

The Effect of Financial Restructuring, Firm Size and Sales Growth on Firm Performance (Balance Scorecard): The Case of State-Owned Enterprises in Indonesia

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Abstract

This study aims to determine and analyze the Effects of Financial Restructuring, Company Size, and Sales Growth on Company Performance (as measured by the Balanced Scorecard) in BUMN Companies throughout Indonesia. The population in this study consisted of 21 BUMN Companies that underwent restructuring. The Sampling Technique used in this study was Purposive Sampling. In this study, the samples consisted of 9 companies that published complete financial reports and performance reports and carried out restructuring from 2018 to 2023. The analysis technique employed was multiple linear regression. The results of this study indicate that financial restructuring, company size, and sales growth together have a significant effect on company performance (balanced scorecard), partially financial restructuring does not affect company performance (balanced scorecard), company size affects company performance (balanced scorecard), and sales growth affects company performance (balanced scorecard). These findings have practical implications for financial restructuring and company performance in the BUMN sector.

Keywords: financial restructuring, firm size, sales growth, firm financial performance

1. Introduction

In an increasingly competitive business world, companies must continually improve their performance to achieve sustainable excellence. Efforts to improve performance do not only focus on the financial aspect but also include various other dimensions that support the achievement of the company's strategic goals. Company performance refers to the company's ability to achieve its set goals and objectives within a specified period. To ensure that company performance can be measured and evaluated comprehensively, the Balanced Scorecard (BSC) approach has become one of the most effective and widely used tools in strategic management. The Balanced Scorecard, developed by Robert Kaplan and David Norton, provides a framework that enables companies to evaluate performance from four key perspectives: the financial perspective, the customer perspective, the internal business process perspective, and the learning and growth perspective. With this approach, companies can understand how their

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operational activities contribute to achieving their strategic vision and mission. Improving a company's performance must have an impact on its financial performance; therefore, it is appropriate that the view of the company's performance in the long term is not only viewed from an economic perspective but also from a non-financial perspective, such as customer satisfaction, internal business processes, learning, and growth.

Company performance (balanced scorecard) can be influenced by several factors, including financial restructuring, where restructuring has been adopted by institutions in several industries to streamline costs, increase productivity and income, improve employee welfare, increase wealth holders, increase efficiency and improve performance ([Norley, Swanson & Marshall, 2008](#)). The second factor is company size, companies that have significant assets will be able to optimize existing resources to obtain maximum business profits so that they can improve company performance ([Hery, 2017](#)). The third factor is sales growth, which describes the company's ability to maintain its economic position in the midst of the economy and its business sector. The greater the level of sales growth, the more direct its impact will be on increasing company performance ([Kasmir, 2018](#)). There are several indicators to measure company performance (balanced scorecard) from a financial perspective, including profit indicators, profitability, liquidity, solvency, cash flow measurement, cash flow ratios, financial structure indicators, efficiency ratios, value-based management, capital markets, capital budgeting and ecological indicators related to finance ([Krause & Arora, 2019](#)). In this study, researchers will measure company performance with a balanced scorecard in these four perspectives. The financial perspective measures performance to achieve financial goals and provide added value to shareholders. Financial restructuring is a restructuring of the company's capital composition so that financial performance becomes healthier. The health of a company can be measured based on financial ratios including efficiency ratios, effectiveness ratios, profitability ratios, liquidity ratios, asset turnover rates, leverage ratios, and market ratios. Financial restructuring is a part of corporate restructuring that aims to improve a company's financial performance and overall performance. This is done not only for companies with poor financial performance but also for growing companies to help them make adjustments to their funding needs so that they are more efficient and effective. In research related to financial restructuring, researchers use liquidity ratios, solvency ratios, and profitability ratios as measuring tools, which are proxied by including the Current Ratio, Debt-to-Equity Ratio, and Return on Equity.

Additionally, financial ratios, profitability, liquidity, solvency, and activity ratios also improved following the implementation of the financial restructuring. [Adhiambo \(2021\)](#) shows that financial restructuring affects company performance. Similar research was also conducted by [Nathania \(2023\)](#), who stated that debt restructuring, proxied by the Debt-to-Equity Ratio (DER), has an adverse effect on financial performance, proxied by Return on Equity (ROE). Research conducted by [As'ari, Airawaty and Zaman \(2020\)](#) shows that financial restructuring (liquidity, leverage, and profitability) does not have a substantial impact on company performance. Restructuring is considered to have no significant effect on company performance, either partially or in total.

