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Enterprise Risk Management Disclosure Model in Indonesian Banking Industry 2018-2022

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Abstract. This research aims to empirically examine the factors that can influence Indonesian Banking Enterprise Risk Management Disclosure listed on the IDX for the 2018-2022 period. The background of this research is to prove the effectiveness of regulations regarding how companies report their risk management. The lack of research on ERM Disclosure is interesting to examine. The banking industry's failure to manage risk management related to cases of embezzlement of money and falsification of customer account data carried out by unscrupulous employees of Bank Maybank Indonesia shows that ERM Disclosure in Indonesia is still weak. Furthermore, the board of commissioners, board of directors, audit committee, ownership concentration, and institutional ownership can influence ERM Disclosure. Based on suggestions from Wijayanti et al [1], this research adds several variables to ERM Disclosure, including an independent board of commissioners, a risk management committee, public ownership, and company size. This quantitative research uses secondary data from annual reports from the official OJK, BI and BEI websites. The research population is banking companies listed on the IDX in 2018-2022. Sampling used purposive sampling. The purposive sampling method was used to obtain 170 observation samples. Data were processed using multiple linear regression analysis with SPSS 25. The dependent variable for this research is ERM Disclosure. Furthermore, the board of commissioners, board of directors, audit committee, ownership concentration, institutional ownership, independent board of commissioners, risk management committee, public ownership, and company size are independent variables. This research proves that the board of commissioners, institutional ownership, independent board of commissioners, and company size positively affect ERM Disclosure. Furthermore, the board of directors, audit committee, ownership concentration, and risk management committee do not affect ERM Disclosure. This research has yet to prove the effect of public ownership on ERM Disclosure and has a low R-Square value, namely 9.3%. Therefore, the low R-Square value proves that other variables can still influence ERM Disclosure. Future research can use other variables apart from the ones used in this research, especially public ownership.

Keywords: Enterprise Risk Management Disclosure, Banking Industry, Indonesia

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1. Introduction

The company continues to develop every business activity. Companies cannot be separated from various types of uncertainty risks that arise. Companies are diverted to implementing risk management because they face various risks. Companies with risk management programs fully support disclosure implementation programs. Enterprise Risk Management. Further development of ERM No. 5/8/PBI/2003 following Bank Indonesia Regulations on implementing Risk Management in Commercial Banks [2]. According to Law No. 10 of 1998 regarding banking, banks are the pioneers of collecting public foreign exchange in the savings system and manifesting back to consumers through credit or other forms to increase the quality of public life.

The phenomenon of banking companies failing to manage risk is PT Bank Maybank Indonesia. The failure was caused by a bank employee (perpetrator) offering savings as a term account to a customer named Winda Lunardi (victim). Because the savings interest offered is relatively high, the victim is tempted by the offer. Then, the victim deposited IDR 20 billion, and the perpetrator created fake data to make the victim believe he had created a term account at the bank. Then, the victim's money was withdrawn without the victim's knowledge or permission. The perpetrator then transferred the victim's money to friends and turned it around in the hope of making a profit. The victim only found out that the perpetrator had used his money when he found that the balance in his account only had IDR 17 million remaining.

Knowing something was wrong, the victim then reported it to the bank. However, the victim assessed that the bank's response lacked Good. Then, the victim reported the loss of savings to the Police Criminal Investigation Unit in May 2020. Regarding the embezzlement of money and falsification of the victim's account carried out by unscrupulous Maybank employees, the Financial Services Authority (OJK) evaluated the internal supervision system of PT Bank Maybank Indonesia Tbk (BNII). For his actions, the perpetrator was charged under Article 3, Article 4 and Article 5 of Law No. 8 of 2010 concerning the Prevention and Eradication of the Crime of Money Laundering.

Risk is a surprising condition related to a company's business. In this case, the company must always be ready to prepare solutions for the impacts that will arise [3]. Disclosure of corporate risk management is a component of an annual report company that covers the full range of risks the company faces. Implementing risk management can anticipate events that could hinder company activities so that the industry can be more open in sharing information with all stakeholders. The hope is that ERM Disclosure can build public expectations of the company and reduce uncertainty about future cash flows [3].

Several previous studies have observed many components that influence ERM disclosure. Based on the research gap in previous research, there were many differences in results between researchers. Previous research proves the positive influence of the board of commissioners on ERM Disclosure [3]. It is related to the total size of the board of commissioners, which can influence ERM Disclosure from the banking industry. The board of commissioners does not influence ERM disclosure [1]. A large board of commissioners does not affect the company's disclosure policy. Many members of the Board of Commissioners can extend the decision-making method, and the size of the Board of Commissioners causes many opinions.

