THE INFLUENCE OF ASSET EFFICIENCY, FINANCIAL PERFORMANCE, AND FINANCIAL LEVERAGE ON SUSTAINABLE GROWTH RATE THROUGH GOOD CORPORATE GOVERNANCE

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Abstract
This study aims to examine the Effect of Asset Efficiency, Financial Performance and Financial Leverage on Sustainable Growth Rate Through Good Corporate Governance. This study is classified as an associative quantitative study. The type of data used is secondary data obtained from www.idx.co.id and the company's website. The population in this study is the Manufacturing Companies in the Consumer Goods Industry Sector listed on the IDX for the 2018-2022 Period. While the sample of this study was determined by the sampling technique used in this study is non-probability sampling, namely purposive sampling so that 20 sample companies were obtained that met the criteria. The analysis method used is Panel Data Model Regression analysis. The results of this study indicate that asset efficiency does not affect the Sustainable Growth Rate (1), financial performance does not affect the Sustainable Growth Rate (2), financial leverage affects the Sustainable Growth Rate (3), asset efficiency affects Good Corporate Governance (4), financial performance affects Good Corporate Governance (5), financial leverage affects Good Corporate Governance (6). Sustainable Growth Rate has an effect on Good Corporate Governance (7), Asset Efficiency does not have a significant effect on the Sustainable Growth Rate variable through the Good Corporate Governance variable (8), Financial Performance does not have a significant effect on the Sustainable Growth Rate variable through the Good Corporate Governance variable (9), Financial Performance does not have a significant effect on the Sustainable Growth Rate variable through the Good Corporate Governance variable (10). Leverage does not have a significant effect on the Sustainable Growth Rate variable through the Good Corporate Governance variable (10).

Keywords: Sustainable Growth Rate, Asset Efficiency, Financial Performance, Financial Leverage, Good Corporate Governance

1. Introduction

The rapid economic development and increasing business competition require companies to remain competitive in their industries. The global economy is expected to experience a recession in 2023 (detikFinance, 2022), which means that economic conditions may stop growing and could even experience a drastic decline. The causes are outlined from various aspects, such as the sudden economic shock due to the Covid-19 pandemic, the emergence of inflation on the prices of goods, companies being unable to pay their long-term debts, and natural disasters, which are factors beyond human control, causing business actors to incur losses.

This situation necessitates companies to think about how they can continue to operate. One solution is for companies to prepare emergency funds to meet unexpected needs. The importance of having sufficient cash availability ensures that companies do not resort to

external funding or incur debts. Companies must also be savvy in investing, such as choosing investments with minimal risk, so that the company can maintain its Sustainable Growth Rate. According to Palepu, Bernard, and Healy (2007:216), the sustainable growth rate is the rate at which a company can grow while maintaining its profitability and financial performance unchanged.

Good corporate governance can reduce the risks that may arise from decisions made by the board of directors and supervisory board that concern personal interests. The relationship between Good Corporate Governance and profitability through better performance will also give a good impression to investors. In this way, the company will also increase its ability to earn high profits (Rumapea, 2017).

2. Theoretical Background

2.1 Agency theory

Agency Theory states that there is a contract between managers (agents) and company owners (principals) in managing a company (Jensen and Meckling, 1976). In this context, the principal seeks to obtain information about the manager's performance. The principal assessment of good performance motivates managers to work hard to demonstrate it. Conflicts arise when there is a misalignment of interests between agents and principals, known as information asymmetry.

2.2 Signalling Theory

Rosharlianti and Hidayat (2019) state that signaling theory clarifies why companies are motivated to create financial reports and provide information to external parties. Signaling theory discusses how a company should convey signals to users of financial reports. These signals consist of information about what management has done to fulfill the owners' desires.

2.3 Balancing Theory

Balancing Theory in economic studies explains how markets achieve equilibrium. This concept originates from Adam Smith in his work "The Wealth of Nations" published in 1776, where he discusses the market mechanisms that can reach a balance between supply and demand. The balancing theory is then linked to microeconomic concepts and applied in various situations, such as price analysis, production, and consumptions.

2.4 Theory Du Pont

The Du Pont Model provides in-depth information about the various factors that cause fluctuations **in** a company's financial performance (Harahap, 1998). According to Horne & Wachowicz (2012), this model is a system that uses a specific approach to ratio analysis to evaluate a company's effectiveness.

2.5 Stakeholder Theory

Stakeholder Theory is a concept used to explain the relationship between a company and society. This is important because companies must consider the interests of all parties or communities affected by their decisions. According to Stakeholder Theory, an increase in corporate social responsibility makes companies more attractive to the public and investors (Dewi & Badera, 2021).

2.6 Resources Dependence Theory

Resource Dependence Theory argues that the resources utilized in running an organization effectively and efficiently include assets, human resources, capabilities, organizational processes, company attributes, information, and knowledge controlled by the company (Gudono, 2014).

2.3 Sustainable Growth Rate (SGR)

According to Priyanto & Robiyanto (2020), the sustainable growth rate is a multifaceted metric that can be divided into separate components reflecting cost containment policies (net profit margin), company retention (retention rate), financing strategies (financial leverage), and asset utilization efficiency (asset turnover), all of which are key determinants of company performance. The sustainable growth rate is described in C. Frier's research as follows:

$$SGR = \frac{ROE \times b}{1 - (ROE \times b)} x\ 100\%$$

2.4 Total Asset Turnover

Total asset turnover is an activity ratio used to measure the effectiveness of a company in utilizing its assets. A high asset turnover reflects the company's financial performance. The higher the asset turnover, the greater the company's ability to distribute dividends (Amalia, 2013). The definition of total asset turnover according to Lukman Syamsuddin indicates the level of efficiency in utilizing all of a company's assets to generate a certain volume of sales. A higher total asset turnover means that the overall assets are being used more efficiently to generate sales. According to Kasmir (2014), the formula for the activity ratio to find total asset turnover is:

$$Total\ Asset\ Turnover = \frac{Net\ Sales}{Total\ Asset}$$

According to Sofyan (2009), the larger this ratio, the better, as it indicates that the company is effective in managing its assets.

