

# THE EFFECT OF SALES GROWTH, ASSET GROWTH AND MANAGERIAL OWNERSHIP ON COMPANY PROFITABILITY IN THE PROPERTY AND REAL ESTATE SECTOR LISTED ON THE INDONESIA STOCK EXCHANGE FOR THE PERIOD 2019–2023

**Siti Elan Nisa<sup>1\*</sup>, Rico Nur Ilham<sup>2</sup>, Wahyuddin<sup>3</sup>, Ghazali Syamni<sup>4</sup>**

<sup>1,2,3,4</sup> Faculty of Economic and Business, Universitas Malikussaleh

Jln.Unimal Bukit Indah campus, Blang Pulo, Muara Satu, Lhokseumawe,

Phone/Faks : +62.645.41373/+62.645.44450

Corresponding Email: [siti.210410330@mhs.unimal.ac.id](mailto:siti.210410330@mhs.unimal.ac.id)<sup>1\*</sup>, [riconurilham@unimal.ac.id](mailto:riconurilham@unimal.ac.id)<sup>2</sup>,  
[wahyuddin@unimal.ac.id](mailto:wahyuddin@unimal.ac.id)<sup>3</sup>, [ghazali.syamni@unimal.ac.id](mailto:ghazali.syamni@unimal.ac.id)<sup>4</sup>

Received : 21 May 2025

Published : 21 July 2025

Revised : 30 May 2025

DOI : <https://doi.org/10.54443/jaruda.v4i1.251>

Accepted : 17 June 2025

Publication Link : <https://jaruda.org/index.php/go>

## Abstract

The purpose of this study was to determine the effect of sales growth, asset growth, and managerial ownership on company profitability in the property and Real Estate sector listed on the Indonesia Stock Exchange for the period 2019–2023. The data used in this study are secondary data. The population consists of 93 companies, and the sample includes 19 companies selected using purposive sampling, resulting in a total of 95 observations. The data analysis method used is panel data regression. The results show that partially, sales growth has a positive and significant effect on company profitability in the property and Real Estate sector during the 2019–2023 period. Asset growth has a positive but not significant effect on company profitability in the property and Real Estate sector during the 2019–2023 period. Meanwhile, managerial ownership has a positive and significant effect on company profitability in the property and Real Estate sector during the 2019–2023 period.

**Keywords:** *Profitability, Sales Growth, Asset Growth, Managerial Ownership.*

## INTRODUCTION

Current global and national economic developments encourage increasingly intense competition among companies from various industrial sectors. This competition is a phenomenon that cannot be avoided and is a natural thing in the dynamics of the modern business world, where every company is required to continue to innovate and improve efficiency in order to maintain its existence in the market. One sector that has a strategic role in economic development and growth is the Property & Real Estate sector, which is a business field that focuses on construction services and activities as well as property management such as the construction of apartments, residences, shopping centers, office buildings, and other commercial facilities (Iliyanis, 2023).

The Property & Real Estate sector is not only important in creating physical space for social and economic activities, but also serves as one of the key indicators in analyzing the level of economic health of a country. This is because activities in this sector are closely related to the development of other industries, such as construction, finance, and other supporting services. The Property & Real Estate industry can provide signals regarding the condition of a country's economy, whether it is experiencing growth or is actually in a slowdown phase. Thus, the more companies that move and develop in this sector, it can indicate that a country's economy is in a positive expansion or growth phase (Hasanah, 2018).

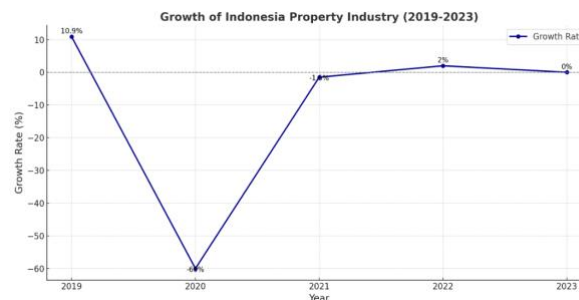


Figure 1 Real Estate (Property) Industry Growth

Judging from figure 1, Indonesia's property industry experienced a sharp decline of 60% in the first quarter of 2020 due to the Covid-19 pandemic, inversely proportional to the 10.9% growth in 2019. The pandemic drastically reduced property transactions and sales due to limited consumer mobility and online transaction barriers. According to the CEO of Indonesia Property Watch (IPW), Ali Tranghanda, consumers tend to want to see properties physically before making a purchase. Before the pandemic, the property sector was growing steadily. However, the first quarter of 2020 saw a 50.1% drop in sales. This shows how important in-person interaction is in the property buying and selling process. The pandemic has made digital sales methods unable to replace the physical experience desired by property buyers. Warsito (2020) through the Hodrick-Prescott (HP) Filter analysis shows that since 2020, the residential property price index has been below trend. In the first quarter of 2021, the index was 0.3% below trend, and increased to 1.5% below trend at the end of 2021. This indicates that Indonesia's residential property market is in a recessionary phase until the end of 2021.

