

Factors affecting the performance of the food and beverage companies in Indonesia



¹Fathaniyah Syahrami Putri, ²Nur Hijrah, ^{3*}Farah Margaretha Leon

^{1,2,3}Department of Management, Faculty of Economics and Business,
Universitas Trisakti - Indonesia

e-mail:

¹022002301168@std.trisakti.ac.id

²022002301141@std.trisakti.ac.id

^{3*}farahmargaretha@trisakti.ac.id (corresponding author)

ABSTRACT

This study evaluates the implementation of a mentoring program designed to enhance the competitiveness of Moms Nastar, a home-based pastry MSME in Banyuwangi Regency, Indonesia. Conducted as part of the Managerial Insight Development course in the Master of Management Program at the State University of Malang, the program addressed key business challenges, including limited product innovation, weak branding, the absence of business legality, underutilized digital marketing, inadequate human resource management, and the lack of financial record-keeping. Adopting a community-based intervention approach, the mentoring focused on five strategic areas: product innovation, business identity and legal registration, digital marketing optimization, human resource development, and basic financial management. The outcomes demonstrate notable improvements in product diversification, business branding, legal compliance, digital market presence, operational efficiency, and financial management practices. These enhancements contributed to increased business capacity and broader market reach, highlighting the effectiveness of integrated managerial assistance in supporting MSME development. The study contributes to the literature on entrepreneurship and MSME empowerment by demonstrating how structured mentoring can strengthen business sustainability and competitiveness through the application of practical management principles.

Keywords: Capital Structure; Companies Performance; Cost Leadership;
Food and Beverage Sector; Inventory Turnover; Liquidity; Sales Growth



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INTRODUCTION

Indonesia's food and beverage industry continues to show positive development. A surging population coupled with rising consumer spending has fueled the need for these goods, providing opportunities for companies to elevate their operational success and capture wider markets. Conversely, these organizations must navigate a multitude of complex obstacles. Consequently, the success of a firm relies heavily on management's ability to simultaneously manage competitive strategies and capital structures (Panchal & Chand, 2025). Nevertheless, a surge in consumer appetite does not automatically translate to enhanced corporate outcomes. This discrepancy suggests that multiple underlying factors determine a firm's success and require further investigation.

Return on Assets (ROA) is a key metric utilized to assess company performance (Caka et al, 2025). Financial performance is often measured using profitability (Evoney & Margaretha, 2024). The performance of the food and beverage sector in Indonesia is still relatively unstable. Therefore, long-term strategies are needed. Companies that implement sustainable strategies are proven to create long-term value, increase resilience to market changes, and maintain competitive advantages (Gazzola, 2024). In addition, research conducted by Jadhav & Sowmya (2024) shows that profitability may decline if company growth is not managed properly.

Capital structure is a key factor influencing company performance, as it illustrates the specific blend of equity and debt financing utilized for operations (Jaiswal, 2025). Achieving an ideal balance in this structure can elevate profit margins, whereas an overreliance on borrowing can hinder outcomes by increasing financial risk. Research by Hoang (2024) revealed that such financial decisions can favorably impact a corporation's overall worth. Conversely, Ahmed & Nugraha (2023) argued that capital structure may negatively affect company performance.

Navaia et al (2024) explained that cost leadership becomes stronger when companies have effective cost control and adequate resources, which positively affect company performance. This strategy may increase profit margins if companies are able to control production and distribution costs effectively. However, excessive implementation of cost leadership may reduce product quality and hinder innovation, which in the long term may affect company performance.

Khoza (2025) found that liquidity has a positive effect on company performance because it reflects a company's ability to meet its short-term obligations and ensure operational continuity. Adequate liquidity can enhance investor and creditor confidence while supporting the company's financial stability. However, excessively high liquidity may indicate underutilized assets, which may reduce company efficiency and profitability.

Rohisham et al (2025) stated that firm size reflects the scale of a company as measured by total assets. Corporations with substantial scale typically enjoy broader access to funding sources, better risk diversification capabilities, and more robust economies of scale. Consequently, these advantages can improve company performance. According to Rohisham et al (2025), the relationship between firm size and company performance is positive. However, Sitorus (2020) found that firm size may also negatively affect company performance if it is not supported by operational efficiency.

