

How Do Social Contribution Value and Ownership Structure Influence Corporate Sustainable Growth in State-Owned Companies in Indonesia?

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Abstract

This study aims to prove empirically social contribution value, ownership concentration, and ownership circulation have a positive influence on corporate sustainable growth which is controlled by leverage and profitability. This study theory focuses on agency theory and stakeholder theory. The study sample focuses on state-owned companies listed on the Indonesia Stock Exchange in the 2014-2019 period. The data of this study's sample used certain selection criteria with the use of the purposive sampling method to obtain 83 data that became the study sample. Data were analyzed using the multiple regression analysis methods. The results of this study indicate that social contribution value doesn't influence corporate sustainable growth which is controlled by leverage and profitability. Ownership concentration and ownership circulation don't influence corporate sustainable growth which is controlled by leverage and profitability. The social contribution value is a form of social and environmental responsibility for the company's operations towards stakeholders that don't support the corporate sustainable growth of the company in the long term. The spread of the company's share ownership structures that traded highly and weren't concentrated on certain parties of shareholders can't support the implementation of decisions made by management to increase the corporate sustainable growth. Because of its limitations, future studies can reflect the extent to which the assessment of corporate social contributions is carried out by one sector of a company other than state-owned companies.

Keywords: *Corporate Sustainable Growth, Social Contribution Value, Ownership Structure, Ownership Concentration, Ownership Circulation.*

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INTRODUCTION

The monitoring of the situation faced by the company and the performance of company management by mapping the level of sustainable growth can help managers carry out financial planning efficiently (Radasanu, 2015). Monitoring performance management and company financial information are important things that can solve the company's financial problems in increasing the company's growth (Kanani, et.al, 2013). The factor that is closely related to the performance and success of a company is the level of sustainable growth. The sustainable growth is closely related to the performance that supports the success of the company based on the return on equity and the level of income retention (Rahim, 2017).

Companies are demanded at the current level of intense global competition to be able to maximize company growth continuously by not only achieving the short-term goals but also fulfilling long-term goals in creating corporate value (Ataunal, et.al, 2016). Corporate value creation can maximize the company's corporate sustainable growth by integrating increased corporate growth into the company's long-term strategic plan (Mukherjee & Sen, 2019). Corporate sustainability growth can be a maximum benchmark for the company to grow the company's revenue without reducing its financial resources (Higgins, 1977). Corporate sustainable growth represents the highest growth based on the percentage of company sales on an annual basis that does not involve increasing equity through the issuance of new shares or changes in financial policy. Sustainable growth from a financial perspective implies the existence of sustainable growth by a company that has the potential to provide benefit in the future (Mukherjee & Sen, 2019).

In Indonesia, the corporate sustainable growth can be proven that throughout 2018, the performance of Indonesian's State-Owned Companies was superior to Malaysian's State-Owned Companies, Khazanah. State-Owned Companies in Indonesia posted a net profit of IDR 188 trillion. In 2018, the net profit growth of Indonesia's State-Owned Companies is estimated at only 1% compared to 2017 which amounted to Rp. 186 trillion. Indonesia's State-Owned Companies' net profit growth in 2017 reached 5.6% from 2016 of IDR 176 trillion. Meanwhile, net profit growth in 2016 was even higher, reaching 17.3% compared to 2015, which was valued at IDR 150 trillion. When compared with the increase in the performance of State-Owned Companies in Indonesia, the performance of Malaysian's State-Owned Companies, Khazanah in 2018 has decreased. Malaysian's State-Owned Companies, Khazanah, recorded a loss of 6.3 billion Malaysian ringgit or around Rp. 21 trillion while compared to net profit in 2017. This is because the conditions of business dynamics and global competitiveness put pressure on Khazanah which in 2018 made Khazanah begin to look at the State-Owned Companies development model that has been done in Indonesia (Pranoto, 2019).

The increasingly intense business competition and environmental issues highlighted by stakeholders related to the operations carried out by companies require companies to be able to maintain the sustainability of the company in the future (Feng, et.al, 2018). Companies in reporting disclosure of information are required not only to disclose mandatory disclosures as required by regulations but also must disclose voluntary disclosures with the nature of free disclosure that can support decision making in improving the company's future performance. Disclosure of social responsibility activities is a demand that the company must fulfill at this time concerning the

reporting concept that has shifted from a single bottom line that focuses on achieving financial aspects to a triple bottom line which has expanded related to the achievement of financial, social and environmental aspects (Kurniasari & Warastuti, 2015).

