

## The Influence of Corporate Risk Management Disclosure, Intellectual Capital Disclosure, and Corporate Governance on Firm Value in Banking Companies on the Indonesia Stock Exchange

Annisa Keumala Dewi<sup>1</sup>, Fazli Syam BZ<sup>2\*</sup>, Fifi Yusmita<sup>3</sup>  
Fakultas Ekonomi dan Bisnis, Universitas Syiah Kuala

**Corresponding Author:** Fazli Syam BZ [fazlisyambz@usk.ac.id](mailto:fazlisyambz@usk.ac.id)

---

### ARTICLE INFO

*Keywords:* Corporate Risk Management Disclosure, Intellectual Capital Disclosure, Corporate Governance, Firm Value

*Received :* 23, January

*Revised :* 25, February

*Accepted:* 27, March

©2025 Dewi, Syam BZ, Yusmita:

This is an open-access article distributed under the terms of the [Creative Commons Atribusi 4.0 Internasional](https://creativecommons.org/licenses/by/4.0/).



### ABSTRACT

This research investigates the impact of corporate risk management disclosure, intellectual capital disclosure, and corporate governance on company value. This study employs secondary data, concentrating on banking companies listed on the Indonesia Stock Exchange (IDX) that issued annual reports between 2019 and 2023. The total population consists of 47 banking firms, with a selected sample of 42 companies, resulting in 210 observations over a five-year period. The data analysis includes descriptive statistics, classical assumption tests, and multiple regression analysis. Hypothesis testing is performed using the coefficient of determination ( $R^2$  test), the simultaneous regression test (F-test), and the individual parameter significance test (t-test). The findings reveal that corporate risk management disclosure negatively affects firm value, whereas intellectual capital disclosure and corporate governance have a positive impact on firm value.

---

## INTRODUCTION

One of the main objectives of a company is to increase shareholder wealth. By increasing the firm value, shareholders can gain greater profits from their investment through increased stock prices and dividends. Increasing the firm value will generate profits for shareholders through increased stock prices and greater dividend distributions. That will increase wealth and provide a higher return on their investment. An increase in firm value signifies success in attaining the company's long-term objectives.

Firm value reflects a company's market worth and influences various operational and strategic aspects. Its significance lies in attracting investors, securing funding sources, evaluating performance, determining stock prices, and providing insight into the success of the company's business strategy. In addition, company value represents a key metric for shareholders, management, and other related parties to measure its success in achieving its financial and non-financial goals. With a good understanding of company value, companies can manage risks, make the right investment decisions, and improve operational performance to achieve long-term growth and sustainability. Several factors can affect company value, including corporate risk management (Salim et al., 2023).

**Table 1. Stock Prices of Banking Companies Listed on the IDX 2019-2023**

No	Bank Name	Stock Price Development (Rp)				
		2019	2020	2021	2022	2023
1	Bank Rakyat Indonesia Agroniaga Tbk	150	1.013	1.810	404	310
2	Bank Artos Indonesia Tbk.	387	3.566	16.400	3.720	2.900
3	Bank MNC International Tbk.	48	48	186	101	60
4	Bank Capital Indonesia Tbk.	300	376	266	131	132
5	Bank Central Asia Tbk	6.685	6.770	7.300	8.550	9.400
6	Bank Harda Internasional Tbk.	26	88	3.958	1.765	1.290
7	Bank Bukopin Tbk.	158	410	267	101	80
8	Bank Mestika Dharma Tbk.	1.800	1.500	2.000	2.120	2.000
9	Bank Negara Indonesia (Persero) Tbk.	7.850	6.175	6.750	9.225	5.375
10	Bank Rakyat Indonesia (Persero) Tbk.	4.293	4.068	4.110	4.940	5.725
11	Bank Tabungan Negara (Persero) Tbk.	2.120	1.725	1.730	1.350	1.250
12	Bank Yudha Bhakti Tbk.	246	247	2456	645	436

Source: IDX (2024).

The phenomenon that occurs based on Table 1 can be explained by the fact that several banking companies are listed on the Indonesia Stock Exchange for the 2019-2023 period, with stock prices experiencing a decrease or increase (fluctuation). One of the banks that experienced an increase and decrease in stock prices was Bank Rakyat Indonesia Agroniaga Tbk in 2019, with a stock price of IDR 150; then in 2020, it increased to IDR 1,013, and then in 2021, the stock prices increased to IDR 1,810, in 2022 the stock price decreased to IDR 1,404 and in 2022 it decreased again by IDR 310. Similar things also happened to several other banks, so one of the researchers was interested in conducting research. Fundamental and technical factors of the company itself can, of course, cause this decline. Investors in the capital market will react to improvements in banking performance, which ultimately influence the price of banking shares. Investment decision-making is based on analysing information available in the capital market. Stock prices will continue to fluctuate due to internal and external factors, making it essential for investors to have precise and accurate information when making investment decisions. Stock prices strongly correlate with firm value but do not always accurately reflect its fundamental value. A deeper analysis is needed to assess whether stock prices reflect the firm's true value or are only influenced by market sentiment.

