



THE INFLUENCE OF CR, DER, WCTO, AND TATO ON ROA AT PT WIJAYA KARYA BETON TBK FOR THE 2015-2024 PERIOD

Muhammad Ardi Ramadhan¹, Moch Azhar Irwansyah², Afina Maryam Haryati³, Reza Ros Kusuma Dewi⁴, Nadila Fauzi Fahmi^{5*}

^{1,2,3,4,5}Faculty of Economics and Business, Universitas Siliwangi, Tasikmalaya, Indonesia

^{*}720nadila@gmail.com

Abstract. This study aims to analyze the effect of Current Ratio (CR), Debt to Equity Ratio (DER), Working Capital Turnover (WCTO), and Total Asset Turnover (TATO) on Return on Assets (ROA) at PT Wijaya Karya Beton Tbk (WTON) during the period 2015–2024. Profitability is an important indicator in assessing a company's effectiveness in utilizing its assets, so an understanding of the factors that influence ROA is necessary to support more optimal financial decision-making. The research method used is quantitative with a verificative and explanatory approach, and hypothesis testing is carried out using multiple linear regression analysis assisted by SPSS. The results show that, partially, the Current Ratio (CR) has no effect on Return on Assets (ROA), Debt to Equity Ratio (DER), Working Capital Turnover (WCTO), and Total Asset Turnover (TATO) do not have a significant effect on Return on Assets (ROA). Simultaneously, the four independent variables did not have a significant effect on ROA. These findings indicate that changes in company profitability during the research period were not primarily determined by the level of liquidity, solvency, or the effectiveness of working capital and asset turnover. In practical terms, the results of this study recommend that companies focus more on asset management and profit-enhancing strategies through operational efficiency and evaluation of funding policies. This study is expected to serve as an empirical reference for companies, investors, and academics in understanding the factors that affect profitability, particularly in the precast concrete industry in Indonesia.

Keywords: current ratio; debt to equity ratio; working capital turnover; total asset turnover; return on assets.

1. Introduction

Economic growth is a process of change in the economic condition of a country that continues continuously towards a better level within a certain period of time. In Indonesia, the pace of economic growth is influenced by various factors, one of which is the industrial factor, namely the manufacturing sector. In maintaining sustainability and competitiveness, manufacturing companies are required to have good financial management.

Working capital management is one of the important aspects of financial management. One of the manufacturing subsectors that has a big role in national development is the concrete industry. This industry plays an important role in providing the main raw materials for the construction and infrastructure sectors, so its sustainability will have a direct impact on economic growth. The concrete industry in Indonesia is one of the important manufacturing sectors that supports infrastructure development and economic growth. The availability of adequate concrete is urgently needed to support construction projects, such as the construction of toll roads, bridges, ports, housing, and other national strategic projects. However, in recent years, the industry has experienced significant challenges.

The national concrete industry, especially in the ready-mix concrete segment, has experienced fluctuations in demand in recent years. Reporting from Research and

Markets, in 2022 the demand for ready-mix concrete in the concrete industry was recorded to have decreased by around 15.7% compared to the previous year, this was due to a shift to the method of mixing directly at the project site (on-site mix concrete) which is considered more efficient for certain projects. This condition has an impact on the performance of concrete production companies in Indonesia because the utilization of production capacity is not optimal. However, in 2023 this industry began to recover with demand increasing again by around 21.4% compared to 2022.

This fact shows that the concrete industry in Indonesia cannot be separated from fluctuations in demand. This condition causes concrete production companies to be able to manage working capital and maintain their profitability in order to maintain their business activities. Good working capital management can basically improve the company's performance, both in terms of profitability, liquidity, and operational efficiency. Working capital management is part of a financial strategy that plays a role in maintaining the company's competitiveness and sustainability.

The company will have a better ability to fulfill its financial responsibilities if the quality of its working capital is maintained. This can support the smooth running of operational activities, so that the company's business goals can be achieved optimally. This condition is very important, especially for companies engaged in the concrete industry sector, where the level of competition and the need for working capital are relatively high.

