JOGTA Journal of Governance, Taxation and Auditing
P-ISSN - 2830-6392 (PRINT)
E-ISSN - 2962-2522 (ONLINE)
JOURNAL OF GOVERNANCE, TAXATION AND AUDITING
Volume: 4
Number: 4
Page: 919 - 932

Article History:
Received: 2026-02-17
Revised: 2026-03-24
Accepted: 2026-04-28

THE INFLUENCE OF SALES GROWTH AND OPERATIONAL EFFICIENCY ON FINANCIAL PERFORMANCE (A STUDY OF THE PHARMACEUTICAL SUBSECTOR LISTED ON THE INDONESIA STOCK EXCHANGE FOR THE 2019–2023 PERIOD)

Stephanie Immanuel Muswanto[1], Aisyaturrahmi[2]
[1.2]Accounting Study Program, Faculty of Economics and Business, State University of Surabaya, Surabaya, Indonesia
Corresponding author: Stephanie Immanuel Muswanto
E-mail: Stephanieimmanuel.22020@mhs.unesa.ac.id

Abstract:
This study aims to analyze the effect of sales growth and operational efficiency on financial performance in pharmaceutical subsector companies listed on the Indonesia Stock Exchange for the 2019–2023 period. Financial performance is measured using Return on Assets (ROA), while sales growth and operational efficiency are used as independent variables. This study also includes leverage, liquidity, and company size as control variables. This study uses a quantitative approach using multiple linear regression analysis techniques. The research data were obtained from the financial reports of pharmaceutical subsector companies published on the Indonesia Stock Exchange during the study period. The results show that sales growth and operational efficiency significantly influence company financial performance. Furthermore, the control variables leverage, liquidity, and company size also show a significant influence on financial performance. These findings indicate that a company's financial performance is influenced not only by sales growth but also by the company's ability to manage its operational activities and financial structure. Therefore, companies need to optimize sales and operational activity management to improve financial performance sustainably.

Keywords: Sales Growth, Operational Efficiency, Financial Performance, ROA, Pharmaceutical Companies.

INTRODUCTION

The global economic recession has become a major issue affecting global economic stability in recent years (Angin et al., 2023). This condition is characterized by slowing economic growth, high inflation, and rising unemployment (Ayyub et al., 2021). According to Kompas (2025), a recession indicates a significant decline and instability in economic activity, resulting in shrinking incomes across various sub-sectors. Detailed data can be found in the performance index data for each sector listed on the Indonesia Stock Exchange.

Table 1. Performance Index Data

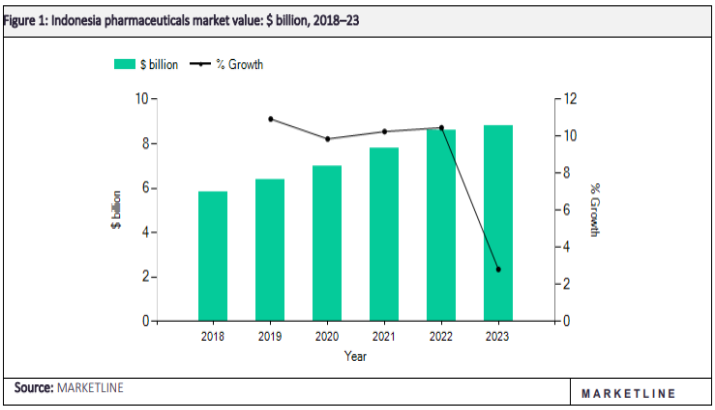
Sector	Total	Index	Change
Energy	91	4453,35	-0,19%
Basic Materials	112	2 X) 58,13	-1,17%
Industrials	63	2.155,07	0,19%
Consumer Non-Cyclicals	123	199,78	0,51%
Consumer Cyclicals	148	1226,36	3,03%
Healthcare	38	2 X) 64,27	-1,53%
Financials	106	1550,06	0,97%
Properties & Real Estate	88	172,93	0,36%

CATRA RESEARCH INSTITUTE
JOGTA Journal of Governance, Taxation and Auditing
P-ISSN - 2830-6392 (PRINT)
E-ISSN - 2962-2522 (ONLINE)
JOURNAL OF GOVERNANCE, TAXATION AND AUDITING
PUBLISHING OKSI
Indexed By : GARUDA Google dji Crossref INDEX COPERNICUS ROAD ISJD Indonesia OneSearch EBSCO

Technology	40	9 5 28,77	-0,98%
Infrastructures	67	2.671,10	2,04%
Transportation & Logistic	36	1.966,08	-0,11%

Source: Indonesia Stock Exchange (2025)

Based on the data in the figure above, the healthcare subsector experienced the highest decline, reaching -1.53%. This condition indicates that the healthcare sector is experiencing unstable growth amidst the uncertain global economic situation. This instability is further reinforced by data from the pharmaceutical subsector, which shows the most significant decline in performance compared to other subsectors, as shown in the following data.



Source: Processed Marketline data

Figure 1. Pharmaceutical Subsector Sales Data

The data in the figure above shows that the market value of the Indonesian pharmaceutical industry experienced fluctuating growth during the 2018–2023 period. Market value continued to increase from 2018 to 2022, but sales growth began to weaken and even experienced a sharp decline in 2023. This condition reflects that although nominal sales value increased, the industry's growth rate was unstable and tended to decline in the recent period. These sales fluctuations have the potential to impact company financial performance, as declining sales growth can suppress profit margins and operational efficiency. Given these industry performance dynamics, the pharmaceutical subsector is a relevant research object for further study to determine how sales growth and operational efficiency affect company financial performance.