The fluctuation of stock prices is driven by market sentiment and investor expectations for the future, not solely by a company's fundamentals or performance. In recent weeks, the stock prices of digital banks have also been declining, not only Bank Rakyat Indonesia Agroniaga Tbk. The increase in stock prices indicates that investors see good growth prospects and believe in the company's future profit potential. An increase in net asset value can occur if the company's assets increase or the company records a profit that increases shareholder equity. In addition, companies with increasing value may have easier and cheaper access to financing (Migliavacca, 2024). The fluctuation in company value is closely linked to factors such as corporate risk management, intellectual capital disclosure, and corporate governance (Nicolo et al., 2023).

Additionally, the COVID-19 pandemic, which began in early 2020, led to global economic disruptions, including in Indonesia. It resulted in a decline in economic activity, an increase in non-performing loans, and a decrease in credit demand, all of which contributed to the decline in the firm value of Bank Rakyat Indonesia Agroniaga Tbk. Given that BRI Agro focuses on financing the agribusiness sector, its performance can also directly impact the bank's financial performance. A decline in the agribusiness sector can lead to increased credit risk and reduced income, ultimately affecting the company's value (Rianawati, 2024). The phenomenon regarding ERM implementation is the limited number of experts who comprehensively understand and can manage various types of risks. Banks in Indonesia still face challenges in finding and retaining workers with expertise in international standard risk management, especially those who comprehensively understand the concept of ERM. The limited number of competent human resources in IT is also a problem when implementing ERM. Many banks have difficulty finding workers who are experts in cybersecurity, big data, or technology, such as risk analysis. This lack of skills makes IT risk

management less effective, especially in rapidly evolving technological threats (I. P. A. E. Pratama & Pratika, 2021).

The research by Setiawati et al. (2022) showed that corporate risk management disclosure significantly influences firm value. On the other hand, Krause & Tse (2016) found that risk management boosts firm value and profitability, while also reducing volatility in returns and cash flows. However, this argument remains uncertain due to difficulties in accessing reliable data on high-quality risk management disclosure. In contrast, Salim et al. (2023) concluded that corporate risk management negatively affects company value, whereas González et al. (2020) found no significant impact of corporate risk management on company value.

Intellectual capital disclosure affects company value (Suzan & Ardiansyah, 2023). Intellectual capital disclosure can provide significant benefits for companies in strengthening their position in the market and building better relationships with stakeholders. By disclosing intellectual capital, companies can demonstrate their competitive advantages regarding knowledge, innovation, and brand. That can help companies differentiate themselves from competitors and maintain their position. Good disclosure of intellectual capital can increase a company's attractiveness to potential investors and employees. Investors tend to be more attracted to companies with strong intangible assets, while employees tend to be more motivated to work for companies that value and manage knowledge and innovation (Shahwan & Fathalla, 2020). The research results from Suzan & Ardiansyah (2023) state that intellectual capital positively affects firm value. However, the results of research from Roos et al. (2021) state that intellectual capital directly affects profit competition and does not affect firm value.

Then, Setiawati et al. (2022) found that intellectual capital disclosure has no significant impact on firm value. Corporate governance influences firm value by promoting best practices that enhance company performance and safeguard stakeholders' interests. Corporate governance practices include transparency, accountability, fairness, and corporate social responsibility. Corporate governance aims to create an environment where companies can operate responsibly, maintain the trust of shareholders and the public, and reduce risks associated with violations of the law or management failures (Nicolo et al., 2023).

Shahwan & Fathalla (2020) and Suzan & Ardiansyah (2023) found that corporate governance positively influences firm value. However, Migliavacca (2024) argued that its impact is minimal, showing no significant effect on company value. Given the inconsistent findings in previous studies regarding firm value, this study is conducted by integrating several factors that influence its fluctuations, namely intellectual capital disclosure, corporate risk management disclosure, and corporate governance in banking companies.

## LITERATURE REVIEW

### *Agency Theory*

Agency theory describes the relationship between company owners (principals) and managers (agents), emphasizing that individuals tend to act opportunistically or in their self-interest. Jensen and Meckling (1976) define the agency relationship as a "nexus of contracts," where a company consists of agreements between economic resource owners (principals) and managers (agents) responsible for utilizing and controlling these resources. In an agency relationship, the company owner (principal) hires a manager (agent) with the aim that the manager manages the company based on the interests of shareholders (Hu et al., 2023). However, this goal sometimes conflicts with managers' goals, who tend to prioritize their interests and those of their group. The existence of these conflicting goals is called a conflict of interest. The existence of this information asymmetry will encourage managers to be opportunistic, namely by manipulating financial information, especially if the information is related to measuring manager performance (Lee et al., 2014).

### *Company Value*

Firm value reflects investors' perception of a company's success, which is primarily indicated by its stock price. High company value will indicate stability and an increasingly good image so potential investors have confidence and interest in the company (Fragoso et al., 2020). Company value is also reflected in the share price in the market when the company has gone public; if it has not gone public, the company value will impact its value if it is sold (Hasnan et al., 2019).