Sales growth indicates a company's ability to increase revenue compared to the previous period (Murti, 2026). Consistent sales growth indicates the success of the company's marketing and operational strategies, which may improve profitability. However, excessively rapid growth without proper cost control may increase operational expenses and eventually reduce the company's financial performance. Cavaliere (2022) found that sales growth not accompanied by cost efficiency negatively affects ROA.

Tangibility may affect the company's ability to generate profit. High tangibility may improve production capacity and operational efficiency. According to Ademola & Adeuti (2025), tangibility positively affects company financial performance. However, Kukeli (2025) found a negative impact on profitability during crisis periods because a high proportion of tangible assets may reduce flexibility and increase fixed costs.

This study introduces inventory turnover as a novelty variable. According to Thi & Hoang (2025), inventory turnover positively affects ROA because it represents how rapidly inventory is turned over within a given period. Higher inventory turnover indicates that products are sold more quickly and inventory management becomes more efficient, which may increase profitability and positively affect ROA. This finding is supported by Alfio (2023), who also found that inventory turnover has a significant positive effect on ROA.

This study investigates the impact of competitive strategies, namely cost leadership, inventory turnover, and capital structure, on the performance of food and beverage companies in Indonesia, with company performance measured by Return on Assets. Furthermore, this study examines whether liquidity, firm size, sales growth, and tangibility influence the relationship between competitive strategies, capital structure, and company performance.

LITERATURE REVIEW, RESEARCH FRAMEWORK, AND HYPOTHESES

Company Performance

Company performance reflects a company's ability to achieve business objectives. Within the context of the Indonesian food and beverage sector, company performance is influenced by market conditions, regulations, and changes in consumer preferences (Suzan & Ramadhanti, 2022). Consequently, Return on Assets (ROA) serves as the primary benchmark in this analysis, as it accurately illustrates how proficiently an organization utilizes assets to generate profits.

Capital Structure

The financing structure of a company is reflected in the balance between debt and equity used to fund its business activities. This financing decision is important because it influences the firm cost of capital as well as its exposure to financial risk (Kontuš, 2023). An optimal capital structure may improve profitability through efficient use of funds, while excessive debt usage may increase financial risk and reduce company performance (Jaiswal, 2025).

Cost Leadership

Cost leadership is a strategy that focuses on cost efficiency in producing products at competitive prices. This strategy may improve profitability if companies are able to control operational costs effectively, but it may reduce product quality if implemented excessively (Arvenita & Wijayanto, 2025). Navaia et al (2024) found that cost leadership positively affects company performance, while Mahmoudian & Jermias (2022) found that cost leadership negatively affects company performance.

Inventory Turnover

A company's efficiency in managing inventory can be assessed through its inventory turnover ratio. Higher inventory turnover is often associated with more effective inventory management, which has the potential to enhance profitability (Alnaim &

Kouaib, 2023). However, excessively high turnover may increase the risk of stock shortages (Alfio et al, 2023). In contrast, Ekiti (2024) found that inventory turnover has a negative relationship with profitability.

Liquidity

The capacity of an enterprise to settle its immediate financial debts is defined as liquidity. Maintaining an adequate level of liquidity can improve financial stability and increase investor confidence (Hendrawan et al., 2023). Research by Andiransyah & Leon (2025) indicated that liquidity positively affects company performance. Conversely, an overabundance of liquid assets might signal that assets are underutilized, which can reduce company efficiency. Rohisham (2025) found that high liquidity negatively affects firm performance.

Firm Size

Firm size means how big a company is, and it's usually measured by the total value of all the things the company owns. Big companies usually have more chances to get money and they save costs by doing things more efficiently, which helps them grow their business (Doğan & Ekşi, 2020). A study conducted by Jaaz (2025) demonstrated that firm size positively affects company performance. On the other hand, Sitorus (2020) found that firm size has a negative effect on company performance.

