ABSTRACT

This study examines the influences of corporate governance mechanism on company value with enterprise risk management as intervening variables. The sample consists of banking listed on Indonesia Stock Exchange for period of 2016-2019. firm size as control variable

Purposive judgment is a sample selection method used in this study to obtain a sample of 112 banking data. Data analysis method used is path analysis. Path analysis and Sobel test is used to determine the mediating effect of enterprise risk managemet. Managerial ownership is measured by using the percentage of shares owned by management to total outstanding shares, institutional ownership is measured by the percentage of shares owned by the institution to basic shares, the proportion of independent commissioners is measured by using the proportion of independent commissioners to the total board of commissioners, directors are measured with the number of directors in a bank, the firm size is measured by the total assets owned by the bank, the company value is measured by the market price per share divided by the book value per share. Risk management disclosure (ERM) is measured by an enterprise risk management maturity rating.

Based on the results of the regression test, the result show that managerial ownership and independent board of commissioners have a significant and positive effect on firm value. Institutional ownership and directors have no effect on firm value. Firm size has a significant positive effect on firm value. Statements of enterprise risk management can mediate between governance mechanisms and firm value.

Keywords: Managerial Ownership, Institutional Ownership, Independent Board of Commissioners, Directors, Company Size, Enterprise Risk Management, Firm Value