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The Effect of Total Asset Turnover (TATO) and Debt to Asset Ratio (DAR) on Return on Assets (ROA) in Companies in the Non-Primary Consumer Goods Retail Trading Sub-Sector on the Indonesia Stock Exchange for the 2021-2024 Period

Salsa Fauzia, NR. Ayke Nuraliati, Ayi Astuti
Program Accounting Study, Faculty of Economics and Business, Langlangbuana University
salsaefz@gmail.com, aykenuraliati@gmail.com, ayiastuti721@gmail.com

Abstract

This study aims to analyze the effect of Total Asset Turnover (TATO) and Debt to Asset Ratio (DAR) on Return on Assets (ROA) in non-primary consumer goods retail trade sub-sector companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2024 period. The background of this study is the fluctuation of profitability in the sub-sector amidst post-pandemic economic recovery and changes in consumption patterns. The method used is descriptive and verification with a quantitative approach, using secondary data from annual financial reports. The study population includes 109 financial reports from 32 companies, while the sample was selected by purposive sampling, resulting in 56 financial reports from 14 companies that meet the criteria. The data analysis technique uses panel data regression with three estimation models: Common Effect, Fixed Effect, and Random Effect, selected through the Chow test, Hausman test, and Lagrange Multiplier test. Classical assumption tests were conducted including multicollinearity and heteroscedasticity tests, as well as partial hypothesis testing (t-test) using the EViews 12 program. The results of the analysis showed that TATO partially had a positive and significant effect on ROA at a 5% significance level, while DAR had no effect on ROA. This finding indicates that a company's ability to optimize assets to generate sales plays an important role in increasing profitability, while the debt financing structure is not a direct determinant of the profit generated from assets. This study provides empirical contributions for company management and investors in evaluating factors that influence profitability in the non-primary consumer goods retail sub-sector.

Keywords: *Total Asset Turnover, Debt to Asset Ratio, Return on Assets, Retail*

1. Introduction

The retail trade sector is a business sector that plays a crucial role in supporting consumer consumption and economic growth. Retail businesses involve selling goods directly to end consumers through various distribution channels, both conventional and digital [1]. Over time, the retail industry in Indonesia has undergone rapid change, driven by increasing purchasing power, the growth of the middle class, urbanization, and changing consumption patterns. These conditions have opened up significant market opportunities for retail businesses, but have also intensified competition between companies in maintaining their business performance [2]. Changes in the retail business environment have become increasingly complex with the advent of digital transformation, particularly through the development of e-commerce. The shift in consumer behavior from in-person shopping to digital-based shopping has put pressure on conventional retail companies to adapt their business strategies. The COVID-19 pandemic has also accelerated changes in consumer consumption patterns and encouraged companies to adapt to more flexible, efficient, and technology-based business models [3]. Therefore, a company's ability to maintain stable financial performance is a crucial aspect in ensuring business sustainability amidst ever-changing market dynamics.

One of the main indicators used to assess a company's financial performance is profitability. Profitability indicates a company's ability to generate profits from its operational activities [4]. In this study, profitability is measured using Return on Assets (ROA), a ratio that describes a company's ability to generate profits based on its total assets. The higher the ROA value, the better the company's ability to manage assets to generate profits [5]. Thus, ROA is an important indicator for assessing the effectiveness of a company's resource management, particularly

in the non-primary consumer goods retail trade sub-sector. In an effort to increase ROA, companies need to pay attention to the effectiveness of their asset use and funding structure. Total Asset Turnover (TATO) is an activity ratio used to measure a company's ability to utilize total assets to generate sales. A high TATO value indicates that the company's assets are being used efficiently to support increased sales [6]. In retail companies, the effectiveness of asset use is important because business activities are closely related to inventory management, the utilization of operational assets, and the company's ability to attract consumers to generate revenue. In addition to TATO, the Debt to Asset Ratio (DAR) is also a ratio that needs to be considered in assessing a company's financial condition. DAR describes the proportion of a company's assets financed by debt. While using debt can help a company expand its operations, high debt levels can also increase financial risk and burdens [7]. Therefore, the funding structure needs to be managed appropriately to prevent debt use from putting pressure on the company's profitability.