Sales Growth

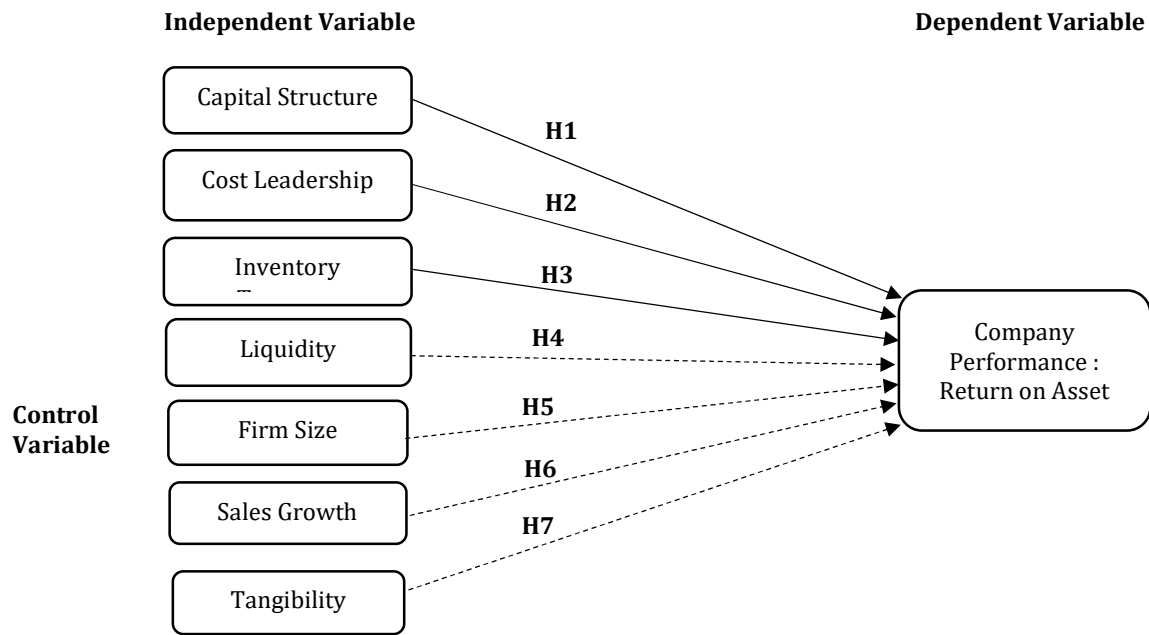
Sales growth reflects a firm's ability to increase its sales over time. Higher sales growth generally improves profitability through economies of scale. However, rapid growth without effective cost control may reduce profitability and overall firm performance (Anokhin, 2026). Cavaliere (2022) determined that expanding sales can detrimentally impact profit margins if unchecked. Furthermore, Anokhin (2026) revealed that while sales growth is initially beneficial, surpassing a specific threshold can yield adverse results owing to increasing operational complexity and operating costs.

Tangibility

Tangibility refers to the proportion of tangible fixed assets to total assets used in a company's operations. Higher asset tangibility reflects greater investment in fixed assets, which supports operational activities and contributes to firm value (Alathamneh, 2025). Kukeli (2025) found a negative impact of tangibility on profitability. In contrast, Ademola & Adeuti (2025) found that tangibility positively affects company company performance.

Research Framework

Figure 1 depicts the conceptual model developed for this study, illustrating the proposed associations between the independent variables and the dependent variable.



Source: Developed by the Authors, 2026

Figure 1
Research Framework

The Effect of Capital Structure on Company Performance

Panchal & Chand (2025) observed that capital structure has a significant negative effect on ROA. They theorized that elevated debt levels inflate interest burdens and financial vulnerabilities, which in turn drag down asset profitability. Conversely, this finding is not in line with Jaiswal (2025), which demonstrated a highly favorable relationship between financial leverage and corporate outcomes. Similarly, Nguyen (2025) argued that strategically utilizing borrowed funds can lower the overall expense of capital, thereby driving up the intrinsic worth of the enterprise and improving company performance. Furthermore, Wahyuni (2026) reinforced this notion, illustrating that adeptly managing debt-to-equity ratios is a critical driver in shaping a corporation's company performance.

The reviewed literature provides the basis for formulating the study hypotheses :

H1: Company performance among food and beverage firms listed on the Indonesian Stock Exchange is significantly affected by Capital Structure.

The Effect of Cost Leadership on Company Performance

Panchal & Chand (2025) found that cost leadership has a positive effect on ROA. They reasoned that businesses executing stringent cost-control frameworks successfully widen their profit margins and maximize asset utilization, ultimately elevating their ROA. Similarly, Arvenita & Wijayanto (2025) demonstrated that adopting expense-minimization tactics favorably drives the financial returns of Indonesian consumer goods enterprises, evidenced by heightened asset efficiency and expanded profit margins. Conversely, this stance diverges from the assertions of Talaei et al (2024), who argued that under specific scenarios, prioritizing cost reduction can detrimentally impact organizational outcomes. They explained that an extreme emphasis on cutting costs might stifle adaptability and obstruct technological or innovative advancements, thereby degrading the firm's prospective long-term success.

