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Determinants of Company Going Concern: Empirical Evidence in the Times of Covid-19 in Developing Capital Markets

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ABSTRACT: During the COVID-19 pandemic, various corporate sectors in Indonesia were affected by the pandemic, including manufacturing companies. Where during the pandemic many companies are threatened with their business continuity. This observation plan is to understand the influence of managerial ownership, financial distress and leverage on going concern companies with profitability as a moderating variable. In this study going concern was measured by determining the Scott R formula. The research methodology for testing and data analysis was using MRA (Moderating Regression Analysis). The population in this observation is the manufacturing industry listed on the Indonesia Stock Exchange (IDX) in 2020. The sample collection was carried out using the purposive sampling method with a total sample of 179 companies in 2020. The results of this observation prove that financial distress has a negative effect on going concern and leverage. Positive impact on going concern. Meanwhile, managerial ownership has no impact on going concern. Authorized profitability with return on assets is able to strengthen the influence of financial distress and leverage on going concern. Observational findings in this observation normative accounting theory elevate plans, skills and then determine how to meet the recognized goals. Normative accounting theory includes decisions about what to do to fulfill the desires that have been mentioned. The implication of this research is that the implementation of Pecking order theory explains that industries that get high profits will use relatively small liabilities because the industry will tend to set money in it. The normative theory here tries to explain the explanations that are usually conveyed to the users of the accounting explanations that will be presented.

KEYWORDS: Financial Distress, Leverage and Profitability**,** Managerial Ownership.

INTRODUCTION

The company is a one-way entity where the primary goal is to make a profit (profit oriented). Profit or profit here is a measure of the effectiveness and efficiency of the company, so profit income is not guaranteed to have a long-term reputation. Companies can operate for a long time so they can make projects, commitments or activities sustainable. This is based on the principles of business continuity (going concern) which accommodates a company that can be expected to cancel in the future or that the company will continue to be determined by time.

In 2020 many corporate sectors were affected due to the Covid Pandemic, in Indonesia the corona virus or pandemic could be applied by the national government such as the destruction on Saturday 14 March 2020 to go through the century of disaster emergency in Indonesia. Some companies also put their workers to work from home. All of these actions are intended to make the Indonesian economy as well as the global economy significantly slow down (Report on Indonesian and World Economic Development Bappenas, 2020).

Several sectors of Indonesian companies are experiencing the effects of the Covid Pandemic and the economy is slowing down due to the COVID-19 (adhikara et al., 2022). Covid-19 also has a significant impact on the 2020 financial statements, especially in the aspect of company income which has decreased due to the purchasing power of citizens and will have an impact on inflation, and inventory measurement (Mala et al., 2021). The Central Statistics Agency (BPS) transmitted the results of the impact of the Covid-19 pandemic and carried them out to 34,559 economic actors. The decline in income, due to Covid-19 has an impact on business productivity.

In the midst of increasingly tight liquidity, the Company must consider Covid-19 in the reserves of a business in interim financial reporting in the first half of 2020. Companies need to consider the Covid-19 situation in the company's risk management in maintaining the company's profits to decline in 2020 due to Covid-19 19. Of course, when assessing this situation there is a financial reporting perspective related to the third paragraph of PSAK 8. The spread of Covid-19 in Indonesia is the result of events that occurred after the 2019 reporting period and no event could affect the presentation of the 2019 financial statements. However, if Covid-19 19 that significantly threatens business continuity going forward due to the significant impact caused by Covid-19, permanent companies will consider the company's valuation (going concern) when compiling the 2019 annual financial statements (PSAK 8 paragraph 14).

The results of previous research on going concern have been carried out by Fernando (2018). It can be developed with additional dependent variables, namely managerial ownership, and leverage, and does not include unearned revenue, working capital turnover, cash flow of capital, and additional liabilities as independent variables. Including profitability as a moderating variable. The difference in measuring going concern using the Scott Model, where previous research used the Zmijewski Model.

