



THE EFFECT OF TOTAL ASSET TURNOVER AND NET PROFIT MARGIN ON RETURN ON ASSET AT PT. UNILEVER INDONESIA TBK PERIOD 2014-2023

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ABSTRACT

The purpose of this study is to determine the effect of Total Asset Turnover and Net Profit Margin on Return On Asset at PT. Unilever Indonesia Tbk for the period 2013-2024. This type of research uses quantitative with an associative approach and secondary data in the form of the company's annual financial statements. The data analysis used is multiple regression analysis, classical assumption test, hypothesis test and coefficient of determination. Significant tests include t-test and f-test. The results of the study show that Total Asset Turnover partially has a significant effect on Return On Asset with a t-value of 26.635 > 2.3642 t-table and a significance value of 0.000 < 0.05. And Net Profit Margin partially has a significant effect on Return On Asset with a t-value of 72.333 > 2.3642 t-table and a significance value of 0.000 < 0.05. Simultaneously, Total Asset Turnover and Net Profit Margin have a significant influence on Return On Asset with a calculated F value of 2635.695 and Ftable 4.74 with a significance level of 0.000 < 0.05.

Keywords: Total Asset Turnover, Net Profit Margin, Return On Assets

INTRODUCTION

In the business world, a company is one of the economic actors that acts as a producer, producing and managing a particular product to meet human needs. In the current era of globalization, many businesses are growing, with that competition between companies is getting stronger. So that the increasingly tight competition makes company owners compete to show that their company is the best. An important strategy that companies can do is to improve the quality of current resource management to ensure that business operations run smoothly.

The company was established with the aim of gaining maximum profit, if the profit continues to increase, the operational management of the company is said to be effective in managing its assets. Companies that are able to gain high profits will gain the trust of investors to invest their funds, so the company must have the ability to make the right financial decisions.

The position of a company can be seen from its financial condition, several interested parties need to know the development and condition of the company presented in its financial report. The company's financial report contains information about the balance sheet, profit and loss report, cash flow report, changes in capital and other financial conditions.

In measuring the level of success of a company, it can be seen from the performance of the company. Company performance can be seen from financial performance which can be used to measure the success of a company, by analyzing financial statements using financial ratios. Financial ratios are activities that compare the numbers in financial statements by dividing one number by another. Comparisons can be made between one component and another in one financial statement. (Kasmir, 2015:104). One of the financial ratios that is often used by companies to measure company profits is the profitability ratio, which describes the capabilities and resources it has from sales, use of assets, and use of capital (Alexander, 2022:109). In this study, the financial ratio used was Return On Asset.

Return on Assets is a ratio that shows how much assets contribute to creating net profit. This ratio is calculated by dividing net profit by total assets. The higher the return on assets means the higher the amount of net profit generated from each rupiah of funds invested in total assets (Alexander, 2022:111). Return on Assets also has objectives that are not only for management and business owners, but also external parties to the company, especially stakeholders who have relationships with the company.

PT. Unilever Indonesia Tbk is one of the leading companies in the Fast Moving Consumer Goods (FMCG) industry in Indonesia which was established in 1933. PT. Unilever Indonesia has more than 40 brands divided into 2 business segments; Home & Personal Care and Nutrition and ice cream. The company has been listed on the Indonesia Stock Exchange (IDX) since 1982 (www.unilever.co.id).

