JURNAL CAPITAL e-ISSN : 2723-1054
KEBIJAKAN EKONOMI, MANAJEMEN & AKUNTANSI

THE EFFECT OF LIQUIDITY, SOLVENCY AND ACTIVITY ON FINANCIAL PERFORMANCEIN MANUFACTURING COMPANIES IN THE CONSUMER GOODS INDUSTRY SECTOR

Mochamad Arif[1]*, Desyani Purwaningrum[2] , Dewi Sri Handayani[3], Frida Widyawati Triasningrum[4]
[1,2,3,4] Sekolah Tinggi Ilmu Ekonomi Semarang
*m.arif@stiesemarang.ac.id

Riwayat Artikel
Diterima :25 Juni 2025
Direvisi :13 Juli 2025
Diterima :23 Juli 2025

Abstraksi .

Penelitian ini bertujuan untuk menganalisis pengaruh likuiditas, solvabilitas, dan aktivitas terhadap kinerja keuangan pada perusahaan manufaktur sektor industri konsumsi barang yang terdaftar di Bursa Efek Indonesia (BEI) periode 2021–2023. Kinerja keuangan diukur menggunakan Return on Assets (ROA) sebagai variabel dependen, sedangkan likuiditas diukur dengan Current Ratio (CR), solvabilitas dengan Debt to Equity Ratio (DER), dan aktivitas dengan Total Assets Turnover (TATO) sebagai variabel independen. Penelitian ini menggunakan pendekatan kuantitatif dengan teknik purposive sampling, diperoleh 23 perusahaan sebagai sampel dengan total 69 observasi selama tiga tahun.

Metode analisis data yang digunakan adalah analisis regresi linier berganda yang didahului dengan uji asumsi klasik. Hasil penelitian menunjukkan bahwa secara parsial: (1) Likuiditas berpengaruh positif dan signifikan terhadap kinerja keuangan, (2) Solvabilitas tidak berpengaruh signifikan terhadap kinerja keuangan, dan (3) Aktivitas berpengaruh positif dan signifikan terhadap kinerja keuangan. Secara simultan, ketiga variabel independen tersebut berpengaruh signifikan terhadap kinerja keuangan perusahaan.

Temuan ini mengindikasikan bahwa perusahaan perlu menjaga kemampuan likuid dan efisiensi penggunaan aset untuk mendukung profitabilitas, sementara penggunaan struktur modal perlu diperhatikan agar tidak membebani kinerja perusahaan. Penelitian ini memberikan pengaruh bagi manajemen perusahaan dan investor dalam pengambilan keputusan strategi.

Kata Kunci
Likuiditas, Solvabilitas, Aktivitas, Kinerja Keuangan, ROA, CR, DER, TATO.

Abstract.

This study aims to analyze the effect of liquidity, solvency, and activity on financial performance in consumer goods manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the period 2021–2023. Financial performance is measured by Return on Assets (ROA) as the dependent variable, while liquidity is measured by Current Ratio (CR), solvency by Debt to Equity Ratio (DER), and activity by Total Assets Turnover (TATO) as the independent variable. This study uses a quantitative approach using purposive sampling, so

that a sample of 23 companies was obtained with a total of 69 observations over three years.
The data analysis method used is multiple linear regression, preceded by a classical assumption test. The results of the study indicate that partially: (1) Liquidity has a positive and significant effect on financial performance, (2) Solvency does not have a significant effect on financial performance, and (3) Activity has a positive and significant effect on financial performance. Simultaneously, the three independent variables have a significant effect on the company's financial performance.

These findings suggest that firms should maintain adequate liquidity and asset utilization efficiency to support profitability, while paying attention to their capital structure to avoid burdening financial performance. This study offers implications for corporate management and investors in making strategic decisions.

Keywords:
Liquidity, Solvency, Activity, Financial Performance, ROA, CR, DER, TATO.

INTRODUCTION

Financial performance is an analysis conducted to see the extent to which the company has implemented using the rules of financial implementation properly and correctly. The measurement of financial performance in this study uses a profitability comparison, namely Return on Assets (ROA). Measurement of financial performance is very important as a suggestion in order to improve the company's operational activities with improvements in operational performance, it is expected that the company can experience better financial growth and also be able to compete with other companies. Measurement of financial performance can be done by analyzing its financial statements. Analyzing financial statements means digging up more information contained in a financial statement.