2.5 Financial performance

According to Fahmi (2018: 142), financial performance is an analysis conducted to see how far a company has implemented good and correct financial implementation rules. Good company financial performance means that the applicable rules have been implemented properly and correctly. The conclusion that can be drawn from several performances is the result of work or comparison in terms of quality and quantity, whether physical or mental, physical or non-mental, a picture of the financial condition of the company concerning the collection and distribution of funds, which is usually measured by indicators of capital adequacy, liquidity, and profitability, in achieving goals, objectives, vision, and mission in improving the company.

$$Return\ On\ Assets = \frac{Net\ Income}{Total\ Assets} x\ 100\%$$

2.6. Financial leverage

Financial leverage refers to the use of funds with fixed obligations, with the expectation that this funding will increase earnings per share (EPS). The use of such fixed-cost funds can result in either favorable or unfavorable leverage for a company (Andriprawiro, 2016). A company is said to be using financial leverage if it employs some

of its assets with interest-bearing securities, such as bank loans, issuing bonds, or preferred stock. Changes in EBIT (Earnings Before Interest and Tax) will result in changes in EPS (Earnings Per Share).

$$DFL = \frac{EBIT}{EPS}$$

2.7 Good Corporate Governance

According to Kristian and Yopi Gunawan (2018:149), Good Corporate Governance is a process and structure used by corporate organizations (shareholders, commissioners/supervisory boards, and directors) to enhance business success and accountability to achieve long-term shareholder value while considering the interests of other stakeholders, based on legal regulations and ethical values. From the definitions above, it can be concluded that Good Corporate Governance is a structure used by organizations to achieve corporate accountability based on legal regulations.:

$$\frac{\text{Number of Applications of Aspect Recommendations}}{\text{Number of Aspect Recommendations}}$$

2.8 Hypothesis Formulation

The variables that will be tested in this research will be developed in a conceptual framework which can be described as follows:
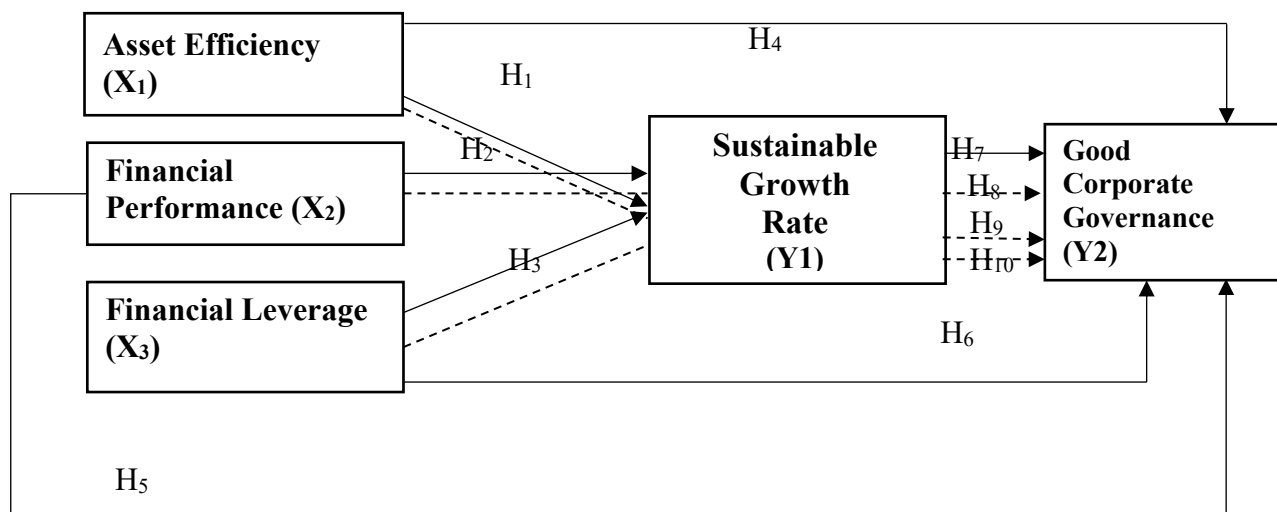

Figure 1. Conceptual Framework

H1: Allegedly, Asset efficiency has a positive effect on the Sustainable Growth Rate (SGR)

H2: Allegedly, Financial performance as measured by profitability has a positive effect on the Sustainable Growth Rate (SGR).

H3: Allegedly, Financial leverage has a positive influence on the Sustainable Growth Rate (SGR)

H4: Allegedly, Asset efficiency has a positive effect on Good Corporate Governance.

H5: Allegedly, Financial Performance has a positive effect on Good Corporate Governance.