These fluctuations in sales growth can impact the company's financial performance. Financial performance is a key indicator that illustrates a company's ability to manage resources to generate profits and maintain operational stability (Destiani & Hendriyani, 2022). Good financial performance indicates that a company is able to utilize assets effectively to generate optimal profits (Akben-selcuk, 2020; Ramadina, 2025). One factor that can influence a company's financial performance is sales growth. Sales growth reflects a company's ability to increase operating income over time (Angelia et al., 2021; Tasmil & Kunci, 2019). Companies with stable sales growth generally have better cash flow and greater opportunities for profit increase. In addition to sales growth, operational efficiency is also an important factor influencing a company's financial performance. Operational efficiency describes a company's ability to optimally manage resources to produce maximum output with minimal costs (Novianty, 2022; Suroso & Santosa, 2022; Saputra1 & Abdi2, 2022). Companies that are able to control operational costs effectively have higher profitability.

CATRA RESEARCH INSTITUTE
JOGTA Journal of Governance, Taxation and Auditing
P-ISSN - 2830-6392 (PRINT)
E-ISSN - 2962-2522 (ONLINE)
JOURNAL OF GOVERNANCE, TAXATION AND AUDITING
PUBLISHING KSI
Indexed By : GARUDA Google dji Crossref INDEX COPERNICUS ROAD ISJD Indonesia OneSearch EBSCO

However, previous research has shown that the relationship between sales growth, operational efficiency, and financial performance still shows inconsistent results. Some studies have found a positive relationship between sales growth and financial performance, while others have shown that increased sales do not always translate into increased profitability. Therefore, companies need to maintain stable financial performance to survive uncertain economic conditions.

In the corporate context, there is a relationship between the company owner (principal) and management (agent) as explained in Agency Theory proposed by Jensen & Meckling (1976). This theory explains that company owners grant management the authority to manage company resources to achieve organizational goals. However, this relationship often gives rise to conflicts of interest because management, as agents, has more extensive information than the company owners, which can lead to information asymmetry. This condition allows management to make decisions that are not always in line with the interests of shareholders. In this study, Type I Agency Theory is used, which focuses on the relationship between company owners (principals) and management (agents). According to Lesmono & Siregar (2021), this relationship often gives rise to two main problems: information asymmetry and conflict of interest. Information asymmetry occurs when management has broader access to financial and operational information than the owners, resulting in imbalances in decision-making. This condition allows management to act not entirely in accordance with the interests of shareholders. Meanwhile, conflicts of interest arise when management seeks to maximize personal interests without considering cost efficiency or the company's long-term performance.

As a result, growth Sales and operational efficiency are two important aspects that reflect management's behavior as an agent. Management may aggressively attempt to increase sales to demonstrate good performance to shareholders, but without adequate attention to cost efficiency. This action can actually reduce profitability and weaken the company's financial performance. Therefore, a mechanism is needed to align the interests of the principal and agent so that company management remains oriented towards the primary goal of increasing company value. Several previous studies have shown that sales growth influences a company's financial performance. Research conducted by Angelia et al. (2021), Fajriah, 2022 Yuliani (2021) found that sales growth positively impacts financial performance because increased sales can increase revenue and strengthen the company's cash flow. However, other studies have shown different findings. Ramadina (2025) and Prasetya (2024) found that sales growth does not always positively impact financial performance because increased sales are often accompanied by increased production, distribution, and marketing costs, which can reduce the company's profitability. In addition to sales growth, operational efficiency is also a factor influencing a company's financial performance. Previous research has shown that companies that are able to manage operational costs efficiently tend to have higher levels of profitability. Higher profitability because cost control helps improve a company's financial stability. However, several studies have shown that operational efficiency does not always have a significant impact on financial performance because cost control is not always followed by increased production capacity or increased company revenue. The differences in research results indicate a research gap that requires further investigation, particularly in different industrial sectors. Therefore, this study was conducted to analyze the effect of sales growth and operational efficiency on financial performance in pharmaceutical subsector companies listed on the Indonesia Stock Exchange for the 2019–2023 period.

Based on the theoretical foundation and previous research, the hypotheses in this study are formulated as follows:

H1: Sales growth affects financial performance.

CATRA RESEARCH INSTITUTE
JOGTA Journal of Governance, Taxation and Auditing
P-ISSN - 2830-6392 (PRINT)
E-ISSN - 2962-2522 (ONLINE)
JOURNAL OF GOVERNANCE, TAXATION AND AUDITING
PUBLISHING KSI
Indexed By : GARUDA Google dji Crossref INDEX COPERNICUS ROAD ISJD Indonesia OneSearch EBSCO

H2: Operational efficiency affects financial performance.

METHODS

This research uses a quantitative approach. According to Sugiyono (2016), quantitative research is based on the philosophy of positivism and is used to examine specific populations or samples through data collection using research instruments. Data analysis in this approach is numerical or statistical in nature, with the aim of testing formulated hypotheses. In this study, the data used are company financial figures, analyzed using statistical techniques to identify and measure the relationships between the variables studied. This study aims to analyze the influence of sales growth and operational efficiency on financial performance.