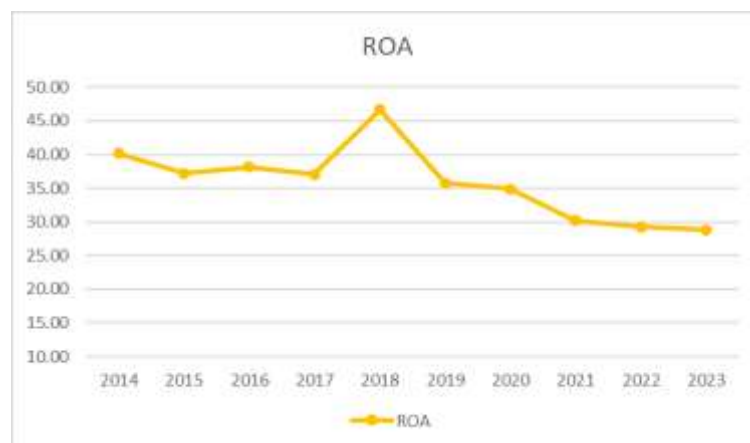
The success of PT. Unilever Indonesia Tbk requires a total commitment to extraordinary productivity, effective financial performance and a willingness to accept new ideas in continuous learning. PT. Unilever Indonesia Tbk believes that to achieve success must have the highest standards of corporate behavior towards employees, consumers and the community. The highest standards are obtained from the achievement of a financial report, indicators are needed to determine the company's success in achieving its goals by calculating financial ratios (Amalia, et al., 2020:72).

PT. Unilever Indonesia Tbk is a developed and growing company listed on the Indonesia Stock Exchange (IDX). The following is an explanation of the calculation of return on assets (ROA).

Table 1. Return On Asset(ROA) PT. Unilever Indonesia, Tbk 2014-2023

Tahun	Laba Bersih Setelah Pajak	Total Aset	%	ROA
2014	5,738,523,000,000	14,280,670,000,000	100	40.18
2015	5,851,805,000,000	15,729,945,000,000	100	37.20
2016	6,390,672,000,000	16,745,695,000,000	100	38.16
2017	7,004,562,000,000	18,906,413,000,000	100	37.05
2018	9,109,445,000,000	19,522,970,000,000	100	46.66
2019	7,392,837,000,000	20,649,371,000,000	100	35.80
2020	7,163,536,000,000	20,534,632,000,000	100	34.89
2021	5,758,148,000,000	19,068,532,000,000	100	30.20
2022	5,364,761,000,000	18,318,114,000,000	100	29.29
2023	4,800,940,000,000	16,664,086,000,000	100	28.81

Data sources processed by the author(2024)



Source: processed by the author(2024)

Figure 1.

Return On Asset (ROA) PT. Unilever Indonesia, Tbk 2014-2023

Based on Figure 1 above, it can be seen that the return on assets of PT. Unilever Indonesia Tbk from 2014 to 2023 has increased and decreased. return on assets in 2014 was 40.18%, in 2015 it decreased to 37.20%. In 2016 and 2017 return on assets increased and decreased by 38.16% and 37.05%, in the following year 2018 there was a significant increase of 46.66% since the last five years return on assets of PT. Unilever Indonesia Tbk has experienced a very significant decrease in ROA value not above 37.00%. This condition illustrates that the company's return on assets is said to be less than good.

The decline in return on assets over the past five years shows that PT. Unilever Indonesia Tbk does not have the ability to maximize its resources to generate large profits. This causes the company to experience losses in managing finances for business growth which has an impact on the company's performance in the future.

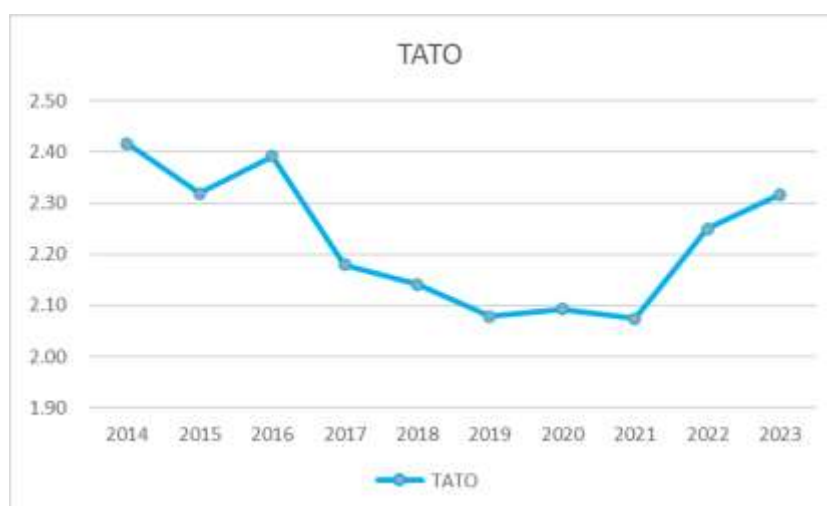
There are several factors that affect Return on Asset, including Total Asset Turnover and Net Profit Margin. This study focuses on two variables that will be tested further regarding their influence on Return on Asset. So assessing the company becomes easier with the data in this study.