Financial reports are important information for investors in making investment decisions. The benefits of these financial reports are optimal for investors if investors can analyze them further through financial ratio analysis. Financial ratios are useful for predicting a company's financial difficulties, operating results, the company's current and future financial conditions, and as a guideline for investors regarding past and future performance. To be able to read, understand, and comprehend the meaning of financial reports, it is necessary to first explain the various analysis tools that can be used. One of these analysis tools is known as financial report analysis. By using financial report analysis tools, especially for business owners and management, various things related to the company's finances and progress can be found. Business owners can find out the company's financial condition and assess the company's current performance, whether it has achieved the targets that have been set.determined or not. The financial report analysis technique used in this study is to analyze financial ratios.

This financial ratio analysis can be used as an early warning system for a decline in a company's financial position. This comparative analysis can guide investors and potential investors to make decisions or considerations about what will happen in the future. Financial ratio analysis is divided into several parts, namely profitability ratio, liquidity ratio, solvency, activity and assessment. Actually there are still many analyses of financial comparisons that can be used in assessing a company's financial performance, but this study will focus on only 3 ratio analyses, namely liquidity ratio, solvency ratio and activity ratio.

According to Kasmir (2019:129) Liquidity is a tool used to see the extent to which a company can pay off its debts with the assets it owns. The greater the liquidity ratio, the better the company's ability to meet its obligations. The liquidity ratio in this study was measured using the Current Ratio (CR), a ratio used to see how the company is able to meet its short-term obligations. The importance of this ratio to the company's financial performance, because this liquidity is related to the ability of a company to make a profit. When the Current Ratio is getting lower, this indicates that a company is having difficulty meeting its short-term obligations. The results of research conducted by Yunita Nur Indah Sintya Dewi, Arief Hardiyanto, Abdul Kohar (2024) Ana Mardiana Ningsih, Hardiwinoto, Mohammad Ridwan, Anindya PRZ Putri (2023) explain that liquidity has a positive and significant effect on the company's financial performance. Meanwhile, the results of research conducted by Azka Muhammad Naufal, Gita Genia Fatihat (2023), Sulthon Badar Al Rahman, Dedi Suselo (2022) explain that liquidity does not have a significant influence on financial performance.

According to Hery (2016:68) Solvency ratio is one of the comparisons used to see the company's ability to meet all its obligations, both short-term and long-term obligations. Solvency ratio can provide an overview of a company's financial health because a healthy company is able to pay off all its debts with the amount of assets owned by the company. Solvency ratio analysis can be interpreted as how far the company's assets are able to be financed by its obligations. In this study, solvency is measured using the Debt to Equity Ratio (DER). The higher the Debt to Equity Ratio, the total value of the owner's capitalwhich is used as collateral for debt will be lower. The results of research conducted by Ana Mardiana Ningsih, Hardiwinoto Indonesian: Muhammad Ridwan, Anindya Indonesian: PRZ Putri (2023) Sulthon Badar Al Rahman, Dedi Suselo (2022) explain that solvency has a positive effect on financial performance. Meanwhile, the results of research conducted by Evi Grediani, Evieana Saputri, Hanifah (2022) explain that solvency does not have a significant effect on financial performance.

According to Hery (2016), activity ratio is a ratio used to measure the effectiveness of a company in using its resources, especially its assets, to generate sales or revenue. This ratio shows how efficient the company is in managing assets to support daily operations. The importance of the activity ratio to financial performance is that this ratio can be used to predict profits. Because it is related to the utilization of existing company resources to generate sales. The faster the activity ratio, the greater the profit generated, because the company can use these resources to increase sales which affect revenue. Increased revenue can increase the company's net profit. In this study, the activity ratio was measured using the total activity turnover. The results of research conducted by Sulthon Badar Al Rahman, Dedi Suselo (2022) Ana Mardiana Ningsih, Hardiwinoto, Mohammad Ridwan, Anindya PRZ Putri (2023) explained that activity has a significant effect on financial performance. Meanwhile, the results of research conducted by Yunita Nur Indah Sintya Dewi, Arief Hardiyanto, Abdul Kohar (2024) explained that activity has no effect on financial performance.

These financial ratios are used by investors to determine the company's market value and are used as a guideline by managers in providing investors with information about the company's performance with the aim of providing a description of the company's financial capabilities and weaknesses from year to year.

