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# The Effect of Asset Efficiency, Liquidity, And Working Capital Turnover on Financial Performance of Manufacturing Companies In The Basic and Chemical Industry Sub-Sectors Listed on The IDX In The 2021–2024 Period

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**Abstract**

*Financial performance is an important indicator in assessing a company's success in managing its resources. However, the financial performance of manufacturing companies in the basic industry and chemical subsector listed on the Indonesia Stock Exchange has fluctuated from year to year. In addition, previous studies examining the effects of asset efficiency, liquidity, and working capital turnover on financial performance have produced inconsistent findings. Therefore, this study aims to analyze the effect of asset efficiency, liquidity, and working capital turnover on the financial performance of manufacturing companies in the basic industry and chemical subsector listed on the Indonesia Stock Exchange during the 2021–2024 period. This study employed a quantitative research approach using secondary data obtained from the companies' annual financial statements. The population consisted of 89 manufacturing companies in the basic industry and chemical subsector listed on the Indonesia Stock Exchange during the 2021–2024 period. The sample was selected using a purposive sampling technique based on predetermined criteria, resulting in 47 companies with a total of 188 observations. After removing outlier data, the final dataset consisted of 171 observations. The data were analyzed using IBM SPSS Statistics Version 25 through descriptive statistical analysis, classical assumption tests, multiple linear regression analysis, partial significance tests (t-test), simultaneous significance test (F-test), and coefficient of determination test. The results indicate that asset efficiency and liquidity have a positive and significant effect on financial performance, while working capital turnover has no significant effect on financial performance. Furthermore, asset efficiency, liquidity, and working capital turnover simultaneously have a significant effect on financial performance. The Adjusted R Square value of 0.146 indicates that asset efficiency, liquidity, and working capital turnover explain 14.6% of the variation in financial performance, while the remaining 85.4% is explained by other*



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*factors outside the research model. Based on the findings of this study, it can be concluded that asset efficiency and liquidity significantly contribute to improving financial performance, whereas working capital turnover does not have a significant effect on financial performance. Therefore, effective asset management and adequate liquidity are essential factors in enhancing the financial performance of manufacturing companies in the basic industry and chemical subsector listed on the Indonesia Stock Exchange*

**Keywords: Asset Efficiency, Liquidity, Working Capital Turnover, Financial Performance**

## INTRODUCTION

The development of the manufacturing industry plays a strategic role in supporting national economic growth, particularly in the basic and chemical industries subsectors, which produce various essential raw materials for other industries (Sholatika & Triyono, 2022). This strategic role requires manufacturing companies to maintain stable financial performance to ensure business continuity amidst increasingly fierce industry competition. Financial performance is a key indicator in assessing a company's success in managing its resources effectively and efficiently (Harfani & Nurdiansyah, 2021).

According to news published by DetikFinance (Afriyadi, 2024), the chemical industry in Indonesia is facing significant pressure due to the global economic slowdown, which has a direct impact on companies' financial performance. In the 2022–2023 period, one of the major companies in the basic and chemical industry subsector, PT Lautan Luas Tbk, recorded a revenue decline of around 7% to IDR 7.3 trillion in 2023, while its net profit fell by almost half from IDR 321 billion to IDR 161 billion. This decline was caused by weakening global market demand, volatility in raw material commodity prices, and increasing operational cost pressures, which have reduced the company's profitability. This condition reflects how the dynamics of (Zahra et al., 2024).

Global economic and market volatility can impact the financial performance of manufacturing companies in the basic and chemical industry sectors, particularly in terms of revenue, profit margins, and profitability stability.

According to Kasmir (Permata et al., 2025) financial performance reflects a company's financial condition, analyzed using financial analysis tools to assess the company's effectiveness and efficiency in carrying out its operational activities. Financial performance reflects a company's ability to manage its resources to generate profits and maintain financial stability. Therefore, sound financial resource management is a crucial factor in supporting optimal financial performance and business sustainability.



