The purpose of this study is to get empirical evidence on whether financial condition, growth, and leverage have a significant effect on company sustainability. The sample research is 10 companies listed on the Indonesian Stock Exchange from 2014 to 2017 and participating in the CGPI survey conducted by the Indonesian Institute for Corporate Governance. Using multiple regression and moderated regression, the empirical results show that financial condition and leverage have a significant positive effect on company sustainability, meanwhile, growth does not have a significant effect on company sustainability. This study also tries to get empirical evidence that corporate governance moderates the effect between the financial condition and company sustainability, leverage and company sustainability, growth and company sustainability. The result shows that corporate governance does not moderate the relationship between financial condition and company sustainability, leverage and company sustainability, growth and company sustainability. Further study can use ASEAN CG Scorecard to obtain corporate governance scores and make a comparison between industries.

Keywords: Sustainability, Corporate Governance, Financial Condition, Growth, Leverage, Corporate Governance Perception Index

JEL Classification: G32, G33, G34, L25, M14

INTRODUCTION

An increasingly advanced economy has caused many companies to emerge. The number of companies that have sprung up has led to a higher level of competition. The higher level of competition causes various efforts by companies to maintain the sustainability of their businesses. Also, with the economic crisis that hit, many companies are increasingly shaken. Various attempts were made by the company to maintain the business. These efforts are generally short-term and profit-centered. This is because, when a company experiences a financial crisis, all its resources will be utilized as much as possible to help the company get through the crisis. The decision taken is a short-term decision so that the impact of the decision is immediately visible
for the benefit of the company. The decision taken will also focus on how to increase profits, such as increasing sales and reducing expenses, so that the company gets out of the financial crisis it faces.

It must be realized that short-term and profit-oriented decisions, can be detrimental to some company stakeholders, such as employees and the environment. Companies that want to maintain sustainability require support from all existing stakeholders. Making the wrong decision can worsen the crisis that the company faced. Therefore, the issue of business sustainability is increasingly being discussed. Searcy and Buslovich (2014) stated that companies are increasingly committed to sustainability, where commitment reflected in written policies that require companies to improve their economic, environmental, and social aspects. Ameer and Othman (2012) said that sustainability is related to the results of current actions on ecosystems, society, and future environment and these actions must be reflected in the company's strategic planning. There are many ways to improve progress in terms of economy, environment, and society. One of which is through sustainability reporting.

When a company experiences bad financial conditions, investors and creditors will have doubts about giving investment and loans to the company. This is because investors and creditors want to get a certain return and security that their loans and investments are safe. Inability to meet obligations when due without making the sale of most assets to outsiders, debt restructuring, improvement of forced operations from outside, and other similar activities can be an indication of bad financial conditions (Institut Akuntan Publik Indonesia, 2011).Previous studies that related to financial condition and sustainability are Arevalo and Aravind (2010); Karaman, et al (2018); and Cooper and Uzun (2019). The greater leverage indicating that the company uses more debt as their sources of funding, have a greater risk in regards to inaptitude to pay off obligations. When a company faces a greater risk in regards to its inaptitude to pay off its obligations, there are doubts regarding its sustainability. Therefore, the greater the leverage, the possibility that the company will maintain its sustainability will be lower. Previous studies that related to leverage and sustainability are Bhatia and Tuli (2017); Salehi, et al (2019); Orazalin and Mahmood (2019); and Mahmah and Kandil (2019).Meanwhile, a company that continues to grow certainly shows that the company can maintain its sustainability. Consistent growth indicates that the company has good and stable management. A company with good and stable management means that the company has a long-term strategic plan that considers all the interests of the company's stakeholders. Therefore, if the company experiences growth, the more likely it is that the company can maintain its sustainability.Previous studies that related to growth and sustainability are Shamil, et al (2014); Jenner (2016); Bhatia and Tuli (2017); and Mahmah and Kandil (2019).

