



RESEARCH ARTICLE

Determinant Sustainability Performance with Value-Based Management as a Mediation Variable

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ARTICLE INFO	ABSTRACT
Received: Sep 19, 2024	The company's overall performance is vital to its strategic policy and sustainability success. Corporate sustainability is the result of the interaction between managerial commitment, strategy, exploitation of natural resources, innovation, sustainable management of internal production and procurement processes that managers can catalyze to drive up short-term company sales so that it will have an impact on increasing assets and good capital turnover so that investors believe in the company which will ultimately increase public shareholding. This research aims to examine and enhance the impact of CAPBVA and sales growth on sustainable performance and the role of value-based management in both direct and indirect effects. The research results indicate that CAPBVA and sales growth positively and directly influence sustainable performance. Additionally, both CAPBVA and sales growth have a positive direct impact on value-based management. For indirect influences, VBM can mediate CAPBVA sales growth to sustainable performance. The implications of this research are helpful for academics on VBM, which can be used for sustainable performance measurement. The managerial implications of this study are that VBM can be used as a measurement tool for company management to carry out sustainable performance. For the Government, this research further strengthens the implementation of these regulations in the form of clear rewards and punishments for companies that have and have not implemented the rules and reported sustainable performance.
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1. INTRODUCTION

In the current era of globalization, companies face an increasingly fierce competitive environment. Competition occurs by doing various things both directly and indirectly. How can the company continue to grow by increasing profits and establishing a harmonious relationship with the surrounding social community? Along with the continuous and long-term learning process, Indonesian people's awareness of the importance of the company's economic, environmental, and social performance began to grow slowly. This awareness is undoubtedly a tool of public control over corporate companies related to economic, environmental, and social issues. This awareness also encourages the public to want information disclosure by companies not only limited to one aspect of performance but also includes all sustainability performance indicators, namely economic, social, and environmental performance. Sustainability is an integrated approach to the company's environmental, social, and economic performance. Recession is just one of the economic difficulties that await all this year; environmental and social issues have recently become a concern for many people, one of which is the impact of climate change felt globally. That has attracted the attention of the world community and corporate stakeholders about environmental and social risks combined with governance issues and encouraged significant investments towards sustainable development (Daugaard & Ding, 2022); in keeping companies sustainable, companies must maintain the interests

of society and stakeholders to the company by responding to interests and behaviors that show concern for the environment and social that occur. The company is expected to continue to grow sustainably, so serious attention is needed to consider sustainability issues first and design a business system to operate sustainably for a long time. The strategy that the company can implement is to focus on the company's sustainable performance in terms of environment, social, and governance.

Manufacturing has been the most significant contributor to Indonesia's economic growth. Unfortunately, the sector's contribution to growth has decreased in the last three years. Data from the Central Statistics Agency (BPS) shows that the contribution of the manufacturing sector to economic growth in 2022 of 18.34% is lower than the contribution in 2021 of 19.25% and the contribution in 2020 of 19.88%. Throughout 2022, the manufacturing industry sector in the country has consistently been at an expansive level, which is reflected in the achievement of the Indonesian Manufacturing Purchasing Managers' Index (PMI) with a position above 50 points. In December 2022, Indonesia's Manufacturing PMI closed at 50.9 or managed to increase compared to the previous month's gain, which touched 50.3. Remarkably, Indonesia's Manufacturing PMI in December 2022 was able to surpass the Manufacturing PMI of Germany (47.4), Japan (48.8), Australia (50.4), Myanmar (42.1), the Netherlands (48.6), France (47.4), South Korea (48.2), the United Kingdom (44.7), the United States (46.2), and the Eurozone (47.8).

In preparing sustainability reports for manufacturing companies, where companies must know about international standards from GRI (Global Reporting Initiative), there are already two different principles from GRI, namely determining the report's content and quality. The principle in determining the report's content also consists of 4 aspects: completeness, materiality, sustainability context, and inclusiveness of stakeholders. Report quality consists of 6 aspects: reliability, clarity, timeliness, accuracy, comparison, and balance. All of these aspects will always be related to one another in determining the quality of reports on the sustainability of a manufacturing company. The Financial Services Authority has required the Sustainability Report in Indonesia contained in the Financial Services Authority Regulation No51 / POJK.03 / 2017; before the OJK issued the regulation, many studies discussed sustainability reports with findings showing that the level of disclosure in Indonesia was low. After the OJK regulation issuance, the disclosure level of sustainability reports in Indonesia increased. The following is the development of issuers from year to year reporting sustainability reports:

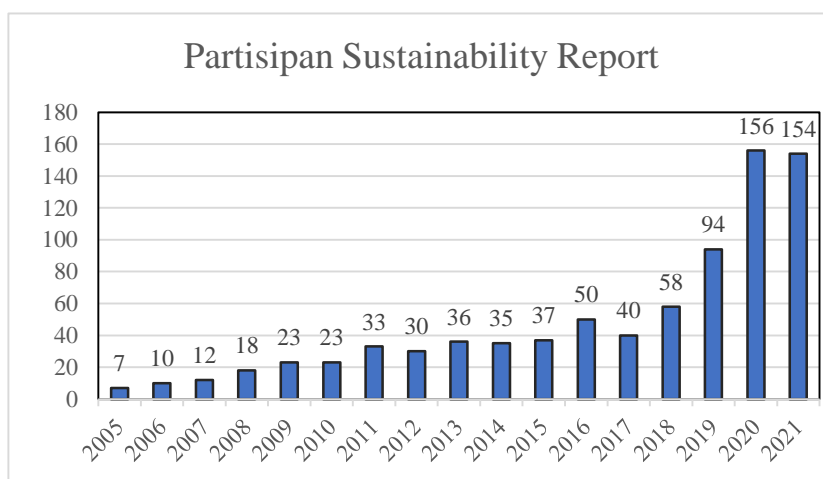


Figure 1: Development of issuers reporting sustainability report

The graph illustrates that the disclosure of sustainability reports by companies listed on the Indonesia Stock Exchange from 2005 to 2017 has shown varying trends. That shows that companies listed on the Indonesia Stock Exchange (IDX) have yet to consistently publish sustainability reports yearly. The inconsistency of disclosure is due to sustainability reports that are still voluntary. Only after OJK issued POJK in 2017 and applies to 2019 reporting have issuers begun to be aware of sustainability reports, although not all issuers carry out sustainable reporting. That is the author's reason for further examining why issuers still do not use sustainability reports.

Previous research is undoubtedly also used as a reference to analyze and develop the extent of the influence of Capital Expenditure on Book Value Assets (CAPBVA) and sales Growth on Sustainable Performance.

The initial factor to consider is the Investment Opportunity Set (IOS). IOS is a choice of future investment opportunities that can affect company assets' growth or projects with a positive net present value. In this model test, the Investment Opportunity Set (IOS) is represented by a proxy based on investment, specifically the CAPBVA ratio. A high Investment Opportunity Set (IOS) indicates profitable company investments and promising growth prospects, attracting investor interest in the company's shares. The increased demand for these rising stocks leads to higher market prices, enhancing the company's sustainable performance.