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The basic and chemical industry subsector is characterized by its asset-intensive nature and requires relatively large working capital to support sustainable production processes. Companies in this sector generally have a high proportion of fixed assets and are highly dependent on the availability of raw materials and the stability of global economic conditions. These conditions require companies to be able to manage assets and working capital efficiently to maintain financial performance. In line with the opinion of (Ningrum et al., 2025) financial ratio analysis can be used to assess a company's level of operational efficiency and liquidity in achieving financial goals.

One indicator frequently used to measure financial performance is Return on Assets (ROA), as this ratio illustrates a company's ability to generate profits through the utilization of all its assets. According to Kasmir (2021), Return on Assets is a ratio used to measure a company's ability to generate profits from total assets, with a higher ROA indicating better financial performance. Furthermore, Brigham and Houston (2019) also state that ROA reflects the efficiency of asset utilization in generating profits. However, ROA interpretation does not have a standardized figure because it depends on industry characteristics. In asset-intensive manufacturing sectors, such as basic and chemical industries, ROA tends to be lower, so a range of 3% to 5% is still considered normal.

However, in practice, many companies are still unable to utilize their assets optimally. Brigham and Houston (Sembiring, 2016) state that asset efficiency is influenced by a company's ability to increase sales through the utilization of its assets. Low fixed asset utilization, inefficient inventory management, and inappropriate investment policies can result in unproductive assets and potentially degrade financial performance. Therefore, research on the effect of asset efficiency on financial performance is necessary, particularly for companies in the basic and chemical industries, which have relatively large fixed asset usage.

Liquidity reflects a company's ability to meet short-term obligations by utilizing its current assets. Gitman and Zutter (Lestari & Sihono, 2023) explain that liquidity is a crucial indicator in assessing a company's financial health because it directly relates to the company's ability to meet short-term financial obligations. "Financial performance with too low liquidity can increase the risk of financial distress, while too high liquidity can indicate that current assets are not being utilized productively."

State that excessive allocation of funds in current assets can reduce company efficiency by reducing the potential for investment in more productive assets. This phenomenon indicates that optimal liquidity management is a crucial factor in improving a company's financial performance. Therefore, research on the effect of liquidity on financial performance is necessary to obtain empirical evidence regarding the role of current asset



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management in supporting company stability and profitability, particularly in the basic and chemical industries, which have relatively large working capital requirements.

Working capital turnover is an indicator of a company's ability to manage current assets to support operational activities and generate sales. A good working capital turnover reflects a company's effectiveness in utilizing short-term resources, thereby improving operational efficiency and financial performance (Fitriana & Purwohandoko, 2022). shows that efficient working capital management plays a crucial role in increasing company profitability because it is related to the management of cash, receivables, and inventory, which support the smooth running of a company's operations.

Research (Nguyen & Dao, 2022) shows that working capital turnover influences company profitability, making this ratio a key indicator in assessing financial performance. This phenomenon demonstrates that optimal working capital management is a crucial factor in supporting a company's financial performance. Therefore, research on the effect of working capital turnover on financial performance is necessary to obtain empirical evidence, particularly for companies in the basic and chemical industries, which have relatively large working capital requirements for their operations.

Many studies have been conducted on the factors influencing a company's financial performance, but the results are inconsistent. Some studies show that asset efficiency and working capital turnover have a positive effect on financial performance, while others show no significant effect on profitability. Juliani et al.'s (Sudjiman & Sudjiman, 2020)research on manufacturing companies shows that asset efficiency, as measured by Total Asset Turnover, has a positive and significant effect on financial performance. Companies that optimally utilize assets tend to generate higher profits.

However, previous research has shown discrepancies. Tinambunan et al. (Pamungkas et al., 2024)analyzed the effect of fixed asset turnover, liquidity, and cash turnover on the profitability of companies listed on the Indonesia Stock Exchange, using manufacturing companies in the basic and chemical industries as their subjects. The results showed that these variables simultaneously influence profitability, but partially, liquidity does not significantly influence financial performance. This finding indicates a discrepancy between theory and empirical conditions, where increases in assets and company activity are not always accompanied by increases in profits, as reflected in Return on Assets (ROA). This indicates that asset and liquidity management may not necessarily optimally improve financial performance in manufacturing companies in the basic and chemical industries. Consequently, the relationship between asset efficiency, liquidity, and working capital turnover on financial performance still shows mixed and inconsistent results.