The board of directors positively affects ERM disclosure because the board of directors influences the ERM implementation phase between companies [1]. On the other hand, there is research showing that the board of directors does not influence ERM disclosure [4]. The size of the board of directors reflects much thought involved in a decision. Furthermore, research from Oktavia and Isbanah shows that audit committees positively affect ERM disclosure [2]. The formation of an audit committee ensures that internal controls are well managed, and the risk management process is well supervised. Ramos & Cahyonowati's research shows that audit committees do not affect ERM disclosure [5]. This finding proves that the presence of an audit committee does not determine higher-quality risk disclosure.

Ownership concentration has a positive effect on ERM disclosure because ownership concentration has a substantial impact on management and increases the role of proper oversight [1]. On the other hand, ownership concentration could also harms ERM disclosure [6]. It shows that the size of ownership concentration influences the amount of ERM disclosure to a greater or lesser extent. Furthermore, research from Rifani and Astuti shows that institutional ownership positively affects ERM Disclosure because companies use institutional ownership to disclose risks more broadly [7]. Research from Rujiin and Sukirman shows that institutional ownership harms ERM Disclosure because domestic institutions' decline in share ownership allows managers to reveal company risk management in more detail [8].

Wijayanti suggested to add several variables to ERM Disclosure, including an independent board of commissioners, risk management committee, public ownership, and company size [1]. This variable was chosen because of discrepancies in research results, especially in the banking industry. Swarte et al claimed that an independent board of commissioners positively affects ERM Disclosure [9]. It means that the more independent members of the board of commissioners, the wider the level of ERM Disclosure. Independent board of commissioners does not influence ERM Disclosure because the independence of the board of commissioners has yet to make the company aware of disclosing risk information widely [10].

Agista et al recommend Committee Risk Management (KMR) as a positive response to ERM Disclosure [11]. The KMR in question is an independent committee. Industries with separate KMRs will apply ERM disclosures more thoroughly than industries that do not have separate KMRs. Research by Abbas et al proves that KMR does not affect ERM Disclosure because KMR does not fully guarantee the accuracy of presenting the company's risk governance performance [12]. Furthermore, research by Swarte et alshows that public ownership positively affects ERM disclosure. The higher the level of public ownership of the company, the greater the ERM Disclosure, the greater it is [9].

Oktavia and Isbanah show that public ownership does not affect ERM disclosure [2]. The increase in the amount of information provided to shareholders requires significant expenditures for the publication of ERM information. Furthermore, Abbas et al shows that company size positively impacts ERM disclosure [12]. Large companies generally carry out management more regularly than small companies because the company's interests are higher. Company size does not affect ERM disclosure [13]. Large and small companies will face different societal environments, regulations and business fields.

This research is motivated by proving the effectiveness of regulations regarding how companies report their risk management and also aims to examine empirically the factors that can influence disclosure. This research develops research on ERM Disclosure which has been carried out by Wijayanti et al by selecting banking industry sectors listed on the IDX, then selected as sample companies because they represent industries with strict regulations, especially regarding the implementation of company management [1]. This industry selection follows previous research but uses the latest period, 2018-2022. Through this survey, stakeholders can see about corporate governance, where the company can manage the risks it will face.

1.1 Literature Review

Agency Theory

Agency theory is the basis of the practice of disclosing annual reports to customers by banking companies. According to Jensen and Meckling, stakeholders need more data on the company's capabilities and conditions. Inter-community relations(principal) and management (agent) The banking industry is influenced by the presence of the government through Bank Indonesia (BI) . Agency theory suggests that the split surfaced because differences in the interests of agents and the public can result in inconsistent information. ERM Disclosure can prevent conflict of interest between the agent and the principal by considering the extent to which the agent discloses the company's risk management.

The relationship between agency theory and the board of commissioners is that the board of commissioners bears full responsibility to the board of directors. So, the board of commissioners can expand supervision and openness of ERM Disclosure. The board of directors is fully responsible for determining how to direct, manage and supervise resource management following industry objectives. Furthermore, the audit committee can organize internal controls and supervise risk management channels properly so that management cannot act opportunistically, which can cause losses for the company owner as principal. The concentration of ownership can increase management control and the ability to control agency problems by selecting agents to manage and supervise company activities.