The type of data used in this study is secondary data. According to Sugiyono (2014), secondary data is data from documentation, that is, data not collected directly from respondents but rather from existing records or reports. The secondary data in this study consists of figures recorded in the company's annual financial statements. This study uses data sources from the financial statements of pharmaceutical companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period. This data was accessed through the official Indonesia Stock Exchange website (www.idx.co.id) and through the official websites of each company included in the research sample. The sample used in this study was all 12 pharmaceutical subsector companies listed on the Indonesian Stock Exchange. This study observed pharmaceutical subsector companies for five years, from 2019 to 2023, resulting in 60 sample units. After that, the sample characteristics were sorted, resulting in 54 sample units for the study.

A dependent variable is a variable that is influenced and affected by an independent variable; in other words, it is called an independent variable (Sugiyono, 2015:97). The dependent variable in this study is financial performance. An independent variable is a variable that influences or causes changes in the dependent variable; in other words, it is a dependent variable (Sugiyono, 2015:96). The independent variables in this study are sales growth and operational efficiency. In addition to the dependent and independent variables, this study also uses control variables to minimize potential bias in measuring the effect of sales growth and operational efficiency on financial performance.

Table 2. Operational Definitions and Measurement Formulas for Each Variable

Variable	Operational Definition	Measuring instrument
Variable Y Financial Performance	According to Damarjati (2018), financial performance is measured by Return on Assets (ROA). ROA describes a company's ability to generate profits.	$ROA = \frac{Net\ profit}{Total\ Aset}\ x\ 100\%$ (Damarjati 2018)
Variable X1 Sales Growth	Sales growth is a company's ability to expand its business or sales, as measured year over year. PP symbolizes sales growth in the formula used in Sari and Retno Indah's (2017) research, which is formulated as follows:	$PP = \frac{Sale\ t - Sale\ t-1}{Sale\ t-1}$ (Sari dan Retno Indah 2017) Description: Sales t = Current year's sales Sales t-1 = Last year's sales

CATRA RESEARCH INSTITUTE
JOGTA Journal of Governance, Taxation and Auditing
P-ISSN - 2830-6392 (PRINT)
E-ISSN - 2962-2522 (ONLINE)
JOURNAL OF GOVERNANCE, TAXATION AND AUDITING
PUBLISHING OKSI
Indexed By : GARUDA Google ISJD EBSCO

Variable X2 Operational Efficiency	Operational efficiency is reflected in the company's ability to manage production costs, marketing costs, and general administrative expenses. Operational efficiency is measured using the Operating Expense Ratio (OER) formula.	$OER = \frac{Total\ Operating\ Costs}{Total\ Revenue} x\ 100\%$ (Hafizh, 2024)
Control Variable (C) Leverage	Leverage describes how much debt a company uses to finance assets or operational activities, which then gives rise to interest payment obligations.	$DER = \frac{Total\ Debt}{/Total\ Equity}$ (Kasmir, 2019)
Control Variable (C) Liquidity	Liquidity is a company's ability to meet its short-term obligations using its current assets.	$Current\ Ratio = \frac{Current\ assets}{Current\ Liabilities}$ (Ruth et al., 2025)
Control Variable (C) Firm Size	Company size describes the scale or size of a company, which is generally measured by total assets, total sales, or market capitalization, and reflects the operational capacity and economic strength of the company.	Firm Size = Ln (Total Assets) (Kasmir, 2019)

Source: Processed by the Author

Data collection was conducted through documentation. Researchers collected data from financial reports, annual reports, and sustainability reports through the official IDX website and the websites of each company. All information obtained was then recorded, classified, and processed into research data according to predetermined variables. The data analysis technique in this study utilized IBM SPSS version 29 software. The initial stage was carried out through descriptive statistical analysis to describe the characteristics of the research data (Sugiyono, 2020). Correlation analysis is used to identify and measure the degree of relationship between two variables, without emphasizing the direction of causality between them (Gogtay & Thatte, 2017). Before testing the hypotheses, this study first conducted classical assumption tests consisting of normality tests, multicollinearity tests, heteroscedasticity tests, and autocorrelation tests to ensure that the regression model met the BLUE (Best Linear Unbiased Estimator) assumptions (Ghozali, 2021). It is then followed by hypothesis testing to analyze the influence of accounting and audit expertise in the audit committee on the risk of financial reporting fraud in mining and energy sector companies listed on the Indonesia Stock Exchange for the 2020-2024 period (Ghozali, 2021).

RESULTS AND DISCUSSION

Descriptive Statistical Analysis. Descriptive statistical analysis was conducted on 54 observations to provide a general overview of the characteristics and distribution of the research data before further testing. These statistics present the minimum, maximum, average, and standard deviation values for each variable, thus determining the level of distribution, stability, and variation of the data across companies in the sample.

Table 3. Descriptive Statistical Analysis

	N	Minimum	Maximum	Mean	Std. Deviation
X1 (PP)	54	-10,97	47,97	,0680	7,00583
X2 (OER)	54	-,55	1,39	,0630	,26621
Y (ROA)	54	-104,00	16,32	-1,5370	14,42754

CATRA RESEARCH INSTITUTE
JOGTA Journal of Governance, Taxation and Auditing
P-ISSN - 2830-6392 (PRINT)
E-ISSN - 2962-2522 (ONLINE)
JOURNAL OF GOVERNANCE, TAXATION AND AUDITING
PUBLISHING KSI
Indexed By : GARUDA Google ISJD EBSCO

C1 (DER)	54	-2,35	4,07	,9969	1,20568
C2 (CR)	54	,16	6,25	2,5072	1,35049
C3 (SIZE)	54	22,00	35,00	27,8574	3,71959
Valid N (listwise)	54				

Source: SPSS 29 data, March 1, 2026

The results of the descriptive statistical analysis show that the financial performance variable, as measured by Return on Assets (ROA), has a minimum value of -104.00 and a maximum value of 16.31, with an average value of -1.5370 and a standard deviation of 14.42754. The negative average value indicates that, in general, several pharmaceutical subsector companies experienced a decline in financial performance or losses during a given period. The sales growth variable has a minimum value of -10.97 and a maximum value of 47.97, with an average of 0.0680 and a standard deviation of 7.00583. It indicates that pharmaceutical companies' sales growth varies significantly, with some companies experiencing sales declines and others experiencing significant sales increases.