Market conditions began to improve in early 2022. AREBI Chairman, Lukas Bong, stated that the property sector is starting to show signs of recovery and is becoming attractive again as an investment area. The residential property price index in Q4 2022 rose 2%, slightly higher than the previous quarter. In addition, commercial property demand for rental surged to 5.84%. Although the global property sector weakened in 2023 due to the economic slowdown, the impact on Indonesia's domestic market was relatively small. IEI Chief Economist, Sunarsip, explained that this is because the link between the domestic property market and the global market is still low. Thus, Indonesia's property sector can still survive and grow independently. The property sector's contribution to Indonesia's GDP in the second quarter of 2023 was recorded at 9.43% from the construction sector and 2.40% from the real estate sector. This industry also provides a multiplier effect on other supporting industrial sectors, influences the financial sector, and absorbs a large number of workers, making it one of the leading sectors. In terms of profitability, the property sector experienced a decline in Return on Asset (ROA) from an average of 6% in 2019 to 3% in 2020. However, a gradual recovery occurred until it reached 6% again in 2023. This profitability is influenced by sales growth, asset growth, and managerial ownership structure. High sales and asset expansion drive increased profits, and good managerial ownership can maximize the efficiency and surplus of the company.

## LITERATURE REVIEW

### signaling theory

According to Ghozali (2020), signal theory explains how the signal giver (Signaler) acts to influence the behavior of the signal receiver. In other words, signals are used as cues that managers (companies) give to investors (outsiders). According to Aminah et al (2023), Signal theory is a strategy implemented by company management to communicate important information to external stakeholders, especially investors.

### **Agency theory**

In 1976, Jensen and Meckling updated a theory referring to agency theory. According to Ramadona (2016) in Haqiqi et al (2020), agency theory is a theory that has a member agreement relationship within the company, which explains the various types of costs that are monitored and imposes a relationship between these groups.

### **Profitability**

According to Anisa et al (2022), profitability is the ability of a company to realize profits through all its capabilities and sources, such as sales, cash, capital, total workers, branches, and so on. Profitability refers to the company's potential in creating profits. This is one of the benchmarks to assess the achievement of a company. Return on Assets (ROA) was chosen as a proxy for profitability. ROA was chosen because it is capable of sharing a comprehensive illustration of the company's efficiency in organizing its total assets to earn profits. This is particularly relevant in the Property and Real Estate Sector, where physical assets such as land and buildings are key operational elements.

$$\text{Return On Asset (ROA)} = \frac{\text{Net Profit}}{\text{Total Assets}} \times 100\%$$

### **Sales Growth**

According to Rahmawati (2018), sales growth is the increase in sales volume that occurs in companies from year to year. Sukmayanti (2019) states that sales growth is an evaluation of a company's performance in a certain year compared to the previous year. The company's performance is considered to be reflected in the company's net sales (amount of profit). To calculate the sales growth rate, the step that needs to be taken is to divide this year's total sales by the previous year's total sales, then multiply the result by 100 to get a percentage (Sukmayanti, 2019).

$$\text{Sales Growth} = \frac{\text{Sales}_t - \text{Sales}_{t-1}}{\text{Sales}_{t-1}} \times 100\%$$

### **Asset Growth**

According to Rahman (2020), the growth of company assets can be understood as changes that occur, be it a decrease or an increase in total assets owned by the company. On the other hand, Pattiselanno & Widiyati (2023) argue that asset growth reflects the company's ability to maintain its position in the midst of industry and economic dynamics. Company asset growth is measured by comparing total assets in a particular year with total assets in the previous year (Rahman, 2020).