This study uses manufacturing companies as the object of research. Manufacturing companies listed on the Indonesia Stock Exchange are companies whose shares are liquidly traded on the Indonesia Stock Exchange, where their products are so needed by the community, becoming one of the factors that make manufacturing companies so popular with investors. One part of the manufacturing companies in Indonesia is the consumer goods industry. Manufacturing companies in the consumer goods industry sector consist of several sub-sectors, namely the food and beverage sub-sector, the cigarette sub-sector, the pharmaceutical sub-sector, the cosmetics and household needs sub-sector, and the household appliances sub-sector. The number of companies in the industryconsumption of these goods has created a tight competition between manufacturing companies in the consumer goods industry sector. Therefore, companies are expected to have strong capabilities in various fields such as finance, marketing, operations, and human resources. Manufacturing companies are also required to present financial performance reports for the benefit of the company in making future decisions and also for the benefit of investors.

The consumer goods industry sector is increasing in number because consumer goods are one of the primary needs of humans so that the demand for consumer goods products will tend to be stable which has an impact on the ability to generate optimal profits, so that manufacturing companies in the consumer goods industry sector are business opportunities that have good prospects. Companies engaged in the consumer goods industry sector have high operational activities so that companies must be able to manage each of their activities in order to obtain profits and be able to maximize profitability and be able to control working capital turnover. The development of manufacturing companies in the consumer goods industry sector in Indonesia both in terms of number and size of business will bring threats to increasingly high competition between companies. Companies are required to always think about how to maintain and even improve their performance in order to survive in times of crisis and competition.

LITERATURE REVIEW

The Influence of Liquidity on Financial Performance

According to Kasmir (2019:129) Liquidity is a tool used to see the extent to which a company can pay off its debts with the assets it owns. The greater the liquidity ratio, the better the company's ability to meet its obligations. The liquidity ratio in this study was measured using the Current Ratio (CR), a ratio used to see how the company is able to meet its short-term obligations. The importance of this ratio to the company's financial performance, because this liquidity is related to the ability of a company to make a profit. When the Current Ratio is getting lower, this indicates that a company is having difficulty meeting its short-term obligations. Based on the results of previous research by (Yunita Nur Indah Sintya Dewi, Arief Hardiyanto, Abdul Kohar 2024) explains that liquidity has a positive and significant effect on the company's financial performance. Based on the explanation above, the hypothesis taken is as follows:

H1: Liquidity has a significant positive effect on financial performance.

The Influence of Solvency on Financial Performance

According to Hery (2016:68) the solvency ratio is one of the comparisons used to see the company's ability to meet all its obligations, both short-term and long-term obligations. The solvency ratio can provide an overview of the financial health of a company because a healthy company is able to pay off all its debts with the amount of assets owned by the company. Solvency ratio analysis can be interpreted as how far the company's assets can be financed by its obligations. In this study, solvency is measured using the Debt to Equity Ratio (DER). The higher the Debt to Equity Ratio, the lower the total value of the owner's capital used as collateral for debt. Based on the results of previous research by (Ana Mardiana Ningsih, Hardiwinoto, Muhammad Ridwan, Anindya Bahasa Indonesia: PRZ Putri 2023) explains that solvency has a positive effect on financial performance. Based on the explanation above, the hypothesis taken is as follows:

H2: Solvency has a positive effect on financial performance.

Influence of ActivityOn Financial Performance

According to Hery (2016), activity ratio is a ratio used to measure the effectiveness of a company in using its resources, especially its assets, to generate sales or revenue. This ratio shows how efficient the company is in managing assets to support daily operations. The importance of the activity ratio to financial performance is that this ratio can be used to predict profits. Because it is related to the use of existing company resources to generate sales. The faster the activity ratio, the greater the profit generated, because the company can use these resources to increase sales which affect revenue. Increasing revenue can increase the company's net profit. In this study, the activity ratio was measured using total asset turnover. Based on previous research by (Sulthon Badar Al Rahman, Dedi Suselo 2022) it explains that activity has a significant effect on financial performance.

Based on the explanation above, the hypothesis taken is as follows:

H3: Activities have a significant effect on financial performance.

Framework

In this study, the dependent variable used is Financial Performance (Y). According to Sugiyono (2018) independent variable is a variable that influences or causes changes or the emergence of various dependencies (dependent variables). The Independent Variables in this study are Liquidity (X1), Solvency (X2), and Activity (X3).