The reviewed literature provides the basis for formulating the study hypotheses :

H2: Company performance among food and beverage firms listed on the Indonesian Stock Exchange is significantly affected by Cost Leadership.

The Effect of Inventory Turnover on Company Performance

Research by Thi & Hoang (2025) demonstrated that inventory turnover positively affects company performance as measured by ROA. They noted that an accelerated turnover rate reflects streamlined stock administration, a factor that can substantially drive up both revenue and profit margins. Similar findings were also presented by Alnaim & Kouaib (2023), who stated that higher inventory turnover tends to increase company profitability. This occurs because efficient inventory management may reduce storage costs and accelerate working capital turnover. However, this finding is not in line with Ekiti (2024), who stated that inventory turnover negatively affects profitability because excessively high inventory levels may increase storage costs, the risk of product damage, and imbalance between demand and inventory, thereby not always improving company profitability.

The reviewed literature provides the basis for formulating the study hypotheses :

H3: Company performance among food and beverage firms listed on the Indonesian Stock Exchange is significantly affected by Inventory Turnover.

The Effect of Liquidity on Company Performance

Panchal & Chand (2025), reported that liquidity has a significant positive influence on company performance. This result is supported by Jaaz et al (2025), who found that liquidity ratios are positively related to company performance in developing countries, as sufficient liquidity allows firms to meet their short-term obligations and manage working capital more efficiently, thereby enhancing operational efficiency and profitability. In contrast, Rohisham et al (2025) argued that excessive liquidity may adversely affect company performance because the accumulation of idle current assets can reduce asset utilization efficiency and ultimately lower profitability.

The reviewed literature provides the basis for formulating the study hypotheses :

H4: Company performance among food and beverage firms listed on the Indonesian Stock Exchange is significantly affected by Liquidity.

The Effect of Firm Size on Company Performance

Panchal & Chand (2025) observed that firm size has a positive effect on company performance, as measured by ROA. They attributed this to the fact that large companies typically enjoy expanded avenues for securing capital, enhanced manufacturing capabilities, and the capacity to capitalize on economies of scale, all of which elevate their ROA. Conversely, this finding is not in line with Sharida et al (2025), who found a negative relationship between firm size and ROA. They argued that expanding operations often introduces organizational complexity, which can degrade functional efficiency and ultimately drag down company performance. On the other hand, Jaaz et al (2025) reinforced the positive perspective, identifying firm size as a key driver that contributes positively to company performance.

The reviewed literature provides the basis for formulating the study hypotheses :

H5: Company performance among food and beverage firms listed on the Indonesian Stock Exchange is significantly affected by Firm Size.

The Effect of Sales Growth on Company Performance

According to Panchal & Chand (2025), sales growth has a big positive impact on how well a company performs, as shown by ROA. This is because FMCG companies that can keep their sales growing usually have better financial stability and are more capable of making profits. However, this finding is not in line with Anokhin et al (2026), who stated that sales growth may negatively affect ROA. Under certain conditions, excessively rapid sales growth may increase operational costs, marketing expenses, and working capital requirements, which may eventually reduce company profitability. Meanwhile, Istiana & Rolanda (2025) stated that sales growth positively affects ROA.

The reviewed literature provides the basis for formulating the study hypotheses :

H6: Company performance among food and beverage firms listed on the Indonesian Stock Exchange is significantly affected by Sales Growth.

The Effect of Tangibility on Company Performance

Research by Panchal & Chand (2025) indicated that tangibility positively affects company performance, as tangible assets may enhance production capacity and improve operational efficiency. Similarly, Kufo (2024) observed that organizations possessing substantial tangible assets generally achieve superior financial results. This is primarily because physical assets can be used as collateral to obtain financing and expand operational capacity. Conversely, this standpoint contradicts the conclusions drawn by Alathamneh et al (2025), who argued that an overabundance of physical assets can actually negatively affect company performance. They reasoned that excessive tangibility drives up rigid overheads, including upkeep and depreciation, while simultaneously reducing the company's flexibility in responding to market changes.

The reviewed literature provides the basis for formulating the study hypotheses :

H7: Company performance among food and beverage firms listed on the Indonesian Stock Exchange is significantly affected by Tangibility.