Company size is a measure, scale, or variable that describes the size of a company based on several provisions, such as total assets, log size, market value, shares, total sales, total income, total capital, and others. Grouping companies based on the scale of operations is generally divided into three categories: large companies (large firms), medium-sized companies (medium-sized firms), and small companies (small firms). Company size is one of the key

metrics that categorize a company as large, medium, or small. Measurement of this scale can be known by comparing the total assets owned by the company ([Suryani, 2021](#)). In this study, company size is calculated using the Natural Logarithm of Total Assets. Research conducted by [Partiwi and Herawati \(2022\)](#) showed that company size has a significant positive effect on company performance. Companies with large sizes tend to attract investors because the larger the company, the greater its operational activities will be, and the turnover of money within the company will be more complex, potentially increasing the company's profits, which will later impact the company's financial performance. Similar research was also conducted by [Tamara and Khairani \(2023\)](#), which stated that company size has a significant effect on company performance. Unlike the results of research conducted by [Mikha & Totok \(2018\)](#), which tested the company size variable on company performance, it was found that the company size variable did not have a significant effect on company performance. Similar research was conducted by [Felicia \(2021\)](#), which found that company size has no significant impact on company performance. The larger the company, the greater the assets it owns, and thus, the costs incurred are also greater, causing management to be less effective in gaining profits.

Sales growth was stated by [Brigham and Houston \(2019\)](#); companies with relatively stable sales levels are safer in bearing debt burdens than those with unstable sales levels. Sales growth is calculated by comparing the percentage change in sales in a specific period with the percentage of sales in the previous period. High sales growth will increase company profits, which will then drive an increase in retained earnings, ultimately affecting the growth of the company's capital. If the comparative value of sales from one period to the next is greater, then the sales growth can be considered better. In research related to sales growth, sales growth is used as a measuring tool. Research conducted by [Yuniastuti \(2019\)](#) indicates that sales growth, as measured by a growth proxy, has a positive impact on company performance. Research conducted by [Rahayu and Mulyani \(2024\)](#) shows that the sales growth variable has a significant effect on financial performance. In contrast to the results of research conducted by [Felicia \(2021\)](#), which stated that sales growth did not have a significant effect on company performance because high sales growth was accompanied by additional costs and assets, resulting in less than optimal profit increases. In a similar study conducted by [Puspita and Hermanto \(2023\)](#), it was found that the sales growth variable did not significantly affect company performance. Sales growth is not the main driving factor that affects company performance.

According to Law Number 19 of 2003, State-Owned Enterprises (BUMN) are business entities whose capital is wholly or mainly owned by the state through direct participation originating from separated state assets. One of the objectives of establishing BUMN is to contribute to the development of the national economy, in general, and the state economy, in particular. Currently, amidst the improving Indonesian economy, restructuring is occurring in BUMN companies. Based on the data obtained, there has been a significant fluctuation in the number of BUMN companies carrying out restructuring, with peak activity occurring in 2021. This may reflect the dynamics of economic conditions or government policies during that period. Restructuring carried out by BUMN companies is closely related to company performance. This non-financial phenomenon demonstrates that restructuring in BUMN is not only about improving the balance sheet but also involves transformations that impact culture, organizational structure, customer service, and reputation. A good understanding and effective management of these aspects are essential to ensure the overall restructuring's success. Not only that, the data also shows that the Key Performance Indicator value from a financial perspective has decreased from 2018 to 2019. This could be due to external factors such as global economic

conditions, company policies, or declining revenue and profitability. However, there was a sharp increase in 2020, indicating a significant improvement in financial performance. This may be due to a more effective financial strategy, increased operational efficiency, or rapid revenue growth. After peaking in 2020, the KPI value decreased in the following two years (2021-2022). This could indicate financial challenges such as increased operating costs, regulatory changes, or external economic impacts. In 2023, the KPI value increased again, indicating a financial recovery. This could be due to a new strategy in financial management, product innovation, or improved market conditions.

Furthermore, the data also indicates that there was a relatively stable fluctuation in the KPI value, increasing consistently from 2018 to 2021. This shows an increase in customer satisfaction, growth in the number of customers, or increased customer loyalty, which improvements in the quality of services or products may drive. In 2022, there was a sharp increase in customer KPIs. This could be due to the launch of new products or services, effective marketing strategies, or improved customer service, resulting in higher satisfaction. In 2023, the KPI value decreased compared to the previous year. This could indicate challenges in maintaining customer satisfaction, such as increased competition, changing customer expectations, or problems with service quality. Financial data from state-owned companies indicate a consistent downward trend from 2018 to 2023. In 2018, the Current Ratio was around 2.00, indicating a reasonably good liquidity condition (current assets were around twice as much as current liabilities). However, there was a decrease in 2019. This could be due to an increase in short-term liabilities, investment in fixed assets, or the use of cash for business expansion. 2020 showed a slight increase in the Current Ratio, which could be attributed to an increase in money or current assets, possibly in response to economic uncertainty caused by the COVID-19 pandemic. After reaching a temporary peak in 2020, the current ratio continued to decline from 2021 to 2023. This could indicate an increase in short-term liabilities, an increase in debt, or a decrease in current assets, such as cash and accounts receivable. SOEs may be experiencing financial pressure due to increasing operating expenses, debt payments, or investments that do not immediately generate income. In 2023, the ratio is approaching 1.50, which remains within the safe range but indicates a decline in liquidity. If this trend continues, the company may face challenges in meeting short-term obligations without selling assets or seeking additional funding.

