

THE EFFECT OF GENDER DIVERSITY OF THE BOARD OF COMMISSIONERS, EDUCATIONAL BACKGROUND OF THE BOARD OF COMMISSIONERS, CHIEF RISK OFFICER, AND COMPANY SIZE ON ENTERPRISE RISK MANAGEMENT DISCLOSURE

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Abstract

This study aims to examine the role of gender diversity of the board of commissioners, educational background of the board of commissioners, chief risk officer, and company size on enterprise risk management disclosures. The research population is 43 property and real estate companies listed on the IDX in 2017-2021. The sample selection used a purposive sampling technique so that 215 units of analysis were obtained. The analytical method used in this study uses panel data regression. Based on the results of the study, the board of commissioners' gender diversity variables, educational background of the board of commissioners, chief risk officer, and company size simultaneously have a significant effect on enterprise risk management disclosures. partially, the board of commissioners' gender diversity variables and company size have a significant positive effect on enterprise risk management disclosure. Meanwhile, the educational background of the board of commissioners and chief risk officer has no effect on enterprise risk management disclosures.

Keywords: Enterprise Risk Management, Gender Diversity Board, Educational Background Diversity Board, Chief Risk Officer, Firm Size

INTRODUCTION

The property and real estate sector is considered to be a benchmark for the country's economic growth. In the property and real estate business activities are never free from various kinds of risks. Without management company Which Good, para perpetrator business will difficulty recognize or know things bad What Which will happen. The biggest consequence of not managing risk is that when an organization faces a threatening problem, it is not ready to deal with it, and makes reports that are not transparent.

Annual reports are usually a source of information, enabling investors to reflect on their investment decisions in the capital markets and a means of holding management accountable for the resources entrusted to investors. Disclosure of Enterprise Risk Management can help the company to notify external parties of the company regarding the company's risk profile and

also serves as a sign of the origin of the company's commitment to risk management (Devi et al., 2017).

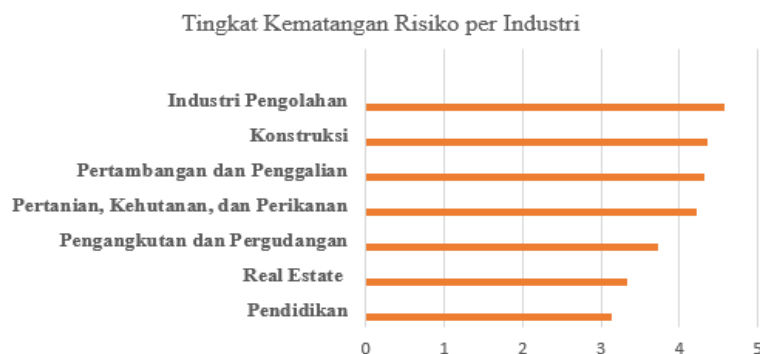


Figure 1: Risk Management Maturity per Industry in 2017 Source: CRMS (2017)

Based on Figure 1.1 it shows that the real estate sector has a risk management maturity level of 3.33 in the implementation of risk management. Property and real estate come with a degree of risk which is arguably high and risk management maturity in property and real estate companies is still relatively low compared to the processing and construction industry.

The lack of public trust due to fraud on financial reports puts pressure on management to increase accountability (Sitompul 2022). The application of risk management in companies is closely related to Good Corporate Governance, which demands the principles of transparency, understandability and relevance. There have been many cases of fraud in Indonesia, one of which was the Meikarta company in 2018 where it committed bribery which caused the project to not run, and 100 more Meikarta apartment consumers did not get their rights (Hidayat, 2018).

The second case of fraud came from PT Bakrieland where the IDX temporarily suspended share trading due to unclear PT Bakrieland's financial statements in 2018. Creditors even sued the company for late payment of obligations. Even though PT Bakrieland has not submitted last year's financial statements, PT Bakrieland has included the agenda for ratifying the 2018 financial statements at the Annual General Meeting of Shareholders (Ayuningtyas, 2019).

issues This appear Because management risk Which No adequate related in property and real estate companies, as well system manage company weak in disclosure management risk. As a result, public trust will decrease, so it is very important for property and real estate companies to provide information and transparency, including disclosure of risk management to the public.

Several previous studies related to enterprise risk management, there are several factors that influence the disclosure of enterprise risk management. The purpose of this study is to determine the effect of gender diversity on the board of commissioners, educational background of the board of commissioners, chief risk officer, and company size simultaneously and partially on disclosure of enterprise risk management in property and real estate companies

listed on the Indonesia Stock Exchange for the 2017-2017 period. 2021. The taking of this factor occurs because of the uncertainty in previous studies.

