



THE EFFECT OF OWNERSHIP CONCENTRATION ON FINANCIAL SUSTAINABILITY WITH BUSY DIRECTORS AS MODERATING VARIABLE

^{1*}Triza Noviasari,²Cynthia Afriani Utama

Magister Manajemen Fakultas Ekonomi dan Bisnis Universitas Indonesia

Email: triza.noviasari@ui.ac.id

ABSTRACT:

This study aims to analyze the effect of cash flow rights and control rights on financial sustainability with busy directors as moderating variable in non-financial companies listed on Indonesia Stock Exchange for period 2017-2021. This study uses panel data regression to analyze the effect of cash flow rights and control rights on financial sustainability and examine whether busy directors moderate the effect of cash flow rights and control rights on financial sustainability. Research shows that cash flow rights have a positive and significant impact on corporate financial sustainability while control rights have no influence on corporate financial sustainability. This study also argues that busy directors can weaken the positive impact of cash flow rights on corporate financial sustainability but have no impact on the influence between control rights and corporate financial sustainability.

Keywords: Cash Flow Rights, Control Rights, Busy Directors, Financial Sustainability.

INTRODUCTION

Information technology, markets and the business environment are developing and competing rapidly in the current era of globalization. To meet industrial developments, the management of a company must rethink the methods and business models that are most suitable to survive in their respective industries. This

competitive environment creates critical issues for companies, especially in the context of ensuring their performance is sustainable (Roni et al., 2017). In addition, companies are also under pressure not only to succeed, but also to successfully maintain it in the future (Alshehhi et al., 2018). In addition, (Duantika, 2015) and (Lee et al., 2016) found that financial unsustainability

faced by construction companies was due to the large number of construction projects that were difficult to complete according to the original schedule, insufficient capital and inadequate cash sources. Therefore, companies must generate sustainable revenues to fund their business goals and avoid dependence on external financial support.

To achieve corporate sustainability in the future, it is necessary to implement good corporate governance which has been empirically proven to be useful for minimizing the risk of long-term failure and obtaining sustainable financial performance (Hersugondo et al., 2022) more attractive to investors (Aras & Crowther, 2008) and gain competitive advantage (World Business Council for Sustainable Development, 2012). Thus, it is very important to implement good and effective internal corporate governance mechanisms such as board structure, capital structure and incentives, concentrated ownership, and disclosure transparency to have a sustainable business (Muhlida, 2018).

Among the internal corporate governance mechanisms, one of them is concentrated ownership. According to research by (Duong et al., 2022), shareholders with concentrated ownership can overcome monitoring and supervision problems and have more voting rights on Board of Directors decisions, which leads to improved performance and financial sustainability for the company. Companies

with a larger percentage of concentrated ownership are tightly controlled, which reduces agency problems, and can have a positive impact on the long-term sustainability of the company.

Recent studies have yielded mixed conclusions about the impact of concentrated ownership on financial performance and sustainability. Based on research by (Putri, 2019) on non-financial companies listed in Italy, France, Germany and Spain concluded that concentrated ownership is a good and effective internal governance mechanism and can result in improved company performance, especially in countries with weak legal systems . According to his research, in countries with weak legal systems, concentration of ownership in a few block holders can improve company performance because minority shareholders view the power of majority shareholders as a protective mechanism. So, in such cases, concentrated ownership can be seen as a protective tool used by minority shareholders.

The results of research conducted by (Duong et al., 2022) conclude that concentrated ownership has a positive and significant effect on sustainable finance in energy companies in Vietnam. Along with the observations of (Ahsan et al., 2021) who concluded that concentrated ownership can increase sustainable growth in companies in China. Shareholders with large, concentrated ownership usually have more

experience and skills in managing a business and can positively influence managers' decisions and the company's continued growth.

However, research by (Ahmad et al., 2020) on the top 200 public companies in Malaysia shows that ownership that is too concentrated can lead to decisions that do not satisfy all key shareholders and can reduce the level of corporate sustainability in the long term. Likewise, research conducted by (Ekawarna, 2023) argues that concentrated ownership was found to have a negative relationship and significant effect on the company's financial sustainability. According to the principle of cost-effectiveness, majority shareholders will be more motivated to supervise management and maximize company value than minority shareholders. However, much higher concentrated ownership may serve the interests of majority shareholders at the expense of minority shareholders and other stakeholders. In addition, in China's public companies, especially in the energy sector, share ownership is always concentrated in the government and has little difference in levels. Thus, concentrated ownership has no effect on the company's short-term or long-term performance.