H6: Allegedly, Financial Leverage has a positive effect on Good Corporate Governance

H7: Allegedly, Sustainable Growth Rate has a positive effect on Good Corporate Governance

H8: Allegedly, Good Corporate Governance is able to mediate the influence of asset efficiency on the Sustainable Growth Rate

H9: Allegedly, Good Corporate Governance is able to mediate the influence of Financial Performance on the Sustainable Growth Rate

H10: Allegedly, Good Corporate Governance is able to mediate the influence of Financial Leverage on the Sustainable Growth Rate

3. Methods

This study aims to examine the influence of asset efficiency, financial performance, and financial leverage on the sustainable growth rate through good corporate governance. This research is classified as associative quantitative research. The type of data used is secondary data obtained from www.idx.co.id and company websites. The population in this study is the manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange (IDX) for the period 2018-2022. The sample for this study was determined using a non-probability sampling technique, specifically purposive sampling, resulting in 20 companies that met the criteria over 5 years, yielding a total of 100 observational data points

The method used in selecting the sample was a purposive sampling method with several selected criteria, including:

a) The Financial reports of consumer goods subsector manufacturing companies listed on the Indonesia Stock Exchange (BEI) for the 2018-2022 period.

b) The Financial reports of companies in the consumer goods subsector that experienced losses during the 2018-2022 period.

c) The Financial reports from companies that do not distribute dividends.

The data that has been collected is then analyzed using descriptive statistics, panel data quality tests, intervening regression analysis, classical assumption tests (normality test, multicollinearity, heteroscedasticity and autocorrelation) and hypothesis tests (t statistical test, f statistical test and coefficient of determination). Analysis of the data obtained in this research will use the help of computer technology, namely the Econometric Views (EViews) application program version 12.

The data in this research was tested using two types of regression methods, namely the Path Analysis Test method and the Sobel Test. The use of these two types of regression methods is to test the influence of the independent variable on the dependent variable which is mediated by the moderating variable with a ratio interval measurement scale or linear equation. The regression model used is as follows:

$$Yit = \alpha + \beta 1\, X\, 1it + \beta 3\, X\, 3t + \beta 4\, X\, 4it + \beta 5\, X\, 5it + eit$$

Information:

Yit = Sustainable Growth Rate

α = Constant

X1it = Asset Efficiency

X2it = Financial Performance

X3it = Financial Leverage

I = 1st Company

t = 1st Period

e = Remainder/Error

4. Results And Discussion

4.1 Descriptive Statistics

The purpose of descriptive statistics is to provide an overview of the characteristics of the research variables consisting of Asset Efficiency, financial performance and Financial Leverage towards the Sustainable Growth Rate which is mediated by Good Corporate Governance.

Table 1. Descriptive Statistics Results

	PTA	ROA	DFL	SGR	GCG
Mean	1.132140	0.118300	1.101400	-0.096500	0.657900
Median	0.995500	0.090000	1.225000	0.060000	0.675000
Maximum	3.580000	1.000000	33.38000	0.390000	0.920000
Minimum	0.360000	0.010000	-25.30000	-15.13000	0.040000
Std. Dev.	0.614146	0.126196	4.710761	1.520846	0.227491
Skewness	1.310450	3.883136	1.262898	-9.803643	-1.033173
Kurtosis	5.087388	25.53558	33.25123	97.41607	3.714897

Source: Data processed by researchers with E-Views 12, 2024

From the results of descriptive statistics, the analysis is as follows:

a) The Sustainable Growth Rate variable projected with SGR has a mean of 0.0965 with a standard deviation of 1.5208, a minimum value of -15.1300, and a maximum value of 0.3900. The company with the maximum SGR value is PT. Unilever Indonesia Tbk, which achieved 0.3900 in 2018. This occurred with a total profit reaching 9,109,445,000,000 and total equity of 7,578,133,000,000. On the other hand, the company with the smallest SGR is PT. Emdeki Utama Tbk, with -15.13 because its total profit after tax is greater than its total equity, with a total profit of 923,795,000,000 and total equity of 834,398,000,000.

b) The Asset Efficiency (PTA) variable which is projected with PTA in this study, the results of descriptive statistics in table 4.3 show that PTA has a mean value of 1.1321 with a standard deviation of 0.6141, a minimum value of 0.3600 and a maximum value of 3.5800. The company that has the maximum value for PTA, namely Budi Starch & Sweetener Tbk, in 2019 was 3.30, this happened because the profit after tax this year was greater than the previous year, reaching only 50,467,000,000 with total equity in 2019 reaching 1,285,318,000,000

c) The financial performance variable projected with ROA in this study is that the results of descriptive statistics in table 4.3 show that ROA has a mean of 0.1183 with a standard deviation of 0.1261, a minimum value of 0.0100 and a maximum value of 1.0000. The company that has the maximum value is PT. Sekar Laut Tbk with a maximum value of 0.1000 in 2021 nominal profit after tax of 84,524,160,000 with total assets nominal of 889,125,250,792.

d) The Financial Leverage variable projected in this study, the results of descriptive statistics in table 4.3 show that the DFL in this study has a mean of 1.1014, with a standard deviation of 4.7107, a minimum value of -25.3000 with a maximum value of 33.3800. The company with the maximum value is Kimia Farma Tbk with a maximum value of 33.38 in 2020.

e) It is known that the minimum value of the Good Corporate Governance variable is projected in this study, the results of the descriptive statistics table 4.3 show that GCG has a mean of 0.6579, with a standard deviation of 0.2274, a minimum value of 0.0400 with a maximum value of 0.9200.