LITERATURE AND HYPOTHESIS

Agency Theory

Agency theory is one of the most important accounting research needs at this time. Agency theory was coined by Jensen and Mackling in 1976. Agency theory itself is a contract between the manager (agent) and the owner (principal). In order for this contractual relationship to work smoothly, the owner delegates decision-making authority to the manager. According to Novarina & Triyanto (2022) Agency relations can make the principal assign tasks to the agent to perform a service and authorize the agent to make good decisions on behalf of the principal. According to Spakes et al. (1999) in Faisal (2020) Different interests and risk objectives are the basis for the development of agency theory, which causes differences in the actions of agents and principals. This difference in interests causes each party to increase profits for himself. Therefore, companies must be able to provide detailed, transparent and relevant information. Thus, the company can avoid asymmetry in disclosing the company's annual report.

RISK

Risk is uncertainty that is negative and has an impact on the objectives to be achieved. If the risks that arise are not managed properly, it can cause losses for the company and its stakeholders (Sitompul, 2022). According to Sugih Harta et al. (2021:2) the main objective of managing risk, which is to improve leadership skills in business management, where leaders are required to be dynamic and progressive, as little as possible pressing decisions based on intuition and pure emotion, improving skills rather than using rational analysis tools to minimize risk. Wibowo (2022:6) states that there are four types of risk, namely compliance risk, hazard risk, control risk, and opportunity risk.

RISK MANAGEMENT

Management risk describe connection between objective, uncertainty, risk, And existing opportunities. This risk management activity should be an ongoing and evolving process that operates within the framework of the organization's overall strategy and internal strategy. According to Almeida et al. (2019) implementing risk management within a company is a complex challenge for a company that always faces tight budgets and financial constraints. According to Sugih Harta et al. (2021:21-23) to implement risk management in a comprehensive manner, requires nine stages, namely risk identification, identifying forms of risk, placing risk measures, placing alternatives, analyzing each alternative, deciding on an alternative, implementing the selected alternative, controlling the selected alternative, evaluating the course of the selected alternative.

Enterprise Risk Management(ERM)

Disclosure of risk management within the company is a process that is influenced by management, the board of directors and other staff members and runs in the determination of

a predetermined strategy. Disclosure of this risk is very important for stakeholders to get the information they need by knowing the company profile and how the company manages risk, therefore disclosing information related to corporate risk management is not only positive, but also contains negative information, especially aspects related to management. Risk. According to Tarantika & Solikhah (2019) on the disclosure of risk management itself, companies must be able to disclose and report information as a form of implementation of corporate governance principles, namely the principles of transparency and accountability. In the COSO framework there are 108 items used in the ERM process.

Gender Diversity of the Board of Commissioners

According to Artha & Jufri (2021) board gender diversity, especially the presence of the role of women in a company is important for company management. The gender diversity of the board of commissioners is the gender diversity between men and women in the position of the board of commissioners which creates differences of opinion and thoughts in the decision-making process of the board of commissioners. According to Saggarr & Singh (2017) argues that gender-diverse boards can enhance board independence and improve managerial oversight. Having a female board of commissioners helps minimize agency problems more effectively. According to Fakir & Jusoh (2020) the role of women on the board of commissioners will increase investor confidence by increasing transparency for ERM disclosure. Having women in the company can also bring a broader perspective in decision making.

Educational Background of the Board of Commissioners

In an effort to improve performance, it is necessary to have a board of commissioners who have education, especially economics or business education. Education itself has an influence on the performance of the board of commissioners, the level of education of a board of commissioners will affect its performance. Therefore, it takes an adequate level of education in accordance with the field of work. The higher and according to the educational background of the board of commissioners, then it will encourage monitoring results in the company to be better (Gustiana & Darmayanti, 2021). Board the commissioner effective must consists from individual Which own knowledge regarding risk management, to ensure that they are able to provide good disclosure to shareholders and the public.

Chief Risk Officer

Chief Risk Officer is one of the important factors contained within the company in influencing ERM. According to Sitompul (2022) The Chief Risk Officer is the head of the risk department where they are responsible for creating effective risk management and also contributing to other managers in explaining the risks that occur throughout the company. The company needs a Chief Risk Officer so that risk management within the company can work effectively and efficiently (Isbanah & Rachel, 2019) A good Chief Risk Officer must have a high level of risk awareness, knowledge of business processes, and the ability to work closely with individuals in the company.

Company Size

Size company very determine level And depth risk of a company company(Oral, 2020). The larger the size of the company, the greater the level of risk faced, and vice versa, the smaller the size of the company, the lower the level of risk faced by the company. According to FY Aditya (2021) the higher the assets or assets of the company, the bigger the company, due to the wider risk management disclosures that must be accounted for by the company. The size of the company also determines the level of trust from investors, therefore, the bigger the industry, the more investors who invest in the company.