In addition, according to (Indriastuti, 2012), separation *cash flow rights* and *control rights* in concentrated ownership appears as a phenomenon because controlling shareholders can influence the company in the long term and short term through *cash flow rights* and *control rights*.

Due to the control exercised by controlling shareholders, these two rights can have different impacts on the company's sustainable financial capabilities. If controlling shareholders monitor managers, they can prevent their opportunistic behavior and thereby benefit minority shareholders (effect *alignment*). However, they may also pursue personal goals that deviate from those of minority shareholders, thereby expropriating minority shareholders' wealth (effect *entrenchment*).

Apart from concentrated ownership, other corporate governance structures such as the board of directors play a role in the company's sustainability performance. Several studies argue that holding multiple directorships can reduce the effectiveness of directors as company leaders and this can reduce company performance. A study by Najaf, Chin, and Najaf (2021) found that Fintech companies do not have anti-bribery policies and tend to have excessive CEO and director duality. When one individual serves as chairman and CEO simultaneously, conflicts of interest and higher agency costs will arise (Ehikioya, 2009). Additionally, centralized leadership authority can lead to management dominance, resulting in poor performance (Jensen & Meckling, 2019) ; (Fama & Jensen, 1983). Other empirical evidence (Nurkholiq et al., 2019) (Fatchan, 2021) also supports the same thing and confirms that the separation of the two positions of Chairman and CEO has proven to be beneficial in improving company performance. The results of (Mukherjee &

Sen, 2019) also show that there is no relationship between CEO duality and sustainable company growth.

Due to the inconsistency of previous research, there is a gap for further research on the influence of concentrated ownership on sustainable finance and the authors were motivated to conduct this research. This research will follow the research of (Duong et al., 2022) which examines the impact of concentrated ownership on financial sustainability. However, in the research of (Duong et al., 2022) only measures the percentage of concentrated share ownership and does not look at motivation *alignment* and *entrenchment* for concentrated ownership. Therefore, this research will examine motivation *alignment* and *entrenchment* ownership is concentrated through separation *cash flow rights* and *control rights* controlling shareholders. Then in the research of (Duong et al., 2022) observations are limited to energy companies, while this research will trace the chain of ownership in non-financial public companies listed on the Indonesia Stock Exchange.

Apart from that, this research also adds a moderating variable of having multiple Directorship positions to find out whether the existence of dual Directorship positions strengthens or weakens the influence *cash flow rights* and *control rights* towards sustainable finance. To ensure the company can achieve its targets, the role of

directors is very important. Monitoring and predicting business conditions internally and externally, creating policies and strategies to achieve organizational goals, and making decisions for the organization are the responsibilities of directors (Ruigrok et al., 2006). Strategic decision making and resource allocation are very important for directors, especially when it comes to company finances. In this way, the Board of Directors can influence the company's sustainable financial performance. Previous research has looked at the direct influence of having multiple positions as a Director on financial performance and sustainability, but no research has examined the indirect influence of having multiple Director positions on the influence *cash flow rights* and *control rights* towards financial sustainability. This research will examine whether holding multiple positions on the Board of Directors will moderate the influence *cash flow rights* and *control rights* towards sustainable finance.

RESEARCH METHODS

Research was conducted to analyze the influence of the independent variable on the dependent variable, in this case the sustainable growth rate of the object being observed. Observations made on the company's sustainable growth rate were carried out over a long period of time, so this research method uses panel data regression processed with the STATA program. Panel

data regression is a regression analysis that uses a time-series and cross-section data structure. In time series data, we observe the values of one or more variables over a period of time. In cross-section data, values of one or more variables are collected for multiple sample units, or subjects, at the same point in time. In panel data, the same cross-sectional units are surveyed over time. In short, panel data has spatial and temporal dimensions (Gujarati, 2022).

There are three regression models in panel data but the most widely used are Pooled Least Square (PLS) or Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM). To determine the most appropriate panel data regression model, several tests can be carried out, namely the Chow test, Hausman test, and Breusch-Pagan Lagrange Multiplier test.

This research is to test whether there is an influence of the independent variable on the dependent variable and whether the moderating variable moderates the relationship between the dependent and independent variables. This research will use two estimation models, namely static panel data regression and dynamic panel data regression (*Generalized Method of Moment/GMM*).

