Al-Kharaj: Journal of Islamic Economic and Business
Volume 6 (1), 2024: 37 - 55
P-ISSN: 2686-262X; E-ISSN: 2685-9300

The Effect of *Total Asset Turnover* and *Return on Assets* on Company Profit Growth (Study of Mining Companies Listed on the Indonesian Sharia Stock Index (ISSI) for the 2017-2022 Period

Iis Rahmawati[1] , Dinda Fali Rifan[2] , Tulus Suryanto[3], Raizky Rienaldy Pramasha[4]

[1234]Universitas Islam Negeri Raden Intan Lampung, Indonesia

Email: iisrahma7645@gmail.com, dindafalirifan@radenintan.ac.id, TulusSuryanto@radenintan.ac.id, raizkyrienaldypramasha@radenintan.ac.id

Received: 8 January 2024

Revised: 9 February 2024

Accepted: 30 March 2024

Abstract

This research aims to examine the influence of Total Asset Turnover and Return On Assets on company profit growth in mining companies listed on the Indonesian Sharia Stock Index (ISSI) for the 2017-2022 period. The method used in this research is a quantitative approach. The sampling technique used purposive sampling with a total sample of 11 companies. The data analysis used is multiple linear regression with software analysis tools Eviews 12 . The results of this research show that the Total Asset Turnover variable does not influence Profit Growth. The Return On Asset variable influences Profit Growth. The faster the asset turnover rate, the greater the net profit generated. The higher the Return On Assets , the greater the profit generated by the company. Simultaneously shows that Total Asset Turnover and Return On Assets influence profit growth , the combination of increasing Total Asset Turnover and Return On Assets will increase profit growth significantly.

Keywords *: Total Asset Turnover , Return on Assets , and Profit Growth*

INTRODUCTION

The goal of every company is to achieve success and development in its business activities. This desire is followed by the hope for optimal profits that the company can achieve as well as the desire for the business being run to have a relatively long life. In measuring the level of success of a company, it can be seen from the performance of the company itself. Company performance can be seen from financial performance which can be used to measure the success of a company, one of which can be seen from the profits earned by the company. Maximum profit can be an indicator of a company achieving success. [1]Profit is also called *earning* or *profit* which is the net result of business operating activities in a certain period expressed in financial terms. A company can experience an increase or decrease in profits from the previous year to the next year. This is called a change in profit. This change in profit cannot be guaranteed, so it is necessary to predict changes in profit, by predicting profit you can know the company's prospects and be able to predict the dividends that will be received in the future. Profit can provide a positive signal regarding the company's future prospects regarding company performance. Conditions where profit growth

https://doi.org/10.24256/kharaj.v6i1.4971

continues to increase from year to year will provide a positive signal for the company's performance.[2]

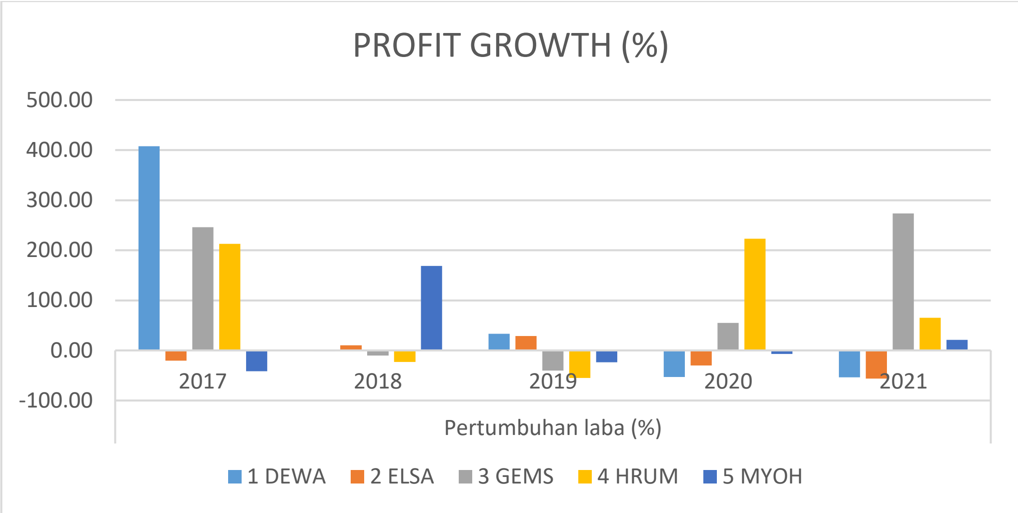
Profit growth is a ratio that shows the company's ability to increase net profit compared to the previous year. Net profit is profit minus costs including taxes. Profit growth can be calculated by the amount of net profit in the year concerned and the net profit in the previous year divided by the net profit of the previous year, because the goal of every company is of course to get optimum profit, profit is one of the important indicators for assessing the success of the company's performance. Increased profit growth indicates that the company's finances are in good condition, the impact of which will also increase the value of the company in the eyes of investors. Increased profit growth will attract the interest of potential investors to invest their capital in the company because every investor who will invest his capital in the company certainly wants high rate of return from the profits generated by the company.[3]

The company's profit growth also indicates that company management has succeeded in managing the company's existing resources effectively and efficiently. The higher the profits generated by the company, the better the company's performance. One of those included is the coal sub-sector mining company. Coal is one of the abundant energy sources in Indonesia and makes a significant contribution to economic progress in the country. Good profit growth is a company that has increasing profit growth every year.[4] This is in accordance with Law Number 4 of 2009 that minerals and coal contained in the legal mining area of Indonesia are non-renewable natural resources as a gift from God Almighty which have an important role in fulfilling the livelihood needs of many people, therefore their management must be controlled by The state is to provide real added value to the national economy in an effort to achieve prosperity and welfare of the people in a fair manner.[5] So in this study the researcher provides data on profit growth in mining companies listed on the Indonesian Sharia Stock Index for the 2017-2021 period. The reason is that the object of research in mining companies is that mining companies listed on the Indonesian Sharia Stock Index experience fluctuating profit growth which reflects the company's less stable financial condition.