The second factor is sales growth. The growth of company sales is essential to analyze; the growth rate of a company will affect its ability to maintain profits and funding opportunities in the future. High sales growth will reflect increased income, so dividend payments tend to increase. Financiers, as investors, invest their funds to get rewards or income from the funds invested. Sales growth is the change in sales per year. If sales growth per year always rises, the company has good prospects in the future. (Siagian et al., 2022) Tested Corporate Sustainability Performance's influence on sales growth as a control variable.

Value-based management is another factor that can affect sustainable performance, which ensures the company continues to run by predetermined values. (Young, S. D. et al., 2000) The idea behind VBM is that for a company to sustain itself over the long term, its overall strategy must concentrate on enhancing the well-being of its shareholders, who are the company's proprietors. The value of the company can be reflected in the value of the company's equity. The value of EVA can measure VBM itself, and a positive EVA value indicates that the company has been able to obtain profits that exceed its cost of capital (MEYDA AYU, 2023). That means that the company has been able to create good corporate value (Bani Zamzami & Arya Andika Tanadinata, 2023). The increasing EVA of a company means that the company's performance is improving so that shareholders' welfare can be improved (Udiyana et al., 2022).

The results showed that the factors affecting financial sustainability proxied with SGR and ROA were influential, while Receivables Turnover (RTO) and Debt Turnover (PTO) did not significantly influence. The results of research that discusses the impact of financial performance on the disclosure of sustainability reports also vary. According to (Fauzi & Idris, 2009) and (Islam et al., 2021), their research shows a positive and significant relationship between corporate financial performance and disclosure of corporate social responsibility. (Ebenhaezer & Rahayu, 2022) Their research stated that sustainability reports are negatively influenced by profitability and liquidity. (Alfaiz & Aryati, 2019) Revealed that financial performance does not significantly affect the quality of sustainability reports. However, in the results of the study work of (Wulandita Yuliawati et al., 2020) and (Jannah & Kurnia, 2016), financial performance affects social and environmental disclosure in a positive direction. (Nasir et al., 2014) state that profitability significantly affects sustainability reports.

There is still a gap in research that affects sustainable performance, and there are most likely other variables that affect sustainable performance that act as moderation variables. The moderation variable in this model test is the VBM proxied by EVA. Moderation variables are variables that affect independent and dependent variables indirectly (Ali Memon et al., 2019). Therefore, this model test will examine the effect of sustainable performance on EVA where the more sustainable performance indicators are met, the higher EVA will be.

One factor that can affect the company's sustainable performance is value-based management. An approach that ensures the company continues to run by predetermined values. (Young, S. D. et al., 2000). The principle of VBM is that for long-term survival, a company's entire strategy should be centered on enhancing the welfare of its shareholders, who are the company's owners (Corazza, 2020). The value of the company can be reflected in the value of the company's equity. The value of EVA can measure VBM itself, and a positive EVA value indicates that the company has been able to obtain profits that exceed its cost of capital. That means that the company has been able to create good corporate value. The increasing EVA of a company means that the company's performance is improving so that shareholders' welfare can be improved (Mafirowanda, 2015).

The influence of CAPBVA on VBM is that the greater the CAPVA, the greater the company's VBM, because CAPBVA measures the company's assets so that it will affect the company's economic growth. The effect of sales growth on VBM is that when the company's sales increase, it will also affect the increase in EVA. This happens in theory when calculating EVA needed EBIT. High sales will encourage large EBIT so that, in the end, EVA will increase as well.

Based on the background of the above problem phenomena and also strengthened by previous studies that are still inconsistent, it is interesting for researchers to raise and discuss empirical problems and analyze and develop Determinants of Sustainable Performance with Value Based Management as a Mediation Variable.

1.1. Identify the problem

Looking at the condition of the phenomenon and the research gap that has been stated in the background above before, then identify the problem as follows:

1. Sustainable performance has not been complied with by issuers; it was recorded that in 2021, only 154 issuers made sustainability reports from a total of approximately 820 registered issuer companies after the Financial Services Authority Regulation No51 / POJK.03 / 2017 and implemented in 2019 began issuers to make sustainability reports but still low below 20%.
2. The fluctuation in the average VBM proxied through EVA, which has tendered to decline over the past five years, will impact investor confidence. This is because investors invest their funds to increase their prosperity through increasing EVA.
3. Variations in factors can affect sustainable performance, making it difficult for potential investors to assess a company's condition. Therefore, this model test only takes a few factors, namely CAPBVA and sales growth.
4. In addition, this model test also uses moderation variables because it is suspected that there are still research gaps that can affect sustainable performance. The moderation variable used is VBM proxied via EVA.
5. The company's Sustainable Performance is also measured using the triple bottom line, namely economic, social, and environmental, with parameters determined by GRI.
6. The manufacturing sector is used as a unit of analysis because it has been the most significant contributor to Indonesia's economic growth. Manufacturing companies are proliferating in Indonesia following population growth and the growing needs of society. A manufacturing company is synonymous with a factory whose application involves all intermediate processes needed for production and the integrity of the components of a product. The positive impact is given to the community, such as providing job opportunities to residents around the company that can reduce unemployment, sustainable development, or health counseling to the community provided by the company. However, there are negative impacts, such as problems related to air pollution, factory waste disposal, and product quality, that cause poisoning or social problems.
7. Based on the data displayed in the background, identify theoretical gaps with reality in the model test data. This can be seen by the inconsistency between the independent variable with the dependent variable, the independent variable with the moderation variable, and the moderation variable with the dependent variable. Moreover, inconsistencies in the findings of previous studies are evident through variations in model test results from one study to another.

1.2. Research objectives

Based on the purpose of the above research that has previously been explained, it can be concluded that the objectives of this study are as follows:

1. To analyze and develop the effect of CAPBVA on sustainable performance.
2. To analyze and develop the effect of sales growth on sustainable performance.
3. To analyze and develop the influence of CAPBVA on Value Based Management.
4. To analyze and develop the effect of Sales Growth on Value Based Management.
5. To analyze and develop the influence of Value-Based Management on sustainable performance.

6. Analyzing and developing Value-based Management can mediate the effect of CAPBVA on sustainable performance.
7. To analyze and develop value-based management as a potential mediator of the impact of sales growth on sustainable performance.

1.3. Research uses

The results of this research are expected to provide scientific contributions to the development and improvement of Accounting Science, especially Financial Accounting, through empirical testing of Sustainable Performance, CAPBVA, and Sales Growth. The results of this model test are expected to be helpful for the academic world and other researchers in science development. By evaluating empirical data, this study can identify accounting practices that support sustainable performance. For example, how disclosure of sustainability information or the use of specific accounting standards can affect an organization's transparency and accountability. This research can contribute to help stakeholders such as investors, managers, and regulators make better decisions based on data that links accounting practices to sustainable performance. This could lead to new policies or regulations that promote accounting practices that support sustainability. Sustainability accounting research can improve the way organizations report and disclose sustainability-related information, increasing transparency and accountability. This is important for building trust among stakeholders and the wider community. By focusing on how accounting practices affect environmental and social performance, this study can help organizations understand the social and environmental impacts of their business activities and develop strategies to mitigate negative impacts.