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Research by Ramadhania et al. (Febriyanto, 2018) shows that liquidity does not significantly impact a company's financial performance, so the level of liquidity does not always reflect a company's ability to improve financial performance. Furthermore, research conducted by Nurhasanah & Hertina (Soleman et al., 2022) shows that asset efficiency and liquidity do not significantly impact a company's financial performance. The results of this study explain that even if a company is able to manage assets and maintain liquidity levels well, this does not necessarily directly increase profitability, as other factors such as operational cost efficiency and resource management are more decisive in driving a company's financial performance.

Research conducted by Nisa & Zamzami (Pertiwi et al., 2023) shows that working capital turnover does not significantly impact financial performance because increased operational activity through working capital management is not always followed by a company's ability to generate profits. This indicates that efficiency in working capital turnover does not necessarily reflect a company's effectiveness in increasing profitability. The differences in research results indicate that the relationship between asset efficiency, liquidity, and working capital turnover on financial performance is still inconsistent. Furthermore, most previous research was conducted on manufacturing companies in general, resulting in limited research specifically examining manufacturing companies in the basic and chemical industries. In fact, the basic and chemical industries are asset-intensive and require large working capital, thus allowing for differences in research results compared to other sectors (Chairunnisa, 2019).

## METHOD

This research using approach study secondary with analyze data in the company manufacturing sector industry basic and chemical products listed on the Indonesia Stock Exchange ( IDX). Research data obtained through the official website of the Indonesian Stock Exchange, namely www.idx.co.id as well as the official website of each company in the form of report finance annual. The data used in study This is report finance 2021-2024 period. Implementation study This starting in April 2026 until series study This finished (Wildan et al., 2024).

Population is overall object or subjects who have characteristics certain conditions determined by researchers For studied and then withdrawn in conclusion. According to Creswell (Yolanda et al., 2024) population is group individual or elements that have the same characteristics that become target research and from group the researchers determine sample For analyzed.


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Based on the understanding said, then population in study This is all over company manufacturing which includes in various subsectors in the sector industry basic and chemical products listed on the Indonesia Stock Exchange ( IDX) during period 2021–2024. The sample is part from selected population For represent characteristics population in a way overall. Creswell (2018) stated that sample is subgroup from selected population For investigated so that researchers can interesting conclusion about population In the research this, sample chosen from company manufacturing sector industry basic and chemical products listed on the Indonesia Stock Exchange. The technique of taking sample in study This use *purposive sampling,* that is technique determination sample based on criteria certain in accordance with objective study (Anissa Dwi & Priyadi Maswar, 2023).

Sample in study This is company manufacturing sector industry basic and chemical products listed on the Indonesia Stock Exchange ( IDX) for the 2021-2024 period. The selection sample use purposive sampling technique with criteria as following :

1. Manufacturing company subsector industry basic and chemical listed on the IDX during period 2021 – 2024.
2. Publish report finance and reports annual complete during period study.
3. Serve report finance in Rupiah currency (Rp).

According to Sugiyono (2023), the data collection technique used to obtain research data. The data collection technique in this study used a documentation method with secondary data in the form of financial reports and annual reports of manufacturing companies in the basic and chemical industries listed on the Indonesia Stock Exchange for the 2021–2024 period. Data was obtained by accessing and downloading reports from the official Indonesia Stock Exchange website (www.idx.co.id) and the official websites of each company, then used to calculate the research variables (Nopianti et al., 2023).