4.2 Panel Data Regression Estimation

Table 2. Conclusion of Equation Model Test I

No	Method	Testing	Result
1	Chow Test	Common Effect vs Fixed Effect	Fixed Effect
2	Hausman Test	Fixed Effect vs Random Effect	Fixed Effect

Source: Data processed by researchers, 2024

Table 3. Conclusion of Equation Model Test II

No	Method	Testing	Result
1	Chow Test	Common Effect vs Fixed Effect	Fixed Effect
2	Hausman Test	Fixed Effect vs Random Effect	Fixed Effect

Source: Data processed by researchers, 2024

Based on table I and 2 of the model determination results above, the Chow test shows that the best estimation method is the Fixed Effect model, while the Hausman test shows that the best model is the Fixed Effect model, so a Lagrange multiplier test is carried out to show the best method for the random effect model. So the best method used in this research is Fixed Effect. If you have carried out the Chow Test and Hausman Test, the decision to use the Lagrange Multiplier test depends on the results of the previous analysis. If the Chow Test and Hausman Test are the fixed effect or random effect models that have been chosen then there is no indication to use the pooled OLS model, then the LM test may not be needed.

4.3 Classic Assumption Test
4.3.1 Normality Test

The normality test is used to determine whether the regression model has a normal distribution (distribution) of data or not. The following are the results of the normality test in this study:
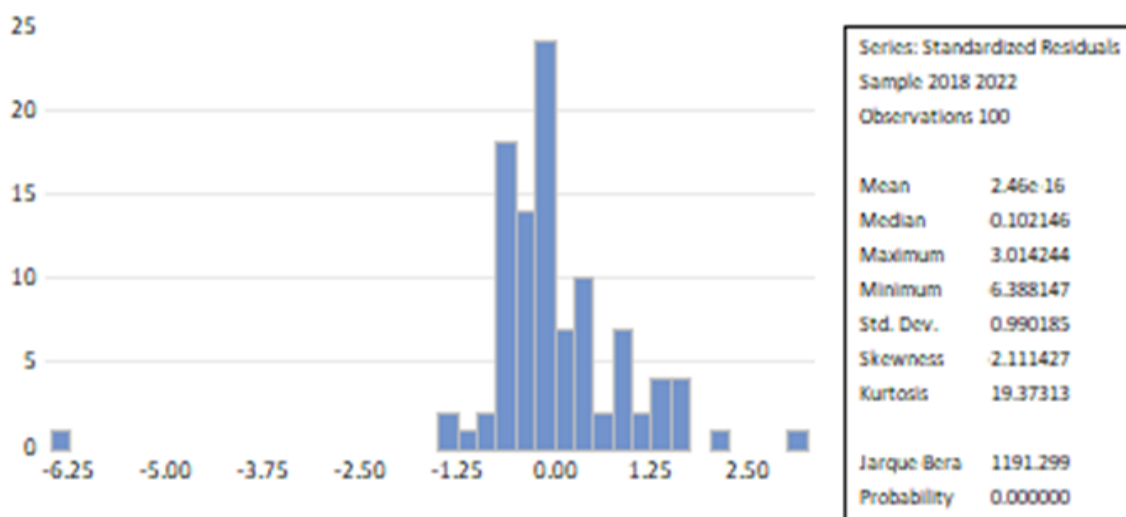

Figure 2. Normality Test Results
Source: Data processed by researchers with E-Views 12, 2024

Based on Figure 2 model I, the normality test results above can be seen as a jarguebera value of 1191.299 with a probability value of 0.0000. So, it can be concluded that the model data is not normally distributed, because the probability value is 0.0000 < 0.05.
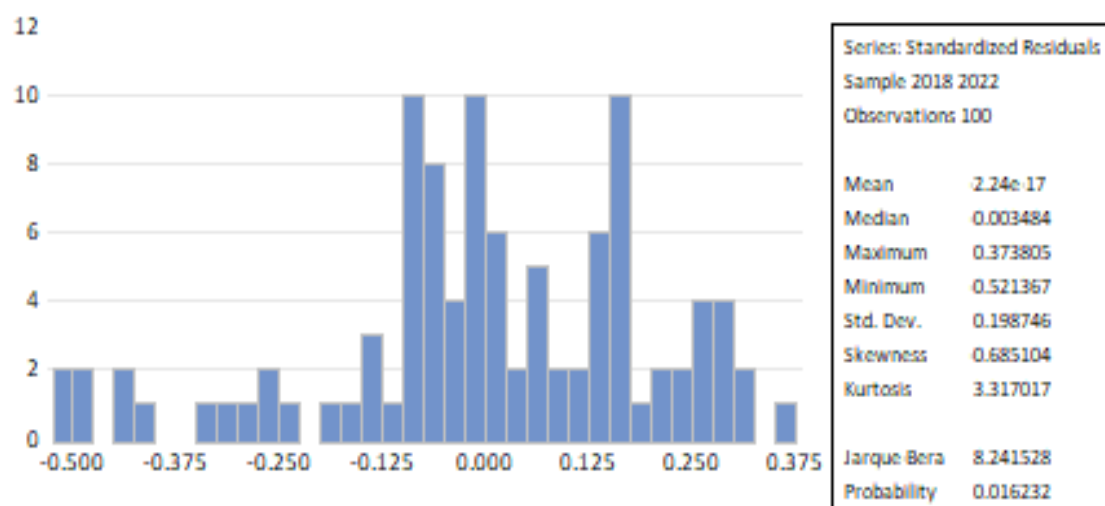
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Figure 3. Normality Test Results
Source: Data processed by researchers with E-Views 12, 2024

Based on figure 3 model II, the results of the normality test above can be seen as a jargue-bera value of 8.2415 with a probability value of 0.0162. So, it can be concluded that this research model has a moral distribution, because the probability value is 8.2415 > 0.05.

