
COMPARATIVE ANALYSIS OF ROA AND STRATEGIES OF SHARIA COMMERCIAL BANKS IN INDONESIA DURING THE PANDEMIC AND AFTER THE PANDEMIC

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Abstract.

The COVID-19 pandemic has had an impact on the economy in Indonesia. Sharia Commercial Banks in Indonesia are among the banking sectors that can be said to be affected by the pandemic. This study aims to analyze the comparison of ROA values and identify what strategies can be implemented by Sharia Commercial Banks in Indonesia. This research uses quantitative and qualitative research types. The comparative analysis of ROA values was carried out quantitatively using a paired t-test, while the identification of strategies carried out by Sharia Commercial Banks was carried out qualitatively. The results of this study show that there is a real difference in ROA values during the Pandemic and after the Pandemic. The strategies carried out include: more focused innovation and creativity, digitalization, financing restructuring, as well as synergy between financial institutions and synergy between the parent and subsidiaries.

Keywords: *ROA comparison, strategies*

Abstrak

Pandemi COVID-19 memberikan dampak terhadap perekonomian di Indonesia. Bank Umum Syariah (BUS) di Indonesia termasuk sektor perbankan yang dapat dikatakan terdampak oleh Pandemi. Penelitian ini bertujuan untuk menganalisis perbandingan nilai ROA dan mengidentifikasi strategi apa saja yang dapat dijalankan oleh Bank Umum Syariah di Indonesia. Penelitian ini menggunakan jenis penelitian kuantitatif dan kualitatif. Analisis perbandingan nilai ROA dilakukan secara kuantitatif dengan menggunakan uji t berpasangan, sedangkan identifikasi strategi yang dijalankan oleh Bank Umum Syariah dilakukan secara kualitatif. Hasil penelitian ini menunjukkan terdapat perbedaan yang nyata nilai ROA saat dan sesudah Pandemi. Strategi yang dijalankan antara lain: inovasi dan kreativitas yang lebih terfokus, digitalisasi, restrukturisasi pembiayaan, serta

sinergitas antar lembaga keuangan dan antara induk dengan anak perusahaan.

Kata-kata Kunci: *Perbandingan ROA, Strategi*

INTRODUCTION

The occurrence of the COVID-19 Pandemic that has hit the world since the beginning of 2020 has provided a situation and conditions of uncertainty in the economy in Indonesia. The Pandemic period in Indonesia was officially declared over on June 21, 2023, through Presidential Decree Number 17 of 2023. This decision was accompanied by the emergence of Presidential Regulation Number 48 of 2023 concerning the Termination of Pandemic Handling which dissolved the Committee for Handling (COVID-19) and National Economic Recovery. It is hoped that with the end of the Pandemic period and the emergence of new habits in the economy, it can make the economy in Indonesia better than during the Pandemic.

The Banking sector, including Sharia Commercial Banks in Indonesia, is one of the sectors that can be said to be affected by the pandemic. So that Sharia Commercial Banks in Indonesia face great challenges in maintaining their financial performance both during the pandemic or the New Normal and after the pandemic period is declared over in Indonesia.

One of the important indicators in measuring the financial health of Islamic banks is the *Return On Asset (ROA)* value. In a previous study conducted by Asnaini et al. stated that there was a difference in ROA before and during the Covid-19 Pandemic, thus it can be said that there is an influence of the Covid-19 Pandemic on the financial performance of Islamic commercial banks in Indonesia (Asnaini, 2023). Meanwhile, research conducted by Pramitasari found that there was a significant difference between the financial performance of banks, before and during the Covid-19 pandemic (Pramitasari, 2023). Based on these findings, the researcher is interested in continuing to analyze the comparison of ROA BUS in Indonesia during the pandemic and after the pandemic period.

Sharia banking in general, including BUS, plays a quite important role in the economy in Indonesia during the pandemic and after the pandemic. This statement is as stated in the research of Hidayat et al. that financial institutions play a role in recovering the national economy by mobilizing deposits for productive investment and facilitating capital flows in various sectors, also contributing risk capital in crises, and developing Sharia Fintech that supports MSMEs and empowers other people (Hidayat, 2021). Therefore, various strategies are needed carried out by BUS in dealing with the Pandemic period and after the Pandemic period in Indonesia.

Based on the research problem behind this study, the researcher is interested

in conducting research on the comparison of ROA and strategies that can be implemented by BUS in Indonesia. The formulation of this research problem is as follows:

1. What is the significance of the comparative ROA value of Islamic commercial banks in Indonesia during and after the pandemic?
2. What are the strategies implemented by Islamic commercial banks in Indonesia during and after the pandemic?

The purpose of this research is:

1. Analyze the comparison of the ROA value of Islamic commercial banks in Indonesia during and after the pandemic.
2. Identify the strategies implemented by Islamic commercial banks in Indonesia during and after the pandemic.

Based on the formulation of the problem and the purpose of the research, the hypothesis of this study:

Ho: there was no real difference in the ROA value during the Pandemic and after the Pandemic.

Ha: there is a real difference in the ROA value during the Pandemic and after the Pandemic.

LITERATUR REVIEW

Profitability of Islamic Banks

Profitability is defined as the foundation of the relationship between operational effectiveness and the quality of services provided by a bank. Profitability is a specific indicator of a bank's performance, which is the goal of the management to increase value for shareholders, maximize returns, and minimize risks.

Profitability ratios serve to assess a company's capacity to generate profits. This ratio also provides an indicator of how effective the management of a company is. This is reflected in the profit earned through sales and investment income. In essence, the use of profitability ratios reflects the efficiency of the company (Kasmir, 2008). The application of the ratio can be done by comparing the components contained in the financial statements, especially the balance sheet and income statement. Ratio measurements can be carried out over several operational periods with the aim of showing the company's development over a period of time, both in terms of decreases and increases as well as looking for the causes of these changes.

The results of measuring the profitability ratio can be used as a tool to evaluate management performance because the ultimate goal of a company is to achieve maximum profit or profit. The company is considered to have good profitability if it is able to achieve the predetermined profit target by utilizing its assets or capital. Several types of profitability ratios that can be utilized by a company include: Profit Margin Return on Asset, Return on Equity and Earning Per Share (Harahap, 2013).

The profitability analysis of a bank aims to measure the level of operational efficiency and profit achieved by the bank. From a management perspective, the company's financial performance hopes to get a high net profit before tax (earning before tax) because the higher the company's profit obtained the more flexible the company is in carrying out its operational activities. Thus, the company's EBT will increase as improvements in the company's financial performance increase. Profit before tax is net income from operational activities before deducting taxes. While the average total assets is the average volume of business or assets.

Return On Asset (ROA)

Return On Asset (ROA) is an indicator of the company's success in generating profits so that the higher the profitability, the higher the ability to generate profits for the company. ROA focuses on the company's ability to earn earnings in the company's operations. The greater the ROA indicates better financial performance, because the rate of return is greater.

Return On Asset (ROA) is one of the profitability ratios used to measure the company's effectiveness in generating profits by utilizing its total. Based on Bank Indonesia regulations, a good ROA standard is around 1.5%. The greater the ROA, the better the company's performance, because the greater the return. The calculation of ROA consists of: (1) calculating Earning Before Tax (EBT) the profit of the company (bank) before deducting taxes, and (2) Calculating the overall assets owned by the bank consisting of current assets and fixed assets.

The purpose of Return on Asset is to assess how well the company uses all its assets to generate profit or profit. Return on assets (ROA) is also used to measure the company's rate of return on funds by using all the assets owned by the company. The more efficient a company is in providing returns to investors, the higher the Return on Assets (ROA) value. In other words, an increase in the ROA value indicates that the company is making more profit. Conversely, if the ROA value decreases, this can indicate that the company is experiencing losses. experiencing losses (Dian, 2021).

Sharia Commercial Bank Strategies

The strategy for Islamic Commercial Banks (BUS) focuses on market entry, creating innovative new products, improving service quality, and efficient promotion. In addition, BUs need to strengthen collaboration with other institutions and utilize digital technology to improve the quality of services provided. Strategies undertaken by Islamic commercial banks in general include:

- a. Setting a Clear Business Strategy (Munawir, 2005).
 - 1) Target Market Identification: BUs must understand customer needs and preferences, especially in relation to Shariah principles.
 - 2) Specific Goal Setting: Set clear business objectives, such as asset growth, market share increase, or product and service expansion.
 - 3) Product and Service Development: Create innovative, competitive, and shariah-compliant products and services. Examples: productive financing, sharia investment, sharia insurance, and secure digital services.
- b. Service Strengthening and Promotion:
 - 1) Service Excellence: Improved service quality and customer satisfaction, including secure and user-friendly digital services.
 - 2) Increased Socialization and Promotion: Actively promote and socialize BUs products and services through various channels, including digital and traditional media.
 - 3) Collaboration with Partners: Build strategic partnerships with various parties, such as educational institutions, communities, and other sharia businesses.
- c. Digitalization and Innovation (Ana, 2022).
 - 1) Digital Platform Development: Enhancement of digital infrastructure and online banking services to reach a wider range of customers and provide convenience.
 - 2) Product and Service Innovation: Development of innovative products and services, such as technology-based investment products, Islamic financial applications, and secure digital banking services.

RESEARCH METHOD

This type of research is carried out quantitatively and qualitatively. The comparative analysis of ROA values is carried out quantitatively, while the identification of what strategies are carried out by Sharia Commercial Banks is carried out qualitatively. As previously discussed, in Indonesia there is a determination of the end time of the Pandemic period in June 2023. So that it will determine the number of population and the number of samples in this study. The population in this study is a total of 54 months, where this number is the number of

month periods from the establishment of the Pandemic period which began in March 2020 to the period when the researcher wrote this study, which is October 2024. Samples were taken using *the purposive sampling* technique. With the limited data for the post-pandemic period obtained by the author available for 16 months, the samples taken are ROA data for Sharia Commercial Banks for the period of July 2023 - October 2024 (After the Pandemic) and 16 months for the period of March 2022 - June 2023 (Pandemic or New Normal period).

The analysis technique used is the *Paired Sample T Test*. According to Santoso, the test was used to test the difference between two paired samples, which is interpreted as a sample with the same subject but experiencing two different treatments in the situation before and after the process (Santoso, 2001).

RESULTS

The analysis of the paired t-test was carried out using *Microsoft Excel*. The results of the calculation can be seen as follows:

Table. Output Calculation Paired t-test
t-Test: Paired Two Sample for Means

	<i>Pandemic</i> ROA	<i>ROA After the Pandemic</i>
Mean	2,055	1,987007907
Variance	0,002826667	0,005567116
Observations	16	16
Pearson Correlation	-0,016545461	
Hypothesized Mean Difference	0	
Df	15	
t Stat	2,945573668	
P(T<=t) one-tail	0,005011588	
t Critical one-tail	1,753050356	
P(T<=t) two-tail	0,010023175	
t Critical two-tail	2,131449546	

Judging from the table above, it is obtained:

Number of samples (n)	= 16
Average ROA difference (\bar{d})	= -0,067992
Standard Average Deviation (Sd)	= 0,0923312
The root of the sample number (\sqrt{n})	= 4
Value Calculation	= 2,945573668
Critical Value (t-table)	= 2.131449546
Degree of freedom (df = n-1)	= 15
Level of Significance (α)	= 0.05

$$P(T \leq t) \text{ two-tail} = 0.010023175$$

Judging from the results of the calculation of the tcount value (2.945573668) is greater than the ttable value, (2.131449546). Similarly, when viewed from the value of $P(T \leq t)$ two-tail of 0.010023175 which is smaller than the Significance Level (α) value of 0.05. Therefore, the null hypothesis (H_0) is rejected and the alternative hypothesis (H_a) is accepted. This means that there is a real difference in the ROA value during the pandemic and after the pandemic.

The results of this study appear to be in line with previous research conducted by Asnaini et al and Hidayat et al where ROA is both different from two times. The difference lies in the timing, the previous study compared the period before and during the Pandemic, while this study compared ROA during the Pandemic and After the Pandemic.

DISCUSSION

The research results that show a real or significant difference between the value of Return on Assets (ROA) during the pandemic and after the pandemic are important findings in the context of financial analysis and corporate strategic management. The real difference in the ROA BUS values during the Pandemic and after the Pandemic cannot be separated from the strategies carried out by each BUS in Indonesia. Hidayat et al, stated that financing restructuring is one of the strategies of Islamic banking to provide a little convenience for the community, while also maintaining income from the financing side. In addition, the digitalization strategy will have a positive impact on business growth in general (Hidayat et al, 2021).