Meanwhile, the BUMN debt ratio exhibits a fluctuating pattern, with a peak in 2020, followed by a downward trend until 2023. In 2018, DER was around 0.50, indicating that the company's debt was equivalent to half of its equity. In 2019 and 2020, there was a sharp increase, peaking in 2020 at around 0.58. This increase could be attributed to the rise in debt, which may be used for business expansion, investment in infrastructure projects, or operational needs during the COVID-19 pandemic. After peaking in 2020, DER began to decline in 2021 and continued to do so until 2023. This decline indicates the company's strategy to reduce its debt burden by paying off some obligations, increasing equity through retained earnings, or issuing new shares. This trend could also reflect government or regulatory policies aimed at reducing the debt ratio and improving the financial efficiency of BUMN. In 2023, DER was below 0.49, indicating that the company had lower debt than its equity. Companies rely more on equity than debt for funding, which can enhance long-term financial stability but may limit the potential for expansion funded by loans.

In terms of return on equity, data show that the average Return on Equity (ROE) of state-owned enterprises from 2018 to 2023 exhibits a fairly straightforward downward trend. In 2018, ROE

was around 0.09 (9%), indicating fairly good profitability compared to the equity held. However, there was a significant decline in 2019, which continued into 2021, with ROE dropping to around 0.05 (5%). This decline could be attributed to several factors, including a decrease in net profit, an increase in equity without a corresponding profit, and the effects of the COVID-19 pandemic, which impacted many companies, including state-owned enterprises, by reducing revenue and profitability. In 2022, there was a slight increase in the return on equity (ROE), which could indicate an improvement in company performance. Possible factors contributing to this increase include improved operational efficiency following the pandemic, increased revenue from economic recovery, and more effective financial strategies, such as debt reduction or asset optimization. In 2023, ROE experienced a slight decline again. This could indicate that, despite improvements in 2022, profitability still faces challenges, such as tight business competition, limited revenue growth, and increasing operating expenses, which reduce net income. Additionally, long-term investments have not yet generated direct profits.

For the size of the BUMN company itself, the size of the BUMN company from 2018 to 2023 shows a consistent upward trend. From 2018 to 2023, the company's size continued to increase every year without any decline. This indicates that BUMN companies are expanding in various aspects, including growing total assets, revenue, and market capitalization. Some possible factors that contribute to the growth in the size of BUMN companies include mergers or acquisitions of other entities, which increase the company's total size. From 2021 to 2023, the growth rate continues but slows down slightly. This could indicate that BUMN companies have reached a larger scale, and their growth has become more stable compared to the previous period. The trend for BUMN sales growth from 2018 to 2023 exhibits significant fluctuations. In 2018-2019, sales growth declined compared to last year. This decline could be due to an economic slowdown that hampers sales. BUMN faces competition from private companies and digitalization, which changes business patterns. In 2019-2020, sales growth was almost zero, which could indicate stagnation or economic challenges faced by BUMN companies during this period. In 2020, the pandemic had a significant impact, resulting in a substantial decline in sales for many sectors. However, there was a sharp spike in 2021; after the slump in 2020, the economy began to recover, causing very high sales growth. In 2022, there was a significant decline, even approaching zero or negative. Possible causes could be post-pandemic market adjustments, global economic instability, or a decrease in people's purchasing power. And in 2023, sales growth increased slightly compared to 2022. Although it has not returned to its highest level, as seen in 2021, the economy is starting to stabilize, people's purchasing power is increasing, and investment is flowing back into strategic sectors.

2 Literature Review

The Effect of Financial Restructuring, Company Size, and Simultaneous Sales Growth on Company Performance. Company performance (balanced scorecard) can be influenced by several factors, including financial restructuring, where restructuring has been adopted by institutions in several industries to streamline costs, increase productivity and income, improve employee welfare, increase wealth holders, increase efficiency and improve performance ([Norley, Swanson & Marshall, 2008](#)). The second factor is company size; companies with significant assets can optimize existing resources to achieve maximum business profits, thereby improving company performance ([Hery, 2017](#)). The third factor is sales growth, which describes the company's ability to maintain its economic position in the midst of economic fluctuations and its respective business sector. The greater the level of sales growth, the more direct its impact will be on increasing company performance ([Kasmir, 2018](#)). In the research of

[Felicia \(2021\)](#) entitled The Effect of Asset Management, Sales Growth, Leverage, and Company Size on Company Performance. The results of the study show that asset management, sales growth, leverage, and company size all have a simultaneous impact on company performance.