According to Rosyamsi (2019:31) "Total Asset Turnover describes the turnover of assets measured by sales volume. The higher this ratio, the more efficient the use of assets in generating sales." Meanwhile, according to Fahmi (2020:135) "Total Asset Turnover is to see the extent to which all assets owned by the company rotate effectively." The calculation of Total Asset Turnover of PT. Unilever Indonesia Tbk in 2014-2023.

Table 2. Total Asset TurnoverPT. Unilever Indonesia Tbk 2014-2023

Tahun	Penjualan Bersih	Total Aset	TATO
2014	34,511,534,000,000	14,280,670,000,000	2.42
2015	36,484,030,000,000	15,729,945,000,000	2.32
2016	40,053,732,000,000	16,745,695,000,000	2.39
2017	41,204,510,000,000	18,906,413,000,000	2.18
2018	41,802,071,000,000	19,522,970,000,000	2.14
2019	42,922,563,000,000	20,649,371,000,000	2.08
2020	42,972,474,000,000	20,534,632,000,000	2.09
2021	39,545,959,000,000	19,068,532,000,000	2.07
2022	41,218,881,000,000	18,318,114,000,000	2.25
2023	38,611,401,000,000	16,664,086,000,000	2.32

Source: data processed by the author(2024)



Source: data processed by the author(2024)

Figure 2. Total Asset TurnoverPT. Unilever Indonesia Tbk 2014-2023

Based on the results of Figure 2, Total Asset Turnover of PT. Unilever Indonesia Tbk has experienced fluctuating development. Total Asset Turnover in 2014 had a value of 2.42 times, in 2015 it decreased with a value of 2.32 times, in 2016 it increased with a value of 2.39 times, in 2017 it decreased with a value of 2.18 times, in 2018 it decreased again with a value of 2.14 times, in 2019 it decreased with a value of 2.08, in 2020 it increased by 2.09 times, in 2021 it decreased with a value of 2.07 times, in 2022 it increased with a value of 2.25 times, in 2023 it increased with a value of 2.32 times.

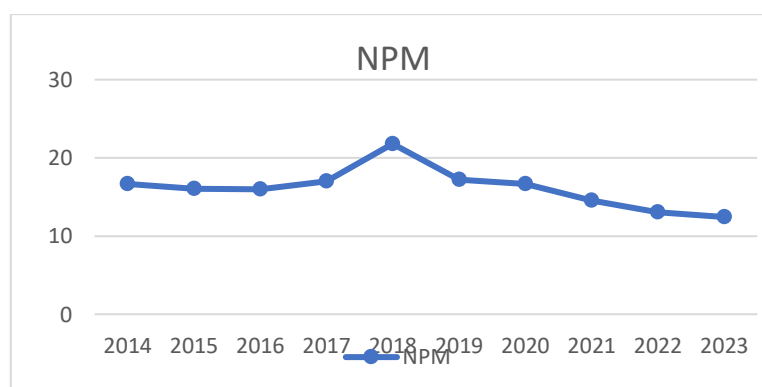
This ratio shows how quickly the company's assets are used to generate revenue, that is, to what extent the assets contribute to sales. The higher this ratio, the more sales are generated, a high asset turnover rate indicates that the company is using its assets efficiently to generate large net income.

Another factor that affects Return on Asset is Net Profit Margin. According to Hery (2020:199) a high Net Profit Margin indicates the company's ability to generate high profits at a certain sales level. According to Ningrum and Nurmasari (2021:265) The purpose of calculating the Net Profit Margin is to measure the level of success of the company, where the benefits of the company are not only intended for the company owners. But also for external parties who have an interest in the company. The calculation of the Net Profit Margin of PT. Unilever Indonesia Tbk.