4.3.2 Multicollinearity Test

In this research, symptoms of multicollinearity can be seen from the correlation values between variables contained in the correlation matrix. If there is a correlation between independent variables or a value inflation factors (VIF) value below 10, it is stated that there are no symptoms of multicollinearity (Ghozali, 2016).

Table 4. Multicollinearity Test

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.001172	6.505020	NA
X1	0.000268	3.898652	1.073899
X2	0.038199	3.400824	1.086218
X3	2.42E-05	1.230424	1.128776

Source: Data processed by researchers with E-Views 12, 2024

Based on table 4 of model I, the results of the multicollinearity test above, it can be seen that the VIF value of the independent variable included in the model is 1.128776, which is less than 10, so it can be concluded that the data does not have symptoms of multicollinearity or that the assumptions of the multicollinearity test have been fulfilled.

Table 5. Multicollinearity Test

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.009129	6.543008	NA
X1	0.003431	6.451286	1.777032
X2	0.333009	3.829703	1.223202
X3	0.000188	1.231549	1.129807
Y1	0.483842	2.954693	1.905638

Source: Data processed by researchers with E-Views 12, 2024

Based on table 5 of model I, the results of the multicollinearity test above, it can be seen that the VIF value of the independent variables included in the model is 1.9056, which is less than 10, so it can be concluded that the data do not have symptoms of multicollinearity or that the assumptions of the multicollinearity test have been fulfilled.

4.3.3 Heteroscedasticity Test
Table 6. Heteroscedasticity Test

F-statistic	3.053122	Prob. F(3,20)	0.0522
Obs*R-squared	7.538736	Prob. Chi-Square(3)	0.0566
Scaled explained SS	6.932805	Prob. Chi-Square(3)	0.0741

Source: Data processed by researchers with E-Views 12, 2024

Based on model I table, the results of the heteroscedasticity test above show that the chi-sguare probability is 0.566, where the value is > 0.05, so H0 is accepted and there is no heteroscedasticity problem with the independent variable.

Table 7. Heteroscedasticity Test

F-statistic	0.488114	Prob. F(4,19)	0.7444
Obs*R-squared	2.236440	Prob. Chi-Square(4)	0.6924
Scaled explained SS	2.376998	Prob. Chi-Square(4)	0.6668

Source: Data processed by researchers with E-Views 12, 2024

4.3.4 Autocorrelation Test
The autocorrelation test is used to test whether in a linear regression model there is a correlation between the residual error in the current period and the error in the previous period. Autocorrelation in this study was tested using the Breusch-Godfrey Serial Correlation LM Test. The following autocorrelation test results obtained are presented in the table below:

Table 8. Autocorrelation Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.193928	0.220245	0.880513	0.3808
X1	0.702885	0.168179	4.179399	0.0001
X2	-9.202877	0.817891	-11.25195	0.0000
X3	0.002277	0.021471	0.106039	0.9158
R-squared	0.576102	Mean dependent var		-0.096500
Adjusted R-squared	0.562855	S.D. dependent var		1.520846
S.E. of regression	1.005537	Akaike info criterion		2.888099
Sum squared resid	97.06607	Schwarz criterion		2.992306
Log likelihood	-140.4049	Hannan-Quinn criter.		2.930273
F-statistic	43.48979	Durbin-Watson stat		1.126052
Prob(F-statistic)	0.000000			

Source: Data processed by researchers with E-Views 12, 2024

Based on table 8 of model I, the results of the Autocorrelation test above show that in this study there were 100 samples (n) and K independent variables) there were 3 variables, so it can be concluded that based on the Durbin Watson reference table with $\alpha = 5\%$, we got the following results:
- DL value = 1.6131
- 4-DL value = 2.3869
- DU value = 1.7364
- 4-DU value = 2.2636
- DW (Durbin Watson) value = 1.1260
- DW < DL < =4-DL = 1.1260 < 1.6131 < 2.3869

Table 9. Autocorrelation Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.479095	0.044618	10.73778	0.0000
X1	0.118335	0.036891	3.207665	0.0018
X2	0.491320	0.251295	1.955153	0.0535
X3	-0.010830	0.004332	-2.499718	0.0141
Y1	0.014116	0.020593	0.685487	0.4947
R-squared	0.236750	Mean dependent var		0.657900
Adjusted R-squared	0.204613	S.D. dependent var		0.227491
S.E. of regression	0.202887	Akaike info criterion		-0.303633
Sum squared resid	3.910479	Schwarz criterion		-0.173375
Log likelihood	20.18166	Hannan-Quinn criter.		-0.250915
F-statistic	7.366943	Durbin-Watson stat		0.269690
Prob(F-statistic)	0.000033			

Source: Data processed by researchers with E-Views 12, 2024

Based on table 9 of model II, the results of the Autocorrelation test above show that in this study there were 100 samples (n) and K independent variables) there were 4 variables,

so it can be concluded that based on the Durbin Watson reference table with α = 5%, we got the following results:

- DL value = 1.6131
- 4-DL value = 2.3869
- DU value = 1.7364
- 4-DU value = 2.2636
- DW (Durbin Watson) value = 0.2696
- DW < DL < =4-DL = 0.2696 < 1.6131 < 2.3869

So, it can be concluded that the data has symptoms of autocorrelation or does not pass the autocorrelation test because the Durbin Watson statistical value is below the DL and 4-Dl values.