METHOD

This investigation adopts a hypothesis-testing framework designed to evaluate how specific predictive factors namely cost leadership, inventory turnover, and capital structure influence the primary outcome, which is firm performance quantified via Return on Assets (ROA). Furthermore, the analytical model integrates liquidity, corporate scale, sales growth, and asset tangibility as control variable parameters.

The observational sample comprises 56 publicly traded food and beverage enterprises operating on the Indonesia Stock Exchange, tracking their financial data across a five-year span from 2020 to 2024. To analyze the data, this study employs panel data regression analysis (Katsouris, 2023), while the estimation was performed using Eviews 9. The criteria and formulas for quantifying the examined parameters are presented in Table 1.

Table 1
Variables and Research Indicators

Variable Type	Variable Name	Symbol	Formula	Source
Dependent Variable	Return on Assets	ROA	$ROA = \frac{\text{Net Income}}{\text{Total Assets}}$	Saeed & Donkoh (2026)

Independent Variable	Capital Structure	TDR	$TDR = \frac{Total\ Debt}{Total\ Assets}$	Jaiswal (2025)
Independent Variable	Cost Leadership	CL	$CL = \frac{Selling\ \&\ Administrative\ Expense}{Total\ Sales}$	Cao (2024)
Independent Variable	Inventory Turnover	ITO	$ITO = \frac{Cost\ of\ Good\ sold}{Inventory}$	Alfio (2023)
Control Variable	Firm Size	SIZE	$SIZE = Ln\ (TotalAssets)$	Chandra et al (2023)
Control Variable	Liquidity	LIQ	$LIQ = \frac{Current\ Assets}{Current\ Liabilities}$	Khoza (2025)
Control Variable	Sales Growth	GROWTH	$GROW = \frac{Sales_t - Sales_{t-1}}{Sales_{t-1}}$	To (2025)
Control Variable	Tangibility	TANG	$TANG = \frac{Fixed\ Assets}{Total\ Assets}$	Panchal & Chand (2025)

Source: Processed Data, 2026

To determine the appropriate research subjects, a purposive sampling strategy was implemented (Lestari, 2025). This investigation is fundamentally quantitative, relying entirely on the aggregation of secondary information. The required financial metrics were extracted directly from the official online portal of the Indonesia Stock Exchange (www.idx.co.id), alongside the individual corporate websites of the selected firms. Ultimately, the dataset is composed of 280 distinct financial records spanning a half-decade (2020–2024), derived from 56 specific enterprises operating within the food and beverage sector. The research sample was selected using a purposive sampling approach, and the selection results are summarized in Table 2.

Table 2
Sample Selection Results Using Purposive Sampling

Description	Number
Total number of food and beverage companies listed on the Indonesia Stock Exchange for the 2020–2024 period	98
Companies with incomplete financial statements during the 2020–2024 period	(37)
Companies that have not yet released their financial statements in 2025	(3)
Companies subject to forced delisting by the Indonesia Stock Exchange	(1)
Companies that were officially delisted from the Indonesia Stock Exchange	(1)
Total research sample	56
Total observations (56 companies × 5 years)	280

Source: Processed Data, 2026

To evaluate the dataset, this research implemented panel data regression techniques Lestari, (2025), utilizing EViews as the primary analytical tool. The evaluation of the proposed hypotheses relied on three core assessments: the Adjusted R-squared metric, the F-test for collective impact, and the T-test for individual significance. Specifically, the Adjusted R-squared metric gauges the extent to which the predictive factors account for variations in the primary outcome. Furthermore, the F-statistic ascertains the combined influence of all predictors on the target variable, whereas the T-

statistic isolates and measures the unique contribution of each independent factor (Leon et al., 2023).

RESULTS AND DISCUSSION

Descriptive Statistical Analysis

A descriptive statistical evaluation was executed to outline the fundamental traits of the gathered dataset, detailing the lowest, highest, average, and standard deviation metrics for every parameter. The examined parameters consist of return on assets (ROA), capital structure (TDR), cost leadership (CL), inventory turnover (ITO), firm size (SIZE), liquidity (LIQ), sales growth (GROWTH), and tangibility (TANG).

