OPERATIONAL COSTS AND REVENUE ON FINANCIAL PERFORMANCE IN SUB-SECTOR COMPANIES VARIOUS INDUSTRIES AND CONSUMPTION GOODS LISTED ON THE INDONESIAN STOCK EXCHANGE

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ABSTRACT

The main objective of this research is to determine the effect of operational costs and income on financial performance in Manufacturing Companies in the Various Industries and Consumer Goods Sub-sectors listed on the IDX for the 2018-2022 period. The population consists of 92 manufacturing companies in various industrial and consumer goods sub-sectors listed on the IDX at the end of 2022. After using a purposive sampling technique, 37 samples were found that met the research criteria. Data was collected by downloading annual reports published by manufacturing companies listed on the IDX during the 2018-2022 research period. Data analysis was carried out using descriptive statistical analysis, model feasibility tests such as the Chow test, Hausman test, and Lagrange Multiplier test. The data was processed using the Microsoft Excel program for initial processing, while panel data regression analysis and hypothesis testing were carried out using EViews 12 software. The results of this research indicate that 1) Company operational costs have a negative and significant influence on the financial performance of Manufacturing Companies in the Miscellaneous Industrial Sub-sector. and Consumer Goods listed on the Indonesia Stock Exchange (BEI) for the 2018-2022 period. With an estimated coefficient of -0.279862 and a probability (p-value) of $0.0001 < 0.05$. 2) Company income has a positive and significant influence on the financial performance of Manufacturing Companies in the Miscellaneous Industrial and Consumer Goods Sub-sectors listed on the Indonesia Stock Exchange (BEI) for the 2018-2022 period. With an estimated coefficient of 0.202921 and a probability (p-value) of $0.0036 < 0.05$.

Keywords: Operational Costs, Income and Financial Performance.

INTRODUCTION

The growth and development of the manufacturing industry is a vital indicator in a country's economy. The manufacturing industry is not only a significant source of income, but also creates extensive employment opportunities and influences a country's overall economic

competitiveness. In Indonesia, the manufacturing sector, especially the various industrial and consumer goods sub-sectors, has an important role in the economic structure.

In this context, financial performance is a very important aspect to study and analyze. Financial performance is a reflection of a company's ability to generate profits and maintain its sustainability in the market. In recent years, the sector has continued to experience significant growth, creating jobs and contributing substantially to the country's GDP. The following table will present the financial performance of manufacturing companies in various industrial and consumer goods sub-sectors in Indonesia during the 2018-2022 period, as follows:

Table 1.
Financial Performance of Manufacturing Companies in Various Industrial and Consumer Goods Sub-Sectors for the 2018-2022 Period

No	Issuer	Company List	Gross Profit Margin (Year)				
			2018	2019	2020	2021	2022
1	UCID	Uni-Charm Indonesia Tbk	0.2527	0.2521	0.2046	0.2042	0.1833
2	SLIS	Gaya Abadi Perfect Tbk	0.1947	0.1664	0.1719	0.1484	0.1625
3	CCSI	Communication Cable System Indonesia Tbk	0.1289	0.2938	0.2705	0.2320	0.2024
4	SCCO	Supreme Cable Manufacturing and Commerce Tbk	0.1182	0.1228	0.1132	0.0746	0.0620
5	ASII	Astra International Tbk	0.2122	0.2118	0.2203	0.2186	0.2326
6	INDS	Indospring Tbk	0.1512	0.1483	0.1607	0.1789	0.1623
7	SMSM	Selamat Perfect Tbk	0.3034	0.3028	0.3208	0.3213	0.3279
8	ULTJ	Ultrajaya Milk Industry and Trading Company Tbk	0.3574	0.3763	0.3735	0.3589	0.3209
9	CHECK	Wilmar Cahaya Indonesia Tbk	0.0756	0.1171	0.0922	0.0676	0.0686
10	CAMP	Campina Ice Cream Industry Tbk	0.6041	0.5856	0.5404	0.5447	0.5570
		Average GPM	**0.23985**	**0.25769**	**0.2468**	**0.23491**	**0.22795**

Source:www.idx.co.id, financial-statement, 2024.

Gross Profit Margin(GPM) is an important metric in analyzing a company's financial performance. GPM measures the financial performance of a company's gross revenue remaining after subtracting it from total revenue. In the context of manufacturing companies in various industrial and consumer goods sub-sectors during the 2018-2022 period, GPM is the main indicator in evaluating operational efficiency and company profitability.

From the data presented, we can see variations in GPM from year to year for each company. Several companies show an increasing trend in GPM from year to year, such as Uni-Charm Indonesia Tbk (UCID) which experienced an increase from 0.2527 in 2018 to 0.1833 in 2022, although there were fluctuations in the middle. Meanwhile, there are also companies experiencing a decline in GPM, such as Supreme Cable Manufacturing and Commerce Tbk (SCCO) which experienced a significant decline from 0.1182 in 2018 to 0.0620 in 2022. The **Operational Costs And….(Sumantri, Mayliza)**

average GPM for all companies during the 2018-2022 period is around 0.22795. This shows that overall, companies in this sub-sector had relatively stable GPM over the period. However, there is significant variation between individual companies, indicating differences in business strategies, operational models, and other factors that influence profitability.