### *Risk Management Disclosure*

Corporate risk management is a comprehensive approach to identifying, assessing, and integrating various risks while coordinating risk management activities across all operational units within an organization. Its main goal is to generate long-term value across all organizational activities. By implementing enterprise risk management, companies can focus on risk factors according to their predetermined risk tolerance levels (Pratama et al., 2020).

### *Disclosure of Intellectual Capital*

Intellectual capital is a term that refers to the intangible or immaterial assets of an organization that provide added value and competitive advantage. That includes the knowledge, expertise, innovation, reputation, and relationships an organization owns. The essence of intellectual capital is the ability to generate added value through using and utilizing non-physical resources (Suzan & Ardiansyah, 2023). Intellectual capital refers to an organization's ability to manage its knowledge, skills, and intellectual resources to generate added value and achieve a competitive advantage. This concept encompasses the efficiency of human capital, employed capital, and structural capital (Ocak et al., 2023).

### **Corporate Governance**

Corporate governance is a set of practices, principles, and procedures that govern and manage a company to achieve sustainable goals, maintain shareholder trust, and meet the expectations and needs of other stakeholders. These principles are a framework for responsible and transparent decision-making at all company levels (Suzan & Ardiansyah, 2023). Financial Services Authority Regulation (POJK) Number 29/POJK.05/2020 serves as an amendment to POJK Number 30/POJK.05/2014, which regulates Good Corporate Governance (GCG) practices for financing companies. This regulation aims to update and refine the rules related to corporate governance in the financing sector better to suit the development of industry needs and regulations. Strengthening governance principles highlights the importance of applying Good Corporate Governance (GCG) principles transparency, independence, accountability, responsibility, and fairness in the operations of financing companies.

### **Hypothesis**

- H<sub>1</sub>: Corporate risk management disclosure, intellectual capital disclosure and corporate governance simultaneously affect firm value
- H<sub>2</sub>: Corporate risk management disclosure affects firm value
- H<sub>3</sub>: Intellectual capital disclosure affects firm value
- H<sub>4</sub>: Corporate governance affects firm value

### **METHODOLOGY**

This research employs secondary data, targets a population of 47 banking companies listed on the Indonesia Stock Exchange from 2019 to 2023. The sampling method used is purposive sampling, which, as defined by Sekaran & Bougie (2017), involves selecting samples based on specific criteria that align with the research objectives. The criteria used in selecting the sample are:

1. Banking companies that have remained continuously listed on the Indonesia Stock Exchange from 2019 to 2023.
2. Companies that have consistently published financial reports during the research period.

This study employs three independent variables: corporate risk management disclosure (X<sub>1</sub>), intellectual capital disclosure (X<sub>2</sub>), and corporate governance (X<sub>3</sub>). A total of 42 sample companies were observed over five years, resulting in 210 observations. The data source used in this research is quantitative data derived from financial reports of the sampled companies during the 2019–2023 observation period, sourced from the Indonesia Stock Exchange (IDX) website. Data collection was conducted by selecting sample companies and downloading their annual reports from [www.idx.co.id](http://www.idx.co.id) and the respective company websites.

***Dependent Variable***

Firm value (Y) represents the estimated total worth of a company, reflecting its market value, which encompasses assets, financial performance, future prospects, and other factors influencing its overall valuation (Hasnan et al., 2021). The indicators for measuring firm value are as follows:

$$\text{Tobins Q} = \frac{\text{MVE} + \text{Total Debt}}{\text{Total Asset}}$$

***Enterprise Risk Management Disclosure***

Enterprise risk management is a comprehensive approach to identifying, assessing, and integrating various types of risks while coordinating risk management activities across all operational units within an organization (Pratama et al., 2020). The indicators for measuring company value are as follows (Pratama et al., 2020):

$$\text{ERMD} = \frac{\sum_{ij} \text{D Item}}{\sum_{ij} \text{AD Item}}$$

Description:

- ERMD : Disclosure Index
- $\text{ERM} \sum_{ij} \text{D item}$  : Total Disclosure Score
- $\text{ERM} \sum_{ij} \text{AD Item}$  : Total ERM Score should

***Intellectual Capital Disclosure***

Intellectual capital disclosure refers to an organization's practice of communicating to external stakeholders, such as investors, financial analysts, and shareholders, regarding the value and contribution of intellectual capital assets to company performance and value (Pratama et al., 2020). As stated by Pratama et al. (2020), the indicators used to measure intellectual capital disclosure are:

$$\text{ICDindex} = \frac{\sum \text{Ditemij}}{\sum \text{ADitemij}}$$

Description:

- ICDindex : Firm intellectual capital disclosure index
- $\sum \text{Ditemij}$  : Total score of disclosed IC items
- $\sum \text{ADitemij}$  : Total IC items that must be disclosed

### ***Corporate Governance***

Corporate governance is a framework that regulates corporate governance with principles that prioritize transparency, accountability, fairness, social responsibility, and compliance with regulations (Ticoalu et al., 2021). The Corporate Governance Index (CGI) is used to assess corporate governance based on eight key components related to the supervisory board and risk management. These components include the presence of a Chief Risk Officer, a Risk Committee, a Chief Credit Executive, the Risk Committee's reporting framework to the board, a performance assessment board, a board of experts, an independent board, and a foreign representative board. The assessment uses a binary scoring system, where a score of 1 represents strong governance and 0 indicates weak governance (Atuahene & Xusheng, 2024).

