

THE ROLE OF FINANCIAL RATIOS ON OPTIMIZING COMPANY PERFORMANCE AT PT ANGKASA PURA RETAIL

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Abstract

In the middle of a situations that are getting full of uncertainty, both caused by external conditions such as the global economic crisis, the covid 19 pandemic and internal conditions such as declining financial performance and HR productivity, it is necessary for the organization's responsiveness to anticipate any changes by adjusting to a changing business environment that has the potential to create opportunities and risks for the organization, so it is important for the organization to carry out risk management. In this study, secondary and primary data types are used. Secondary data is information that is already accessible or controlled by another party, in this example PT Angkasa Pura Retail, in the form of company financial reports, whereas primary data is information that researchers handle directly in the form of revenue enhancement data. Based on the results of data analysis that has been done in the previous chapter, as well as to answer the problems of this research, the conclusions made in this research as follows: 1. PT. Angkasa Pura Retail's performance is significantly impacted negatively by corporate risk between 2020 and 2022. 2. PT. Angkasa Pura Retail, innovation capabilities significantly improve company performance between 2020 and 2022. 3. From 2020 to 2022, the performance of the company at PT. Angkasa Pura Retail is unaffected by leverage. 3. From 2020 to 2022, PT. Angkasa Pura Retail's performance is significantly impacted by liquidity. 4. From 2020 to 2022, growth will have a substantial beneficial impact on the corporate performance at PT. Angkasa Pura Retail. 5. Corporate risk, innovation capability, leverage, liquidity, and growth have a significant effect on company performance at PT. Angkasa Pura Retail period from 2020 to 2022.

Keywords: finance against; performance optimization; retail

Introduction

In the middle of a situations that are getting full of uncertainty, both caused by external conditions such as the global economic crisis, the covid 19 pandemic and internal conditions such as declining financial performance and HR productivity, it is necessary for the organization's responsiveness to anticipate any changes by adjusting to a changing business environment that has the potential to create opportunities and risks for the organization, so it is important for the organization to carry out risk management. Opportunities can be an opportunity for the organization to go several levels better while risk is a potential loss and failure, which can even lead to bankruptcy positions. Risk is defined as an unfavorable incident or the potential that the outcomes produced may differ from what is expected.

Data from the Ministry of Tourism and Creative Economy in 2020 shows that the tourism sector is under enormous pressure in the Indonesian economy due to the Covid-19 pandemic. This has led to a decrease in foreign exchange earnings, limited employment opportunities, and opportunities to do business in the tourism sector. The number of foreign tourists decreased by 74.84 percent in 2020 to 4 million tourists.

Meanwhile, the number of domestic tourists is around 518 million throughout 2020. Meanwhile, based on the number of visitors to the tourism sector in Indonesia throughout 2020, the majority are domestic visitors compared to foreign visitors. The number of Indonesian visitors reached 193.63 million people, covering 98.22 percent of the total visitors throughout 2020.

According to data from the Ministry of Tourist and Creative Economy for 2021, the tourism sector is now contracting in all nations. In Indonesia, the contraction can be seen in terms of tourist visits, both foreign and domestic tourists, whose numbers have decreased. Foreign tourist visits contracted by almost 74.9% or around four million, while the number of domestic tourist visits decreased by almost 30% or 198 million. As a result, the tourist industry's contribution to GDP has been disrupted. In terms of foreign exchange, the contraction was almost 90% or US\$3.4 billion. The Covid-19 pandemic has also had an impact on the tourist industry, which has decreased by 6.67%, or around 13.67 million employees. This is one of the effects of Covid-19 on the tourist impact. The number of foreign tourists from the American continent visiting Indonesia in 2021 has decreased very sharply. The number of tourists from the United States (US) and Canada contracted, falling by around 79% and 77% respectively. These figures show that the tourism situation in Indonesia has not yet recovered, not even gradually recovered. However, the tourism sector business began to improve in 2022. This is evidenced by the fact that the number of international tourist movements (foreign tourists) visiting Indonesia in June 2022 will reach 345.44 thousand visits. In comparison to June 2021, this statistic increased by about 2,000 percent, or 1,973.96 percent. The number of international tourist visits to Indonesia through the major gates reached 743.21 thousand from January to June 2022. When compared to the same period in 2021, this value climbed by 929.66 percent. In June 2022, the room occupancy rate (TPK), also known as star-rated hotel occupancy, in Indonesia reached 50.28 percent, an increase of 11.73 points over the previous month. The June 2022 TPK also increased by 0.43 points as compared to May.

The declining state of the tourism business during the Covid 19 pandemic has had an effect on the deterioration of the aviation industry in Indonesia. This is as stated by the Director General of Civil Aviation, Ministry of Transportation that the Covid-19 Pandemic has made all airports in the world lose their activities, namely aircraft flight activities from one city to another from one country to another, including in Indonesia. In terms of air transportation, due to the pandemic, airline companies that have air transportation modes both domestic routes and those with wide access to international routes have closed their routes.