Descriptive statistical analysis is an analytical technique used to provide an overview of the characteristics of research data without conducting hypothesis testing. Descriptive statistics aim to provide initial information about the data's condition so researchers can understand the distribution and trends of each variable's values before conducting further analysis. According to Ghozali (Dewi & Abundanti, 2019) descriptive statistics are used to describe data, which can be seen from the minimum, maximum, average (mean), and standard deviation values.


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## RESULTS

### Research Overview

This research study influence efficiency assets, liquidity, and working capital turnover to performance finance in the company manufacturing subsector industry basic and chemical products listed on the Indonesia Stock Exchange ( IDX) for the 2021–2024 period. Research sample determined use purposive sampling technique, namely technique election sample based on criteria certain to suit with objective study (Listiani & Ni'am, 2023).

This research use purposive sampling technique with population as many as 89 companies manufacturing subsector industry basic and chemical products listed on the Indonesia Stock Exchange ( IDX) for the 2021–2024 period. Based on the criteria that have been determined, as many as 22 companies No consistent publish report finance and reports annual, 20 companies No use Rupiah currency so that obtained by 47 companies as sample research. With period observation over 4 years, the amount of observation data obtained as many as 188 data. The following This is What is the name company manufacturing subsector industry basic and chemical which is sample in researchers This (Jannah et al., 2025).

### Data Analysis Results

Analysis statistics descriptive used For give description general about characteristics of research data from every variables analyzed. In this research this, analysis statistics descriptive done using SPSS on 171 observational data consisting of on variables efficiency assets (TATO), liquidity (CR), working capital turnover (WCT), and performance financial (ROA). Analysis This serve information about minimum value, value maximum, mean, and standard values deviation from each variable as base For understand characteristics of research data before done testing more carry on. (Yanti et al., 2023)

**Table 1. Descriptive Statistical Analysis**

| Descriptive Statistics | | | | | |
|---|---|---|---|---|---|
| | N | Minimum | Maximum | Mean | Standard Deviation |
| Financial performance | 188 | -.45 | .31 | .0548 | .08377 |
| Asset Efficiency | 188 | .00 | 3.39 | .8575 | .57295 |
| Liquidity | 188 | .00 | 33.48 | 3.3811 | 4.30552 |



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| | | | | | |
|---|---|---|---|---|---|
| Working Capital Turnover | 188 | -26.75 | 661.43 | 7.6102 | 48.62391 |
| Valid N (listwise) | 188 | | | | |

Results table analysis statistics descriptive show that number of observation data (N) used in study This as many as 188 data. Analysis statistics descriptive aim For give description about data characteristics in each variables study before done analysis more carry on use multiple linear regression with assistance from the Statistical Package for the Social Sciences (SPSS) program. Statistics descriptive serve information about minimum value, value maximum, mean, and standard values deviation from every variables research, namely performance financial (ROA) as variables dependent, and efficiency assets (TATO), liquidity (CR), and working capital turnover (WCT) as variables independent. The average value shows trend general data, whereas standard deviation show level data distribution from the average value. The more small mark standard deviation compared to average value, then the data tends to more homogeneous, whereas the more big mark standard deviation show that the data is increasingly varies.

**Classical Assumption Test**

Assumption test classic aim For ensure that the research data fulfil assumptions base in analysis multiple linear regression so that the resulting regression model is valid, unbiased, and can used For testing hypothesis. Test assumptions classic also aims For know what is the regression model has fulfil condition statistics so that results analysis obtained can interpreted in a way right. According to Ghozali (2021), assumption test classic in analysis regression includes normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test.

**Normality Test Results**

Normality test aim For know whether the residual data in the multiple linear regression model normally distributed or no. Good regression model is a model that has residual values that are normally distributed ( Ghozali, 2021). In this study this, normality test done use *One-Sample Kolmogorov-Smirnov* Test against mark *Unstandardized Residual.*

Regression model it is said fulfil assumptions normality if mark *Asymp. Sig. (2-tailed)* more big from 0.05. On the other hand, if mark *Asymp. Sig. (2-tailed)* more small from 0.05, then the residual data is not normally distributed. If the results testing shows data not yet


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normally distributed, one of the efforts that can be made done is identify and handle outlier data, namely observations that have mark extreme and potential influence residual distribution and results analysis regression.