In the manufacturing industry, aspects of operational costs and income are very relevant factors in determining a company's financial performance. In this context, operational costs and income are two key factors that influence the financial performance of a manufacturing company. Operational costs include all expenses required to run the daily business, while income is the result of the company's operational activities.

This research aims to explore the influence of operational costs and income on financial performance in Manufacturing Companies in the Various Industrial and Consumer Goods Sub-sectors listed on the Indonesia Stock Exchange (BEI) for the 2018-2022 period. By analyzing the relationship between operational costs and income and financial performance, it is hoped that it can provide a better understanding of the factors that influence financial performance in the context of the manufacturing industry in Indonesia.

The Effect of Operating Costs on Financial Performance

The relationship between operating costs and financial performance of operational costs in the company is one of the determining factors in the sustainability of the company's operations. With the existence of operational costs, the company can plan and control what things are considered important in the process of achieving the company, namely the company's profit. The amount of profit owned by the company will motivate management to expand the disclosure of company information.

Based on previous research conducted by Rahayu (2014) which shows that operating costs have a significant negative effect on ROA. Research from Siregar (2021), concluded that operating costs have a significant negative effect on the company's financial performance. Based on previous research conducted by Sri Rahayu (2017), namely on the Analysis of the Effect of Operating Costs on Financial Performance at PT.PLN (Persero) Sulserabar Region, which states that operating costs affect financial performance at PT.PLN (Persero) Sulserabar Region.

Meanwhile, in previous research conducted by Lilik Sriwahyuni (2020), namely the Effect of Operating Costs and Revenues, Financing To Deposit Ratio and Non Performing Financing on Return On Assets (ROA) at Bank BRI Syariah, which states that Operating Costs and income have a significant and supporting effect on return on assets.

which states that Operating Costs and income have a significant and supporting effect on financial performance at Bank BRI Syariah.
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H₁: Operational costs have a significant negative influence on the financial performance

The Effect of Revenue on Financial Performance

Managing revenue costs is a common problem for manufacturing companies listed on the Indonesia Stock Exchange (BEI). Costs such as production, distribution, and sales are part of revenue, which has a direct impact on a company's net profit. In this situation, evaluating the influence of cost revenues on the financial performance of manufacturing companies is very important. According to the hypothesis, manufacturing companies listed on the IDX can improve their financial performance if they can optimize production, distribution and sales costs. In other words, companies that can achieve higher net profits and, ultimately, increase value for their shareholders. This hypothesis is based on the assumption that companies that can optimize their revenue management can help create significant competitive advantages.

Income has a significant positive effect on financial performance. This is because the nominal value of assets can increase through various transactions, but not all transactions reflect the emergence of income. Therefore, the higher the income, it can be said that financial performance will increase, and the lower the income, it can be said that financial performance will decrease (Sukma & Yunilma, 2022).

Local own-source revenues are resources derived from activities carried out by local governments in their autonomous areas.activities carried out by the local government in its autonomous region. High local revenue indicates good resource management.good resource management. Therefore, local own-source revenue has a significant effect on regional financial performance. {Afia Maulina1 dan Mustafa Alkamal2}.

Local revenue is obtained through the source of funds in the region if regional income is used and adjusted to the needs and development of the region, then the ability of a region to generate regional income is also high. The high revenue can increase the independence of a region so that it affects the financial performance of a regional government (Rohman, 2012).affects the financial performance of a regional government (Rohman, 2012).

Based on the results of a review of several previous studies, the following hypothesis can be concluded or formulated:

H₂: **Income has a significant positive influence on the financial performance**

RESEARCH METHODS

The population consists of 92 manufacturing companies in various industrial and consumer goods sub-sectors listed on the IDX at the end of 2022. After using a purposive sampling technique, 37 samples were found that met the research criteria. Data was collected through documentation methods, by downloading annual reports published by manufacturing companies listed on the IDX during the 2018-2022 research period.

Data analysis was carried out using descriptive statistical analysis to summarize data characteristics, as well as panel data regression to evaluate the relationship between operational costs, income and financial performance. Model feasibility tests such as the Chow test, Hausman test, and Lagrange Multiplier test are also used to select the appropriate panel data regression model. Data were processed using the Microsoft Excel program for initial processing, while panel data regression analysis and hypothesis testing were carried out using EViews 12 software.