The ownership structure is an internal mechanism that plays an important role in good corporate governance to decrease agency problems because it relates to capital and the identity of equity owners in determining economic efficiency in company management (Jensen & Meckling, 1976; Malelak, et.al, 2020). The company's ownership structure faces challenges and global demands that change very rapidly in line with the current development of a globally integrated economy. Companies are required to increase the company's ability to survive in the future based on the benefits that can be achieved in a competitive environment (Oyedokun, et.al, 2020).

Ownership structure has two broad dimensions, namely ownership concentration, and ownership circulation. The ownership concentration is the situation where there are majority controlling shareholders in the company (Anelia & Prasetyo, 2020). Ownership concentration is measured based on the level of concentration of voting rights in the largest shareholders of public companies listed on the stock exchange. Ownership circulation is based on the largest shareholder type (Balagobei & Velnampy, 2016). Companies that have a high number of traded shares and the spread of the number of shares do not concentrate on certain shareholders and will make the company able to optimize the policies to support corporate sustainable growth (Feng, et.al, 2018).

Leverage and profitability used as control variables in this study. Leverage is the use of financial resources in the company's capital structure. Leverage is one form of corporate funding sources in the form of debt (short term debt and long-term debt) or capital (preferred stock and common stock). Leverage in a company is determined from the company's optimal capital structure policy in minimizing risks and costs (Nadeem, et.al, 2016). The increasing of the leverage in firm's finance can make the additional debt budget available and increase the firm's sustainability growth rate (Mumu, et. al, 2019). The short-term objective of the firm to achieve long term goal of firms' sustainability is obtaining profitability (Manaf, et al. 2018). If the firm generate profits that can be used as retained earnings, the profits will become reserve funding to increase the sustainability for financial growth of the firm in the future (Wijaya, et.al, 2021).

The difference result was shown in the previous studies. The corporate social contribution value has a significant effect on financial performance (Return On Assets) and the corporate social contribution value has no significant effect on financial performance (Return on Equity and Price to Book Value) (Dewi & Monalisa, 2016). Corporate social contribution value has a positive effect on corporate sustainable growth, ownership circulation has a positive effect on corporate sustainable growth, and ownership concentration doesn't affect corporate sustainable growth (Feng, *et.al*, 2018). Ownership concentration does not affect financial performance (Balagobei & Velnampy, 2017). Ownership circulation has a positive effect on financial performance (Ahmed & Hadi, 2017; Nhan & Ha, 2016).

The purpose of this study to prove social contribution value, ownership concentration, and ownership circulation affect positively corporate sustainable growth which was controlled by company size and financial leverage. This study is a replication of Dewi & Monalisa's (2016)'s study with the following differences as the previous studies used the data collection period from

2010-2012, while this study used a more recent data collection period with six years period from 2014-2019. The study sample of previous studies is the mining sector which is listed on the Indonesia Stock Exchange, while this study uses the study sample from state-owned companies listed on the Indonesia Stock Exchange to generalize and determine the extent of the influence of the corporate social contribution value in economic performance towards corporate sustainable growth in the entire sector of Indonesia's state-owned companies. This study adds a new independent variable, namely the ownership structure that is replicated from Feng, et.al (2018) and control variables such as leverage and profitability to examine the influence of the social contribution value and ownership structure on corporate sustainable growth in State-owned Companies.

Agency theory and stakeholder theory form the theoretical basis of this study. Agency theory implies the existence of an agency relationship in which one or more people (principal) order another person (agent) to perform services on behalf of the principal and authorize the agent to make decisions for the principal. The principal is the owner of the company which is the shareholder, and the agent is the manager who is the manager of the company (Godfrey, et. al, 2013). In an agency relationship, there is a difference of interests between the company owner (principal) and the company manager (agent). Shareholders authorize managers to run the company related to funding management and decision making following the company's main objective to improve the welfare of shareholders. However, managers also have an interest in improving their welfare. This is what causes agency problems in the company that causes opportunistic behavior from managers to gain personal benefits (Jensen & Meckling, 1976). The agency problem, therefore, arises from this separation between the control of firms by managers or managers and shareholders (Zandi, et.al, 2020).

Stakeholder theory is a theory of business ethics that applies principles and values in management where there is a change from a traditional financial perspective that not only prioritizes business profits but turns into a perspective to maximize stakeholder value. One of the strategies for fostering relationships between companies and stakeholders is through the implementation of social responsibility activities in the community and activities that have an impact on the environment (Haryono & Paminto, 2015). Stakeholder theory assumes that the company and the community have a shared responsibility so that companies need to pay attention to the broader social aspects of the company's goals by not giving full priority to the company's responsibility to shareholders (Kiel & Nicholson, 2003). Stakeholder theory aims to make sure the interests of the stakeholders are aligned with shareholders (Pandey, 2015). Based on stakeholder theory, companies must enter into social contracts with the community and the environment in which the company operates. Companies that disclose full information and have social activities will gain legitimacy from the community which can improve the company's economic sustainability in the future (Dewi & Monalisa, 2016).

