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The Effect of Managerial Ownership, Debt to Equity Ratio, and Total Asset Turnover on Profit Growth in Food and Beverage Companies Listed on the Indonesian Stock Exchange in 2018-2022.

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Abstract:
This research aims to analyze and determine the influence of managerial ownership, debt to equity ratio, and total asset turnover. This research uses quantitative methods with secondary data in the form of annual reports. The population in this study were sub-food and beverage sector manufacturing companies listed on the Indonesia Stock Exchange 2018 - 2022. The research sample consisted of 20 companies selected based on the purposive sampling. The results of this research provide empirical evidence that partially, managerial ownership and total asset turnover have a significant influence on profit growth. Meanwhile, the debt to equity ratio partially does not significantly affect profit growth.

Keywords: Profit Growth, Managerial Ownership, Debt to Equity Ratio, Total Asset Turnover

Background

Companies are an inseparable part of the economy, both in the world and Indonesia. Companies play an essential role as actors in all economic activities, including production, distribution, and consumption. Companies also play a role in improving the welfare of society by absorbing workers. According to the Badan Pusat Statistik (BPS), in 2017, the number of companies in Indonesia reached 26.71 million. These companies can be classified into several types. The classification can be based on the form of company, business field, industrial sector, amount of capital and profits during one period. Even though there are many companies and different types, all companies are formed based on the same goal: generating profits. Profit is a financial excess recognized when the income generated from business activities exceeds the expenses, costs, and taxes that must be paid to maintain those activities (Kenton, 2023).

Several reasons make profit the primary goal of establishing a company, but there are two reasons that best represent the usefulness of profits for a company. First, by the previous definition of profit, a company can generate profits by carrying out operating activities, which require the company to spend resources in the form of raw materials, labour, overhead, sales expenses, administrative expenses and tax burdens. Based on this, the company must sacrifice its resources to generate profits. Therefore, if a company fails to generate profits or losses in the long term, the company cannot carry out operational activities in the coming period due to a lack of resources, so the company must be liquidated and declared bankrupt. Second, investors invest capital in a company with the hope that it can develop and provide continuous profits to them in the long term. The company's development will not be achieved if it cannot generate profits because its income has been allocated to resources to carry out operational activities in the next period without allowing the company to expand its business. If the company can generate profits, it can expand its business by increasing its sales output.

Based on the two previous reasons, profit can be used as a measure to assess the level of success or company performance in a given period. Therefore, to measure company performance from period to period, stakeholders of a company can use profit growth. Profit growth is the change in a company's net profit compared to the net profit in the previous period. Positive and consistent profit growth provides information that the company's core activities/operational activities within the company have been carried out well. Good company operational performance is not achieved in an instant process but rather gradually over a long process so that the company has a good understanding of the factors that are key to its business development and is less likely to experience business failure. Based on this, stakeholders can use profit growth information as a reliable analytical tool in determining the company's future. This statement is also strengthened by (Bessembinder, 2022), which states that profit growth is historical data that is best able to explain the development of company share prices in the long term.

Based on the explanation above, it can be concluded that profit growth has a significant role for stakeholders. Excellent and consistent profit growth can attract investors to invest in company shares and make it easier for banks to provide loans to companies. Therefore, companies must make profit growth one of their main priorities. To be able to increase the value of profit growth, companies must know the factors that influence the level of profit growth. Based on previous research, it can be seen that factors from various aspects can influence profit growth. Therefore, in order to gain knowledge from a broader perspective on the factors that influence profit growth, researchers focus research based on three different aspects, with the following details: Managerial ownership as an aspect of control, debt to equity ratio as an aspect of leverage, and total asset turnover as an activity aspect.

Siti Martini & Siddi (2021), Wahyuni & Prayogi (2019), and Hanifah et al. (2020) argue that managerial ownership influences profit growth. Managerial ownership is the number of company shares owned by the agent who manages the company. The greater the value of managerial ownership in a company, the smaller the agency problem and agency costs that occur in a company. In this way, the company can improve its performance (Ahmed et al., 2023) and increase its profit growth rate. Contrary to previous conclusions, research conducted by Anggraeni & Ardini (2020), Handranata & Ruslim (2022), and Andyka Ermanda (2019) concluded that managerial ownership does not have a significant influence on profit growth.