Whatever situation that can affect a company's sustainability can be overcome as long as the company has good corporate governance. Most studies regarding corporate governance and sustainability are exploratory studies, such as studies conducted by Aras and Crowther (2008) and Mardjono (2005). There is little causal study regarding corporate governance and sustainability, such as Dilling (2010) that found no relationship between corporate governance and sustainability. This study tries to examine the effect of financial condition, leverage, and growth on company
sustainability. Other than that, this study also tries to find empirical evidence, whether corporate governance moderates the relationship between the financial condition and company sustainability, leverage and company sustainability, growth and company sustainability.

LITERATURE REVIEW

Stakeholder theory emphasizes the company's obligations to stakeholders, both internal and external (Donaldson and Preston, 1995). Stakeholder relations are important in managing a company and they must be informed of important decisions taken by the company. According to Natalia and Tarigan (2014), the company's existence is strongly affected by the stakeholder's supports. Maintaining relationships by accommodating the desires and needs of their stakeholders (Chariri and Ghozali, 2007 in Natalia and Tarigan, 2014).

Signaling theory explains the different behavior between two parties due to different information (Omran and El-Galfy, 2014). There is a difference in information between the management that manages the company and the investors. Management has superior information compared to investors regarding the company's condition. Therefore, any information provided to the public, whether in the form of reports, announcements, or other news will give a different signal to the stakeholders.

Agency theory is useful in explaining the relationship between the company and its investors. The relationship company-investors is like a contract, wherein in the contract, the principal delegate the authority to manage the company to the agent (Jensen and Meckling, 1976). Therefore, the principal will bear oversight costs to ensure that the agent acts according to the principal's interest.

The company's commitment to sustainability is reflected in written policies that require companies to increase their economic, environmental, and social aspects. All matters related to company sustainability must be stated in the company's strategy and must be implemented. Activities that have been carried out will be reported. Company sustainability is part of the concept of sustainable development (Searcy and Buslovich, 2014). The World Commission on Environment and Development (1987) in Searcy and Buslovich (2014) stated that sustainable development is a development that fulfills present needs without overlooking the ability of future generations to fulfill their needs. Motivations that encourage companies to commit to sustainability and report on them are grouped into 3, namely internal pressure, external pressure, and the opportunity to share company stories (Searcy and Buslovich, 2014). Also, according to Lourenco, et al (2012), investors punish companies that have large profits but have a low level of corporate sustainability performance.

The financial condition represents the company's health condition (Rahman and Siregar, 2012) and show opportunities the company has to be able to make a profit in the future (Widoatmodjo, 2009). Yu and Ting (2012) found that the company's commitment to sustainability is higher in countries with high financial development. The sustainability of the company will be questioned if their financial condition deteriorates or if they experience business failure. Business failure can be caused by economic factors, financial factors, and a combination of several other factors (Brigham dan Ehrhart, 2008). When the company has difficulty to fulfill their obligations to creditors, financial distress starts to occur, and in the worst case, it can be
One of the characteristics of business to maintain its sustainability is growth (Rahman and Siregar, 2012). The ratio of sales growth can indicate the growth of a company. Companies that have a positive sales growth ratio show that they can preserve their economic position and can maintain their sustainability (Setyarno, Januarti, and Faisal, 2006). On the other hand, a negative sales growth ratio shows that the company experienced declining profits so that if the management does not take corrective actions, it will result in disruption to the company's survival (Rahman and Siregar, 2012). Ameer and Othman (2012) found that sales growth will be higher in companies that are committed to sustainability. Shamil, et al (2014); Bhatia and Tuli (2017); and Mahmah and Kandil (2019) found that growth is an important factor in sustainability. Leverage is a ratio that used to compare the company's total debt with total equity and can be used to measure debt risk and also can be used to measure the use of debt to increase revenue (Helfert, 2001). The greater the debt to equity ratio shows that companies use more debt as their funding (Subramanyam and Wild, 2009). Debts, both long-term and short-term, must be paid back together with the interest at a specified time. When a company's capital structure has a greater proportion of debt, the higher costs must be incurred by the company for payment commitments (Subramanyam and Wild, 2009). If the company has a large amount of debt, the greater the doubt about the company's capability to maintain its sustainability. This is because if at any time creditors withdraw funds, the company will have difficulty in paying off the debt. Bhatia and Tuli (2017) and Salehi, et al (2019) found that leverage is negatively related to sustainability disclosure. Mahmah and Kandil (2019) found that companies issue more debt to ensure sustainability.