The Effect of Gender Diversity of the Board of Commissioners on Disclosure of Enterprise Risk Management

Women have an important role in the position of the board of commissioners, because of the nature of women who are more able to control a situation, because women are generally more independent, flexible, broad-minded and cooperative in groups. This is in line with Sagar & Singh (2017) and Zango et al. (2016) which states that the presence of women on company boards has a significant positive effect on the disclosure of risk information which is in line with the findings of previous risk disclosure studies. This is because the presence of women on the board of commissioners can positively influence strategic decisions about risk information disclosure.

The Influence of the Educational Background of the Board of Commissioners on Disclosure of Enterprise Risk Management

With experience and level of professionalism, the board of commissioners can make effectiveness in carrying out their duties. The board of commissioners can function properly according to their respective duties, and this is usually influenced by the educational background of the board of commissioners. According to Suhardjanto, et. al (2017) and Chariri (2017) that the board of commissioners who have economic and business backgrounds are expected to have better knowledge about the importance of risk management disclosures, and have good corporate governance knowledge. With an educational background in economics or business, the board of commissioners will have a better understanding of risk management disclosures and a more transparent annual report.

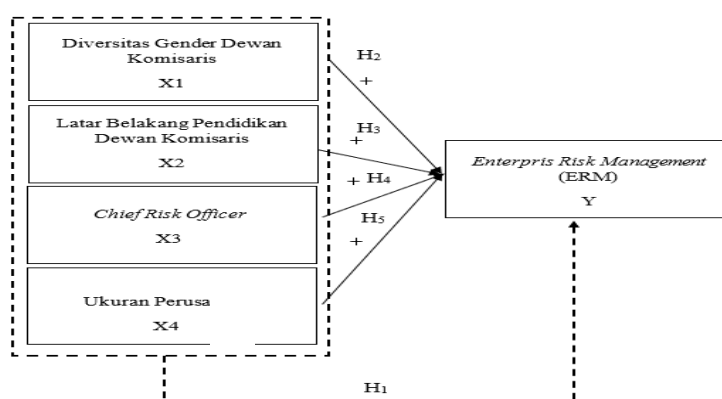
Influence of the Chief Risk Officer on Disclosure of Enterprise Risk Management

Within the company the Chief Risk Officer has an important role, namely working closely with the risk management committee. Both, creating programs for effective risk management and disseminating risk information to the company. In addition, the Chief Risk Officer himself has a role which is responsible for enabling efficient governance. According to Andari (2018) and Karanja (2017) the presence of a Chief Risk Officer in the company can also be used as a signal to stakeholders that the company has tried to implement and implement risk management appropriately and that risk management is better than other companies.

Effect of Company Size on Disclosure of Enterprise Risk Management

According to Pangestuti & Susilowati (2017) Company size is a company scale in which there

are labor capacity, production capacity and capital capacity, but researchers use asset value to measure company size because asset value is more stable than sales and sales. Company size can be used to represent the characteristics of a company, the larger the size of the company, the more interested investors are to invest in the company. This has an impact on broader risk management disclosures by companies, therefore the information provided to investors will be more accurate and transparent. This research is in line with Pristianingrum et al. (2018) and Hasina et al. (2018) who said that company size has a positive effect on Enterprise Risk Management, because large companies have demands that the disclosure of Enterprise Risk Management be transparent and identify the various risks that will be faced.



METHOD

Research Design

This method is called a quantitative method because the research material is in the form of numbers and statistics used in the analysis. The method used in this research is descriptive and verification research methods with a quantitative approach. According to Sugiyono (2013:48) in Fitrianiingsih & Budiansyah (2019) Descriptive research itself is research conducted to determine the existence of independent variables for one variable or more than one variable without making comparisons or looking for relationships between these variables and other variables. This research uses cross section and time series.

OPERATIONAL DEFINITIONS AND MEASUREMENT OF VARIABLES

Independent Variable

In this study the independent variables or independent variables used were board of commissioners' gender diversity, educational background of the board of commissioners, chief risk officer, and company size.

Gender Diversity of the Board of Commissioners

Gender diversity of the board of commissioners is a gender difference in the ranks of the members of the board of commissioners which causes different opinions and perspectives in

the decision-making process of the board of commissioners (Tarantika & Solikhah, 2019). The role of women on the board of commissioners can make significant changes because women tend to be very careful, avoid risks, and are more thorough than men, so they can increase company efficiency, especially in managing risk. Board of commissioners gender diversity can be formulated as follows (Tarantika & Solikhah, 2019)

$$\frac{\text{DGDK}}{\text{Jumlah Dewan Komisaris}} \times 100\%$$

Educational Background of the Board of Commissioners

The experience and education of a board of commissioners, makes the level of effectiveness in carrying out its duties and functions run well. In order to carry out their obligations effectively, the board of commissioners must have the appropriate education and expertise (Ramos & Cahyonowati, 2021). According to Suhardjanto, et. al (2017) Board of commissioners who have economic or business background are considered to have better knowledge about the importance of risk management disclosures. The educational background of the board of commissioners can be formulated as follows (Ramos & Cahyonowati, 2021)