Therefore, the problem of profit growth that occurs can be taken into consideration in making investment decisions by potential investors. However, there is something interesting about the mining business, namely that potential companies that are rich in natural resources are able to create companies that have high exploration of these resources. This is what succeeded in creating sympathy for potential investors to invest in the mining company. [6]Every company certainly hopes for the prospect of increasing profits every year, but in reality the company's profit for the coming year is still uncertain. In fact, there are fluctuations in the profit growth of mining companies listed on the Indonesian Sharia Stock Index which can be seen in the graph below:

Graph 1.1

Profit growth of mining companies listed on the Indonesian Sharia Stock Index (ISSI) 2017-2021



Source: idx.co.id data processed

Based on graph 1.1, it shows that profit growth in mining companies listed on the Indonesian Sharia Stock Index (ISSI) for the 2017-2021 period has values that fluctuate every year. Judging from 2017, five companies experienced an increase in profit growth of up to 400%, the Darma Henwa Tbk company and experienced a decline of -41.63%, the Samindo Resources company, if you look at 2018, there was only one increase in profit growth, namely the Samindo Resources company, in 2019 it tended to experience decreased to -54.75%, in 2020 it also tended to decrease to -52.92% and only increased twice in five years, and for 2021 it experienced a decrease of -56.30% and increased by 273%, this indicates that the condition of profit growth for mining companies registered with ISSI is unstable. Profit growth reflects the extent to which the company was able to increase net profit compared to the previous year. The higher the profit growth, the better the company's growth and vice versa to attract investors to invest their capital. Therefore, there is a need for a model to be able to predict future profit growth.[7]

The financial health of a company can be determined by calculating financial ratios on the company's financial statements. Financial ratios are a measuring tool used by companies to analyze financial reports, and provide an overview to users and business people in evaluating the

[7] Rosalia Nansih Widhiastuti Rini Aisyah, "The Influence of Financial Ratios on Profit Growth in Food and Beverage Industry Companies Registered on BEI for the 2010-2019 Period," *Journal of Accounting and Banking* 02 (2021): 1–9.

company's financial condition regarding the good and bad conditions or financial position of the company for a period which is carried out by connecting various estimates contained in the report. finance in the form of financial ratios. By calculating financial ratios, it is very helpful for companies to systematically analyze calculations and be able to compare items in financial reports so that the results can be accepted logically. The data used in financial ratio analysis is the balance sheet, profit and loss report, welding flow report, and other reports. Financial ratios are technical analysis in the field of financial management.[8]

To see an increase in profits, you can do an analysis of financial ratios. Through these financial ratios, it can be seen how the company's financial performance is, information about the company's ability to earn profits, and can be used as a guide for management to evaluate things that need to be done in the future in improving, maintaining in accordance with company targets, or even improve the company's financial condition to increase future profits. [9]If the profits earned by the company can continue to increase each period then profit growth will also increase, so it will reflect good company performance. This means that if the company's financial ratios get better, then the company's profit growth will also be good. The ratios used to measure a company's ability to earn profits are *Total Asset Turnover* (TATO) and *Return On Assets* (ROA).[10]

Total asset turnover is a ratio that shows the extent to which a company is able to use its total assets to generate net sales. If the *total asset turnover value* is high, the more efficient the company will be in generating sales. This will affect the profit growth of a company. However, if the *total asset turnover value* is low, it shows that the company is unable to process its assets properly to generate sales. [11] *Total asset turnover* is an activity ratio which can indeed show that the company is able to maximize its working capital to generate greater profits, but it is not sufficient for this analysis, because the activity ratio only shows the ratio of sales that can be generated to the working capital sacrificed. Another financial ratio analysis that can predict profit growth is the profitability ratio which illustrates that the company can generate net profits effectively and efficiently, sales and asset achievements can be maximized if the percentage of profitability is greater so that profit growth can be realized. [12]

[8] Mei Lindah Tri Mahmudah and Titik Mildawati, "The Influence of Financial Ratios and Company Size on Profit Growth in Property and Real Estate Companies," *Journal of Accounting Science and Research* 10 (2021): 1–20.
[9] Rima Sundari and M. Rizal Satria, "The Influence of Return on Assets and Return on Equity on Profit Growth in Wholesale Sub-Sector Companies Listed on the Indonesian Stock Exchange," *Land Journal* 2, no. 1 (2021): 107–18, https://doi.org/10.47491/landjournal.v2i1.1122.
[10] Ira Rahmawati and Dini Verdania Latif, "The Effect of Total Asset Turnover (Tato) and Return on Equity (Roe) on Profit Growth (Case Study in Pharmaceutical Sector Companies Listed on the Indonesia Stock Exchange during the Covid-19 Pandemic)," *Journal of Economics, Business and Accounting* 6 (2023): 1886–95.
[11] A. and S. Agustin Syahida, "The Influence of DER, NPM, and TATO on Profit Growth in Property and Real Estate Companies Listed on the IDX," *Journal of Management Science and Research* 10, no. 3 (2021): 1–14.
[12] Meylia Purnama Sari and Farida Idayati, "The Influence of Financial Ratios on Profit Growth in Property and Real Estate Sector Companies on the Indonesian Stock Exchange," *Journal of Accounting Science and Research (JIRA)* 8, no. 5 (2019): 1–20.