### ***Risk Management Disclosure and Corporate Value***

Agency theory emphasizes the importance of disclosing clear and accurate information to shareholders. In the context of ERM, disclosure of information related to risk management can help reduce the imbalance of information between management and shareholders. Thus, shareholders can make better investment decisions, ultimately affecting the firm's value. Agency theory that supervision and control of management behaviour. By implementing ERM, companies can improve the monitoring mechanism for management in risk management. This framework ensures that management prioritizes shareholder interests and enhances the firm's overall value (Krause & Tse, 2016).

### ***Intellectual Capital Disclosure and Corporate Governance***

According to agency theory, disclosure of intellectual capital can act as a control mechanism that helps reduce information asymmetry between management and shareholders. By disclosing intangible values such as knowledge and innovation, companies can provide shareholders with a better understanding of the company's growth potential and long-term value. That can help reduce agency risks due to differences in interests between management and shareholders (Shahwan & Fathalla, 2020). Transparent and accurate disclosure of intellectual capital can also increase shareholder trust in company management, which in turn can positively impact market assessments of company value. Thus, within the framework of agency theory, intellectual capital disclosure can strengthen the relationship between management and shareholders while enhancing the firm's overall value.

### ***Corporate Governance and Firm Value***

Agency theory serves as a key framework for understanding the link between corporate governance (GCG) and firm value. It highlights the potential conflicts of interest between shareholders (principals) and management (agents), emphasizing the need for strong governance mechanisms to align managerial actions with shareholder interests and enhance firm value. This conflict of interest arises due to differences in goals between shareholders who want maximum profitability and management who may have incentives to pursue their personal goals (Nicolo et al., 2023).

This study utilizes a quantitative approach for data analysis, incorporating descriptive statistical methods and multiple linear regression analysis. The multiple linear regression model applied in this research is expressed as follows:

$$FV_{it} = \alpha_0 + \alpha_1ERM_{1it} + \alpha_2ICD_{it} + \alpha_3CG_{it} + e$$

Description:

- $FV_{it}$  = Firm Value
- $\alpha$  = Constant
- $b_1, b_2, b_3,$  = Regression coefficient of each independent variable
- $ERM_{1it}$  = ERM disclosure in firm i in year t
- $ICD_{it}$  = IC disclosure in firm i in year t
- $GC_{it}$  = GCG in firm i in year t

## RESEARCH RESULT

This study aims to examine the effect of intellectual capital disclosure, corporate risk management disclosure, and corporate governance on firm value. It specifically targets banking firms listed on the Indonesia Stock Exchange (IDX) from 2019 to 2023. Secondary data, specifically financial reports, are sourced from the official IDX website ([www.idx.co.id](http://www.idx.co.id)). A quantitative research method is applied, utilizing descriptive statistical analysis and panel data regression analysis. Data processing and analysis are performed using SPSS 23.

### *Descriptive Statistics Analysis*

**Table 2. Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Firm Value (Y)	210	.0430	9.7267	.938	.69732
Firm Risk Management Disclosure (X1)	210	.7222	.7963	.7872	.01771
Intellectual Capital Disclosure (X2)	210	.3827	.5926	.4841	.04308
Corporate Governance (X3)	210	.0000	1.0000	.8809	.32461
Valid N (listwise)	210				

*Source: Primary Data Processed, 2024.*

Based on the descriptive statistics results (Table 2), firm value (Y) has a minimum value of 0.0430, which was recorded by Bank Syariah Indonesia Tbk. (BRIS) in 2022. A company value below 1 reflects that the company's shares are valued very low, perhaps because the company is experiencing financial difficulties or poor performance in the market. In addition, a low value can also reflect the high risk the company faces, either due to managerial problems, competition, or other external factors. The maximum figure is 9.7267, which is owned by the company Bank Permata Tbk. (BNLI) in 2018. The average value of banking companies in Indonesia is 0.93811, with a standard deviation of 0.6973,

suggesting that the average expected profit from the investment exceeds the degree of fluctuation or volatility.

A company value above 1 reflects that the market sees the company as having good growth or performance potential, so its value is higher. That means that the company is considered more valuable than the value of its assets or profits. The descriptive results of the corporate risk management disclosure variable (X1) have a minimum value of -0.7222, which occurred by several banks in the 2019-2023 period, then the highest value for corporate risk management disclosure is 0.7963 which several banks experienced in the 2019-2023 period. The average value (mean) of corporate risk management disclosure of banking companies in Indonesia, with a value of 0.7872 and a standard deviation value of 0.0177, indicates that the average expected profit from the investment is relatively low compared to the level of fluctuation or volatility. Low banking risk management disclosure reflects that companies may not openly disclose information about the risks they face, be it market, operational, or financial. That can reduce the confidence of investors and other stakeholders because there is no description of certainty regarding potential threats that can affect the company. In the banking industry, high-risk disclosure often reflects that banks comply with strict regulatory standards. Many countries and regions have regulations requiring banks to disclose various risks, such as market, operational, credit, and liquidity risks. With high disclosure, banks can ensure that they meet these requirements.