Based on ISO 26000, the social contribution value is the responsibility of an organization or the influence of organizational decisions and activities that have a direct impact on the social life of society and the environment (Moeljadi, 2014). World Business Council for Sustainable Development (WBCSD) stated that social contribution value is a commitment from one business to contribute to sustainable economic development through collaboration with employees and their

representatives such as families, local communities, and public organizations. and to improve the quality of life in a way that benefits them and their business in a sustainable manner (Haryono & Iskandar, 2015).

Based on stakeholder and agency theory, social responsibility activities can facilitate the role of monitoring interest of management, so that management can focus on firm performance to enhancing the relationship between firms and stakeholders (Jones, 1995; Hill & Jones, 1992). Companies need to pay attention to carrying out their operations to align with the interests of stakeholders. The availability of social responsibility information is what a company needs to fulfill stakeholder interests in providing support to the company. Companies that invest in social responsibility activities to increase social contribution value can be better maintain the company's reputation which will affect corporate sustainable growth (Gherghina & Vintila, 2016).

H₁: Social contribution value has positive influence on corporate sustainable growth

Ownership structure that has a qualitative effect refers to the nature of ownership that has a quantitative effect refers to the concentration of share ownership the company has in certain shareholders. Concentrated shareholders are external monitors who are responsible for setting up the internal corporate governance structure. Companies that have a concentration of share ownership will be associated with a group of concentrated shareholders that can be divided based on a fraction of the number of shareholders as many as five, ten, or twenty of the largest shareholders (Demsetz & Lehn, 1985). Concentrated shareholders are external monitors who are responsible for setting up the internal corporate governance structure (Dada, et.al, 2020). Shareholders with a high concentration of ownership have sufficient power to represent individuals and small shareholders in the company can exert supervisory pressure on management or change management teams that have poor performance in improving company performance (Zhang & Kyaw, 2017).

Based on agency theory, the existence of agency conflicts that originated from differences of interests between the principal and agent causes agency costs to arise between shareholders and internal managers as well as increasing transaction costs between large and small shareholders (Jensen & Meckling, 1976). The higher concentration of ownership that is given to controlling shareholders, the more power can be got by shareholders to be able to take over rights owned by minority shareholders (Anelia & Prasetyo, 2020). The interests of the major shareholders need to coincide with the interests of other shareholders to minimize the agency problems, so the major shareholders couldn't act on their incentives (Nguyen, et.al, 2020).

A high concentration of ownership can increase the control power that shareholders have in aligning the interests of management and shareholders by providing a higher number of incentives and greater control over the company's operations with lower costs in monitoring management performance and empowering the boardroom (Bukalksa & Golec, 2018; Khatib, et.al, 2020). Shareholders who have large shareholdings in the company show the willingness of shareholders to play an active role in supporting decision-making due to internalization efforts based on the use of monitoring policies made by management (Grossman & Hart, 1986). Controlling shareholders can use ownership concentration to monitor management and improve

corporate sustainable growth. Ownership concentration can be expected to limit the power of managers to make lesser information asymmetry if managers pursue personal interests rather than shareholder interests (Li, et.al, 2015; Bassam, et.al, 2018).

H₂: Ownership concentration has positive influence on corporate sustainable growth

Ownership structure with quantitative effect refers to the types of shares that can be divided into tradable and non-tradable shares. Shares that cannot be traded are usually owned and are limited in number and are not traded on the capital market. In companies listed on the Stock Exchange, investors must be able to distinguish between tradable and non-tradable shares through ownership circulation because ownership circulation affects the behavior of shareholders and managers in influencing the achievement of company performance (Feng, et.al, 2018).

Based on stakeholder theory, the success of a company is not only influenced by shareholders but also must meet other stakeholders (government, employees, suppliers, customers, and the community). Companies are required to balance the interests of all stakeholders due to ownership circulation that can still help achieve these goals. Shareholders of tradable shares have the right to participate in shareholder meetings and voting so that they can have access to get more information and influence decisions made by management and limit the behavior of managers to fulfill their interests. The ownership circulation can also maximize the increase in corporate sustainable growth (Feng, et.al, 2018).

H₃: Ownership circulation has positive influence on corporate sustainable growth

Based on the purpose of this study to prove the relationship between social contribution value (X_1), ownership concentration (X_2), and ownership circulation (X_3) to corporate sustainable growth (Y) that had been controlled by leverage (Z_1) and profitability (Z_2), this study’s thinking framework can be described as follows.