The Effect of Financial Restructuring on Firm Financial Performance. According to [Jirwanto et al. \(2024\)](#), financial or capital restructuring refers to the rearrangement of a company's capital composition to improve its financial performance. Financial restructuring, adopted by institutions across several industries, aims to streamline costs, increase productivity and income, enhance employee welfare, improve wealth distribution, increase efficiency, and boost performance, among other objectives ([Norley, Swanson & Marshall, 2008](#)). Financial restructuring can have a significant impact on company performance by improving problematic operational and financial aspects. From the left side of the balance sheet, by increasing operational efficiency and utilizing less-than-optimal assets, the company can enhance cash flow and competitiveness. From the right side of the balance sheet, finally, financial restructuring makes the company's capital costs more affordable. Companies with expensive capital structures require financial restructuring to reduce corporate debt to sustainable levels in the long term. One of the factors that improve a company's financial performance is financial restructuring. Financial performance can be assessed based on financial reports, Which Improves the ability to evaluate the level of company health. It can be measured based on the profitability ratio, namely Return On Equity (ROE). According to [Maulina and Mulyadi \(2021\)](#), the company's performance improved after the financial restructuring was implemented, and in terms of financial ratios, profitability, liquidity, solvency, and activity ratios also improved following the implementation of financial restructuring. [Adhiambo \(2021\)](#) shows that financial restructuring affects company performance. Similar research was also conducted by [Nathania \(2023\)](#), who stated that debt restructuring, proxied by the Debt-to-Equity Ratio (DER), had an adverse effect on financial performance, proxied by Return on Equity (ROE). Research conducted by [As'ari, Airawaty and Zaman \(2020\)](#) shows that financial restructuring (liquidity, leverage, and profitability) does not have a substantial impact on company performance. Restructuring is considered to have no significant effect on company performance, either partial or overall.

The Influence of Company Size on Company Performance. Company size is a measure that uses the value of a company's assets and calculates it in logarithmic values. More assets mean more access to acquire and market company operations. Ease of access to funds obtained for company operations facilitates increased productivity. This ultimately leads to increased company performance. Company size, specifically companies with significant assets, enables them to optimize existing resources and achieve maximum business profits, thereby improving company performance ([Hery, 2017](#)). Company size is considered a key factor in influencing company performance. Company size refers to the size of a company, which can be expressed in terms of total assets or total net sales. The greater the total assets or sales, the larger the company. The greater the assets, the greater the capital invested. Meanwhile, the more sales, the more money circulates within the company ([Sujarwerni, 2015](#)). Signaling theory explains that companies give signals to investors about how management views the company, which can affect company performance. Company size is related to signaling theory, which suggests that company size is reflected in financial statements, specifically in the total assets owned by the company [Brigham and Houston \(2019\)](#). Research conducted by [Partiwi and Herawati \(2022\)](#) showed that company size has a significant positive effect on company performance.

Companies with large sizes tend to attract investors because the larger the company, the more extensive its operational activities will be, and the turnover of money within the company will be more complex, potentially increasing company profits, which in turn will have an impact on the company's financial performance. Similar research was also conducted by [Tamara and Khairani \(2023\)](#), which stated that company size has a significant effect on company performance. Unlike the results of research conducted by [Mikha & Totok \(2018\)](#), which examined the impact of company size on company performance, this study found that the company size variable had no significant effect on company performance. Similar research was conducted by [Felicia \(2021\)](#), which found that company size has no substantial impact on company performance. The larger the company, the greater the assets it owns, and consequently, the costs incurred are also greater, causing management to be less effective in gaining profits.

The Effect of Sales Growth on Company Performance. The definition of sales growth according to [Brigham and Houston \(2019\)](#), 'in bearing the burden of debt, companies with relatively stable sales levels are safer than those that are not. Sales growth is characterized by an annual increase in sales, accompanied by a corresponding increase in assets. Sales growth refers to a company's ability to maintain its economic position amid economic fluctuations and within its respective business sector. The greater the level of sales growth, the more direct its impact will be on the increase in company performance ([Kasmir, 2018](#)). The sales growth ratio is used to measure the level of sales growth in a period. One of the efforts that companies can make to maintain company performance is by increasing sales value ([Harahap, 2011](#)). Profit is the primary goal of every company; achieving a significant profit indicates that the company's performance is running well. If sales growth is rapid, the company's ability to generate a profit also has the potential to be higher. Therefore, it is essential to measure sales growth. However, rapid growth also requires human resources to work optimally. Therefore, growth is one of the factors that influences company performance ([Sunardi & Sasmita, 2019](#)). Research conducted by [Yuniastuti \(2019\)](#) indicates that sales growth, as measured by a growth proxy, has a positive impact on company performance. Research conducted by [Rahayu and Mulyani \(2024\)](#) indicates that the sales growth variable has a significant impact on financial performance. In contrast to the results of research conducted by [Felicia \(2021\)](#), which stated that sales growth did not have a significant effect on company performance because high sales growth was accompanied by additional costs and assets, resulting in less than optimal profit increases. A similar study conducted by [Puspita and Hermanto \(2023\)](#) found that the sales growth variable did not significantly affect company performance. Sales growth is not the main driving factor that affects company performance.

