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The Influence Of Firm Size On Company Performance With Sales Growth As A Moderating Variable

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Abstract

This research is quantitative research with an explanatory approach. The data used in this research is primary data that researchers obtained through interviews with employees and leaders of Logstuck companies spread throughout Indonesia. The data used contains 16 question items regarding the three variables above, namely Company Size, Company Performance and Sales Growth. The data contains statements of agree, strongly agree, normal/average, disagree, and strongly disagree. The data was analyzed using the smart PLS 4.0 analysis tool. The result in this article show that the Firm Size variable can have a positive relationship and have a significant influence on Company Performance because the P-Values value is positive and is below the 0.05 significance level. namely 0.002. These results indicate that the better the company size, the better the company's image, attracting investor attention, and the company's finances becoming stable. As a differentiator from the three studies above, in the next row the third table of Path Coefficients above shows similar results where Sales Growth can strengthen the influence of the Firm Size variable on Company Performance because having good sales makes the company's marketing system better which can increase production quantity, make investors know more about products, and other things that can improve company performance. Therefore, the first and second hypotheses in this article can be accepted and proven.

Keyword: *Firm Size, Company Performance, Sales Growth*

Abstrak

Penelitian ini merupakan penelitian kuantitatif dengan pendekatan eksplanatori. Data yang digunakan dalam penelitian ini adalah data primer yang peneliti peroleh melalui wawancara kepada karyawan dan pimpinan perusahaan Logsutk yang tersebar di seluruh Indonesia. Data yang digunakan berisi 16 item pertanyaan mengenai ketiga variabel diatas yaitu Ukuran Perusahaan, Kinerja Perusahaan dan Pertumbuhan Penjualan. Data tersebut berisi pernyataan setuju, sangat setuju, normal/rata-rata, tidak setuju, dan sangat tidak setuju. Data dianalisis menggunakan alat analisis smart PLS 4.0. Hasil pada artikel ini menunjukkan bahwa variabel Ukuran Perusahaan dapat mempunyai hubungan positif dan mempunyai pengaruh signifikan terhadap Kinerja Perusahaan karena nilai P-Values bernilai positif dan berada di bawah tingkat signifikansi 0,05. yaitu 0,002. Hasil tersebut menunjukkan bahwa semakin baik ukuran perusahaan maka semakin baik pula citra perusahaan, menarik perhatian investor, dan keuangan perusahaan menjadi stabil. Sebagai pembeda dari ketiga penelitian diatas maka pada baris berikutnya tabel ketiga Path Coefisien diatas menunjukkan hasil yang serupa dimana Pertumbuhan Penjualan dapat memperkuat pengaruh variabel Ukuran Perusahaan terhadap Kinerja Perusahaan karena memiliki penjualan yang baik maka sistem pemasaran perusahaan menjadi lebih baik yang dapat meningkatkan kuantitas produksi, membuat investor mengetahui lebih banyak tentang produk, dan hal-hal lain yang dapat meningkatkan kinerja perusahaan. Oleh karena itu hipotesis pertama dan kedua pada artikel ini dapat diterima dan dibuktikan.

Kata Kunci: *Ukuran Perusahaan, Kinerja Perusahaan, Pertumbuhan Penjualan*

INTRODUCTION

Company size is a measurement used to determine how big or small a company is. Company size can show the size of a company as seen from the number of assets owned, the amount of capital used by the company or the total sales generated. Larger companies have more opportunities to obtain internal and external sources of capital investment. A large company size reflects good company development and growth so that it is able to increase company value (Sumarauw, 2015). The increase in company value is indicated by the number of company assets increasing and being greater than the amount of debt the company has (Rios, 2014).

Apart from that, large companies will be easier for the public to know and remember, and the public will also assume that these companies have better finances than companies with small company sizes. This makes the public more confident in the products and services marketed by the company and can increase sales made by the company so that the profitability generated by the company increases. The size of a company can influence the company's ability to bear the risks arising from various undesirable conditions. Companies with a large size will bear lower risks than small companies, because large companies can manage risk better than small companies. because large companies that have good values,

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image and reputation are considered to have more ability to attract investor interest. According to (Rai Prastuti, 2016) company size can be a reference for seeing the possibility of failure of a company, namely: 1) Bankruptcy costs can limit business value; 2) Companies with a large size prefer to diversify than small companies, so they have a smaller chance of bankruptcy.