Risk management strives to manage these risks in order to get the best possible results. In the framework of organizations, there will be several risks. If the organization is unable to handle risks effectively, it may suffer losses. As a result, the risks that the organization faces must also be controlled in order for the organization to survive or possibly optimize the risks.

One type of company that also needs to manage risk properly due to challenges both from the external and internal sides is a retail company. Where the retail industry continues to change every year and there are always new challenges that must be faced by players in the competitive retail industry. The high level of competition and risk in the retail industry in Indonesia can be seen from several well-known retail companies that decided to close their stores, including Debenhams, Lotus, and 7-Eleven.

PT Angkasa Pura Retail, like one of the retail companies, is also embroiled in severe rivalry in this industry and confronts business risks. (Andersen, 2008) found that effective risk management results in a significant positive effect on firm performance. Furthermore, (Andersen, 2008) shows that companies with varying degrees of innovation will have varied risk management effects.

Similarly, (Gupta, 2011) studied risk management in Indian firms and investigated the causes for the adoption or non-acceptance of an integrated risk management methodology. According to (Gupta, 2011), while effective risk management may improve organizational performance, firms lack the necessary infrastructure to undertake enterprise-wide risk management. (Gupta, 2011) found that a significant shift in risk perception is necessary to create a risk culture across business sectors and promote risk management adoption.

Method

In this study, secondary and primary data types are used. Secondary data is information that is already accessible or controlled by another party, in this example PT Angkasa Pura Retail, in the form of company financial reports, whereas primary data is information that researchers handle directly in the form of revenue enhancement data. Data is gathered by entering all pertinent information in the company's annual report. The data utilized are registered and publicized company performance reports from 2020 to 2022. The data source in this study is from PT. Angkasa Pura Retail

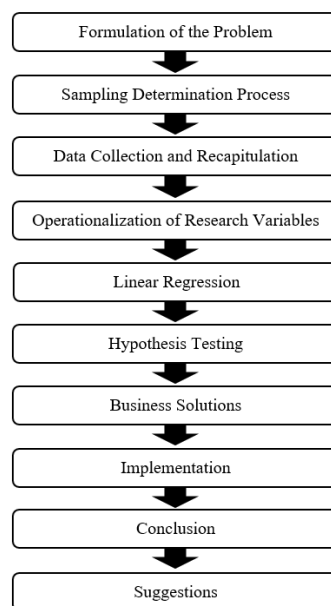


Figure 1 Research Framework

Research variables are basically anything in any form that researchers decide to study in order to gather knowledge about it and then draw conclusions (Sugiyono, 2018). The operational definition of a variable is the operational understanding of the variable (as given in the concept definition) within the scope of the research object/object researched. The operational definition of research variables is a description of each variable used in the study of the indicators that make up the variable. The variables used in the research are:

1. Independent Variable

Independent variables, according to (Sugiyono, 2017), are factors that are commonly referred to as stimulus, predictor, and antecedent variables. It is commonly referred to as the independent variable in Indonesian. The independent variable is the variable that impacts or causes the dependent variable to change or emerge. Corporate risk (X1), innovation capability (X2), leverage (X3), liquidity (X4), and growth (X5) are the independent variables considered in this study.

2. Dependent Variable

(Sugiyono, 2017) defines the dependent variable as a variable that is frequently referred to as an output variable, criterion, or consequences. In Indonesian, it is generally referred to as the dependent variable, which is the variable that is influenced or resulting from the independent variable. The dependent variable in this study is corporate performance.

Table 1 Operationalization Variable
Data Collection Method

Variable	Operationalization	Skala
Corporate Risk (X1)	Standard deviation of annual net sales	Rasio
Innovation Capability (X2)	Revenue enhancement	Rasio
Leverage (X3)	Total debt divided by total equity	Rasio
Liquidity (X4)	Current assets divided by current debt	Rasio
Growth (X5)	Current sales subtract previous sales divided by previous sales	Rasio
Corporate Performance (Y)	Net profit (loss) divided by the average of total assets or the sum of equity and long-term debt	Rasio

The paradigm used in this study is a positivistic paradigm. In quantitative/positivistic research, which is based on an assumption that a symptom can be classified, and the relationship of symptoms is causal (cause and effect), this research can conduct research by focusing on just a few variables. The pattern of relationship between the variables to be examined is hereinafter referred to as the research paradigm

This study employs a quantitative method with an explanatory or causal design, with the goal of explaining how one variable influence or is responsible for changes in other variables. Corporate risk, innovation capability, leverage, liquidity, and growth are the independent variables in this study, while company performance is the dependent variable (Anabella & Siregar, 2022).

Data Analysis Method

The data analysis used in this study was multiple regression with the help of the EViews 10 program. Before carrying out multiple regression analysis and hypotheses, descriptive statistical tests were first carried out.