4.4 Path Analysis and Sobel Test Results

4.4.1 Regression Equation (Model Selection – Chow Test/Hausman Test/Lagrange Multiplier Test)

Table 10. Chow Path Test Results Panel Data Analysis

Effects Test	Statistic	d.f.	Prob.
Cross-section F	13.619596	(19,77)	0.0000
Cross-section Chi-square	147.262788	19	0.0000

Source: Data processed by researchers with E-Views 12, 2024

Based on table 10 the results of the Chow Path test analysis of the panel data above, it can be concluded that the Prob value is 0.0000 < 0.05, so the selected model is the Fixed Effect Model (FEM), then proceed to the Hausman Test.

Table 11. Hausman Path Test Results Panel Data Analysis

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	44.020158	3	0.0000

Source: Data processed by researchers with E-Views 12, 2024

Based on table 11, the results of the Hausman Path analysis of the panel data above, it can be concluded that the Prob value is 0.0000 < 0.05, so the selected model is the Fixed Effect Model (FEM), so there is no need to continue with the Lagrange Multiplier Test (LM Test), because it can be ascertained that the model chosen is Fixed Effect (FEM).

4.4.2 Results of Panel Data Path Analysis Model Selection

The In this research, it is stated that the Chow and Hausman test results show that the best estimation model is the Fixed Effect Model. The results of model selection are as follows:

Table 12. Panel Data Model Selection Results

Testing	Hypothesis	Final Result
Chow Test	Common Effect and Fixed Effect	Fixed Effect
Hausman Test	Random Effect and Fixed Effect	Fixed Effect

Source: Data processed by researchers with E-Views 12, 2024

Based on the table of model selection results from the 2 tests above, the Fixed Effect Model (FEM) was selected or the best model. Therefore, to carry out Path Analysis, you can use the Fixed Effect Model (FEM).\

4.5 Regression Equation (Hypothesis Test)
Table 13. Model I: Results of the Regression Equation

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.656013	0.017083	38.40205	0.0000
X1	0.002345	0.014678	0.159782	0.8735
X2	-0.011959	0.039722	-0.301060	0.7642
X3	0.000587	0.000855	0.686336	0.4946

Effects Specification				
Cross-section fixed (dummy variables)				

R-squared	0.980497	Mean dependent var		0.657900
Adjusted R-squared	0.974924	S.D. dependent var		0.227491
S.E. of regression	0.036024	Akaike info criterion		-3.610640
Sum squared resid	0.099924	Schwarz criterion		-3.011451
Log likelihood	203.5320	Hannan-Quinn criter.		-3.368137
F-statistic	175.9577	Durbin-Watson stat		1.121446
Prob(F-statistic)	0.000000			

Source: Data processed by researchers with E-Views 12, 2024

In table 4.13 above it can be concluded that:

1) The Asset Efficiency variable (X1) has a t-statistic value of 0.1597 with a Prob value. (Significance) is $0.8735 > 0.05$, so it can be concluded that the Asset Efficiency variable (X1) has no significant effect on the Sustainable Growth Rate variable (Y1).

2) The Financial Performance Variable (X2) has a t-statistic value of 0.3010 with a Prob value. (Significance) is $0.7642 > 0.05$, so it can be concluded that the Financial Performance variable (X2) has no significant effect on the Sustainable Growth Rate variable (Y1).

3) The Financial Leverage variable (X3) has a t-statistic value of 0.6863 with a Prob value. (Significance) is $0.4946 > 0.05$, so it can be concluded that the Financial Leverage variable (X3) has no significant effect on the Sustainable Growth Rate variable (Y1).

4) The Adjusted R Square value is 0.2274, so it can be concluded that the contribution of the Asset Efficiency Variable (X1), Financial Performance Variable (X2) and Financial Leverage Variable (X3) to the Sustainable Growth Rate (Y1) variable is 22.74%.

Table 14. Model II: Results of the Regression Equation

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.611784	1.152043	0.531043	0.5969
X1	0.776026	0.220544	3.518689	0.0007
X2	-13.94746	0.597078	-23.35952	0.0000
X3	-0.005996	0.012884	-0.465409	0.6430
Y2	0.105996	1.712002	0.061914	0.9508

Effects Specification				
Cross-section fixed (dummy variables)				

R-squared	0.902796	Mean dependent var	-0.096500
Adjusted R-squared	0.873379	S.D. dependent var	1.520846
S.E. of regression	0.541176	Akaike info criterion	1.815420
Sum squared resid	22.25827	Schwarz criterion	2.440661
Log likelihood	-66.77102	Hannan-Quinn criter.	2.068467
F-statistic	30.68948	Durbin-Watson stat	1.386073
Prob(F-statistic)	0.000000		

Source: Data processed by researchers with E-Views 12, 2024
In table 14 above it can be concluded that:
1) The Good Corporate Governance variable (Y2) has a t-statistic value of 0.0619 with a Prob value. (Significance) is 0.9508 > 0.05, so it can be concluded that the Good Corporate Governance variable (Y2) has no significant effect on the Sustainable Growth Rate variable (Y1).
2) The Adjusted R Square value is 0.8733, so it can be concluded that the contribution of the Asset Efficiency Variable (X1), Financial Performance Variable (X2), Financial Leverage Variable (X3) and Good Corporate Governance Variable (Y2) (Intervening) to the Sustainable Growth variable Rate (Y1) is 87.33%.%.