Analytical outcomes highlight an average ROA of 0.095264 alongside a standard deviation of 0.062081, which points to fluctuating profit margins within the observed food and beverage enterprises across the specified timeframe. For TDR and GROWTH, the standard deviations exceeded their respective averages, implying a high degree of data dispersion or heterogeneity. Conversely, the remaining metrics (CL, ITO, SIZE, LIQ, and TANG) recorded averages that surpassed their standard deviations, suggesting that these specific data points are comparatively consistent and homogeneous. Descriptive statistics for the variables included in this study are summarized in Table 3.

Table 3
Descriptive Statistics

Variable	Mean	Median	Maximum	Minimum	Std. Dev
ROA	0.095264	0.081100	0.342800	0.003500	0.062081
TDR	0.452181	0.430100	8.315100	0.067200	0.642506
CL	2.638183	2.597900	6.192900	0.455900	1.118532
ITO	6.651114	5.919000	20.96650	0.504100	3.730174
SIZE	29.55538	29.51370	32.93790	27.23770	1.393855
LIQ	2.892942	1.934700	13.39550	0.334700	2.521825
GROWTH	0.098601	0.073000	0.951100	-0.475900	0.209385
TANG	0.365884	0.335300	4.076300	0.022500	0.332860

Source: Processed Data, 2026

Based on the Chow Test results, the probability value is $0.0000 < 0.05$, indicating that the selected model is the Fixed Effect Model. Furthermore, the Hausman Test results show a probability value of $0.2267 > 0.05$, therefore, the Random Effect Model was selected for further analysis. The Lagrange Multiplier Test results also show a probability value of $0.0000 < 0.05$, which further supports the use of the Random Effect Model in this study. Table 4 summarizes the model selection results used to determine the appropriate panel data regression model.

Table 4
Panel Data Model Selection Test

Test	Probability	Decision	Selected Model
Chow Test	0.0000	Prob < 0.05	Fixed Effect Model
Hausman Test	0.2267	Prob > 0.05	Random Effect Model
Lagrange Multiplier Test	0.0000	Prob < 0.05	Random Effect Model

Source :Processed Data, 2026

Research Regression Model

The panel data regression model used in this study, adapted from the previous research conducted by Panchal & Chand (2025), can be written as follows:

$$ROA_{it} = 0.533721 + 0.009012TDR - 0.000676CL + 0.000168ITO - 0.015445LIQ +$$

$$0.001000SIZE + 0.038987GROW + 0.021526TANG$$

Description:

ROA = Return on Assets
TDR = Capital Structure
CL = Cost Leadership
ITO = Inventory Turnover
LIQ = Liquidity
SIZE = Firm Size
GROW = Sales Growth
TANG = Tangibility

Table 5 shows the results from the ppartial tests, which are t-tests, to check how each independent variable affects Return On Assets, or ROA

Table 5
Partial Test Results (T-Test)

Variable	Coefficient	Prob.	Conclusion
TDR	0.009012	0.6486	Not significant on ROA
CL	-0.000676	0.9156	Not significant on ROA
ITO	0.000168	0.9132	Not significant on ROA
LIQ	-0.015445	0.0097	Significant negative effect on ROA
SIZE	0.001000	0.6657	Not significant on ROA
GROWTH	0.038987	0.0138	Significant positive effect on ROA
TANG	0.021526	0.5933	Not significant on ROA

Source: Processed Data, 2026

The Effect of Capital Structure on Company Performance

Based on the analysis results, the capital structure variable has a coefficient value of 0.009012 with a probability value of 0.6486 > 0.05, meaning that H0 is accepted (Ha is rejected). Indicating that capital structure does not significantly affect ROA. This finding is inconsistent with Panchal & Chand (2025), who documented a detrimental relationship between leverage and asset profitability. Nevertheless, these results are consistent with Tran (2025), who argued that financing structures play a negligible role in determining financial success, which is more likely dictated by macroeconomic factors such as monetary policy and economic conditions.

The Effect of Cost Leadership on Company Performance

Regarding the cost leadership metric, the regression output displays an estimated coefficient of -0.000676 with a corresponding probability score of 0.9156 (greater than 0.05). As a result, H0 is upheld, demonstrating that prioritizing cost efficiency does not meaningfully alter or improve an organization's ROA. This deduction diverges from Panchal & Chand (2025), whose research indicated a definitive positive link between cost-cutting tactics and corporate success. On the other hand, the present findings corroborate the assertions of Talaei et al (2024), who posited that aggressive cost leadership maneuvers can occasionally stifle profit margins rather than expand them

The Effect of Inventory Turnover on Company Performance

Based on the analysis results, the inventory turnover variable has a coefficient value of 0.000168 with a probability value of 0.9132 > 0.05, meaning that H0 is accepted (Ha is rejected). Indicating that inventory turnover does not significantly affect ROA. This

finding is inconsistent with Thi and Hoang (2025), who observed a highly favorable impact of rapid stock turnover on asset returns. However, the findings of this study are consistent with Alnaim and Kouaib (2023), who found that inventory turnover does not have a direct effect on company profitability.