Profitability Ratios are ratios that describe a company's ability to earn profits during a certain period. If a company's ability to generate profits is low, the assessment of the profitability ratio will also be low and this will result in investors who want to invest in shares feeling hesitant to invest. *Return on assets* is one of the profitability ratios. The [13]*return on assets* ratio is a ratio that shows how much net profit the company earns when measured from the value of assets or a ratio that measures the company's ability to generate profits using the total assets or wealth owned by the company after adjusting for the costs that fund these assets. [14]This ratio shows that the greater the return on assets of a company, the greater the level of profit achieved by the company and the better the position of the company in terms of asset use so that the possibility of a company being in a problematic condition is smaller, which will influence future profit growth. front.[15]

Based on the background above, this research aims to examine and gain understanding/knowledge regarding:

1. To examine the effect of *Total Asset Turnover* on Profit Growth in Mining Companies listed on the Indonesian Sharia Stock Index (ISSI) for 2017-2022.
2. To examine the effect of *return on assets* on profit growth in mining companies listed on the Indonesian Sharia Stock Index (ISSI) for 2017-2022.

To examine the influence of *total asset turnover* and *return on assets on profit growth from an* Islamic economic perspective in mining companies listed on the Indonesian Sharia Stock Index (ISSI) for 2017-2022.

METHODS

The type of research used is quantitative research. Data collection techniques use documentation techniques, library research, and electronic media, while for the population in this study, namely mining companies listed on the Indonesian Sharia Stock Index (ISSI) for the 2017-2022 period, in determining the sample in this study, using proportional sampling with criteria as follows :

1. Mining companies registered with ISSI 2017-2022
2. Mining companies that publish complete annual financial reports
3. Mining companies that did not experience losses during the research period

TABLE 1

List of Companies as Samples

[13] Dyah Putri Lestari and Putu Sulastri, "The Influence of Return On Assets (ROA), Return On Equity (ROE) AND Net Profit Margin (NPM) on Profit Growth in Food and Beverage Companies Listed on the Indonesian Stock Exchange in 2017 - 2019," *Journal Economic Dharma* , no. 53 (2021): 45–55.
[14] Fali Rifan Dinda, "The Effect of Corporate Social Responsibility Disclosure and Company Size on Financial Performance," *Journal of Accounting and Finance* , 2015, 371–89, http://jurnalmahasiswa.stiesia.ac.id/index.php/jira/article/downloads/183/186.
[15] Purwanti and Puspitasari, "The Influence of Total Assets Turnover and Return on Assets on Profit Growth."

No	Stock code	Company name
1	ADRO	PT. Adaro Energy Indonesia Tbk
2	ANTM	PT. Aneka Tambang Tbk
3	BSSR	PT. Baramulti Successarana
4	BYAN	PT. Bayan Resources Tbk
5	ELSA	PT. Elnusa Tbk
6	GEMS	PT. Golden Energy Mines Tbk
7	HRUM	PT. Harum Energy Tbk
8	ITMG	PT. Indo Tambangraya Megah Tbk
9	MBAP	PT. Mitrabara Adiperdana Tbk
10	MYOH	PT. Samindo Resources Tbk
11	PTBA	PT. Bukit Asam Tbk

Source: Data processed in 2023

RESULT AND DISCUSSIONS

1. Results of Descriptive Statistical Analysis

Descriptive statistical analysis aims to provide a statistical overview of the research data to readers of the report on the independent variables in this research. The independent variables in this research are *Total Asset Turnover* and *Return On Assets* . Meanwhile the dependent variable in this research is Profit Growth. The information contained in descriptive statistics is in the form of minimum values, maximum values, average values and standard deviation. The following are the results of descriptive statistical tests using Eviews version 12.

Table 4.2

Descriptive Statistics Test Results

	X1	X2	Y
Mean	1.260362	0.202579	1.318868
Median	1.171485	0.152879	0.565781
Maximum	8.626814	0.616346	17.91905
Minimum	0.316459	0.004548	-0.881509
Std. Dev	1.028795	0.163320	2.915875
Observations	66	66	66

Source: Processed Eviews 12 output

Based on table 4.2, the results of descriptive statistical tests from the eviews 12 output above show that each variable can be explained as follows:

a. For *the* variable The *Total Asset Turnover* variable has a mean value of 1.260362, a median of 1.171485, and a std deviation value of 1.028795.
b. For *the* variable X2 shows the results of descriptive statistical analysis of data from the Return on Asset variable have a minimum value of 0.004548 and the maximum value of 0.616346 with an average (mean) of 0.202579, median of 0.152879 and the standard deviation standard of 0.163320.
c. For variable Y, the results of descriptive statistical analysis of data from the profit growth variable have a minimum value of -0.881509 and a maximum of 17.91905. *The mean* is 1.318868, the median is 0.565781, and the standard deviation is 2.915875.

2. Panel Data Model Test

a. Test *Chow*

This test aims to determine which model is appropriate to use in estimating panel data, either *the Common Effect Model* (CEM) or *the Fixed Effect Model* (FEM).