4.6 Sobel Test
Next, a mediation test was carried out, namely testing whether Good Corporate Governance (Z) significantly mediates the relationship between Asset Efficiency (X1), Financial Performance (X2), Financial Leverage (X3) and the Sustainable Growth Rate (Y). Mediation testing was carried out using the Sobel test. Table 4.14 presents the results of the mediation test. Ghozali (2011) hypothesis testing can be done using the money procedure developed by Sobel (Sobel Test).
The results of the Sobel test calculation are as follows:

Variable	Coefficient	Standard Error	Sobel Test
Asset Efficiency	0,002345	0,014678	0,05773
Financial Performance	-0,011959	0,039722	0,06064
Financial Leverage (	0,000587	0,000855	-0,06166

Source: Data processed by researchers with E-Views 12, 2024
Based on the Sobel test analysis above, it can be concluded that the p-value obtained is 0.9539 > 0.05 with a Sobel Test Statistical Test value of 0.05773, so it can be concluded that the Asset Efficiency variable (X1) has a significant effect on the Sustainable Growth Rate variable (Y1) through the Good Corporate Governance (Y2) (intervening) variable or indirectly the intervening variable is able to mediate the influence of the Asset Efficiency variable (X1) on the Sustainable Growth Rate (Y1) variable.

Based on the Sobel test analysis above, it can be concluded that the p-value obtained is 0.9508 > 0.05 with a Sobel Test Statistical Test value of 0.0616, so it can be concluded that the Financial Leverage (X3) variable has no significant effect on the Sustainable Growth Rate variable (Y1) through the Good Corporate Governance (Y2) (intervening) variable or indirectly the intervening variable is unable to mediate the influence of the Financial Leverage variable (X3) on the Sustainable Growth Rate (Y) variable.

4.7 Discussion

The Based on table 4.6 in model 1, it shows that the t-statistic value obtained is 3.543395 and the Prob value is significant 0.0007 with a significant level of $\alpha = 0.05$ and tcount is 1.66123. So, it can be concluded that the asset efficiency variable has no effect on the Sustainable Growth Rate. The results of this research are in line with the findings of Aida Aqila and Prasetiono (2023) with research showing that Asset Efficiency has a significant positive influence on the Sustainable Growth Rate (SGR), meaning that an increase in the efficiency of a company's assets shows that there is an increase in sales generated in each turnover of its assets, therefore this will reduce the company's need for new assets.

From Table 4.6 in Model 1, it shows that the t-statistic value obtained is -23.52808, and the significant Prob value is 0.0000 with a significance level of $\alpha = 0.05$, and the t-critical value is 1.66123. Based on this comparison, it indicates that H0 is rejected and H1 is accepted. Thus, it can be concluded that the financial performance variable does not have an effect on the Sustainable Growth Rate. This research result aligns with the findings of Barbara Gunawan and Dian Puteri Leonnita (2015), which showed that financial performance does not influence the sustainable growth rateThis is because SGR encompasses various factors, including debt policy, capital structure, and operational efficiency.

From Table 4.6 in Model 1, it shows that the t-statistic value obtained is -0.465005, and the significant Prob value is 0.6432 with a significance level of $\alpha = 0.05$, and the t-critical value is 1.66123. This research result aligns with the study conducted by Aida Aqila and Prasetiono (2023), which shows that financial leverage has a negative impact on the sustainable growth rate (SGR).

From Table 4.7 in Model II, it shows that the t-statistic value obtained is 0.124015, and the significant Prob value is 0.9016 with a significance level of $\alpha = 0.05$, and the t-critical value is 1.66123. This research result is supported by Stakeholder Theory, which emphasizes the importance of considering the interests of all parties involved in the company, including shareholders, employees, customers, and the general public.

From Table 4.7 in Model II, it shows that the t-statistic value obtained is -0.46511, and the significant Prob value is 0.9630 with a significance level of $\alpha = 0.05$, and the t-critical value is 1.66123. This research result differs from the findings of Setyadi Irfan, Fachrurrozie, and Bestari Dwi Handayani (2013), which showed that ROA does not influence corporate governance.

From Table 4.7 in Model II, it shows that the t-statistic value obtained is 0.684203, and the significant Prob value is 0.4959 with a significance level of $\alpha = 0.05$, and the t-critical value is 1.66123. This research result is supported by Agency Theory, which posits that the relationship between shareholders (principals) and management (agents) in a company can be influenced by the structure and use of debt.

From Table 4.7 in Model II, it shows that the t-statistic value obtained is 0.061914, and the significant Prob value is 0.9508 with a significance level of $\alpha = 0.05$, and the t-

critical value is 1.66123. This research result is supported by Agency Theory, which focuses on the conflicts of interest between shareholders (principals) and management (agents) that can influence growth policies and the use of company resources, as reflected in SGR. Through this theory, companies can develop appropriate GCG strategies to support sustainable growth and build trust among key stakeholders, including shareholders, employees, and the broader community.

From table 4.29, which shows the Sobel test results above, it can be concluded that the p-value obtained is 0.9516 > 0.05 with a Sobel Test Statistical Test value of 0.0606, so it can be concluded that the Asset Efficiency variable (X1) has no significant effect on the variable. Sustainable Growth Rate (Y1) through the Good Corporate Governance (Y2) (intervening) variable or indirectly the intervening variable is not able to mediate the influence of the Asset Efficiency variable (X1) on the Sustainable Growth Rate (Y1) variable. The results of this research are supported by the Resources Dependence Theory, meaning the relationship between a company and its environment, especially in terms of dependence on external resources. It covers aspects of asset management (including asset efficiency) and how companies interact with external stakeholders to meet their needs and strategic objectives, asset efficiency can influence a company's dependence on external resources.