Institutional ownership helps reduce conflict between agencies because it has the incentive power to prevent its occurrence acquisition internal side. The independent board of commissioners has an essential role in reducing opportunism, namely monitoring manager performance and reducing conflict between managers and managers' stakeholders. The existence of a separate KMR from the audit committee can help the company build a structured governance system so that it focuses on risk management and implements risk management thoroughly. Public ownership has a supervisory function over ERM disclosure. More and more information is revealed to shareholders, and the higher the company's risk management costs. Furthermore, company size can increase agency funds than small companies. Because the bigger the company, the more people invest in it.

Corporate Risk Management Disclosure

Disclosure of corporate risk management is a comprehensive and integrated framework for managing credit risk, market risk, operational risk, economic capital and risk transfer to optimize business value [6]. ERM Disclosure objective is helpful for stakeholders to determine investment steps. ERM Disclosure can benefit the company by channelling information to stakeholders, and stakeholders benefit from implementing risk management. The latest regulations regarding disclosure of financial instruments are Exposure Draft (ED) PSAK No. 60 of 2010. The delivery of annual reports to issuers or public companies is also based on the Decree of the Chairman of Bapepam and LK Number: Kep-431/BL/2012.

ERM Disclosure is a system for resolving risk uncertainty to create company quality. It has been explained by the by Committee of Sponsoring Organizations of the Treadway Commission. This quality is formed if company management has implemented good risk management. According to COSSO, ERM Disclosure consists of eight parts, namely: 1) Internal environment, 2) Determination of objectives, 3) Identification of events, 4) Risk assessment, 5) Risk response, 6) Control activities, 7) Information and communication, 8) Supervision . Influence of ERM factors disclosure is the board of commissioners, board of directors, audit committee, ownership concentration, institutional ownership, independent board of commissioners, risk management committee, public ownership, and company size.

Influence of the Board of Commissioners on ERM Disclosure

The board of commissioners is a board that acts as a supervisor in the implementation of risk management and ensures that the company has adequate risk management. The large number of members of the board of commissioners can increase opportunities to exchange information and experiences to advance ERM Disclosure [2]. Based on agency theory, information asymmetry occurs because directors are more qualified than stakeholders when they dominate information. The board of commissioners can strengthen the supervisory function in company risk management—the more members of the board of commissioners, the stronger ERM Disclosure supervision. Therefore, the quality of ERM Disclosure can be improved. It agrees with a research concluding that there is a positive influence from the board of commissioners on ERM disclosure [3]. Industries with more board members are more exemplary than others in overseeing company risk management. A good monitoring function will advance ERM disclosure capacity. Thus, the hypothesis of this research is:

Ha1: The board of commissioners positively and significantly influence ERM Disclosure

Influence of the Board of Directors on ERM Disclosure

The board of directors is the party in an entity responsible for implementing the company's operations and management. The board of directors is responsible for the entire company's operations and management structure to fulfil its interests in achieving industry targets[13]. The agent has much information based on agency theory that the principal does not have. It triggers management to make mistakes that can cause problems for the agency. This research is in line with the study of Wijayanti et al, which shows that the board of directors positively influences ERM disclosure—the more members of the board of directors, the greater the impact on the level of ERM disclosure [1]. The board of directors ensures the risk management function is carried out independently. Therefore, the hypothesis of this research is:

Ha2: The board of directors positively and significantly influence ERM Disclosure.

The Influence of the Audit Committee on ERM Disclosure

The Audit Committee is a group of parties elected by the board of commissioners and is responsible for helping the auditor maintain independence over administration. The audit committee plays a supervisory role in monitoring effectiveness, which supports the decrease in agency budgets and differences in information between agents and principals [3]. According to agency theory, the audit committee can improve the disclosure of risk management data because its existence is valid, and the audit committee's activities support the board of commissioners in control activities, explicitly confirming that financial reports are presented synchronized following customary accounting principles. It agrees with the study that concluded that the audit committee positively influences ERM disclosure [1]. The more members of the audit committee, the greater the influence of ERM Disclosure. Therefore, this research hypothesis can be concluded:

Ha3: The audit committee positively and significantly influence ERM Disclosure

The Effect of Ownership Concentration on ERM Disclosure

The concentration of ownership is the largest in the industrial sector, which controls management and requires companies to be more open when disclosing risk information. The higher the level of ownership concentration, the greater the demand for the industrial sector to disclose the risks it faces [6]. According to agency theory, information asymmetry occurs because of management interests. The concentration of ownership reduces the occurrence of differences in information and avoids agency costs due to the majority stakeholder having significant authority to manage management. It is consistent with research by Mazaya and Fuad, who concluded that ownership concentration negatively influences ERM disclosure. The higher the level of ownership concentration, the more difficult it is for the company to manage ERM disclosure [14]. The hypothesis of this research is:

Ha4: Ownership concentration negatively and significantly influence ERM Disclosure.