Table 4.3

Chow Test Results

Effects test	Statistics	df	Prob.
Cross-Section	0.625914	(10.53)	0.7850
Chi-square cross-section	7.367454	10	0.6904

Source: Processed Eviews 12 output

The Eviews 12 output results show that the probability cross-section F value is 0.7850, meaning it is greater than the predetermined significance level, namely 0.05. This means that the use of *the Common Effect Model* is appropriate to use.

b. *Langrange Multiplier* (LM)

Langrange Multiplier (LM) is a test to find out whether the *Random Effect* or *Common Effect* (OLS) model is most appropriate to use.

Table 4.4

Langrange Multiplier (LM) Results

Lagrance Multiplier Tests For Random Effects			
Null hypothesis : No Effect			
Alternative hypotheses : two-sided (Breusch – Pagan) and one-sided (all outsiders) alternatives			
Test Hypothesis			
	Cross-section	Time	Both
Breusch-Pagan	0.967914 (0.3252)	1.555989 (0.2123)	2.523903 (0.1121)

Source: Processed Eviews 12 output

The output results of eviews 12 show that the Breusch-Pagan Cross-section probability value is 0.3252, this shows that the value is greater than the significance level of 0.05. Thus, the appropriate method to use in estimating panel data is *the Common Effect Model* (CEM).

3. Classic assumption test

In *the Common Effect Model* , classical assumption tests include multicollinearity tests and heteroscedasticity tests. The following are the results of the classical assumption test:

a. Multicollinearity Test

The multicollinearity test is used to test whether the regression model finds a correlation between independent variables. The following are the results of the multicollinearity test:

Table 4.5

Multicollinearity Test Results

	X1	X2
X1	1,000000	0.366577
X2	0.366577	1,000000

Source: Processed Eviews 12 output

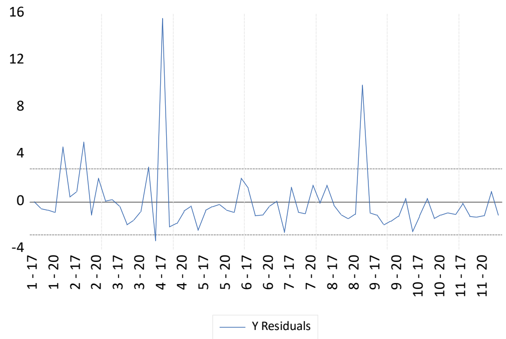
Based on the output results from the multicollinearity test above, the results of the multicollinearity test show that the correlation value between the independent variables tested is less than 0.80, namely 0.366577, which means that there are no symptoms of multicollinearity.

b. Heteroscedasticity Test

The heteroscedasticity test is a regression model that is said to be subject to heteroscedasticity if there is an inequality in the variance of the residuals from one observation to another observation. If the variance of the residual and one observation to another is constant, it is called homoscedasticity. If the variances are different it is called heteroscedasticity. The following are the results of the heteroscedasticity test:

Graph 4.1

Heteroscedasticity Test



Source: Processed Eviews 12 output

Based on the output graphic results, the residual (blue) can be seen that it does not exceed the limits (500 and -500), meaning that the residual variance is the same. Therefore, there are no symptoms of heteroscedasticity.

c. *Common Effect Model* (CEM) Regression Results

The following are the results of *the Common Effect Model* (CEM) regression:

Table 4.6

CEM Regression Results

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	0.093367	0.623373	0.149776	0.8814
X1	0.089827	0.363553	0.247080	0.8057
X2	5.490630	2.290122	2.397527	0.0195

Source: Processed Eviews 12 output

the Common Effect Model regression results shown in the table above, the results of the regression model equation between the dependent variables are obtained as follows:

Y = 0.093367 + 0.089827X1 + 5.490630X2 + e

Information :

Y = Dependent variable (Profit Growth)

α = Constant

$b_1 b_2$ = Independent Variable Coefficient

X_1 = Independent Variable 1 (Total Asset Turnover)

X_2 = Independent Variable 2 (*Return On Assets*)

e = Standard Error Value

Following the regression equation above, it can be explained that:

1. Based on the equation above, the value of the constant is **0.093367** . This shows that the independent variables (*Total Asset Turnover* and *Return On Assets*) have a value of 0, then the profit growth rate will have a value of **0.093367**
2. The regression coefficient of the *Total Asset Turnover* (X1) variable on *profit growth* where the value obtained is **0.089827** . The coefficient for the *Total Asset Turnover variable* (X1) is positive, meaning that every increase in the *Total Asset Turnover variable* (X1) by 1 unit will increase profit growth (Y) by **0.089827** assuming other variables are constant or fixed.
3. The regression coefficient of the *Return On Assets* (X2) variable on profit growth (Y) where the value obtained is **5.490630** . The coefficient for *the Return On Assets* (X2) variable is positive, meaning that every increase in the *Return On Assets* (X2) variable by 1 unit will increase profit growth (Y) by **5.490630** assuming other variables are constant or fixed.