The empirical model equation used for static panel data regression can be seen through the following equation:

Model 1 (*Busy Director* variable is used as a continuous variable)

$$SGR_{it} = \alpha + \beta_1 CF_{it} + \beta_2 CR_{it} + \beta_3 BD_{it} + \beta_4 SIZE_{it} + \beta_5 LEV_{it} + \beta_6 ROA_{it} + \beta_7 JP_{it} + \varepsilon_{it}$$

Model 2 (*Busy Director* variable is used as a moderating variable)

$$SGR_{it} = \alpha + \beta_1 CF_{it} + \beta_2 CR_{it} + \beta_3 BD_{it} + \beta_4 CF * BD_{it} + \beta_5 CR * BD_{it} + \beta_6 SIZE_{it} + \beta_7 LEV_{it} + \beta_8 ROA_{it} + \beta_9 JP_{it} + \varepsilon_{it}$$

Meanwhile, the empirical model equation used for dynamic panel data regression can be seen through the following equation:

Model 3 (*Busy Director* variable is used as a continuous variable)

$$SGR_{it} = \alpha + \beta_1 SGR_{it-1} + \beta_2 CF_{it} + \beta_3 CR_{it} + \beta_4 BD_{it} + \beta_5 SIZE_{it} + \beta_6 LEV_{it} + \beta_7 ROA_{it} + \beta_8 JP_{it} + \varepsilon_{it}$$

Model 4 (*Busy Director* variable is used as a moderating variable)

$$SGR_{it} = \alpha + \beta_1 SGR_{it-1} + \beta_2 CF_{it} + \beta_3 CR_{it} + \beta_4 BD_{it} + \beta_5 CF * BD_{it} + \beta_6 CR * BD_{it} + \beta_7 SIZE_{it} + \beta_8 LEV_{it} + \beta_9 ROA_{it} + \beta_{10} JP_{it} + \varepsilon_{it}$$

Where SGR (Sustainable Growth Rate) is the dependent variable; CF (*Cash flow rights*) is the independent variable; CR (*Control rights*) is the independent variable; BD (*Busy Director*) is a moderating variable;

The Effect of Ownership Concentration on Financial Sustainability with Busy Directors as Moderating Variable

SIZE (company size) is a control variable; LEV (Leverage) as a control variable, ROA (*Return On Asset*) as a control variable and JP (company type) as a control variable; ϵ is the error (*error*).

This research uses secondary data in the form of ownership structure and financial data originating from annual reports of non-financial companies listed on the Indonesia Stock Exchange (BEI) and *eikon refinitive database* 2017-2021 period. This research does not include financial services companies as samples because the industry is specific and has strict regulations.

The sample was selected based on predetermined criteria and data was

obtained for 60 companies. Then the data to be observed is 60 companies multiplied by the 5 year research period, so the total is 300 observation data. From 300 observations it was reduced to 272 observations obtained after going through the outlier data detection stage using the method data visualization, namely with *box plot* and *scatter plot*.

Table 1 presents the dependent, independent, moderator and control variables used to estimate the regression equation.

Table 1

Variable description

Comparison	Abbreviation	Formula
Dependent Variable		
<i>Sustainable Growth Rate</i>	SGR	$(ROE \times b) / (1 - (ROE \times b))$
Independent Variable		
<i>Cash flow rights</i>	CFR	Double the percentage of ownership in each chain of ownership
<i>Control rights</i>	CR	The smallest ownership percentage in the ownership chain
Moderating Variables		
<i>Busy Directors</i>	BD	$(\text{Number of Directors with 2 or more positions} / \text{Total Number of Directors}) \times 100\%$

Comparison	Abbreviation	Formula
Variable Control		
Company Size	SIZE	Natural Logarithm of Total Assets
<i>Leverage</i>	LEV	(Total Debt / Total Total Assets) x 100%
<i>Return On Asset</i>	LONG	(Net Income / Total Assets) x 100%
The type of company	JP	1 if Manufacturing Company, 0 otherwise

RESULTS AND DISCUSSION

Based on the results of the Chow test, Hausman test and Langrange -Multiplier test, the Common Effect Model (CEM) was chosen as the best model. The results of the classical assumption test show that there is a heteroscedasticity problem, so estimates are carried out using CEM by using techniques *robust* to estimate parameters.