3. Research Method

In this study, the research object is a state-owned company that carried out financial restructuring for as many as 9 companies between 2018 and 2023. The data source for this study was obtained from the results of analyzing financial reports and performance reports that were the subjects of research in a time series. The researcher limited the year of his research to the last 6 years. The approach in this study is quantitative. Quantitative research aims to determine the extent to which financial restructuring, company size, and sales growth influence company performance (as measured by the balanced scorecard) in state-owned companies throughout Indonesia. The dependent variable is the company's financial performance (balanced scorecard) with indicators of financial perspective, customer perspective, internal business perspective, growth and learning perspective. The independent variables are financial restructuring, company size, and sales growth. The key indicators of financial restructuring include the current

ratio, debt-to-equity ratio, and return on equity. The indicator of company size is the natural logarithm of total assets. The indicator of sales growth is the ratio of sales for the current period to sales for the previous period. The population of this study is 21 state-owned companies that carried out financial restructuring in 2018 - 2023, namely PT Survai Udara Penas, PT Kertas Leces, PT Industri Gelas, PT Industri Sandang Nusantara, PT Kertas Kraft Aceh, PT Merpati Nusantara Airlines, PT Bio Farma, PT Bahana Pembinaan Usaha Indonesia, PT Perusahaan Pengelola Aset, PT Perusahaan Listrik Negara, PT Bank Rakyat Indonesia, PT Pelabuhan Indonesia, PT Perusahaan Perdagangan Indonesia, PT Aviassi Pariwisata Indonesia, PT Biro Klasifikasi Indonesia, PT Rajawali Nusantara Indonesia, PT Len Industri, PT Danareksa, PT Semen Indonesia, PT Mineral Industri Indonesia, and Perum Damri. The sampling technique used in this study is Purposive Sampling. In this study, the sample consists of a company that publishes financial reports and performance reports for the years 2018-2023. Based on the sampling criteria, this study utilizes 9 BUMN companies that have undergone financial restructuring and publish complete financial reports and performance reports for the period 2018-2023. The data collection method used in this study is a quantitative documentation method, which involves recording and collecting data in numerical form, accessed through the company's website for the period 2018-2023. The data was processed using the Principal Component Analysis (PCA) method. PCA is a statistical technique that transforms most of the original variables, which are correlated with each other, into a new set of smaller and independent variables. Principal component analysis (PCA) is helpful for reducing data, making it easier to interpret and understand. The instruments used in this study are Financial Reports and Performance Reports, which serve as the samples for the period 2018-2023. The type of data used is secondary data, specifically financial report data and performance reports of BUMN Companies for the period 2018-2023. The analysis model used in this study is multiple regression analysis.

4. Findings and Discussions

In this analysis, the direction of the relationship between the independent variables and the dependent variable will be determined linearly, allowing for the calculation of regression coefficients and their significance.

Table 1. Regression Result

Model	Unstandardized Coefficients				Collinearity Statistics	
	B	Std. Error	t	Sig.	Tolerance	VIF
1 (Constant)	,102	,196	,519	,606		
Financial Restructuring (X1)	-,031	,033	-,953	,345	,784	1,276
Firm Size (X2)	,151	,057	2,637	,011	,999	1,001
Sales Growth (X3)	,361	,061	5,911	,001	,784	1,275

In this study, multiple linear regression analysis was tested using a linear equation model as follows:

$$Y = 0.102 - 0.031X_1 + 0.151X_2 + 0.361X_3.$$

Based on the linear equation model above, it can be concluded that: 1) The regression equation has a positive constant value, which is 0.102, meaning that if the independent variables X1, X2, and X3 expressed by financial restructuring, company size, and sales growth are assumed to be the same or equal to zero, then the company's performance value (balanced scorecard) is 0.102.

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2) The financial restructuring regression coefficient is negative, at -0.031; this indicates a negative relationship between the financial restructuring variable and company performance, meaning that if financial restructuring increases, assuming other variables are constant, then the company's performance decreases by -0.031. 3) The regression coefficient for company size is positive, at 0.151, indicating a positive relationship between the company size variable and company performance. This means that if company size increases, assuming other variables remain constant, then company performance also increases by 0.151. 4) The regression coefficient for sales growth is positive, at 0.361, indicating a positive relationship between the sales growth variable and company performance. This means that if sales growth increases, assuming other variables remain constant, then company performance increases by 0.361.

Table 2. F-test

Model	ANOVA ^a					Sig.
	Sum of Squares	df	Mean Square	F		
1 Regression	,276	3	,092	20,110		<,001 ^b
Residual	,229	50	,005			
Total	,505	53				

a. Dependent Variable: Firm Financial Performance (Y)

b. Predictors: (Constant), Sales Growth (X3), Firm Size (X2), Financial Restructuring (X1)

Based on the results of the F-test, the data obtained shows that the calculated f-value is 20.110 with a significant F of 0.001 smaller than 0.05 while the table f-value is 2.78 (obtained from a sample of 54, 3 independent variables) then it can be concluded that the calculated f-value > f-table or $20.110 > 2.78$ and significant $f < 0.05$ means that there is an influence of financial restructuring, company size and sales growth on company performance (balanced scorecard) in BUMN companies throughout Indonesia, so H_0 is rejected and H_a is accepted.