One of the concrete producing companies is PT Wijaya Karya Beton Tbk (WTON). PT Wijaya Karya Beton Tbk is a subsidiary of PT Wijaya Karya (Persero) Tbk which is engaged in precast concrete and construction. PT Wijaya Karya Beton Tbk has a strategic role in providing concrete products for various national infrastructure projects, so its performance is greatly influenced by the dynamics of the concrete and construction industry in Indonesia.

In 2020, net profit was recorded at IDR 123,147.08 million, but it decreased to IDR 81,433.96 million in 2021. This condition improved again in 2022 with an increase in net profit of IDR 171,060.05 million, but in 2023 the company actually experienced a drastic decline to only post IDR 19,816.76 million. The year 2024 shows a recovery with a net profit of IDR 64,199.51 million. This fluctuating profit indicates instability in the company's financial performance, which is likely influenced by working capital management factors. A decrease in profit is an important issue that companies need to pay attention to.

Profitability is one of the important measures to see how well a company's financial performance is. Of the various existing measures, Return on Assets (ROA) is often used because it is able to describe a company's ability to generate profits from the assets it owns. Return on Asset describes the effectiveness of management in utilizing existing assets to create profits.

There are several factors that are suspected to affect the Return on Asset, namely the financial ratio, including the liquidity ratio measured by the Current Ratio (CR), the solvency ratio measured by the Debt to Equity Ratio (DER), the activity ratio measured by Working Capital Turnover (WCTO) and Total Asset Turnover (TATO). Current Ratio is a financial ratio used to measure a company's ability to meet its short-term obligations by utilizing its current assets. Debt to Equity Ratio is a ratio used to determine the extent to which a company's assets are funded by debt. Working Capital Turnover is a ratio that shows how effectively a company uses its working capital to generate sales. Total Asset

Turnover is a ratio used to assess how effectively a company utilizes all its assets to generate sales.

Previous research states that Current Ratio and Debt to Equity Ratio have no effect on Return on Asset (Widati & Hartini, 2021). Meanwhile, another study states that the Current Ratio has an effect on the Return on Asset and the Debt to Equity Ratio has no effect on the Return on Asset (Damayanti & Chaerudin, 2021). Other research states that Working Capital Turnover and Debt to Equity Ratio have no effect on Return on Asset while Total Asset Turnover has an effect on Return on Asset (Hidayat & Nurismalatri, 2024).

This condition shows that there is a difference in the results of previous research on the influence of financial ratios on profitability that should be explored further through an empirical approach. This condition emphasizes the importance of conducting research on the influence of Current Ratio (CR), Debt to Equity Ratio (DER), Working Capital Turnover (WCTO), and Total Asset Turnover (TATO) on Return on Asset (ROA) in more depth. Research like this is needed to provide a clearer picture of how these ratios actually affect a company's profitability. These differences in findings show that there is an important research gap to be re-examined.

Based on these conditions, the formulation of this research problem includes: (1) whether CR, DER, WCTO, and TATO affect ROA at PT Wijaya Karya Beton Tbk; and (2) which factors are the most dominant influencing ROA.

This study aims to analyze the influence of CR, DER, WCTO, and TATO on the ROA of PT Wijaya Karya Beton Tbk for the period 2015–2024, as well as identify the most influential variables.

Theoretically, this research is expected to enrich the literature related to financial management, especially the relationship between financial ratios and company profitability. Practically, the results of the research can be an evaluation material for WTON management in improving the effectiveness of working capital and asset management, as well as beneficial for investors and creditors in assessing the company's prospects.

2. Research Methods

This study uses a verifiable method that aims to test existing theories and hypotheses, so as to re-confirm the truth and validity of the relationship between variables based on the previously established theoretical framework by utilizing empirical data. Quantitative research itself is designed to test theory by looking at the relationship between variables that can be calculated and processed statistically (Berlianti et al., 2024). With this approach, the study is focused on analyzing the influence of Current Ratio (CR), Debt to Equity Ratio (DER), Working Capital Turnover (WCT), and Total Asset Turnover (TATO) on Return on Assets (ROA) in PT Wijaya Karya Beton Tbk (WTON) for the 2015-2024 period.

The type of research used is at the explanatory research level. According to Sugiyono (2021), explanatory research is intended to explain the position of each variable studied and how the relationship between these variables is formed. In other words, this study not only tests hypotheses, but also seeks to explain the relationship and influence of independent variables (CR, DER, WCT, and TATO) on bound variables (ROA).