The Influence of Institutional Ownership on ERM Disclosure

Institutional ownership is a proportion of shareholders owned by domestic and foreign companies whose obligation is for management to monitor the company's activities. The higher the level of institutional ownership, the more the company maximizes all its performance activities [7]. As a result, ERM Disclosure is more inclusive when institutional ownership is high [1]. According to agency theory, information differences arise due to conflict between agent and principal. Institutional ownership plays an essential role in reducing emerging inter-institutional disputes. It follows research by Wijayanti et al, concluding that institutional ownership positively affects ERM Disclosure [1]. Therefore, the hypothesis of this research is:

Ha5: Institutional ownership has a positive effect on ERM Disclosure

Influence Independent Board of Commissioners regarding ERM Disclosure

Independent commissioners are committee members who come from outside companies and are not tied to controlling shareholders, the board of directors or other members of the board of commissioners. The greater the number of independent commissioners, the better the audit of directors' activities related to integrity fraud. According to agency theory, the agent knows more information than the principal, so the relationship between the agent and the principal can cause information inconsistencies. The existence of an independent board of commissioners can expand ERM Disclosure information [15]. It concludes that the independent board of commissioners positively influences ERM Disclosure. According to research by Swarte et al, the more independent members of the board of commissioners, the wider the level of ERM Disclosure [9]. Therefore, the hypothesis of this research is:

Ha6: The independent board of commissioners has a positive influence on ERM Disclosure.

Influence of the Risk Management Committee on ERM Disclosure

The risk management committee is a supporting party formed to improve the quality of supervision and provide advice to the board of commissioners regarding risk management. By forming a KMR that is separate from the audit committee, the industry can regulate and evaluate internal supervision and develop a risk management system to ensure that risk management procedures are implemented carefully. Based on agency theory, the dispute between the agent and principal can be minimized through KMR because KMR has nothing to do with agents and principals [10]. KMR can help companies maintain stability and monitor ERM Disclosure implementation. It follows research by Oktavia and Isbanah, concluding that KMR positively influences ERM disclosure. KMR not only adds value to companies that implement risk management programs but also manages company risk management well [2]. Therefore, the hypothesis of this research is:

Ha7: The risk management committee has a positive effect on ERM Disclosure

The Influence of Public Ownership on ERM Disclosure

Public ownership is the proportion of shares owned by individuals or corporations of at least 5% which are outside the control and have no special relationship with the company. The higher the contribution of public share ownership, the greater the ERM disclosure [16]. Thus, the public can see the scope of ERM Disclosure offered by the company [17]. According to agency theory, agency problems arise from information differences between agents and principals. The existence of public ownership requires companies to disseminate information about ERM Disclosure more transparently. It implies that public ownership has a positive influence on ERM Disclosure. According to research by Swarte et al [9]. The higher the company's public ownership, the wider the ERM disclosure. Therefore, the hypothesis of this research can be concluded, namely:

Ha8: Public ownership has a positive effect on ERM Disclosure.

The Influence of Company Size on ERM Disclosure

Company size is the quality by which a company proves its wealth using the capabilities and capabilities of the capital it spends. Company size is divided into three categories, namely large, medium and small business entities. The larger the company size, the greater the company's activities in facing the risk of high uncertainty [6]. According to agency theory, large companies must disclose more risk information to reduce inconsistency. So, it can expand ERM disclosure to reduce agency costs and implement information transparency for stakeholders. This research aligns with Indriana and Kawedar [18], who concluded that company size positively influences ERM disclosure. The more assets a company has, the greater the ERM disclosure. Therefore, a hypothesis can be concluded from this research, namely:

Ha9: Company size has a positive effect on ERM Disclosure.

2. Methods

Enterprise Risk Management Disclosure

Disclosure of company risk management is a way of conveying information about the risks faced by the company to stakeholders. The annual report is a measure used to include all risks the company presents. Development Committee of Sponsoring Organizations of the Treadway Commission (COSO), to measure the level of ERM Disclosure. COSO has set 108 disclosure items. The method weightless index measures company risk disclosure by giving a score of 1 if the company discloses risk information and a score of 0 if the company discloses risk information. Each detected item is then added and divided by the total items revealed.