1.4. Novelty research

The renewal in this study is the existence of VBM, which can be used to measure the company's sustainable performance to provide definite confidence that the company will run sustainably according to the expected value. Sustainable performance measurement is based on the G4 Global Report Initiative (GRI) using 91 required indicators and divided into three main components (three bottom lines), namely economic aspects (profit), environmental aspects (planet), and social aspects (people).

2. LITERATURE REVIEW

Stakeholders theory, as proposed by (Friedman and Milton, 1970), states that a business entity (company) should be responsible only to shareholders, and the only social responsibility owned is to maximize company value and prosper shareholders (stockholders) (Camilleri, 2017). The view that the company only has the responsibility to stockholders is a conventional accounting view; with the development of the business world, companies need to pay attention to stakeholders (Martini, 2021). Therefore, stakeholder theory emerges, which states that "companies have relationships with many component groups and that stakeholders influence company activities and are also affected by company activities" (Hawke & Peter, 2012). The emergence of stakeholder theory as the dominant paradigm further strengthens the concept that companies are responsible not only to shareholders but also to stakeholders or stakeholders. That is further supported by the emergence of the Triple Bottom Line (TBL) concept, which is a concept initiated by (Elkington, 1988) through his book "Cannibals with Forks: The Triple Bottom Line of 21st Century Business". TBL began to change the business paradigm from single p (Profit) to triple p, namely profit, people, and planet. At first, the company only focused on a single, whose main goal was to create the highest profit without considering the impact of business activities. However, this view changed along with the emergence of various cases that harm the environment, so the paradigm soon shifted to triple p.

2.1. Sustainable performance

The concept of the sustainability report is a derivative of the triple-bottom Line concept proposed by (Elkington, 1988). In Indonesia, sustainability reports are considered voluntary disclosures (León & Salesa, 2023). These reports are typically presented alongside financial statements but are submitted separately (Sebrina et al., 2023). The regulation governing sustainability reporting in Indonesia is outlined in Statement of Financial Accounting Standards (PSAK) No.1, paragraph nine. According to this regulation, companies can provide additional reports, such as environmental reports and value-added reports, particularly in industries where environmental factors are significant, or employees

are considered a crucial stakeholder group. The implementation of sustainability reporting in Indonesia is supported by various regulations, including Law No. 23/1997 on environmental management and regulations issued by the Indonesia Stock Exchange concerning listing procedures, requirements, and financial statement standards (PSAK).

The UNCED report "Our Common Future" (1987) contained a definition of sustainable development: 'Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.' This definition can also be interpreted in Indonesia as development that meets the needs of current generations without reducing the ability of future generations to meet their own needs. This definition of sustainable development is now commonly considered the definition of sustainability as a whole (Stephen McKenzie, 2004).

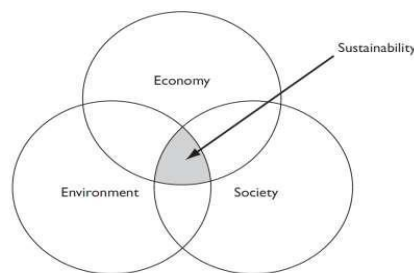


Figure 2: Overlapping-circles model

According to (Kelly & Charlotte, 2009), from the definition of sustainability in the Rutland report, there are three aspects of sustainability: economic, social, and environmental. These three aspects are called the three pillars of sustainability or the three pillars of sustainability. The three pillars are interrelated and are the driving pillars for sustainable development. Ideally, these three things can go together and become a driving focus in sustainable development. The linkage between the three pillars of sustainability is often illustrated by the overlapping-circles model, which describes sustainable development in three related pillars.

Sustainability performance can be defined as the company's performance in all dimensions and for all drivers of corporate sustainability. Sustainability performance reflects one of the ultimate targets of the company's movement in the unity of corporate responsibility. Sustainability performance indicators have a role in helping companies and their stakeholders, especially financial institutions, to assess how their production activities contribute by not reducing or interfering with sustainable development goals (Warhurst, 2002). Sustainability performance indicators are often divided into environmental, social, and economic dimensions. The Global Reporting Initiative is one of the bodies that provides these sustainability performance indicators.

2.2. Capital expenditure to book value of assets (CAPBVA)

Evaluate this model using an investment-focused proxy, specifically the CAPBVA ratio. CAPBVA represents a metric that illustrates how the company's surplus share capital is allocated towards productive assets, potentially contributing to the company's growth. This ratio can be calculated using the following equation:

$$CAPBVA = \frac{\text{Book Value of Fixed Assets } t - \text{Book Value of Fixed Assets } t-1}{\text{Number of Assets}} \tag{1}$$

A higher Investment Opportunity Set (IOS) suggests favorable company investments and promising growth prospects, making the company's shares attractive to investors. Increased demand for a rising stock drives up its market price, enhancing its overall value (Rahmayani, 2018). In addition, with the increase in IOS, the dividends distributed will be high. That is, by signaling theory, investors are expected to catch signals that the company has good prospects and that investors will invest in the company. Test this model using CAPBVA as a variable to examine how much it affects the company's sustainable performance.

2.3. Sales growth

Sales growth represents the success of previous investment periods and serves as a predictor of future expansion. It indicates a company's demand and competitiveness within its industry. A company's growth rate will influence its capacity to sustain profits and capitalize on future opportunities. (Horne et al., 2012) suggest that the definition of sales growth is the level of stability in the company's sales for each financial year. Sales growth is an increase in the number and productivity of the company that sells its products from the previous year.

According to Subramanyam and John J. Wild (2017), sales growth entails analyzing trends in sales by segment, which is valuable in evaluating profitability. Sales growth typically arises from various factors, such as price changes, volume fluctuations, acquisitions or divestitures, and shifts in exchange rates. Insights into the causes of sales growth are commonly found in a company's Management's Discussion and Analysis section. According to Kasmir (2019), sales growth is the increase or decrease in annual sales measured as a percentage of sales. It is defined as an increase in sales from year to year or over time. Based on the above statement, sales growth compares sales from year to year or over time. According to (Kasmir, 2019), the sales growth rate is calculated by the following formula:

$$g = \frac{S1 - S0}{S0} \times 100\% \quad (2)$$

Where:

g = Growth Sales Rate

S1 = Total Current Sales

S0 = Total Sales for the Last Period

A high sales growth rate means that sales volume will increase, resulting in the need for increased production capacity. Sales growth reflects the company's previous period's success and can be used to predict future performance. Sales growth is the change in sales on the financial statements per year. Sales growth that is above average for a company is generally based on the expected rapid growth and the industry in which the company operates (Fabozzi & J Frank, 2015).

2.4. Value-based management

According to (Young et al. et al., 2000) (Namira & Shafira, 2021). Value-based management is an approach that ensures the company continues to run by predetermined values. According to Namira and Shafira (2021), value-based management is also an approach that ensures the company continues to run by predetermined values. From the definition above, value-based management is a managerial approach that ensures company activities can run as they should be using a value base.