The descriptive analysis of the variable for intellectual capital disclosure (X2) reveals a minimum value of 0.3827 observed in several banks during the 2019-2023 period. Meanwhile, the highest recorded value for this variable is 0.5926, which was also reported by multiple banks within the same timeframe. On average, intellectual capital disclosure in Indonesia's banking sector stands at 0.4841, with a standard deviation of 0.0430. A low level of intellectual capital disclosure may suggest a lack of transparency in communicating essential information to stakeholders, including investors and other relevant parties.

That can lead to ambiguity about how much intellectual capital contributes to the company's performance and competitiveness. High disclosure shows that the company knows the importance of intellectual capital, such as patents, brands, copyrights, employee knowledge, and innovation, as valuable assets. That reflects an understanding that intellectual capital can provide a long-term competitive advantage. Descriptive results of corporate governance variables (X3) with a minimum value of 0 experienced by several banks in the 2019-2023 period.

The highest value is 1 in several banks in the 2019-2023. The average value (mean) of corporate governance of banking companies in Indonesia with a mean of 0.8809 and a standard deviation of 0.3246. A low GCG usually means the company is not transparent enough in its operations and managerial decisions. That can lead to unclear company policies, strategies, and objectives for stakeholders, including investors, employees, and regulators. Companies with low governance are more vulnerable to legal risks and regulatory issues, as they

may not comply with applicable regulations and standards. This can result in financial penalties, legal action, or significant reputational harm.

Companies with strong governance structures typically emphasize transparency in their operations and decision-making processes. They ensure that stakeholders including investors, employees, and regulators receive clear, accurate, and timely information regarding the company's financial health, strategic direction, and overall performance. Proper accountability occurs when all parties are responsible for the activities and decisions to be made.

**Normality Test**

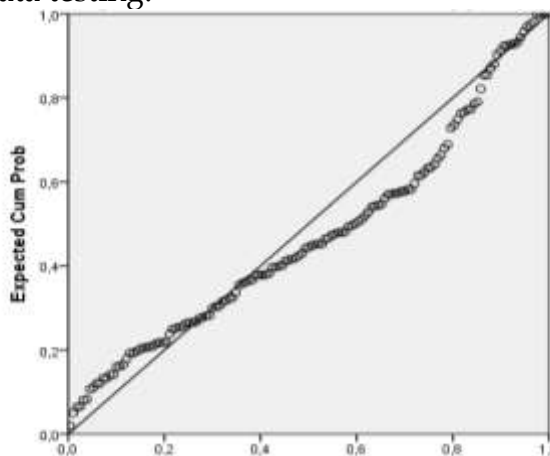
The study describes the Unstandardized Residual variable involving 210 observations in the sample. The results of the normality test are crucial in verifying whether statistical assumptions are satisfied, thereby enabling a more accurate interpretation of the data and enhancing the reliability and validity of the research findings.

**Table 3. Normality Test Result**

		Unstandardized Residual
N		210
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	.67878182
Most Extreme Differences	Absolute	.260
	Positive	.260
	Negative	-.213
Test Statistic		.260
Asymp. Sig. (2-tailed)		.069 <sup>c</sup>

*Source: Primary Data Processed, 2024.*

It was concluded that the significance value of  $0.069 > 0.05$  indicates that the research residuals are normally distributed. Additionally, graphical analysis can also be utilized for data testing.



*Source: Primary Data Processed, 2024.*

**Figure 1. P Plot Result**

Based on the Figure 1, the data shows normal indications. "If the data is spread around the diagonal line and follows the direction of the diagonal line, then the regression model meets the normality assumptions, and vice versa if the data is spread far from the diagonal line and/or does not follow the diagonal line, then the regression model does not meet the normality assumptions".

*Multicollinearity Test*

**Table 4. Multicollinearity Test Result**

No	Variable	Collinearity Statistics	
		Tolerance	VIF
1	Firm Risk Management Disclosure (X1)	0.977	1.023
2	Intellectual Capital Disclosure (X2)	0.969	1.032
3	Corporate Governance (X3)	0.989	1.011

*Source: Primary Data Processed, 2024.*

Table 4 shows the absence of multicollinearity if the tolerance value of the independent variables is greater than 0.10.

*Heteroscedasticity Test*

Conducting heteroscedasticity tests and addressing their problems increases the credibility and validity of the research. That shows that the researcher has conducted an in-depth analysis and ensured that the conclusions drawn are not biased or influenced by violated assumptions.

**Table 5. Heteroscedasticity Test Result**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.608	1.938		.829	.408
Firm Risk Management Disclosure (X1)	-1.426	2.487	-.040	-.573	.567
Intellectual Capital Disclosure (X2)	-.308	.797	-.027	-.386	.700
Corporate Governance (X3)	-.085	.135	-.044	-.631	.529

*Source: Primary Data Processed, 2024.*

Table 5 demonstrates that the significance value for each independent variable exceeds 0.05, suggesting that heteroscedasticity is not present.