The approach used is a quantitative approach, which is an approach that focuses on data analysis in the form of numbers that are then processed using statistical methods. Quantitative research is based on the philosophy of positivism, where research is carried

out on a specific population or sample with measurable research instruments (Berlianti et al., 2024). Data analysis is carried out to test pre-determined hypotheses, so that the results can be scientifically accounted for.

The technique chosen in this study is the survey method. The survey method is a form of quantitative research used to obtain data on the relationship between variables in a certain period, both past and present (Berlianti et al., 2024). The results of research with the survey method are usually generalization, so the findings obtained can represent the condition of the population more broadly.

3. Results and Discussion

Development of content Research Variables The results of the descriptive analysis show that the financial ratio of PT Wijaya Karya Beton Tbk (WTON) for the period 2015 - 2024 tends to fluctuate. The Current Ratio (CR) had decreased to 103.20% in 2017, but increased again to 129.18% in 2024, indicating an improvement in short-term liquidity. The Debt to Equity Ratio (DER) moved unstable, reaching a peak of 194.6% in 2019, then declining to 95.1% in 2024, indicating a healthier capital structure. Working Capital Turnover (WCTO) was relatively high in 2018 (8.87) and 2022 (8.88), but declined back to 5.51 in 2024, indicating that working capital effectiveness has not been consistent. Total Asset Turnover (TATO) hit its lowest point in 2021 (4.83), but improved to 6.81 in 2024, reflecting improved asset utilization efficiency. Meanwhile, the Return on Assets (ROA) shows a downward trend, from 5.8% in 2016 to 0.26% in 2023, with a slight improvement to 0.89% in 2024.

a. Regression Analysis Results

Coefficients ^a							
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-10.357	12.512		-.828	.446	
	CR	.042	.076	.211	.556	.602	.463
	DER	.017	.022	.323	.799	.461	.409
	WCTO	-.266	.444	-.209	.599	.576	.549
	TATO	11.998	7.941	.549	1.511	.191	.506

a. Dependent Variable: ROA

Figure 1. Regression Analysis Result

The t-test is mainly used to measure the influence of each independent variable separately in explaining dependent changes or variations in regression analysis (Ghozali, 2021).

Based on the results of the partial test (t-test) in the coefficients table, all independent variables, namely Current Ratio (CR), Debt to Equity Ratio (DER), Working Capital Turnover (WCTO), and Total Asset Turnover (TATO), did not show a significant effect on Return on Assets (ROA). This is indicated by the significance value of each variable being greater than 0.05, so that statistically no variable is proven to partially affect ROA.

b. Discussion

Model Summary ^b						
Model	R	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1
1	.822 ^a	.676	1.64446	.676	2.810	4

Figure 2. Coefficient of Determination

The coefficient of determination (adjusted R²) in multiple linear regression is used to assess the ability of independent variables to explain variations in dependent variables. The higher the value of adjusted R², the better the independent variables describe the changes in the dependent variables. Conversely, a low value of adjusted R² indicates that the independent variables make only a limited contribution to explaining the dependent variables (Ghozali, 2021).

Based on Model Summary Table, the value of the determination coefficient (R Square) is 0.676 which shows that 67.6% of the variation in Return on Assets (ROA) change can be explained by independent variables, namely Current Ratio (CR), Debt to Equity Ratio (DER), Working Capital Turnover (WCTO), and Total Asset Turnover (TATO). Meanwhile, the remaining 32.4% was explained by other factors outside of this research model. The Adjusted R Square value of 0.417 confirms the strong influence of independent variables on ROA even though the model is not yet fully optimal.

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.801	4	6.950	2.491	.172 ^b
	Residual	13.954	5	2.791		
	Total	41.755	9			

a. Dependent Variable: ROA

b. Predictors: (Constant), TATO, CR, WCTO, DER

Figure 3. F-Test Result

The F-test is a statistical method used to evaluate the overall significance of a regression model, with the aim of determining whether the independent variables, when evaluated simultaneously, have an influence on the dependent variable (Ghozali, 2021).