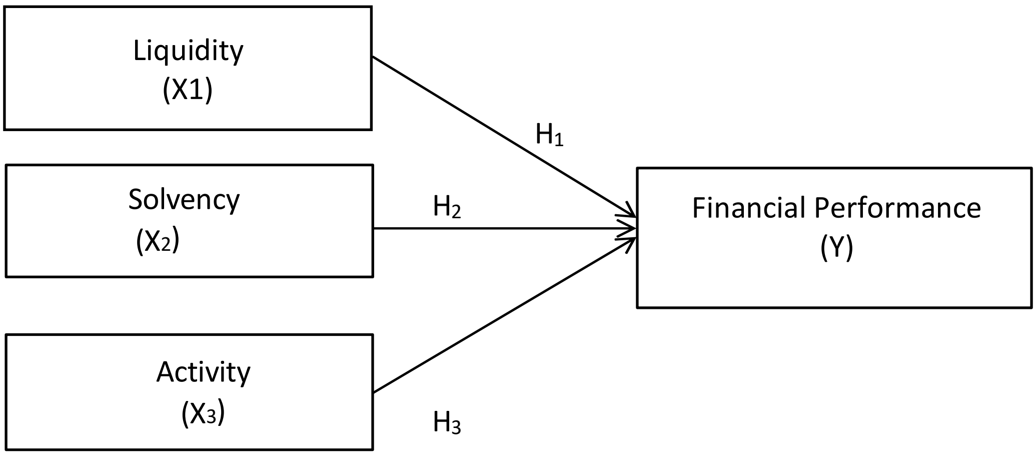

Figure 2.1
Framework

RESEARCH METHODS

The population in this study were manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange (IDX) in 2021-2023. Overall, there were 38 manufacturing companies in the consumer goods industry sector listed in the 2021-2023 period. This study used purposive sampling technique in sampling. Purposive sampling is a sampling techniquebased on certain criteria (Sugiyono, 2018). The following are the criteria for sampling that are considered, namely:

1. Manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange in 2021 – 2023.
2. Manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange that did not report their financial statements in 2021 – 2023.
3. Manufacturing companies in the consumer goods industry sector experienced losses in 2021 – 2023.

Table 3.1
Research Example Criteria

NO	Sample Determination Criteria	Amount
1	Manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange in 2021 – 2023.	38
2	Manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange that did not report their financial statements in 2021 – 2023.	(7)
3	Manufacturing companies in the consumer goods industry sector experienced losses in 2021 – 2023.	(8)
	Number of companies sampled	23
	Number of observations (X 3 years)	69

Table 3.2
Examples of Manufacturing Companies in the Consumer Goods Industry Sector Listed on the IDX in 2021 – 2023

NO	CODE	COMPANY NAME
1	AMMS	Agung Menjangan Mas Tbk.
2	BEER	Jobubu Jarum Minahasa Tbk.
3	BOB	Formosa Ingredient Factory Tbk.
4	FRUIT	Segar Kumala Indonesia Tbk.
5	BUT	Citra Borneo Utama Tbk.
6	English: CMRY	Cisarua Mountain Dairy Tbk.
7	CRAB	Toba Surimi Industries Tbk.
8	GODDESS	Dewi Shri Farmindo Tbk.
9	EURO	Estee Gold Feet Tbk.
10	FAPA	FAP Agri Tbk.
11	Sugar	Aman Agrindo Tbk.
12	English: IBOS	Indo Boga Sukses Tbk.
13	IPPE	Indo Pureco Pratama Tbk.
14	JAR	Jhonlin Agriculture Kingdom Tbk.

15	MKTR	Menthobi Karyatama Raya Tbk.
16	Indonesian	Nanotech Indonesia Global Tbk.
17	RICE	Wahana Inti Makmur Tbk.
18	Indonesian	Hassana Boga Sejahtera Tbk.
19	NSSS	Nusantara Sawit Sejahtera Tbk.
20	OIL	Indo Oil Perkasa Tbk.
21	STAA	Sumber Tani Agung Resources Tbk.
22	TAPG	Triputra Agro Persada Tbk.
23	TLDN	Teladan Prima Agro Tbk.