Operational Definition of Variables

Operational definition in research is a concept that connects abstract or theoretical concepts with real actions or variables that can be measured concretely, as follows:

Table 2.
Operational Definition of Variables and Indicators

No	Variable	Definition	Indicator	Source
1	Operational Costs (X1)	Operational costs are the total costs incurred by a company to carry out its daily operations, including the costs of producing goods or services sold (Cost of Goods Sold), administrative costs, and general costs. This includes various types of costs required to run and support the company's operational activities	Operational Costs = Sales Expenses + Administrative & General Costs	Sukma & Yunilma (2022)
2	Revenue (X2)	Revenue is the amount of money or value from sales of goods or services produced by a company during a certain period of time. Revenue is the main source for companies to earn profits.	Sales revenue over a period or revenue growth.	Dewi & Kusuma (2019)
3	Financial Performance (Y)	The company's financial performance is measured using Gross Profit Margin (GPM), which is the ratio between gross profit and total revenue.	GPM = Gross Profit/Sales	Desy, Desky, Marliah (2022)

Descriptive Statistical Analysis

According to Sugiyono (2018), descriptive analysis is a statistical method used to summarize, describe and interpret data in a way that is easy to understand. The goal is to provide a general description of the characteristics of the data collected, such as distribution, average, variation, and general patterns.

Effect Model Feasibility Test

The panel data method is a method used to carry out empirical analysis which is not possible if only using time series or cross section data. Estimation of the panel data model was carried out using three methods, namely the common effect, fixed effect and random effect methods. Data was processed with the help of Eviews v12 software.

Test Chow

The Chow test aims to determine the best model between the Common Effect Model (CEM) or Fixed Effect Model (FEM) approaches in estimating panel data and which will be used to perform panel data regression. The basis for decision making in the Chow test is seen from the probability cross-section F value. If the probability cross-section F value is > 0.05, then the model chosen is the Common Effect Model approach. If the cross-section probability value F is <0.05, then the model chosen is the Fixed Effect Model approach.

Hausman test

The Hausman test is used to select one of the models in panel data regression, namely the Random Effect Model (REM) or the Fixed Effect Model (FEM). The basis for decision making in the Hausman test is seen from the probability value. If the probability value is > 0.05, then the model chosen is the Random Effect Model approach. If the probability value is <0.05, then the model chosen is the Fixed Effect Model approach.

Langrange Multiplier Test

The Langrange multiplier test is a test to determine the random effect or common effect model. If the calculated LM value is less than <0.05, it means that the appropriate model for panel data regression is the random effect model. If the probability value is > 0.05, then the model chosen is the Common Effect Model approach.

Normality test

According to Santoso (2017), the normality test aims to test whether in the regression model, confounding or residual variables have a normal distribution.This test uses the Jarque Bera Test method which is based on the sharpness coefficient (Kurtosis) and slope coefficient (Skewness). The test criteria are carried out by comparing the JB value with X2 table, degree of freedom (df) df = n – 1, 185 – 1 = 184, obtained X2 table216.649239.If the result from JB count $<$ from216.649239X2 table, then the data is normally distributed. On the other hand, if JB's result is $>$ than216.649239X2table, then the data is not normally distributed.

Panel Data Regression

Umar (2019), states that multiple linear regression analysis is a technique used to test the influence of several independent variables on the dependent variable. The multiple linear regression model in this research is:

GPM_Y = α + β1BOPX1 + β2INCOMEX2 + e

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Where:

        Y   =Financial Performance (GPM)

        α   =Constant

        β   =Regression Coefficients

        X1   = Operational Costs (BOP)

        X2   = Income (INCOME)

        e   =Disturbance factors (Disturbance Error)

Hypothesis test

To prove the conjecture or hypothesis that has been described, the researcher will use the t-statistical test. According to Sarwono (2018), the t-statistical test is to test the significance of the independent variable against the dependent variable individually or partially. If the significance value obtained from the data processing results is less than <0.05, then H0 will be rejected and conversely Ha will be accepted. This means that there is a partial and significant influence between the independent variable and the dependent variable.

RESEARCH RESULT

Descriptive Statistical Analysis of GPM

Descriptive statistical analysis is used to summarize and describe the characteristics of data collected from manufacturing companies in various industrial and consumer goods sub-sectors listed on the Indonesia Stock Exchange (BEI) for the 2018-2022 period. The observed data includes operational costs, income and the company's financial performance during the research period, as follows:

Table 3.