The case of large companies in the United States, such as Enron, which went bankrupt due to the manipulation of financial statements, gave rise to the Sarbanes-Oxley Act 2012. Likewise in Indonesia, referring to the Sarbanes-Oxley law, companies must implement good corporate governance. Good corporate governance according to the Forum for Corporate Governance in Indonesia (Agoes and Ardana, 2009) is defined as regulations that govern relationships between shareholders, management, government, and stakeholders regarding their rights and obligations; or in other words a directing and controlling system in the company. Companies that have implemented good corporate governance are expected to be able to maintain its sustainability. Until this day, the issue of corporate governance is increasingly debated and never-ending to discussed. Aras and Crowther (2008) found that good corporate governance neither related nor unrelated to sustainability because there is insufficient evidence to prove it, only 7% of FTSE100 companies understood the connection between corporate governance and sustainability. Dilling (2010) found that there is no relationship between corporate governance and sustainability. Companies that have implemented good corporate governance are expected to be able to maintain its sustainability. When a company experiences bad financial conditions, the company can overcome it and still be able to preserve its sustainability if they have implemented good corporate governance. Significant and consistent growth coupled with the implementation of good corporate governance will strengthen the company's sustainability further. When a company's capital structure has a greater proportion of debt, the company is vulnerable to the risk of not being able to pay off debt which can lead to corporate unsustainability. However, the possibility of this unsustainability can...
be reduced if the company implements good corporate governance.

**Hypothesis**
The hypotheses proposed in this research which is based on the literature review above are:

H1: Financial condition has a significant positive effect on company sustainability  
H2: Growth has a significant positive effect on company sustainability  
H3: Leverage has a significant negative effect on company sustainability  
H4a: Corporate governance moderates the relationship between financial conditions and company sustainability  
H4b: Corporate governance moderates the relationship between growth and company sustainability  
H4c: Corporate governance moderates the relationship between leverage and company sustainability

**Conceptual Framework**
Figure 1 below is the conceptual framework of this research:

METHODS
The population in this research are listed company on the Indonesian Stock Exchange (IDX). The sample selection was conducted by purposive sampling, that company participating in the CGPI survey from 2015 to 2017 (the results of the 2018 CGPI survey are not yet available); listed on IDX since 2014; the financial statements are presented in Rupiah; and have complete reports (financial, annual, and sustainability report) from 2014 to 2017. This research using secondary data that consists of financial statements, annual reports, and sustainability reports of companies listed on IDX in 2014-2017.

The dependent variable is company sustainability, which shows the company's
commitment to sustainability. According to Searcy and Buslovich (2014), the most prominent guide to sustainability reporting is the guidance from the Global Reporting Initiative. The company's sustainability variable is represented by a sustainability index that refers to disclosure indicators according to the Global Reporting Initiative (GRI) is a more detailed and comprehensive guide (Morhardt, Baird, and Freeman, 2002). There are 136 disclosures indicators according to the Global Reporting Initiative (GRI) Standards. Content analysis is carried out on annual reports and company sustainability reports to determine this GRI score. If the company reports the disclosure indicator by the GRI guidelines, it will get 1 point. After that, the points are added up and divided by 136.

The independent variable in this research is financial condition, growth, and leverage. A financial condition variable is used to indicate whether the company is experiencing financial difficulties, that represented by the Altman's Z-Score Model. Altman's Z-Score Model can be calculated using this formula (Santosa and Wedari, 2007):

\[ Z = 1.2 Z_1 + 1.4 Z_2 + 3.3 Z_3 + 0.6 Z_4 + 0.999 Z_5 \]

Where \( Z \) = Z-score; \( Z_1 \) = Working capital / total assets; \( Z_2 \) = Retained earnings / total assets; \( Z_3 \) = Earning before interest and taxes / total assets; \( Z_4 \) = Market capitalization / book value of total debt; \( Z_5 \) = Sales / total assets.