Source :www.idx.co.id (data processed (Year 2024)

Operational definition explains the specifications of independent variables (X) and dependent variables (Y) to provide limitations on the scope of the research and clarify the measurement of research variables. The operational definition of each term is as follows:

1. Financial Performance (Y)

   In this study, financial performance is measured using Return On Assets (ROA). Return on Assets (ROA) is a ratio that describes the extent to which the company's assets can generate profits (Adnyana, 2020).

$$Return\ on\ Assets = \frac{Laba\ Bersih}{Total\ Aset}$$

2. Liquidity (X1)

   In this study, liquidity is measured using the Current Ratio (CR). The current ratio is a ratio to measure the company's ability to pay short-term liabilities or debts that are due immediately when billed in full. Kasmir 2018).

$$CR=\frac{Aktiva\ Lancar}{Hutang\ Lancar}$$

3. Solvency (X2)

   In this study, solvency is measured using the Debt to Equity Ratio (DER). Debt to equity ratio is a comparison used to calculate a company's debt using equity Kasmir 2019).

$$DER=\frac{Total\ Liabilities}{Total\ Equity}$$

4. Activity (X3)

   In this study, activity is measured using Total Asset Turnover (TATO). Total asset turnover describes asset turnover as measured by sales volume. The higher the total asset turnover ratio means the more efficient the use of all activities in generating sales (Rosyamsi 2019).

$$\mathit{Total\ Asset\ Turnover} = \frac{\mathit{Penjualan}}{\mathit{Rata\text{-}rata\ aktiva}}$$

The type of data used in this study is secondary data. Secondary data is data in the form of evidence, records or historical reports that have been compiled in published and unpublished documentary data. The required data is available in the audited financial statements (financial) audited reports) in manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange in 2021 - 2023. The research point for 3 years was chosen considering that the data used was still actual and relevant to the current situation.

The data collection method used in this study is documentation, namely. It is data that comes from existing documents. The study obtained data by collecting and recording registered companies. Then downloading data in the form of annual financial reports and audited reports on the Indonesia Stock Exchange website in www.idx.co.id.

RESULTS AND DISCUSSION

Hypothesis Testing

Multiple Linear Regression Analysis

The analysis in this study uses multiple linear regression analysis, this study aims to check the state of Influence between all independent variables on the dependent variable. This study has independent variables consisting of Liquidity, Solvency, and Activity and the dependent variable is Financial Performance. The following are the results of multiple linear regression analysis:

Table 4.5
Multiple Linear Regression Test Results

Coefficient a

Model		Unstandardized Coefficient		Standard Coefficient		
		B	ErrorStandard	English	T	Signature.
1	(Constant)	.224	.066		3.396	.001
	Solvency	-.024	.020	-.182	-1,221	.226
	Liquidity	-.007	.028	-.037	-.244	.808
	Activity	.057	.039	.204	1,440	.155

1) Dependent Variable: Financial Performance

Source: Secondary Data, processed with SPSS 27, 2024.

From the results of the analysis with the SPSS program version 27 years, the regression equation of this study can be known. The linear regression equation formed is:

$$Y = 0{,}224 - 0{,}024\ X_1 - 0{,}007\ X_2 + 0{,}057\ X_3$$

The multiple linear regression equation model above can be interpreted as follows:

a. The constant (your absolute value) of 0.224 indicates that when liquidity, solvency, and activity are zero, the value of financial performance is 0.224.
b. The liquidity regression coefficient is -0.024. The coefficient is negative. This means that every increase in liquidity will result in a decrease in financial performance.
c. The solvency regression coefficient is -0.007. The coefficient is negative.
   This means that every time solvency increases, it will result in a decrease in financial performance.
d. The activity regression coefficient is 0.057. The coefficient is positive.
   This means that if every activity increases, it will result in an increase in financial performance.

F Test

The f test is also called the model feasibility test, which is to test whether there is a significant overall influence on the regression model. To test whether the line model is appropriate or not, it can be seen by comparing the financial performance from the results of the F test calculation. If the financial performance value shows <0.05, then the model in the regression is a fit model. Here are the results of the F test:

Table 4.6
F Test Results

Analysis of Variance (ANOVA)

Model		Sum of Squares		df	Mean Square	F	Signature.
1	Regression	.102		3	.034	2.308	.085 big
	Remainder	.961		65	.015		
	Total	1,063		68			

2) Dependent Variable: Financial Performance
3) Predictors: (Constant), Activity, Liquidity, Solvency

Source: Secondary Data, processed with SPSS 27 years 2024.

ftable = 69-3-1 = 65

fcount = 2.308 and ftable = 3.14

Based on table 4.6, it can be seen that the significance value for the influence of Liquidity (X1), Solvency (X2) and Activity (X3) on Financial Performance (Y) is 0.085> 0.05 and f counts 2.308 <f value in table 3.14. This proves that Ho is accepted and Ha is rejected.