The results of the F test (ANOVA) showed an F value of 2.491 with a significance of 0.172 (> 0.05). This indicates that simultaneously CR, DER, WCTO, and TATO do not have a significant effect on ROA. In other words, the regression model built has not been able to explain the influence of independent variables together on the company's profitability. The results of this study show that the four financial ratios tested (CR, DER, WCTO, and TATO) did not have a significant influence on profitability proxied by ROA in PT Wijaya Karya Beton Tbk during the study period. These findings can be caused by high fluctuations in the company's profits, so the relationship between financial ratios and profitability is not seen consistently.

From the perspective of financial management, this condition illustrates that the effectiveness of the use of the company's assets and working capital has not been optimal in generating profits. Although CR, DER, and WCTO are not significant, the relatively high Beta value of TATO indicates that asset utilization efficiency remains a more

influential factor than other variables. These results are in line with the research of Hidayat & Nurismalatri (2024) which states that TATO has an effect on ROA, while CR and DER are often insignificant.

4. Conclusion

Based on the results of the research on the influence of Current Ratio (CR), Debt to Equity Ratio (DER), Working Capital Turnover (WCTO), and Total Asset Turnover (TATO) on Return on Assets (ROA) at PT Wijaya Karya Beton Tbk for the 2015-2024 period, several conclusions can be drawn. First, the Current Ratio has no effect on Return on Asset, these results are in line with research by Thaha (2023), which states that CR has no effect on ROA. Second, the Debt to Equity Ratio has no effect on Return on Asset, these result are in line with research by Thaha (2023), which state that DER has no effect on ROA. Third, Working Capital Turnover (WCTO) has no effect on ROA, the result are in line with research by Febriana et al., (2025) and Simatupang & Sari (2021). which states that WCTO has no effect on ROA. Last, the total asset turnover has no effect on roa, these results are in line with research by Widjayanti et al., (2024). Simultaneously WCTO and TATO has no effect on ROA, these results are in line with research by Simatupang & Sari (2021). And simultaneously, CR and DER has no effect on ROA and these results are in line with research by Ammy & Hasibuan (2021), which state that CR and DER simultaneously have no significant effect on ROA.

The practical implications of these results suggest that excess current assets that are not used productively can reduce a company's profitability. Therefore, management needs to optimize the management of current assets, especially inventories and accounts receivable, so as not to result in idle funds. Cash management-based sales policies, accelerated collection of accounts receivable, and the implementation of inventory control strategies can help improve the efficiency of working capital utilization. On the other hand, the findings that DER, WCTO, and TATO did not have a significant effect on ROA indicate that funding and asset utilization policies were not major factors in profit generation during the research period. Therefore, companies are advised to conduct an in-depth evaluation of their operational cost structure, asset investment effectiveness, and project management strategies to ensure that the use of debt and assets truly generates added value. The implementation of managerial policies oriented towards operational efficiency and asset optimization is expected to increase the company's profitability in a sustainable manner.

5. Limitation

This study has several limitations that need to be considered in determining the scope of interpretation of the results. First, the sample size of the study is relatively small, using only 10 annual observations (for the period 2015–2024). A limited sample size can affect the statistical power of the regression model, so that there may be relationships between variables that are not detected as significant even though they are theoretically relevant. With a small amount of data, annual value fluctuations can have a large effect on the model estimation results. Second, the research object only focuses on one company, namely PT Wijaya Karya Beton Tbk. This condition causes the characteristics of the company to greatly influence the analysis results, so that the research findings cannot be directly generalized to the entire concrete industry or other manufacturing sub-sectors. Internal company factors, financial strategies, and specific business dynamics can have a different impact compared to other companies in similar industries. Third, this

study only measures profitability using one indicator, namely Return on Assets (ROA). Meanwhile, a company's profitability can actually be influenced by other variables outside the research model, such as firm size, sales growth, operational cost efficiency, macroeconomic conditions, and non-financial variables such as management quality and governance structure. Therefore, the results of this study are contextual and must be interpreted carefully in accordance with the scope of the research.

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Finally, the author realizes that this research is still far from perfect. Therefore, constructive criticism and suggestions are highly anticipated for future research refinement. Hopefully this scientific work can provide benefits, both academically and practically.

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