The growth variable in this research is represented by sales growth. Sales growth is the ratio that is used to measure the sales growth rate, and can be calculated by this formula (Rahman and Siregar, 2012):

\[ \text{Sales growth} = \frac{(\text{Net Sales}_t - \text{Net Sales}_{t-1})}{\text{Net Sales}_{t-1}} \]

The leverage variable is represented by the debt-equity ratio. The debt-equity ratio is used to indicate how much funding is financed with debt and the ability to meet all obligations, that can be calculated using this formula (Oppenheimer, 2000):

\[ \text{Debt-Equity Ratio} = \frac{\text{Long-Term Debt}}{\text{Total Equity}} \]

The moderating variable in this research is corporate governance. Corporate governance variable is a variable that shows the score of the Corporate Governance Perception Index (CGPI) for 2015-2017 that held by The Indonesian Institute for Corporate Governance in collaboration with SWA magazine where the result is announced in 2016-2018. The control variable in this research is the size of the company (Karaman, et al (2018); Orazalin and Mahmood (2019); Shamil, et al (2014); Salehi, et al (2019)) that is represented by the total asset.

Data analysis technique that used in this research is multiple regression analysis and moderated regression analysis. The research model is as follows:

\[ CS = \alpha + \beta_1 FC + \beta_2 G + \beta_3 L + \beta_4 S + \epsilon \]  
\[ CS = \alpha + \beta_1 FC + \beta_2 CG + \beta_3 FC*CG + \epsilon \]  
\[ CS = \alpha + \beta_1 G + \beta_2 CG + \beta_3 G*CG + \epsilon \]
\[ CS = \alpha + \beta_1 L + \beta_2 CG + \beta_3 L^*CG + \varepsilon \] (4)

Where: \( CS \) = company sustainability; \( FC \) = financial condition; \( G \) = growth; \( L \) = Leverage; \( S \) = size; \( CG \) = Corporate Governance

Equation (1) are used to test hypotheses H1, H2, and H3. Equation (2) are used to test hypothesis H4a. Equation (3) are used to test hypothesis H4b. Equation (4) are used to test hypothesis H4c. Descriptive statistics are conducted first, then the classic assumptions test. Classic assumptions test consists of four types: normality, heteroscedasticity, multicollinearity, and autocorrelation test.

RESULTS

Based on the criteria used in purposive sampling that mentioned in the method section above, 10 companies have been observed for 3 years, from 2015 to 2017. This research does not include data from 2018 because the results of the 2018 CGPI survey will be announced at the Indonesia Corporate Governance Award 2019 and the reports will be available at SWA magazine at the end of December 2019.

<table>
<thead>
<tr>
<th>Table1. Descriptive Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable</td>
</tr>
<tr>
<td>CS</td>
</tr>
<tr>
<td>FC</td>
</tr>
<tr>
<td>G</td>
</tr>
<tr>
<td>L</td>
</tr>
<tr>
<td>S</td>
</tr>
<tr>
<td>CG</td>
</tr>
<tr>
<td>N</td>
</tr>
</tbody>
</table>

From the descriptive statistics in Table 1, the sample used in this research is 30 samples, which means there are no missing data. The company sustainability variable has a minimum value of 0.3015 and a maximum value of 0.7647. This shows that the range of company sustainability is equal to 0.4632. The average sustainability is 0.466176 with a standard deviation of 0.1355073.

The financial condition variable has a minimum value of -12.0194 and a maximum value of 5.1756, thus the range of financial condition is 17.195. The average financial condition is 0.124826. The standard deviation of financial conditions is 3.0711202. The highest financial condition occurred at PT Bukit Asam Tbk is 2017, while the lowest financial condition occurred at PT Bank Mandiri (Persero) Tbk in 2015. This shows that PT Bank Mandiri (Persero) Tbk in 2015 experienced financial difficulties.

The growth variable has a minimum value of -0.5547 and a maximum value of 0.3896, with a range of 0.9443. The average growth of the company is 0.099104, while the standard deviation is 0.1841410. The highest growth of the company occurred at PT Aneka Tambang (Persero) Tbk in 2017 which could be due to the increasing sales of gold and ferronickel. Meanwhile, the lowest company growth occurred at PT Bakrie & Brothers Tbk in 2016 which caused by low demand for company products, such as
construction materials, automotive components, and pipes and steel construction.