$$\frac{\text{LBPKD}}{\text{Jumlah Dewan Komisaris}} \times 100\%$$

Chief Risk Officer

Chief Risk Officer is one of the risk management committees that works together with other managers to establish an effective and efficient risk management (Asmoro et al., 2019). The presence of the Chief Risk Officer in the company can be used as a signal to stakeholders that the company has tried to implement and implement risk management appropriately. The Chief Risk Officer is calculated using a dummy variable, if the company has a Chief Risk Officer then it will be given a value of 1, if the company does not have a Chief Risk Officer then it will be given a value of 0. (Asmoro et al., 2019)

Company Size

Company size can be used to represent the characteristics of a company, the larger the size of the company, the more interested investors are to invest in the company. Company size is a value that is seen from the size of the company. The bigger the company, the wider the risk disclosure within the company (Hasina et al., 2018). Company size can be formulated as follows (Hasina et al., 2018):

$$\text{Company Size} = \text{LN} (\text{Total Assets})$$

Dependent Variable

In this study the dependent variable or dependent variable is enterprise risk management (ERM) disclosure. Disclosure of risk management within the company is a process that is influenced by management, the board of directors, and other members who work in determining a predetermined strategy. ERM is seen as a paradigm shift from a 'silo-based' approach to managing risk, towards a holistic approach to managing risk (Adam et al., 2021).

Measurement of ERM disclosure can be formulated as follows(Judge, 2019):

$$\frac{\text{Total Pengungkapan}}{108} \times 100\%$$

Population

The population in this study are property and real estate companies listed on the Indonesia Stock Exchange for the 2017-2021 period, where the total population of property and real estate companies is 52 companies.

Sample

Researchers used a purposive sampling technique for sampling in this study. In this study, the considerations used in determining the sample are as follows:

| NO | Criteria | Amount |
|--|---|--------|
| 1 | Property and real estate company listed on the Indonesia Stock Exchange for the 2017-2021 period. | 52 |
| 2 | Companies that do not issue annual reports during the 2017-2021 observation period, | (9) |
| 3 | Companies that do not disclose risk management in their annual reports for the 2017-2021 period. | (0) |
| Number of research sample companies | | 43×5 |
| Total research data | | 215 |

The total sample used in this study consisted of 43 property and real estate companies listed on the Indonesia Stock Exchange every year with a research period of 5 years.

DATA ANALYSIS TECHNIQUE

Descriptive Statistical Analysis

The tools for processing the data used in this study are Microsoft Excel and Eviews version 9

Classic assumption test

The purpose of this classical test is to ensure that the estimation of the resulting regression equation is correct, unbiased, and consistent. Therefore, multiple linear regression must meet the specified assumptions to produce a coefficient value as an unbiased estimator.

Multicollinearity Test

This multicollinearity test is designed to test whether there is a high or perfect correlation between the independent variables in the regression model. A good regression model should not show a correlation between independent variables(Ningsih & Dukalang, 2019). This test can be seen through the correlation of each variable. If it is less than 0.9 it means there is no correlation between the independent variables.

TestHeteroscedasticity

Heteroscedasticity is one of the factors that makes the simple linear regression model

ineffective and inaccurate. The heteroscedasticity test aims to test whether there is an unequal variance in the regression model from one residual observation to another. A good regression model is one that is homoscedasticity or not heteroscedasticity

Panel Data Regression Analysis

The purpose of the regression analysis itself is to estimate the average and dependent variable values based on the independent variable values, while panel data is a combination of cross section data and time series data, where the same cross section units are measured at different times.(Iqbal, 2017). The analysis equation for the panel data model used in this study is:

$$Y = \alpha + \beta_1 \text{DGDK} + \beta_2 \text{LBPK} + \beta_3 \text{CRO} + \beta_4 \text{UP} + e$$

Information:

Y =ERM disclosure

α = Constant

$\beta_1 \text{DGDK}$ =Board of commissioners gender diversity regression coefficient

$\beta_2 \text{LBPK}$ =Council education background regression coefficient
commissioner

$\beta_3 \text{CRO}$ =Chief risk officer regression coefficient

$\beta_4 \text{UP}$ =Firm size regression coefficient

e =Confounding variable (error term)

Panel Data Regression Estimation Method

According toWidarjono (2007:51) in Iqbal (2017)There are three techniques for estimating model parameters with panel data, namely:

Common Effects Model

This technique is the simplest technique for estimating the parameters of the panel data model, which combines cross-sectional and time series data into one unit without considering differences between time and units (individuals).