In research this, repair data distribution is carried out through removal of outlier data, because the existence of data that has very extreme values can influence residual distribution and causes the data to be skewed fulfil assumptions normality. After outlier data are identified and removed, testing normality done return For ensure that the regression model has fulfil assumptions normality so that worthy used at the stage analysis furthermore

**Multicollinearity Test**

Multicollinearity test aim For know whether there is high correlation intervariable independent in the regression model. A good regression model is a model that is not experience symptom multicollinearity. Multicollinearity test in study This done with see Tolerance and *Variance Inflation Factor* (VIF) values. Regression model stated No experience multicollinearity if Tolerance value > 0.10 and VIF value < 10. Conversely, if Tolerance value ≤ 0.10 and VIF value ≥ 10, then the regression model stated experience symptom multicollinearity.

The Multicollinearity Test show that mark *Tolerance* and *Variance Inflation Factor (VIF )* from each variable that is :

1. Efficiency (TATO) has The Tolerance value is 0.982 and the VIF is 1.018. The Tolerance value is more big than 0.10 and VIF value more small out of 10, so that variables Asset Efficiency is stated No experience symptom multicollinearity.
2. Liquidity (CR) has The Tolerance value is 0.979 and the VIF is 1.021. The Tolerance value is more big than 0.10 and VIF value more small out of 10, so that variables Liquidity stated No experience symptom multicollinearity.
3. Working Capital Turnover (WCT) has The Tolerance value is 0.994 and the VIF is 1.006. The Tolerance value is more big than 0.10 and VIF value more small out of 10, so that variables Working Capital Turnover stated No experience symptom multicollinearity.

Can concluded that all over variables independent own Tolerance value > 0.10 and VIF < 10, so the regression model in study This No experience symptom multicollinearity and reasonable used For analysis multiple linear regression.


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**Heteroscedasticity Test**

Heteroscedasticity test aim For know whether happen inequality residual variance of One observation to observation other in the regression model. According to Ghozali (2021), a good regression model is a model that is not experience symptom heteroscedasticity or own constant residual variance ( homoscedasticity ). In research this, heteroscedasticity test done use method Glejser, namely with regress mark absolute residual (ABS_RES) against variables independent. Basis for decision making decision is if mark significance (Sig.) of each variable independent more big of 0.05, then the regression model stated No experience symptom heteroscedasticity. On the other hand, if mark significance (Sig.) more small from 0.05, then regression model stated experience symptom heteroscedasticity.using method Glejser, obtained results as following :

1. Asset Efficiency has mark significance of 0.105. This value more big from 0.05 (0.105 > 0.05), so variables Asset Efficiency is not experience symptom heteroscedasticity.
2. Liquidity own mark significance of 0.660. This value more big from 0.05 (0.660 > 0.05), so variables Liquidity No experience symptom heteroscedasticity.
3. Working Capital Turnover own mark significance of 0.808. This value more big of 0.05 (0.808 > 0.05), so variables Working Capital Turnover No experience symptom heteroscedasticity.

Based on the results said, all variables independent own mark significance more big from 0.05, so that can concluded that the regression model No experience symptom heteroscedasticity. With Thus, the regression model fulfill one of the assumptions classic and worthy used For analysis multiple linear regression.

**Autocorrelation Test**

Autocorrelation test aim For know whether there is correlation between residuals ( errors disturbance ) on a observation with residuals on observations previously in the regression model. According to Ghozali (2021), a good regression model is a model that is not experience autocorrelation. In research this, autocorrelation test done using the *Durbin–Watson (DW)* test. Because the results testing beginning Still show existence indication autocorrelation, then done model repair using method *Cochrane–Orcutt* with transform data to in lag form (LAG). Next, *the Durbin–Watson test* done back to the outcome model transformation the regression model stated No experience autocorrelation if mark *Durbin–Watson* fulfil criteria dU < DW < 4 – dU.