Table 3. t-test

Model		t	sig
1	(Constant)	,519	,606
	Financial Restructuring (X1)	-,953	,345
	Firm Size (X2)	2,637	,011
	Sales Growth (X3)	5,911	,001

Based on the results of the t-test, the influence and relationship between the independent variables of financial restructuring (X1), company size (X2), and sales growth (X3) on the dependent variable of company performance (Y) are examined, with a t-table of 1.675 and a significance level of 0.05. 1) The first hypothesis (H_1) is that there is no influence of financial restructuring on company performance (as measured by the balanced scorecard) in BUMN companies throughout Indonesia. The results of the partial test obtained a t-value of -0.953 and a t-table of 1.675 so that $t\text{-value} < t\text{-table}$ and a significance value of $0.345 > 0.05$, then H_0 is accepted H_a is rejected. So, financial restructuring does not have a significant effect on company performance (balanced scorecard). 2) The second hypothesis (H_2) is that company size has an influence on company performance (as measured by the balanced scorecard) in BUMN companies throughout Indonesia. The partial test results obtained a t-count value of 2.637 and a t-table of 1.675, so that $t\text{-value} > t\text{-table}$ and a significance value of $0.011 < 0.05$, then H_0 is rejected, and H_a is accepted. So, company size has a significant effect on company performance (balanced scorecard). 3) The third hypothesis (H_3) is that sales growth has an

effect on company performance (as measured by the balanced scorecard) in BUMN companies throughout Indonesia. The partial test results obtained a t-value of 5.911 and a t-table of 1.675, so that $t\text{-value} > t\text{-table}$ and a significance value of $0.001 < 0.05$, then H_0 is rejected, and H_a is accepted. So, sales growth has a significant effect on company performance (balanced scorecard).

The Effect of Financial Restructuring, Company Size, and Sales Growth Simultaneously on Company Performance (Balanced Scorecard) in BUMN Companies Throughout Indonesia. Based on the results of the t-test, it shows that H_0 is rejected and H_a is accepted. This means that financial restructuring, company size, and sales growth have a significant effect on company performance (balanced scorecard). The review or proof of this hypothesis can be understood as a condition where the three independent variables of Financial Restructuring, Company Size, and Sales Growth together are able to influence the dependent variable of Company Performance. Based on the results of this study, in line with the theories of [\(Norley, Swanson & Marshall, 2008\)](#), [\(Hery, 2017\)](#), and [\(Kasmir, 2018\)](#), several factors that affect company performance include financial restructuring, company size, and sales growth. The results of this study are supported by the research of [Felicia \(2021\)](#), entitled "The Effect of Asset Management, Sales Growth, Leverage, and Company Size on Company Performance." The results of the study show that asset management, sales growth, leverage, and company size all have a simultaneous impact on company performance. The practical implications of the combined influence of financial restructuring, company size, and sales growth on company performance are crucial for management, shareholders, and other stakeholders to understand. The combination of effective financial restructuring, optimal company size, and healthy sales growth will have a positive impact on company performance, both in terms of profitability, operational efficiency, and company value.

The Effect of Financial Restructuring on Company Performance (Balanced Scorecard) in State-Owned Enterprises Throughout Indonesia. Based on the results of the t-test, it shows that H_0 is accepted and H_a is rejected. This means that financial restructuring has no significant effect on company performance (as measured by the balanced scorecard) in State-Owned Enterprises throughout Indonesia. This shows that there is no significant effect on the independent variable on the dependent variable. So, the conclusion is that financial restructuring does not affect company performance (balanced scorecard). Based on theory, financial restructuring is the process of reorganizing a company's financial structure with the primary aim of enhancing the company's financial performance, thereby making it healthier and more resilient in various economic conditions. Financial restructuring can have a significant impact on company performance by improving problematic operational and financial aspects. From the left side of the balance sheet, companies can increase operational efficiency and utilize less-than-optimal assets to enhance cash flow and competitiveness. From the right side of the balance sheet, financial restructuring can reduce the company's capital costs. Companies with expensive capital structures require financial restructuring to reduce corporate debt to sustainable levels in the long term. The results of measuring financial restructuring in this study using the liquidity ratio (current ratio), solvency ratio (debt to equity ratio), and profitability ratio (return on equity). The Current Ratio indicator is calculated by dividing a company's current assets by its current liabilities. The higher the percentage level of the current ratio, the more stable the company's liquidity position [\(Krause & Arora, 2019\)](#). An optimal current ratio indicates good financial management, healthy liquidity, and stability that support better company performance. However, a current ratio that is too high or too low can signal problems that affect the company's