4. Hypothesis testing

a. t test

The following are the results of partial statistical testing or t test:

Table 4.7

Partial Test Results

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	0.093367	0.623373	0.149776	0.8814
X1	0.089827	0.363553	0.247080	0.8057
X2	5.490630	2.290122	2.397527	0.0195

Source: Processed Eviews 12 output

1) *Total Asset Turnover* Variable

Based on the t test, the variable *Total Asset Turnover* (X1) shows a $_{\text{calculated t value}}$ of 0.247080 which is smaller than the t $_{\text{table}}$ (0.247080 < 1.998340) with a probability value of 0.8057 > significance value of 0.05. then it can be concluded that H_1 is rejected and H_0 is accepted, meaning that *Total Asset Turnover* has no effect on profit growth.

https://doi.org/10.24256/kharaj.v6i1.4971

2) *Return On Assets* Variable

Based on the results of the t test, the variable *Return On Assets* (X2) shows a $_{\text{calculated t value}}$ of 2.397527 which is greater than the t $_{\text{table}}$ (2.397527 > 1.998340) with a probability value of 0.0195 < significance value of 0.05. So it can be concluded that H_2 is accepted and H_0 is rejected, meaning that *Return On Assets* has an effect on profit growth.

b. Test f

The following are the results of the simultaneous test:

Table 4.8

Simultaneous Test Results

F-statistic	3.606364
Prob(F-statistic)	0.032895

Source: Processed Eview 12 output

Based on the results of the f test, the F-statistic probability value is smaller than the significance value (0.032895 < 0.05). This means that H3 is accepted, namely that both variables simultaneously influence profit growth.

c. Coefficient of Determination (R^2)

The following are the results of the Coefficient of Determination (^{R2})

Table 4.9

Coefficient of Determination

R-squared	0.102727
Adjusted R-squared	0.074242

Source: Processed Eviews 12 output

Based on this table, the Adjusted R-Squared result is 0.074242. This value is used to see the magnitude of the influence of the *Total Asset Turnover* and *Return On Asset variables* as a whole on Profit Growth. Based on the coefficient of determination, the ability of the independent variable (X) in this study to influence the dependent variable (Y) by 7%. Meanwhile, the remaining 93% is influenced by variables other than the independent variables in this research.

d. Tabulation of Hypothesis Test Results

Table 4.10

Tabulation of Hypothesis Test Results

	Hypothesis	**Research result**
H1	*Total Asset Turnover* has no effect on Profit Growth	Not supported
H2	*Return On Assets* influences Profit Growth	Supported
H3	*Total Asset Turnover* and *Return On Assets* influence Profit Growth	Supported

DISCUSSIONS

1. The Effect of *Total Asset Turnover* on Profit Growth

Based on the results of the t test, the variable *Total Asset Turnover* (X1) has no effect on profit growth. This is proven by the results of the t test where the value shows a $_{\text{calculated t value}}$ of 0.247080 which is smaller than the t $_{\text{table}}$ (0.247080 < 1.998340) with a probability value of 0.8057 > significance value 0.05, this is because the company has not fully managed its assets effectively, which causes this ineffectiveness, namely the company does not provide overall benefits to its assets in creating sales that will generate company profits. For this reason, companies need to improve their marketing strategies and human resources, and also need to pay attention to the length of time for collecting receivables from the company, the longer the collection period, the smaller the *Total Asset Turnover value* . The total assets in the company have also not been utilized properly and optimally, so they cannot increase the company's income any higher. TATO shows the level of efficiency in using overall company assets in company activities. TATO is important for creditors and company owners, but it will be even more important for company management, because this will show whether or not the use of all assets in the company is efficient. There is no influence from the test results, because the company's existing assets are not utilized or used as well as possible in the company's processes or activities.[16]

Total Asset Turnover variable is based on signal theory which states that *Total Asset Turnover* has no effect on profit growth. Based on this theory, companies use certain signals to convey information to investors about their financial health and future prospects. One such signal is the dividend payout ratio, which shows the amount of profits a company is willing to distribute to its shareholders. Another signal is the level of debt a company has, which can indicate its ability to generate profits in the future. In the case of total asset turnover, it may not be a significant signal for investors because it does not necessarily indicate the profitability of a company. A high asset turnover ratio may mean a company sells a lot of products, but it doesn't mean it makes a lot of profit.

The results of this research are in line with research conducted by Mutimmah Rustianawati (2023) regarding the Influence of *Quick Ratio, Net Profit Margin,* and *Total Asset Turnover* on Profit Growth in large trading sector companies which stated that *Total Asset Turnover* has no effect on profit growth. [17]This research is also supported by research conducted by Ninta Khatarina (2021) concerning the Influence of Financial Performance on Profit Growth in Banking Companies Listed on the Indonesian Stock Exchange for the 2017-2019 period, the results of which show that *Total Asset Turnover* partially has no effect on profit growth. [18]However, there are different results from other previous research conducted by Rini Aisyah (2021) regarding the Influence of Financial Ratios on Profit Growth of Food and Beverage Industry Companies Registered on the IDX for the 2010-2019 period, which found that partially *Total Asset Turnover* had an effect on profit growth. .[19]

2. The Effect of ***Return on Assets*** on Profit Growth

Based on the results of the t test *Return On Assets* (X2) has an effect on profit growth, this is proven by the results of the t test which shows the $_{calculated}$ t value of 2.397527 which is greater than the t $_{table}$ (2.397527 > 1.998340) with a probability value of 0.0195 < significance value of 0.05, This shows that the level of efficient use of company assets can generate company profits. If the company can maximize the use of assets, it means the company's performance will be better in generating company profits, so it will be a positive signal for investors to be able to invest their capital because the rate of return on investment will be greater.

The results of this research are relevant to signal theory which explains why every company tries to make the best financial reports possible and continues to increase its profit growth with the aim of providing a positive signal to investors and creditors that the company has good performance and is worth investing in. A high *return on assets* shows high company profits and provides a positive signal to investors and creditors that the company is performing well. Therefore, there is a relationship between signal theory and *Return On Assets* which influences company profit growth. The better the company's performance in generating profits from the use of its assets, the greater the possibility of the company providing positive signals to investors and creditors, so that the greater the possibility of company profit growth.