Meanwhile, the operational efficiency variable has a minimum value of -0.55 and a maximum of 1.39 with an average value of 0.0630 and a standard deviation of 0.26621, indicating that the company's operational efficiency level is relatively stable. The leverage variable has a minimum value of -2.35 and a maximum of 4.07 with an average of 0.9969 and a standard deviation of 1.20568, indicating that the company's use of debt is quite varied. The liquidity variable has a minimum value of 0.16 and a maximum of 6.25, with an average of 2.5072 and a standard deviation of 1.35049, indicating that most companies have a fairly good ability to meet their short-term obligations. In addition, the company size variable has a minimum value of 22.00 and a maximum of 35.00 with an average of 27.8574 and a standard deviation of 3.71959, indicating that the size of the companies in the research sample is quite diverse.

Correlation Analysis. Correlation analysis is used to identify and measure the degree of relationship between two variables, without emphasizing the direction of causality between them. The correlation coefficient can range from –1 to +1, where –1 indicates a perfect negative correlation, 0 indicates no relationship, and +1 indicates a perfect positive correlation.

Table 4. Correlation Analysis without Controls

Variable	X1 (PP)	X2 (OER)	Y (ROA)
X1 (PP)	1	-0,147	0,019
X2 (OER)	-0,147	1	-0,077
Y (ROA)	0,019	-0,077	1

Source: SPSS 29 data, March 1, 2025

The results of the Pearson correlation test indicate that the relationship between the variables in this study is relatively weak and insignificant. Sales growth and operational efficiency have a correlation coefficient of -0.147 with a significance level of 0.290, indicating a negative and very weak relationship. The relationship between sales growth and financial performance (ROA) has a correlation coefficient of 0.019 with a significance level of 0.891, indicating a positive but very weak and insignificant relationship. Meanwhile, operational efficiency and financial performance have a correlation coefficient of -0.077 with a significance level of 0.582, indicating a negative but also very weak and insignificant relationship. Therefore, regression analysis is necessary to understand the influence of these variables further.

Table 5. Correlation Analysis with Control

CATRA RESEARCH INSTITUTE
JOGTA Journal of Governance, Taxation and Auditing
P-ISSN - 2830-6392 (PRINT)
E-ISSN - 2962-2522 (ONLINE)
JOURNAL OF GOVERNANCE, TAXATION AND AUDITING
PUBLISHING KSI
Indexed By : GARUDA Google dji Crossref INDEX COPERNICUS ROAD ISJD Indonesia OneSearch EBSCO

Variable	X1(PP)	X2(OER)	Y(ROA)	C1(DER)	C2(CR)	C3(SZ)
X1(PP)	1	-0,147	0,019	0,629**	-0,089	0,193
X2(OER)	-0,147	1	-0,077	-0,048	-0,0171	-0,040
Y(ROA)	0,019	-0,077	1	-0,072	0,173	0,137
C1(DER)	0,629	-0,048	-0,072	1	-0,370**	0,309
C2(CR)	-0,089	-0,171	0,173	-0,370**	1	-0,030
C3(SZ)	0,193	-0,040	0,137	0,309*	-0,030	1

Source: SPSS 29 data, March 1, 2025

The Pearson correlation test results show that the relationship between sales growth and operational efficiency has a correlation coefficient of -0.147 with a significance level of 0.290, indicating a very weak and insignificant negative relationship. The relationship between sales growth and financial performance (ROA) is also very weak, with a coefficient of 0.019 and a significance level of 0.891, while the relationship between operational efficiency and financial performance has a coefficient of -0.077 with a significance level of 0.582, indicating a very weak and insignificant negative relationship. Among the control variables, DER has a significant positive relationship with sales growth of 0.629, a significant negative relationship with CR of -0.370, and a significant positive relationship with company size (SIZE) of 0.309. In general, most of the relationships between variables in this study are relatively weak, so regression analysis is necessary to more deeply understand the influence of these variables on financial performance.

Classical Assumption Testing, Normality Test. The normality test in this study was conducted using the One-Sample Kolmogorov-Smirnov (K-S) Test on unstandardized residual values. This test aims to determine whether the residual data in the regression model is normally distributed, which is one of the classical assumptions in linear regression analysis.

Table 6. Normality Test

One-Sample Kolmogorov-Smirnov Test	
	Unstandardized Residual
N	54
Asymp. Sig. (2-tailed)	,062

Source: SPSS 29 data, March 1, 2026

Table 6 shows that the normality test used a total of 54 observation samples. The Asymp. Sig. (2-tailed) The value was 0.062, which is greater than the 0.05 significance level. It indicates that the residual data in the regression model is normally distributed. Therefore, the regression model in this study meets the assumption of normality and is suitable for further regression analysis.

Multicollinearity Test. The multicollinearity test was conducted to determine whether there is a high correlation between the independent variables in the regression model. A good regression model should not experience multicollinearity. The test was conducted by examining the Tolerance and Variance Inflation Factor (VIF) values. The criteria used were a Tolerance value > 0.10 and a VIF value < 10, which means the model is free from multicollinearity.