This study aims to find out, firstly, by choosing Good Corporate Governance (Managerial Ownership) as the dependent variable, the researcher wants to find out whether there is a match between managerial theory and the events of this pandemic. Then Financial Distress to measure whether the impact of this covid pandemic makes the company experience an indication of bankruptcy, then Leverage is used to measure the amount of debt affecting the company's sustainability risk during the pandemic, then earnings power as a moderating variable to calculate Return On Assets to see how effective the company's assets are in generating profit during a pandemic.

The contribution of this research is to improve the company's performance by always paying attention to the policies and strategies adopted in determining the sustainability of the company's business. By paying attention to the debt owned by the company, it reduces the risk of the company experiencing a bad financial condition which causes the company to fail to pay its debts and cannot continue its business. The application of pecking order theory explains that companies that generate high profits, consume relatively little debt, tend to use the company's internal funds for operational costs.

THEORY AND HYPOTHESES DEVELOPMENT

Normative Accounting Theory

Normative theory tries to explain the information that must be conveyed to users of accounting information and how that information will be presented (Kabir, 2011). Normative theory is generated through a semi-exploratory process without testing the accounting theory presented, which may or may not explain general accounting practice. On the other hand, empirical theory focuses on the importance of empirical studies to verify whether the accounting theory presented in the accounting theory literature can explain the dominant accounting practice (Budiarto, 1999). Accounting theory is an important part of practice. Normative accounting theory is also claimed to be a prescriptive theory, which tries to answer the question of what should be. Here, accounting is believed to be a regulatory practice that must be followed regardless of whether it is applied or practiced now or not. Normative theory seeks to be able to justify what should be actualized, for example, there is a statement that explains the financial statements based on the asset measurement method. Normative theory only interprets hypotheses that are put into practice without any hypothesis testing.

Bankruptcy Theory

Bankruptcy theory assumes that economic distress is a company's failure to lose income that is unable to cover expenses, namely the company's profit margin in capital costs is not in line with the expected cash flow. Financial distress means it is difficult to collect funds, both in the form of cash and working capital. As asset and liability management, it plays a very important role in avoiding financial difficulties. Companies in countries experiencing financial difficulties will soon go bankrupt because financial difficulties have become ill and then lead to rapid bankruptcy of those who are sick and bankrupt.

The Relationship of Managerial Ownership, Financial Distress and Leverage to Going Concern

Going Concern or business continuity is the root of the principle that presents the company's financial statements. The definition of going concern is the ability of a company or entity to survive or operate in the long term where the sustainability of the company's operations can be affected by financial or non-financial conditions such as poor management, decreased ability of the company to pay debts, government policies, pandemics, inflation, etc.

Relationship of Managerial Ownership to Going Concern

Management ownership is a condition where a manager holds several shares issued in a company. In terms of stock management, the position of managers and shareholders will be the same to increase company efficiency and maximize company value. In addition, in ownership, the manager directly benefits from the decisions he makes because he becomes the owner of the company directly by owning a number of shares in the company. According to (Januarti, 2009) it is concluded that managerial does not have a significant influence on going concern audit acceptance. Meanwhile, the study (Linoputri, 2010) concluded that going concern audit opinion had a negative effect on managerial ownership.

Relationship of Financial Distress to Going Concern

The soundness of a company is in a good financial position, the auditor does not issue a going concern opinion. According to (Andari, Ni Made Meliani, 2017) management expects the company to face bankruptcy in the future, and its survival is also a consideration. The financial situation of a company, that is, the company's financial position for a period of time, generates negative net income for several years and eventually goes bankrupt, and the company's operating cash flow is no longer sufficient to take corrective action to avoid bankruptcy.

