis in this study, it can be seen that the results of the t-test (partial) that for the Debt to Equity Ratio (DER) variable, it is known that the t-calculated value $>$ t table ($-0.382 > -2.037$) and the value of sig. $0.705 > 0.05$. So the decision that was made, namely H_0 was accepted and H_a was rejected. Thus, it can be concluded that the Debt to debt-equity ratio (DER) does not affect the return on assets (ROA) of manufacturing companies in the industrial sector listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period.

The results of this study are supported by the results of previous research conducted by the journal The results of this study are supported by the results of previous research conducted by Ega Reynando Gamara et.al (2022) and Sri Mawarsih et.al (2020) which stated that there was no effect between Debt to Equity Ratio (DER) and Return On Asset (ROA).

The Influence of Total Asset Turn Over (TATO) on Return On Asset (ROA).

Total asset turnover (TATO) is a ratio that measures the ability of the company's management to manage and utilize all assets to increase sales or revenue.

Based on the results of statistical analysis in this study, it can be seen that the results of the t-test (partial) test using the SPSS V.26 tool above obtained the results of the hypothesis test $t_{calculation} >$ t table ($2.626 > 2.037$) and the value of sig. $0.13 > 0.05$. So the decision that was handed down, namely H_0 , was rejected and H_a was accepted. Thus, it can be concluded that there

is a significant influence between Total Asset Turn Over (TATO) on Return On Asset (ROA) in manufacturing companies in the industrial sector listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period.

The results of this study are supported by the results of previous research conducted by Sri Mawarsih et.al (020), Ega Reynando Gamara et.al (2022), and Misbahul Khoer et.al (2020) who stated that Total Asset Turn Over (TATO) affects Return On Asset (ROA).

The Influence of Current Ratio (CR), Debt to Equity Ratio (DER), and Total Asset Turn Over (TATO) on Return on Assets (ROA).

Based on the results of statistical analysis in this study, it show the value of $F_{cal} > F_{table}$ ($5.494 > 2.91$) with a significance value of $0.004 < 0.05$. Therefore, it can be concluded that there is a simultaneous (together) influence on the Current Ratio (CR), Debt to Equity Ratio (DER), and Total Asset Turn Over (TATO) on Return On Asset (ROA) in manufacturing companies in the industrial sector listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period.

The results of the determination coefficient analysis, show a value of 34.7%, thus showing that the independent variables, namely Current Ratio (CR), Debt to Equity Ratio (DER), and Total Asset turnover (TATO), affect the dependent variable, namely Return On Asset (ROA) by 34.7%. While the remaining 65.3% were influenced by other factors that were not studied in this study. Thus, it can be concluded that the variables Current Ratio (CR), Debt to Equity Ratio (DER), and Total Asset Turn Over (TATO) affect the dependent variable, namely Return On Asset (ROA) has a positive influence because the interval value is between 0 to 1.

CONCLUSION AND RECOMMENDATION

Turn Over (TATO) against the Return ON Asset (ROA) of manufacturing companies in the industrial sector listed on the Indonesia Stock Exchange for the 2019-2023 period. Based on the results of the analysis and discussion in this study, the following conclusions can be drawn:

1. The results of the t-current ratio (CR) test on Return on asset (ROA) obtained a calculated t-value of $0.257 < 2.036$ with a significant value of $0.799 > 0.05$. So the decision taken was that H_0 was accepted and H_a was rejected. Thus, it can be

concluded that the current ratio (CR) does not affect the Return on asset (ROA) in manufacturing companies in the industrial sector listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period.

2. The results of the Debt to Equity Ratio (DER) t-test against Return on asset (ROA) obtained a t-t-test value $< t_{table}$ ($-0.382 < 2.036$) and a value of $0.705 > 0.05$. So the decision that was made, namely H_0 was accepted and H_a was rejected. Thus, it can be concluded that the Debt to debt-equity ratio (DER) does not affect the Return on asset (ROA) in manufacturing companies in the industrial sector listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period.
3. The results of the total asset turnover (TATO) t-test against Return on asset (ROA) measured by Return on asset obtained the value of the t-hypothesis test calculated $> t_{table}$ ($2.626 > 2.036$) and the value of $sig.0.13 > 0.05$. So the decision that was handed down, namely H_0 , was rejected and H_a was accepted. Thus, it can be concluded that there is a significant influence between total asset turnover (TATO) on Return on asset (ROA) in manufacturing companies in the industrial sector listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period.
4. Based on the results of statistical analysis in this study, it show the value of $F_{cal} > F_{table}$ ($5.494 > 2.91$) with a significance value of $0.004 < 0.05$. Therefore, it can be concluded that there is a simultaneous (together) influence on the current ratio (CR), debt to equity ratio (DER), and total asset turnover (TATO) on Return on asset (ROA) in manufacturing companies in the industrial sector listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period.

The suggestions that can be submitted to the next researcher are as follows:

1. For the next researcher, it is better to add other independent variables that may affect financial performance so that the results obtained are more accurate.
2. For the next researcher, it is hoped that more samples will be used such as companies in other sectors that are listed on the Indonesia Stock Exchange (IDX) so that more samples of companies can be compared with the results of this study.

3. For companies, the results of this research can be useful and become a consideration for decision-making on the company's financial management management.
4. For industrial sector manufacturing companies, it is better to increase the company's capital to carry out its operational activities and to improve its financial performance, especially at the level of debt use. Because the higher the debt, the higher the interest that must be paid and the more likely the company to go bankrupt.

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