**Autocorrelation Test**

**Table 6. Autocorrelation Test Result**

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.849 <sup>a</sup>	0.721	0.703	0.6837065	1.848

Source: Primary Data Processed, 2024.

Testing result from the Table 6, the Durbin-Watson statistic number is 1.848. The du value is 1.793, and the dl value is 1.754 in the Durbin-Watson table with  $\alpha = 0.05$ ). The 4-du value is 4-1.793 of 2.207, and the 4-dl value is 4-1.754 of 2.246. The assumption of  $du < dw < 4-du$  is met. Where the results of the Autocorrelation test are  $1.793 \leq 1.848 \leq 4-2.207$ , it is concluded that there is no Autocorrelation.

**Hypothesis Testing Results**

These results are an important part of statistical analysis, where researchers make decisions about the validity of the proposed hypothesis based on the data collected.

**Table 7. Hypothesis Testing Results**

Nama variabel	B	Standar Error	t <sub>value</sub>	t <sub>table</sub>	Sig.
Constant	4.191	2.104	1.992	1.652	0.048
Firm Risk Management Disclosure (X1)	6.243	2.700	2.312	1.652	0.022
Intellectual Capital Disclosure (X2)	-0.187	0.865	-0.216	1.652	0.829
Corporate Governance (X3)	0.347	0.147	2.367	1.652	0.019
Correlation Coefficient (R) = 0,429 Determination Coefficient (R <sup>2</sup> ) = 0,369 Adjusted (R <sup>2</sup> ) = 0,339 F <sub>value</sub> = 3,802 F <sub>table.</sub> = 2,650 Sig. F = 0,011					

Source: Primary Data Processed, 2024.

Table 7 presents the results of statistical calculations, from which the multiple linear regression equation is derived as follows:

$$FV_{it} = 1,608 + 6,243ERM_{it} - 0,187ICD_{it} + 0,347GC_{it} + e$$

**Determination Coefficient**

**Table 8. Determination Coefficient Result**

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.849 <sup>a</sup>	0.721	0.703	0.6837065

Source: Primary Data Processed, 2024.

Table 8 presents the R Square value of 0.703, indicating that intellectual capital disclosure, firm risk management disclosure, and corporate governance collectively explain 70.3% of the variation in firm value. The remaining 29.7% is determined by other factors that are not covered in this study.

## **DISCUSSION**

### ***The Influence of Corporate Risk Management Disclosure, Intellectual Capital Disclosure and Corporate Governance on Firm Value***

States that the  $F_{\text{value}}$  (3.802) >  $F_{\text{table}}$  (2.650). This finding supports the acceptance of the first hypothesis ( $H_{a1}$ ), indicating that intellectual capital disclosure, corporate risk management disclosure, and corporate governance significantly influence firm value. These results align with previous studies conducted by Shahwan & Fathalla (2020), Suzan & Ardiansyah (2023) and Chairani & Siregar (2021), which also found that these factors contribute to enhancing firm value. Transparent and reliable information disclosure will reduce uncertainty, increase trust, and facilitate access to financing. By disclosing a clear risk management strategy, companies can manage existing uncertainty. That can increase investor confidence, which will help investors feel more confident in stability and sustainability.

### ***The Influence of Corporate Risk Management Disclosure on Firm Value***

The results indicate that the  $F_{\text{value}}$  (2.312) is greater than the  $F_{\text{table}}$  value (1.652), confirming that the second hypothesis ( $H_{a2}$ ) is accepted. That means that corporate risk management disclosure positively affects firm value. The study results are based on the hypothesis, where the variable is suspected of affecting the firm value, which is supported by the data. Showing that increased corporate risk management disclosure can affect or increase firm value.

Chairani & Siregar (2021), Krause & Tse (2016) also said corporate risk management disclosure positively and significantly affects firm value. So, it will affect market perception, investor decisions, and, ultimately, the company's market value. Complete risk management disclosure can reduce uncertainty in the market. When investors know how a company manages risk, they feel more confident in the stability of the company, which can reduce stock price volatility. Well-managed risk reduces the likelihood of events that can cause a sudden decline in company value, such as significant losses or legal problems. Clear disclosure of existing risks can give investors confidence in their stock price level.

### ***The Effect of Intellectual Capital Disclosure on Company Value***

The results indicate that the  $F_{\text{value}}$  (-0.216) is lower than the  $F_{\text{table}}$  value (1.652), leading to the rejection of the third hypothesis ( $H_{a3}$ ). This suggests that intellectual capital disclosure does not have a significant negative effect on firm value. These findings do not align with the initial hypothesis, implying that intellectual capital disclosure may not directly influence firm value. Consequently, the study concludes that the third hypothesis is not supported by the research data, highlighting that a decrease in intellectual capital disclosure may still impact firm value, albeit not in the predicted manner.

Setiawati et al. (2022) concluded that intellectual capital did not have a significant effect on firm value. On the other hand, research by Roos et al. (2021) indicated that intellectual capital management directly influences profit competition but does not impact company value. Intellectual capital includes intangible assets such as copyrights, trademarks, patents, technical expertise, company reputation, and customer relationships. Clear and transparent disclosure of a company's intellectual capital will affect investor perceptions and business decisions.