From table 4.30, it shows that with the Sobel test results above, it can be concluded that the p-value obtained is 0.9516 > 0.05 with the Sobel Test Statistical Test value being 0.0606, so it can be concluded that the Financial Performance variable (X2) has no significant effect on the variable. Sustainable Growth Rate (Y1) through the Good Corporate Governance (Y2) variable (intervening) or indirectly the intervening variable is not able to mediate the influence of the Financial Performance variable (X2) on the Sustainable Growth Rate variable (Y1). The results of this research are supported by the theory of Stakeholder Theory. Stakeholder Theory emphasizes the importance of considering the interests of all stakeholders in company decision making. By paying attention to the interests of investors, employees, customers and the general public, Good Corporate Governance can increase trust and support from various stakeholders

From table 4.31, it shows that with the Sobel test results above and below the p-value obtained is 0.9508 > 0.05 with a Sobel Test Statistical Test value of 0.0616, it can be concluded that the Financial Leverage (X3) variable has no significant effect on the Sustainable Growth variable. Rate (Y1) through the Good Corporate Governance (Y2) (intervening) variable or indirectly the intervening variable is not able to mediate the influence of the Financial Leverage variable (X3) on the Sustainable Growth Rate (Y1) variable. The results of this research are supported by Stakeholder theory. This theory emphasizes the importance of considering the interests of all stakeholders in company decision making, including investors, employees, customers and society.

5. Conclusion

After testing the research data on the influence of asset efficiency, financial performance and financial leverage on sustainable growth levels mediated by good corporate governance listed on the Indonesia Stock Exchange in 2018-2022, a sample of 20 companies was obtained in this research. The following are the conclusions of the research results:

1) Based on the research results, the influence of the asset efficiency variable has no effect on Sustainable Growth. The results of this research are in accordance with Du Pont's theory, company efficiency and profitability by combining three main financial

ratios: profit margin, total asset turnover, and debt to equity ratio. With the increase in the TATO value, it shows that the company is more efficient in using its assets to generate sales which can ultimately generate more income for the company which can be reinvested in the business which can support the growth of the sustainable growth rate (SGR) value.

2) Based on research results, the influence of financial performance does not affect Sustainable Growth. The results of this research are in accordance with agency theory in the context of Agency Theory. Effective supervision can reduce agents' opportunistic behavior and increase operational efficiency, which in turn can improve the company's financial performance.

3) Based on the research results, Financial Leverage has an effect on Sustainable Growth. The results of this research are in accordance with the Balancing theory in this case, using debt as a source of funds can increase the company's risk. This will have an impact on the company's sustainable growth rate because if the company fails, the company will not be able to develop sustainably.

4) Based on research results, asset efficiency influences Good Corporate Governance. The results of this research are in accordance with Stakeholder Theory. In the context of measuring asset efficiency, this approach encourages companies to utilize their assets effectively to achieve long-term sustainability that benefits all stakeholders.

5) Based on research results, Financial Performance influences Good Corporate Governance. The results of this research are supported by Stakeholder theory, emphasizing the importance of measuring asset efficiency. This approach encourages companies to utilize their assets effectively to achieve long-term sustainability that benefits all stakeholders.

6) Based on research results, Financial Leverage has an effect on Good Corporate Governance. The results of this research are in accordance with agency theory, suggesting that the use of debt can create a conflict of interest between management who tend to take higher risks (in order to get incentives based on performance) and shareholders who want to avoid risks that do not need to help. reducing agency costs and ensuring that debt is used responsibly to increase company value.

7) Based on research results, Sustainable Growth Rate Influences Good Corporate Governance. The results of this research are in accordance with Agency Theory. This theory focuses on conflicts of interest between shareholders (principal) and management (agent), which can influence growth policies and the use of company resources as reflected in SGR. In the context of GCG, this theory is relevant because strong GCG practices can reduce agency costs and ensure that the growth policies taken by management are in line with the long-term interests of shareholders and effective GCG implementation can help reduce the risk of conflicts of interest that may arise from the company's growth policies.

8) Based on research results, asset efficiency has no effect on the Sustainable Growth Rate mediated by Good Corporate Governance. The results of this research are in accordance with the Resource Dependence Theory, meaning the relationship between a company and its environment, especially in terms of dependence on external resources. It covers aspects of asset management (including asset efficiency) and how companies interact with external stakeholders to meet their needs and strategic objectives, asset efficiency can influence a company's dependence on external resources. Strong GCG can help companies build sustainable relationships with suppliers, customers and investors, which supports effective SGR implementation.

9) Based on the research results, Financial Performance has no effect on the Sustainable Growth Rate, mediated by Good Corporate Governance, it has no significant effect on the Sustainable Growth Rate variable or indirectly, intervening variables are not able to mediate the effect of Financial Performance on the Sustainable Growth Rate. The results of this research are in accordance with Stakeholder theory, emphasizing the importance of considering interests of all stakeholders in company decision making. By paying attention to the interests of investors, employees, customers and the general public, Good Corporate Governance can increase trust and support from various stakeholders

10) Based on the research results, financial leverage has no effect on the Sustainable Growth Rate, mediated by Good Corporate Governance or indirectly, intervening variables are not able to mediate the influence of Financial Levegare on the Sustainable Growth Rate. The research results are in accordance with Stakeholder theory. This theory emphasizes the importance of considering the interests of all stakeholders in company decision making, including investors, employees, customers and society. By implementing good GCG, companies can minimize conflicts of interest and build stakeholder trust, which supports the use of FL for productive and sustainable investments. This means that by implementing good GCG, companies can reduce conflicts of interest between different stakeholders and build trust.

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