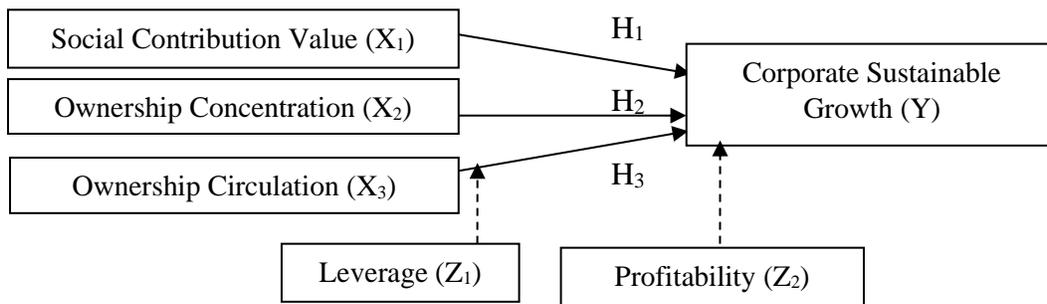


Figure. 1 Thinking Framework

RESEARCH METHOD

This type of study used in this study is a quantitative study. Quantitative study methods are the study whose specifications are systematic, well-planned, and structured from the start to the

making of the study design and are used to study certain populations or samples to test the hypothesis that has been set. This study using a causal-comparative approach that aimed to examine the cause and effect relationship between independent variables and dependent variables in one situation (Sugiyono, 2017). This study was held to examine the relationship between social contribution value, ownership concentration, and ownership circulation having positive influence on corporate sustainable growth which is controlled by leverage and profitability. The subjects of this study were companies listed on the Indonesia Stock Exchange. The data collection method in this study was literature study by looking for relevant theories and collecting the necessary data from books and articles that have a relationship with the same problem of this study and various sources of data publication that comes from secondary data obtained from financial reports and company's annual reports.

The population of this study is state-owned companies listed on the Indonesia Stock Exchange. The sample of this study was all state-owned companies listed on the Indonesia Stock Exchange consecutively from 2014-2019 which meet the selecting criteria. The study sample selection method used in this study was the purposive sampling method. The purposive sampling method is used in this study to obtain a representative sample according to the specified criteria. This study has four criteria to select the sample used in this study. The criteria result for selecting the sample of this study to select 83 data as study's samples were as follows.

Table 1. Results of the Sample Selection Procedure

No.	Criteria Description	Amount of Company	Total Data
1.	State-owned companies listed on the Indonesia Stock Exchange in a row from 2014-2019.	20	120
2.	Companies that have negative net income more than one fiscal year from 2014-2019.	(4)	(24)
3.	Data of the companies that couldn't be used for variables measurement in this study because no information available in an annual report and financial report	(0)	(8)
4.	Data of the companies that could be considered an outlier	(0)	(5)
Number of Sample Companies and Study Analysis Data		16	83

The dependent variable of this study is corporate sustainable growth. Corporate sustainable growth is the company's ability to produce new resources over a certain period of time (Feng, et.al, 2018). Corporate sustainable growth describes the ability of economic development related to the company's long-term financial performance. Sustainable Growth Rate is a measurement metric that is divided into separate components that reflect the retention policy based on the company's retention rate, cost retention capability (net profit margin), asset use (asset turnover), and financial leverage strategy (Lockwood & Prombutr, 2010). The main reason the Sustainable Growth Rate is very useful in measuring corporate sustainable growth that this measurement combines the operating elements (profit margins & asset efficiency) and financial elements (capital structure and

retention rates) (Amouzesh, et al., 2011). The scale used in measuring corporate sustainable growth is the ratio scale.

$$\text{SGR} = \text{PM} \times (1 - \text{D}) \times (1 + \text{L}) / (\text{T} - (\text{PM} \times (1 - \text{D}) \times (1 + \text{L})))$$

Legend:

- SGR = Sustainable Growth Rate
- PM = Profit Margin
- D = Dividend Payout Ratio
- L = Total Debt to Equity Ratio
- T = Total Asset to Sales Ratio

Social contribution value as an independent variable is currently a measurement component that evaluates thoroughly and objectively related to corporate value creation through Social Contribution Value per Share. Social Contribution Value Per Share integrates Earnings Per Share (EPS) with taxes, employee salaries, loan interest payments to creditors, and other expenses to create value for stakeholders outside of social costs. The scale used in measuring the social contribution value is the ratio scale.

$$\text{SCV} = \text{EPS} + (\text{T} + \text{SE} + \text{I} + \text{PWP} - \text{SC}) / \text{TE}$$