2.5. Value-based management measured

Value-based management measured by Economic Value Added (EVA) proxy refers to measurements that have been carried out by (Rumiris et al., 2008), other researchers who state that Value-Based Management can be measured by Economic Value Added (EVA) proxies, including Paul A. EVA was also studied (Fitri, 2021)

2.6. Direct Influence of CAPBVA on sustainable performance

CAPBVA reflects the allocation of additional company share capital towards productive assets, potentially fostering company growth. As the company expands, reporting on its sustainable performance becomes relevant. Information released as an announcement serves as a signal for investors making investment decisions. If the announcement carries positive value, it is anticipated that the market will respond accordingly upon receiving it. Once the information is announced and all market participants can access it, they interpret and analyze the data as positive (good news) or negative (bad news) signals. If the announcement is perceived as a good signal by investors, it can change the company's value (Rahmayani, 2018).

Using CAPBVA as a proxy for IOS provides a comprehensive indication of how the company's value relies on future investments. Thus, the Investment Opportunity Set (IOS) can assess a company's potential. IOS encompasses existing assets and potential investment opportunities that yield a positive net present value (Hidayah, 2015). A high Investment Opportunity Set (IOS) signifies favorable company investments and promising growth prospects, making the company's shares attractive to investors. With the company's investment policy in place, it is anticipated to yield returns from its investment activities within a specified period, thereby facilitating its growth. Such developments are likely to receive positive responses from the market, leading to increases in stock prices as indicators of the company's value rise. Consequently, heightened investment activities undertaken by the company are anticipated to enhance its overall value (Putri & Setiawan, 2019).

APBVA has expertise in conducting accurate assessments of company value and financial performance. This capability helps companies to measure sustainable performance more effectively by taking into account factors such as environmental, social and governance impacts. With the analysis conducted by CAPBVA, companies can increase transparency in their financial and sustainability reporting. This can increase the trust of stakeholders, including investors, customers and the community. Overall, CAPBVA can make a significant contribution to the sustainable performance of companies by providing in-depth analysis and strategies that support better decisions and policies. This helps companies to not only achieve their sustainability goals but also increase their long-term value and competitiveness in the market.

This description is supported by research from (Hidayah, 2015), (Putri & Setiawan, 2019), (Pujiati, 2015), (Putri et al., 2020), (Haryanto et al., 2018), (Piwowar-Sulej & Iqbal, 2023) explained that CAPBVA has a significant effect on the company's sustainable performance, while (Salim & Widodoatmojo, 2023), examined its effect on dividend policy. (Nisa, 2017) that CAPBVA has no influence.

H1: CAPBVA has a positive effect on the company's sustainable performance.

2.7. Direct effect of sales growth on sustainable performance

Sales growth is an expression of successful investments made in the past period and can serve as a predictor for future sales expansion. It also serves as an indicator of demand and competitiveness within the industry. High sales growth will reflect increasing revenues, which tends to impact issuers' confidence in delivering sustainable performance. Thus, it will attract investors' attention to buy the stock, which, of course, will encourage the stock price to rise higher. Sales growth can have a significant direct impact on a company's sustainable performance. This impact can be positive or negative depending on how sales growth is managed and the strategy implemented by the company.

With increased revenues, companies can expand their sustainability activities, such as adopting better practices, complying with environmental regulations, or undertaking corporate social responsibility (CSR) projects. Sales growth often allows companies to achieve economies of scale, which can reduce unit costs and allow more resources to be allocated to sustainability programs. Companies should actively monitor and report on the environmental and social impacts of their growth to ensure that they are meeting not only their sales targets but also their sustainability commitments. With proper management, sales growth can make a significant positive contribution to sustainable performance, but without a clear strategy, potential negative impacts must be considered and carefully managed.

Alejandro (2016) suggests that a positive response plays a crucial role in determining favourable prospects for enhancing sustainable performance. This assertion finds support in research conducted by Ahmad and Soepriyanto (2022), who analyzed sales growth both before and after the COVID-19 pandemic. Additionally, Wijayanti and Wilujeng (2021) found that sales growth exerts a positive and significant influence on sustainable performance. (Zhafira Indiansyah et al., 2022) Examined sales growth with dividend policies that have an influence. (Widarwati et al., 2022) Sales growth is used as a control variable, and sustainable performance measured by GRI has a consistent relationship.

H2: Sales Growth positively affects the company's sustainable performance.

2.8. Direct influence of CAPBVA on value-based management

Value-based management is a management philosophy and approach that enables and supports maximum value creation within an organization, usually maximizing shareholder value. VBM includes processes for creating, managing, and measuring the value of an enterprise. An increase in the value of the company can be achieved through a dividend policy.

CAPBVA has expertise in in-depth financial analysis, including valuation techniques and ratio analysis. This supports the application of financial principles relevant to VBM, such as the time value of money, cash flows, and net present value. CAPBVA can assist in determining the optimal capital structure to maximize the value of the company, including analyzing the cost of capital and managing the debt and equity structure. CAPBVA often has in-depth knowledge of a particular industry, allowing them to provide better insight into the factors that influence value in the context of that industry. Overall, CAPBVA can strengthen value-based management by providing accurate valuations, strategic analysis, and in-depth reporting. This enables companies to more effectively plan, execute, and evaluate strategies that focus on creating long-term value.

Capital Expenditure to Book Value Asset (CAPBVA) shows the flow of additional share capital of the company that can be used for additional investment of its productive assets; the higher the CAPBVA will certainly increase the value of a company, which can be seen from high EVA. (Hidayah, 2015), CAPBVA influences company value. Similar things resulted from the research of (Putri & Setiawan, 2019) and (Nisa, 2017).

H3: CAPBVA has a positive effect on Value Based Management.

2.9. Direct effect of sales growth on value-based management

The company will be attractive when it is in a growth condition; the growth period will determine how long it will exist, one of which can be seen in sales growth or sales growth (Toto, 2019). Using the sales growth ratio, the company can find out the sales trend of its products from year to year. Sales must sufficiently cover costs to drive profit increases, enabling the company to strategize and anticipate potential fluctuations in sales for the upcoming year. Therefore, it is evident that as the company expands, its value will correspondingly rise. Sales growth has a significant direct impact on value-based management (VBM). Value-based management is an approach that focuses on creating long-term value for shareholders and other stakeholders by integrating strategy, performance measurement, and operational decisions. Strong sales growth can encourage companies to update or adjust their strategies to take advantage of market trends and enhance value creation. With positive sales growth, companies may have more flexibility to make strategic investments in projects that can further enhance long-term value. Sales growth provides clear data for financial reporting and performance analysis, which helps in increasing transparency and communication with stakeholders. With increasing sales, management must be responsible for ensuring that the growth contributes to sustainable value creation and not just temporary revenue increases. Overall, sales growth can have a strong and positive impact on value-based management if managed well. However, to achieve maximum benefits, companies need to ensure that sales growth is accompanied by operational efficiency, effective risk management, and prudent investments in long-term strategies that support value creation.