Ardayanti et al. (2022), Agustinus (2021), and Estininghadi (2019) state that debt to equity ratio (DER) has a significant influence on profit growth. The debt to equity ratio is a ratio that measures the amount of company asset funding through debt. In general, companies in the food and beverage industry sub-sector really need additional funding through debt so they can continue to carry out manufacturing activities or use the debt as additional capital to expand their business. Therefore, an increase in the debt to equity ratio level can provide the company with additional profits and increase the value of profit growth. Contrary to previous conclusions, research conducted by Cahyati & Hartikayanti (2023), Marlina (2019), and Maryati & Siswanti (2022) states that the debt to equity ratio does not have a significant influence on profit growth.

Research Jie and Pradana (2021), Sunaryadi (2019), and Serling (2022) reveals that Total Asset Turnover (TATO) has a significant influence on profit growth. Total asset turnover is a ratio that measures the level of success of a company in using its assets to generate sales. The higher the total asset turnover ratio, the better the company is at generating sales. If success in increasing sales levels is followed by determining the correct output, then the company can increase the value of its profit growth. Contrary to previous conclusions, research conducted by Razak et al. (2021), Sari (2020), dan Olfiani and Handayani (2019) states that the total asset turnover does not have a significant influence on profit growth.

Based on the background explained above, which shows that there are still several research gaps in previous studies, researchers are interested in carrying out research entitled "The Influence of Managerial Ownership, Debt to Equity Ratio, and Total Asset Turnover on Profit Growth (Study in Food and Beverage Companies Listed on the Indonesian Stock Exchange 2018 – 2022)”.

THEORETICAL FRAMEWORK

Agency Theory

Agency theory is a theory that describes the contractual relationship between the principal and the agent. This contractual relationship occurs when the company separates the functions of ownership and control. According to (Jensen & Meckling, 1976), this contractual relationship can give rise to agency problems that occur due to differences in interests between the agent and the principal. This statement is based on two assumptions: namely, an individual is generally a utility maximizer and acts based on his interests, and agents have more access to obtain information about the condition of the company and have the authority to make decisions. Based on these assumptions, there is a possibility that the agent does not make decisions based on the interests of the principal.

Agency problems can cause agency costs. Agency costs are costs that must be incurred by the principal to provide control over the agent. Agency costs can be in the form of monitoring costs, bonding costs, and residual costs. Ahmed et al. (2023) stated that agency costs have a negative impact on company performance because the company has to spend additional resources, resulting in inefficiencies in the allocation of company assets. Based on the previous explanation, it can be concluded that agency problems can worsen company performance as a result of agent decision-making based on personal interests and the occurrence of asset inefficiencies due to agency costs. Poor company performance can cause the company's profit growth rate to decrease.

Profit Growth

Siringoringo et al. (2022) state that profit growth is a measurement ratio that companies use to see profit development, to know the increase or decrease in profits that occurred in a certain period. Meanwhile, according to (Keown et al., 2011), profit growth is an increase in profits generated by the company compared to the profits obtained in the previous period. The formula for measuring profit growth is as follows:

$$Y = \frac{Y_t - Y_{t-1}}{Y_{t-1}} \times 100\%$$

Managerial ownership

According to (Sugiarto, 2009), managerial ownership is a situation where managers play a role in owning a share in the company's capital structure. That means managers have a dual role in the company, namely as managers and shareholders. Meanwhile (Widianingsih, 2018) defines managerial ownership as the percentage of company share ownership owned by directors, managers, and the board of commissioners, which can be seen in the financial reports.

