

## TABLE OF CONTENTS

THESIS APPROVAL .....	ii
THESIS EXAMINATION APPROVAL .....	iii
DECLARATION OF ORIGINALITY .....	iv
ABSTRACT.....	v
ABSTRAK.....	vi
MOTTO AND DEDICATION .....	vii
ACKNOWLEDGEMENTS .....	viii
TABLE OF CONTENTS .....	x
LIST OF TABLES .....	xiii
LIST OF FIGURES.....	xiv
LIST OF APPENDIX .....	xv
CHAPTER I INTRODUCTION.....	1
1.1.    Background .....	1
1.2.    Problem Formulation .....	4
1.3.    Research Objectives and Contributions .....	7
1.3.1 Research Objectives .....	7
1.3.2 Research Contributions .....	7
1.4.    Systematic Writing.....	8
CHAPTER II LITERATURE REVIEW.....	9
2.1.    Agency Theory.....	9
2.1.1. Definition of Agency Theory... ..	10
2.1.2. Contribution of Agency Theory to This Research .....	11
2.2    Firm Financial Performance.....	12
2.3    Enterprise Risk Mangement.....	13
2.4    Risk Committee.....	14
2.5    Risk Map .....	18
2.6    Committee of Sponsoring Organization (COSO) Framework Implementation.....	20
2.7    International Organization for Standardization (ISO) 31000 Implementation.....	23
2.8    Previous Studies .....	26
2.9    Research Model.....	29
2.10    Hypothesis Development .....	31
2.10.1. The Relationship Between Risk Committee and Firm Financial Performance.....	31

2.10.2.	Relationship Between Company's Risk Map and Financial Performance .....	33
2.10.3.	Relationship Between COSO Framework Implementation and Financial Performance .....	35
2.10.4.	Relationship Between ISO 31000 Framework Implementation and Financial Performance .....	36
CHAPTER III RESEARCH METHODOLOGY.....		39
3.1.	Research Variables and Operational Definitions .....	39
3.1.1	Dependent Variable.....	39
3.1.2	Independent Variables.....	39
3.2.	Research Population and Sample .....	42
3.3.	Types and Sources of Data.....	42
3.4.	Data Collection Method .....	43
3.5.	Analysis Method .....	43
3.5.1	Descriptive Statistic Test.....	43
3.5.2	Autocorrelation Test.....	44
3.5.3	Reliability Test .....	44
3.5.4	Classic Assumption Test .....	45
3.5.5	Hypothesis Test.....	46
CHAPTER IV RESULTS AND ANALYSIS.....		49
4.1.	Description of Research Object.....	49
4.2.	Data Analysis .....	50
4.2.1	Descriptive Statistical Results .....	50
4.2.2	Classic Assumption Test .....	52
4.2.3	Multicollinearity Test Results .....	54
4.2.4	Autocorrelation Test.....	55
4.2.5	Heteroscedasticity Test Results.....	56
4.3.	Hypothesis Test Results .....	57
4.3.1	Coefficient of Determination ( $R^2$ ).....	57
4.3.2	Simultaneous Significance Test (F Test).....	58
4.3.3	Individual Parameter Significance Test Results (T Test).....	59
4.4.	Interpretation of Hypothesis Test Results .....	61
4.4.1	The Relationship between Risk Committee and Firm Financial Performance .....	61
4.4.2	The Relationship between Risk Map and Firm Financial Performance.....	63

4.4.3	The Relationship between COSO and Firm Financial Performance.....	65
4.4.4	The Relationship between ISO Framework and Firm Financial Performance.....	67
CHAPTER V CLOSING AND SUGGESTIONS .....		71
5.1.	Conclusion .....	71
5.2.	Research Limitations.....	72
5.3.	Suggestions .....	72
REFERENCES.....		73
APPENDIX.....		82

## LIST OF TABLES

Table 2.1 Previous Studies .....	27
Table 4.1 Sample that Qualified the Criteria .....	49
Table 4.2 Descriptive Statistical Analysis .....	50
Table 4.3 Descriptive Statistical Analysis of ERM .....	51
Table 4.4 Normality Test .....	53
Table 4.5 Multicollinearity Test .....	54
Table 4.6 Runs Test .....	55
Table 4.7 Glejser Test Result.....	57
Table 4.8 Coefficient Determination Test Result .....	58
Table 4.9 Simultaneous Significance Test Result (F Test).....	58
Table 4.10 Individual Parameter Significance Test Result (t Test) .....	59
Table 4.11 Summary of Hypothesis Test Results .....	60

## LIST OF FIGURES

Figure 2.1 Research Model .....	30
Figure 4.1 Histogram Graph of Normality Test.....	53
Figure 4.2 P-Plot Graph of Normality Test.....	53
Figure 4.3 Scatterplot Graph .....	56

**LIST OF APPENDIX**

Appendix A..... 82  
Appendix B..... 87