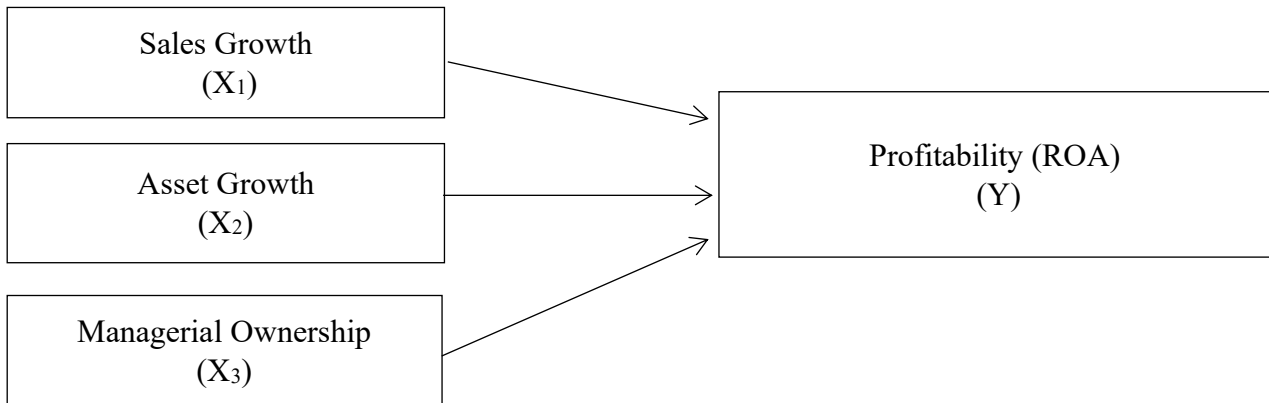
$$\text{Asset Growth} = \frac{\text{Total Assets}_t - \text{Total Assets}_{t-1}}{\text{Total Assets}_{t-1}} \times 100\%$$

### **Managerial Ownership**

Managerial ownership is shareholders from management who actively participate in decision making in the company, for example directors and commissioners (Putri et al., 2024). Managerial ownership is management (commissioners, directors and managers) who actively participate in the decision-making process for the company, and are given the opportunity to own company shares (shareholders) (Nursanita et al., 2019). The greater the management ownership in a company, the more management strives to meet the needs of shareholders, who are usually themselves. The proxy for manager ownership is calculated by multiplying the percentage of ownership of directors, managers, and commissioners by the total shares outstanding. Managerial ownership can be measured by the formula:

$$\text{Managerial Ownership} = \frac{\text{Total Managerial Ownership}}{\text{Total Outstanding Shares}} \times 100\%$$

The conceptual framework and hypotheses in this study are as follows:



**Figure 2 Conceptual Framework**

Description of the conceptual framework with support from relevant theories, the hypothesis for this study is as follows:

- H1: Sales growth has a positive and significant effect on the profitability of Property & Real Estate sector companies listed on the Indonesia Stock Exchange for the 2019–2023 period.
- H2: Asset growth has a positive and significant effect on the profitability of companies in the Property & Real Estate sector listed on the Indonesia Stock Exchange for the 2019–2023 period.
- H3: Managerial ownership has a positive and significant effect on company profitability in the Property & Real Estate sector listed on the Indonesia Stock Exchange for the 2019–2023 period.

## **METHODS**

This study uses a quantitative approach with the panel data regression method. This approach was chosen because it is able to combine the dimensions of data across time (time series) and across entities (cross-section) simultaneously, thus providing a more comprehensive analysis. Panel data regression is considered appropriate because the object of research involves several companies observed in a certain period of time. The data used is secondary data in the form of annual financial reports of Property & Real Estate sector companies listed on the Indonesia Stock Exchange for the 2019–2023 period. The sample was selected using purposive sampling technique based on certain criteria, so that 19 companies were obtained as samples with a total of 95 observations. The panel data regression model used includes the Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM). The best model selection is done with the Chow Test and Hausman Test.

## **RESULT AND DISCUSSION**

### **Model Selection Results**

Of the three regression models that can be used to estimate panel data, the regression model with the best results will be used in analyzing. So that in this study to find out the best model to be used in the analysis, testing was first carried out using the Chow test and the Hausman Test.

**Table 1 Chow Test**

**THE EFFECT OF SALES GROWTH, ASSET GROWTH AND MANAGERIAL OWNERSHIP ON COMPANY PROFITABILITY IN THE PROPERTY AND REAL ESTATE SECTOR LISTED ON THE INDONESIA STOCK EXCHANGE FOR THE PERIOD 2019–2023**

Siti Elan Nisa et al

Effect Test	Statistic	d.f	Prob.
Cross-Section F	13,393820	(18,73)	0,0000
Cross-Section Chi-Square	138,625535	18	0,0000

Based on the chow test results in Table 1 above, it shows that the cross-section F probability value is 0.0000 or smaller than 0.05, so it can be concluded that the Fixed Effect Model is the most appropriate model to use in estimating panel data regression in this study.