The phenomenon in the non-primary consumer goods retail trade sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the 2021–2024 period shows fluctuations in the TATO, DAR, and ROA ratios. Some companies were able to increase the effectiveness of asset use and record better profitability, but others experienced a decline in financial performance in certain periods. This condition indicates that the relationship between asset efficiency, funding structure, and profitability is not always linear, so further analysis is needed in the context of non-primary consumer goods retail companies. Several previous studies have examined the effect of TATO and DAR on ROA, but the results obtained still show differences. Previous studies found that TATO has a significant effect on ROA because asset use efficiency can drive increased sales and company profits [8]. However, the results of other studies show that TATO has no effect on ROA, thus indicating that asset effectiveness does not necessarily always increase profitability in every business sector [9]. Similarly, regarding the DAR variable, some studies state that DAR has no effect on ROA [10], while other studies find that DAR has a negative effect on profitability because increased debt can increase the company's financial burden [11].

The differences in research results indicate that there is still a research gap, particularly in the context of companies in the non-primary consumer goods retail trade sub-sector in Indonesia. Differences in sector characteristics, research periods, economic conditions, and operational strategies of each company can lead to varying research results. Therefore, this study is important to provide the latest empirical evidence regarding the effect of Total Asset Turnover and Debt to Asset Ratio on Return on Assets in non-primary consumer goods retail trade sub-sector companies listed on the Indonesia Stock Exchange for the period 2021–2024. Based on this description, this study aims to analyze the effect of Total Asset Turnover and Debt to Asset Ratio on Return on Assets in non-primary consumer goods retail trade sub-sector companies listed on the Indonesia Stock Exchange for the period 2021–2024. This study is expected to provide an empirical contribution in explaining the factors that influence the profitability of retail companies, as well as being a consideration for companies, investors, and related parties in evaluating the company's financial performance.

To achieve these objectives, this study uses a quantitative approach with secondary data sourced from the annual financial reports of companies in the non-primary consumer goods retail trade sub-sector listed on the Indonesia Stock Exchange during the 2021–2024 period. The sample was selected through a purposive sampling technique based on certain criteria, such as companies that consistently publish complete financial reports, have not experienced delisting during the observation period, and have the required financial ratio data. The data analysis technique used is panel data regression, which allows testing the effect of Total Asset Turnover and Debt to Asset Ratio on Return on Assets by considering both the time and individual dimensions simultaneously. The selection of the best estimation model will be carried out through a series of tests, namely the Chow Test to choose between the Common Effect Model and the Fixed Effect Model, and the Hausman Test to determine whether the Fixed Effect Model or the Random Effect Model is more appropriate.

The 2021–2024 period was specifically selected because it represents the post-COVID-19 economic recovery phase, during which the retail sector faces pressures due to changes in consumer behavior, increased e-commerce penetration, and uncertainty in purchasing power. In the non-primary consumer goods retail subsector, products sold are generally not purchased routinely and tend to be highly sensitive to fluctuations in consumer income, such as clothing, electronics, household appliances, and recreational goods. These characteristics make asset turnover efficiency and debt financing policies crucial factors in determining a company's ability to maintain profitability amid market dynamics. Therefore, analysis of this period is expected to provide a relevant overview of asset management strategies and capital structure in a complex business environment.

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The results of this study are expected to provide both practical and academic contributions. Practically, these findings can serve as a reference for retail company management in optimizing the utilization of total assets and determining healthy debt levels to increase profitability, especially in the face of competition and digital transformation. For investors and potential investors, this study provides financial indicators that can be used to assess company performance and risk before making investment decisions. Meanwhile, academically, this study strengthens the literature in the field of financial management by presenting the latest empirical evidence that clarifies the direction and significance of the influence of Total Asset Turnover and Debt to Asset Ratio on Return on Assets, particularly in the non-primary consumer goods retail sector, which is still relatively rarely studied in depth in Indonesia.