The results of this research are in line with research conducted by Dinni Mauliani (2023) regarding the influence of *return on assets* , *debt to equity* , and *firm size* on profit growth in LQ45 companies listed on the Indonesian stock exchange for the 2017-2021 period, the results of which show that *return on assets* influence on profit growth. [20]Other research that supports this is research conducted by Jelita Anggraeni (2023) regarding R*eturn On Assets* and Company Size on Profit Growth of *Consumer Goods Companies* in 2018-2021 which shows that R*eturn On Assets* has an effect on profit growth. [21]However, there are different results from other previous research conducted by Muhammad Rivandi and Feby Oktaviani (2022) The Influence of R*eturn on Assets* and *Net Profit Margin* on Profit Growth in Cement Companies Listed on the Indonesian Stock Exchange in 2014-2020. The test results state that ROA has no effect on Profit Growth.[22] The importance of ROA in increasing company profit growth is that it can measure the company's efficiency in converting the money used to purchase assets into net profit. knowing the company's level of return on investment, increasing the company's productivity, knowing the company's ability to use all its assets to generate profits after tax, showing the level of profit obtained by the company. By knowing ROA, the company can evaluate all operational activities, especially the level of return on investment . ROA can also help entrepreneurs to know the exact profits of their business. Therefore, ROA is very important to increase company profit growth.

3. The Influence of *Total Asset Turnover* and *Return on Assets* on Profit Growth in an Islamic Economics Perspective

Based on the results of the f test, the F-statistic probability value is smaller than the significance value (0.032895 < 0.05). This means that H3 is accepted, namely that both variables simultaneously influence profit growth. The coefficient of determination test has an *Adjusted* R-*squared value* of 0.074242. This value is used to see the magnitude of the influence of the *total asset turnover* and *return on assets variables* on profit growth. The magnitude of the coefficient of determination, the ability of the independent variable (X) in this research to influence the dependent variable (Y) by 7% while the remaining 93% is influenced by variables other than the independent variable in this research **.**

The results of this research are relevant to *Sharia Enterprise Theory* which emphasizes the importance of corporate social responsibility, including in terms of asset management in generating profit growth which must be obtained in a halal manner and in accordance with Islamic principles . *Sharia Enterprise Theory* also emphasizes the importance of transparency and accountability in disclosing company profits, which must in accordance with sharia principles. In *Sharia Enterprise Theory* , company profits must be obtained in a halal manner and not harm other parties, including employees, customers and society. Thus, *Sharia Enterprise Theory* views that company profit growth must be in line with Islamic principles and corporate social responsibility. The influence of *Total Asset Turnover* and *Return On Assets* together explains that these two variables are able to increase profit growth, this is because the faster the asset turnover rate, the greater the net profit generated. The higher *the Return On Assets* , the greater the profit generated by the company. The combination of increasing *Total Asset Turnover* and return on assets will increase profit growth significantly. Good profit growth shows that the company has good performance in managing finances and can increase company value. Thus, *Total Asset Turnover* and Return On Assets are important factors in increasing company profit growth.

This research hypothesis is supported by previous research conducted by Zulfikri Fahrudin (2022) regarding the Influence *of Total Asset Turnover, Operating Profit Margin, Working Capital to Total Assets and Debt to Asset Ratio* on Profit Growth (Case Study of Agricultural Sector Companies Listed on the Stock Exchange Indonesian Effect 2017-2020) obtained results in the conclusion that *Total Asset Turnover* influence on profit growth. [23]Other research that supports previous research is research conducted by Esrayanti Simatupang (2023) on the influence of *debt to assets ratio, return on assets and total assets turnover* on profit growth in consumer goods industry companies listed on the Indonesian Stock Exchange (BEI) for the 2017 period. -2019, the results show that simultaneously *Total Asset Turnover* and *Return On Assets* have an effect on profit growth. [24]However, there are different results that are not in accordance with previous research, namely research conducted by Nur Aini Fatima (2022) regarding the influence of *Return on Assets, Return on Equity,* and *Net Profit Margin* on profit growth in pharmaceutical sub-sector companies listed on the Stock Exchange Indonesia in 2016-2020 obtained results that *Return On Assets* had no positive and insignificant effect on profit growth.[25]

Total Asset Turnover is an activity ratio used to measure a company's ability to use and optimize its assets. From the results of these measurements it can be seen whether the company is more efficient and effective in managing its assets or perhaps the opposite is true. [26]In Islamic Economics, assets are temporary ownership entrusted by Allah to humans, and ownership is not absolute. Islam gives people freedom to manage assets, but this freedom must not violate ethics and sharia values. These values and ethics can take the form of a prohibition on accumulating wealth, and excessive love for wealth. The prohibition on accumulating or loving wealth excessively is intended to avoid stinginess in humans which has the potential to cause economic inequality. This is due to the concentration of wealth in certain parties without turning it into economic activities. Asset management from an Islamic economic perspective must be carried out in accordance with sharia guidelines. Looking for wealth or assets in Islam is interpreted in the obligation to work. Islam does not justify sitting idly by on the grounds of devoting time to worship or putting your trust in Allah, because the sky will not send down gold or silver. [27]Islam not only teaches its people to obtain wealth in a good and correct way, but Islam also directs them on how to utilize their wealth. This is found in the words of Allah, Surah Al-Munafiqun verse 9 as follows:

يَٰٓأَيُّهَا ٱلَّذِينَ ءَامَنُوا۟ لَا تُلْهِكُمْ أَمْوَٰلُكُمْ وَلَآ أَوْلَٰدُكُمْ عَن ذِكْرِ ٱللَّهِ ۚ وَمَن يَفْعَلْ ذَٰلِكَ فَأُو۟لَٰٓئِكَ هُمُ ٱلْخَٰسِرُونَ

It means : O you who believe, let not your wealth and your children distract you from remembering Allah. Whoever does this are the ones who are the losers.