**Table 2 Hausman Test**

Test Summary	Chi-Sq Statistic	Chi-Sq. d.f	Prob.
cross-section random	19,690853	3	0,0002

Based on Table 2 above shows the results of the Hausman test with a random cross-section probability value of  $0.0002 < 0.05$ , meaning that the Fixed Effect Model is the most appropriate model to use in estimating panel data regression in this study. The author does not use the Lagrange Multiplier test, because the results obtained in the Chow test and Hausman test are consistent, where the model used is the Fixed Effect Model (FEM).

**Panel Data Regression Analysis (Fixed Effect Model)**

**Tabel 3 Analisis Regresi Data Panel (Fixed Effect Model)**

Variabel	Coefficient	Std. Error	t-Statistic	Prob
(Constant)	-2,0471	0,6159	-3,3235	0,0014
Sales Growth	0,0067	0,0019	3,4822	0,0008
Asset Growth	0,0191	0,0393	0,4869	0,6278
Managerial Ownership	0,0335	0,0163	2,0514	0,0438

Based on table 3 above, the value of the panel data regression equation can be obtained as follows:

$$ROA = -2,047056 + 0,006708PP - 0,019119PA + 0,033471KM$$

Based on the equation above, the coefficient value is 0.0067 which indicates that if sales growth in Property & Real Estate sector companies increases by 1%, then profitability in Property & Real Estate companies will also increase by 0.67%. The coefficient value of 0.0191 which indicates that if asset growth in Property & Real Estate sector companies increases by 1%, the company's profitability will increase by 1.91%. The coefficient value of 0.0335 which indicates that if managerial ownership increases by 1%, the profitability of Property & Real Estate sector companies will increase by 3.34%.

**Hypothesis Test Results**

**Effect of Sales Growth on Profitability**

Based on the results of hypothesis research, it shows that sales growth obtained a probability value of 0.0008 or smaller than the significant level used, namely 0.05 ( $0.0008 < 0.05$ ) and obtained a t (count) value of 3.482248 or greater than the t Table value of 1.66177 ( $3.482248 > 1.66177$ ) and has a coefficient value of 0.006708. So it can be concluded that the sales growth variable has a positive and significant effect on profitability. Therefore, the hypothesis stating that sales growth has a positive and significant effect on profitability in Property & Real Estate sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period is accepted (H 1 is accepted).

These results strengthen the argument that good sales performance is one of the important factors in increasing company profits. According to Pratiwi and Kurniawan (2021), consistent sales growth can be a positive signal for investors, as it reflects the stability of the company's performance and bright future prospects. This finding is in line with the results of research by Iskandar and Putri (2021) which state that sales growth is a key indicator in driving an increase in company profits because it reflects an increase in sales volume and the effectiveness of marketing strategies. Increased sales indicate high demand for the company's products or services, which in turn can increase profit margins and operational efficiency.

### **Effect of Asset Growth on Profitability**

Based on the results of hypothesis research, it shows that the value of asset growth obtained a probability value of 0.6278 or greater than the significant level used, namely 0.05 ( $0.6278 > 0.05$ ) and obtained a t (count) value of 0.486915 or smaller than the t Table value of 1.66177 ( $0.486915 < 1.66177$ ) and has a coefficient value of -0.019119. So it can be concluded that asset growth has a positive and insignificant effect on profitability. Therefore, the hypothesis stating that asset growth has a positive and insignificant effect on profitability in Property & Real Estate sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period is rejected ( $H_2$  is rejected).

An increase in assets does not necessarily guarantee an increase in profitability, especially if these assets are not managed efficiently or have not contributed directly to the company's revenue. According to Siregar and Hutapea (2020), asset growth that is not accompanied by the effective use of assets can cause waste of resources and actually reduce the company's financial performance. This finding is in line with the results of research conducted by Rahmawati and Prasetyo (2020), which states that asset growth does not necessarily increase profitability, especially if the company has not been able to optimize the use of assets in generating income. Likewise, research by Susanti and Lestari (2022) found that Property sector companies often expand assets in the form of long-term investments that have not provided direct results on company profits in the short term.