performance in terms of efficiency and long-term stability. Company performance does not only depend on the current ratio but must also be viewed in conjunction with other financial indicators. Sufficient current assets enable the company to meet its short-term obligations, ensuring operational continuity through payments such as salaries, rent, and raw material purchases. Current assets are crucial for supporting business continuity, but they must be managed optimally. It's not just about how much or how little, but how well the current assets rotate and support the company's productivity and profitability. The Debt to Equity Ratio is calculated by dividing the total debt (both long-term and short-term) by the total equity of the company. For banks (creditors), the higher this ratio, the more profitable it will be because the greater the risk borne for failure that may occur in the company. However, for companies, the higher the ratio, the better. Conversely, with a low ratio, the level of funding provided by the owner is higher, and the safety limit for loans in the event of losses and depreciation of asset values is greater. The Debt-to-Equity Ratio (DER) is closely related to a company's financial risk and strategy. A high ratio can provide greater growth opportunities through the use of debt, but it also increases financial risk and reduces the company's stability if not managed wisely. Conversely, a low ratio indicates lower financial risk and financial stability but may reduce the company's growth potential if it does not optimally utilize leverage opportunities. Therefore, the DER ratio must be viewed in the context of the industry, market conditions, and the company's growth strategy to assess its impact on the company's performance. The high or low debt-to-equity ratio (DER) can either encourage or hinder the company's performance, depending on how the company manages its debt. The Return on Equity (ROE) indicator is calculated by dividing the company's net profit by its total equity. This ratio indicates the effectiveness of utilizing equity. The higher the return on equity, the better, meaning that the position of the company owner is stronger. Conversely, the lower the return on equity, the worse it is, and the position of the company owner is weaker ([Kasmir, 2018](#)). Return on Equity (ROE) is a key indicator that measures the extent to which a company can generate profits from the equity invested by its shareholders. A high return on equity (ROE) generally correlates with good company performance, indicating efficient resource management and high profitability. However, it is essential to understand the context behind the ROE figure, including whether the company utilizes debt to enhance returns (leverage) and how sustainable those profits are in the long term. Conversely, low or negative ROE indicates challenges in profitability and equity management, which can have a negative impact on company performance and investor perception. A high return on equity (ROE) means that the company is efficient in utilizing its own capital to generate profits. A high return on equity (ROE) without being supported by large debt indicates that the company is indeed efficient. In this study, financial restructuring does not significantly affect company performance (as measured by the balanced scorecard); therefore, the results do not support the theory and previous research conducted by Roni (2021), which suggest that company performance improves after the financial restructuring is implemented and in terms of financial ratios, profitability, liquidity, solvency, and activity ratios also improved after the implementation of financial restructuring. Financial restructuring has considerable implications for saving or strengthening a company's financial position. If done correctly, this could be a turning point from crisis to recovery or even growth. Financial ratios often fail to capture the long-term benefits of restructuring, such as increased organizational capabilities. However, the success of restructuring can be observed in increased customer loyalty or process efficiency rather than solely through financial figures. Successful financial restructuring can provide significant benefits to a company, including increased liquidity, reduced financial burden, enhanced profitability, and a lower risk of bankruptcy. However, this

process can also pose challenges, such as the risk of equity dilution or a negative impact on stock prices in the short term. The success of restructuring depends heavily on effective management, clear communication with creditors and investors, and the implementation of strategies that can support the company's long-term growth.

The Effect of Company Size on Company Performance (Balanced Scorecard) in State-Owned Enterprises Throughout Indonesia. Based on the results of the t-test, it shows that H_0 is rejected and H_a is accepted. This means that company size has a significant effect on company performance (balanced scorecard) in State-Owned Enterprises throughout Indonesia. This indicates that the higher the disclosure of company size, the higher the company's performance (as measured by the balanced scorecard). Larger companies can often benefit from economies of scale. This means that companies can reduce costs per unit of production by increasing their production volumes. With larger capacities, companies can also purchase raw materials or services at lower prices, thereby increasing profit margins and operational efficiency. Company size can affect performance in complex and diverse ways. On the one hand, large companies can enjoy the advantages of scale, access to financing, and greater innovation capabilities, which support better performance. On the other hand, organizational complexity can be a challenge that limits the ability of large companies to adapt quickly to market changes and remain competitive. Therefore, the effect of company size on performance is highly dependent on how the company manages challenges and utilizes available resources. Company size can affect the ability to align strategic objectives with performance indicators. Large companies with more resources can more easily implement a comprehensive, balanced scorecard, creating integration between vision and operational actions. This enables management to make more informed and comprehensive decisions with a direct focus on key elements that contribute to long-term success. Based on theory, company size is a measure that reflects the size of a company based on specific criteria used to measure the scale of operations and resources owned. Company size is considered to have a significant influence on company performance. Company size refers to the size of a company, which can be expressed in terms of total assets or total net sales. The greater the total assets or sales, the larger the company. The greater the assets, the greater the capital invested. Meanwhile, the more sales, the more money turnover in the company ([Sujarweni, 2015](#)). The results of this study align with those of [Partiwi and Herawati \(2022\)](#), which found that the size of the company has a significant positive effect on company performance. Large companies tend to attract investors because the larger the company, the more complex its operational activities and financial transactions will be, which can increase the company's profits and ultimately impact its economic performance. Similar research was also conducted by [Tamara and Khairani \(2023\)](#), which stated that company size has a significant influence on company performance. However, this study differs from the results of research conducted by [Mikha & Totok \(2018\)](#), which examined the effect of company size on company performance. It was found that the company size variable had no significant impact on company performance. Similar research was also conducted by [Felicia \(2021\)](#), who found that company size had no substantial effect on company performance. The larger the company, the greater the assets it owned, which in turn led to higher costs incurred, causing management to be less effective in generating profits. Company size significantly impacts the ability to innovate, grow, and survive in a competitive environment while also presenting management and efficiency challenges. Large companies can achieve better economies of scale, which enables them to reduce costs per unit as production volume increases. This can increase profit margins and operational efficiency because high fixed costs can be shared with more