Table 2 shows the results of static panel data regression testing for the dependent variable SGR using the model *common effect*. According to the F test results, all variables have a significant influence on each other, which is indicated

by a significance of $0.0000 < 0.05$. The coefficient of determination (R²) in model 1 is 0.6203, indicating that 62.03% of the independent variables have the ability to explain the dependent variable, while the coefficient of determination (R²) in model 2 is 0.6222, indicating that 62.22% of the independent variables has the ability to explain the dependent variable.

Table 2
Static Panel Test Results on the Influence of Independent Variables on SGR

	Predicti on	Model 1 (No Moderation)		Model 2 (With Moderation)	
		Coefficient	Probability	Coefficient	Probability
Const		0.0085	0,918	-0,1864	0,836
CF	+	0,0005 *	0,051	0,0010 ***	0,005
CR	-	0,0002	0,392	0,0004	0,237
BD	-	-0,0123	0,518	0,0369	0,293
CF*BD	-			-0,0008	0,118
CR*BD	+			-0,0004	0,569
SIZE	-	-0,0012	0,683	-0,0012	0,705
LEV	-	-0,0267	0,288	-0,0272	0,263
LONG	+	2,1913 ***	0,000	0,3827***	0,000
	-	-0,0354			
JP		***	0,009	-0,0157**	0,013
R2		0.6203		0.6222	
Prob > F		0,0000		0,0000	

Source :data processing (2023)

***Significant at 1% level

**Significant at the 5% level

*Significant at the 10% level

The partial test results for both model 1 and model 2 shown in Table 2 above show that:

1. *Cash flow rights* (CF) has a positive and significant effect on sustainable finance (SGR), indicated by a p value of 0.051 and $0.005 < 0.05$ and a positive regression coefficient of 0.0005 and 0.0010, so it can be concluded **H1 is accepted**.
2. *Control rights* (CR) has no effect on sustainable finance (SGR), indicated by p values of 0.392 and $0.237 > 0.05$ and

positive regression coefficients of 0.0002 and 0.0004, so it can be concluded **H2 is rejected**.

3. *Cash flow rights* and *control rights* which is moderated by the dual position of directors has no influence on sustainable finance (SGR), meaning that BD neither weakens nor strengthens the influence of CF and CR on SGR, shown by p values of 0.118 and $0.569 > 0.05$ respectively and a negative regression coefficient of -0, 0008 and -0.0004, then it can be concluded **H3 and H4 are rejected**.

4. Company performance (ROA) has a positive and significant effect on sustainable finance (SGR), indicated by a p value of 0.0000 < 0.05 and a positive regression coefficient of 2.1913 and 0.3827. The higher the company's performance as measured through ROA, the more the company's SGR will increase.
5. Company type (JP) has a negative and significant effect on sustainable finance (SGR), indicated by p values of 0.009 and 0.013 < 0.05 and negative regression coefficients of -0.0354 and -0.0157. This indicates that manufacturing companies

tend to have lower SGR compared to non-manufacturing companies.

6. The variables BD, SIZE, and LEV have no influence on sustainable finance (SGR), indicated by a p value of less than 0.05.

For dynamic panel data regression test results, based on The Arellano-Bond test, Sargan Hansen test, and Unbiasedness test resulted that in model 3 FD-GMM was the best model, while in model 4 SYS-GMM was the best model.

The results of the dynamic panel data regression analysis (GMM) in this research can be seen in Table 3 below:

Table 3
Dynamic Panel Test Results on the Influence of Independent Variables on SGR

	Prediction	Model 3 (No Moderation)		Model 4 (With Moderation)	
		Coefficient	Probability	Coefficient	Probability
Const		-0,0766	0,034	-0,0045	0,964
L1. SGR	+	-0,0047	0,654	-0.0189 **	0.048
CF	+	0,0007 **	0,024	0,0013 **	0,028
CR	-	0,0005 *	0,078	0,0002	0,352
BD	-	-0,0254 *	0,069	0,0281	0,351
CF*BD	-			-0,0014 *	0,059
CR*BD	+			0,0003	0,529
SIZE	-	0,0009	0,503	-0,0024 **	0,038
LEV	-	-0,0213	0,467	-0,0154	0,574
LONG	+	2,2338 ***	0,000	2.2812 ***	0,000
JP	-	-0,0318 ***	0,001	-0,0349 ***	0,001
Parent					
chi2		1239.21		181.64	
Prob >					
chi2		0,0000		0,0000	

The Effect of Ownership Concentration on Financial Sustainability with Busy Directors as Moderating Variable

Source :data processing (2023)

***Significant at 1% level

**Significant at the 5% level

*Significant at the 10% level

According to the probability results, all variables simultaneously have a significant influence on each other, which is indicated by a significance of $0.0000 < 0.05$.