Companies are required to increase company growth. Company growth can be realized by using investment opportunities as well as possible (Pujiati, 2015). (Wongsansukcharoen, 2022), Moreover, (Widarwati et al., 2022), sales growth has a positive influence. (Ahmad & Soepriyanto, 2022) Added research before and after the pandemic with the same influential results. (Wijayanti & Wilujeng, 2021) That sales growth has little influence.

H4: Sales Growth has a positive effect on Value Based Management.

2.10. The influence of value-based management on sustainable performance

VBM shows the economic added value that a company creates from its activities or strategies over a certain period. The VBM principle provides a sound measurement system to assess a company's performance and financial performance because it is directly related. VBM assesses added value by considering the cost of capital as a consequence of investment. Considering the cost of capital, it can

be known whether the company can create added value. Value-based management (VBM) focuses on creating long-term value for shareholders and other stakeholders. This approach can have a significant impact on a company's sustainable performance. VBM helps identify and manage risks related to the environment and society. Companies that implement VBM are more likely to anticipate and mitigate risks that could impact sustainable performance. The focus on long-term value creation can motivate companies to explore sustainable innovation opportunities, such as developing environmentally friendly products or energy efficiency. VBM often involves implementing and monitoring sustainability standards, such as environmental or social certification. This ensures that companies are complying with standards that can improve sustainable performance. With VBM, companies are more likely to conduct regular audits and assessments of their sustainability practices, enabling continuous improvement and fulfillment of sustainability commitments. Overall, value-based management can strengthen sustainable performance by ensuring that strategic and operational decisions focus on creating long-term value that includes aspects of sustainability. This creates synergy between financial and sustainability goals, supporting responsible and sustainable growth. VBM can be used independently without the need for comparison data. Of course, VBM is closely related to sustainable performance, reinforced by the research results (Rosini & Hakim, 2020), which show that VBM has a significant influence. Different research conducted by (Puspitasari et al., 2019) found that VBM does not influence company value. (Nuryani, 2015) examines the fact that stock returns are not affected by EVA.

H5: Value Based Management positively affects the company's sustainable performance.

2.11. Indirect effects of CAPVA, sales growth, on sustainable performance

This model test will also look at the indirect influence of each CAPBVA variable, Sales Growth, on sustainable performance through VBM. Capital Expenditure to Book Value Asset (CAPBVA) shows the flow of additional company share capital that can be used for additional investment in productive assets; the higher the CAPBVA will increase the value of a company which can be seen from the high EVA and will undoubtedly affect the company's sustainable performance. (Hidayah, 2015), CAPBVA influences company value. Similar things resulted from the research of (Putri & Setiawan, 2019) and (Nisa, 2017). Sales need to cover costs to boost profits, allowing the company to plan for potential fluctuations in sales for the upcoming year. Consequently, as the company grows, the value-based management (VBM) will also increase. With the rise in VBM, the company can enhance its sustainable performance. (Ahmad & Soepriyanto, 2022) Added research before and after the pandemic with the same influential results. (Wijayanti & Wilujeng, 2021) That sales growth has little influence.

Based on the frame of mind that has been outlined above, the hypothesis for this model test is:

H6: Value-based Management can mediate the effect of CAPBVA on the company's sustainable performance.

H7: Value-based Management can mediate the effect of sales growth on the company's sustainable performance.

3. METHODOLOGY

This study focuses on manufacturing companies listed on the IDX for three consecutive years during 2021 - 2023. Research on sustainability can identify ways to reduce waste, improve energy efficiency, and optimize resource use. This can lead to significant operational cost savings. By conducting in-depth research on sustainability performance, manufacturing companies can make better decisions, improve overall performance, and contribute to sustainable development globally. This study uses purposive sampling, and is tested with the SmartPLS statistical tool. The object of research in this study is the determinants of sustainable performance variables, including Capital Expenditure to Book Value Assets (CAPBVA), Sales Growth disclosed in the company's annual financial statements, and its effect on Value Based Management (VBM), which is proxied with Economic Value Added (EVA) as a moderation variable. The company's sustainable performance is also measured using the triple bottom line, namely economic, social, and environmental.

Table 1: Operationalization of determinants of sustainability performance with value-based management as a moderation variable

Variable	Sub Variables	Size	Measurement Scale	Reference
Variable Independent				
Investment Opportunity Set (IOS)	Capital Expenditure to Book Value Assets (CAPBVA)	$\frac{(\text{Book Value of Fixed Assets } t) - (\text{Book Value of Fixed Assets } t - 1)}{\text{Total Assets}}$	Ratio	(Hidayah, 2015), (Putri Renalita Sutra Tanjung, 2020), Sugeng Haryanto (2018)
				(Piwowar-Sulej & Iqbal, 2023), Aditya D (2015), (Putri and Setiawan, 2019)
				Kartasukmana A. (2015), (Salim & Widoatmojo, 2023), (Nisa, 2017).
Sales Growth	Growth Sales	$\frac{\text{Sales of the year} - \text{sales of the year}}{\text{Last year's sales}}$	Ratio	(Wongsansukcharoen, 2022), (Widarwati et al., 2022)
				(Ahmad & Soepriyanto, 2022), (Zhafira Indiansyah et al., 2022), (Wijayanti & Wilujeng, 2021)
Moderation Variables				
Value-Based Management	Value-Based Management	NOPAT - Amount of capital cost money after tax	Ratio	(Puspitasari et al., 2019), Rosinta Saragih (2019)
		= EBIT x (1 – Tax) - Operating capital		(Nuryani, 2015), Desmita (2019), Yuliana (2023)
		Percentage bi. MD After Tax		
Dependent Variables				
Sustainability Performance	Economic Performance , Social Performance , and Environmental Performance	SRDI = n /k	Ratio	Jorma et al., (2022), John et al., (2022), Sahar et al., (2022)
				Kristina et al., (2022), Maria et al.,(2022), Mats et al., (2018)
				M. Sabir et al., (2022), Abm Fazle Rahi et al., (2023),
				Manori (2021), Rafael et al., (2023), Habiba et al., (2022)
				(Alejandro, 2016), Wijaya (2018), Alifira et al., (2021)
				Lilik et al., (2022), Rohaida (2020), Inna Khovrak (2020)
				Muhammad (2023), Nurul (2021),Ong et al., (2022)

4. RESULTS AND DISCUSSION

Table 2: Measurement model design

Latent Variables	Manifest Variables
Capital Expenditure to Book Value Assets (CAPBVA)	Book Value of Fixed Assets
Growth Sales	Sales

Value-Based Management (VBM)	NOPAT, EBIT, Operating Capital
Sustainability Performance (SP)	Sustainability Reporting Disclosure Index

4.1. Measurement model testing (outer model)

Validity tests are carried out to determine the ability of research instruments to measure what should be measured. An indicator is valid if it has a loading factor above 0.5 against the intended construct. Validity testing for reflective indicators uses the correlation between an item's and construct scores. Measurements with reflective indicators show a change in an indicator in a construct if other indicators in the exact construct change (or are excluded from the model). Smart PLS output for loading factor gives the following results:

Table 3: Latent variable correlations

	CPBVA	SG	Sustainable Performance	VBM
CAPBVA	1.000	0.157	0.422	0.314
SG	0.157	1.000	0.253	0.173
Sustainable Performance	0.422	0.253	1.000	0.536
VBM	0.314	0.173	0.536	1.000

The latent interpretation of the correlation variable has a standard value, i.e., it must be more than 0.5. Based on the correlation coefficient between variables in the table above, it can be concluded that the gauges (indicators) used in this study have met the criteria for discriminant validity. The estimate for Path Coefficients represents the magnitude of the relationship or influence between latent constructs, with values indicating the strength of the relationship. Typically, coefficients around 0.02 are considered weak, 0.15 are considered medium, and 0.35 are considered strong. Estimate for Path Coefficients performed Bootstrapping procedure. Effect Size (f square) determines the

Table 4: F square

	Sustainable Performance	VBM
CAPBVA	0.101	0.095
SG	0.029	0.018
VBM	0.260	

Based on the table, the highest f square of Sustainable Performance is the influence of VBM on Sustainable Performance of 0.260. Then, the highest f square VBM is CAPBVA against VBM of 0.095. Prediction relevance (Q square), otherwise known as Stone-Geisser's. This test was carried out to determine the predictive capability with a blindfolding procedure, with standard values obtained of 0.02 (small), 0.15 (medium), and 0.35 (large). Prediction relevance (Q square) was performed for endogenous constructs with reflective indicators.

Table 5: Q-square

	Q ² (=1-SSE/SSO)
CAPBVA	0.000
SG	0.000
Sustainable Performance	0.368
VBM	0.108

The structural model in PLS is evaluated using R2 for the dependent variable and the value of the path coefficient (β) for the independent variable, then its significance is based on the T-statistic value of each path. A measure of significance supporting the hypothesis can be achieved by comparing T-table values and T-statistics. The hypothesis is accepted if the T-statistic value exceeds the T-table value. For a 95 percent confidence level (alpha 5 percent), the T-table value for a two-tailed hypothesis is ≥ 1.96, and for a one-tailed hypothesis, it is ≥ 1.64. To evaluate the significance of the

prediction model in structural model testing (inner model), one can examine the T-statistical values between the independent and dependent variables in the path coefficient table provided in the Smart PLS output, as illustrated in the figure and table below:

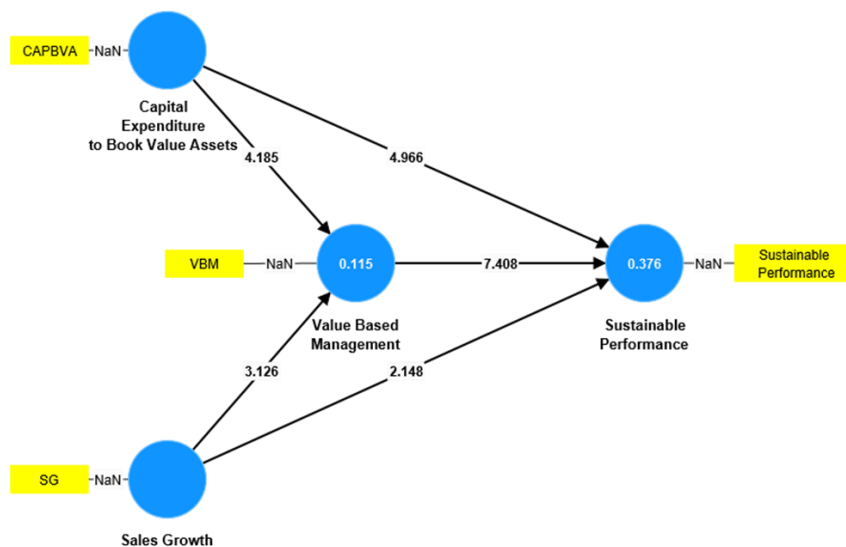


Figure 3: Smart PLS (T-statistical values)

Table 6: Path Coefficient on smart PLS table output

	Original sample (O)	T statistics (O/STDEV)	Conclusion	
CAPBVA -> Sustainable Performance	0.266	4.966	>1.96	Hypothesis accepted
CAPBVA -> VBM	0.294	4.185	>1.96	Hypothesis accepted
SG -> Sustainable Performance	0.138	2.148	>1.96	Hypothesis accepted
SG -> VBM	0.127	3.126	>1.96	Hypothesis accepted
VBM -> Sustainable Performance	0.428	7.408	>1.96	Hypothesis accepted

Table 7: Specific indirect effects on smart PLS table output

	Original sample (O)	T statistics (O/STDEV)	Kesimpulan	
CAPBVA -> VBM-> Sustainable Performance	0.126	3.951	>1.96	Hypothesis accepted
SG -> VBM -> Sustainable Performance	0.054	2.559	>1.96	Hypothesis accepted

4.2. The effect of CAPBVA on sustainable performance

Based on tests that have been conducted, CAPBVA has a positive effect on sustainable performance, with t statistics of 4,966 greater than 1.96. CAPBVA offers a comprehensive insight into how the company's value is contingent upon its future expenditures. Hence, the company's potential can be assessed through the Investment Opportunity Set (IOS). IOS, or the Investment Opportunity Set, represents a fusion of existing assets and potential investment opportunities that produce a positive net present value (Hidayah, 2015). A high Investment Opportunity Set (IOS) suggests favorable company investments and promising growth prospects, making the company's shares attractive to investors. With the company's investment policy in place, it is expected to generate returns from its investment activities within a specific period, thereby facilitating its growth. This positive development is likely to be met with a favorable response from the market, leading to an increase in

stock prices as an indicator of the company's value. Consequently, the company's increased investment activities are anticipated to enhance its overall value (Putri & Setiawan, 2019).

The theory states that CAPBVA indicates an additional flow of the company's share capital for additional productive assets so that it has the potential to grow the company. When the company grows, it is appropriate also to report sustainable performance. Information disseminated as an announcement serves as a cue for investors when making investment decisions. If the announcement carries a positive value, the market is expected to respond upon receiving it.

This study reinforces previous research (Hidayah, 2015) (Putri & Setiawan, 2019), (Pujiati, 2015), (Putri et al., 2020), (Haryanto et al., 2018), (Piwowar-Sulej & Iqbal, 2023) explained that CAPBVA has a significant effect on the company's sustainable performance, while (Salim & Widodoatmojo, 2023), examined its effect on dividend policy. (Nisa, 2017) that CAPBVA has no influence.

4.3. The effect of sales growth on sustainable performance

Based on the tests conducted, sales growth positively affects sustainable performance, with a statistic of 2,148 greater than 1.96, so higher sales growth will affect sustainable performance. The findings of this study suggest that sales growth reflects the success of past investments and can serve as a predictor for future sales growth. Additionally, sales growth functions as an indicator of both demand and competition within the industry. High sales growth will reflect increasing revenues, which tends to impact the confidence of issuers to deliver sustainable performance. Thus, it will attract investors' attention to buy these shares, which, of course, can encourage stock prices to rise higher.