Descriptive Statistics Test

A distribution (data) is a computation of values from lowest to highest, as a consequence of incident tabulation. Descriptive statistical metrics are used to characterize the distribution's center, dispersion, and shape and are highly useful as preliminary tools for data description (Mabasa, 2022). The data distribution is described by the standard deviation, maximum value, and minimum value. Data with a higher standard deviation indicates that the data is more dispersed. The distribution of metric variables is described by standard deviation, maximum value, and minimum value.

Multiple Linear Regression Test

Multiple regression is employed as a descriptive tool in three contexts, according to (Hwang, Chen, Shadiev, Huang, & Chen, 2014) First, it is used to create self-weighted estimate equations to predict values for the dependent variable from values for numerous independent variables. Second, to control confusing factors so that the impact of other variables may be better evaluated. Third, put the causal hypothesis to the test and explain it. Multiple regression is utilized as an inference tool as well as a descriptive tool to test hypotheses and estimate populations.

In this study, the multiple regression analysis technique was utilized to assess the hypotheses, which involved a single dependent variable and two or more independent variables. Multiple regression can be used to address regression-related issues by including additional independent variables (Malhotra, 2017). Corporate performance is the dependent variable in this study, whereas the independent variables are corporate risk, innovation capability, leverage, liquidity, and growth. Thus, the multiple regression model in this study can be written in the form of an equation as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$$

Where:

Y	=	Company Performance
α	=	Constants
$\beta_1 - \beta_5$	=	Regression coefficients of each independent variable
X ₁	=	Corporate Risk
X ₂	=	Innovation Capability
X ₃	=	Leverage
X ₄	=	Liquidity
X ₅	=	Growth

ε = error term

Hypothesis Testing

To test the hypothesis, the following steps are taken: To test the hypothesis and the coefficient of determination, the t test and f test is utilized. In this study, the t test, f test and coefficient of determination tests are utilized to determine how much influence each independent variable has on the dependent variable.

Partial Hypothesis Test with T test

1. Determine t_{table}

To determine the first t_{table} , df (degree of freedom) is determined. In this study the specified α is 5%. df is obtained from the formula (n-k) or the amount of data minus the number of variables.

2. Determine t_{count}

3. To determine t_{count} , data processing was carried out using the EViews 10 statistical program tool.

$$t_{\text{count}} = \frac{r\sqrt{n-k}}{\sqrt{1-r^2}}$$

where to enter the formula

r = correlation coefficient

n = number of respondents

k = variable number

4. Compare t_{count} with t_{table} .

To determine whether the hypothesis is accepted or rejected with the following conditions:

$t_{\text{count}} < t_{\text{table}}$, means that H_0 is accepted (no effect)

$t_{\text{count}} \geq t_{\text{table}}$, means H_0 is rejected (effect)

5. Decision making

Decision making is done according to the results of the comparison of t_{count} with t_{table} .

To find out the t-table, the n-k provisions are used at a level of significance of 5% (error rate of 5% or 0.05) or a confidence level of 95% or 0.95. So if the error rate of a variable is more than 5%, it means that the variable is not significant (Hayter, 1986).

Simultaneous Hypothesis Test with F test

A test to determine how the effects of all independent variables combined against dependent variables are known as a F test, referred to as a concurrent test or Model Test/Anova test. Or to determine whether the regression model we develop is effective/significant or ineffective/non-significant (Ghozali, 2016). The steps of the test are as follows:

Creating the null hypothesis (H_0) and the alternative hypothesis (H_1).

$H_0: \rho = 0$, the expected independent variables together are not significant effect on the dependent variable.

$H_1: \rho \neq 0$, suspected substantial significant between independent variables and the dependent variable.

Set the test criteria are:

- Reject H0 if the significance number is greater than $\alpha = 5\%$
- Accept H0 if the significance number is less than $\alpha = 5\%$

Determination Coefficient Test

According to (Malhotra 2017: 525), the coefficient of determination (R²) is the strength of the association measured by the coefficient of determination (R²) ranging between 0 and 1 and reflecting the proportion of the total variation in Y that is recorded by variation X. Furthermore, (Malhotra 2017: 535) calculated diminishing returns by changing R², or the coefficient of determination, for the number of independent variables and sample size. Additional independent variables contribute little beyond the first few variables

Results and Dicsussion

Analysis

The research data were analyzed using both descriptive and inferential statistics. The descriptive statistical test aims to describe the distribution of data seen from the maximum, minimum, and average values, while the inferential statistical test, especially multiple linear regression, aims to test the research hypothesis, for further business solutions and implementation.