Based on the verse above, it is explained that humans must manage and use the assets they have effectively, because assets are one of the triggers for humans to become arrogant and forget Allah. So, humans must always realize that whatever they have must be used well and correctly. [28]This also applies to companies, where company funds originating from shareholders are used to provide assets. So, in carrying out the mandate given by shareholders, the company must manage its existing assets as well as possible. This is because if the company cannot manage its existing assets as well as possible, it can trigger losses which are not only borne by the company itself, but will also be borne by stakeholders, both shareholders and others.

Return On Assets also influences profit growth. *Return On Assets* shows the company's ability to use all its assets to generate profits after tax. This ratio is important for management to evaluate the effectiveness and efficiency of company management in managing all company assets. The greater the ROA, the more efficient the use of the company's assets, or in other words, the same amount of assets can produce greater profits, and vice versa. [29]From an Islamic perspective, profit or profit which is guided by the Al-Qur'an and Hadith becomes our reference in achieving a profit goal without abandoning the orientation of the afterlife. Therefore, profits in accordance with the Shari'ah are profits generated from permitted activities, and through developing assets by trading and investing through procedures permitted by the Shari'ah. 138 As Allah says in QS. An-Nisa verse 29, which reads:

يَٰٓأَيُّهَا ٱلَّذِينَ ءَامَنُواْ لَا تَأْكُلُوٓاْ أَمْوَٰلَكُم بَيْنَكُم بِٱلْبَٰطِلِ إِلَّآ أَن تَكُونَ تِجَٰرَةً عَن تَرَاضٍ مِّنكُمْ

It means : O you who believe, do not devour each other's wealth in a false way, except by means of business that is carried out mutually between you.

From the explanation of the verse above, Allah has prohibited consuming human property in a false way , and Allah has made lawful what happens in commerce with the pleasure of the perpetrators and this includes all transaction agreements intended to gain profit. It can be concluded that any profit obtained from halal activities or transactions is halal, whereas profits derived from haram activities are haram.

CONCLUSION

Based on the results of research analysis regarding the influence of *Total Asset Turnover* and *Return On Assets* on Study Company Profit Growth in Mining Companies Listed on the Indonesian Sharia Stock Index for the 2017-2022 Period, it can be concluded as follows:

1. The research results show that *Total Asset Turnover* has no effect on the company's profit growth, which means that the company has not fully managed its assets effectively, which causes this ineffectiveness, namely that the company does not provide overall benefits to its assets in creating sales that will generate company profits. For this reason, companies need to improve their marketing strategies and human resources, and also need to pay attention to the length of time for collecting receivables from the company, the longer the collection period, the smaller the *Total Asset Turnover value* . The total assets in the company have also not been utilized properly and optimally, so they cannot increase the company's income any higher.
2. The research results show that *Return On Assets* has an effect on profit growth, which means that this shows the level of efficient use of company assets that can generate company profits. If the company can maximize the use of assets, it means the company's performance will be better in generating company profits, so it will be a positive signal for investors to be able to invest their capital because the rate of return on investment will be greater.

The research results simultaneously show that *Total Asset Turnover* and *Return On Assets* influence profit growth from an Islamic perspective, meaning that the combination of an increase in *Total Asset Turnover* and *Return On Assets* will increase profit growth significantly. An increase in profit growth shows that the company has good performance in managing its assets and can increase the value of the company. This is in line with surah Al-Munafiqun verse 9 that humans must manage and use the assets they own effectively, because assets are one of the triggers for humans to become arrogant and forget Allah. So, humans must always realize that whatever they have must be used well and correctly.

REFERENCES

Alvionita, Nanidyah, Yuni Sukandani, and Bayu Adi. "The Influence of TATO and LTDtER on Profit Growth in Mining Companies." Journal of Sustainability Business Research 2, no. 4 (2021): 204–11.

Anggraini, Jelita, and Muhammad Rivandi. "Return On Assets and Company Size on Profit Growth of Consumer Goods Companies in 2018–2021." Journal of Accounting Research 1, no. 2 (2023): 173–87.

Cashmere. Financial Report Analysis . Jakarta: Rajawali Press, 2016.

Esrayanti Simatupang, Hotlan Butarbutar, and Mislan Sihite. "The Influence of Debt to Assets Ratio, Return on Assets and Total Assets Turn Over on Profit Growth in Consumer Goods Industry Companies Listed on the Indonesia Stock Exchange (BEI) for the 2017-2019 Period." Journal of Management and Business 1 (2023): 230–42.

Fahrudin, Zulfikri, and Vaya Juliana Dillak. "The Influence of Total Asset Turnover, Operating Profit Margin, Working Capital to Total Assets and Debt to Asset Ratio on Profit Growth (Case Study of Agricultural Sector Companies Listed on the Indonesian Stock Exchange 2017-2020)." EProceedings of Management 9, no. 3 (2022).

Fali Rifan Dinda. "The Effect of Corporate Social Responsibility Disclosure and Company Size on Financial Performance." Journal of Accounting and Finance , 2015, 371–89. http://jurnalmahasiswa.stiesia.ac.id/index.php/jira/article/download/183/186.