Fixed Effects Model

In the fixed-effect approach, objects have a constant size over different time periods. The fixed effect model is a model with different intercepts for each subject (cross section), but the slope of each subject does not change over time. The fixed effect assumes that differences between individuals (cross-sectional) can be adjusted for cross-sectional differences.

Random Effects Model

Random effect models is a panel regression model that assumes that the error term is related between individuals and over time. The use of more familiar noise or random effect methods reduces the problem of parameter efficiency. The advantage of using a random effect model is

that it eliminates heteroscedasticity. This model is also known as the Error Component Model (ECM) or the Generalized Least Square (GLS) technique.

Panel Data Regression Method Selection

Chow test

This test has the following criteria:

H0 : Common Effects Model

H1 : Fixed Effects Model

If the probability value of the Cross-section F and Cross-section Chi-square > 0.05 then H0 is accepted, and the selected regression model is the Common Effect Model (CEM). If the probability value of Cross-section F and Cross-section Chi-square < 0.05 then H0 is rejected, and the selected regression model is the Fixed Effect Model (FEM).

Hausman test

This test has the following criteria:

H0: Random Effects Model

H1: Fixed Effects Model

If the Cross-section F probability value is > 0.05 then H0 will be accepted, which means that the model used is a random effect, but if the Cross-section random probability value is < 0.05 then H0 is rejected which means the model used is a fixed effect.

Larger Multiplier Test

The criteria used are as follows:

H0 : Common Effects Model

H1 : Model Random Effects

The test criteria are:

If the probability value of Cross-section F > 0.05 , then H0 is accepted, which means that the model used is a common effect. If the Cross-section probability value is < 0.05 , then H0 is rejected, which means that the model used is a random effect.

Determination Test

Determinant analysis (R2) measures the extent to which the model can explain the variation in the dependent variable. The formula used in this test is as follows:

$$KD = r^2 \times 100\%$$

Information:

KD : Coefficient of determination

r2: Correlation coefficient

The value of the coefficient of determination is $0 \leq R^2 \leq 1$, if the coefficient of determination decreases, it means that the independent variable has no effect on the dependent variable.

HYPOTHESIS TEST

Statistical Test F (Simultaneous Effect)

The F-test aims to determine whether the independent variable affects the dependent variable simultaneously (simultaneously). If H_0 with a p-value of $0.000 > 0.05$ then H_0 is accepted and H_1 is rejected, simultaneously the independent variables have no significant effect on the dependent variable. If H_1 : with a p-value of $0.000 < 0.05$ then H_0 is rejected and H_1 is accepted, simultaneously the independent variables have a significant effect on the dependent variable.

Statistical Test t (Partial Test)

The t-statistic test shows how far the influence of the independent variables individually explains the dependent variable. If the probability value is ≥ 0.05 then H_0 is accepted and H_A is rejected, which means that the independent variable has no partial effect on the dependent variable. If the probability value < 0.05 then H_0 is rejected and H_A is accepted, it means that the independent variable has a partial effect on the dependent variable.

RESULTS AND DISCUSSION

This study aims to determine the effect of the variables from the independent variables on the dependent variable. The dependent variable in this study is Enterprise Risk Management (ERM). While the independent variables in the study are the Gender Diversity of the Board of Commissioners, Educational Background of the Board of Commissioners, Chief Risk Officer (CRO), and Company Size. The analysis method used in this study is panel data regression with a total sample of 52 property and real estate companies, but only 43 for 5 years totaling 215 property and real estate companies, and nine outliers in the property and real estate data which has the company code ARMY, ROOF, CSIS, DADA, MYRX, PURI, WHEEL, TRIN, and TRUE so that they cannot be included in this study.

| | Enterprise risk Management | Diversity Gender Board Commissioner | Background Education board of Commissioners | Chief Risk officers | Company Size |
|-----------|----------------------------|-------------------------------------|---|---------------------|--------------|
| Means | 0.2906 | 0.1942 | 0.5147 | 0.1302 | 29.1156 |
| Median | 0.2900 | 0.2000 | 0.5000 | 0.0000 | 29.5400 |
| Maximum | 0.4000 | 0.7500 | 1.0000 | 1.0000 | 31.7500 |
| Minimum | 0.1900 | 0.0000 | 0.0000 | 0.0000 | 23.7200 |
| std. Dev. | 0.0487 | 0.2009 | 0.2678 | 0.3373 | 1.7259 |
| N | 215 | 215 | 215 | 215 | 215 |