The leverage variable has a minimum value and a maximum value of -0.3798 and 3.8505, so the range of leverage is 4.2303. The average leverage is 0.527734 and has a standard deviation of 0.7691807. The highest leverage occurred at PT Bank Mandiri (Persero) Tbk in 2016 which could be caused by the company's efforts to overcome financial difficulties experienced in 2015. While the lowest leverage occurred at PT Bakrie & Brothers Tbk in 2015 which caused by the deficit of retained earnings.

From the classic assumption tests, the regression model is fit so the regression model can be used for hypothesis testing. Table 2 below gives the result of hypothesis testing for H1, H2, and H3.

<table>
<thead>
<tr>
<th>Tabel2. Multiple regression results for H1, H2, and H3</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS = α + β₁FC + β₂G + β₃L + β₄S + ε</td>
</tr>
<tr>
<td>β</td>
</tr>
<tr>
<td>Constant</td>
</tr>
<tr>
<td>FC</td>
</tr>
<tr>
<td>G</td>
</tr>
<tr>
<td>L</td>
</tr>
<tr>
<td>S</td>
</tr>
<tr>
<td>F Stat</td>
</tr>
<tr>
<td>Sig F</td>
</tr>
<tr>
<td>R Square</td>
</tr>
<tr>
<td>Adjusted R Square</td>
</tr>
</tbody>
</table>

CS = Company Sustainability; FC = Financial Condition; G = Growth; L = Leverage; S = Size
***1% significance
**5%significance
*10%significance

The F-test significance value in table 2 is 0.001, which is smaller than α = 0.05. This shows that the regression model can be used to predict company sustainability. In other words, financial condition, growth, leverage,and size have a simultaneous effect on company sustainability. The Adjusted R Square is 0.430, which means that 43% of the variation in company sustainability can be explained by financial conditions, growth, leverage, and size. Meanwhile, the remaining 57% can be explained by other variables that are not examined in this research.

The results of testing the effect of independent variables on the dependent variable individually (t-test) can also be seen in table 2. If the significance t-value is less than α = 0.05, then the hypothesis is accepted. The financial condition has a significance t-value of 0.024, which is smaller than 0.05 so that H1 is accepted. The financial condition regression coefficient is 0.015. This shows that the financial condition has a positive significant effect on company sustainability. This means that the greater the financial condition then the better the company's sustainability. Growth has a significance t-value of 0.905, which is greater than 0.05 so that H2 is rejected. This shows that growth does not have a significant effect on company sustainability.Leverage has a significance t-value of 0.024, which is smaller than 0.05 so that H3 is accepted. The regression coefficient of leverage is 0.066. Thus, leverage
has a significant positive effect on company sustainability. This means that the greater the leverage than the better the company's sustainability.

### Table 3. Moderated regression results for H4a, H4b, and H4c

<table>
<thead>
<tr>
<th>Model</th>
<th>CS = α + β₁FC + β₂CG + β₃FC*CG + ε</th>
<th>β</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Constant</td>
<td>1.469</td>
<td>0.007</td>
</tr>
<tr>
<td></td>
<td>FC</td>
<td>0.248</td>
<td>0.070</td>
</tr>
<tr>
<td></td>
<td>CG</td>
<td>-0.012</td>
<td>0.058</td>
</tr>
<tr>
<td></td>
<td>FC*CG</td>
<td>-0.003</td>
<td>0.091</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Model</th>
<th>CS = α + β₁G + β₂CG + β₃G*CG + ε</th>
<th>β</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Constant</td>
<td>0.953</td>
<td>0.062</td>
</tr>
<tr>
<td></td>
<td>G</td>
<td>1.959</td>
<td>0.316</td>
</tr>
<tr>
<td></td>
<td>CG</td>
<td>-0.005</td>
<td>0.353</td>
</tr>
<tr>
<td></td>
<td>G*CG</td>
<td>-0.024</td>
<td>0.326</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Model</th>
<th>CS = α + β₁L + β₂CG + β₃L*CG + ε</th>
<th>β</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Constant</td>
<td>1.187</td>
<td>0.018</td>
</tr>
<tr>
<td></td>
<td>L</td>
<td>0.679</td>
<td>0.383</td>
</tr>
<tr>
<td></td>
<td>CG</td>
<td>-0.009</td>
<td>0.128</td>
</tr>
<tr>
<td></td>
<td>L*CG</td>
<td>-0.007</td>
<td>0.418</td>
</tr>
</tbody>
</table>

