

CHAPTER V CONCLUSIONS AND IMPLICATIONS

A. Conclusions

Based on the analysis of the technical efficiency of palm oil companies in Indonesia using the Data Envelopment Analysis (DEA) method, the following conclusions can be drawn:

1. Out of the total 10 palm oil companies, only 5 companies are operating at an efficient level, while the remaining 5 companies are not. The efficient palm oil companies are PT. Gozco Plantations Tbk, PT. Provident Investasi Bersama Tbk, PT. Pradiksi Gunatama Tbk, PT. Salim Ivomas Pratama Tbk, and PT. Sawit Sumbermas Sarana Tbk. To achieve efficiency, companies need to assets increase, reduce salaries and benefits, other costs, and financial costs.
2. To improve the technical efficiency of palm oil companies in Indonesia, there are 3 inputs that have excess usage and there is 1 input that must be added so that to reach an efficient level what must be done is increasing assets and reducing salaries and allowances, use of other costs and financial costs.

B. Implications

Based on the above conclusions, the researcher provides the following implications for palm oil companies in Indonesia and the government.

1. Assets

Effective management of variable assets involves good care and maintenance, optimizing use, managing inventory and receivables, as well as investing in technology and brand development. By managing assets efficiently, palm oil companies can increase productivity, reduce costs, and ultimately achieve higher levels of efficiency. This will contribute to better company performance and stronger competitiveness in the market.

2. Salary and Benefits

Effective salary and benefits management involves establishing a competitive salary structure, managing benefits in accordance with employee needs, implementing a performance-based incentive system, and controlling costs. By managing these variables efficiently, palm oil companies can increase employee motivation, productivity and satisfaction, which will have a positive impact on the company's operational efficiency level.

3. Other Costs

Management of cost variables such as raw material costs, energy, maintenance, transportation and administration must be carried out with a careful and sustainable strategy. By optimizing every aspect of these costs through efficiency, technology, negotiation and planning, palm oil companies can increase productivity and reduce expenses, thereby achieving a higher level of efficiency.

4. Financial Costs

Effective management of variable financial costs involves debt negotiation, financial administration automation, cash flow optimization, risk management, and regular cost evaluation. By implementing this strategy, palm oil companies can reduce financial costs, increase operational efficiency, and improve overall financial performance.

5. Total Revenue

Effective management of revenue variables involves setting competitive prices, increasing sales volume, diversifying products, and implementing careful marketing strategies. In addition, cash flow management and evaluation of revenue performance are also very important. By managing these aspects optimally, palm oil companies can increase revenues, operational efficiency and competitiveness in the market.

C. Limitations of the Study

This study uses the Data Envelopment Analysis (DEA) method, which means that the results are focused solely on the technical analysis of palm oil companies. However, efficiency encompasses three types: technical efficiency, allocative efficiency, and economic efficiency. Future research is expected to complement this study by addressing allocative efficiency and economic efficiency as well.