Descriptive Statistical Analysis of GPM

No	Emiten	Daftar Perusahaan	Gross Profit Margin (Tahun)				
			2018	2019	2020	2021	2022
1	UCID	Uni-Charm Indonesia Tbk	0.2527	0.2521	0.2046	0.2042	0.1833
2	SLIS	Gaya Abadi Sempurna Tbk	0.1947	0.1664	0.1719	0.1484	0.1625
3	CCSI	Communication Cable System Indonesia Tbk	0.1289	0.2938	0.2705	0.2320	0.2024
4	SCCO	Supreme Cable Manufacturing and Commerce Tbk	0.1182	0.1228	0.1132	0.0746	0.0620
5	ASII	Astra International Tbk	0.2122	0.2118	0.2203	0.2186	0.2326
6	INDS	Indospring Tbk	0.1512	0.1483	0.1607	0.1789	0.1623
7	SMSM	Selamat Sempurna Tbk	0.3034	0.3028	0.3208	0.3213	0.3279
8	ULTJ	Ultrajaya Milk Industry and Trading Company Tbk	0.3574	0.3763	0.3735	0.3589	0.3209
9	CEKA	Wilmar Cahaya Indonesia Tbk	0.0756	0.1171	0.0922	0.0676	0.0686
10	CAMP	Campina Ice Cream Industry Tbk	0.6041	0.5856	0.5404	0.5447	0.5570
11	CLEO	Sariguna Primatirta Tbk	0.3232	0.3620	0.4219	0.4182	0.3844
12	ICBP	Indofood CBP Sukses Makmur Tbk	0.3193	0.3405	0.3693	0.3571	0.3363
13	COCO	Wahana Interfood Nusantara Tbk	0.1512	0.1648	0.1617	0.1708	0.1951
14	DLTA	Delta Djakarta Tbk	0.7293	0.7214	0.6721	0.6996	0.6973
15	DMND	Diamond Food Indonesia Tbk	0.2104	0.2098	0.2159	0.2117	0.2104
16	GOOD	Garudafood Putra Putri Jaya Tbk	0.3172	0.2996	0.2778	0.2750	0.2528
17	HOKI	Buyung Poetra Sembada Tbk	0.1415	0.1454	0.1223	0.1211	0.1102
18	INDF	Indofood Sukses Makmur Tbk	0.2754	0.2966	0.3273	0.3269	0.3065
19	KEJU	Mulia Boga Raya Tbk	0.3522	0.3627	0.3219	0.3233	0.2830
20	MLBI	Multi Bintang Indonesia Tbk	0.6748	0.6157	0.4737	0.5505	0.6176
21	MYOR	Mayora Indah Tbk	0.2593	0.3164	0.2982	0.2481	0.2230
22	ROTI	Nippon Indosari Corpindo Tbk	0.5394	0.5542	0.5611	0.5437	0.5301
23	SKBM	Sekar Bumi Tbk	0.1155	0.1269	0.0997	0.1380	0.1613
24	SKLT	Sekar Laut Tbk	0.2558	0.2528	0.2661	0.2785	0.2647
25	STTP	Siantar Top Tbk	0.2192	0.2713	0.2782	0.2434	0.2088
26	DVLA	Darya Varia Laboratoria Tbk	0.5445	0.5369	0.5094	0.5238	0.5248
27	KLBF	Kalbe Farma Tbk	0.4673	0.4526	0.4433	0.4297	0.4045
28	MERK	Merck Indonesia Tbk	0.3459	0.4342	0.4486	0.3746	0.3802
29	PEHA	Phapros Tbk	0.5699	0.5514	0.5339	0.4941	0.4999
30	PYFA	Pyridam Farma Tbk	0.6033	0.5674	0.5908	0.3879	0.3506
31	SIDO	Industri Jamu & Farmasi Sido Muncul Tbk	0.5155	0.5479	0.5513	0.5685	0.5595
32	TSPC	Tempo Scan Pacific Tbk	0.3808	0.3858	0.3567	0.3568	0.3398
33	GGRM	Gudang Garam Tbk	0.1948	0.2061	0.1519	0.1143	0.0890
34	HMSP	Hanjaya Mandala Sampoerna Tbk	0.2388	0.2463	0.2031	0.1700	0.1543
35	WIIM	Wismilak Inti Makmur Tbk	0.3142	0.3097	0.3137	0.2383	0.2129
36	ADES	Akasha Wira International Tbk	0.4838	0.4543	0.5087	0.5343	0.5196
37	UNVR	Unilever Indonesia Tbk	0.5046	0.5132	0.5226	0.4963	0.4625
Mean	0.331025						
Median	0.313651						
Maximum	0.729300						
Minimum	0.062000						
Std. Dev.	0.162981						

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Gross Profit Margin (GPM) is an important measure in evaluating a company's financial performance. Based on the data presented in the table, the average GPM of all Manufacturing Companies in the Various Industrial and Consumer Goods Sub-sectors listed on the Indonesia Stock Exchange (BEI) for the 2018-2022 period is around 0.331025. The median value, which is the middle value of the data, is approximately 0.313651, indicating that half of the companies have a GPM below this value and half above. However, variation among companies is quite significant, with a standard deviation of about 0.162981, indicating a fairly wide spread of the data around the mean. The company with the highest GPM in the data is Delta Djakarta Tbk (DLTA) with a value of 0.7293 in 2018, while the company with the lowest GPM is Supreme

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Cable Manufacturing and Commerce Tbk (SCCO) with a value of 0.062 in 2022. This indicates that there are significant differences major in profitability among companies, and can provide valuable insights for financial analysis and investment decision making.

Descriptive Statistical Analysis of BOP Operational Costs

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Tabel 4
Statistik Deskriptif Biaya Operasional (BOP)

	BOP_X1
Mean	2.060.000.000.000
Median	149.000.000.000
Maximum	24.527.717.967.652
Minimum	150.421.0
Std. Dev.	4.230.000.000.000
Skewness	3.035979
Kurtosis	12.64644
Jarque-Bera	1001.486
Probability	0.000000
Sum	381.000.000.000.000
Sum Sq. Dev.	3.29
Observations	185

Sumber: Hasil Olah Data Sekunder Output Eviews 12,2024

Operational costs are an important part of a company's cost structure that need to be managed efficiently to maintain profitability. Based on the data presented in the table, the average operational costs of all Manufacturing Companies in the Various Industrial and Consumer Goods Sub-sectors listed on the Indonesia Stock Exchange (BEI) for the 2018-2022 period is around 2.06E+12. The median value, which is the middle value of the data, is approximately 1.49E+11. This shows that half of the companies have operating costs below this value and half above. However, the variation among firms is quite large, with a standard deviation of about 4.23E+12, indicating a fairly wide spread of the data around the mean. The company with the highest operational costs in the data is Mayora Indah Tbk (MYOR) with a value of around 2.45E+13 in 2022, while the company with the lowest operational costs is Astra International Tbk (ASII) with a value of around 150421 in 2020. This shows the difference large levels of operational expenditure between companies, which can be an important focus in financial management and business strategy.

Descriptive Statistical Analysis of INCOME Income

Tabel 5
Statistik Deskriptif Pendapatan INCOME

No	Emiten	Daftar Perusahaan	Pendapatan (Tahun)				
			2018	2019	2020	2021	2022
1	UCID	Uni-Charm Indonesia Tbk	8350583	8519760	8433933	9116592	10317193
2	SLIS	Gaya Abadi Sempurna Tbk	294679753982	459995927543	411798065773	448363550268	487151646729
3	CCSI	Communication Cable System Indonesia Tbk	4239937390001	381575196	282013025	422882541	615332096
4	SCCO	Supreme Cable Manufacturing and Commerce Tbk	5160182004111	5701072391797	4620736359547	5020992336635	5469205561730
5	ASII	Astra International Tbk	239205	237166	175046	233485	301379
6	INDS	Indospring Tbk	2400062227790	2091491715532	1626190564290	3008688064066	3642215794469
7	SMSM	Selamat Sempurna Tbk	3933353	3935811	3233693	4162931	4894164
8	ULTJ	Ultrajaya Milk Industry and Trading Company Tbk	5472882	6223057	5967362	6616642	7656252
9	CEKA	Wilmar Cahaya Indonesia Tbk	3629327583572	3120937098980	3634297273749	5359440530374	6143759424928
10	CAMP	Campina Ice Cream Industry Tbk	961136629003	1028952947818	956634474111	1019133657275	1129360552136
11	CLEO	Sariguna Primatirta Tbk	831104026853	1084912780290	972634784176	1103519743574	1358708497805
12	ICBP	Indofood CBP Sukses Makmur Tbk	38413407	42296703	46641048	56803733	64797516
13	COCO	Wahana Interfood Nusantara Tbk	157581399731	216197806076	171048708670	224437956140	289795165323
14	DLTA	Delta Djakarta Tbk	893006350	827136727	546336411	681205785	778744315
15	DMND	Diamond Food Indonesia Tbk	6231099	6913792	6110155	6973718	8461768
16	GOOD	Garudafood Putra Putri Jaya Tbk	8048946664266	8438631355699	7711334590144	8799579901024	10510942813705
17	HOKI	Buyung Poetra Sembada Tbk	1430785280985	1653031823505	1173189488886	933597187584	925708985640
18	INDF	Indofood Sukses Makmur Tbk	73394728	76592955	81731469	99345618	110830272
19	KEJU	Mulia Boga Raya Tbk	856750384301	978806205312	900852668263	1042307144847	1044368857579
20	MLBI	Multi Bintang Indonesia Tbk	3649615	3711405	1985009	2473681	3114907
21	MYOR	Mayora Indah Tbk	17349919794011	25026739472547	24476953742651	27904558322183	30669405967404
22	ROTI	Nippon Indosari Corpindo Tbk	2766545866684	3337022314624	3212034546032	3287623237457	3935182048668
23	SKBM	Sekar Bumi Tbk	1953910957160	2104704872583	3165530224724	3847887478570	3802296289773
24	SKLT	Sekar Laut Tbk	1045029834378	1281116255236	1253700810596	1356846112540	1539310803104
25	STTP	Siantar Top Tbk	2826957323397	3512509168853	3846300254825	4241856914012	4931553771470
26	DVLA	Darya Varia Laboratoria Tbk	1699657296	1813020278	1829699557	1900893602	1917041442
27	KLBF	Kalbe Farma Tbk	21074306186027	22633476361038	23112654991224	26261194512313	28933502646719
28	MERK	Merck Indonesia Tbk	611958076	744634530	655847125	1064394815	1124599738
29	PEHA	Phapros Tbk	1022969624	1105420197	980556653	1051444342	1168474434
30	PYFA	Pyridam Farma Tbk	250445853364	247114772587	277398061739	630530235961	715425027099
31	SIDO	Industri Jamu & Farmasi Sido Muncul Tbk	2763292	3067434	3335411	4020980	3865523
32	TSPC	Tempo Scan Pacific Tbk	10088118830780	10993842057747	10968402090246	11234443003639	12254369318120
33	GGRM	Gudang Garam Tbk	95707663	110523819	114477311	124881266	124682692
34	HMSP	Hanjaya Mandala Sampoerna Tbk	106741891	106055176	92425210	98874784	111211321
35	WIIM	Wismilak Inti Makmur Tbk	1405384153405	1393574099760	1994066771177	2733691702981	3704350294106
36	ADES	Akasha Wira International Tbk	804302	764703	673364	935075	1290992
37	UNVR	Unilever Indonesia Tbk	41802073	42922563	42972474	39545959	41218881
Mean	2.74E+12						
Median	2.24E+11						
Maximum	3.07E+13						
Minimum	175046.0						
Std. Dev.	5.90E+12						

Sumber: Hasil Olah Data Sekunder www.idx.co.id, Lampiran 4, Tahun 2024.

Revenue is a vital parameter in evaluating the financial performance of a company, and analysis of this revenue data provides valuable insights. The average revenue of all companies in the dataset is approximately 2.74E+12. This shows a general picture of the amount of income earned by Manufacturing Companies in the Various Industrial and Consumer Goods Sub-sectors listed on the Indonesia Stock Exchange (BEI) for the 2018-2022 period in the data collection. Meanwhile, the median value, which is the midpoint of the data, is around 2.24E+11. This indicates that half of the companies have revenues below the median value, while the other half have revenues above it. However, there is significant variation in corporate earnings, indicated by a fairly high standard deviation of around 5.90E+12. This suggests that there is a wide spread in corporate earnings around the mean. The company with the highest revenue in the dataset is Mayora Indah Tbk (MYOR) with a value of around 3.07E+13 in 2022. This shows that MYOR has great potential to generate significant revenue, which can be an indicator of strong growth potential. On the other hand, the company with the lowest revenue is Astra International Tbk (ASII) with a value of around 175046 in 2020. Although ASII's revenue is relatively low

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compared to other companies in the data, this can be caused by a different business focus or other factors that influence performance. company finances.

Model Feasibility Test
Chow Test Results

The Chow test aims to determine the best model between the Common Effect Model (CEM) or Fixed Effect Model (FEM) approaches in estimating panel data and which will be used to perform panel data regression. The basis for decision making in the Chow test is seen from the probability cross-section F value. If the probability cross-section F value is > 0.05, then the model chosen is the Common Effect Model approach. If the cross-section probability value F is <0.05, then the model chosen is the Fixed Effect Model approach. So the following will present the results of the Chow test:

Table 6.
Chow Test Results

Effects Test	Statistics	df	Prob.
Cross-section F	88.340125	(36,146)	0.0000
Chi-square cross-section	578.308621	36	0.0000

Source: Eviews v12 Output Results, 2024.

Based on the Chow test results, it can be seen that the probability values for Cross-section F and Cross-section Chi-square are both very small (0.0000). This value shows that there is a significant difference between the Common Effect Model (CEM) and the Fixed Effect Model (FEM) in estimating panel data. Thus, based on the criteria previously mentioned, because the probability cross-section F and Chi-square cross-section values are smaller than the significance level < 0.05, the model chosen is the Fixed Effect Model (FEM) approach.

Hausman Test Results

The Hausman test is used to select one of the models in panel data regression, namely the Random Effect Model (REM) or the Fixed Effect Model (FEM). The basis for decision making in the Hausman test is seen from the probability value. If the probability value is > 0.05, then the model chosen is the Random Effect Model approach. If the probability value is <0.05, then the model chosen is the Fixed Effect Model approach. So the following will present the results of the Hausman test:

Table 7.
Hausman Test Results

Test Summary	Chi-Sq. Statistics	Chi-Sq. df	Prob.
Random cross-section	6.926173	2	0.0313

Source: Eviews v12 Output Results, 2024.

Based on the Hausman test results, the probability (Prob.) value of the Chi-Square Statistics is 0.0313. Because this probability value is smaller than <0.05, the Hausman test states that there is a significant difference between the estimates produced by the Random Effect Model (REM) and the Fixed Effect Model (FEM). Thus, based on the Hausman test results, the model that can be used in panel data regression analysis is the Fixed Effect Model (FEM) approach.

Analysis of Model Estimation Approach

The conclusions for the regression model approach used in this research will be presented in the following table:

Table 8
Results of the Estimation Model Approach

Test	Results	Decision
Test Chow	Prob. (0.0000) < 0.05	*Fixed Effects Model**
Hausman test	Prob. (0.0313) < 0.05	*Fixed Effects Model**
Lagrange Multiplier Test	-	-

Source: Eviews v12 Output Results, 2024.

By combining the results of the two estimation model approaches, it can be concluded that the model that is more suitable for use in panel data regression analysis is the Fixed Effect Model (FEM). Therefore, a decision can be taken to use FEM as an estimation model approach in further analysis.

Jarque-Bera Normality Test

This test uses the Jarque Bera Test method which is based on the sharpness coefficient (Kurtosis) and slope coefficient (Skewness). The test criteria are carried out by comparing the JB value with X2 table, degree of freedom (df) df = n − 1, 185 − 1 = 184, obtained X2 table216.649239.If the result from JB count < from216.649239X2 table, then the data is normally distributed. On the other hand, if JB's result is > than216.649239X2 table, then the data is not normally distributed (Appendix 9). Based on the results of data processing, the normality test values are obtained in the image below:
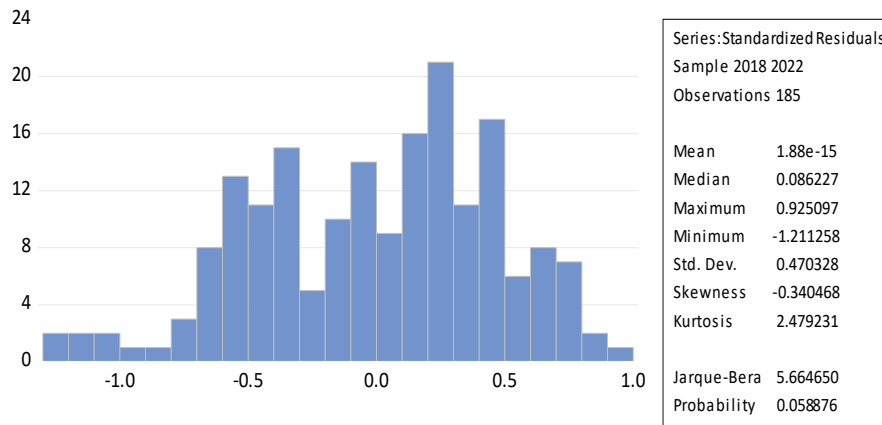
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Figure 1.
Jarque-Bera Normality Test Results

Source: e-Views 12 Data Processing Results, 2024.

In this study the normality test was carried out using Jarque-Berra with an alpha level of 0.05. Based on the analysis results, the calculated JB probability value is 0.058876. Because this value is greater than the specified significance level > (0.05), in other words, there is not enough evidence to conclude that the residuals are not normally distributed. Thus, the research results show that the residuals tend to be normally distributed.

Fixed Effect Model Panel Data Regression Analysis

Based on the results of panel data regression analysis using three different estimation model approaches, namely the Chow test, Hausman test, and Lagrange Multiplier test, the conclusion drawn is that the more appropriate model to use is the Fixed Effect Model (FEM). First, from the Chow test, a probability result (p-value) of 0.0000 is obtained, which is smaller than the significance level of 0.05, so the Fixed Effect model is more appropriate. Second, the Hausman test results show a probability of 0.0313, also smaller than the significance level of 0.05, therefore, the Fixed Effect Model is chosen. Finally, although the results of the Lagrange Multiplier test are not included in the conclusion, the results of the Hausman test and Chow test are sufficient to provide evidence that the Fixed Effect Model is more appropriate. Thus, for panel data regression analysis in this case, the Fixed Effect Model (FEM) is the most appropriate approach to use. Panel data regression analysis with the FEM approach aims to identify and understand the relationship between independent variables (influencing factors) and dependent variables (which will be influenced) in the context of panel data, where observations are made over many time units and individual units (cross-sections).). The results of the regression analysis are as follows:

Table 9

Fixed Effect Model Regression Results

Variables	Coefficient	t-Statistics	Prob.
C	0.441903	1.322378	0.1881
LOG_BOP_X1	-0.279862	-4.172699	0.0001
LOG_INCOME_X2	0.202921	2.956511	0.0036

Source: Eviews v12 Output Results, 2024.