Descriptive Statistics

In this study, descriptive statistical analysis aims to find the research data's lowest, maximum, average (mean), and standard deviation values. The results of descriptive statistical tests on all variables can be seen in table IV.1 as follows:

Tabel 2 Descriptive Statistical Test Results

	ROA	RISK	INNOV	LEV	LIQ	GR
Mean	-0.245000	52.34667	150.6630	65.02700	0.895667	1.525667
Maximum	-0.168000	114.1650	224.8980	201.8620	0.973000	5.855000
Minimum	-0.356000	16.56500	2.317000	-9.128000	0.838000	-0.649000
Std. Dev.	0.098504	53.75631	128.4714	118.6414	0.069616	3.749326

Source: results of data processing with Eviews 10 (2022)

Where:

- Y : Company Performance (ROA)
- X1 : Corporate Risk (RISK)
- X2 : Innovation Capability (INNOV)
- X3 : Leverage (LEV)
- X4 : Liquidity (LIQ)
- X5 : Growth (GR)

Based on the descriptive statistical test table above, information is obtained that:

1. Company Performance (Y)

According to the data processing, the company performance (ROA) variable has a mean or average value of -0.245000, with a maximum value of -0.168000 in 2021 and a

lowest value of -0.356000 in 2020. With a standard deviation of 0.098504, this suggests that the average variable increased the most. The average variable company performance (ROA) increased by +0.098504, whereas the average variable company performance (ROA) decreased by -0.098504. These results explain that on average PT Angkasa Pura Retail's ability to generate ROA per year of -0.098504 is still relatively low because it is still very far below the risk free value of 4.25% (BPS, 2022). Or in other words, PT Angkasa Pura Retail has not managed to maximize its potential assets to generate returns.

2. Corporate Risk (X1)

According to the data processing, the corporate risk (RISK) variable has a mean or average value of 52.34667, with a maximum value of 114.1650 in 2022 and a minimum value of 16.56500 in 2021. The size of the highest rise in the average variable has a standard deviation of 53.75631. The greatest rise in the average corporate risk (RISK) variable is +53.75631, whereas the maximum reduction is -53.75631. These results explain that PT Angkasa Pura Retail's corporate risk level is medium, because the level of increase or decrease in the standard deviation is above the average value. This shows that PT Angkasa Pura Retail is quite vulnerable to external shocks which ultimately have an impact on internal performance. This condition can be seen from the Covid-19 pandemic that hit Indonesia in early 2020, which then made PT Angkasa Pura Retail's business sluggish which in the end made the company suffer losses in 2020. Things like this show that PT Angkasa Pura Retail is not ready to face risks or risk control by the management of PT Angkasa Pura Retail is still not optimal.

3. Innovation Capability (X2)

According to the data processing, the innovation variable (INNOV) has a mean or average value of 150,6630 with a maximum value of 224,8980 in 2021 and a minimum value of 2.317000 in 2022. With a standard deviation of 128,4714, the maximum rise in the average variable is possible. The largest rise in average variable innovation (INNOV) is +128,4714, whilst the maximum fall in average variable innovation (INNOV) is -128,4714, These results explain that PT Angkasa Pura Retail's level of innovation is very good, because the company's ability to record sales exceeds the target set by the company per year.

4. Leverage (X3)

Based on the data analysis, the leverage variable (LEV) has a mean or average value of 65.02700, with a maximum value of 201.8620 in 2021 and a minimum value of -9.128000 in 2022. With a standard deviation of 118.6414 the magnitude of the greatest increase in the average variable is. The average variable leverage (LEV) increases by +118.6414, while the maximum falls by -118.6414. These findings explain why PT Angkasa Pura Retail's debt ratio is relatively high on average, indicating that the entire debt carried by the firm is more than the total equity. With such a large debt level, if not managed properly by management, there will be a potential risk of default and can lead to bankruptcy. The condition of PT Angkasa Pura Retail's debt ratio which is 200 times

greater than equity because the company's equity has decreased very significantly to only IDR 600.606.544 in 2021.

5. Liquidity (X4)

According to the data processing, the liquidity variable (LIQ) has a mean or average value of 0.895667, with a maximum value of 0.973000 in 2020 and a lowest value of 0.838000 in 2021. With a standard deviation of 0.069616, the greatest increase in the average variable is shown. The largest gain in average variable liquidity (LIQ) is +0.069616, while the maximum loss in LIQ is -0.069616. These findings suggest that PT Angkasa Pura Retail's liquidity ratio is relatively secure, since there is still a 1:1 ratio between current liabilities and current assets, indicating that the company could meet its short-term obligations.

6. Growth (X5)

According to the data processing, the growth variable (GR) has a mean or average value of 1.525667, with a maximum value of 5.855000 in 2021 and a lowest value of -0.649000 in 2020. With a standard deviation of 3.749326, the magnitude of the greatest increase in the average variable is. The largest rise in average variable growth (GR) is +3.749326, while the maximum fall in average variable growth (GR) is -3.749326. These results explain that on average the growth rate of PT Angkasa Pura Retail is quite good, because the average growth value is greater than the standard deviation value which is the value of increase and decrease.