This means that the variables Liquidity, Solvency, and Activity do not have a significant influence on Financial Performance.

T-test

The test in this study was conducted to determine whether there was a significant influence between varying liquidity, solvency, and activity on Financial Performance.

Table 4.7
t-Test Results

Coefficient a

Model		Unstandardized Coefficient		Standard Coefficient		
		B	ErrorStandard	English	T	Signature.
1	(Constant)	.224	.066		3.396	.001
	Solvency	- .024	.020	- .182	- 1,221	.226
	Liquidity	- .007	.028	- .037	- .244	.808
	Activity	.057	.039	.204	1,440	.155

4)Dependent Variable: Financial Performance

Source: Secondary Data, processed with SPSS 27 years 2024.

The results of the t-statistic test in the table above can be explained as follows:

The Influence of Liquidity on Financial Performance

In table 4.7 the results of the T test (partial) show that the significant value of Liquidity (X1) on Financial Performance is 0.226 > 0.05 or 5%, and the calculated t value - 1.221 < t table value of 1.997. So Ho is accepted and (Ha is rejected). This means that the Liquidity variable does not have a significant influence on Financial Performance and has a negative direction, so that the high or low Liquidity will not affect the increaseor a decline in Financial Performance in manufacturing companies in the consumer goods industry sector listed on the IDX in 2021 - 2023.

The Influence of Solvency on Financial Performance

In table 4.7 the results of the T test (partial) show that the significance value of Solvency (X2) on Financial Performance is 0.808> 0.05 or 5%, and the calculated t value - 0.244 <t table value 1.997. So Ho is accepted and (Ha is rejected). This means that the Solvency variable does not have a significant effect on Financial Performance and has a negative direction, so that high or low Solvency will not affect the increase or decrease in Financial Performance in manufacturing companies in the consumer goods industry sector listed on the IDX in 2021 - 2023.

The Impact of Activities on Financial Performance

In table 4.7 the results of the T test (partial) show that the significance value of Activity (X3) on Financial Performance is 0.155> 0.05 or 5%, and the calculated t value is 1.440 years <t table value of 1.997. So Hi is accepted and (Ha is rejected). This means that the Activity variable does not have a significant effect on Financial Performance and has a negative direction, so that the high or low Activity will not affect the increase or decrease in Financial Performance in manufacturing companies in the consumer goods industry sector listed on the IDX in 2021 - 2023.

Coefficient of Determination Test

In this study, the analysis of the coefficient of determination is intended to determine how much the relationship between varying liquidity, solvency and activity is to financial performance. The results of the coefficient of determination can be seen in the following table:

Table 4.8
Results of Determination Coefficient Test
Summary Model b

Model	R	R Square	Customized R Square	Standard. Error of Estimate	Durbin Watson, a professor at Durbin University,
1	.310 a	.096	.055	.12160	1,013

5)Predictors: (Constant), Activity, Liquidity, Solvency

6)Dependent Variable: Financial Performance

Source: Secondary Data, processed with SPSS 27 years 2024.

From table 4.8 above, the coefficient of determination (R Square) is 0.096. This means that the independent variables, namely liquidity, solvency, and activity, affect the dependent variable, namely financial performance, by 9.6%. While 90.4% is influenced by other variables outside this study.

Discussion

The Influence of Liquidity on Financial Performance

Based on the results of the regression analysis calculation, it shows that Liquidity has no effect and is not significant on Financial Performance. With a calculated t value of -1.221 years <t table value of 1.997 years and a significance of 0.226> 0.05, which means that Ho is accepted and Ha is rejected. So it can be concluded that there is no significant effect between Liquidity and Financial Performance. The absence of this significant effect indicates that high and low liquidity does not affect financial performance.

Liquidity measured by a low Current Ratio indicates a high liquidity risk, while a high Current Ratio indicates an excess of current activity, which will have a negative impact on the company's financial performance. Decreased liquidity is characterized by a decrease in the company's ability to meet its short-term and long-term obligations. The company is unable to provide a guarantee of the availability of working capital to support the company's operational activities. So that the desired profit is not as expected and makes investors hesitate to participate. This causes liquidity to have no effect on financial performance.

The results of this study are in line with the results of research conducted by Azka Muhammad Naufal, Gita Genia Fatihat (2023), Sulthon Badar Al Rahman, Dedi Suselo (2022) explaining that liquidity has no significant effect on financial performance. However, it is different from the results of previous studies conducted by Yunita Nur Indah Sintya Dewi, Arief Hardiyanto, Abdul Kohar (2024) explaining that liquidity has a positive and significant effect on financial performance.

The Influence of Solvency on Financial Performance

Based on the results of the regression analysis calculation, it shows that Solvency has no effect and is not significant on Financial Performance. With a calculated t value of -0.244 <t table value of 1.997 and a significance of 0.808> 0.05, which means that Ho is accepted and Ha is rejected. So it can be concluded that there is no significant effect between Solvency and Financial Performance. The absence of this significant effect indicates that low solvency does not affect financial performance.

Solvency as measured by Debt to Equity Ratio (DER). Debt to Equity Ratio (DER) is a ratio that shows the comparison between total debt and equity of the company. This ratio is often used to measure the extent to which a companyusing debt as a source of funding. The higher the DER, the greater the proportion of debt used compared to equity, which indicates that the company is more dependent on debt. So that this condition can cause a high possibility of the company going bankrupt. So the use of high debt needs to be balanced with an increase in profits so that the company's operational activities continue to run.

The results of this study are in line with the results of research conducted by Evi Grediani, Evieana Saputri, Hanifah (2022) explaining that solvency does not have a significant effect on financial performance. However, it is different from the results of previous research conducted by Ana Mardiana Ningsih, Hardiwinoto, Mohammad Ridwan, Anindya PRZ Putri (2023) explaining that solvency has a positive effect on financial performance.

The Impact of Activities on Financial Performance

Based on the results of the regression analysis calculation, it shows that Activity has no effect and is not significant on Financial Performance. With a calculated t value of 1,440 years <t table value of 1,997. and significant of 0.155> 0.05, which means Ho is accepted and Ha is rejected. So it can be concluded that there is no significant effect between Activity on Financial Performance. The absence of this significant effect indicates that the high and low activity does not affect financial performance.

Activities measured by Total Asset Turnover (TATO). Total Asset*Turnover*(TATO) is a ratio that measures how efficiently a company uses all its assets to generate revenue. This ratio is obtained by dividing total sales by total assets. The higher the TATO, the more efficient the company is in utilizing its assets to generate sales. If the Total Asset Turnover (TATO) or total asset turnover is lower, this can have a negative impact on the company's financial performance. A low Total Asset Turnover indicates that the company is not using its assets efficiently to generate revenue. This means that even though the company has large assets, the revenue generated from these assets is relatively small. Indicates that the company may need to review its sales strategy, improve operational efficiency, or rebalance its asset structure to improve its financial performance.

The results of this study are in line with the results of research conducted by Yunita Nur Indah Sintya Dewi, Arief Hardiyanto, Abdul Kohar (2024) who explained that the activitydoes not affect financial performance. However, unlike the results of previous research conducted by Sulthon Badar Al Rahman, Dedi Suselo (2022) explained that activity has a significant effect on financial performance.

CONCLUSION

Based on the results of data analysis that has been carried out on 23 manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange (IDX) in 2021 - 2023 regarding the Effect of Liquidity, Solvency, and Activity on Financial Performance, the following conclusions can be drawn: (1) Liquidity does not have a significant effect on financial performance in manufacturing companies in the consumer goods industry sector listed on the IDX in 2021 - 2023, (2) Solvency does not have a significant effect on financial performance in manufacturing companies in the consumer goods industry sector listed on the IDX in 2021 - 2023, and (3) Activity does not have a significant effect on financial performance in manufacturing companies in the consumer goods industry sector listed on the IDX in 2021 - 2023.