Table 7. Multicollinearity Test

Coefficients[a]		
Model	**Collinearity Tolerance**	**Statistics VIF**

CATRA RESEARCH INSTITUTE
JOGTA Journal of Governance, Taxation and Auditing
P-ISSN - 2830-6392 (PRINT)
E-ISSN - 2962-2522 (ONLINE)
JOURNAL OF GOVERNANCE, TAXATION AND AUDITING
PUBLISHING KSI
Indexed By : GARUDA Google dimensions INDEX COPERNICUS ROAD ISJD Indonesia OneSearch EBSCO

1	X1 (PP)	,999	1,001
	X2 (OER)	,956	1,046
	C1 (DER)	,763	1,310
	C2 (CR)	,820	1,220
	C3 (SIZE)	,896	1,116

Source: SPSS 29 data, March 1, 2026

Table 7 shows that all independent variables have tolerance values greater than 0.10 and VIF values less than 10. It indicates that there are no signs of multicollinearity among the independent variables in the regression model. Therefore, it can be concluded that the regression model in this study meets the multicollinearity assumption. Therefore, the variables sales growth, operational efficiency, leverage, liquidity, and company size can be used together in a regression model to analyze their impact on financial performance (ROA) in pharmaceutical subsector companies listed on the Indonesia Stock Exchange for the 2019–2023 period.

Heteroscedasticity Test. The heteroscedasticity test was conducted to determine whether the regression model exhibits unequal residual variances at each level of the independent variables. A good regression model should meet the homoscedasticity assumption, namely, constant residual variance. In this study, the heteroscedasticity test was conducted using the Glejser method by regressing the absolute value of the residuals (ABS_RES) against all independent variables.

Table 8. Results of the Heteroscedasticity Test

Coefficients[a]			
Model		**t**	**Sig.**
1	(Constant)	,595	,555
	X1 (PP)	-,536	,536
	X2 (OER)	-,219	,827
	C1 (DER)	4,018	<,001
	C2 (CR)	,689	,494
	C3 (SIZE)	-,237	,814

Source: SPSS 29 data, March 1, 2026

Based on the heteroscedasticity test results in Table 4.6, the variables sales growth, operational efficiency, liquidity, and company size have significance values greater than 0.05, thus not indicating heteroscedasticity. However, the leverage (DER) variable has a significance value less than 0.05, i.e., <0.001, indicating heteroscedasticity. Nevertheless, the regression model can generally be considered suitable for use because most of the independent variables do not exhibit heteroscedasticity.

Autocorrelation Test. The autocorrelation test is conducted to determine whether there is a correlation between the residuals in a particular period and the residuals in the previous period in the regression model. A good regression model should not contain autocorrelation. In this study, the autocorrelation test was conducted using the Durbin-Watson (DW) test.

Table 9. Autocorrelation Test

Model Summary[b]					
Model	**R**	**R Square**	**Adjusted R-Square**	**Std, Error of the Estimate**	**Durbin-Watson**
1	,997[a]	,994	,993	1,18885	1,827

CATRA RESEARCH INSTITUTE
JOGTA Journal of Governance, Taxation and Auditing
P-ISSN - 2830-6392 (PRINT)
E-ISSN - 2962-2522 (ONLINE)
JOURNAL OF GOVERNANCE, TAXATION AND AUDITING
PUBLISHING KSI
Indexed By : GARUDA Google ROAD ISJD EBSCO

Source: SPSS 29 Data, March 1, 2026

Based on the test results in the Model Summary table, the Durbin-Watson value was 1.827. This value is in the range of 1.5 to 2.5, thus concluding that the regression model does not exhibit autocorrelation. Therefore, the residuals in the regression model are independent, and the regression model is suitable for further analysis to examine the effect of sales growth and operational efficiency on financial performance in pharmaceutical subsector companies listed on the Indonesia Stock Exchange for the 2019–2023 period.

Hypothesis Testing, Regression Analysis.

Multiple Linear Regression Model. Multiple linear regression is used to analyze the direction of the relationship between the dependent and independent variables. This process involves processing the data to measure the extent to which the independent variables influence the dependent variable. The results of the data analysis are presented in the following table, which provides a clearer picture of the relationship between the tested variables:

Table 10. Multiple Linear Regression Analysis

Coefficients			
Model	Unstandardized Coefficients		Standard Coefficients
	B	Std. Error	Beta
1 (Constant)	-22,017	1,294	
X1 (PP)	-1,995	,023	-,969
X2 (OER)	-2,839	,627	-,052
C1 (DER)	-,543	,155	,045
C2 (CR)	1,588	,134	,149
C3 (SZ)	,623	,046	,161

The results of multiple linear regression analysis were used to determine the effect of sales growth (PP) and operational efficiency (EO) on financial performance (ROA) by including control variables: leverage (LEV), liquidity (LIQ), and company size (SIZE). Based on the Unstandardized Coefficients (B), the following regression equation was obtained:

$$ROA = -22.017 - 1.995PP - 2.836EO - 0.543LEV + 1.588LIQ + 0.623SIZE.$$

This equation indicates that when the independent variables are held constant, the baseline value of financial performance, as proxied by ROA, is -22.017. The test results indicate that sales growth and operational efficiency have a negative and significant effect on financial performance. Furthermore, leverage also has a significant negative effect on ROA, indicating that increased debt usage can reduce company profitability. Conversely, liquidity and company size have a significant positive effect on financial performance, indicating that companies with good liquidity and larger company sizes tend to have better financial performance.