Table 3. Net Profit MarginPT. Unilever Indonesia Tbk 2014-2023

Tahun	Laba bersih Setelah Pajak	Penjualan Bersih	%	NPM
2014	5,738,523,000,000	34,511,534,000,000	100	16.63
2015	5,851,805,000,000	36,484,030,000,000	100	16.04
2016	6,390,672,000,000	40,053,732,000,000	100	15.96
2017	7,004,562,000,000	41,204,510,000,000	100	17.00
2018	9,109,445,000,000	41,802,071,000,000	100	21.79
2019	7,392,837,000,000	42,922,563,000,000	100	17.22
2020	7,163,536,000,000	42,972,474,000,000	100	16.67
2021	5,758,148,000,000	39,545,959,000,000	100	14.56
2022	5,364,761,000,000	41,218,881,000,000	100	13.02
2023	4,800,940,000,000	38,611,401,000,000	100	12.43

Source: data processed by the author(2024)



Source: data processed by the author(2024)

Figure 3

Net Profit MarginPT. Unilever Indonesia Tbk 2014-2023

Based on Figure 1.3 above, the Net Profit Margin or net profit at PT Unilever Indonesia Tbk. From 2014 to 2023 has increased and decreased. In 2014, the Net Profit Margin was 16.63%, in 2015 it decreased by 16.04%, in 2016 it decreased again by 15.96%, in 2017 and 2018 it increased by 17.00% and 21.79%, from 2019 to 2023 the Net Profit Margin continues to decrease. This condition illustrates that the company's net profit margin is said to be less good. Because when the Net Profit Margin ratio is getting lower, it indicates that the company's performance is not good, which means the company is less productive in achieving high profits through large Return on Assets. Meanwhile, when the Net Profit Margin ratio is getting higher, this indicates that the company's performance is getting better, which means the company is more productive and has the potential to achieve high profits through large Return on Assets.

There are several previous studies that show inconsistent results regarding the Total Asset Turnover variable, such as the research of Regina Cahyani and Noryani (2024:105) Total Asset Turnover partially has a significant effect on Return on Assets. While the research of Hafizan Razan,

et al. (2024:74) Total Asset Turnover partially has no significant effect on Return on Assets. Previous research on the Net Profit Margin variable, Shelly's research. Alemina, et al. (2020:78) Partially Net Profit Margin has a significant effect on Return On Assets. While the research of Riyan Marten Adi (2024:186) Net Profit Margin has no significant effect on Return On Assets.

METHOD

The research method used in this study is a quantitative method with an associative approach, which aims to test the relationship between variables. Sugiyono (2017) explains that quantitative research focuses on data collection with research instruments, statistical analysis, and hypothesis testing. This study uses multiple linear regression analysis to see the effect of independent variables, namely Total Asset Turnover (TAT) and Net Profit Margin (NPM), on the dependent variable, namely Return on Asset (ROA) at PT Unilever Indonesia Tbk. In addition, an associative descriptive analysis was carried out to describe the relationship between variables without leading to cause and effect. Classic assumption tests, such as normality tests, multicollinearity, heteroscedasticity, and autocorrelation, were also applied to ensure the validity of the regression model (Ghozali, 2018). This study also uses secondary data obtained from the annual report of PT Unilever Indonesia Tbk, which is available on the company's official website and the Indonesia Stock Exchange. The sampling technique used was purposive sampling, where the annual financial reports from the period 2014-2023 were selected as samples (Sugiyono, 2021). Data analysis was carried out using IBM SPSS Statistics version 26 to process quantitative data. Hypothesis testing was carried out using the t-test to measure the effect of each independent variable partially, and the F-test to test the simultaneous effect of independent variables on the dependent variable. The results of the test are used to measure how much influence Total Asset Turnover and Net Profit Margin have on Return on Assets in the companies studied.