The partial test results in model 3 Table 3 above show that:

1. *Cash flow rights* (CF) has a positive and significant effect on sustainable finance (SGR), indicated by a p value of $0.024 < 0.05$ and a positive regression coefficient of 0.0007.
2. *Control rights* (CR) has a positive effect on sustainable finance (SGR), but the effect of CR on SGR is significant at the 10% level, indicated by a p value of $0.078 > 0.05$ and a positive regression coefficient of 0.0007.
3. Busy Director (BD) has a negative effect on sustainable finance (SGR), but the effect of BD on SGR is significant at the 10% level, indicated by a p value of $0.069 > 0.05$ and a negative regression coefficient of -0.0254.
4. Company performance (ROA) has a positive and significant effect on sustainable finance (SGR), indicated by a p value of $0.0000 < 0.05$ and a positive regression coefficient of 2.2338. The higher the company's performance as measured through ROA, the more the company's SGR will increase.

5. Company type (JP) has a negative and significant effect on sustainable finance (SGR), indicated by a p value of $0.0000 < 0.05$ and a negative regression coefficient of -0.0318. This indicates that manufacturing companies tend to have lower SGR compared to non-manufacturing companies.
6. Company size (SIZE) and LEV have no effect on sustainable finance (SGR), as indicated by p values of 0.503 and 0.467 > 0.05 and regression coefficients of 0.0009 and -0.0213.

The partial test results in model 4 Table 4.12 above show that:

1. SGR is significantly influenced by Lag 1 SGR (previous period SGR) with a probability value of $0.048 < 0.05$. The Lag 1 SGR coefficient value of -0.0189 explains that if there is an increase in SGR in the previous period by one unit, the SGR will decrease by 0.0189 units.
2. *Cash flow rights* (CF) has a positive and significant effect on sustainable finance (SGR), indicated by a p value of $0.028 < 0.05$ and a positive regression coefficient of 0.0013, so it can be concluded **H1 is accepted**.
3. *Control rights* (CR) has no influence on sustainable finance (SGR), indicated by a p value of $0.352 > 0.05$ and a positive

regression coefficient of 0.0002, it can be concluded **H2 is rejected**.

4. *Cash flow rights* which is moderated by dual directorship (CF*BD) has a negative effect on sustainable finance (SGR), but is significant at the 10% level, meaning that BD weakens the influence of CF on SGR, shown by a p value of $0.059 > 0.05$ and a negative regression coefficient of -0,0014, then it can be concluded **H3 is accepted at 10% significance**.
5. *Control rights* which is moderated by dual directorship (CR*BD) has no effect on sustainable finance (SGR), shown by a p value of $0.529 > 0.05$ and a positive regression coefficient of 0.0003, it can be concluded **H4 is rejected**.
6. Company size (SIZE) has a negative and significant effect on sustainable finance (SGR), indicated by a p value of $0.038 < 0.05$ and a negative regression coefficient of -0.0024. This indicates that the larger the company size, the lower the SGR level will be. These results are in line with research by Duong et al. (2022).
7. Company performance (ROA) has a positive and significant effect on sustainable finance (SGR), indicated by a p value of $0.0000 < 0.05$ and a positive regression coefficient of 2.2812. The higher the company's performance as measured through ROA, the more the company's SGR will increase.
8. Company type (JP) has a negative and significant effect on sustainable finance (SGR), indicated by a p value of $0.001 < 0.05$ and a negative regression

coefficient of -0.0349. This indicates that manufacturing companies tend to have lower SGR compared to non-manufacturing companies.

9. BD and LEV have no effect on sustainable finance (SGR), as indicated by p values of 0.351 and $0.574 > 0.05$ and regression coefficients of 0.0281 and -0.0154.