Regression equation results:

GPM_Y = α + β1 BOPX1 + β2INCOMEX2 + e
LOG_GPM_Y = 0.441903 – 0.279862*LOG_BOP_X1 + 0.202921*LOG_INCOME_X2

1. The constant value recorded was 0.441903. The interpretation of this value is that when the value of the independent variables (X1 and X2) is zero, the expected value of GPM (Gross Profit Margin) is 0.441903 units.
2. The coefficient for the variable BOP_X1 is -0.279862. The interpretation of this coefficient is that when BOP_X1 (company operational costs) increases by one unit, accompanied by a constant value, it is expected that the value of GPM will decrease by -0.279862 units. This shows the relationship between a company's operational costs and Gross Profit Margin (GPM), where the higher the operational costs, the lower the expected GPM.
3. The coefficient for the INCOME_X2 variable is 0.202921. The interpretation of this coefficient is that when INCOME_X2 (company income) increases by one unit, accompanied by a constant value, it is expected that the value of GPM will increase by 0.202921 units. This shows that there is a positive relationship between company revenue and GPM, where the higher the revenue, the higher the expected GPM.

Hypothesis Testing Results

The t-statistical test is a test to show the significance of the individual influence of the independent variables in the model on the dependent variable.By looking at the following table, you will know the effect of each independent variable on the dependent variable:

Table 10.
Hypothesis Testing Results (t-Test)

Variables	Coefficient	t-Statistics	Prob.	Conclusion
LOG_BOP_X1	-0.279862	-4.172699	0.0001	H1 Accepted
LOG_INCOME_X2	0.202921	2.956511	0.0036	H2 Accepted

Source: Eviews v12 Output Results, 2024.

Based on the results of hypothesis testing in the table that has been presented, the following conclusions can be drawn:

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1. For the BOP_X1 variable, the estimated coefficient is -0.279862 with a t-statistic of -0.279862 and a probability (p-value) of 0.0001 < 0.05. This shows that the company's operational costs have a significant influence on financial performance, with decreasing Gross Profit Margin (GPM) along with increasing operational costs. With a very small p-value, the alternative hypothesis (H1) is accepted.

2. For the INCOME_X2 variable, the estimated coefficient is 0.202921 with a t-statistic of 0.202921 and a probability (p-value) of 0.0036 < 0.05. This shows that company revenue has a significant influence on financial performance, with Gross Profit Margin (GPM) increasing along with revenue growth. With a very small p-value, the alternative hypothesis (H2) is accepted.

DISCUSSION

The effect of operating costs on financial performance

This research is in line with previous research, research by Rahayu (2014) which shows that operating costs have a significant effect on financial performance. Research from Siregar (2021), concluded that operating costs have a significant effect on the company's financial performance. Sri Rahayu's research (2017) states that operating costs affect financial performance. Lilik Sriwahyuni's research (2020) states that Operating Costs have a significant effect on financial performance. Desy Desky's research, Marliah, (2022), states that operating costs negatively affect financial performance. This negative impact explains that a greater ratio of total operating costs to operating income will result in lower financial performance.

The coefficient for the variable BOP_X1 has a value of -0.279862, when BOP_X1 (company operational costs) increases by one unit, accompanied by a constant value, it is expected that the value of GPM will decrease by -0.279862 units. This shows the relationship between a company's operational costs and Gross Profit Margin (GPM), where the higher the operational costs, the lower the expected GPM. For the BOP_X1 variable, the t-statistic is -0.279862 and the probability (p-value) is 0.0001 < 0.05. This shows that the company's operational costs have a significant influence on financial performance, with decreasing Gross Profit Margin (GPM) along with increasing operational costs.

Under field conditions, these results may be caused by various factors. Previous research shows that high operational costs can be an indicator of inefficiency in company operations. There may be issues related to cost management, resource management, or operational effectiveness that lead to high operating costs, which in turn can reduce a company's profitability. Apart from that, external factors such as fluctuations in raw material prices or market instability can also affect a company's operational costs.

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The effect of revenue on financial performance

This research is in line with previous research, research by Rahayu (2014) which shows that operating costs have a significant effect on financial performance. Research from Siregar (2021), concluded that operating costs have a significant effect on the company's financial performance. Sri Rahayu's research (2017) states that operating costs affect financial performance.

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In practice, an increase in company revenue can indicate healthy business growth. Rising revenues can signal strong demand for a company's products or services, which in turn can increase profit margins and profitability. In addition, high revenues can also provide companies with more resources to invest in research and development, product innovation, or marketing strategies that can increase the company's competitiveness in the market.

This research is in line with previous research, research by Lilik Sriwahyuni (2020) states that income has a significant effect on financial performance. Research by Sukma & Yunilma (2022), income has a significant positive effect on financial performance. This is because the nominal value of assets can increase through various transactions, but not all transactions reflect the emergence of income. Therefore, the higher the income, it can be said that financial

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performance will increase, and the lower the income, it can be said that financial performance will decrease.

COCLUSION

Based on the results of this research, several conclusions and suggestions can be drawn as follows Company operational costs have a negative and significant influence on the financial performance of Manufacturing Companies in the Miscellaneous Industrial and Consumer Goods Sub-sectors listed on the Indonesia Stock Exchange (BEI) for the 2018-2022 period.Becouse High operating costs can put significant pressure on a company's financial performance and can hinder the company's ability to grow and compete effectively in the market.

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