Leverage Relationship to Going Concern

Companies with low levels of funding leverage tend to go bankrupt and remain vulnerable to corporate audit opinions. The company's high leverage ratio is an indication of adverse conditions because most of the funds used come from debt. The fast leverage ratio raises doubts on the auditor's side of the business continuity of a company to provide the auditor's opinion on the business continuity. A high leverage ratio also makes it harder for businesses to get loans because lenders tend to display loans to companies with declining leverage ratios.

The Relationship of Profitability to the Effect of Managerial Ownership with Going Concernn

Managerial ownership is share ownership by the management of the company. (Christiawan et al., 2007) argues that managerial ownership is a condition where managers own shares in the company, meaning that managers are also shareholders in the company. Managerial ownership also affects the profitability of the company, as we believe it can affect the company's operations and ultimately its effectiveness in achieving its objectives. The relationship between financial performance and profitability will be strengthened by the involvement of management. Because more executives will have an impact on the company, namely managers tend to be more active in the interests of shareholders. This study is in accordance with research conducted by (Jensen & Meckling, 2019), showing that management ownership aligns the interests of management with those of shareholders, so that managers feel the benefits of making decisions and the disadvantages of bad decisions.

Profitability Relationship to the Effect of Financial Distress with Going Concern

According to (Andre & Taqwa, 2014) financial distress can be explained by two extremes: shortterm liquidity problems that cannot be resolved. Short-term financial difficulties are usually shortlived, but they can develop into serious problems. Where indicators of financial distress can be collected from an analysis of cash flow, analysis of the company's strategy, and reports from the company's finances.

Research (Hapsari, 2014) shows that profitability has a negative influence on financial distress. Efficient wealth management makes it possible to cover all the costs of running a business and has a significant profit yield. A study from (Srikalimah, 2017), states against similar results that profitability has a negative impact on financial difficulties.

The Relationship of Profitability to the Effect of Leverage with Going Concern

The leverage ratio is a measure of the long-term ability that is used to assess the company from fulfilling obligations (Andre & Taqwa, 2014). A high leverage ratio can lead to high financial risk when risks arise.

Profitability is the company's ability to make profits, namely high profits, the faster the tax liability and high leverage, the lower the company's profitability. The existence of a significant influence displays the existing leverage from the main factors that influence the profitability of the company.

Hypothesis Development

Based on the literature review and the results of previous studies, the hypotheses are formulated as follows:

H1: Managerial ownership, financial distress, and leverage affect going concern with profitability as a moderating variable.

H2: Managerial Ownership has a positive effect on Going Concern

H3: Financial Distress has a negative effect on Going Concern

H4: Leverage has a negative effect on Going Concern

H5: Profitability strengthens the positive effect of Managerial Ownership on Going Concern

H6: Profitability weakens the negative effect of Financial Distress on Going Concern H7: Profitability strengthens the positive influence of Leverage on Going Concern

RESEARCH METHODS

Research design

The research design uses causality hypothesis testing, namely to test the effect between two variables. The approach used is the quantitative method, namely the use of numbers as variable indicators. According to (Efferin, 2018) the quantitative approach is an approach that uses procedures, hypotheses, field trips, data analysis and data conclusions to measure aspects, computations, methods and certainty of numerical data.

Variable Operational Definition

Going Concern in this study is the dependent variable, according to (Indonesian Institute of Certified Public Accountants, 2011) interpreting going concern as the ability of a business to maintain business continuity in the right period of time. More than 1 year. The year from the date of the audited financial statements. In this study, the method used in predicting going concern uses the Scott model (Scott, 1981) that interest payments are generated from earnings before interest and corporate taxes and changes in equity in this case are dividend payments.

Managerial ownership is a condition where managers take part in the company's capital structure or use other terms, the manager has a dual role as manager and shareholder in the company. In accounting theory, the motivation of managers will choose the amount of profit management in the company. Motivation that is not in sync will form the amount of profit management that is out of sync

According to Andari, et al., (2017), financial distress (financial distress) begins when the company is unable to meet payments and the company cannot complete its obligations based on cash flow projections.

According to Petrus et al., (2018) Leverage ratio is the company's ability to meet short-term and long-term financial obligations and or the company's good size in paying off debt.

ROA is a method of calculating the financial performance of a company by comparing the net profit generated by the company with the company's total assets. ROA reflects how much a company earns from the financial resources it invests. The reason the author uses ROA to assess the financial performance of a company is that the ROA ratio is very important in financial analysis which is a comprehensive method. ROA ratio analysis is a method of analysis that is commonly used to assess the level of effectiveness of the company's operations as a whole. According to (Priyanto, 2013). Understanding ROA is a type of profitability that is able to assess the company's ability in terms of obtaining profits based on the assets used.

RESULTS AND DISCUSSION

Research result

Descriptive Statistics

The statistical descriptive results show the tendency of individual taxpayers as shown in table 4.2

Table 4.2 Descriptive Statistics

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
KM	129	.00	.45	.0620	.11233
FD	129	-2.36	17.00	6.4153	3.42413
LV	129	.12	3.20	.9472	.62926
PF	129	-.17	.20	.0272	.06115
GOING_CON	129	-5652703000000	70334000000000	459432970205.19	6301599745212.
Valid N (listwise)	129				

Source: Secondary Data Processing

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The table above shows the composition of the shareholding owned by Managerial at 6.2%. The higher the managerial ownership value, the higher the influence of management interests. With a mean value of 6.41 on financial distress, it shows that the company does not experience bankruptcy potential. The company's high leverage ratio indicates a loss, because most of the money the company develops comes from debt. Profitability shows that the average value of the sample study has an ROA of 27.2%, which means that the company gets the main performance from its operational activities. Based on the statistical results, descriptive going concern has a mean value of 45 billion and is positive. This explains that the company's playing value as the research sample has a positive EBIT so that it is a going concern.

Normality test

The use of the normality test is used to process data from research results using the Kolmogorov-Smirnov test method, as explained in the previous chapter that the normality test can be used to see the residual model in research with a normally distributed

Table 4.3. Normality

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		68
Normal Parameters[a,b]	Mean	0E-7
	Std. Deviation	2.04051907
Most Extreme Differences	Absolute	.083
	Positive	.083
	Negative	-.083
Kolmogorov-Smirnov Z		.688
Asymp. Sig. (2-tailed)		.731

a. Test distribution is Normal.

b. Calculated from data.

The Kolmogorov-Smirnov test above shows residual data which has a normal distribution. The results of this normality test explain that the Kolmogorov-Smirnov value is significant at 0.731 > 0.05, which is in accordance with the assumption of normality.

Data Multicollinearity Test

The multicollinearity test is to see the results of the tests contained in the regression model found, namely the independent variables of the regression model by analyzing at the VIF level (Variant Inflation Factors). Then the VIF value of <10 is higher than 0.10 i.e. there is no sign of multicollinearity and vice versa.

Table 4.4 Multicollinearity

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	KM	.679	1.473
	FD	.218	4.582
	LV	.283	3.533
	KMPF	.534	1.874
	FDPF	.382	2.621
	LVPF	.664	1.505

a. Dependent Variable: GC

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Table 4.4 explains that the model used gives all independent variables to the value of VIF <10 or VIF & lt; 10. Let H0 be accepted. This means that all the independent variables used in the equation model do not show signs of collinearity (there is no strong relationship between the independent variables). From this it can be found that the regression model used avoids the problem of multi-collinearity.

Autocorrelation Test

Autocorrelation can be detected by statistical nonparametric run test. The criteria used are the probability value > 0.05 then there will be no auto-correlation and if the probability value is
<0.05, it is declared that there is auto-correlation.