The Effect of Liquidity on Company Performance

Based on the analysis results, the liquidity variable has a coefficient value of -0.015445 with a probability value of $0.0097 < 0.05$, meaning that H_0 is rejected (H_a is accepted). Indicating that liquidity has a significant negative effect on ROA. This finding is inconsistent with Panchal and Chand (2025), who found that liquidity positively and significantly affects company performance measured by ROA. However, this study is consistent with Yusuf and Dyarini (2025), who found that liquidity negatively affects profitability.

The Effect of Firm Size on Company Performance

Based on the analysis results, the firm size variable has a coefficient value of 0.001000 with a probability value of $0.6657 > 0.05$, meaning that H_0 is retained, indicating that firm size does not significantly affect ROA. This conclusion contradicts the findings presented by Panchal and Chand (2025), who established a favorable link between a company's size and its financial outcomes. However, this study is consistent with Nguyen (2024), who noted that large companies may experience operational inefficiencies due to organizational complexity, which ultimately suppress profit margins. Furthermore, these insights resonate with Alrobai (2025), who asserted that firm size does not inherently determine company performance, as profitability is predominantly steered by internal dynamics like management strategies and the effective deployment of assets.

The Effect of Sales Growth on Company Performance

Based on the results of the statistical test, the estimated coefficient for the variable sales growth on the company's ROA performance is 0.038987, with a p-value of $0.0138 < 0.05$, which means H_0 is rejected (H_a is accepted). Therefore, it can be concluded that sales growth has a significant effect on ROA. The present findings align with the evidence reported by Panchal and Chand (2025), indicating that sales growth is positively associated with company performance measured by ROA. Comparable conclusions were drawn by Erisa and Henny (2023), who reported that increasing sales growth improves a company's capacity to generate returns from its assets.

The Effect of Tangibility on Company Performance

Based on the analysis results, the tangibility variable on company performance measured by ROA has an estimated coefficient value of 0.021526 with a probability value of $0.5933 > 0.05$, meaning that H_0 is accepted (H_a is rejected). Indicating that tangibility does not significantly affect ROA. This finding is not in line with (Panchal & Chand, 2025). However, this study is consistent with Nguyen (2024), who found that tangibility does not positively affect ROA because high tangibility does not necessarily reflect efficiency in generating profits.

CONCLUSION AND SUGGESTION

The primary objective of this investigation was to determine how various factors specifically capital structure, cost leadership, inventory turnover, liquidity, firm size, sales growth, and tangibility affect company performance as measured by ROA in Indonesian food and beverage companies. The analytical outcomes reveal that an organization's

liquidity significantly diminishes its ROA, whereas sales growth significantly enhances ROA. Conversely, capital structure, cost leadership, inventory turnover, firm size, and tangibility showed no statistically significant impact on company performance as measured by ROA. Together, the predictors utilized in this framework account for 14.75% of the variance in company performance, indicating that the vast majority is driven by external variables not examined here. Ultimately, these insights expand the existing academic discourse regarding the determinants of corporate success within this specific regional industry.

Certain constraints apply to this research. The restricted five-year timeline (2020–2024) prevents a comprehensive understanding of the industry's enduring trends, especially amid shifting economic landscapes and fluctuating consumer habits. Moreover, the lack of statistical significance across several tested predictors strongly implies that alternative, unmeasured parameters shape a firm ROA. Consequently, subsequent academic inquiries should broaden their focus to encompass diverse industries for cross-sectoral comparative analysis, alongside widening the chronological scope to generate more robust and representative conclusions.

Future scholars are also advised to integrate corporate age into their models, drawing on Garba (2026) conclusion that a firm age favorably influences its financial performance. Undertaking these steps will yield a deeper, more nuanced perspective on how internal characteristics, structural financing, and competitive maneuvering dictate financial triumphs within the food and beverage ecosystem.

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