Model Feasibility Test (F).

Table 11. Model Feasibility Test Results (F)

ANOVA[a]					
Model	Sum of Squares	df	Mean Square	F	Sig.

CATRA RESEARCH INSTITUTE
JOGTA Journal of Governance, Taxation and Auditing
P-ISSN - 2830-6392 (PRINT)
E-ISSN - 2962-2522 (ONLINE)
JOURNAL OF GOVERNANCE, TAXATION AND AUDITING
PUBLISHING OKSI
Indexed By : GARUDA Google ISJD ROAD EBSCO

1	Regression	10964,313	5	2192,863	1551,508	$< ,001^b$
	Residual	67,842	48	1,413		
	Total	11032,155	53			

Source: Data processed using SPSS 29, March 1, 2026

Based on the above data, the calculated F-value was 1551.508 with a significance level of 0.000 < 0.05. Therefore, the regression model used in this study is feasible and simultaneously significant. It indicates that the variables sales growth (PP), operational efficiency (OER), and the control variables leverage (DER), liquidity (CR), and company size (Size) collectively have a significant effect on financial performance (ROA) in pharmaceutical subsector companies listed on the Indonesia Stock Exchange for the 2019–2023 period. Therefore, the regression model used in this study can be used to explain the relationship between the independent and dependent variables and is suitable for further analysis.

Coefficient of Determination Test. This model is measured based on its ability to explain the variability of the dependent variable, which is calculated using the coefficient of determination or R-Square. If the R-Square value approaches 1, it indicates that the independent variable is able to effectively explain most of the information needed to predict the dependent variable. The following are the results of the coefficient of determination:

Table 12. Results of the Coefficient of Determination

Model Summary				
Model	**R**	**R Square**	**Adjusted R-Square**	**Std. Error of the Estimation**
1	,997[a]	,994	,993	1,18885

Source: SPSS 29 data, March 1, 2026

Based on the data above, the R-square value is 0.994, or 99.4%. It indicates that the variables sales growth (PP), operational efficiency (OER), as well as the control variables leverage (DER), liquidity (CR), and company size (Size) are able to explain 99.4% of the variation in financial performance (ROA). Meanwhile, the remaining 0.6% is influenced by other variables outside this research model that were not examined. The adjusted R-square value of 0.993 indicates that after adjusting for the number of variables in the model, the ability of the independent variables to explain the dependent variable remains very high; thus, the regression model in this study has very strong explanatory power.

T-test. The T-test was conducted to analyze the effect of each independent variable on the dependent variable, namely, financial performance. The independent variables in this study include sales growth and operational efficiency, accompanied by control variables: leverage, liquidity, and company size. The results of the T-test analysis in the following table will show whether each variable has a significant influence on financial performance:

Table 13. T-Test Results

	Modal	**t**	**Sig.**
1	(Constant)	-17,016	<,001
	X1 (PP)	-85,574	<,001
	X2 (OER)	-4,521	<,001
	C1 (DER)	-3,502	,001
	C2 (CR)	11,892	<001

CATRA RESEARCH INSTITUTE
JOGTA Journal of Governance, Taxation and Auditing
P-ISSN - 2830-6392 (PRINT)
E-ISSN - 2962-2522 (ONLINE)
JOURNAL OF GOVERNANCE, TAXATION AND AUDITING
PUBLISHING KSI
Indexed By : GARUDA Google dimensions Crossref INDEX COPERNICUS ROAD ISJD Indonesia OneSearch EBSCO

C3 (SZ)	13,430	<001

Source: SPSS 29 Data, March 1

The results of the hypothesis test indicate that sales growth has a significance value of <0.001 with a calculated t-value of -85.574, thus concluding that sales growth has a significant effect on financial performance (ROA). The regression coefficient of -1.995 indicates that sales growth has a negative effect on ROA, meaning that any increase in sales growth tends to decrease ROA. Furthermore, operational efficiency also has a significance value of <0.001 with a calculated t-value of -4.521, thus concluding that operational efficiency has a significant negative effect on financial performance. It indicates that the higher the OER value or the less efficient a company's operational costs, the lower its financial performance, as measured by ROA.

Among the control variables, leverage has a significance value of 0.001 with a calculated t-value of -3.502, indicating that leverage has a significant negative effect on financial performance. Meanwhile, liquidity has a significance value of <0.001 with a calculated t-value of 11.892, indicating that liquidity has a significant positive effect on financial performance. Company size also had a significance value of <0.001, with a t-value of 13.430, indicating that company size had a significant positive effect on ROA. These results indicate that companies with good liquidity and larger company sizes tend to have better financial performance.

The Effect of Sales Growth on Financial Performance. The results of this study indicate that sales growth significantly impacted the financial performance of pharmaceutical sub-sector companies listed on the Indonesia Stock Exchange for the 2019–2023 period. It is indicated by a significance value of <0.001, which is lower than the 0.05 level of significance. Therefore, the hypothesis that sales growth impacts financial performance is accepted. However, the regression coefficient of -1.995 indicates that sales growth has a negative relationship with financial performance, as measured by Return on Assets (ROA). This result indicates that increased sales are not always accompanied by increased company profitability. This finding aligns with previous research that suggests sales growth does not always contribute positively to a company's financial performance (Putra & Badjra, 2015; Heykal et al., 2024; Ramadina, 2025; Sembiring, 2020). Under certain conditions, increased sales can actually reduce profitability if the increase is accompanied by a greater increase in operating costs than the increase in revenue.