In this research, the size of the company can be seen from the total assets it owns, because total assets show that the company has good cash flow which can indicate that the company has good prospects in the long term. This also shows that the company has a relatively more stable financial condition and can generate greater profits than companies with small assets. If the company has a large company size, it will make it easier for company management to utilize these assets. This convenience is used to control the company in order to increase the company's value (Hutami, 2022).

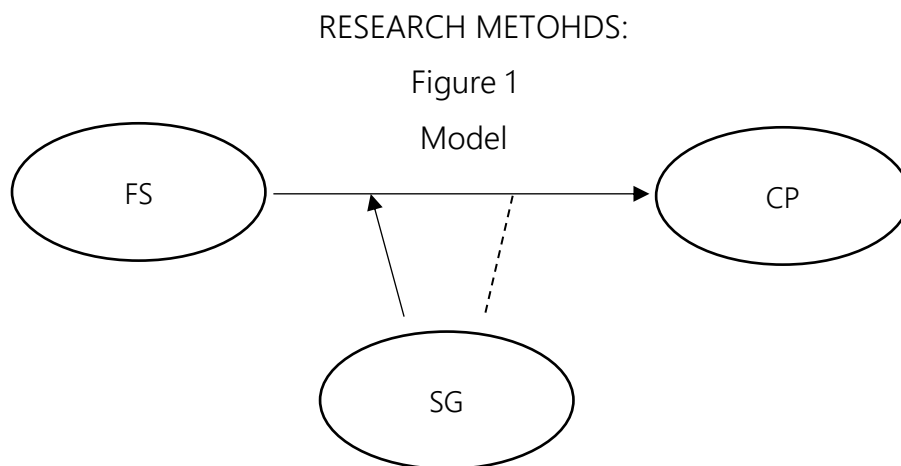
Based on the explanation above, researchers believe company size can improve company performance. Company performance is a description of the financial condition of a company which is analyzed using financial analysis tools, so that it can be known about the good and bad financial condition of a company which reflects work performance in a certain period. This is very important so that resources are used optimally in facing environmental changes (Norawati, 2021).

Financial performance assessment is one way that management can fulfill its obligations to funders and also to achieve the goals set by the company. Performance is a general term used for some or all of the actions or activities of an organization in a period with reference to standard amounts such as past or projected costs, on the basis of efficiency, accountability or management accountability and the like (Sunarsih, 2016).

Before understanding the issue of performance appraisal further, there are several definitions of performance. Company performance is the result of many individual decisions made continuously by management (Herli, 2017) and also according to Mulyadi (2007) "Performance is the success of personnel, teams, or organizational units in realizing predetermined strategic goals with the expected behavior ". According to (Irawan, 2016) states that performance measurement is the process of recording and measuring the achievement of implementing activities in the direction of mission accomplishment through the results displayed in the form of a product, service or process. Performance measurement which is defined as "performing measurement" is the qualification and efficiency of a company or segment or effectiveness in business operations during the accounting period. Thus, the definition of performance is a formal effort carried out by a company to evaluate the efficiency and effectiveness of company activities that have been carried out over a

period of time. So it can be concluded that company performance is all activities carried out by the company related to achieving management's strategic targets during a certain period.

There are a number of previous studies (Hutami, 2022); (Athallah, 2023) & (Monheno Alif Kusdiwardhi, 2023) show a positive relationship and a significant influence on company performance. Different from the third research above, this research adds the Sales Growth variable as a moderating variable.



Noted:

FS : Firm Size

CP : Company Performance

SG: Sales Growth

The results of the research model image above show that the main objective of the article is to analyze the influence of Firm Size on Company Performance. In previous research, there were 3 studies that had the same aims and objectives, namely research (Hutami, 2022); (Athallah, 2023) & (Monheno Alif Kusdiwardhi, 2023) which show similar aims and objectives (Nabila Khaerumuda & Hotman Tohir Pohan, 2023). Different from the three studies above, this research adds the Sales Growth variable as a moderating variable which is believed to strengthen the influence of the Firm Size variable on Sales Growth (Nuraeni et al., 2017). This research is quantitative research with an explanatory approach. The data used in this research is primary data that researchers obtained through interviews with employees and leaders of Logistik companies spread throughout Indonesia (Rai Prastuti, 2016). The data used contains 16 question items regarding the three variables above, namely Company Size, Company Performance and Sales Growth (Lauren, 2017). The data contains statements of agree, strongly agree, normal/average, disagree, and strongly

disagree (Sugiyono, 2019). The data was analyzed using the smart PLS 4.0 analysis tool with the hypothesis below (Jonathan Sarwono, 2016).