RESEARCH RESULT

1. Autocorrelation Test

Autocorrelation Test is intended to see whether there is autocorrelation in a regression model. Through Durbin-Watson (DW), namely by comparing the Durbin-Watson values. The criteria in the Durbin-Watson Test guidelines are as follows;

Table 4. Autocorrelation Test Results

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.999 ^a	.999	.998	.22602	1.190

a. Predictors: (Constant), NPM, TATO

b. Dependent Variable: ROA

Source: SPSS 26 Output

Thus the results in table 4.7 $dL < d < dU$ ($0.6972 < 1.190 < 2.3587$) means there is no conclusion. Therefore the author uses the 2nd method for autocorrelation testing using the Run Test.

Table 5.

Runs Test

	Unstandardized Residual
Test Value ^a	.04801
Cases < Test Value	5
Cases ≥ Test Value	5
Total Cases	10
Number of Runs	4
Z	-1.006
Asymp. Sig. (2-tailed)	.314

a. Median

Source: SPSS 26 Output

Based on the table above, the Asymp. Sig (2-tailed) value is $0.314 > 0.05$, so there are no symptoms of autocorrelation.

2. Multiple Linear Regression Analysis

Multiple regression analysis involves several independent variables against the dependent variable which is used to predict how the variable value changes. Here are the results of multiple regression analysis:

Table 6. Multiple Linear Regression Analysis Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-34.931	1.542		-22.660	.000
	TATO	15.879	.596	.382	26.635	.000
	NPM	2.195	.030	1.039	72.333	.000

a. Dependent Variable: ROA

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Source: SPSS 26 Output

Based on the results of the multiple linear regression test calculations in table 4.5, it can be seen that the multiple linear regression equation is in the form of

$$Y = -34,931 + 15,879 (X_1) + 2,195 (X_2) + e$$

3. Hypothesis Testing

Table 7. Partial Test Results (t-Test)

Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-34.931	1.542		-22.660	.000
	TATO	15.879	.596	.382	26.635	.000
	NPM	2.195	.030	1.039	72.333	.000

a. Dependent Variable: ROA

Source: SPSS 26 Output

a. The Effect of Total Asset Turnover on Return on Assets

Based on the test results above, the Total Asset Turnover variable has a t count of $26.635 > 2.3642$ t table and a significant value of $0.000 < 0.05$. So the Total Asset Turnover variable has an effect on the Return on Asset variable. The hypothesis shows that H_{01} is rejected and H_{a1} is accepted, which means that partially there is a significant effect between Total Asset Turnover (X_1) on Return on Asset (Y) at PT Unilever Indonesia 2014-2023.

b. The Effect of Net Profit Margin on Return on Assets

Based on the test results above, the Net Profit Margin variable has a t count of $72.333 > 2.3642$ t table and a significant value of $0.000 < 0.05$. So the Net Profit Margin variable has an effect on the Return on Asset variable. The hypothesis shows that H_{02} is rejected and H_{a2} is accepted, which means that partially there is a significant effect between Net Profit Margin (X_2) on Return on Asset (Y) at PT Unilever Indonesia 2014-2023.

4. F Test (Simultaneous Test)

Table 7. Simultaneous Test Results (F Test)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	269.281	2	134.641	2635.695	.000 ^b
	Residual	.358	7	.051		
	Total	269.639	9			

a. Dependent Variable: ROA
b. Predictors: (Constant), NPM, TATO

Source: SPSS 26 Output

From The results of the SPSS calculation obtained an Fcount value of 2635.695 > Ftable 4.74 with a significance level of 0.000 < 0.05, so the significance value of 0.000 is smaller than the real level value of 0.05. Thus, it can be concluded that Ho3 is rejected and Ha3 is accepted, meaning that simultaneously there is a significant influence between the variables Total Asset Turnover and Net Profit Margin on Return on Assets at PT Unilever Indonesia 2014-2023.