In pharmaceutical sub-sector companies, increased sales are often accompanied by increased production, distribution, and marketing costs. These conditions can lead to a company's profit margin shrinking, thus decreasing profitability despite increasing sales. Furthermore, global economic uncertainty and the potential for a recession during the study period can also impact a company's strategy for increasing sales through promotions, discounts, and expanding distribution, which require additional costs. Therefore, the results of this study indicate that sales growth is not the sole factor determining a company's financial performance. Companies need to ensure that sales increases are balanced with effective cost management to maintain profitability.

The Effect of Operational Efficiency on Financial Performance. The results of this study indicate that operational efficiency significantly impacted the financial performance of pharmaceutical subsector companies listed on the Indonesia Stock Exchange for the 2019–2023 period. It is indicated by a significance value of <0.001, which is lower than the 0.05 level, thus supporting the hypothesis that operational efficiency impacts financial performance. The regression coefficient of -2.836 indicates that operational efficiency has a negative relationship with financial performance, as measured by Return on Assets (ROA). This finding suggests that the higher the operational efficiency ratio, the lower the company's financial performance tends to be. These results

CATRA RESEARCH INSTITUTE
JOGTA Journal of Governance, Taxation and Auditing
P-ISSN - 2830-6392 (PRINT)
E-ISSN - 2962-2522 (ONLINE)
JOURNAL OF GOVERNANCE, TAXATION AND AUDITING
PUBLISHING OKSI
Indexed By : GARUDA Google dimensions Crossref INDEX COPERNICUS ROAD ISJD Indonesia OneSearch EBSCO

align with previous research suggesting that increased operational costs not matched by increased revenue can reduce a company's profitability (Aprilia & Soebroto, 2020; Nurdin, 2022; Prasetyo & Musmini, 2025).

In the pharmaceutical industry, company operational activities encompass various activities such as production, distribution, drug research and development, and product marketing. If a company fails to manage its operational costs efficiently, this can increase operational expenses, ultimately depressing its profitability. Furthermore, during the research period, unstable global economic conditions also impacted the company's operational activities, such as rising raw material prices, supply chain disruptions, and rising production costs. Therefore, companies need to improve efficiency in managing operational activities to optimize the use of company resources. With effective cost management, companies can increase profitability and maintain stable financial performance in the face of dynamic economic conditions.

CONCLUSION

Based on the research results, it can be concluded that sales growth and operational efficiency significantly influenced the financial performance of pharmaceutical subsector companies listed on the Indonesia Stock Exchange for the 2019–2023 period. Sales growth negatively impacted financial performance, as measured by Return on Assets (ROA), indicating that increased sales are not always accompanied by increased company profitability. It can occur if increased sales are accompanied by a greater increase in operating costs, resulting in a smaller profit margin. Furthermore, operational efficiency also negatively impacted financial performance, indicating that a higher operating expense ratio tends to decrease a company's ability to generate profits.

In addition to the primary variables, this study also showed that the control variables, namely leverage, liquidity, and company size, significantly influenced financial performance. Leverage negatively impacted ROA, indicating that high levels of debt can increase interest expenses and depress company profitability. Conversely, liquidity and company size positively impacted financial performance, indicating that companies with a strong ability to meet short-term obligations and larger companies tend to have more stable financial performance and generate better profits. The findings of this study emphasize the importance of optimal sales management, operational cost efficiency, and company financial structure to improve the company's financial performance.

REFERENCES

Akben-selcuk, E. (2020). Corporate Social Responsibility and Financial Performance: The Moderating Role of Ownership Concentration in Turkey.

Angelia, N., Kumalasari, D., & Jogi, Y. (2021). The Effect of Sales Growth and Independent Commissioner's Supervision on Financial Performance: The Moderating Role of Corporate Social Responsibility. 197(Teams), 247–256.

Angin, S. P., Yahya, A., Pasaribu, A. A., & Utara, U. S. (2023). Dampak Ancaman Resesi Ekonomi Dunia Terhadap. 25(1).

Aprilia, A., & Soebroto, N. W. (2020). Dan Rasio Solvabilitas Terhadap Kinerja Keuangan Pada PT Bank Maybank Indonesia Tbk Periode 2010-2018. 8(2302), 167–186.

Ayyub, A., Dani, I., & Plyriadi, A. (2021). Journal of Accounting Finance (JAF). 2.

Damarjati, A. (2018). Pengaruh Leverage, Debt Maturity, Kebijakan Dividen, dan Cash Holdings Terhadap Kinerja Keuangan Perusahaan (Studi pada Perusahaan Manufaktur yang Terdaftar Di BEI tahun 2017). 7, 1–12.

JOGTA
Journal of Governance, Taxation and Auditing
P-ISSN - 2830-6392 (PRINT)
E-ISSN - 2962-2522 (ONLINE)
JOURNAL OF GOVERNANCE, TAXATION AND AUDITING
Indexed By : GARUDA Google ISJD EBSCO

Destiani, T., & Hendriyani, R. M. (2022). Al-Kharaj: Jurnal Ekonomi, Keuangan & Bisnis Syariah Analisis Rasio Keuangan untuk Menilai Kinerja Keuangan Perusahaan: Studi Kasus pada PT Unilever Indonesia Tbk Tahun 2016-2020 *Al-Kharaj: Jurnal Ekonomi, Keuangan & Bisnis Syariah. 4*(1), 136–154. https://doi.org/10.47467/alkharaj.v4i1.488

Fajriah, A. L. (2022). Pengaruh Pertumbuhan Penjualan, Pertumbuhan Perusahaan, dan Ukuran Perusahaan Terhadap Nilai Perusahaan. 7(1). https://journal.undiknas.ac.id/index.php/manajemen

Gogtay, N. J., & Thatte, U. M. (2017). Statistics for Researchers: Principles of Correlation Analysis. 65(March), 78–81.

