

## Year-End Closing Strategy Assessment and Employee Performance Assessment in Food and Beverage Industry Companies

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Article Information	ABSTRACT
Received: August 19, 2025	The food and beverage industry faces intense competition and operational complexity, particularly during year-end closing periods. This study examines the impact of year-end closing strategies and employee performance evaluation on operational efficiency and financial performance. A mixed methods approach was applied, combining quantitative surveys of managers and employees, qualitative in-depth interviews, and secondary financial data analysis. Quantitative data were analyzed using descriptive statistics and regression analysis, while qualitative data were processed through thematic coding. The results indicate that effective year-end closing strategies significantly improve operational efficiency, employee productivity, and achievement of business targets. The integration of closing strategies and performance evaluation also has a positive impact on financial performance, reflected by an average return on investment (ROI) of 12.3%. Best practices identified include interdepartmental coordination, technology utilization, and continuous performance monitoring. However, challenges such as reliance on manual systems and inconsistent appraisal standards remain. This study provides empirical evidence that aligning strategic management and human resource management enhances sustainability and competitiveness in the food and beverage industry.
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<b>Keywords:</b> year-end closing strategy; employee performance evaluation; operational efficiency; financial performance; food and beverage industry	



## 1. Introduction

Year-end closing represents a critical stage in the business management cycle, particularly within the food and beverage industry, which operates under high market volatility and intense competition. This process involves evaluating company performance, aligning operational strategies, and optimizing resources to ensure organizational sustainability and competitive advantage. Financial indicators such as operating cash flow, net profit margin (NPM), return on investment (ROI), and return on equity (ROE) are commonly used to assess performance and guide strategic decision-making [1,2].

The Indonesian food and beverage industry continues to experience significant growth, driven by rising disposable income and increased consumption [3]. Consequently, companies must continuously improve their strategic management and operational systems to remain competitive [4]. Effective year-end closing strategies enable organizations to enhance coordination, optimize inventory, and improve financial reporting accuracy, which are essential in highly dynamic business environments [5,6].

Employee performance evaluation also plays a central role in the successful implementation of closing strategies. Performance indicators such as productivity, effectiveness, and contribution to organizational goals are key determinants of business success [7]. Nevertheless, empirical studies integrating year-end closing strategies with employee performance evaluation remain limited, particularly in the context of the food and beverage industry.

Therefore, this study aims to analyze the effect of year-end closing strategies and employee performance evaluation on operational efficiency and financial performance in food and beverage industry companies. This research contributes to managerial practice by providing evidence-based insights into the strategic alignment of operations and human resource management.

## 2. Materials and Method

This study employed a mixed methods research design, integrating quantitative and qualitative approaches to obtain a comprehensive understanding of the research variables. Quantitative data were collected through a structured questionnaire distributed to managers and employees of food and beverage companies. The survey



measured perceptions of year-end closing strategies, employee performance evaluation, and operational effectiveness. A total of 120 respondents were selected using purposive sampling, focusing on individuals directly involved in operational and managerial functions.

Qualitative data were obtained through in-depth interviews with 10 operational and human resource managers to explore best practices, challenges, and strategic insights related to the closing process. Secondary data were collected from company annual reports to analyze financial performance indicators, particularly ROI.

Quantitative data were analyzed using descriptive statistics and multiple regression analysis to examine the influence of year-end closing strategies and employee performance evaluation on business performance. Instrument validity and reliability were confirmed through Pearson correlation and Cronbach's alpha testing. Qualitative data were processed using thematic coding to identify recurring themes and managerial implications.

### 3. Result

#### *Year Closing Strategy, Employee Performance Evaluation*

**Table 1. Effectiveness of Year-End Closing Strategy and Employee Performance Evaluation**

Variables	Indikator	Analysis results ( $\mu \pm SD$ )
Year end closing strategy	Operational efficiency	$85,4 \pm 6,2$
Employee performance evaluation	Productivity	$78,9 \pm 7,1$
	Contribution to business targets	$82,5 \pm 5,8$
Combined effects	ROI ( <i>Return on Investment</i> )	$12,3 \% \pm 1,5\%$

From table 1 the effectiveness of year-end closing strategy and employee performance evaluation above shows that the implementation of year-end closing strategy successfully increases operational efficiency, productivity, and contribution to business targets. This then has a positive impact on ROI, which reflects the



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financial sustainability of the company. Thus, this study confirms the importance of integration between year-end closing strategy and employee performance evaluation as a major factor in the success of company operations..