CS= company sustainability; FC= financial condition; G= growth; L= Leverage; CG = Corporate Governance

***1% significance
**5% significance
*10% significance

The interaction of financial conditions and corporate governance produces a significance of 0.091, which is greater than 0.05, so it can be concluded that H4a is rejected. Corporate governance does not moderate the relationship between financial conditions and corporate sustainability. The interaction of growth and corporate governance produces a significance of 0.326, which is greater than 0.05, so it can be concluded that H4b is rejected. Corporate governance does not moderate the relationship between company growth and corporate sustainability. The interaction of leverage and corporate governance produces a significance of 0.418, which is greater than 0.05, so it can be concluded that H4c is rejected. Corporate governance does not moderate the relationship between leverage and company sustainability.

Also, the insignificance of corporate governance in the above regression indicates the possibility that corporate governance is a pure moderator variable. The pure moderator variable means that corporate governance does not act as an independent variable. Therefore, another test is carried out to determine whether corporate governance is a pure moderator with the results that can be seen in Table 4. The results show that the significance of the interaction of financial conditions and corporate governance is 0.597 so that corporate governance is not a pure moderator variable. The interaction of growth and corporate governance is 0.350 so that corporate governance is not a pure moderator variable. The interaction of leverage and corporate governance is 0.706 so that corporate governance is not a pure moderator variable.
Verawati

Table 4. Moderated regression results for H4a, H4b, and H4c (Pure Moderator)

<table>
<thead>
<tr>
<th></th>
<th>CS = ( \alpha + \beta_1FC + \beta_2FC*CG + \epsilon )</th>
<th>CS = ( \alpha + \beta_1G + \beta_2G*CG + \epsilon )</th>
<th>CS = ( \alpha + \beta_1L + \beta_2L*CG + \epsilon )</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>( \beta )</strong></td>
<td><strong>( \beta )</strong></td>
<td><strong>( \beta )</strong></td>
<td><strong>( \beta )</strong></td>
</tr>
<tr>
<td>Constant</td>
<td>0.464</td>
<td>0.493</td>
<td>0.448</td>
</tr>
<tr>
<td>FC</td>
<td>0.073</td>
<td>1.778</td>
<td>0.314</td>
</tr>
<tr>
<td>FC*CG</td>
<td>0.000</td>
<td>-0.023</td>
<td>-0.003</td>
</tr>
<tr>
<td><strong>Constant</strong></td>
<td><strong>0.000</strong></td>
<td><strong>0.000</strong></td>
<td><strong>0.000</strong></td>
</tr>
<tr>
<td><strong>Sig</strong></td>
<td><strong>0.483</strong></td>
<td><strong>0.358</strong></td>
<td><strong>0.678</strong></td>
</tr>
<tr>
<td><strong>Sig</strong></td>
<td><strong>0.597</strong></td>
<td><strong>0.350</strong></td>
<td><strong>0.706</strong></td>
</tr>
<tr>
<td><strong>Sig</strong></td>
<td><strong>0.597</strong></td>
<td><strong>0.350</strong></td>
<td><strong>0.706</strong></td>
</tr>
</tbody>
</table>

CS = company sustainability; FC = financial condition; G = growth; L = Leverage; CG = Corporate Governance

***1% significance
**5% significance
*10% significance

DISCUSSION

This research tries to find out whether financial conditions, growth, and leverage affect company sustainability. Also, this research tries to find out whether corporate governance has a relationship between financial conditions, growth, and leverage with company sustainability as a moderating variable. The results of hypothesis testing for H1, H2, and H3 using the research model (1), shown that H1 and H3 are accepted, while H2 is rejected. This result shows that financial condition and leverage have a significant effect on company sustainability, while growth does not have a significant effect on company sustainability.