Based on the descriptions above, it can be concluded that managerial ownership is the percentage of company share ownership owned by directors, managers, and the board of commissioners, making them act as those who own the company and those who manage the company. The formula for measuring managerial ownership is as follows:

$$\text{KM} = \frac{\text{Jumlah Saham Komisaris, Direksi, dan Manajer}}{\text{Jumlah Saham Beredar}}$$

Debt to Equity Ratio

According to (Darsono & Ashari, 2012), the debt to equity ratio is a ratio that can be classified as a leverage or solvency ratio; the solvency ratio is a ratio that can measure the level of ability of a company that will be liquidated to pay off all its obligations. Kasmir (2019) states that the debt to equity ratio is used by financial report users to measure the volatility between asset funding from debt and asset funding from equity. Meanwhile, according to (Walsh, 2013), the definition of debt to equity ratio is a ratio used to measure mixed funding in the financial position report and compare funding obtained from company owners and funding obtained from debt. The formula for measuring debt to equity ratio is as follows:

$$\text{Debt to Equity Ratio} = \frac{\text{Total Liabilities}}{\text{Shareholder's Equity}}$$

Total Asset Turnover

Total asset turnover (TATO) is a type of financial ratio analysis classified as an activity ratio. According to (Harahap, 2015), TATO is a ratio that shows the ability of the company's overall assets to rotate in a period to generate income. Meanwhile (Warrad & Al Omari, 2018) define TATO as a ratio that measures how well a company's assets are used to generate sales. The higher the assets, the better the company is at generating sales. Based on the two definitions above, it can be concluded that TATO is a financial ratio used to measure how well the company's overall assets are generating sales. The formula for measuring debt to equity ratio is as follows:

$$\text{Total Asset Turnover} = \frac{\text{Penjualan (Sales)}}{\text{Total Aktiva (Total Asset)}}$$

Hypothesis Development

The Effect of Managerial Ownership on Profit Growth

Based on agency theory, the cause of agency problems is a conflict of interest between the agent and the principal. Therefore, for the agency problem to disappear, the company must find a solution to eliminate this conflict of interest. According to (Purba & Effendi, 2019), Managerial ownership is a solution that companies can use to minimize agency problems because by increasing the number of shares owned by agents, the goals of agents and principals become aligned. By aligning the interests of the agent and the principal, the agent will not make decisions based on personal interests but on what the principal needs.

With managerial ownership, agents will make decisions using their funding sources. Furthermore, the agent benefits not only from remuneration and company facilities but also from dividends and an increase in the company's capitalization value. Based on these two things, agents will not be risk-seeking or open to risk, as stated by (Pollmann et al., 2014). The better the agent makes decisions in carrying out the company's operational activities, the better the profits the company will generate, so ultimately, the company's profit growth will increase. This explanation aligns with research conducted by (Siti Martini & Siddi, 2021), which states that managerial ownership influences profit growth. The conclusions of this research are also supported by research conducted by ((Wahyuni & Prayogi, 2019), and (Hanifah et al., 2020). Thus, the first hypothesis is developed as follows:

H_1: Managerial ownership significantly affects profit growth.

The Effect of Debt to Equity Ratio on Profit Growth

Jensen & Meckling (1976) Argues that agency problems can occur in all organizations at all levels of management. The consequence of the emergence of an agency problem is that the principal has to incur agency costs, which can cause the company's performance to decline. According to (Ahmed et al., 2023), agency costs can be reduced by carrying out debt financing because when a company is faced with a significant amount of debt, agents are under pressure to be able to use the debt on productive projects so that the company can generate free cash flow that will be used to pay off the debt. Reducing agency costs makes the company's operational activities more efficient so that the company can increase profits in the future, which ultimately positively changes the company's profit growth. This explanation aligns with research conducted by (Ardayanti et al., 2022), which states that debt to equity significantly affects profit growth. This conclusion is also strengthened by research results from (Estininghadi, 2019), and (Agustinus, 2021). Thus, the second hypothesis is developed as follows:

H_2: Debt to equity ratio significantly affects profit growth.

The Effect of Total Asset Turnover Ratio on Profit Growth

The Total Asset Turnover ratio provides information about how efficiently the company uses all its assets to generate sales. The total sales a company generates in a period depend significantly on how agents allocate their assets. Based on the assumptions of agency theory, which states that agents are utility maximizers (Jensen & Meckling, 1976), the agent may make decisions regarding asset allocation based on his interests. As a result, the company's sales level cannot reach the point that should be achieved using all of the company's assets. Non-maximum sales levels may hurt the company because generating sales is the company's main operational activity. The company can obtain resources for operations in subsequent periods from this activity. In addition, if sales levels are not optimal, the company cannot earn profits that can be used to expand the business or buy new operating assets. Ultimately, lousy decision-making by agents will harm the company's profit growth. The previous explanation aligns with research conducted by (Sunaryadi, 2019), which states that Total Asset Turnover significantly influences profit growth. The conclusions of this research are also supported by research conducted by (Jie & Pradana, 2021), and (Serling, 2022). Thus, the third hypothesis is developed as follows:

H_3: Total Asset Turnover significantly affects profit growth.