Multiple Linear Regression Analysis

The purpose of this study's multiple linear regression test is to identify the impact of corporate risk, innovation capability, leverage, liquidity, and growth on company performance. The results of several linear regression tests are shown in Table IV.2.

Tabel 3 Multiple Regression Test Results

Dependent Variable: ROA

Method: Least Squares

Date: 01/02/23 Time: 12:17

Sample: 2020Q1 2022Q4

Included observations: 12

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.277131	0.411809	3.101268	0.0211
RISK	-0.122530	0.029055	-4.217139	0.0056
INNOV	0.119338	0.027841	4.286362	0.0052
LEV	-0.000460	0.000877	-0.524423	0.6188
LIQ	0.052856	0.017643	2.995858	0.0241
GR	-0.060691	0.019261	-3.150990	0.0198
R-squared	0.980000	Mean dependent var	-0.245000	

Adjusted R-squared	0.970000	S.D. dependent var	0.102924
S.E. of regression	1.50E-06	Akaike info criterion	-23.67369
Sum squared resid	1.35E-11	Schwarz criterion	-23.43123
Log likelihood	148.0421	Hannan-Quinn criter.	-23.76345
F-statistic	103E+10	Durbin-Watson stat	1.757673
Prob(F-statistic)	0.000000		

Source: results of data processing with Eviews 10 (2022)

Based on Table IV.2 above, it can be concluded that the corporate risk, innovation capability, liquidity, and growth variables have an effect on company performance because they have a probability value smaller than alpha 0.05 while leverage has no effect on company performance because it has a probability value of 0,6188 is greater than alpha 0.05. And the F test or simultaneous test of corporate risk, innovation capability, leverage, liquidity and growth together affect company performance because it has a probability value of $0.0000 < \alpha 0.05$.

Hypothesis Testing

Testing this hypothesis is intended to test whether corporate risk, innovation capability, leverage, liquidity and growth affect company performance. The hypothesis test is divided into two parts, namely: 1. Partial hypothesis (t test), 2. Simultaneous hypothesis (F test). The results of the hypothesis as follows:

Partial Hypothesis Test (T test)

The T statistical test may be used to measure the influence of an independent variable on explaining the variance of the dependent variable. If the significance probability value of an independent variable is less than 0.05, it is considered to be a significant explanation of the dependent variable. The following are the findings of the partial hypothesis test in this study, as shown in table IV.3:

Tabel 4 Partial Hypothesis Results (T test)

No.	Variable	t	Sig.	Conclusion
1	<i>Corporate Risk</i>	-4.217139	0.0056	H1 Supported
2	<i>Innovation Capability</i>	4.286362	0.0052	H2 Supported
3	<i>Leverage</i>	-0.524423	0.6188	H3 Not Supported
4	<i>Liquidity</i>	2.995858	0.0241	H4 Supported
5	<i>Growth</i>	3.150990	0.0198	H5 Supported

Source: results of data processing with Eviews 10 (2022)

Table IV.3 contains the t test findings, which will be used to discuss the study hypothesis as follows:

Hypothesis 1

The first hypothesis in this study seeks to ascertain the impact of corporate risk factors on PT. Angkasa Pura Retail's performance. The following is the hypothesis:

H01= Corporate risk has not positive effect a company's performance.

Ha1= Corporate risk has positive effect a company's performance.

The predicted t value produced by the corporate risk variable is -4.217139 and is significant at 0.0056, as shown in Table IV.3. The estimated t value is more than the t table ($-4.217139 > 2.365$), and the significant value is less than 0.05 ($0.0056 < 0.05$), suggesting that H01 is rejected and Ha1 is approved. As a result, it is reasonable to assume that corporate risk has a negative influence on PT. Angkasa Pura Retail's performance.

Hypothesis 2

The second hypothesis in this study aims to determine the effect of innovation capability on company performance at PT. Angkasa Pura Retail. The hypothesis put forward is:

H02= Innovation Capability has not positive effect a company's performance.

Ha2= Innovation Capability has positive effect a company's performance.

Table IV.3 displays the computed t value for the innovation capability variable, which is 4.286362 and significant at 0.0052. The estimated t value is more than the t table ($4.286362 > 2.365$), and the derived significant value is less than 0.05 ($0.0052 < 0.05$), suggesting that H02 is rejected and Ha2 is approved. As a result, it is possible to infer that PT. Angkasa Pura Retail's innovation capabilities has a favorable impact on the company's performance.

Hypothesis 3

The third hypothesis in this study seeks to ascertain the impact of the leverage variable on PT. Angkasa Pura Retail's performance. The following is the hypothesis:

H03= Leverage has not positive effect a company's performance.

Ha3= Leverage has positive effect a company's performance.