The financial condition regression coefficient is 0.015. This shows that the financial condition has a positive significant effect on company sustainability. The financial condition in this research was proxied by Altman’s Z-Score Model, where a company is headed for bankruptcy if the z-score was below 1.8. The higher z-score means that a company has a good financial condition. A good financial condition indicates that the company can maintain its sustainability. Nowadays, sustainability does not merely keep the profit for the company’s good sake only. A company is part of a society, therefore many stakeholders are affected and effected by the company, directly and indirectly. Because of that, there is a reciprocal relationship between the company and its stakeholders. Keeping that in mind, a company that has a good financial condition must also concern about its stakeholder sustainability. By concerning their surrounding, at the end will bring a positive effect for the company. The results of this study are in line with Arevalo and Aravind (2010).

The leverage regression coefficient is 0.066. Thus, leverage has a significant positive effect on company sustainability. The main sources of corporate funding
consist of long-term debt and equity. Long-term debt is from creditors and equity is from investors. The source of funds chosen by the company can give a signal about the company's sustainability. A larger portion of debts indicates that the company has a greater probability of sustainability compared to a larger share of the equity. There are several reasons for this when a company cannot repay its debt, either the interest or the nominal, then their creditor can file bankruptcy against the company. Another reason is, during liquidation, the company must fulfill all the obligations to creditors first, then obligations to investors. Therefore, the higher leverage indicates the greater company's efforts to pay off obligations to creditors. The greater company's efforts to pay off obligations to creditors indicates better sustainability. The results of this study are in line with Mahmah and Kandil (2019); Bhatia and Tuli (2017); and Karaman, et al (2018).

This research found that growth does not have a significant effect on company sustainability. These results are in line with Karaman, et al (2018). In contrast, Shamil, et al (2014); Bhatia and Tuli (2017); Mahmah and Kandil (2019) found that growth influenced sustainability. This finding shows that the company's sustainability is not only determined by sales growth. Many factors will affect sustainability, such as the risk that the company will face and how they manage that risk.

This research also found that corporate governance was not a moderating variable, either the quasi moderator or pure moderator. It means that corporate governance does not moderate the relationship between financial conditions and company sustainability, between growth and company sustainability, between leverage and company sustainability. There are possibilities that corporate governance will act as a mediating effect between financial conditions and company sustainability, between growth and company sustainability, between leverage and company sustainability. Other possibilities are that most companies only carry out corporate governance because it is by applicable regulations, this possibility is in line with Aras and Crowther (2008) and Mardjono (2005).

CONCLUSION

The research model (1) is used to test the hypothesis H1, H2, and H3. The test results found that the financial condition and leverage have a significant positive effect on company sustainability, meanwhile, growth does not have a significant effect on company sustainability. The company that has a good financial condition are more accountable and responsible to their stakeholders because there is a reciprocal relationship between a company and its stakeholder. The greater the source of funds derived from long-term debt gives a good signal about company sustainability because they will make the best effort to fulfill their obligations to creditors. The research model (2) is used to test the H4a hypothesis, the research model (3) is used to test the H4b hypothesis, and the research model (4) is used to test the H4c hypothesis. The test results found that corporate governance is not a moderating variable, either the quasi moderator or pure moderator. It shows that companies that have corporate governance and participate in surveys conducted by The Indonesian Institute for Corporate Governance and get CGPI Index scores will not be guaranteed the company sustainability.

This research has many limitations, including the number of observations that
only 10 companies. This is because not many companies participated in the survey conducted by The Indonesian Institute for Corporate Governance. Also, the companies that participated in the survey were not consistent from year to year. As a result of the limitations of this research, several suggestions can be done by subsequent researchers. First, the subsequent researcher can increase the number of company samples, for example by using the ASEAN CG Scorecard to obtain corporate governance scores. Determination of corporate governance scores by using the ASEAN CG Scorecard guidelines can be done by content analysis of corporate governance reports. Second, the subsequent researcher can include other variables not examined in this study, for example, variables related to non-financial indicators. Third, because the characteristics of each industry are different, it will be better if subsequent researchers can make comparisons between industries.

REFERENCES


Verawati

Akuntansi IX Padang.