Discussion

5.1 Influence *Cash flow rights* Towards Sustainable Financial Capability

From the test results above, it was found that variable *cash flow rights* partially has a positive and significant impact on the sustainable growth rate (SGR). This shows that H1 is accepted, and it can be interpreted that it is getting higher *cash flow rights* controlling shareholder of the company, the greater the sustainable financial capability the company obtains. This research is in line with research by Claessen et al. (2002) and Fan and Wong (2002), which show that the larger *cash flow rights* the controlling shareholder of the company, the greater the costs that the controlling shareholder must bear when they carry out a takeover for personal gain. As a result, controlling shareholders are not motivated to take over company assets so that the company avoids losses and the company's sustainable growth will increase. This proves that there is motivation *alignment* on the

controlling shareholders of the company so that they have incentives to supervise the company well.

5.2 Influence *Control rights* Towards Sustainable Financial Capability

After the above tests, it was found that the variable *control rights* partially positive impact, but not significant on SGR. This shows that H2 is rejected, which means that *control rights* has no impact on the company's long-term financial capabilities. This result contradicts the research of Shleifer and Vishny (1997) and Yeh (2005), which found that when ownership reaches a certain point, controlling shareholders gain *control rights* almost full and driven to use *control rights*. This is to generate personal profits, which can harm minority shareholders and threaten the sustainability of the company. Thus, it can be concluded that this research cannot prove this and does not prove the existence of motivation *entrenchment* to the company's controlling shareholders.

5.3 The Effect of Moderation of Multiple Directorships on Influence *Cash Flow Rights* Towards Sustainable Financial Capability

After carrying out the tests above, the results showed that partially the moderating variable of having multiple directorships

weakened the influence *cash flow rights* on SGR with a significance level of 10%. This indicates that H3 is accepted at a significance level of 10% and it can be interpreted that the greater the ratio of dual positions of Directors, the weaker the positive influence between *cash flow rights* and the company's sustainable growth rate. This indicates that this research supports its *busyness hypothesis* namely, the busyness of directors due to holding multiple positions has a negative influence and can be detrimental to the company and weaken the effect *alignment*. The results of this research are in line with research conducted by Najaf, Chin, and Najaf (2020). *Busy directors* implies a weak governance system that can cause financial instability. (Hauser, 2018) in his research also argues that directors who hold concurrent positions may be too committed and too busy to fulfill their duties effectively so that it takes a lot of time and effort for them to gather information and make decisions. So from this research it can be concluded that having multiple directorships weakens the influence between *cash flow rights* and sustainable finance of the company. Therefore, to improve company sustainability, concurrent directorships should be minimized or

avoided and this should be taken into consideration by regulators in its application to public companies in Indonesia.

5.4 The Effect of Moderation of Multiple Directorships on Influence *Control Rights* Towards Sustainable Financial Capability

After carrying out the tests above, the results showed that partially holding multiple directorships did not moderate the influence between *control rights* and SGR. This indicates that H4 is rejected and this research supports research conducted by (Mukherjee & Sen, 2019) which shows that there is no relationship between CEO duality and the company's sustainable growth.

CONCLUSION

Based on the test results of empirical data that has been collected and processed and analyzed, it can be concluded that *Cash flow rights* has a positive and significant effect on the company's sustainable finances as measured through *Sustainable Growth Rate* (SGR). These results support the existing hypothesis and previous research which is getting bigger *cash flow rights* will further improve the company's sustainable finances.

Control rights has no influence on the company's sustainable finances (SGR). The results of this study do not support the hypothesis and previous research where *control rights* has a negative and significant

influence on the company's sustainable finances. Multiple directorships moderate the influence between *cash flow rights* and sustainable finance at a significance level of 10%. This research argues that having multiple directorships can weaken the positive impact *cash flow rights* towards the company's sustainable finances. Multiple directorships do not moderate the influence between *control rights* and sustainable finance.

BIBLIOGRAPHY

- Ahmad, N., Ting, I. W. K., & Darun, M. R. (2020). The impact of ownership concentration on firm sustainability: evidence from Malaysian top 200 public listed firms. *International Journal of Business Excellence*, 22(3), 283–300.
- Ahsan, T., Mirza, S. S., Al-Gamrh, B., Bin-Feng, C., & Rao, Z.-U.-R. (2021). How to deal with policy uncertainty to attain sustainable growth: the role of corporate governance. *Corporate Governance: The International Journal of Business in Society*, 21(1), 78–91.
- Alshehhi, A., Nobanee, H., & Khare, N. (2018). The impact of sustainability practices on corporate financial performance: Literature trends and future research potential. *Sustainability*, 10(2), 494.
- Aras, G., & Crowther, D. (2008). Governance and sustainability: An investigation into the relationship between corporate governance and corporate sustainability. *Management Decision*, 46(3), 433–448.