5. Coefficient of Determination (R²)

Through simultaneous testing, the magnitude of the determination coefficient (R²) can be known. From the determination coefficient (R²), the degree of accuracy of the multiple linear regression analysis can be known, showing the magnitude of the variation in the contribution of all independent variables to the dependent variable. The results of the determination coefficient of this study can be seen in the following table:

Table 8. Coefficient of Determination

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.999 ^a	.999	.998	.22602

a. Predictors: (Constant), NPM, TATO
b. Dependent Variable: ROA

Source: SPSS 26 Output

Based on the table above, the results of the coefficient of determination (R²) are 0.998 or 90.98%. This shows that Total Asset Turnover and Net Profit Margin have an effect on Return on Assets and the remaining 9.02% is influenced by other variables not used in this study.

DISCUSSION

1. Influence Total Asset Turnover to Return on Asset on PT. Unilever Indonesia

Based on the test results above, the Total Asset Turnover variable has a t count of 26.635 > 2.3642 t table. So the Total Asset Turnover variable has an effect on the Return on Asset variable. With a significant value of the Total Asset Turnover variable of 0.000 more < 0.05. The hypothesis shows that Ho1 is rejected and Ha1 is accepted, which means that partially there is a significant effect between Total Asset Turnover (X1) on Return on Asset (Y) at PT. Unilever Indonesia 2014-2023. This is in line with the research of Regina Cahyani and Noryanti (2024) entitled "The Effect of Total Asset Turnover (TATO) and Net Profit Margin (NPM) on Return On Asset (ROA)" which shows that partially Total Asset Turnover (TATO) has a significant effect on Return On Asset (ROA).

2. Influence Net Profit Margin to Return on Asset on PT Unilever Indonesia

Based on the test results above, the Net Profit Margin variable has a t count of 72.333 > 2.3642 t table. So the Net Profit Margin variable has an effect on the Return on Asset variable. With a significant value of the Return on Asset variable of 0.000 < 0.05. The hypothesis shows that Ho2 is rejected and Ha2 is accepted, which means that partially there is a significant effect between Net Profit Margin (X2) on Return on Asset (Y) at PT. Unilever Indonesia 2014-2023. This is in line

with the research of Almerina Shelly Br Subaki and Yois Nelsari (2020) entitled "The Effect of Current Ratio, Net Profit and Debt To Equity Ratio on Return On Asset" Partially has a significant effect on Return On Asset.

3. Influence Total Asset Turnover and Net Profit Margin against Return on Asset on PT Unilever Indonesia

From the calculation results of the F Test degree of freedom (df) of (k-1) or the degree of numerator and (nk) for the degree of denominator, where n = number of data and k = number of variables studied. The Fcount value is 2635.695 and Ftable 4.74 with a significance level of 0.000 < 0.05. Thus it can be concluded that Ho3 is rejected and Ha3 is accepted, meaning that simultaneously there is a significant influence between the variables Total Asset Turnover and Net Profit Margin on Return on Assets at PT Unilever Indonesia 2014-2023. This is in line with the research of Prima Novia Ningrum and Ifa Nurmasari entitled "The Effect of Current Ratio, Total Asset Turnover and Net Profit Margin on Return On Assets" the results of which show that simultaneously Current Ratio, Total Asset Turnover and Net Profit Margin on Return On Assets.

CONCLUSION

Based on the results of the study on the effect of Total Asset Turnover (X1) and Net Profit Margin (X2) on Return on Asset (Y) at PT. Unilever Indonesia Tbk for the period 2014-2023, it can be concluded that partially both variables have a significant effect on Return on Asset, with a t-value greater than t-table and a significance value smaller than 0.05, both for Total Asset Turnover and Net Profit Margin. Simultaneous tests show a significant effect between the two independent variables on Return on Asset, with an F-value much greater than F-table. The coefficient of determination (R²) of 99.8% indicates that both have a major contribution to Return on Asset, while the rest is influenced by other factors not studied. The limitations of the study include the use of one company sample and only two variables, while suggestions for companies are to further maximize asset management, for investors to consider other ratios in decision making, and for further research to add other variables and deepen the autocorrelation test.

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