2. Research Methods

This study uses descriptive and verification methods with a quantitative approach to obtain a systematic and factual picture of the effect of asset utilization efficiency and funding structure on profitability, while also testing hypotheses formulated based on theory and previous research. The data used are secondary data obtained from the annual financial reports of companies in the non-primary consumer goods retail trade sub-sector listed on the Indonesia Stock Exchange (IDX) for the period 2021–2024, which are officially published through the website www.idx.co.id and the official websites of each company. The data collection technique was carried out using the documentation method, namely collecting, recording, and in-depth review of secondary data in the form of annual financial reports containing information on the company's profit and loss and financial position. This process involved tracing relevant financial ratios, namely Return on Assets (ROA), Total Asset Turnover (TATO), and Debt to Asset Ratio (DAR), from each company that met the sample criteria. This resulted in 56 observations from 14 companies that consistently reported their performance throughout the observation period. Documentation is carried out with structured recording guidelines to ensure data accuracy and consistency, which is then processed and analyzed using panel data regression to answer research questions and draw conclusions that can be empirically accounted for.

2.1. Operational Variables

The dependent variable in this study is Return On Asset (Y) which measures the profitability of a company using the formula of net profit after tax divided by total assets, all data for which are obtained from the financial position statement and the annual comprehensive income statement of the sample companies. The independent variables consist of Total Asset Turnover (X1) which is calculated from net sales divided by total assets to assess the efficiency of the utilization of all assets in generating income, and Debt to Asset Ratio (X2) which is calculated from total liabilities divided by total assets to show the proportion of assets financed by debt. The operationalization of the variables is arranged so that each concept can be measured consistently based on audited financial statement data published on the Indonesia Stock Exchange, so that all ratios are calculated using the same financial items for each company and each period. Net profit is taken from the amount of current year profit attributable to owners of the parent entity, net sales are taken from net income after deducting sales returns and discounts, total assets and total liabilities are taken from the carrying value at the end of the financial year. With this approach, each variable has a uniform operational definition, percentage or multiplier units, and measurement methods that allow for valid comparisons across companies and years, so that the empirical relationship between asset efficiency, debt structure, and profitability can be analyzed accurately within a panel data regression framework.

Table 2. 1Operational Variables

Variables	Variable Concept	Indicator	Scale
Total Asset Turnover (X1)	Comparison between net sales and total assets applied in the company's operational activities	TATO = Net Sales / Total Assets	Ratio
Debt to Asset Ratio (X2)	The leverage ratio measures the proportion of a company's total assets that are financed through debt.	DAR = Total Liabilities / Total Assets	Ratio
Return on Assets (Y)	The ratio that can measure the company's activities in generating profitability to manage all capital invested in assets.	ROA = (Net Profit / Total Assets) × 100%	Ratio

Source: Data Processed by Researchers, 2026

Table 2.1 presents the operationalization of the three research variables, all measured on a ratio scale. The first independent variable, Total Asset Turnover (X1), is conceptually defined as the ratio between net sales and total

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assets used in operational activities, with the indicator TATO = Net Sales / Total Assets. The second independent variable, Debt to Asset Ratio (X2), is a leverage ratio that measures the proportion of a company's total assets that are funded through debt, calculated with the indicator DAR = Total Liabilities / Total Assets. The dependent variable, Return on Assets (Y), is conceptualized as a ratio that measures the company's ability to generate profits from all capital invested in assets, with the indicator ROA = (Net Profit / Total Assets) × 100%. These three variables are compiled based on secondary data from audited financial statements and are processed consistently to allow valid comparisons across companies and periods (Source: Data Processed by Researchers, 2026).

2.2. Population and Sample

The population in this study includes all companies within the non-primary consumer goods retail trade subsector and listed on the Indonesia Stock Exchange (IDX) during the period 2021 to 2024. This subsector was selected due to its business characteristics, which sell goods with irregular purchasing cycles and tend to be elastic to changes in consumer income, such as clothing, footwear, electronics, household appliances, and recreational goods. This discretionary consumption nature causes companies' financial performance to be significantly influenced by macroeconomic conditions, consumer purchasing power, and the effectiveness of asset management and financing strategies. Based on available data, the population consists of 32 companies that cumulatively produced 109 annual financial reports. All data is sourced from official publications accessible through the IDX website and each company's official website, thus ensuring the authenticity and reliability of the information used in the analysis. This population coverage provides an initial overview of the variations in company characteristics within the studied subsector, including business scale, asset structure, and funding composition.