The Effect of Ownership Concentration on Financial Sustainability with Busy Directors as
Moderating Variable

- Duantika, D. (2015). *Analisis Perbandingan Kinerja Bank Syariah Berdasarkan RGEC dan Islamicity Performance Index (Studi Bank Muamalat Indonesia dan Bank Syariah Mandiri)*.
- Duong, K. D., Huynh, T. N., Van Nguyen, D., & Le, H. T. P. (2022). How innovation and ownership concentration affect the financial sustainability of energy enterprises: evidence from a transition economy. *Heliyon*, 8(9).
- Ehikioya, B. I. (2009). Corporate governance structure and firm performance in developing economies: evidence from Nigeria. *Corporate Governance: The International Journal of Business in Society*, 9(3), 231–243.
- Ekawarna, H. (2023). *Monograf Intensi (Niat) Berwirausaha Mahasiswa Dan Variabel Yang Mempengaruhinya*. Deepublish.
- Fama, E. F., & Jensen, M. C. (1983). Pemisahan kepemilikan dan kontrol. *Jurnal Hukum Dan Ekonomi*, 26(2), 301–325.
- Fatchan, F. H. (2021). *Peran Tata Kelola Perusahaan pada Hubungan Antara Kepemilikan Keluarga dengan Transaksi Pihak Berelasi*. UNS (Sebelas Maret University).
- Gujarati, D. N. (2022). *Basic econometrics*. Prentice Hall.
- Hauser, R. (2018). Busy directors and firm performance: Evidence from mergers. *Journal of Financial Economics*, 128(1), 16–37.
- Hersugondo, H., Salsabilla, T. S., Lesticya, W., Yuliasuti, N. R., & Sidabutar, M. H. (2022). DAMPAK TATA KELOLA PERUSAHAAN TERHADAP KINERJA LEMBAGA PERBANKAN DI INDONESIA. *Jurnal Ilmu Manajemen Dan Akuntansi Terapan (JIMAT)*, 13(1), 27–37.
- Indriastuti, M. (2012). Analisis kualitas auditor dan corporate governance terhadap manajemen laba. *Eksistensi (ISSN 2085-2401)*, 4(2).
- Jensen, M. C., & Meckling, W. H. (1919). Theory of the firm: Managerial behavior, agency costs and ownership structure. In *Corporate governance* (pp. 77–132). Gower.
- Lee, S., Ahn, Y., & Shin, S. (2016). The impact of multinational business diversification on the financial sustainability of construction firms in Korea. *Sustainability*, 8(10), 997.
- Muhlida, Y. M. (2018). *PENGARUH MODAL INTELEKTUAL, RISIKO KEUANGAN, SALES GROWTH DAN KEBIJAKAN DIVIDEN TERHADAP NILAI PERUSAHAAN PADA PERUSAHAAN SEKTOR PERDAGANGAN DAN JASA YANG TERDAFTAR DI BEI PERIODE 2011-2015*. UNIVERSITAS NEGERI JAKARTA.
- Mukherjee, T., & Sen, S. S. (2019). Impact of corporate governance on corporate sustainable growth. *International Research Journal of Business Studies*, 12(2), 167–184.
- Nurkholiq, A., Saryono, O., & Setiawan, I. (2019). Analisis pengendalian kualitas (quality control) dalam meningkatkan kualitas produk. *Jurnal Ekologi Ilmu Manajemen*, 6(2), 393–399.
- Putri, R. H. (2019). *Pengaruh Kebijakan*

Triza Noviasari, Cynthia Afriani Utama

Subsidi, Foreign Direct Investment (FDI) dan Tata Kelola Pemerintahan Terhadap Pertumbuhan Ekonomi (Studi Kasus Negara-Negara di ASEAN). Universitas Lampung.

Management Studies, 43(5), 1201–1226.

Ruigrok, W., Peck, S. I., & Keller, H. (2006). Board characteristics and involvement in strategic decision making: Evidence from Swiss companies. *Journal of*

Copyright holder:

Triza Noviasari, Cynthia Afriani Utama (2023)

First publication right:

Asian Journal of Engineering, Social and Health (AJESH)

This article is licensed under:

