ABSTRACT

This research aims to empirically examine the impact of Enterprise Risk Management (ERM) on firm performance. In addition, this research also examines the moderating role of risk management committee's characteristic of the implementation of ERM on firm performance. The existence of risk management committee's size, independence, and number of meetings is expected to strengthen the relationship between ERM and firm performance. Firm size, board commissioner size, board commissioner meetings, and leverage used as control variables.

The population of this research consist of 134 banking companies that listed on Indonesia Stock Exchange (IDX) in 2017-2019. This research using secondary data that selected by purposive sampling method, so the final sample that obtained are 111 companies. The analytical method that was used is multiple regression analysis, which is processed using SPSS 23.

The result shows that ERM had a positive effect on firm performance. The independence of risk management committee and number of risk management committee's meetings are proven to strengthen the relationship between ERM and firm performance. While the size of risk management committee is not proven to strengthen the relationship between ERM and firm performance.

Keywords: firm performance, ERM, size of risk management committee, independence of risk management committee, number of risk management committee meetings, firm size, board commissioner size, board commissioner meetings, and leverage.