production units. Company size is often associated with easier access to financial resources. Large companies can access external financing, either in the form of loans or equity, at lower interest rates and more favorable terms because they are considered more stable and pose a lower risk to investors or creditors. Larger companies have more resources to invest in innovation and research and development, which allows them to produce new, better, or more efficient products or services. This will enable them to increase their competitiveness and performance in the market. Larger companies also often have a greater competitive advantage than smaller companies. They can leverage their established brand awareness, extensive distribution networks, and more efficient marketing strategies. This gives them an edge in gaining customers and maintaining market share.

The Effect of Sales Growth on Company Performance (Balanced Scorecard) in State-Owned Enterprises Throughout Indonesia. The results of the t-test indicate that H_0 is rejected and H_1 is accepted. This means that company size has a significant effect on company performance (balanced scorecard) in State-Owned Enterprises throughout Indonesia. This indicates that the higher the disclosure of a company's sales growth, the better the company's performance. Sales growth is directly related to an increase in company revenue, which, in turn, can lead to increased profitability. When sales increase, the company earns more revenue from its business activities, which can be used to cover fixed costs and increase profit margins. Significant sales growth indicates that the company has successfully increased its market share, thereby enhancing its competitive position in the market. This suggests that the company's products or services are more widely accepted by consumers, resulting in a stronger market position. Stable and high sales growth can increase investor confidence, which in turn can positively impact the company's stock performance and its ability to secure additional financing. Investors often see sales growth as a sign that the company is on the right track and is able to overcome market challenges. Significant sales growth is usually accompanied by organizational expansion and additional workforce. This can provide an opportunity for companies to recruit new talent, develop existing employees, and increase workforce productivity. Based on theory, sales growth is a measure or indicator that shows the level of increase in a company's sales in a specific period compared to the previous period. Sales growth is characterized by an annual increase in sales, accompanied by a corresponding increase in assets. Sales growth refers to a company's ability to maintain its economic position amid economic fluctuations and within its respective business sector. The greater the level of sales growth, the more direct its impact will be on increasing company performance ([Kasmir, 2018](#)). Profit is the primary goal of every company; achieving a significant profit indicates that the company's performance is running well. If sales growth is rapid, the company's ability to make a profit also has the potential to be higher, so it is essential to measure sales growth. However, rapid growth also requires human resources to work optimally. Therefore, growth is one of the factors that influence company performance ([Sunardi & Sasmita, 2019](#)). The results of this study are in line with those of tests conducted by [Rahayu and Mulyani \(2024\)](#), which showed that the sales growth variable has a significant influence on company performance. However, this study differs from the results of research conducted by [Felicia \(2021\)](#), which stated that sales growth does not have a significant effect on company performance because high sales growth is accompanied by additional costs and assets, making it less than optimal for increasing profits. A similar study conducted by [Puspita and Hermanto \(2023\)](#) found that the sales growth variable does not affect company performance. Sales growth directly increases a company's revenue, allowing it to cover fixed and variable costs more quickly. Once fixed costs are covered, net income tends to increase,

resulting in higher profit margins. With sales growth, a company can achieve economies of scale. This means that the company can produce more goods at a lower cost per unit since most of the fixed costs can be shared across a larger number of products. Sales growth gives investors and creditors confidence that the company has good and stable business prospects. This enhances the company's ability to secure additional financing or capital for expansion or other major projects at a lower cost. Significant sales growth enables the company to invest more in employee training and development, incentivizing the workforce to continue improving productivity and skills.

5. Conclusion

It can be concluded that financial restructuring, company size, and sales growth simultaneously influence company performance (as measured by the balanced scorecard) in BUMN Companies throughout Indonesia. Companies are advised to communicate their performance results more effectively to all stakeholders, including management, employees, and investors. Ensure that the report encompasses all aspects of the balanced scorecard to provide a comprehensive view of the company's performance. The results of the study indicate that financial restructuring does not affect company performance (as measured by the balanced scorecard). Therefore, researchers suggest that there be more detail in determining indicators so that this study can support previous studies. The survey results, which show that company size and sales growth affect company performance (as measured by the balanced scorecard), suggest that other variables may also impact company performance. Additionally, the data used should also encompass information from multiple companies and years so that the study's results can be more diverse and contribute to a broader range of companies.

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