Descriptive Statistical Analysis

Descriptive statistical analysis in this study was used to calculate the effect of the board of commissioners' gender diversity variables, educational background of the board of

commissioners, chief risk officer, and company size on enterprise risk management (ERM) disclosure. In table 2 it can be seen that the average value (mean) on the dependent variable of enterprise risk management (ERM) disclosure is 0.2906, the median value is 0.2900, the maximum value is 0.4000, and the minimum value is 0.1900. The Board of Commissioners' gender diversity variable has a mean value of 0.1942, a median value of 0.2000, a maximum value of 0.7500, and a minimum value of 0.0000. This shows that the data on the independent variable gender diversity of the board of commissioners varies or is not grouped. The board of commissioners educational background variable has a mean value of 0.5147, a median value of 0.5000, a maximum value of 1.0000, and a minimum value of 0.0000. This means that the data on the educational background variable of the data commissioners do not vary and are grouped. The chief risk officer variable has a mean value of 0.1302, a median value of 0.0000, a maximum value of 1.0000, and a minimum value of 0.0000. This means that the data on the independent variable chief risk officer data varies or is not grouped. The firm size variable has a mean value of 29.1156, a median value of 29.5400, a maximum value of 31.7500, and a minimum value of 23.7200. This means that the data on the variable company size data do not vary or are grouped.

CLASSIC ASSUMPTION TEST

Multicollinearity Test

| | Diversity Gender Board Commissioner | Background Education board of Commissioners | Chief Risk officers | Company Size |
|-------|---|--|------------------------|--------------|
| DGDK | 1.000000 | 0.097481 | -0.094415 | -0.209560 |
| LBPDK | 0.097481 | 1.000000 | 0.188065 | -0.042349 |
| CRO | -0.094415 | 0.188065 | 1.0000 | 0.315994 |
| UP | -0.209560 | -0.042349 | 0.315994 | 1.000000 |

Source: Output Results of Eviews version 9

Based on the results of the multicollinearity test in Table 3, the results of the comparison of the correlation coefficient values of each independent variable show that there are no independent variables that have a correlation coefficient value of <0.9 . It can be concluded that there is no multicollinearity in this research data or there is no relationship between the independent variables.

Heteroscedasticity Test

| Heteroskedasticity Test: White | | | |
|--------------------------------|----------|----------------------|--------|
| F-statistics | 0.499425 | Prob. F(13,200) | 0.9232 |
| Obs*R-squared | 6.728577 | Prob. Chi-Square(13) | 0.9156 |
| Scaled explained SS | 56.03417 | Prob. Chi-Square(13) | 0.0000 |

Source: Output Eviews version 9 results

Decision making in table 4 with the white test is seen through the Obs*R-squared value which has a Chi-square probability value greater than 0.05. Thus, the alternative hypothesis H0 is accepted or heteroscedasticity does not occur. So it can be concluded that there is no heteroscedasticity problem in this regression model.

Panel Data Regression Analysis Chow test

| Variables | coefficient | std. Error | t-Statistics | Prob. |
|-----------|-------------|------------|--------------|--------|
| C | -0.143828 | 0.053163 | -2.705446 | 0.0074 |
| DGDK | 0.036282 | 0.013744 | 2.639841 | 0.0089 |
| LBPKD | 0.013917 | 0.009286 | 1.498676 | 0.1355 |
| CRO | 0.005698 | 0.008157 | 0.698591 | 0.4856 |
| UP | 0.000144 | 1.80E-05 | 8.025527 | 0.0000 |

Source: Output Eviews version 9 results

Based on Table 5, the results of the cross-section probability F 0.0000 are smaller than the significance level of 0.05. So it can be concluded that the results of the chow test accept H1 or the fixed effect model is better than the common effect model. The fixed effect model was chosen in this test, so further testing is needed, namely the Hausman test.

Hausman test

| Correlated Random Effects - Hausman Test | | | |
|--|--------------------|------------|--------|
| Equation: Untitled | | | |
| Test cross-section random effects | | | |
| Test Summary | Chi-Sq. Statistics | Chi-Sq. df | Prob. |
| Random cross-sections | 6.899392 | 4 | 0.1413 |

Source: Output Eviews version 9 results

From the table of Hausman test results for model selection from table 6 it shows that the Hausman Test probability value is 0.1413 greater than alpha 0.05 ($0.0000 > 0.05$), so it can be concluded that H1 is rejected, and H0 is accepted. This shows that in the results of the Hausman Test, the model used is the Random Effect Model.

Multipler Test

| Null (no rand. effect) | Cross-section | period | Both |
|------------------------|---------------|-----------|----------|
| Alternatives | One-sided | One-sided | |
| Breusch-Pagan | 143.0481 | 1.638459 | 144.6866 |
| | (0.0000) | (0.2005) | (0.0000) |

Source: Output Eviews version 9 results

Based on the results in table 7 of the Lagrange multiplier test, common effect model vs random effect model, the Breusch-pagan cross section < 0.05 is obtained, namely $0.0000 < 0.05$, the hypothesis H_0 is rejected and H_1 is accepted, which means that the Random Effect Model (REM) is more appropriate to use in research This.