Legend:

- SCV = Social Contribution Value Per Share
- EPS = Earnings Per Share
- T = Tax
- SE = Staff Expenditure
- I = Interest
- PWP = Public Welfare Payout
- SC = Social Cost
- TE = Total Equity

Ownership Concentration as an independent variable in its measurement is replicated from Feng, et.al (2018) using a shareholding ratio which was resulted from the sum of the squares of the ratio of shares owned by the company's five largest shareholders to the company's total shares. The scale used in measuring ownership concentration is the ratio scale.

$$\text{Ownership Concentration} = \sum (\text{Shareholding Ratio of Top Five Shareholders})^2$$

Ownership circulation as an independent variable in its measurement is replicated from Feng, et.al (2018) using the proportion of tradable shares from the total shares issued by the company. The scale used in measuring ownership concentration is the ratio scale.

$$\text{Ownership Circulation} = \text{Tradable Share} / \text{Total Share}$$

The measurement of financial leverage as the control variable is replicated from Gherghina (2015) who measures leverage through debt to total equity ratio's proxy by comparing the

company's total debt and total equity. Profitability as the control variable in its measurement is replicated from Moeljadi (2014) who measures profitability using Return of Assets (ROA) by comparing the company's net income and total asset. The scale used in measuring leverage and profitability is the ratio scale.

The data analysis technique in this study used descriptive statistics and multiple linear regression analysis methods. Multiple linear regression analysis was used in this study because this study examined the effect of more than one independent variable (social contribution value, ownership concentration, ownership circulation) and control variables (leverage and profitability) on one dependent variable (corporate sustainable growth). Descriptive statistics were used to measure the average (mean), standard deviation, maximum, and minimum. The classical assumption tests carried out on the regression model in this study are normality, multicollinearity, heteroscedasticity, and autocorrelation test (Ghozali, 2016). The multiple regression equation used in this study tests examined the effect of the dependent variable and the independents variable with the control variables. The regression equation in this study must have Best Linear Unbias Estimator assumption, meaning that the t-test decisions cannot be biased (Anwar, 2019). The t-test is used to determine the effect of each independent variable partially on the dependent variable. The regression model in this study can be concluded as follows.

$$CSG = \beta_0 + \beta_1 SCV + \beta_2 OCO + \beta_3 OCI + \beta_4 LEV + \beta_5 ROA + e$$

Legend:

CSG = Corporate sustainable growth

SCV = Social contribution value

OCO = Ownership Concentration

OCI = Ownership Circulation

LEV = Leverage

ROA = Profitability

β_0 = Intercept

$\beta_1 \dots \beta_5$ = Regression Coefficient

e = Error

RESULTS AND DISCUSSION

Results

Table 2 shows the classification of samples group of Indonesia's state-owned companies industry in this study during 2014-2019. The 16 state-owned companies that became the study's sample had four companies in property, real estate, and building construction's business sector with a percentage of 25 %, two mining companies with a percentage of 12,5 %, four finance or banking companies with a percentage of 25 %, three companies in the infrastructure, utilities, and transportation's business sector with a percentage of 18,75 %, one company in the consumer goods industry with a percentage of 6,25 %, and two companies in basic industry and chemicals industry

with a percentage of 6,25 %. It can be summarized that most companies that became the study's sample are derived from property, real estate, and building construction's business sector.

The results of the normality test show the asymp.sig value. (2-tailed) obtained is 0,085, which means the asymp.sig value. (2-tailed) above 0,05. This means that Ho cannot be rejected, which shows that corporate sustainable growth, social contribution value, ownership concentration, ownership circulation, leverage, and profitability are normally distributed. These results indicate that data on corporate sustainable growth, social contribution value, ownership concentration, ownership circulation, leverage, and profitability have data distribution that is centralized on the average value.

Table 2. Classification of State-Owned Companies Industry Samples Group

Company's Name	Industry Group	Subsector	Number	Percentage
PT. Adhi Karya (Persero) Tbk	Property, real estate, and building construction	Building Construction	4	25 %
PT. Waskita Karya (Persero) Tbk				
PT. Wijaya Karya (Persero) Tbk				
PT. PP Properti (Persero) Tbk				
PT. Timah (Persero) Tbk	Mining	Coal Mining	2	12,5 %
PT. Bukit Asam (Persero) Tbk		Metal and Mineral Mining		
PT. Bank Mandiri (Persero) Tbk	Finance	Bank	4	25 %
PT. Bank Rakyat Indonesia (Persero) Tbk				
PT. Bank Negara Indonesia (Persero) Tbk				
PT. Bank Tabungan Negara (Persero) Tbk				
PT. Perusahaan Gas Negara Tbk	Infrastructure, utilities, and transportation	Energy	3	18,75 %
PT. Jasa Marga (Persero) Tbk		Toll Road, Airport, Harbor, and Allied Products		
PT. Telekomunikasi Indonesia (Persero) Tbk		Telecommunication		
PT. Kimia Farma (Persero) Tbk	Consumer Goods Industry	Pharmaceuticals	1	6,25 %
PT. Semen Baturaja (Persero) Tbk	Basic Industry and Chemicals	Cement	2	12,5 %
PT. Semen Indonesia (Persero) Tbk				
Total			16	100 %