Board of Commissioners

The board of commissioners is tasked with supervising and advising the board of directors of both public and private companies. The board of commissioners performs supervisory functions and discussions with the board of directors based on applicable regulations. The number of members of the company's board of commissioners is used to calculate the number of board of commissioners.

Board of Directors

The board of directors has the authority and responsibility for management to uphold the company's goals inside and outside the court based on the accuracy of the rules. Directors are responsible for the company's business activities in order to achieve the company's main objectives. The measurement of the board of directors uses the total number of members of the board of directors in the company.

Committee Audit

The Audit Committee is a committee that helps the board of commissioners monitor whether the company's internal control system is carried out effectively and whether internal and external audits are carried out according to established standards. The audit committee is a liaison between shareholders, the board of commissioners, and managerial parties related to improving the control function. The number of audit committees in the company can be used to calculate how many audit committees are needed.

Concentration of Ownership

The concentration of ownership refers to shareholders' highest level in managing company operations and must be more open when disclosing risk information. The more shares owned by one or a small group of shareholders, the greater the pressure on the company to disclose the risks it faces. The calculation of ownership concentration in the industrial sector can be said to be the most significant percentage of ownership.

Institutional Ownership

Institutional ownership is proportion shareholder, a foreign or domestic company, excluding subsidiaries. Including institutional ownership in monitoring controls, such as the independence of the board of commissioners, is very important for company management. Institutional ownership has a broader capacity to control the company's risk management procedures against external pressure to establish controls related to ERM disclosures. Institutional ownership.

Independent Board of Commissioners

An independent board of commissioners is a member with no connection or affiliation with the company that could affect their independence. Many independent boards of commissioners can encourage companies to reveal the information stakeholders need. An independent board of commissioners describes the level of independence and neutrality of the entire board of commissioners in decision-making activities.

Risk Management Committee

The Risk Management Committee (KMR) is one of the critical factors in company risk management. KMR's role and obligations are to identify risks, manage risks and assess risk management programs effectively. The presence of KMR is measured with a dummy variable. The KMR variable is calculated by considering whether the company forms a KMR separately from the audit committee, giving it a score of 1. If the KMR is participating in the audit committee, it is given a score of 0.

Public Ownership

Public ownership is share ownership owned by ordinary people. Top-level public ownership conveys much information about ERM Disclosure to fulfil shareholders' wishes. Public ownership, which has a significant structure, can pressure management to provide information promptly because financial reporting limits can impact decision-making.

Company Size

Company size is a benchmark for the company's assets. Managers of large companies explain information in more detail than small companies because the quality of risk encountered by large companies is higher than that of small companies. Besides that, principal Large companies generally have more and relatively high interest in this company. The bigger the company, the more ERM Disclosure is expressed for information transparency to stakeholders.

3. Results and Discussions

3.1 Results

The population of this research is banking companies listed on the Indonesia Stock Exchange (BEI) in the 2018-2022 period, of which there are 46 (www.idx.co.id). Next, samples are taken using purposive sampling, which is based on the following criteria:

Table 1. Sample Selection

No	Sample Selection Criteria	Entire
1	Banking companies are listed on the IDX for the period 2018 to 2022	46
2	The banking company released its annual report on December 31 for five consecutive years	0
3	Listed banking companies, IPOs, as well *listing* throughout the observation period	(6)
4	Companies that present data according to asset needs	(6)
	Final sample	34
	Total sample x 5 years	**170**

From the results of the T (partial) test, there is a positive influence on ERM Disclosure from the board of commissioners, institutional ownership, independent board of commissioners, and company size. Meanwhile, there is no influence from the board of directors, audit committee, ownership concentration, and risk management committee on ERM Disclosure in Indonesia's banking sector. The results can be seen in the table below:

Table 2. Statistical Results

Variable	B	T	Sig.	Conclusion
BoC	.003	2.087	.038	Significant
BoD	-.002	-1.457	.147	Not significant
AC	.001	.321	.749	Not significant
OC	.000	1.252	.213	Not significant
IC	.000	-3.048	.003	Significant
IBoC	.011	2.883	.004	Significant
RMC	.003	.750	.454	Not significant
Size	.004	2.123	.035	Significant
F-Test			.002	Model Fit
Adjusted R^2	0.093			