Fatima, Nur Aini, and Dede Hertina. "The Influence of Return on Assets, Return on Equity, and Net Profit Margin on Profit Growth in Pharmaceutical Sub-Sector Companies Listed on the Indonesian Stock Exchange in 2016-2020." Fair Value: Scientific Journal of Accounting and Finance 5, no. 5 (2022): 2094–2104. https://doi.org/10.32670/fairvalue.v5i5.2715.

Hidayati, Habibatul, and Citra Willyanda Putri. "The Influence of Profitability, Liquidity, Solvency and Activity Ratios on Profit Growth in Insurance Companies Listed on the Indonesian Stock Exchange." Journal of National Development Economics 15, no. 2 (2022): 658–68. https://doi.org/10.46306/jbbe.v15i2.210.

I Made Sudana. Corporate Financial Management: Theory & Practice . Jakarta: Erlangga, 2015.

Katharina, Ninta, Christine Christine, Ferida Wijaya, and Chryseis Clarissa Clorinda. "The Influence of Financial Performance on Profit Growth in Banking Companies Listed on the Indonesian Stock Exchange for the 2017-2019 Period." Warta Dharmawangsa 15, no. 1 (2021): 128–46.

Lestari, Dyah Putri, and Putu Sulastri. "The Influence of Return on Assets (ROA), Return on Equity (ROE) AND Net Profit Margin (NPM) on Profit Growth in Food and Beverage Companies Listed on the Indonesian Stock Exchange in 2017 - 2019." Dharma Economics Journal , no. 53 (2021): 45–55.

Mahmudah, Mei Lindah Tri, and Titik Mildawati. "The Influence of Financial Ratios and Company Size on Profit Growth in Property and Real Estate Companies." Journal of Accounting Science and Research 10 (2021): 1–20.

Muliani, Dinni, and Joni Efendi. "THE INFLUENCE OF RETURN ON ASSET, DEBT TO EQUITY, AND FIRM SIZE ON PROFIT GROWTH IN LQ45 COMPANIES LISTED ON THE INDONESIAN STOCK EXCHANGE (BEI) FOR THE 2017-2021 PERIOD." MANAGEMENT PARTNER JOURNAL 14, no. 2 (2023): 41–54.

Nurdin, Ridwan and Muslina. "Vehicle for the Study of Islamic Law on Social Institutions." Business Administration 19 (2017): 1.

Olfiani and Handayani. "The Influence of Current Ratio (CR), Total Assets Turnover (TATO), and Debt to Equity Ratio (DER) on PT Profit Growth. Tempo Scan Pacific, Tbk Period 2008-2017." Scientific Journal of Accounting and Management (JIAM) 15, no. 2 (2019): 56–62.

Purwanti, Arni, and Intan Puspitasari. "The Effect of Total Assets Turnover and Return on Assets on Profit Growth." Journal of Accounting Research 11, no. 1 (2019): 16–26. https://doi.org/10.34010/jra.v11i1.1617.

Putri, Tyka Melinda, and Sonang Sitohang. "The Influence of Current Ratio, Total Asset Turnover and Return on Assets on Profit Growth." Journal of Management Science and Research (JIRM) 8, no. 6 (2019).

Rahmawati, Ira, and Dini Verdania Latif. "The Effect of Total Asset Turnover (Tato) and Return on Equity (Roe) on Profit Growth (Case Study in Pharmaceutical Sector Companies Listed on the Indonesia Stock Exchange during the Covid-19 Pandemic)." Journal of Economics, Business and Accounting 6 (2023): 1886–95.

Republic of Indonesia. Law of the Republic of Indonesia Number 4 of 2009 concerning Mineral and Coal Mining (2009).

Rini Aisyah, Rosalia Nansih Widhiastuti. "The Influence of Financial Ratios on Profit Growth in Food and Beverage Industry Companies Listed on BEI for the 2010-2019 Period." Journal of Accounting and Banking 02 (2021): 1–9.

Rivandi, Muhammad, and Feby Oktaviani. "The Influence of Return on Assets and Net Profit Margin on Profit Growth in Cement Companies Listed on the Indonesian Stock Exchange in 2014-2020." Journal of Research Innovation 2, no. 10 (2022): 3539–48.

Rustianawati, Mutimmah, Dyah Ayu Perwitasari, Novita Lidyana, and Trivosa Aprilia Novadiani Haidiputri. "The Influence of Quick Ratio, Net Profit Margin, and Total Asset Turnover on Profit Growth in Large Trade Sector Companies." JUMAD: Journal of Management, Accounting, & Digital Business 1, no. 3 (2023): 301–10.

Sari, Meylia Purnama, and Farida Idayati. "The Influence of Financial Ratios on Profit Growth in Property and Real Estate Sector Companies on the Indonesian Stock Exchange." Journal of Accounting Science and Research (JIRA) 8, no. 5 (2019): 1–20.

Sundari, Rima, and M. Rizal Satria. "The Influence of Return on Assets and Return on Equity on Profit Growth in Wholesale Sub-Sector Companies Listed on the Indonesian Stock Exchange." Land Journal 2, no. 1 (2021): 107–18. https://doi.org/10.47491/landjournal.v2i1.1122.

Syahida, A. and S. Agustin. "The Influence of DER, NPM, and TATO on Profit Growth in Property and Real Estate Companies Listed on the IDX." Journal of Management Science and Research 10, no. 3 (2021): 1–14.

.

https://doi.org/10.24256/kharaj.v6i1.4971