Table 4.5. Autocorrelation

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.485[a]	.235	.160	2.02915	1.434

a. Predictors: (Constant), LVPF, KM, FD, KMPF, FDPF, LV

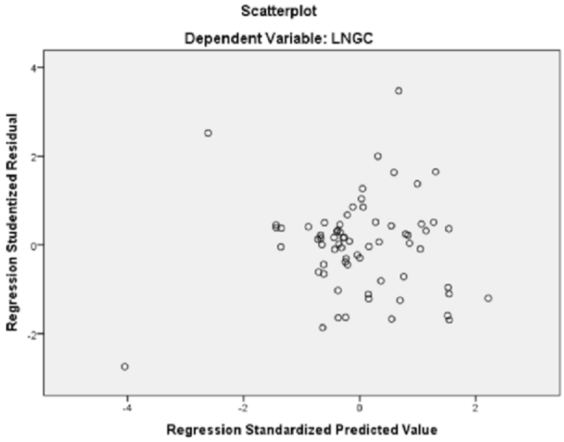
b. Dependent Variable: LNGC

Based on the autocorrelation test conducted, Durbin Watson's score was 1.434. Where these values can be compared with the values of dl and du. The value of dl is the lower limit of the Durbin Watson statistic and du is the upper limit of the Durbin Watson statistic. The values of dl and du are obtained from the Durbin Watson table by calculating = 5%, n = number of data, K = number of independent variables. Then I found the value of dl = 1.2653 and du = 1.7603, K = 3 and n = 129. Furthermore, the calculation results show that the Durbin Watson value in Table 4.4 of 1.434 is between dl and 4d. Therefore, it can be defined that the regression model does not have autocorrelation.

Heteroscedasticity Test

Heteroscedasticity test is a test of whether there is a similarity of variance from one study to another in the regression model. If the residual variance from one control to another has the same value, that is, we talk about homoscedasticity, and if it is different, we will talk about heterogeneous variance.

Gambar 4.1



The test used using the scatterplot technique. This explains whether the regression model shows non-uniform variance. if there is a certain shape on the graph, this indicates that there has been a non-uniform variance. From Figure 4.1, you can see that the distribution points are randomly up and down i.e. 0 and on the Y axis. Therefore, it can be said, the regression model does not have non-uniform variance.

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Hypothesis Testing before Moderation

Hypothesis testing is done either simultaneously or partially. The calculation results are in table 4.6 below.

Table 4.6. Coefficient of Determination Test Table (R2)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.485[a]	.235	.160	2.02915	1.434

a. Predictors: (Constant), LVPF, KM, FD, KMPF, FDPF, LV

b. Dependent Variable: LNGC

Based on regression testing, the Adjusted R2 value is 0.160, indicating that managerial ownership, financial distress, leverage, and profitability have an influence on going concern by 16% and the remaining 84% is influenced by other variables contained in this study.

Table 4.7. Uji F Table (Simultan)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	77.326	6	12.888	3.130	.010[b]
	Residual	251.165	61	4.117		
	Total	328.490	67			

a. Dependent Variable: LNGC

b. Predictors: (Constant), LVPF, KM, FD, KMPF, FDPF, LV

Based on the regression test in table 4.6, the F-count is 3,130 with a significance (0.010 < 0.05). The results of the Simultaneous Effect Test of F show that the p-value is lower than the significance value (0.05) so that the conclusion from Ha1 is accepted, namely that there is managerial ownership, financial distress, leverage, and profitability on going concern simultaneously.

Table 4.8. T Test Results (Partial)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	18.195	1.918		9.488	.000
	KM	2.873	3.364	.133	.854	.396
	FD	.579	.178	.895	3.247	.002
	LV	2.670	.833	.831	3.204	.002
	KMPF	-45.084	35.033	-.229	-1.287	.203
	FDPF	-.467	.708	-.119	-.659	.512
	LVPF	15.772	6.036	.376	2.613	.011

a. Dependent Variable: GC

Based on the results contained in table 4.7 above, it can be made an equation of multiple regression, namely:

GC = 18,195 + 2,873 KM + 0,579 FD + 2,670 LV - 45,084 KM*PF - -0,467 FD*PF - 15,772 LV*PF + 2.02915

DISCUSSION

Effect of Managerial Ownership, Financial Distress, Leverage and Profitability on Going Concern