Panel Data Regression Results

Random Effects Model

| Variables | coefficient | std. Error | t-Statistics | Prob. |
|---------------------|-------------|---------------------|--------------|--------|
| C | -0.143828 | 0.053163 | -2.705446 | 0.0074 |
| DGDK | 0.036282 | 0.013744 | 2.639841 | 0.0089 |
| LBPDK | 0.013917 | 0.009286 | 1.498676 | 0.1355 |
| CRO | 0.005698 | 0.008157 | 0.698591 | 0.4856 |
| UP | 0.000144 | 1.80E-05 | 8.025527 | 0.0000 |
| Weighted Statistics | | | | |
| R-squared | 0.255570 | Mean dependent var | 0.097666 | |
| Adjusted R-squared | 0.241391 | SD dependent var | 0.030228 | |
| SE of regression | 0.026307 | Sum squared residue | 0.145336 | |
| F-statistics | 18.02378 | Durbin-Watson stat | 0.875064 | |
| Prob(F-statistic) | 0.000000 | | | |

Source: Output Eviews version 9 results

Based on the results of selecting the panel data regression model shown in table 8, the author can formulate a panel data regression model which explains that the independent variables namely gender diversity of the board of commissioners, educational background of the board of commissioners, chief risk officer, and company size are related to the dependent variable, namely enterprise risk. management in property and real estate companies. The following is the panel data regression equation in this study:

$$Y = -0.1438 + 0.0362DGDK + 0.0139LBPDK + 0.0056CRO + 0.0001UP + e$$

Information :

Y = ERM Disclosure

DGDK = Board of Commissioners gender diversity

LBPDK = Board of commissioners educational background

CRO = Chief Risk Officer

UP = Firm size

e = Confounding variable (error term)

Based on panel data regression shows board of commissioners gender diversity variable has a regression coefficient of 0.036282 which shows that gender diversity of the board of

commissioners has a positive effect on disclosure of enterprise risk management. The educational background variable of the board of commissioners has a regression coefficient of 0.013917 which shows that the educational background of the board of commissioners has a positive effect on disclosure of enterprise risk management, the chief risk officer variable has a regression coefficient of 0.005698 which shows that the chief risk officer has a positive effect on disclosure of enterprise risk management, and the variable firm size has a regression coefficient of 0.000144 which shows that company size has a positive effect on enterprise risk management disclosure. This means that all independent variables simultaneously influence enterprise risk management.

Hypothesis test

Coefficient of Determination (R²)

| Weighted Statistics | | | |
|---------------------|----------|---------------------|----------|
| R-squared | 0.255570 | Mean dependent var | 0.097666 |
| Adjusted R-squared | 0.241391 | SD dependent var | 0.030228 |
| SE of regression | 0.026307 | Sum squared residue | 0.145336 |
| F-statistics | 18.02378 | Durbin-Watson stat | 0.875064 |
| Prob(F-statistic) | 0.000000 | | |

Source: Output Eviews version 9 results

Based on Figure 9 it shows that the Adjusted R-Squared value is 0.2413 or 24.13%. This may indicate that the independent variable consisting of gender diversity of the board of commissioners, educational background of the board of commissioners, chief risk officer, and company size has an effect of 24.13% on the dependent variable, namely enterprise risk management and the remaining 75.87% is influenced by other variables not explained in this study.

Simultaneous Testing (Test F)

| Weighted Statistics | | | |
|---------------------|----------|---------------------|----------|
| R-squared | 0.255570 | Mean dependent var | 0.097666 |
| Adjusted R-squared | 0.241391 | SD dependent var | 0.030228 |
| SE of regression | 0.026307 | Sum squared residue | 0.145336 |
| F-statistics | 18.02378 | Durbin-Watson stat | 0.875064 |
| Prob(F-statistic) | 0.000000 | | |

Source: Output Eviews version 9 results

Based on Table 10, the probability value of the F-statistic has a value of 0.0000. This shows that the probability (F-statistic) < 0.05 means that H₀ is rejected and H₁ is accepted. So it can be concluded that gender diversity of the board of commissioners, educational background of

the board of commissioners, chief risk officer, and company size simultaneously influence (together) the disclosure of enterprise risk management in property and real estate companies listed on the Indonesia Stock Exchange (IDX). period 2017-2021.