The strategies proposed in Pramitasari's research (2023) include: financing focused on industries that have prospects, bank innovation and creativity, digital banking, appropriate risk mitigation management, and CSR programs through online education and training for MSME actors (Pramitasari's, 2023). Meanwhile, Noviyanti proposed another strategy, namely the creation of a digital ecosystem that can provide a competitive advantage for Islamic banks to attract customers and meet customer needs, which is expected to be able to support the acceleration of Islamic banking and can be used to create an ecosystem and synergize with other financial sectors, and synergy between parents and subsidiaries needs to be optimized in helping the growth of Islamic banking (Noviyanti, 2023).

ROA is a profitability indicator that measures the extent to which a company is able to generate net income from its total assets. Theoretically, ROA reflects the efficient use of assets in a company's operations, and is therefore a central measure in assessing asset management performance. During the COVID-19 pandemic, the negative impact on ROA can be explained by economic crisis theory and external shock theory, which states that large-scale unexpected events can cause imbalances on the supply and demand sides of the economy. Many companies face simultaneous pressures in the form of disrupted supply chains, mobility restrictions, and lower public consumption, all of which result in a decline in revenue. As a result,

net income falls, while fixed expenses such as interest on loans and depreciation of fixed assets must be borne, thus lowering the value of ROA.

Moreover, in the context of operational efficiency theory, companies are unable to optimize their assets during the pandemic as activity restrictions lead to underutilization. This is particularly evident in the transportation, manufacturing, and tourism industries, which rely heavily on physical assets.

Post-pandemic, economic recovery policies and the easing of social restrictions provide space for companies to improve operations. In the economic recovery theory approach, there is a gradual rebound or recovery that is reflected in the improvement of financial indicators, including ROA.

Moreover, practically and strategically, many companies have made structural adjustments during the pandemic such as cost efficiency, organizational restructuring, and accelerated adoption of digital technology. These measures fall under the strategic adaptation theory, which states that companies that are able to adjust to environmental changes tend to gain a competitive advantage after a crisis.

The increase in ROA after the pandemic not only marks a recovery, but also indicates an increase in asset productivity. However, this improvement is not uniform across all sectors. Technology-based and digital sectors tend to show a faster recovery and even experience growth, while traditional sectors such as labor-intensive manufacturing or transportation still face structural challenges.

As such, the significant difference in ROA values between the pandemic and post-pandemic periods should be analyzed not only as an impact of external conditions (global macroeconomics and fiscal/monetary policies), but also as a result of managerial decisions and organizational capacity to adapt effectively. Therefore, the comparison of ROA between these periods reflects the complex interaction between environmental factors and the company's internal strategies.

In a crisis situation such as the COVID-19 pandemic, Islamic Commercial Banks face major challenges, such as increased risk of non-performing financing, decreased economic activity, and changes in consumer behavior. To survive and rise, BUS need to implement adaptive strategies that are not only in accordance with sharia principles, but also responsive to economic dynamics.

Some of the main strategies that can be applied are: restructuring financing, more focused innovation and creativity, digitalization, and synergies between parent and subsidiary companies as well as synergies between financial institutions. These strategies reflect the holistic and adaptive approach of Islamic Commercial Banks in facing the challenges of the pandemic and capitalizing on the momentum of post-pandemic recovery. This approach is not only financial in dimension, but also spiritual, social and technological, in accordance with the unique characteristics of the Islamic banking system. However, the successful implementation of this strategy is highly dependent on the quality of risk management, visionary leadership, regulatory support, and technological readiness. Going forward, Islamic banks must be able to make the crisis a catalyst to strengthen competitiveness and increase their contribution to inclusive and equitable national economic development

CONCLUSION

Based on the results of the analysis and identification, it can be concluded that:

1. There is a real or significant difference between the ROA value during the Pandemic and the ROA value after the Pandemic.
2. The strategies carried out by BUS in dealing with the pandemic and after the pandemic include: financing restructuring, more focused innovation and creativity, digitalization, and synergy between the parent and subsidiaries as well as synergy between financial institutions.

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