The computed t value derived by the leverage variable is -0.524423 and is significant at 0.6188, as shown in Table IV.3. The estimated t value is less than the t table ($-0.524423 < 2.365$) and the significant value is more than 0.05 ($0.6188 > 0.05$), suggesting that Ha3 is rejected and H03 is approved. Thus it can be concluded that leverage has no effect on company performance at PT. Angkasa Pura Retail.

Hypothesis 4

The fourth hypothesis in this study is to ascertain the impact of changing liquidity on PT. Angkasa Pura Retail's performance. The following is the hypothesis:

H04 = Liquidity has not positive effect a company's performance.

Ha4 = Liquidity has positive effect a company's performance.

Table IV.3 displays the computed t value of the liquidity variable, which is 2.995858 and significant at 0.0241. The estimated t value is bigger than the t table

(2.995858 > 2.365), and the derived significant value is less than 0.05 (0.0241 > 0.05), suggesting that H04 is rejected and Ha4 is approved. As a result, it is possible to conclude that liquidity has a beneficial impact on PT. Angkasa Pura Retail's performance.

Hypothesis 5

The fifth hypothesis in this study is to ascertain the impact of growth factors on PT. Angkasa Pura Retail's performance. The following is the hypothesis:

H05 = Growth has not positive effect a company's performance.

Ha5 = Growth has positive effect a company's performance.

The computed t value acquired by the growth variable is equal to 3.150990 and is significant at 0.0198, as shown in Table IV.3. The estimated t value is bigger than the t table (3.150990 > 2.365) and the significant value is less than 0.05 (0.0198 < 0.05), suggesting that H05 is rejected and Ha5 is approved. As a result, it is possible to conclude that growth has a beneficial impact on PT. Angkasa Pura Retail's performance.

Simultaneous Hypothesis Test (F Test)

At the same time, the F test may be used to analyze the effect of the independent variables on the dependent variable. If the significant value is less than 0.05, the independent variables have an effect on the dependent variable at the same time. Table IV.4 displays the results of the F test in this inquiry.

Tabel IV.5 Simultaneous Hypothesis Results (F test)

F-statistic	103.10
Prob(F-statistic)	0.0000

Source: results of data processing with Eviews 10 (2022)

The results of the F test in Table IV.4 obtained an F-statistic value of 103.10 and a Prob (F-statistic) of 0.000000. When the estimated F value is less than the F table (103.10 > 4.120) and the probability is less than the significance threshold (0.000000 < 0.05), H06 is rejected; otherwise, Ha6 is approved. These results indicate that corporate risk, innovation capability, leverage, liquidity and growth simultaneously affect company performance at PT. Angkasa Pura Retail.

Determination Coefficient Test

The coefficient of determination (R²) measures the model's ability to explain the independent variable. Table IV.4 displays the results of the coefficient of determination test in this study:

The modified R² value is 1.000000 based on the data processing findings. This means that the independent variables examined in this study, namely corporate risk, innovation capability, leverage, liquidity, and growth, can explain 100% of the dependent variable, namely company performance.

Business Solution

Based on the results of hypothesis testing with multiple linear regression on corporate risk, innovation capability, leverage, liquidity and growth on company

performance, business solutions can be described that can be run by PT. Angkasa Pura Retail.

Effect of Corporate Risk on Company Performance

The first hypothesis illustrates that corporate risk has a computed t value bigger than t table ($-4.217139 > 2.365$) and a significant value less than 0.05 ($0.0056 < 0.05$). These findings suggest that corporate risk has a negative impact on company performance at PT. Angkasa Pura Retail from 2020 to 2022.

By managing the company's risk level properly, the company will be more focused on controlling various company risks that occur. Referring to stakeholder theory, all stakeholders have the right to information about how organizational activities are carried out (Phillips, Freeman, & Wicks, 2003). According to (Mardiana & Purnamasari, 2018) risk management is used as a basis for taking, defining, and implementing the right actions or steps for the company. Risk management is frequently viewed as impeding growth, delaying internal operations, and burdening a company's budget, among other things. A solid risk management system may help to control hazards and enhance financial performance.

This study's findings are consistent with those of (Mamari et al. 2022); (Ghazieh and Chebana 2019) find that risk management has a substantial negative association with performance. (Damayanti and Venusita's 2022) research found a negative association between a company's risk and its performance. Corporate risk, according to (Mohammed and Knapkova 2016) and (Bertinetti et al. 2013), has a negative impact on company performance.

There is a significant negative influence between company risk and company performance because the higher the risk, the lower the company's net profit. This happens because companies that have high risk, will bear the cost of financing capital which is also high, this will erode the company's profits. Besides that, high-risk companies are very vulnerable to changes in external conditions, so that it will be very easy to affect a decrease in sales or company revenue, which in turn will make the Return on Assets ratio also decrease.