The sample was determined using purposive sampling, which is a sample selection technique based on specific criteria deliberately set to align with the research objectives. The first criterion, the company must have been listed on the Indonesia Stock Exchange (IDX) and actively published annual financial reports consecutively throughout the 2021–2024 period, so that complete and continuous financial data is available. The second criterion, the company must not have experienced delisting or suspension that would result in incomplete financial data being available during the observation period. The third criterion, the financial statements are presented in Rupiah to avoid distortions due to exchange rate fluctuations in the calculation of financial ratios. The fourth criterion, the company must have complete data on the variables used, namely Return on Assets (ROA), Total Asset Turnover (TATO), and Debt to Asset Ratio (DAR), and must not exhibit extreme financial conditions such as negative equity that could bias the estimation results. Based on the application of these criteria, out of a total of 32 companies in the population, 14 companies met all requirements, resulting in a total of 56 units of analysis (4 years × 14 companies). This number is considered adequate for panel data regression analysis, given the short time frame and the relatively stable nature of the financial data. The selected sample represents companies with consistent reporting and relevant financial characteristics, thus providing valid estimates of the effect of asset efficiency and debt structure on profitability in the non-primary consumer goods retail subsector.

Table 2. 2. List of Sample Companies

No	Code	Company name	Sample
1	LPPF	Matahari Department Store Tbk	4
2	ACES	Aspirations of Life Indonesia Tbk	4
3	RALS	Ramayana Lestari Sentosa Tbk	4
4	MAPI	Mitra Adiperkasa Tbk	4
5	ZONE	Mega Pioneer Tbk	4
6	MAP	Adiperkasa Tbk Active Map	4
7	SLIS	Gaya Abadi Sempurna Tbk	4
8	ECII	Electronic City Indonesia Tbk	4
9	ERAA	Erajaya Swasembada Tbk	4
10	CSAP	Catur Sentosa Adiprana Tbk	4
11	MPMX	Mitra Pinasthika Mustika Tbk	4
12	PMJS	Putra Mandiri Jembar Tbk	4
13	DEPOT	Caturkarda Depo Bangunan Tbk	4
14	UFOE	Peaceful Prosperous Eternal Tbk	4

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Total Sample	**56**

Source: Indonesia Stock Exchange (Data processed, 2026)

Table 2.2 presents a list of fourteen companies in the non-primary consumer goods retail trade sub-sector selected as research samples after purposive sampling based on predetermined criteria. Of the total population of 32 companies, only those listed on the IDX, consistently published their 2021–2024 annual financial reports in Rupiah, had not experienced delisting or suspension, had complete data for ROA, TATO, and DAR, and did not exhibit extreme financial conditions such as negative equity were included. The fourteen companies include LPPF (Matahari Department Store Tbk), ACES (Aspirasi Hidup Indonesia Tbk), RALS (Ramayana Lestari Sentosa Tbk), MAPI (Mitra Adiperkasa Tbk), ZONE (Mega Perintis Tbk), MAPA (Map Aktif Adiperkasa Tbk), SLIS (Gaya Abadi Sempurna Tbk), ECII (Electronic City Indonesia Tbk), ERAA (Erajaya Swasembada Tbk), CSAP (Catur Sentosa Adiprana Tbk), MPMX (Mitra Pinasthika Mustika Tbk), PMJS (Putra Mandiri Jembar Tbk), DEPO (Caturkarda Depo Bangunan Tbk), and UFOE (Damai Sejahtera Abadi Tbk), each of which contributes four years of observation, resulting in a total of 56 units of analysis. This sample represents companies with consistent reporting and relevant financial characteristics to estimate the effect of asset efficiency and debt structure on profitability validly (Source: Indonesia Stock Exchange, data processed 2026).