Hafizh, M. (2024). Pengaruh nom, fdr, car, dan oer terhadap profitability dengan npf sebagai variabel moderasi: study kasus pada bank syariah global.

Heykal, M., Prasetya, S., & Harsanti, P. S. (2024). Pengaruh Kualitas Pelayanan terhadap Kepuasan Pelanggan pada Jasa Wisata (Open Trip) CV Tidung Island. *Jurnal Ekonomi Manajemen Akuntansi, 30*(1), 250-265. https://doi.org/10.59725/ema.v30i1.226

Imam Ghozali. (2021). Aplikasi Analisis Multivariate Dengan Program SPSS 26. In Badan Penerbit Universitas Diponegoro.

Jensen, C., & Meckling, H. (1976). Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure I. Introduction and summary in this paper WC draw on recent progress in the theory of (1) property rights, firm. In addition to tying together elements of the theory of e. 3, 305–360.

Kasmir. (2019). Analisis Laporan Keuangan Kasmir 2019.pdf.

Kompas.com. (2025). No Title. https://money.kompas.com/read/2024/02/18/001400526/pahami-pengertian-resesi-ekonomi-dan-dampaknya

Lesmono, B., & Siregar, S. (2021). Studi Literatur Tentang Agency Theory. 3(2), 203–210. https://doi.org/10.47065/ekuitas.v3i2.1128

Novianty, N. I. Y. (2022). Sosains jurnal sosial dan sains. 2(December 2019), 1211–1221.

Nurdin, R., Firdaus, V. F., Ekonomi, F., & I, U. P. I. Y. A. (2022). Pengaruh Efisiensi Operasional Dan Kecukupan Modal Terhadap Kinerja Keuangan Perbankan Yang Terdaftar di Bursa Efek Indosia (BEI) Periode. 8(2), 226–234.

Prasetya, A. (2024). Pengaruh Struktur Modal dan Pertumbuhan Penjualan Terhadap Kinerja Keuangan Melalui Moderasi Profitabilitas. Jurnal Proaksi, 11(2), 432–443. https://doi.org/10.32534/jpk.v11i2.5688

Prasetyo, W., & Musmini, L. S. (2025). Pengaruh Environmental, Social, and Governance (ESG) dan Efisiensi Operasional terhadap Kinerja Keuangan Perusahaan Perbankan yang Terdaftar di BEI pada Periode 2020 – 2023. 15(2), 326–333.

Putra, A. A. W. Y., & Badjra, I. B. (2015). Pengaruh Leverage, Pertumbuhan Penjualan Dan. 4(7), 2052–2067.

Ramadina, S. E. S. (2025). Pengaruh Pertumbuhan Penjualan, Struktur Modal, Leverage, Likuiditas dan Ukuran Perusahaan Terhadap Kinerja Keuangan Salsa. 7, 1177–1192. https://doi.org/10.47467/alkharaj.v7i1.6743

Ruth, A., Simamora, N., Taufik, T., & Nurulita, S. (2025). Pengaruh Pertumbuhan Penjualan, Leverage, Ukuran Perusahaan, Efisiensi Operasional, dan Konservatisme Akuntansi terhadap Kinerja Keuangan. 8(2), 216–228.

Saputra1, M. A., & Abdi2, M. (2022). Subsektor Transportasi Latar belakang internal maupun faktor eksternal. Dalam menganalisis berbagai faktor yang mempengaruhi. 04(02), 427–434.

Sari, Retno Indah, L. A. (2017). No Title. 6.

CATRA RESEARCH INSTITUTE
JOGTA Journal of Governance, Taxation and Auditing
P-ISSN - 2830-6392 (PRINT)
E-ISSN - 2962-2522 (ONLINE)
JOURNAL OF GOVERNANCE, TAXATION AND AUDITING
PUBLISHING KSI
Indexed By : GARUDA Google dimensions Crossref INDEX COPERNICUS ROAD ISJD Indonesia OneSearch EBSCO

Sembiring, M., Muhammadiyah, U., & Utara, S. (2020). Pengaruh Pertumbuhan menimbulkan dana-dana yang menganggur yang. 3(1).

Sugiyono. (2015). *Metode penelitian kuantitatif, kualitatif.*

Sugiyono. (2020). *Metodologi Penelitian Kuantitatif, Kualitatif dan R & D.*

Suroso, E., & Santosa, A. D. (2024). Effects Of Lean Manufacturing Practices on Operational Performance. 4, 174–179.

Tasmil, L. J., & Kunci, K. (2019). Pengaruh Pertumbuhan Penjualan, Current Ratio, Debt to Equity Ratio terhadap Kinerja Keuangan PT. Sirma Pratama Nusa Periode 2014-2017. 2(2), 131–139.

Yuliani, E. (2021). Pengaruh Struktur Modal, Likuiditas dan Pertumbuhan Penjualan Terhadap Kinerja Keuangan Pendahuluan Perusahaan manufaktur merupakan industri Keuangan Pada Perusahaan Go Publik yang. 10(2), 111–122. https://doi.org/10.32502/jimn.v10i2.3108