CAPBVA helps manufacturing companies evaluate and optimize costs associated with production and operations processes. By focusing on cost and performance analysis, companies can identify areas where costs can be reduced without sacrificing quality or efficiency (Rounaghi et al., 2021). This contributes to more efficient use of resources and reduced waste, which are important aspects of sustainable performance. By reducing costs and increasing efficiency, CAPBVA can help companies improve their financial performance. Manufacturing companies with strong financial performance tend to have more resources to invest in sustainability initiatives, such as green technologies or social responsibility programs. Sustainable performance often involves satisfying various stakeholders, including customers, employees, and local communities. By optimizing costs and increasing efficiency through CAPBVA, manufacturing companies in Indonesia can improve customer satisfaction through better products and more competitive prices (Sugiharti et al., 2017). In addition, operational efficiency can contribute to better working conditions and corporate social responsibility. The impact of CAPBVA on sustainable performance in manufacturing companies is significant. By focusing on cost and performance analysis, companies can achieve better efficiency, reduce environmental impact, improve quality and innovation, and manage risk more effectively (Cheng et al., 2023). All of this contributes to achieving better sustainable performance and supports the long-term sustainability goals of manufacturing companies.

This good response will determine good prospects for improving sustainable performance (Alejandro, 2016). This description is supported by research from Ahmad & Soepriyanto (2022), who examined sales growth before and after COVID-19 (Wijayanti & Wilujeng, 2021) and explained that sales growth has a positive and significant effect on sustainable performance. Examined sales growth with dividend policies that have an influence (Zhafira Indiansyah et al., 2022). (Widarwati et al., 2022) Sales growth is used as a control variable, and sustainable performance measured by GRI has a consistent relationship.

4.4. The effect of CAPBVA on value-based management

Based on tests, CAPBVA has a positive effect on Value-Based Management, with t statistics of 4,185 greater than 1.96. The higher the CAPBVA value, the higher the VBM. In theory, Capital Expenditure to Book Value Asset (CAPBVA) shows the flow of additional share capital of a company that can be used for additional investment in its productive assets; the higher the CAPBVA, the higher the value of a company, which can be seen from high EVA (Hidayah, 2015). Value-based management focuses on creating value for shareholders and other stakeholders. CAPBVA supports this by providing better information on the costs and benefits of different products or production lines (Setyawati et al.,

2023). This helps companies make more strategic decisions about resource allocation and investment in manufacturing. With better information on costs and value contribution, managers can make better strategic decisions (Arend, 2020). For example, manufacturing companies may choose to focus more on products or processes that contribute higher value, or identify and improve areas of inefficiency. CAPBVA influences company value. Similar results resulted from the research of Putri & Setiawan (2019) and Nisa (2017).

4.5. The effect of sales growth on value-based management

Based on the tests that have been carried out, sales growth positively affects value-based management, with a statistic of 3,126 greater than 1.96, so higher sales growth will affect value-based management. Analyzing a company's sales growth is crucial; the growth rate directly impacts the company's ability to sustain profits and capitalize on funding opportunities in the future. High sales growth will reflect increased revenue so that value-based management will increase as well, and the results of its influence will be in line with the existing theory. Positive sales growth is usually associated with increased revenue and, if managed well, can increase a company's profitability. (Bonanno et al., 2023). With sales growth, companies can better evaluate and manage their product portfolios. They can focus on products that contribute the most to the company's value and adjust or eliminate less profitable products. On the other hand, rapid growth without proper management can cause problems such as increased operating costs, quality issues, and more complex supply chain management (Katsaliaki et al., 2022). Therefore, companies must ensure that sales growth is in line with their VBM strategy and balanced with cost control, operational efficiency, and improved product quality. The company will be attractive when it is in a growth condition; the growth period will determine how long it will exist, one of which can be seen in sales growth or sales growth (Toto, 2019). Previous research by (Wongsansukcharoen, 2022) and (Widarwati et al., 2022) shows that sales growth has a positive influence.

4.6. The influence of value-based management on sustainable performance

Based on tests that have been carried out, VBM has a positive effect on sustainable performance, with t statistics of 7,408 greater than 1.96. The higher the VBM will affect sustainable performance. VBM shows the economic added value that a company creates from its activities or strategies over a certain period. The VBM principle provides a sound measurement system to assess a company's performance and financial performance because it is directly related. VBM assesses added value by considering the cost of capital as a consequence of investment. Considering the cost of capital, it can be known whether the company can create added value. VBM can be used independently without the need for comparison data.

Value-Based Management (VBM) has a significant impact on sustainable performance in manufacturing companies. VBM is a managerial approach that emphasizes creating long-term value for shareholders and stakeholders by integrating value principles into all aspects of management and decision-making. VBM often involves strong CSR practices, such as social responsibility and business ethics. Companies that prioritize long-term value are more likely to implement practices that support social and environmental sustainability (Shayan et al., 2022). By optimizing value creation, companies can achieve sustainable long-term profitability. The VBM approach ensures that financial decisions are made with long-term impacts on the company's value in mind (Ed & Ed, 2020). It helps companies identify and manage risks that can affect long-term performance, including environmental and social risks. This reduces the likelihood of losses that could threaten the company's sustainability (Gatzert et al., 2020).

Of course, it is clear that VBM is closely related to sustainable performance. That is reinforced by the results of research conducted by Rosini and Hakim (2020), which show that VBM has a significant influence. Different research conducted by Puspitasari et al. (2019) shows that VBM does not influence company value. Nuryani (2015) examines the fact that stock returns are not affected by EVA.

4.7. The influence of CAPBVA on sustainable performance through value-based management

Based on tests conducted by CAPBVA through Value Based Management on Sustainable Performance, the statistics were 3,951 greater than 1.96. That shows that value-based management can mediate

CAPBVA's sustainable performance. The theory states that Capital Expenditure to Book Value Asset (CAPBVA) shows the flow of additional share capital of the company that can be used for additional investment in productive assets; the higher the CAPBVA increases the value of a company which can be seen from high EVA and will undoubtedly affect the company's sustainable performance. CAPBVA helps companies meet environmental regulations and sustainability standards by providing cost analysis needed to comply with legal requirements. In-depth cost information allows companies to adapt more quickly to changes in regulations or industry standards related to sustainability (Gatzert et al., 2020). Although sustainability performance reporting in Indonesia is voluntary, manufacturing companies may face additional challenges related to environmental regulations, access to green technology, and sustainability practices (Brandi, 2020). The implementation of CAPBVA and VBM can help Indonesian companies overcome these challenges. By integrating CAPBVA and VBM, manufacturing companies in Indonesia can achieve better sustainability performance, improve their competitiveness, and make a positive contribution to the country's sustainable development (Zipse et al., 2023). Hidayah, (2015), state that CAPBVA influences company value. Similar things resulted from the research of (Putri & Setiawan, 2019) and (Nisa, 2017).

4.8. The effect of sales growth on sustainable performance through value-based management

Based on tests carried out, sales growth through value-based management on sustainable performance has a statistic of 2,559, greater than 1.96. It shows that value-based management can mediate sales growth towards sustainable performance.