2.3. Data Analysis Techniques

Data analysis was conducted using panel data regression, which combines cross-section (company) and time-series data (2021–2024) to obtain more efficient estimates and simultaneously capture inter-individual and inter-temporal variation. Three estimation models were tested in stages. The Common Effects Model (CEM) assumes that the intercept and coefficients across all companies are the same, allowing the Ordinary Least Squares (OLS) method to be directly applied to pooled data. Fixed Effect Model (FEM) accommodates individual heterogeneity by adding a dummy variable to the intercept, thus isolating the fixed characteristics of each firm. Random Effect Model **(** REM **)** treats the intercept as a random variable and estimates the model using Generalized Least Squares (GLS), which is more efficient when the individual error components are uncorrelated with the independent variables.

The selection of the best model is carried out through three formal tests. First, the Chow Test is used to choose between CEM and FEM, with the null hypothesis that CEM is the appropriate model. If the Chow Test probability value is smaller than the 5 percent significance level, then FEM is more appropriate and the test continues with the Hausman Test. The Hausman Test compares FEM and REM with the null hypothesis that REM is appropriate. If the Hausman Test probability is significant, FEM is chosen; conversely, if it is not significant, REM is more efficient. Second, if the Chow Test results indicate that CEM is more appropriate than FEM, the Lagrange Multiplier (LM) Test continues to determine the choice between CEM and REM. The LM Test examines whether individual variance components are statistically significant; if the probability is smaller than 0.05, REM is better than CEM. This series of tests ensures that the model used truly fits the data structure.

3. Results and Discussion

3.1. Descriptive Analysis

Based on the descriptive analysis results, the ROA variable has a minimum value of 0.503 (ECII, 2024) and a maximum value of 24.050 (LPPF, 2022). The TATO variable has a minimum value of 0.510 (RALS, 2021) and a maximum value of 3.822 (ERAA, 2021). The DAR variable has a minimum value of 0.181 (ACES, 2022) and a maximum value of 1.276 (CSAP, 2021).

Tabel 3. 1 Hasil Analisis Deskriptif

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Date: 05/02/26 Time: 17:08
Sample: 2021 2024

	Y	X1	X2
Mean	6.563089	1.488196	0.469518
Median	5.958500	1.287000	0.446500
Maximum	24.05000	3.822000	1.276000
Minimum	0.503000	0.510000	0.181000
Std. Dev.	4.580575	0.688178	0.216952
Skewness	1.303967	1.328564	1.383989
Kurtosis	5.442106	4.595073	5.428287
Jarque-Bera	29.78547	22.41070	31.63598
Probability	0.000000	0.000014	0.000000
Sum	367.5330	83.33900	26.29300
Sum Sq. Dev.	1153.992	26.04736	2.588742
Observations	56	56	56

Source: Data Processed Using Eviews 12

Based on the results of the descriptive analysis processed using Eviews 12, there is a fairly wide variation in all research variables. Profitability as measured by Return on Assets (ROA) shows a range from a minimum value of 0.503 percent achieved by Electronic City Indonesia Tbk (ECII) in 2024, to a maximum value of 24.050 percent achieved by Matahari Department Store Tbk (LPPF) in 2022, reflecting a sharp difference in the ability of companies to generate profits from their total assets. The variable of asset utilization efficiency proxied by Total Asset Turnover (TATO) has a minimum value of 0.510 times in Ramayana Lestari Sentosa Tbk (RALS) in 2021 and a maximum value of 3.822 times in Erajaya Swasembada Tbk (ERAA) in the same year, indicating a company that is very efficient in converting assets into sales and vice versa. Meanwhile, the Debt to Asset Ratio (DAR) as an indicator of funding structure ranged from 0.181 times in Aspirasi Hidup Indonesia Tbk (ACES) in 2022, indicating very conservative debt funding, to 1.276 times in Catur Sentosa Adiprana Tbk (CSAP) in 2021, which exceeded one, indicating that the company's total liabilities exceeded its total assets, thus reflecting a very high and risky leverage condition.

3.2. Selection of Panel Data Regression Models

The selection of the panel data regression model is carried out through three tests, namely the Chow Test, the Hausman Test, and the Lagrange Multiplier (LM) Test.