**Table 2. Autocorrelation Test Results**

| **Model Summary** [b] |
|---|



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| Model | R | R Square | Adjusted Square | Standard RError of the Estimate | Durbin-Watson |
|---|---|---|---|---|---|
| 1 | . 350 [a] | . 122 | .1 06 | . 04193 | 2,020 |

a. Predictors: (Constant), Asset Efficiency, Liquidity, Working Capital Turnover

b. Dependent Variable: Financial Performance

Results table testing autocorrelation is carried out use method *Cochrane–Orcutt* show mark *Durbin–Watson* (DW) test of 2.020. This done For know There is or whether or not symptom autocorrelation in the regression model. Based on the *Durbin–Watson Table,* with amount observations (n) of 171 and the number variables independent (k) of 3 at the level significance of 5%, obtained Durbin Upper value ( dU ) is 1.7856, so value 4 – dU is of 2.2144. Criteria taking decision state that the regression model No experience autocorrelation if mark *Durbin–Watson* be in range dU < DW < 4 – dU.

Based on the results testing obtained value 1.7856 < 2.020 < 2.2144, so can concluded that the regression model No experience symptom autocorrelation. With thus, after done model repair using method *Cochrane–Orcutt,* regression model has free from problem autocorrelation and fit used For analysis multiple linear regression as well as testing hypothesis.

**Analysis Multiple Linear Regression**

Analysis multiple linear regression used For know size influence variables independent, namely Asset Efficiency, Liquidity, and Working Capital Turnover to variables dependent, namely Financial Performance. Analysis this is also used For know direction connection between variables independent with variables dependent, good connection positive and negative. After all assumptions classic fulfilled, analysis multiple linear regression can done. Equation the resulting regression describe connection between variables independent with variables dependent on value coefficient regression of each variable. Furthermore, the results analysis multiple linear regression in study This presented in Table 4.9.

**Table 3. Results of Multiple Linear Regression Analysis**

| **Coefficients** [a] | | | | | |
|---|---|---|---|---|---|
| Model | Unstandardized Coefficients | Standardized Coefficients | t | Sig. | Collinearity Statistics |



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| | | B | Std. Error | Beta | | Tolerance | VIF |
|---|---|---|---|---|---|---|---|
| 1 | (Constant) | 0.018 | .008 | | 2,428 | .016 | |
| | Asset Efficiency | 0.035 | .006 | .386 | 5,402 | .000 .982 | 1,018 |
| | Liquidity | 0.002 | .001 | .150 | 2,094 | .038 .979 | 1,021 |
| | Working Capital Turnover | -.006876 | .000 | -.071 | -1,000 | .319 .994 | 1,006 |
| a. Dependent Variable: Financial Performance | | | | | | | |

**ROA = 0.018 + 0.035 (TATO) + 0.002(CR) – 0.00006876(WCT) + e**

As for the interpretation from the multiple linear regression model the

1. Constant of 0.018 indicates that if Asset Efficiency, Liquidity, and Working Capital Turnover worth constant, then Financial Performance estimated of 0.018.
2. Coefficient regression Asset Efficiency of 0.035 indicates that every improvement Asset Efficiency of One unit will improve financial performance of 0.035, with assumptions other variables remain constant.
3. Coefficient regression Liquidity of 0.002 indicates that every improvement Liquidity as big as One unit will improve financial performance of 0.002, with assumptions other variables remain constant.
4. Coefficient regression Working Capital Turnover of -0.006876 indicates that every improvement Working Capital Turnover as big as One unit will lowering Financial Performance of 0.00006876, with assumptions other variables remain constant.