METHOD

The population in this study are food and beverage sub-sector industrial companies listed on the IDX for the 2018-2022 period. The sampling technique used in this research is one of the techniques classified as Nonprobability Sampling, namely Purposive Sampling. Hamid et al. (2019) define *Purposive Sampling* as a technique for determining samples based on particular criteria so that they can be used as samples. Therefore, the criteria used to determine the sample in this study are as follows:

No	Criteria	Total
1	Food and beverage industry sector companies listed on the Indonesia Stock Exchange in the 2018 – 2022 period	27
2	Companies in the food and beverage industry sector that experienced delisting or had their shares temporarily suspended during the 2018 – 2022 period	(6)
3	Companies in the food and beverage industry sector that do not publish their annual reports consistently during the 2018 – 2022 period.	(1)
	Total company	20
	Total initial sample data (5 periods)	100
	Total Outliers	(28)
	Total final sample data	72

The data used in this research is secondary data. Data on managerial ownership, debt to equity ratio, and total asset turnover in this research were obtained through documentation of annual report data from food and beverage industrial companies listed on the Indonesia Stock Exchange for the period 2018 - 2022, which can be accessed via the website https://www .idx.co.id/id, or the issuer's official website. The regression model used in this research is multiple linear regression. The analytical tool used to manage data is SPSS 25.

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RESULT
Classic Assumption Test
Normality test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		72
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.31566973
Most Extreme Differences	Absolute	.082
	Positive	.042
	Negative	-.082
Test Statistic		.082
Asymp. Sig. (2-tailed)		.200[c,d]

Based on the table, the value of Asymp Sig. (2-tailed) equals 0.200. Based on the test conditions previously explained, the data is normally distributed if the significance level is Asymp. Sig. (2-tailed) more than 0.05. Thus, it can be concluded that the data is normally distributed because 0.200 is greater than 0.05.

Heteroscedasticity Test

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-7.560	4.924		-1.535	.129
	KM	.133	.668	.028	.199	.843
	DER	-.399	.436	-.114	-.916	.363
	TATO	1.123	1.074	.143	1.045	.300

a. Dependent Variable: LN_RES

Based on the table, it can be seen from the regression equation of the independent variables on the Ln value of the squared residual that all parameter coefficient values of the independent variables are not significant or more than 0.05. Based on the test conditions previously explained, there are no symptoms of heteroscedasticity if the significance value is more than

0.05. Thus, it can be concluded that in the regression model, there is no heteroscedasticity.

Multicollinearity Test

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	6.181	.526		11.760	.000		
	KM	.227	.071	.428	3.189	.002	.692	1.446
	DER	.066	.047	.166	1.418	.161	.905	1.105
	TATO	-.314	.115	-.352	-2.737	.008	.754	1.326

a. Dependent Variable: PL

The table above shows that the tolerance value of Collinearity Statistics for each independent variable is more than 0.10. Then, Collinearity Statistics also shows that no independent variables have a VIF value of more than 10. Based on the test conditions explained previously, it can be concluded that there is no correlation between variables in the regression model or that it is free from symptoms of multicollinearity.

Multiple linear regression

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	6.181	.526		11.760	.000
	KM	.227	.071	.428	3.189	.002
	DER	.066	.047	.166	1.418	.161
	TATO	-.314	.115	-.352	-2.737	.008

a. Dependent Variable: PL

From the Table, it can be seen that the multiple linear regression equation is as follows:

$$PL = 6.181 + 0.227\ KM + 0.066\ DER - 0.314\ TATO + e$$

Based on the multiple linear regression equation written above, the unstandardized coefficient beta value of each variable can be seen with the following explanation:

1. The constant value of profit growth (PL) or profit growth if all independent variables are considered constant is 6.181.
2. Managerial ownership (KM) has an Unstandardized Coefficients beta value of 0.227. So, if the managerial ownership variable increases by one, the profit growth (PL) value will change positively by 0.227.
3. Debt to equity ratio (DER) has an Unstandardized Coefficients beta value of 0.066. This value illustrates that if the Debt-equity ratio variable increases by one, the profit growth (PL) value will change positively by 0.066.
4. Total asset turnover (TATO) has an Unstandardized Coefficients beta value of -0.314. So, if the total asset turnover variable increases by one, the profit growth (PL) value will change negatively by 0.314.