Social contribution value, ownership concentration, ownership circulation, leverage, and profitability have a tolerance value above 0,1 and VIF value below 10. This shows that social contribution value, ownership concentration, ownership circulation, leverage, and profitability do not experience multicollinearity problems. This means that the regression model is free from multicollinearity problems and can be used in this study. Social contribution value, ownership concentration, ownership circulation, leverage, and profitability have a sig value. (2-tailed) above 0,05. This shows that the social contribution value, ownership concentration, ownership circulation, leverage, and profitability do not experience heteroscedasticity problems.

The autocorrelation test results show that the residual data has a sig value. amounting to 0,077 which means the sig value. (2-tailed) obtained above 0,05. This means that Ho cannot be rejected, which shows that there is no autocorrelation between social contribution value, ownership concentration, ownership circulation, leverage, and profitability with residual absolute value. These results indicate that the regression model is free from autocorrelation problems and can be used in this study.

The result of descriptive statistic tests of social contribution value, ownership concentration, ownership circulation, leverage, and profitability has been presented in table 3 as follows.

Table 3. Descriptive Statistic Tests

Variable	Minimum	Maximum	Average Value	Deviation Standard
Corporate Sustainable Growth	-0,01449	0,2314	0,0970	0,0561
Social Responsibility	0,0197	0,6512	0,2198	0,1396
Ownership Concentration	0,3049	0,9879	0,5299	0,1817
Ownership Circulation	0,0975	0,51	0,37	0,1021
Leverage	0,0769	10,3371	2,6567	2,2777
Profitability	0,0014	0,1647	0,0467	0,0422

Corporate sustainable growth has a minimum value of -0,01449 and a maximum value of 0,2314. The average corporate sustainable growth is 0,0970 and the standard deviation is 0,0561. This data shows that the average corporate sustainable growth for state-owned companies in Indonesia is 9,7 %, which indicates that the capacity for financial-economic development related to the company's long-term financial performance is still very weak.

The social contribution value is measured by the proxy social contribution value per share has a minimum value of 0,0197 and a maximum value of 0,6512. The social contribution value has an average value of 0,2198 and a standard deviation of 0,1396. This shows that the average social contribution value for state-owned companies is quite low because the average social contribution value for companies is 21,98% which is not yet close to 1, which indicates that state-owned companies are still unable to create high corporate value from responsible social activities conducted by the company.

Ownership concentration has a minimum value of 0,3049 and a maximum value of 0,9879. Ownership concentration has an average value of 0,5299 and a standard deviation of 0,1817. This shows that the level of ownership concentration of state-owned companies is high because on average, the level of ownership concentration of state-owned companies is more than 50%. This indicates that the level of ownership concentration in state-owned companies is concentrated on Indonesia's government shares ownership as the biggest shareholder.

Ownership circulation has a minimum value of 0,0975 and a maximum value of 0,51. Ownership circulation has an average value of 0,37 and a standard deviation of 0,1021. This shows that the level of ownership circulation in state-owned companies is still low because the average level of ownership circulation of state-owned companies has not exceeded 50%. This indicates

that average state-owned companies only have less than half portion of registered shareholdings that can be actively traded on the capital market.

Leverage as measured by the proxy debt to equity ratio has a minimum value of 0,0769 and a maximum value of 10,3371. Leverage has an average value of 2,6567 and a standard deviation of 2,2777. This shows that on average the proportion of total debt owed by the company is very high, exceeding 100%. This means that on average the amount of the company's debt exceeds the amount of capital owned by the company, which shows that the company does not have a strong source of equity capital in funding the cash flow needed to finance all activities carried out by the company.

Profitability as measured by the Return on Asset's ratio has a minimum value of 0,0014 and a maximum value of 0,1647. Profitability has an average value of 0,0467 and a standard deviation of 0,0422. This shows that the average amount of profitability is low, which only 4,67 % of the total assets owned by the company can produce net income. This means that on average the amount of the source of the company's net income can't be maximized by total assets owned by the company.