Based on the test of the F-count regression model of 2.796 significance (0.000 <0.05). So the research shows managerial ownership, financial distress, leverage and profitability affect the company's going concern. This is because the managerial role is very important in making decisions for the sustainability of the company's business. Financial distress affects going concern where it can be explained that if the company is experiencing financial difficulties for a long time or the company has a cashflow deficit for three years continuously, then the possibility exists that the company will not be a going concern. In this study, Leverage hypnotizes going concern assessed by using the Debt To Equity Ratio, where this ratio is used to show the composition of funding to finance the company's operational activities or use its debts. The results of this study are in line with Fernando's (2012) study that financial difficulties cash flow investment and interest expense affect going concern going concern.

Effect of Managerial Ownership on Going Concern

Ownership of company shares by a manager will participate in choosing the decisions contained in the accounting method in the company owned. The number of managerial shareholdings in a company can indicate a congruence between the interests of management and shareholders, namely by increasing the percentage of ownership, performance, and prosperity. Managers not only make decisions that are in line with the company's goal, namely to make profits, but also optimize the company's activities.

From the results of this study, in the context of managerial ownership, it turns out that decisions are taken that can save companies from bad financial conditions, especially during the COVID-19 pandemic. Because based on descriptive statistical results, Managerial Ownership only has a mean value of 0.620 or 6.2% of managerial ownership of all the companies studied, this presentation is still very small for managerial ownership having an effect on the company's business continuity.

The results of this study are in line with the results of a study conducted by Januarti (2008) which explains that managerial ownership has no effect on going concern audit opinions

Effect of Financial Distress on Going Concern

The results of the regression test resulted in a regression coefficient of 0.895 with a significant value of 0.02 <0.05. These results indicate that financial distress has a negative effect on determining business continuity. This means that the hypothesis that the going concern received has a negative effect on financial distress.

Bankruptcy of a company in financial difficulty. The company's financial position will result in negative net income for several years, ultimately leading to bankruptcy, insufficient operating cash flow of the company and the inability to take corrective action. Must be taken to avoid bankruptcy. Bankruptcy itself can be interpreted as a condition or situation where the company experiences bankruptcy or fails to fulfill the obligations of its debtors.

The results of this study support Setiadamayanthi and Fernando (2012) who say that going concern opinion has an influence on financial distress.

Effect of Leverage on Going Concern

Leverage in this study is assessed using the debt-to-equity ratio, which is a final comparison of debt and equity. This ratio measures the level of the company's debt to equity ratio. A higher debt ratio raises doubts about the company's ability to maintain business continuity, because most of the capital received will be used to finance debt, where operating funds will continue to increase. A high leverage ratio describes a company that is not financially successful because the company's assets are liabilities from commercial activities. For example, an entity that has high leverage, the company will increasingly doubt its business continuity where its operational activities use debt.

The results of the study are the results of research conducted by Januarti (2009) which explains that leverage has an influence on going concern audit opinions.

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The Effect of Profitability weakens the positive influence of Managerial Ownership on Going Concern

In accounting theory, the motivation of managers determines the amount of profit earned by the company. Different motives bring different benefits. Stock managers in a company are involved in setting policies and making decisions about accounting practices that apply to the companies they manage. While going concern or the survival of the company is always associated with the ability of management to hold the company. If the economic situation of a company is uncertain, then a pandemic situation like this requires management to be able to make decisions so that the company can continue to run its business.

Profitability can moderate the influence of managerial ownership on business continuity. Where this is caused by the existence of stock management in the company who cannot make decisions where it will affect performance in achieving the goal of making a profit. Managerial ownership equalizes the interests of management with shareholders, so that managers can feel directly from the benefits that result from decisions. This study is in accordance with research conducted by (Jensen & Meckling, 2019), showing that management ownership aligns the interests of management with those of shareholders, so that managers feel the benefits of making decisions and the disadvantages of bad decisions.