### **The Effect of Managerial Ownership on Profitability**

Based on the results of hypothesis research, it shows that the value of managerial ownership obtains a probability value of 0.0438 or smaller than the significant level used, namely 0.05 ( $0.0438 < 0.05$ ) and obtains a t (count) value of 2.051443 or greater than the t Table value of 1.66177 ( $2.051443 > 1.66177$ ) and has a coefficient value of 0.033471. So it can be concluded that managerial ownership has a significant effect on profitability. Therefore, the hypothesis stating that managerial ownership has a positive and significant effect on profitability is accepted ( $H_3$  is accepted).

According to Damayanti and Sari (2021), managerial ownership can reduce agency conflicts, encourage wiser decision making, and increase operational efficiency which leads to increased profitability. Research by Huda and Kurniawan (2022) shows that companies with high levels of managerial ownership tend to have higher investment returns and net profit margins than companies with low managerial ownership. Post-pandemic, uncertain conditions encourage the importance of strong governance. The managerial ownership structure is able to improve efficiency and internal control, which has an impact on corporate profits (Surayya and Kadang, 2020). These results are also supported by Siregar and Hasanah's (2020) research, which states that managerial ownership can be an effective internal control tool against managers' opportunistic behavior. They tend to be more careful in making investment decisions and managing operational costs, because wrong decisions will have a direct impact on their ownership.

## **CONCLUSION**

conclusion of this study shows that sales growth and managerial ownership have a positive and significant effect on the value of profitability. Meanwhile, asset growth has a positive and insignificant effect on profitability value.

## REFERENCES

- Aminah, W., Fahlevi, A. R., & Zalfadiva, D. S. (2023). Determinan Nilai Perusahaan: Likuiditas, Profitabilitas, dan Ukuran Perusahaan. *Jurnal E-Bis (Ekonomi-Bisnis)*, 7(2), 693–704.
- Anisa, N., Hermuningsih, S., & Maulida, A. (2022). Pengaruh Ukuran Perusahaan, Leverage, Kebijakan Dividen dan Profitabilitas terhadap Nilai Perusahaan: Studi Pada Perusahaan Manufaktur Sektor Food And Beverages. *Reslaj: Religion Education Social Laa Roiba Journal*. 4(2), 321–335. <https://doi.org/10.47476/reslaj.v4i2.707>
- Damayanti, R., & Sari, L. P. (2021). Pengaruh Kepemilikan Manajerial dan Struktur Modal terhadap Profitabilitas Perusahaan. *Jurnal Riset Keuangan dan Akuntansi*, 7(2), 134–143.
- Ghozali, I. (2020). *Aplikasi Analisis Multivariate Dengan Program SPSS*. Badan Penerbit Universitas Diponegoro.
- Hasanah, A. N., & Putri, M. S. (2018). Pengaruh Ukuran Perusahaan, Audit Tenure Terhadap Kualitas Audit. *JAK: Jurnal Akuntansi Kajian Ilmiah Akuntansi*, 5(1), 11-21.
- Huda, M., & Kurniawan, B. (2022). Kepemilikan Manajerial dan Kinerja Keuangan: Studi Empiris pada Perusahaan Property. *Jurnal Akuntansi dan Keuangan*, 10(1), 45–54.
- Iliyanis, A. (2023). Pengaruh Penerapan Good Corporate Governance, Struktur Modal, Profitabilitas Terhadap Nilai Perusahaan Property & Real Estate yang Terdaftar di BEI. *Equity: Jurnal Akuntansi*, 2(2), 161–171. <https://doi.org/10.46821/equity.v2i2.269>
- Iskandar, R., & Putri, R. A. (2021). Pengaruh Pertumbuhan Penjualan Terhadap Profitabilitas pada Perusahaan Manufaktur di BEI. *Jurnal Ekonomi dan Bisnis*, 18(2), 112–120.
- Ilham, R. N., Juanda, R., Sinta, I., Multazam, M., & Ramansyah, F. P. (2024, June). PHENOMOLOGICAL STUDY OF DIGITAL CRYPTOCURRENCY ASSET INVESTMENT IN INDONESIA IN ISLAMIC PERSPECTIVE. In *International Conference on Health Science, Green Economics, Educational Review and Technology* (Vol. 6, No. 1, pp. 168-188).
- Nursanita, Faris Faruqi and S. Rahayu, T. A. (2019). Pengaruh Kepemilikan Manajerial, Kepemilikan Institusional, Struktur Modal, Pertumbuhan Perusahaan dan Profitabilitas terhadap Nilai Perusahaan pada Perusahaan Manufaktur di Indonesia Tahun 2015-2018. *Jurnal STEI Ekonomi*, 28 (1)
- Pratiwi, A. R., & Kurniawan, D. (2021). Analisis Pengaruh Pertumbuhan Penjualan Terhadap Laba Bersih Perusahaan. *Jurnal Ilmu Manajemen*, 9(1), 33–41.
- Putri, H., Machdar, N. M., & Husadah, C. (2024). Pengaruh Struktur Modal Dan Manajemen Laba Terhadap Return Saham Dengan Kepemilikan Manajerial Sebagai Variabel Intervening Pada Perusahaan Manufaktur. *SENTRI: Jurnal Riset Ilmiah*, 3(2), 1134-1146.
- Rahman, M. A. (2020). Pengaruh Struktur Modal dan Pertumbuhan Aset Terhadap Kinerja Keuangan Perusahaan Yang Terdaftar Dalam Jakarta Islamic Index (JII). *Akurasi : Jurnal Studi Akuntansi Dan Keuangan*, 3(1), 55–68. <https://doi.org/10.29303>