**Testing Hypothesis**

**Partial Test Results (t-Test)**

partial test (t-test) aims For know whether each variable independent partial influential to variables dependent. In research this, the t- value of the table obtained based on the formula df = n – k – 1, with amount sample (n) of 171 and the number variables independent (k) of 3, so that obtained degrees freedom (df) of 167. At the level of significance of 5% (α = 0.05) with testing two side (two-tailed), obtained t- table value amounting to 1,974. The basis for taking decision in the t test is if calculated t value > t table and value significance < 0.05, then hypothesis study accepted and vice versa. Partial test results can seen in Table 4.10



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**Table 4. Partial Test Results (t-Test)**

| Coefficients [a] | | | | | |
|---|---|---|---|---|---|
| | Unstandardized Coefficients | | Standardized Coefficients | | |
| Model | B | Std. Error | Beta | t | Sig. |
| 1 (Constant) | .018 | .008 | | 2,428 | .016 |
| Asset Efficiency | .035 | .006 | .386 | 5,402 | .000 |
| Liquidity | .002 | .001 | .150 | 2,094 | .038 |
| Working Capital Turnover | -.006876 | .000 | -.071 | -1,000 | .319 |

a. Dependent Variable: Financial Performance

Partial Test Results Table (t-Test), it was obtained results as following :

1. Variables efficiency asset own the calculated t value is 5.402, > t table 1.974 with mark significance of 0.000 < 0.05. The results show that $H_1$ is accepted and $H_0$ is rejected, so that can concluded that efficiency asset influential positive and significant to performance finance in the company manufacturing subsector industry basic and chemical products listed on the Indonesia Stock Exchange for the 2021–2024 period.
2. Variables liquidity own t - value 2.094, > t table 1.974 with mark significance of 0.038 < 0.05. The results show that $H_2$ is accepted and $H_0$ is rejected, so that can concluded that liquidity influential positive and significant to performance finance in the company manufacturing subsector industry basic and chemical products listed on the Indonesia Stock Exchange for the 2021–2024 period.
3. Variables working capital turnover own t - value -1,000 < t table 1.974 with mark significance of 0.319 > 0.05. The results show that $H_3$ is rejected and $H_0$ is accepted, so that can concluded that working capital turnover No influential significant to performance finance in the company manufacturing subsector industry basic and chemical products listed on the Indonesia Stock Exchange for the 2021–2024 period.

**Analysis Results Coefficient Determination (r Test)**

Coefficient test determination ($R^2$) aims For measure how much big ability variables independent, namely Asset Efficiency, Liquidity, and Working Capital Turnover in explain variation variables dependent variable, namely Financial Performance. The coefficient value determination range between 0 and 1 where the more big Adjusted R Square value, then the



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more big ability variables independent in explain variation variables dependent. On the contrary, the more small Adjusted R Square value, then the more small capacity variables independent in explain variables dependent.

**Discussion**

Based on the results analysis multiple linear regression and testing hypothesis that has been done, next done discussion For interpret results study about influence Asset Efficiency, Liquidity, and Working Capital Turnover on Financial Performance (Suhadak et al., 2019).

**Influence Asset Efficiency on Financial Performance**

Based on the results of the partial test (t-test), the variable Asset Efficiency gains mark significance of 0.000, which is more small from 0.05 (0.000 < 0.05), as well as own coefficient regression of 0.035 which is worth positive. This show that Hypothesis 1 (H1) is accepted, so that can concluded that Asset Efficiency has an impact positive and significant on Financial Performance in the Company manufacturing subsector industry basic and chemical products listed on the Indonesia Stock Exchange for the 2021–2024 period (Nianty et al., 2023).

Research result This show that the more tall efficiency company in utilise assets owned, then the more good performance too finance company (Valencia & Rodríguez, 2025). Utilization assets carried out in a way effective reflect ability company in manage source power possessed For support activity operational and productive income. Management efficient assets will increase ability company in produce profit so that impact on increasing performance finance company.

**Influence Liquidity On Financial Performance**

Based on the results of the partial test (t-test), the variable Liquidity get mark significance of 0.038, which is more small of 0.05 (0.038 < 0.05), as well own coefficient regression of 0.002 which is worth positive. This show that Hypothesis 2 (H2) is accepted, so that can concluded that Liquidity influential positive and significant to Financial Performance of the company manufacturing subsector industry basic and chemical products listed on the Indonesia Stock Exchange for the 2021–2024 period (Ajili & Bouri, 2018).