The suggestions given in this study are as follows: (1) Investors are advised not only to look at liquidity, solvency, and activity in assessing the company's prospects, but also to pay attention to profitability factors such as Net Profit Margin (NPM), Return on Assets (ROA), and Return on Equity (ROE). These indicators can provide a more accurate picture of the company's ability to generate profits, (2) For the Company, although liquidity, solvency, and activity may not directly affect financial performance in this study, the company still needs to focus on more efficient group management to drive sales growth, and (3) For further researchers, it is recommended to expand the research period and research other company samples. As well as examining other variables that may have a significant influence on financial performance, such as varying profitability (Return on Equity, Gross Profit Margin), operational efficiency, and product innovation.

BIBLIOGRAPHY

Yunita Nur Indah Sintya Dewi, Arief Hardiyanto, Abdul Kohar. (2024). *Pengaruh Rasio Solvabilitas, Likuiditas dan Aktivitas Terhadap Kinerja Keuangan Perusahaan Manufaktur Subsektor Farmasi Yang Terdaftar di BEI Periode 2017–2021*. https://jatama-feb.unpak.ac.id/index.php/jatama/issue/view/7 jatama-feb.unpak.ac.id+1jatama-feb.unpak.ac.id+1

Ana Mardiana Ningsih, Hardiwinoto, Mohammad Ridwan, Anindya P.R.Z. Putri. (2023). *Analisis Rasio Likuiditas, Solvabilitas, Aktivitas dan Profitabilitas untuk Menilai Kinerja Keuangan pada Perusahaan Food and Beverage yang Terdaftar di BEI Tahun 2019–2021*. https://jurnalnasional.ump.ac.id/index.php/kompartemen/article/view/15829 ejournal.seaninstitute.or.id+3jurnalnasional.ump.ac.id+3jurnalnasional.ump.ac.id+3

Azka Muhammad Naufal, Gita Genia Fatihat. (2023). *Pengaruh Rasio Likuiditas, Rasio Solvabilitas dan Rasio Aktivitas terhadap Kinerja Keuangan (Studi Kasus pada Perusahaan Manufaktur Sub Sektor Rokok di BEI Periode 2017–2021). Jurnal Pendidikan Akuntansi & Keuangan*, Vol. 11 No. 1 (Januari–Juni 2023). Halaman: 41–47
DOI: 10.17509/jpak.v11i1.55370 jatama-feb.unpak.ac.id+6sinta.kemdikbud.go.id+6vm36.upi.edu+6

Sulthon Badar Al Rahman, Dedi Suselo. (2022). *Pengaruh Likuiditas, Solvabilitas dan Aktivitas terhadap Kinerja Keuangan pada Perusahaan Farmasi yang Terdaftar di BEI*. https://ejournal.seaninstitute.or.id/index.php/Ekonomi/article/view/5004 eprints.undip.ac.id+3ejournal.seaninstitute.or.id+3ejournal.warunayama.org+3

Evi Grediani, Evieana Saputri, Hanifah. (2022) *Analisis Rasio Solvabilitas, Likuiditas dan Aktivitas terhadap Kinerja Keuangan Perusahaan di Sektor Perdagangan yang Terdaftar di BEI Periode 2016–2020.* jurnal.universitasputrabangsa.ac.id+1mendeley.com+1

Fikri Ardan Isnaini, Puji Astuti, Sugeng. (2023) *Rasio Likuiditas, Solvabilitas, dan Aktivitas terhadap Kinerja Keuangan Perusahaan Makanan dan Minuman di BEI Tahun 2019–2022*. http://repository.unpkediri.ac.id/11261/ id.scribd.com+3repository.unpkediri.ac.id+3repository.unpkediri.ac.id+3

Lysus Herawati Prasthiwi. (2022). *Pengaruh Rasio Likuiditas, Solvabilitas, dan Aktivitas terhadap Kinerja Keuangan pada Perusahaan Sektor Healthcare di BEI Tahun 2018–2020*. ejournal.arimbi.or.id+4ejournal.stiepancasetia.ac.id+4mendeley.com+4

Mini Septika, Fahlia. (2024). *Pengaruh Rasio Likuiditas, Solvabilitas dan Aktivitas terhadap Kinerja Keuangan Perusahaan Property dan Real Estate di BEI Periode 2019–2022*. Acmatics Journal (Actuarial, Mathematics, and Statistics Journal), Vol. 1 No. 1 (Januari 2024). https://jurnal.uts.ac.id/index.php/acmatics/article/view/3794 embiss.com+3jurnal.uts.ac.id+3jurnal.utb.ac.id+3