The Effect of profitability weakens the negative influence of Financial Distress on Going Concern

Financial distress is a company's financial statements in a condition where the situation is not good. Therefore, usually the profits obtained by the company can no longer be used in submitting loans, funding operations and completing responsibilities with existing profits.

Profitability can moderate the effect of financial distress on the company's business continuity. This is due to an indication of bankruptcy by a company, one of which is a factor that is influenced by the high and low profits of a company, the company's profit, the indication of bankruptcy experienced by the company is considered low, making the company continue to be able to continue its business. The results of research from (Srikalimah, 2017), state against similar results that profitability has a negative impact on financial difficulties. If the company gets a high profit, then the profit can be used by the company, so that financial difficulties will not occur.

The Effect of Profitability strengthens the positive influence of Leverage on Going Concern

Pecking order theory explains that companies that generate high profits will use relatively little debt because companies will tend to use their internal funds. Profitability is the ability possessed by the company to make a profit. If the profit earned is large, the amount of tax liability paid is also higher, if the leverage is higher, the profitability of the business will weaken. A significant influence explains the leverage of a primary factor and affects business profitability.

Profitability can moderate the effect of leverage on the company's business continuity. This is caused by companies that are able to form high profits that will affect the high level of business success in fulfilling financial responsibilities both in the short and long term, the output of this study shows how businesses are able to manage debt to earn profits and also to pay off their debts. According to research (Kusumaningrum, 2019) companies with a high rate of return on an investment tend to use a fairly low level of debt. Where the rate of return allows the company to fund most of the funding needs obtained internally.

RESEARCH FINDINGS

This research has some interesting findings, so that the company has a lot of debt, so the company is also at high risk of not being able to continue its business. This is in accordance with the pecking order theory, which explains that a business can generate high profits, will carry out relatively little debt so that businesses that have low debt will tend to be able to continue their business. So in this study it proves that normative accounting theory takes goals, attitudes and determines methods in achieving existing goals. Normative accounting theory provides resolutions regarding what must be done to achieve goals. Normative accounting theory in going concern as a qualitative characteristic of financial statements which states that the company's ability to survive or be able to operate in the long term where the company's business continuity is influenced by financial conditions, one of which is the decline in the company's ability to pay debts.

Furthermore, the results of the study found that Adjusted R2 from before moderation had a value of 0.097 and increased to 0.160 when moderation occurred. So, comprehensively the profitability moderating variable will strengthen the company to be a going concern.

CONCLUSION

Management ownership, financial difficulties and leverage simultaneously affect business continuity. Ownership does not have a positive effect in determining the sustainability of the company's management. Financial difficulties have a negative impact on the sustainability of the company's business. A business's poor financial position during a pandemic can indicate that a business cannot continue as a going concern. Leverage has a positive impact in determining the sustainability of a company's business. Profitability weakens the impact of management ownership on the company's business continuity. Profitability reduces the negative impact of financial difficulties on the company's business continuity. Profitability increases the positive effect of leverage on the company's business continuity.

RECOMMENDATION

Recommendations for this research: it is recommended and expected to use study objects that focus on other industries and increase the study time span more than the current research period, namely 5 years (period 2016 – 2021), add independent variables that affect going concern, for example audit quality and change moderation apart from profitability, so that it can provide a broader explanation regarding indications of going concern in a company, using a proxy approach to corporate governance measurement methods such as using data from IICG and IICD in the form of scoring or the ASEAN Corporate Governance Scored (ACGS) in order to be able to assess the implementation of GCG comprehensively. Comprehensive and accurate, as well as using corporate governance measurements with proxies such as audit quality and managerial ownership.

Then it is recommended to test the going concern variable using other proxies such as the Altman Z-Score, and to test the financial distress variable using the latest Altman Z-Score formula, in 2014.

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