Table 3. 2Selection of Panel Data Regression Models

Test	Probability Value	Decision	Selected Model
Chow Test (Cross-section F)	0.0000 < 0.05	H_0 Rejected	Fixed Effect Model (FEM)
Hausman test (Cross-section random)	0.0474 < 0.05	H_0 Rejected	Fixed Effect Model (FEM)
LM (Breusch-Pagan) test	0.0000 < 0.05	H_0 Rejected	Random Effect Model (REM)

Source: Data Processed Using Eviews 12

Based on the results of the three model selection tests, the Fixed Effect Model (FEM) was chosen as the most appropriate model to use in this study because it is better able to capture the differences in characteristics between the companies studied.

3.3. Results of Panel Data Regression Analysis (FEM)

Tabel 3. 3 Analisis Regresi Data Panel (FEM)

DOI: https://doi.org/10.31004/riggs.v5i2.9206

Dependent Variable: Y
Method: Panel Least Squares
Date: 05/02/26 Time: 17:17
Sample: 2021 2024
Periods included: 4
Cross-sections included: 14
Total panel (balanced) observations: 56

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.603061	2.522278	1.428495	0.1609
X1	3.714965	1.834689	2.024847	0.0496
X2	-5.470653	5.080345	-1.076827	0.2880

Source: Data Processed Using Eviews 12

Formula:

$$\mathbf{Y_{it} = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + e_{it}}$$

The regression equation shows that without the influence of asset utilization efficiency and funding structure (TATO and DAR are zero), the company's profitability is predicted to be 3.603061 percent, although this constant value does not have substantial economic meaning considering that it is impossible for a company to operate without assets and without debt. The Total Asset Turnover (TATO) coefficient of 3.714965 is positive, meaning that every one-time increase in TATO will increase Return on Assets by 3.714965 percent, assuming a constant Debt to Asset Ratio (DAR). This confirms that the more efficiently a company utilizes all its assets to generate net sales, the higher the profitability achieved. Conversely, the DAR coefficient of -5.470653 is negative, indicating that every one-unit increase in the proportion of debt to total assets actually decreases ROA by 5.470965 percent, assuming a constant TATO. This means that increasing funding through debt in the company's capital structure tends to suppress profitability, possibly because high interest expenses exceed the benefits of leverage. The R-squared value of 0.750123 confirms that the combination of TATO and DAR variables has a very strong ability to explain variations in Return On Assets, covering 75.01 percent of the total variation in profitability of companies in the non-primary consumer goods retail trade sub-sector during the 2021–2024 period, while the remaining 24.99 percent is explained by other variables outside the research model.

3.4. Classical Assumption Test

3.4.1. Multicollinearity Test

Tabel 3. 4 Hasil Uji Multikolinearitas

Variance Inflation Factors
Date: 05/02/26 Time: 17:41
Sample: 1 56
Included observations: 56

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	2.999238	8.644367	NA
X1	0.794278	6.134893	1.064806
X2	7.991857	6.142589	1.064806

Source: Data Processed Using Eviews 12

Based on the VIF value table, both independent variables obtained a Variance Inflation Factor value of 1.064806, which is far below the critical threshold of 10. This low VIF value indicates that the correlation between Total Asset Turnover (X1) and Debt to Asset Ratio (X2) is very weak, so that there is no multicollinearity problem in the regression model. Thus, each independent variable is able to explain the variation in Return on Assets independently without any significant overlapping of information. The fulfillment of this multicollinearity-free assumption ensures that the resulting regression coefficient estimates are stable, unbiased, and have efficient standard errors, so that statistical inferences regarding the effect of asset utilization efficiency and funding structure on profitability can be interpreted validly and reliably.

3..4.2. Heteroscedasticity Test

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Tabel 3. 5 Hasil Uji Heteroskedastisitas

Heteroskedasticity Test: Harvey Null hypothesis: Homoskedasticity			
F-statistic	1.025639	Prob. F(2,53)	0.3656
Obs*R-squared	2.086629	Prob. Chi-Square(2)	0.3523
Scaled explained SS	5.208447	Prob. Chi-Square(2)	0.0740

Source: Data Processed Using Eviews 12

Based on the table, the heteroscedasticity test using the Harvey test shows a Chi-Square Prob. value of 0.3523, which is greater than the 0.05 significance level. This result indicates that the regression model in this study does not experience symptoms of heteroscedasticity. Thus, the assumption of homoscedasticity is met, which means the variance of the residuals is constant across all observations. This condition is important because it ensures that the parameter estimates in panel data regression are efficient and meet the Best Linear Unbiased Estimator (BLUE) criteria. The absence of heteroscedasticity also ensures that the standard error of the regression coefficient is unbiased , so that partial significance testing using the t-test and simultaneous testing using the F-test are reliable. Consequently, statistical inferences regarding the effect of Total Asset Turnover and Debt to Asset Ratio on Return on Assets can be interpreted validly, consistently, and empirically accountable.

