ABSTRACT

This study aims to examine the effect of Enterprise Risk Management and Independent Commissioners on financial performance in automotive sector companies listed on the Indonesia Stock Exchange during the 2021–2024 period. The independent variables in this study are Enterprise Risk Management and Independent Commissioners, while the dependent variable is financial performance proxied by Return on Assets (ROA).

This research employs a quantitative method with a panel data approach. The sampling technique used is purposive sampling, resulting in 14 companies as the research sample with a four-year observation period, generating a total of 56 observations. Data analysis was conducted using EViews 12 software, and the selected panel data regression model was the Random Effect Model (REM).

The results indicate that Enterprise Risk Management has a positive effect on financial performance. Meanwhile, the proportion of Independent Commissioners does not have a positive effect on financial performance. This study is expected to contribute to companies in improving financial performance through the implementation of effective risk management and evaluation of corporate governance effectiveness.

***Keywords**: Enterprise Risk Management, Independent Commissioners, Financial Performance, Return on Assets*

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