Sustained sales growth can improve long-term profitability, giving companies the financial strength to invest in sustainability practices that may require significant upfront investment but yield long-term benefits. With increased revenue, companies can better manage financial risks, including those related to environmental and social compliance and fluctuations in raw material prices. With sales growth, companies have more resources to increase transparency and reporting related to their sustainability performance. This can include more detailed reporting on environmental, social and governance (ESG) impacts (Habib & Mourad, 2024). Greater transparency in sustainability reporting can increase investor and stakeholder confidence, which can support a company's value and reputation in the marketplace. In Indonesia, manufacturing companies often face unique challenges related to environmental regulations, access to sustainable technologies, and competition in domestic and global markets (Ye & Dela, 2023). Sales growth can help companies more easily comply with environmental regulations that may require significant investments in pollution prevention or waste management technologies (Permatasari & Gunawan, 2023). With greater resources, companies in Indonesia can access green technologies and best practices from global markets, accelerating the transition to more sustainable production practices.

Utilizing the sales growth ratio enables the company to discern the trend of its product sales from year to year. Sales must cover costs to drive profit increases, allowing the company to strategize for potential fluctuations in sales in the upcoming year. Consequently, as the company expands, the value-based management (VBM) will also rise. With the increase in VBM, the company can enhance its sustainable performance. Research (Ahmad & Soepriyanto, 2022), both before and after the pandemic, yielded consistent results. However, (Wijayanti & Wilujeng, 2021) found that sales growth has little influence.

5. CONCLUSION

5.1. Conclusions and advice

The results of this study found that:

1. CAPBVA positively affects sustainable performance, meaning that the greater the value of CAPBVA, the better the company's sustainable performance will be.
2. Sales growth positively affects sustainable performance, meaning that higher sales growth will affect sustainable performance. High sales growth will reflect increasing revenues, which tends to impact issuers' confidence in delivering sustainable performance.
3. CAPBVA positively affects value-based management, meaning that the higher the CAPBVA value, the higher the VBM. Capital Expenditure to Book Value Asset (CAPBVA) shows the flow

of additional share capital of the company that can be used for additional investment in productive assets; the higher the CAPBVA will undoubtedly increase the value of a company, which can be seen from a high VBM.

4. Sales growth positively affects value-based management, meaning that higher sales growth will also affect value-based management. High sales growth will reflect increased revenue, so value-based management will increase as well. The company will be attractive when it is in a growth condition. The growth period will determine how long the company will exist, one of which can be seen in terms of sales growth.
5. VBM positively affects sustainable performance, meaning that higher VBM will affect sustainable performance reporting. VBM focuses its assessment on added value by considering the cost of capital as a consequence of investment; by considering the cost of capital, it can be known whether the company can create added value.
6. CAPBVA, through VBM, can mediate sustainable performance, meaning that VBM can mediate the influence of CAPBVA on sustainable performance. Capital Expenditure to Book Value Asset (CAPBVA) shows the flow of additional share capital of the company that can be used for additional investment in productive assets; the higher the CAPBVA, the higher the value of a company, which can be seen from the higher VBM, and will certainly affect the reporting of the company's sustainable performance.
7. Sales growth through VBM can mediate sustainable performance, which shows that value-based management can mediate sales growth against sustainable performance. Using the sales growth ratio, the company can find out the sales trend of its products from year to year. Sales must be able to cover costs so that they can increase profits; the company can determine the steps to be taken to anticipate the possibility of rising or falling sales in the coming year so that the more the company grows, the value-based management will rise as well. When VBM rises, it will be able to increase the company's sustainable performance.

5.2. Research limitations

This research is the result of data interpretation obtained from the process of collecting and processing data through Model tests:

1. The overall data received in this study is as much as 900, which can only be fully processed after some time. That is due to the need for more qualifications, data outliers, and the number of samples that cannot be controlled.
2. This study used bibliometric testing only to help find novelty, not to analyze the contribution of authors, countries, citations, and demographics from bibliometrics.
3. The results of this Model Test still show a low relationship between variables.

5.3. Theoretical implications

This research provides a new measurement of the company's sustainable performance. The existence of VBM can be used as a measurement tool for the company's sustainable performance, providing definite confidence that the company will run sustainably according to the expected value. Sustainable performance measurement is based on the G4 Global Report Initiative (GRI) using 91 required indicators and divided into three main components (three bottom lines), namely economic aspects (profit), environmental aspects (planet), and social aspects (people).

5.4. Managerial implications

Sustainability performance is a benchmark for assessing company performance across all dimensions and drivers of corporate sustainability. It represents a key objective indicating the company's commitment to corporate responsibility and its overall trajectory towards sustainable practices. Sustainability performance indicators help companies and their stakeholders, especially financial institutions, assess how their production activities contribute to sustainable development goals by not reducing or interfering with them.

From this research we found that there are many managerial contribution; CAPBVA helps manufacturing companies optimize costs and improve efficiency. This leads to sustainable performance by reducing waste, improving financial performance, satisfying stakeholders, and enhancing customer satisfaction in Indonesia. CAPBVA supports value-based management by

providing cost and benefit information for decision-making. Value-based management enhances shareholder and stakeholder value through informed decision-making on products and processes. Sales growth, if it managed well, increases revenue and profitability, helps evaluate products, but requires proper management. Sustained sales growth leads to improved profitability, allowing companies to invest in sustainability practices and better manage financial risks, including environmental compliance and raw material prices. This can enhance transparency and stakeholder confidence.

5.5. Regulatory implications

The Government can further emphasize supervision on disclosure in the sustainability report of manufacturing companies in Indonesia as a form of confirmation of the implementation of the rules that have been set. The Government can also apply these regulations in the form of clear rewards and punishments to companies that have implemented and have not implemented the rules and reported them. Regulation should provide boundaries and standards that companies must comply with, such as environmental and social regulations. VBM ensures that compliance with these regulations is integrated into the company's value strategy, so that companies not only comply with the law but also take advantage of opportunities to improve sustainability performance. The results of this study are expected to contribute to Regulation in helping to identify sustainability-related considerations, such as fines or sanctions for environmental violations. VBM provides a framework for assessing and mitigating these risks as part of a long-term value strategy.

5.6. Practitioner implications

This research is helpful for practitioners in financial accounting and management accounting related to VBM, as it can affect the achievement of sustainable performance. Practitioners can implement the VBM indicator, which is one of the indicators of a financial management system, to measure the company's economic profit. The indicator states that welfare can only be created if the company can meet all operating costs and capital costs so that the company's sustainable performance can be achieved. CAPBVA assists companies in meeting environmental regulations and sustainability standards through cost analysis for compliance.

5.7. Novelty

The renewal in this study is the existence of VBM, which can be used as a measurement tool for the company's sustainable performance to provide definite confidence that the company will run sustainably according to the expected value.

5.8. Research advice

Further research can improve the data collection process by using questionnaires by respondents, guiding filling in and terminology for variables and research topics to minimize respondents' answers and ensure unbiasedness. Further research can be carried out in addition to manufacturing companies other than in Indonesia. It can also be carried out in other sectors, such as agriculture and mining. The number of research periods can also be increased to 10 years to increase the accuracy of the data to be tested.

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