Hypothesis Testing
T Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	6.181	.526		11.760	.000
	KM	.227	.071	.428	3.189	.002
	DER	.066	.047	.166	1.418	.161
	TATO	-.314	.115	-.352	-2.737	.008

a. Dependent Variable: PL

Based on the table, each independent variable's t_{count} value and significance value can be seen on the dependent variable. The relationship between all independent and partial independent variables can be known by knowing these two values. With the following explanation:

1. The t_{count} value of the managerial ownership (KM) variable is 3.189, so it can be seen that the t_{count} value is greater than t_{table} (3.189 > 1.995). Furthermore, the significance value of the managerial ownership variable shows a significance level below 0.05. Based on the test criteria previously explained, it can be concluded that the first hypothesis (H1), which states that managerial ownership affects profit growth, is accepted.
2. The tcount value of the debt to equity ratio (DER) variable is 1.418, so it can be seen that the tcount value is smaller than ttable (1.418 < 1.995). Furthermore, the significance value of the managerial ownership variable shows a significance level above 0.05. Based on the test criteria explained previously, it can be concluded that the second hypothesis (H2), which states that the debt to equity ratio affects profit growth is rejected.
3. The t_{count} value of the total asset turnover (TATO) variable is -2.737, so it can be seen that the t_{count} value is smaller than t_{table} (-2.737 < -1.995). Furthermore, the significance value of the managerial ownership variable shows a significance level below 0.05. Based on the test criteria previously explained, it can be concluded that the third hypothesis (H3), which states that total asset turnover affects profit growth, is accepted.

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Coefficient of Determination Test

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.391[a]	.153	.116	.32256

a. Predictors: (Constant), TATO, DER, KM

From the table, it can be seen that the R Square value is 0.153. So, the variables managerial ownership, debt to equity ratio, and total asset turnover can explain the profit growth variable by 15.3%. In comparison, the remaining 84.7% is explained by other variables not included in the regression model.

DISCUSSION

The Effect of Managerial Ownership on Profit Growth

The previously formulated hypothesis states that managerial ownership influences profit growth. This hypothesis is based on the assumption that managerial ownership can reduce agency costs and harmonize the interests of agents and principals. Furthermore, based on the statistical tests, managerial ownership has a significant positive influence on profit growth, so this hypothesis is accepted.

Acceptance of this hypothesis indicates that by increasing managerial ownership, the company can increase the value of its profit growth in the coming period. By increasing share ownership owned by agents, agency problems in companies will decrease, so the goals of agents and principals become aligned. Apart from that, increasing managerial ownership also reduces the agency costs borne by the company.

If the goals of the agent and principal are similar, then the agent will not make decisions based on his interests and will prioritize the company's interests. Agents will also be wiser in making decisions and less likely to be risk-takers, as stated by (Pollmann et al., 2014). Therefore, the decisions made by agents will be more mature, qualified, and based on solid calculations. Thus, company performance will become more efficient and increase company profit growth.

Furthermore, based on statements from (Ahmed et al., 2023), reducing agency costs can also improve company performance. Agency costs can reduce company resources to create control over agents; the company must allocate some of its resources to create this control. If these resources are allocated to increase the efficiency of operational activities, the company's performance will increase, and ultimately, the company's profit growth will increase in the coming period. The results of this research strengthen research which states that managerial ownership influences profit growth, conducted by Siti Martini & Siddi (2021), Hanifah et al. (2020), and Wahyuni & Prayogi (2019).