Research results have proven that high corporate risk can reduce the level of company profitability. Therefore, business solutions that can be run by the management of PT. Angkasa Pura Retail, namely the need to strengthen the risk management team and carry out planning and measurable actions so that risks can be minimized. This can be done, among others by: identifying risks, in which the company's risk management must identify the possibility of risks that will arise both from internal and external factors, management also needs to analyze the impact arising from these risks from the impacts from mild to severe, then management also needs to prepare problem solving for risks that might arise, and finally take control measures. By exercising control will help the company to be able to evaluate if there is a shortage.

Effect of Innovation Capability on Company Performance

The second hypothesis illustrates that innovation has a computed t value bigger than t table ($4.2863 > 2.365$) and a significant value less than 0.05 ($0.0052 < 0.05$).

These findings suggest that PT. Angkasa Pura Retail's innovation capabilities has a beneficial influence on firm success from 2020 to 2022. This suggests that more innovation potential will lead to improved company performance.

According to (Fagerberg, Mowery, and Nelson 2006), the importance of innovation is emphasized in their study, which shows that innovative organizations have greater levels of production and income than less inventive companies. The Covid-19 pandemic that happened in Indonesia in 2020 resulted in a drop in revenues and assets controlled by PT. Angkasa Pura Retail, despite the fact that PT. Angkasa Pura Retail is claimed to have a high degree of innovation. Companies that innovate can extend their market and capitalize on new possibilities, resulting in increased profitability (Francis et al., 2020). These findings confirm the stakeholder theory which explains that companies do not only act in their own interests but must provide benefits to stakeholders. These benefits can be in the form of added value to improve the financial performance of the company's innovation activities.

The findings of this hypothesis corroborate the findings of (Jayani and Hui 2018), who found that effective innovation skills that help give more effective innovation outcomes result in greater performance, which benefits management. There is a considerable positive relationship between innovation capability and company performance, because companies with high innovation capabilities will be more effective and productive in their business operations procedures, resulting in reduced operating expenses. In addition, with innovation, companies have the ability to earn business income from various service businesses, this will increase company revenue so that the Return on Assets ratio increases.

Research results have proven that high innovation capability can increase the level of company profitability. Therefore, the management of PT. Angkasa Pura Retail needs to strengthen the research and development division and allocate sufficient budget to the R&D division so that they can more easily carry out research activities to discover new things. Besides that, companies also need to turn on the learning and sharing process in the corporate environment so that employees' innovative abilities increase so that the company's innovation capabilities increase.

Effect of Leverage on Company Performance

The third hypothesis illustrates that leverage produces a computed t value less than the t table ($-0.5224423 < 2.365$) and a significant value more than 0.05 ($0.6188 > 0.05$). These findings suggest that leverage has no influence on firm performance at PT. Angkasa Pura Retail between 2020 and 2022. High leverage cannot yet affect company performance.

The research results dismissed the theory expressed by (Modigliani Miller 1963) explaining that companies that have leverage will have higher performance than companies that do not have leverage, because the level of leverage is high, the interest expense is also high. As revealed by (Horne & Wachowicz in Nano 2020), financial leverage will be unfavorable (unfavorable) occurs when the company has income from using funds that is smaller than the fixed expenses that must be paid. The lower the debt

ratio, the better off the company. This signifies that just a tiny fraction of the company's assets are supported by debt; the higher this ratio, the larger the company's leverage. Inflated debt faced with weak capital conditions caused the company to no longer focus on its main goal, which is to generate profits. So that there is an insignificant effect because there is no performance efficiency from the company in optimizing capital to guarantee all of the company's debts.

This result is consistent with (Tambunan and Prabawani's 2018) finding that leverage has no influence on a company's financial performance. At the same time, our study rejects (Nano's 2020) finding that financial leverage has a substantial impact on the financial performance of PT. Japfa Comfeed Indonesia, Tbk. According to (Prastia and Hasanah's research 2022), leverage as measured by debt to assets has a negative influence on company performance, which means that the more the leverage, the poorer the company's performance. The results of the study show that the higher the debt, the lower the company's performance, this is because companies that have large debts will have a burden to pay interest and repay the principal of the debt, so that the company's operational costs become larger and have an impact on decreasing company profits.

Research results have proven that high leverage can reduce the level of company profitability. Therefore, the management of PT. Angkasa Pura Retail needs to increase its ability to generate profits, so that the company can use internal funding sources through retained earnings for business development. And to reduce the level of leverage, company management can also issue new shares to the parent company.

Effect of Liquidity on Company Performance

The fourth hypothesis illustrates that liquidity has a computed t value larger than the t table ($2.995858 > 2.365$) and a significant value less than 0.05 ($0.0241 < 0.05$). These findings suggest that liquidity has a beneficial impact on corporate performance at PT. Angkasa Pura Retail from 2020 to 2022. The high value provided by the current ratio may be stated to be a guarantee for the firm to be able to pay off its obligations that are due soon, because the high value of current assets is undoubtedly beneficial for the company.