The impact of such disclosures is highly dependent on how the disclosure is made, how relevant the information is, and how competitors and the market respond to the information. If disclosure is not done correctly or the information provided is unclear enough, it can be detrimental and reduce the company's value. However, when intellectual capital disclosure is conducted meticulously and with high relevance, it can enhance transparency and reinforce the company's market position (Roos et al., 2021).

Transparent disclosure of intellectual capital enhances investor confidence by demonstrating the company's commitment to accountability and long-term value creation. Intellectual capital assets, such as strong patents or trademarks, can provide sustainable competitive advantages and create growth opportunities. When disclosing information about these assets, investors can assess the company's added value, which can trigger enthusiasm for the shares, thereby increasing the company's value. Adequate disclosure of intellectual capital can help companies obtain financing at a lower cost. Investors and financial institutions often view intellectual capital as a valuable asset that can be used to generate income or as collateral in loan applications. Companies that disclose their intellectual capital assets may find it easier to attract equity capital or obtain debt at lower interest rates, thus supporting new expansion or investment that can optimize value for their company.

#### ***The Effect of Corporate Governance on Company Value***

States that the  $F_{\text{value}} (2.367) > F_{\text{table}} (1.652)$ . That means that the first hypothesis ( $H_{a4}$ ) is accepted. That means that corporate governance has a positive effect on company value. The study results are based on the hypothesis, where the variable is suspected of affecting company value, which is supported by the data. Research by Shahwan & Fathalla (2020) and Suzan & Ardiansyah (2023) confirms that strong corporate governance positively influences firm value. Corporate governance encompasses a company's structures, policies, and procedures for managing and supervising its operations, including board oversight, transparency, responsible decision-making, and stakeholder engagement. When firms establish clear risk management policies, financial transparency, and stringent oversight mechanisms, investors and lenders gain confidence, reducing investment risks. This increased trust often results in a lower cost of capital, enabling firms to allocate more resources toward business expansion and long-term value creation.

## **CONCLUSIONS AND RECOMMENDATIONS**

The disclosure of intellectual capital, firm risk management, and corporate governance significantly influences the value of banking firms. Fluctuations in firm value are shaped by these three factors, which contribute to either its enhancement or decline. The research findings support the second hypothesis, suggesting that comprehensive corporate risk management disclosure can positively influence or enhance firm value. This growth results from the company's capacity to recognize potential risks and opportunities that could affect its long-term performance. By providing transparent risk disclosures, firms offer stakeholders a clearer understanding of existing challenges. However, the third hypothesis is not supported by the research data, as intellectual capital disclosure appears to have no significant effect on firm value. Nonetheless, the findings indicate that a decline in intellectual capital disclosure may still have implications for company value.

Research data support the fourth hypothesis. The study results indicate that increasing corporate governance can affect company value. Corporate governance affects company value because it is managed according to transparency, accountability, and integrity. Clear disclosure of managerial decisions, financial statements, and business strategies gives investors better information to make rational investment decisions. Companies should disclose the most significant risks affecting their operations and long-term performance. Disclosures should be relevant to the industry context and the company's current situation. Not only should risks be disclosed, but they should also explain how the company plans to manage and mitigate those risks. That will give investors confidence that the company has a mature and measurable strategy.

Most intellectual assets, such as innovations or technologies in development, should not be disclosed in detail to the public until the intellectual property rights (such as patents) have been registered or legally protected. Following regulatory disclosure guidelines, such as international accounting standards, will help companies provide more objective and reliable information. The integration and application of effective Environmental, Social, and Governance (ESG) principles can enhance a company's reputation among investors, customers, and the general public. As sustainability becomes a key focus in the business landscape, more investors are increasingly looking for companies that show a strong commitment to ESG practices.

## **ADVANCED RESEARCH**

Based on these limitations, the following suggestions can be made for future studies:

1. **Comparative Cross-Sector Analysis.** Future studies could explore a comparative analysis between the banking sector and other industries, such as manufacturing or technology, to assess whether the effects of risk management and intellectual capital disclosure vary across different sectors.
2. **Behavioral and Psychological Factors.** Incorporating behavioral finance perspectives, such as investor perception and sentiment analysis, could provide deeper insights into how disclosures influence firm value.

3. Artificial Intelligence and Big Data Approaches. The use of AI-driven textual analysis or sentiment analysis on corporate disclosures could improve the accuracy of measuring intellectual capital and risk management disclosures.
4. Impact of ESG and Sustainability Reporting. Exploring the influence of Environmental, Social, and Governance (ESG) factors on firm value could enhance existing research and align with global trends in sustainable and responsible investing.