The Effect of Debt to Equity Ratio on Profit Growth

The previously formulated hypothesis states that the debt to equity ratio affects profit growth. This hypothesis is based on the assumption that by increasing the number of company assets through debt, the company can reduce the agency costs that must be borne because the debt can control agents. If a company owes a bank, the bank will monitor the actions taken by the agent who runs the company to ensure that the agent uses the debt according to the company's needs and can ultimately pay off the debt in full. However, based on the statistical tests carried out, it can be seen that the debt to equity ratio has an insignificant positive effect on profit growth, so this hypothesis is rejected.

Rejecting this hypothesis provides information that although an increase in the debt to equity ratio value can positively impact the company's profit growth by providing control to the agent, this control cannot have a significant effect. Because, in reality, increasing the proportion of assets through debt does not necessarily provide the company with additional profits. Capital is just an input in an operational system, and there are still processes and outputs. Companies must determine the right operational processes and project output that suits consumer needs to generate additional profits through these resources. If the company cannot fulfil these two things, these additional resources cannot be converted into additional profits, making the company's profit growth stagnant. The results of this research strengthen research which states that the debt to equity ratio does not affect profit growth, carried out by Cahyati & Hartikayanti (2023), Marlina (2019), and Maryati & Siswanti (2022)

The Effect of Total Asset Turnover Ratio on Profit Growth

The previously formulated hypothesis states that total asset turnover affects profit growth. This hypothesis is based on the assumption that a company's profit level depends on how efficiently the company uses its assets. Based on the assumptions of agency theory discovered by (Jensen & Meckling, 1976), agents are utility maximizers and can make decisions in a company. Therefore, agents can make decisions based on personal interests; this is supported by a statement from (Ahmed et al., 2023), which states that agents in Iran frequently make decisions based on their interests to expand their power. Agents have the authority to make decisions, so agents are responsible for utilizing company assets to generate profits. In other words, agents can influence company profits by efficiently using company assets. Thus, the company's profit growth is greatly influenced by the decisions made by the agent. Furthermore, based on the statistical tests carried out, it can be seen that managerial ownership has a significant negative influence on profit growth, so this hypothesis is accepted.

Acceptance of this hypothesis provides evidence that total asset turnover significantly influences profit growth. In this research, the total asset turnover ratio is inversely proportional to profit growth, or profit growth decreases if the value of total asset turnover increases. According to (Septiyarina, 2022), this condition occurs when a company fails to utilize its assets to create effective sales to generate profits. Ineffective management of company assets can be caused by the agent's failure to make the right decisions. Based on the assumptions of agency theory mentioned previously, agents are likely to exploit company assets based on their interests by producing goods with small profit margins due to more enormous production costs or marketing costs to attract new customers. The results of this research strengthen research which states that total asset turnover has an effect on profit growth, carried out by Sunaryadi (2019), Jie & Pradana (2021), and Serling (2022).

CONCLUSION

Based on the results of statistical tests and the discussion in the previous section, the conclusions of this research are as follows:

1. Managerial ownership significantly affects profit growth in food and beverage companies listed on the Indonesian stock exchange from 2018 to 2022. Based on the Unstandardized Coefficients beta value, it can be seen that managerial ownership is directly proportional to profit growth, so if the level of managerial ownership increases, profit growth will increase. This condition is caused by reduced agency problems and agency costs in companies so that company performance and profit growth increase in the coming period. The first hypothesis in this study was accepted.

2. Debt to equity ratio does not significantly influence profit growth in food and beverage companies listed on the Indonesian stock exchange from 2018 to 2022. Based on the Unstandardized Coefficients beta value, it can be seen that the debt to equity ratio is directly proportional to profit growth, so if the level of ownership managerial capacity increases, profit growth will increase, although not significantly. This condition happens because the company cannot allocate the debt appropriately to its operational activities, so there is no significant development despite additional funds. The second hypothesis in this study was rejected.

3. Total asset turnover significantly affects profit growth in food and beverage companies listed on the Indonesian stock exchange from 2018 to 2022. Based on the Unstandardized Coefficients beta value, it can be seen that total asset turnover is inversely proportional to profit growth, so if the total asset turnover value increases, then the profit growth rate will decrease. This condition happens because the company cannot utilize its assets to produce goods that generate optimal profits, such as by increasing the production of goods with a small profit margin due to large production and marketing expenses so that even though sales increase, the company's profit growth will decrease in the coming period. The third hypothesis in this study was accepted.

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