The loss of a company's opportunity to earn additional profits is due to the use of funds required for investment which are then reserved to fulfill the liquidity aspect of the company. In this case the liquidity aspect is used as material in considering specifically for investors in investing. This is because high or low liquidity has an influence on financial performance from the company's equity side because liquidity is seen from the current assets side. High liquidity means that the company's ability to meet its short-term obligations is getting better. However, it can also be understood that the company entity misses out on further earnings since funds that should be used for beneficial investments are retained to fulfill liquidity. As a result, liquidity is employed as a metric to measure the effectiveness of business entities (Hermawan, 2017).

This study is consistent with previous research conducted by (Novela et al. 2020) which has the result that liquidity has a positive effect on financial performance. Likewise, (Nariman 2022) states that liquidity has a positive influence on company

performance. There is a significant positive relationship between liquidity and company performance because liquid companies can capitalize on every business opportunity more quickly, and because companies have better cash reserves to finance their investment activities, this has an impact on increasing company income, resulting in an increase in ROA.

Business solutions that can be run by the management of PT. Angkasa Pura Retail, among other things, always ensures that the company has a minimum liquidity ratio greater than 1, so that the company is always ready to fulfill short-term obligations, and the company is more flexible in taking advantage of business opportunities if the company is in a high liquidity condition.

Effect of Growth on Company Performance

The fifth hypothesis illustrates that growth results in a computed t value bigger than the t table ($3.150990 > 2.365$) and a significant value less than 0.05 ($0.0198 < 0.05$). These findings suggest that growth has an influence on the company's performance at PT. Angkasa Pura Retail from 2020 to 2022.

Sales growth represents the previous performance of the company's operations and may be used to forecast future growth. A company's capacity to sustain earnings and prospects will be impacted by sales growth. The capacity of a company to sustain earnings and possibilities in the future is dependent on the stability of its sales growth, and the firm's sales growth is an indication of successful development. Increased sales growth can be used as an aspect to assess that the company has increased financial performance. If a company has a low level of sales, it will affect profits and have an impact on a decreased level of financial performance (Sitanggang & Pratama, n.d.).

Research on growth on financial performance that has been carried out by (Asiandu & Malayudha, 2022), shows the results that company growth has a significant positive effect on company financial performance. (Fahlevi & Dewi, 2019) found that sales growth has a beneficial influence on a company's financial performance. This is consistent with the findings of Lutfi and (Sunardi & Sasmita, 2019), who indicated that the variable of sales growth had a beneficial influence on the company's financial performance. There is a large positive association between growth and company performance because expanding companies have income that grows year after year, implying that market share increases year after year; this circumstance boosts corporate profits and ROA.

Business solutions that can be implemented by company management include expanding market share, this can be done by forming an effective sales team so that sales levels increase and the company will grow significantly.

The Influence of Corporate Risk, Innovation Capability, Leverage, Liquidity, and Growth on Company Performance

The first hypothesis illustrates that corporate risk has a computed f value more than the f table ($103.10 > 4.120$) and a significant value less than 0.05 ($0.000 < 0.05$). These findings demonstrate that business risk, innovation capabilities, leverage, liquidity, and

growth all have a major impact on PT. Angkasa Pura Retail's success from 2020 to 2022.

These results explain that PT. Angkasa Pura Retail can pay attention to and manage the five factors, namely corporate risk, innovation capability, leverage, liquidity, and growth together so that the company's performance can be improved.

Implementation Plan & Justification

According to the above data, PT Angkasa Pura Retail has not been able to fully utilize all of its potential assets to produce returns, thus this implementation plan will place a greater emphasis on raising Return on Assets.

Tabel 6 Implementation Plan

Variable	Month and Year	Activity Plan
Corporate Risk	January - Maret 2023	Identify hazards, both internal and external, to strengthen the risk management division team.
Innovation Capability	Maret - Juni 2023	Utilize the funds for research and development activities as much as possible by undertaking study to find new business possibilities or product development.
Leverage	October 2023	Using debt restructuring procedures to reduce the company's leverage ratio, which lowers interest costs and boosts profitability by reducing interest expense.
Liquidity	January– December 2023	Always set aside money for idle funds so that the firm is prepared to take advantage of opportunities whenever a new business opportunity arises.
Growth	February-November 2023	Increasing market share to drive sales and promote business growth

Conclusion

Based on the results of data analysis that has been done in the previous chapter, as well as to answer the problems of this research, the conclusions made in this research as follows: 1. PT. Angkasa Pura Retail's performance is significantly impacted negatively by corporate risk between 2020 and 2022. 2. PT. Angkasa Pura Retail, innovation capabilities significantly improve company performance between 2020 and 2022. 3. From 2020 to 2022, the performance of the company at PT. Angkasa Pura Retail is unaffected by leverage. 4. From 2020 to 2022, PT. Angkasa Pura Retail's performance is significantly impacted by liquidity. 5. From 2020 to 2022, growth will have a substantial beneficial impact on the corporate performance at PT. Angkasa Pura Retail.

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