Table 4. Coefficient Determination and F-Tests

Model	Adjusted R-Square	Sig. (F-test)
1	0,410	0,000

The adjusted R-square value obtained in this study was 0,410. This means that 41% of the variation of corporate sustainable growth can be explained by social responsibility, ownership concentration, ownership circulation, leverage, and profitability. The remaining 59 %, the amount of variation in firm value is explained by other factors not included in the regression model. Thus, it can be concluded that the variations in social contribution value, ownership concentration, ownership circulation, leverage, and profitability have not been able to provide all the information needed to predict variations of corporate sustainable growth. The f-test has a sig value. (2-tailed) of 0,000. This shows that social responsibility, ownership concentration, and ownership circulation have a joint influence on corporate sustainable growth which is controlled by leverage and profitability.

Table 5. Hypothesis Test Results

Variable	Coefficient	Significance Value	Conclusion
Constant	-0,031	0,590	
Social Contribution Value	0,022	0,648	Rejected
Ownership Concentration	0,041	0,397	Rejected
Ownership Circulation	0,056	0,516	Rejected
Company Size	0,016	0,000	
Financial Leverage	0,827	0,000	

The model equation for regression results in this study stated as follows.

$$\text{SGR} = -0,031 + 0,022 \text{ SCV} + 0,041 \text{ OCO} + 0,056 \text{ OCI} + 0,016 \text{ LEV} + 0,827 \text{ ROA} + e$$

The coefficient of the social contribution value towards the corporate sustainable growth is a positive value with the amount of 0,022, which means that the greater the social contribution value made by companies, the more corporate sustainable growth will increase. The social contribution value towards corporate sustainable growth has a sig value. (2-tailed) of 0,648 which means greater than 0,05. This shows that H_{a1} is rejected, which means that the social contribution value doesn't influence corporate sustainable growth.

The ownership concentration coefficient towards corporate sustainable growth is a positive value with the amount of 0,041, which means that the higher the level of ownership concentration of a company, the higher the corporate sustainable growth will be. Ownership concentration on corporate sustainable growth has a sig value. (2-tailed) of 0,397, which means greater than 0,05. This shows that H_{a2} is rejected, which means that ownership concentration doesn't influence corporate sustainable growth.

The ownership circulation coefficient towards corporate sustainable growth is positive value with the amount of 0,056 which means that the higher the level of ownership circulation of a company, the higher the corporate sustainable growth will be. Ownership circulation towards corporate sustainable growth has a sig value. (2-tailed) of 0,516, which means greater than 0,05. This indicates that H_{a3} is rejected, which means ownership circulation doesn't influence corporate sustainable growth.

Discussion

The Influence of Social Contribution Value on Corporate Sustainable Growth

The social contribution value doesn't influence corporate sustainable growth. The results of this study are inconsistent with Feng, et.al (2018) who state that a social contribution value has positive influence on corporate sustainable growth. The results of this study are consistent with Dewi & Monalisa (2016) and Arshad, et.al (2015) who state a social contribution value doesn't influence corporate sustainable growth. The results of this study do not support the stakeholder theory which states that companies are required to carry out social responsibility activities that can legitimize the company's actions in the community in carrying out its operations. Currently, the company has not paid attention to the disclosure of social contribution value widely because the government has owned a large part of its share ownership, so that information on corporate social contribution value has not become a need for state-owned public companies unless it is required and becomes a mandatory disclosure that must be disclosed by the company.

State owned-companies actually can't get benefit from the application of social accounting practices such as increasing quality information in decision making, getting a more accurate product or service costing, having image enhancement and public relations management, and getting identification of social responsibility efforts and market development opportunities to maintain legitimacy. The process of reporting company performance that can be accounted for to stakeholders can't help integrate company performance into business practices and identify risks and opportunities in the future although the companies can disclose their social activities in an

annual report which states that there are limited positive activities carried out by the company (Uvaneswaran, et.al, 2019).

Social contribution value indirectly becomes a challenge to optimize company operations to increase profitability and competitive advantage (Feng, et.al, 2018). This is related to stakeholder perceptions of the company which increasingly highlights the company's steps to pay attention to social and environmental aspects in carrying out its operations. State-owned companies should have good business ethics and good management governance to build public trust through a good corporate image to increase more sales of products or services which in turn can increase corporate sustainable growth (Dewi & Monalisa, 2016).

The Influence of Ownership Concentration on Corporate Sustainable Growth

The ownership concentration doesn't influence corporate sustainable growth. The results of this study are consistent with Zhang & Kyaw (2017) and Feng, et.al (2018) which states that ownership concentration doesn't influence corporate sustainable growth. The results of this study are inconsistent with Ukhriyawati, et.al (2017) and Zandi, et.al (2020) which states that ownership concentration has negative influence on corporate sustainable growth. These results do not support the agency theory which states that controlling shareholders that have an incentive in monitoring the management can use ownership concentration to minimize agency costs in monitoring more effectively to improve the company's financial performance (Khatib, et.al, 2020).