Research result This show that the more Good ability company in fulfil obligation term in short, then the more good performance too finance company. Good level of liquidity reflect condition finance a healthy company, so that company capable operate activity operational in a way fluent without experience difficulty in fulfil obligations that have been due date (Salomone & Galluccio, 2005).



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Agency Theory which explains that management as agent responsible answer manage source Power company in a way effective For fulfil interest holder share as principal. Ability company in guard level liquidity reflect management good financial management. With Thus, companies that are able to fulfil obligation term in short in a way appropriate time will increase trust holder share to performance management, so that impact on increasing performance finance company. Research by Darma & Lidya (Oana Pintea et al., 2021) on liquidity influential positive and significant towards Financial Performance which shows that ability company in fulfil obligation term short can influence level profitability company (Aribawa, 2020).

**Influence Working Capital Turnover On Financial Performance**

Based on the results of the partial test (t-test), the variable Working Capital Turnover get mark significance of 0.319, which is more big from 0.05 (0.319 > 0.05), as well own coefficient regression of -0.00006876 which is worth negative. This show that Hypothesis 3 (H3) is rejected, so that can concluded that Working Capital Turnover influential negative but No significant on Financial Performance in the Company manufacturing subsector industry basic and chemical products listed on the Indonesia Stock Exchange for the 2021–2024 periodb(Tetteh et al., 2022).

Research result This show that tall or low level working capital turnover Not yet capable give significant influence to performance finance company. This is indicates that the working capital owned company Not yet utilized optimally for increase profit. In addition, the difference characteristics operational intercompany, duration cycle production, size supplies, as well as duration time billing receivables can cause working capital turnover No in a way direct influence performance financeb(Melinda & Nurasik, 2021).

In theory agency explained that management as agent responsible answer manage all over source Power company, including working capital, in general effective and efficient For maximize welfare holder share as principal. However, the results study This show that working capital management Not yet capable give significant contribution to improvement performance finance. This indicates that there is other external factors higher working capital turnover dominant in influence performance finance companies, such as efficiency assets, capital structure, and condition operational company.Results study This in line research ( Megasari et al., 2022) which states that working capital turnover No influential to performance company. High working capital turnover Not yet Of course capable increase performance company due to working capital No only used For support activity operational,


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but also for need investment. Therefore that, the increase working capital turnover No always followed by an increase performance finance company (Wartoyo & Prasetyo, 2023).

## CONCLUSION

Based on the results data analysis regarding influence Asset Efficiency, Liquidity, and Working Capital Turnover on Financial Performance in the Company manufacturing subsector industry basic and chemical products listed on the Indonesia Stock Exchange for the 2021–2024 period, then can withdrawn a number of conclusion as following :

1. Asset Efficiency has an impact positive and significant on Financial Performance in the Company manufacturing subsector industry basic and chemical products listed on the Indonesia Stock Exchange for the 2021–2024 period. This show that the more tall efficiency company in utilise assets owned, then the more Good performance finance company.
2. Liquidity influential positive and significant on Financial Performance in the Company manufacturing subsector industry basic and chemical products listed on the Indonesia Stock Exchange for the 2021–2024 period. This show that the more Good ability company in fulfil obligation term in short, then the more good performance too finance company.
3. Working Capital Turnover No influential on Financial Performance in the Company manufacturing subsector industry basic and chemical products listed on the Indonesia Stock Exchange for the 2021–2024 period. This show that tall or low working capital turnover Not yet capable give significant influence to improvement performance finance company.
4. Asset Efficiency, Liquidity, and Working Capital Turnover in a way simultaneous influential significant on Financial Performance in the Company manufacturing subsector industry basic and chemical products listed on the Indonesia Stock Exchange for the 2021–2024 period. This show that third variables the in a way together affect Financial Performance company

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