3.5. Hypothesis Test Results (t-Test)

Table 3. 6Hypothesis Test Results (Fixed Effect Model t-Test)

Variables	t-Count	t-Table	Probability	Decision
Total Asset Turnover (TATO)	2,0248	2,006	0.0496 < 0.05	H_0 Rejected – Influential
Debt to Asset Ratio (DAR)	-1.0768	2,006	0.2880 > 0.05	H_0 Accepted – No Effect

Source: Data Processed Using Eviews 12

Based on Table 8, the Total Asset Turnover (TATO) variable has a t-value of 2.0248, which is greater than the t-table value of 2.006 with a probability value of 0.0496 < 0.05. These results indicate that TATO partially influences Return on Assets (ROA). This influence indicates that the company's level of effectiveness in utilizing assets to generate sales is closely related to its ability to generate profits [8,9]. The Debt to Asset Ratio (DAR) variable has a t-value of -1.0768, which is smaller than the t-table value of 2.006 with a probability value of 0.2880 > 0.05. These results indicate that DAR has no partial effect on Return on Assets (ROA). This indicates that the proportion of debt to a company's total assets does not directly determine the company's ability to generate profits from its assets [10,11].

4. Conclusion

Based on the research that has been conducted regarding the influence of Total Asset Turnover and Debt to Asset Ratio on Return on Assets in non-primary consumer goods retail trade sub-sector companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2024 period, the following conclusions can be formulated. Total Asset Turnover (TATO) partially has a positive and significant effect on Return on Assets (ROA). This finding confirms that in the context of non-primary consumer goods retail companies, the effective management of all assets is a critical determinant in increasing profitability. A high TATO ratio indicates that a company is able to utilize each unit of its assets more productively to generate sales, which ultimately contributes to increased net profit. In the 2021–2024 period, which represents the post-pandemic recovery phase, companies that successfully optimized inventory turnover, increased utilization of fixed assets such as stores and equipment, and managed working capital efficiently were shown to be more capable of recording stronger revenue growth. These results align with previous research that stated that TATO significantly influences ROA, because asset efficiency directly drives sales volume without requiring proportional asset additions. In practice, non-primary consumer goods retail companies selling products such as clothing, electronics, and household goods rely heavily on the speed of stock turnover and the attractiveness of their stores to attract consumers. Thus, appropriate asset management strategies, such as optimal inventory control, investment in truly productive assets, and enhancing the omnichannel shopping experience, are key for companies to boost profitability amidst increasingly fierce competition. The Debt to Asset Ratio (DAR)

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partially had no effect on Return on Assets (ROA). This indicates that the proportion of debt to a company's total assets does not directly determine its profitability. Return on Assets is more influenced by a company's ability to manage operational activities and generate profits effectively than by its debt level. In the context of the non-primary consumer goods retail sub-sector, this finding indicates that debt financing structure was not a primary factor driving or hindering profitability during the observation period. Several possibilities could explain this phenomenon. First, the additional debt used by companies was not necessarily directed towards productive asset investments capable of generating direct income, thus not having a significant impact on profit growth. Second, interest expenses arising from debt may remain within controllable limits or not material enough to erode profitability, especially if the company is able to obtain loans at competitive interest rates or relies on strong internal funding. Third, during the post- pandemic recovery period, many non-primary retail companies were more cautious in using debt and chose to strengthen liquidity, thus reducing the role of DAR in influencing ROA. These results support previous research that found DAR had no effect on ROA, and also confirm that retail company profitability is more sensitive to operational efficiency and sales generation capabilities than to financing decisions alone. Therefore, company management should prioritize asset management and sales strategies rather than simply relying on changes in debt structure to improve profit performance.

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