Partial Test (t test)

Source: Output Eviews version 9 results

Based on table 11, it can be concluded that board of commissioners' gender diversity has a probability value of less than 0.05, namely 0.0089 with a positive regression coefficient of 0.0362 indicating that H0 is rejected and H1 is accepted. So it can be concluded that the gender diversity of the board of commissioners has a positive effect on disclosure of enterprise risk management. The educational background of the board of commissioners has a probability value greater than 0.05, namely 0.1355 with a positive regression coefficient of 0.0139 indicating that H0 is accepted and H1 is rejected. So it can be concluded that the educational background of the board of commissioners has no effect on enterprise risk management disclosures. The chief risk officer has a probability value greater than 0.05, namely 0.4856 with a positive regression coefficient of 0.0056 indicates that H0 is accepted and H1 is rejected. So it can be concluded that the chief risk officer has no effect on enterprise risk management disclosures. Firm size has a probability value smaller than 0.05, namely 0.0000 with a significant regression coefficient a positive value of 0.0001 indicates that H0 is rejected and H1 is accepted. So it can be concluded that company size has a positive effect on disclosure of enterprise risk management

DISCUSSION OF RESEARCH RESULTS

The Effect of Gender Diversity of the Board of Commissioners on Enterprise Risk

| Variables | coefficient | std. Error | t-Statistics | Prob. |
|-----------|-------------|------------|--------------|--------|
| C | -0.143828 | 0.053163 | -2.705446 | 0.0074 |
| DGDK | 0.036282 | 0.013744 | 2.639841 | 0.0089 |
| LBPDK | 0.013917 | 0.009286 | 1.498676 | 0.1355 |
| CRO | 0.005698 | 0.008157 | 0.698591 | 0.4856 |
| UP | 0.000144 | 1.80E-05 | 8.025527 | 0.0000 |

Management

Gender diversity of the board of commissioners has a positive effect on disclosure of enterprise risk management in property and real estate companies listed on the IDX in 2017-2021. This shows the more women positions in the board of commissioners, the more it will affect the disclosure of enterprise risk management. Having women in the company can also bring a wider perspective in decision making, because women are considered to be more independent, flexible, broad-minded and cooperative. This research is strengthened by research results (Zango et al., 2016) and (Saggar & Singh, 2017) which states that the results of the board of commissioners' gender diversity research have an effect on enterprise risk management.

The Influence of the Educational Background of the Board of Commissioners on Enterprise Risk Management

The educational background of the board of commissioners has no effect on disclosure of enterprise risk management in property and real estate companies listed on the IDX in 2017-2021. The educational background of the board of commissioners does not affect enterprise risk management, because the disclosure of enterprise risk management is an awareness to disclose it in the annual report. Board of commissioners who do not have an educational background in economics and business can also disclose enterprise risk management according to the regulations. The results of this study are in line with Ramos & Cahyonowati (2021) and Nila et al. (2017) who say that the board of commissioners who have professional expertise does not guarantee a better position to identify relevant risk issues and disclose them in the annual report.

Influence of the Chief Risk Officer on Enterprise Risk Management

Chief risk officer has no effect on disclosure of enterprise risk management in property and real estate companies listed on the IDX in 2017-2021. Chief risk officer has no influence on enterprise risk management, because the task of a chief risk officer is to assist the risk management program to run effectively, but the duties of a chief risk officer can also be carried out by the audit committee. The Audit Committee was formed by the board of commissioners to assist the implementation of the duties and responsibilities of the committee's board of commissioners (Indrasari et al., 2017). The audit committee is usually charged with the task of managing corporate risk as well. This research is in line with Rachel & Isbanah (2019) and Kinasih (2016) who said that Chief Risk Officer does not affect the disclosure of Enterprise Risk Management, because the role of the Chief Risk Officer can also be carried out by the audit committee.

Effect of Company Size on Enterprise Risk Management

Company size has a positive effect on disclosure of enterprise risk management in property and real estate companies listed on the IDX in 2017-2021. It shows the bigger the size of a company, the bigger the company, the higher the level of risk faced by the company, to detect the company's risk creates enterprise risk management. This research is in line with Hasina et al. (2018) and Fayola & Nurbaiti (2020) which states that company size affects enterprise risk management disclosures. According to Hakim & Triyanto (2019) Company size has a positive relationship with risk disclosure, because the larger the industry, the more investors invest in the company, so that risk disclosure is more comprehensive and also a form of corporate responsibility to investors.

CONCLUSION

Based on descriptive analysis and testing using the panel data regression model, it was concluded that the dependent variable disclosure of enterprise risk management in banking companies has an average of 31 disclosures out of 108 items that must be disclosed according to ISO 31000, and has data that does not vary or group. Simultaneous testing together shows that gender diversity of the board of commissioners, educational background of the board of

commissioners, chief risk officer, and company size have a simultaneous effect on enterprise risk management.

Gender diversity of the board of commissioners, and company size partially have a significant positive effect on disclosure of enterprise risk management. This research shows that the more women on the board of commissioners can provide more optimal oversight of enterprise risk management disclosures, so as to create transparency in the company's annual report. This research also shows that the larger the size of the company, the wider the company's enterprise risk management disclosures. The educational background of the board of commissioners and chief risk officer has no effect on enterprise risk management disclosures.

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