### *Interview Results on Best Practices and Challenges Faced by Companies*

**Table 2. Best Practices and Key Challenges Facing Companies**

<b>Best practices</b>	<b>The main challenge</b>
Optimal coordination between department	The complexity of stock management during high demand periods
Technology-based data usage	Reliance on manual systems slows down operations
Intensive training for employees	Limited time for training during the peak end-of-year rush
Continuous performance evaluation	Lack of consistent performance appraisal standards across departments

From table 2 on best practices and major challenges faced by this company, it shows that companies that successfully implement best practices, such as optimizing coordination and utilizing technology, can face complex challenges in the year-end closing process. However, obstacles such as reliance on manual systems and inconsistent evaluation standards remain issues that need to be resolved to improve the effectiveness of the closing strategy.

## **4. Discussion**

The results of the study show that an effective year-end closing strategy can improve operational efficiency, employee productivity, and contribute to achieving business targets. This is supported by a positive influence on ROI, which is an important indicator of financial performance. The following is an analysis of the research results and their relationship to relevant theories:

### *Effectiveness of Year-End Closing Strategy*

The results of the study show that the company's operational efficiency increased significantly ( $85.4 \pm 6.2$ ). Strategic management theory supports the importance of



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periodic strategic analysis and evaluation, as expressed by Porter in his theory of competitive advantage through operational efficiency and effectiveness [8]. This strategy enables companies to respond more effectively to dynamic market conditions.

Research indicates that operational efficiency in the food and beverage industry can be enhanced through automation, intelligent data analysis, and effective inventory management, thereby strengthening competitiveness [9]. Furthermore, the application of strategic planning tools such as the Quantitative Strategic Planning Matrix (QSPM) has been shown to improve organizational stability during crisis periods [10].

### ***Employee Performance Evaluation and Productivity***

Employee productivity increased by  $78.9 \pm 7.1$ , while contribution to business targets reached  $82.5 \pm 5.8$ . The employee performance evaluation theory proposed by Locke and Latham, emphasizing the importance of clear goals in enhancing motivation and performance, supports these findings [11].

Moreover, strategic management accounting practices have been proven to enhance operational efficiency through financial and non-financial performance measurements [12]. Empirical evidence from Indonesian manufacturing firms indicates that intellectual capital-based strategies, when moderated by effective business strategies, significantly improve financial performance [13].

### ***Integration Between Strategy and Performance Evaluation***

The combined effect of closing strategy and performance evaluation on ROI (12.3%  $\pm 1.5\%$ ) confirms the importance of synergy between strategic management and human resource management. The Balanced Scorecard framework emphasizes this integration in achieving optimal financial outcomes [11,14]. Empirical studies further demonstrate that strategic alignment positively affects financial performance in the food and beverage sector [15]. In addition, sustainable supply chain management strategies significantly enhance operational performance through effective resource optimization.



### ***Best Practices and Key Challenges***

Best practices such as interdepartmental coordination and technological utilization support strategy effectiveness. However, challenges including reliance on manual systems and inconsistent assessment standards require structured organizational change management approaches, as emphasized in organizational change theory [8].

## **5. Conclusions**

Based on the results and discussion, it can be concluded that an effective year-end closing strategy plays an important role in improving operational efficiency, employee productivity, and contributing to the achievement of the company's business targets in the food and beverage industry. The implementation of this strategy has been proven to have a positive impact on the company's financial performance, as measured by an ROI of  $12.3\% \pm 1.5\%$ . The effectiveness of this strategy is supported by best practices such as optimizing inter-departmental coordination and utilizing technology, although challenges such as reliance on manual systems and inconsistent evaluation standards are still major obstacles.

In addition, structured and ongoing employee performance evaluation is a crucial element in ensuring the successful implementation of the year-end closing strategy. Indicators such as productivity and contribution to business targets show significant improvements, reflecting the importance of objective and fair performance assessments in supporting the achievement of organizational goals. Therefore, the integration of the year-end closing strategy and employee performance evaluation is a complementary and essential approach for companies to improve competitiveness and operational sustainability in a competitive market.

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