In most registered companies in Indonesia, the ownership structure is highly concentrated and has a pyramid ownership structure. The majority controlling shareholders of state-owned companies in Indonesia can determine the members of the board of commissioners and also the directors (Praditi & Utama, 2020). State-owned companies that have the level of ownership concentration where most of their share ownership is owned by the government do not have any obstacles and too much pressure on management in managing their cash flow in funding all their activities even though the company is experiencing funding difficulties because it is fully supported by the government (Koji, et.al, 2020). As result, the corporate sustainable growth in state-owned companies tends to decrease with the existence of government involvement that plays a major role in the policies made by management (Feng, et.al, 2018). The top shareholders although have enough power to represent the individual and small shareholder in companies, the shareholders can't give sufficient supervision pressure on the managerial team to motivate them to increase corporate sustainable growth (Zhang & Kyaw, 2017).

The Influence of Ownership Circulation on Corporate Sustainable Growth

The ownership circulation doesn't influence corporate sustainable growth. The results of this study are inconsistent with Zhang & Kyaw (2017) and Feng, et.al (2018), which states that ownership circulation has positive influence on corporate sustainable growth. These results don't support the agency theory which states that the shareholders have different interests so that management must make policies depending on the interests of management to improve the company's financial performance. The reduction of non-tradable shares didn't expect to increase the company's financial performance according to characteristics of investors in Indonesia's Stock Market Exchange.

Ownership circulation doesn't influence corporate sustainable growth because shareholders of tradable shares have the right to participate in shareholder meetings and vote, but they can't influence decisions made by management to maximize corporate financial growth with the difference of interest between majority shareholder owned by the government and minority shareholders as remainder. Because government involvement is greater than public involvement as shareholders of state-owned companies, it tends to increase political intervention in all policies made by companies that don't have impact corporate sustainable growth significantly.

The Influence of Leverage and Profitability on Corporate Sustainable Growth as Control Variables

As first control variables, leverage can influence positively on corporate sustainable growth. The higher the debt ratio as the measurement of leverage will increase firm's sustainable growth rate, while the lower the debt ratio as the measurement of leverage will decrease firm's sustainable growth rate. Companies need to maintain their level of debt to make sure that corporate sustainable growth can be increased because the higher the leverage level of the firm will provide high gearing and risk levels. The companies need to monitor the level of the debt to support their business growth.

As second control variables, profitability can influence positively on corporate sustainable growth. An increase in profits of a firm will increase the level of corporate sustainable growth. The companies will have a good level of sustainable growth by generating profitability. The companies need to increase their profitability constantly because when the companies have enough profit, they can fulfill their liabilities or needs with internal financing and can minimize external sources of funds to increase their sustainable growth.

CONCLUSION

This study is conducted to prove empirically the effect of social contribution value, ownership concentration, ownership circulation on corporate sustainable growth that are controlled by leverage and profitability in state-owned companies listed on the Indonesia Stock Exchange consistently from the year 2014-2019. The social contribution value doesn't influence corporate sustainable growth which is controlled by leverage and profitability. The government need to prepare statutory regulations to make sure that information on the corporate social contribution value has become the needs to be disclosed by the companies to external parties for state-owned public companies. Ownership concentration doesn't influence corporate sustainable growth which is controlled by leverage and profitability. The government or institutions that have major share ownership need to control the policies that had made by companies' management to maintain the corporate sustainable growth of state-owned companies. Ownership circulation doesn't influence corporate sustainable growth which is controlled by leverage and profitability. The companies need to do roles to prevent the government that had major share ownership in the companies can

do political intervention in all policies made by companies' management that can affect corporate sustainable growth.

This study uses a study sample in the form of state-owned companies with several different business sectors and uses two independent variables in predicting a positive effect on corporate sustainable growth such as social contribution value and ownership structure with the adjusted R-square result only predicted 41 %. The future studies can focus on the use of companies with the same business sector in manufacturing companies which are the largest number of public companies with an operational impact that can have a big influence on the environment around where the company operates. The future studies can reflect the extent to which the assessment of corporate social contributions carried out by one sector of the company other than state-owned companies that have been tested by authors, especially in manufacturing companies which are companies' sector that is highlighted by the local community. Future study is expected to add other independent variables such as funding structure, environmental cost, and environmental performance that can predict positive influence on corporate sustainable growth.

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