Hypothesis:

H1: Firm Size Variable can influence Company Performance

H2: Sales Growth Can Moderates The Influence of Firm Size on Company Performance

RESULT AND DISCUSSION

Validity Test

Exactly the same as a number of previous studies which used the smart PLS 4.0 analysis tool as an analytical tool to process data and draw conclusions in this article, requiring several mandatory stages that must be passed. The validity test stage is the first mandatory stage that must be passed which aims to validate each question item that has been distributed through the questionnaire with the results below. (Gujarati, 2013):

Table 1
Validity Test

Variable	Item Question	Loading Factor
Firm Size (X1)	Company size can indicate the size of a company	0.821
	The size of the company can attract investors	0.819
	Company size can increase a company's prestige amidst business competition	0.832
	Company size can increase financial stability	0.811
	Company size can create a good company image in society	0.840
	The size of the company can make the company known to many people	0.834
Company Performance	Company performance can be influenced by the company's image in	0.878

(Y)	society	
	Company performance can be influenced by investor interest	0.899
	Company performance can be influenced by public trust in the company	0.892
	Company performance can be influenced by company size	0.905
	Company performance can be influenced by promotional elements	0.921
	Company performance can be influenced by Sales Growth	0.917
Sales Growth (Z)	Sales Growth can make company performance better	0.921
	Sales Growth can make a company even more famous	0.911
	Sales Growth can make a company make investors more interested	0.909
	Sales Growth can increase company productivity	0.941

Valid > 0.70

Reliability Test

The next stage that must be passed after passing the validity test stage in using PLS 4.0 primary data is the reliability test stage with the aim of ensuring that each variable used in this research is reliable. The following reliability test results in this article can be seen carefully in the second table below (Sarstedt et al., 2014):

Table 2
Reliability Test

Variable	Composite Reliability	Cronbach Alfa	Noted
Firm Size	0.887	0.835	Reliable
Company Performance	0.978	0.922	Reliable
Sales Growth	0.998	0.958	Reliable

Reliable > 0.70

Path Coefisien

The most important stage in this article is also the last stage, namely the Path Coefficient stage. This stage aims to ensure that each hypothesis used in this article is proven or not and the arguments presented by the researcher in the research methodology section can be proven or not. Following are the results in the third table below (Ghozali, 2016):

Table 3
Path Coefisien

	Variable	P-Values	Noted
Direct Influence	FS-> CP	0.002	Accepted
Indirect Influence	SG* FS-> CP	0.000	Accepted

Signifianct Level < 0.05

Based on the statistical results of the table of the three path coefficients above which are also the most important part in this article, it shows that the Firm Size variable can have a positive relationship and have a significant influence on Company Performance because the P-Values value is positive and is below the 0.05 significance level. namely 0.002. These results indicate that the better the company size, the better the company's image, attracting investor attention, and the company's finances becoming stable. These results are in line with a number of previous studies, namely (Hutami, 2022); (Athallah, 2023) & (Monheno Alif Kusdiwardhi, 2023) which show similar results. As a differentiator from the three studies above, in the next row the third table of Path Coefficients above shows similar results where Sales Growth can strengthen the influence of the Firm Size variable on Company Performance because having good sales makes the company's marketing system better which can increase production quantity. , make investors know more about products, and other things that can improve company performance. Therefore, the first and second

hypotheses in this article can be accepted and proven.

CONCLUSION

Based on the statistical results of the table of the three path coefficients above which are also the most important part in this article, it shows that the Firm Size variable can have a positive relationship and have a significant influence on Company Performance because the P-Values value is positive and is below the 0.05 significance level. namely 0.002. These results indicate that the better the company size, the better the company's image, attracting investor attention, and the company's finances becoming stable. These results are in line with a number of previous studies, namely (Hutami, 2022); (Athallah, 2023) & (Monheno Alif Kusdiwardhi, 2023) which show similar results. As a differentiator from the three studies above, in the next row the third table of Path Coefficients above shows similar results where Sales Growth can strengthen the influence of the Firm Size variable on Company Performance because having good sales makes the company's marketing system better which can increase production quantity. , make investors know more about products, and other things that can improve company performance. Therefore, the first and second hypotheses in this article can be accepted and proven.

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