## REFERENCES

- Atuahene, S. A., & Xusheng, Q. (2024). A multidimensional analysis of corporate governance mechanisms and their impact on sustainable economic development: A case study of Ghana's financial sector. *Heliyon*, 10(3), e24673. <https://doi.org/10.1016/j.heliyon.2024.e24673>.
- Chairani, C., & Siregar, S. V. (2021). The effect of enterprise risk management on financial performance and firm value: the role of environmental, social and governance performance. *Meditari Accountancy Research*, 29(3), 647-670. <https://doi.org/10.1108/MEDAR-09-2019-0549>.
- Fragoso, J. L. F. R., Peixinho, R. M. T., Coelho, L. M. S., & Paiva, I. C. S. (2020). The impact of financial restatements on financial markets: a systematic review of the literature. *Meditari Accountancy Research*, 28(6), 1119-1147. <https://doi.org/10.1108/MEDAR-05-2019-0482>.
- Hasnan, S., Mohd Razali, M. H., & Mohamed Hussain, A. R. (2021). The effect of corporate governance and firm-specific characteristics on the incidence of financial restatement. *Journal of Financial Crime*, 28(1), 244-267. <https://doi.org/10.1108/JFC-06-2020-0103>.
- Hasnan, S., Zin, N. M., & Hussain, A. R. M. (2019). The Effects of Financial Restatement and Corporate Governance Mechanisms on Firm Value. *International Journal of Engineering and Advanced Technology*, 8(6s3), 682-692. <https://doi.org/10.35940/ijeat.f1126.0986s319>.
- Hu, Q., Hughes, M., & Hughes, P. (2023). Family owners' fear of losing socio-emotional wealth: Implications for firm innovativeness. *Long Range Planning*, 56(5), 102263. <https://doi.org/10.1016/j.lrp.2022.102263>.
- Krause, T. A., & Tse, Y. (2016). Risk management and firm value: Recent theory and evidence. *International Journal of Accounting and Information Management*, 24(1), 56-81. <https://doi.org/10.1108/IJAIM-05-2015-0027>.
- Lee, H., Kim, M. S., & Kim, K. K. (2014). Interorganizational information systems visibility and supply chain performance. *International Journal of Information Management*, 34(2), 285-295. <https://doi.org/10.1016/j.ijinfomgt.2013.10.003>.
- Migliavacca, A. (2024). Value relevance of accounting numbers and sustainability information in Europe: Empirical evidence from nonfinancial companies. *Journal of International Accounting, Auditing and Taxation*, 55(April), 100620. <https://doi.org/10.1016/j.intaccaudtax.2024.100620>.
- Nicolo, G., Zampone, G., Sannino, G., & Tiron-Tudor, A. (2023). Worldwide evidence of corporate governance influence on ESG disclosure in the utilities sector. *Utilities Policy*, 82(April), 101549. <https://doi.org/10.1016/j.jup.2023.101549>.
- Ocak, M., Dalwai, T., Altuk-Ozturk, V. E., Arioglu, E., Shahab, Y., & Kablan, A. (2023). Do ex-bureaucrats on boards improve efficiency in intellectual capital? Evidence from an emerging country. *Borsa Istanbul Review*, 23(5), 1111-1131. <https://doi.org/10.1016/j.bir.2023.06.003>.

- Otero González, L., Durán Santomil, P., & Tamayo Herrera, A. (2020). The effect of Enterprise Risk Management on the risk and the performance of Spanish listed companies. *European Research on Management and Business Economics*, 26(3), 111–120. <https://doi.org/10.1016/j.iedeen.2020.08.002>.
- Pratama, B. C., Sasongko, K. M., & Innayah, M. N. (2020). Sharia Firm Value: The Role of Enterprise Risk Management Disclosure, Intellectual Capital Disclosure, and Intellectual Capital. *Shirkah: Journal of Economics and Business*, 5(1), 101. <https://doi.org/10.22515/shirkah.v5i1.302>.
- Pratama, I. P. A. E., & Pratika, M. T. S. (2021). Manajemen Risiko Teknologi Informasi Terkait Manipulasi dan Peretasan Sistem pada Bank XYZ Tahun 2020 Menggunakan ISO 31000:2018. *Jurnal Telematika*, 15(2), 63–70. <https://doi.org/10.61769/telematika.v15i2.333>.
- Rianawati, F. (2024). Pengaruh Operating Cost and Operating Income , Non Performing Loan , and Loan To Deposit Ratio Terhadap Nilai Perusahaan Pada Bank Konvensional BUMN Yang Terdaftar Di Bursa Efek Indonesia ( BEI ) Tahun 2019-2022. 3(2), 111–131.
- Roos Ana, S., Budi Sulistiyo, A., & Prasetyo, W. (2021). The Effect of Intellectual Capital and Good Corporate Governance on Company Value Mediated by Competitive Advantage. *Journal of Accounting and Investment*, 22(2). <https://doi.org/10.18196/jai.v22i2.10412>.
- Salim Saputra, W., Yongki Saputra, Kartika Koswara, Stevani Wahyu Herawati, & Laurensia Amelia Septi Anggita Sae. (2023). The Effect of Enterprise Risk Management and Intellectual Capital Disclosure on Firm Value. *Dinasti International Journal of Education Management And Social Science*, 4(3), 448–454. <https://doi.org/10.31933/dijemss.v4i3.1684>.
- Sekaran, U., & Bougie, R. (2017). *Metode Penelitian untuk Bisnis: Pendekatan Pengembangan-Keahlian*. Salemba Empat.