**THE EFFECT OF SALES GROWTH, ASSET GROWTH AND MANAGERIAL OWNERSHIP ON COMPANY PROFITABILITY IN THE PROPERTY AND REAL ESTATE SECTOR LISTED ON THE INDONESIA STOCK EXCHANGE FOR THE PERIOD 2019–2023**

Siti Elan Nisa et al

- Rahmawati, D., & Prasetyo, A. (2018). Pertumbuhan Aset dan Kinerja Keuangan: Studi Empiris pada Perusahaan Property. *Jurnal Akuntansi dan Keuangan Indonesia*, 17(1), 24–31.
- Rahmawati, D., & Prasetyo, A. (2020). Pertumbuhan Aset dan Kinerja Keuangan: Studi Empiris pada Perusahaan Property. *Jurnal Akuntansi dan Keuangan Indonesia*, 17(1), 24–31.
- Ramansyah, F. P., Salsabila, R., Lubis, F. Y., Jannah, M. M., & Listyaningtiyas, H. (2025). Analisis Laporan Keuangan PT Essa Industries Indonesia Tbk Tahun 2023. *Zona Manajerial: Program Studi Manajemen (S1) Universitas Batam*, 15(1), 1-8.
- Ramansyah, Frengki Putra, et al. "Determination Of Firm Value In The Consumer Cyclical Sector Listed On The Indonesia Stock Exchange." *Proceedings of International Conference on Finance Economics and Business (ICOFEBS)*. Vol. 1. 2023.
- Siregar, S., & Hasanah, U. (2020). Analisis Pengaruh Kepemilikan Manajerial Terhadap Profitabilitas. *Jurnal Ilmu Ekonomi dan Bisnis*, 8(3), 67–75.
- Siregar, T., & Hutapea, M. (2020). Pengaruh Pertumbuhan Aset dan Struktur Modal terhadap Profitabilitas Perusahaan Property. *Jurnal Manajemen dan Bisnis*, 7(2), 89–97.
- Sukmayanti, P., Wayan, N., & Triaryati, N. (2018). Pengaruh Struktur Modal, Likuiditas Dan Ukuran Perusahaan Terhadap Profitabilitas Pada Perusahaan Property & Real Estate (Doctoral Dissertation, Udayana University).
- Sukmayanti, P., Wayan, N., & Triaryati, N. (2019). Pengaruh Struktur Modal, Likuiditas Dan Ukuran Perusahaan Terhadap Profitabilitas Pada Perusahaan Property & Real Estate (Doctoral Dissertation, Udayana University).
- Surayya, S., & Kadang, J. (2020). Struktur Kepemilikan Saham Terhadap Profitabilitas dan Nilai Pada Perusahaan Perbankan. *Journal of Business and Banking*, 10(1), 105.
- Susanti, R., & Lestari, H. (2022). Efektivitas Penggunaan Aset dalam Meningkatkan Profitabilitas Perusahaan Sektor Property. *Jurnal Ekonomi dan Bisnis Terapan*, 10(3), 112–120.
- Yulius, Y. (2024). Pertumbuhan Sektor Property 5 Tahun Terakhir, Tepat untuk Jual-Beli? <https://www.rumah123.com/panduan-Property/pertumbuhan-sektor-Property-5-tahun-terakhir/>