Influence of the Board of Commissioners on ERM Disclosure

Based on partial research results, it can be seen that the regression coefficient for the board of commissioners is 0.003, with a sig value of 0.038 < 0.05. Hypothesis 1 states that there is an influence from the board of commissioners on ERM Disclosure accepted. There is a positive influence from the board of commissioners on ERM Disclosure, so the size of the board of commissioners can influence ERM disclosure in banking companies in Indonesia. These results align with research by Sari et al[3], which concluded that the board of commissioners positively influenced ERM Disclosure. The size of the board of commissioners can influence the company's policy for carrying out ERM Disclosure. Companies that have more boards of commissioners can more comprehensively disclose risks. In agency theory, a large board of commissioners can be more effective in supervisory. Predictions state that boards of commissioners with many members tend to have higher motivation to supervise company risk disclosures.

Influence of the Board of Directors on ERM Disclosure

The partial research results show that the regression coefficient on the board of directors is -0.002, and the sig number is 0.147 > 0.05. Hypothesis 2 states that there is a positive influence of the board of directors on ERM Disclosure rejected. The results of descriptive statistical tests show that the mean value is close to the minimum value, so the data processed is still low. There is no influence from the board of directors on ERM Disclosure, so the size of the board of directors does not impact the level of ERM Disclosure banking companies in Indonesia. The results follow research by Prakoso and Kiswanto [4] and are in line with agency theory, which concludes that there is no influence from the board of directors on ERM Disclosure. It means that many boards of directors create much thought regarding decisions. Whenever there is an opportunity to add one person to the board of directors, ERM disclosure will be effective and efficient.

The Influence of the Audit Committee on ERM Disclosure

Based on partial research results, it can be seen that the regression coefficient for the audit committee is 0.001 and sig 0.749 > 0.05. Hypothesis 3 states that the audit committee positively influences ERM Disclosure rejected. The results of descriptive statistical tests show that the mean value is close to the minimum value, so the data processed is still low. It is concluded that the audit committee does not influence ERM disclosure. The impact of the decline in the role of audit committees in companies is the need for more delivery of detailed information by the industrial sector, including ERM Disclosure. The above results align with research by Ramos and Cahyonowati [5], which states that there is no influence from the audit committee on ERM disclosure. These results show that the audit committee still needs to succeed in ensuring that the industrial sector releases comprehensive risk information. In agency theory, the audit committee can identify complex problems in the company, including understanding various potential risks. However, audit committee experience does not guarantee that an audit committee can effectively implement supervision, control, and adopt corporate accountability standards.

The Effect of Ownership Concentration on ERM Disclosure

Based on partial research results, it is known that the regression coefficient for ownership concentration is 0.000 and sig 0.213 > 0.05. Hypothesis 4 states that ownership concentration negatively influences ERM disclosure rejection. The results of descriptive statistical tests show that the mean value is close to the minimum value, so the data processed is still low. There is no influence from ownership concentration on ERM disclosure, so a large percentage of ownership concentration cannot guarantee management control, and increasing ownership concentration in the industrial sector can reduce ERM disclosure. The above results align with research by Abbas et al [12], which concluded that ownership concentration does not affect ERM Disclosure. It indicates that the concentration of ownership causes the majority shareholder to believe it is not in their interests, namely protecting shareholder minorities and corporate risk management mechanisms. According to agency theory, increasing ownership concentration in the company will reduce ERM Disclosure. In addition, majority shareholders will believe that minority shareholder protection and risk management mechanisms are no longer in their interest because the shareholders would not care about ERM Disclosure. After all, there are other benefits that stakeholders want to obtain from the company.

The Influence of Institutional Ownership on ERM Disclosure

Based on partial research results, the regression coefficient for institutional ownership is 0.000 and sig 0.003 < 0.05. Hypothesis 5 states that institutional ownership has a positive influence on ERM Disclosure accepted. It is concluded that institutional ownership can influence ERM disclosure, so the higher the level of institutional ownership, the more ERM information there is. Disclosure will be disclosed by banking companies in Indonesia. The above results align with research by Wijayanti et al [1], which concluded that institutional ownership positively influences ERM disclosure. These results indicate that the more significant the proportion of shares owned by the industrial sector, the more ERM will increase disclosure. In agency theory, institutional ownership helps reduce agency conflict because it has incentive power to prevent its occurrence on the internal takeover side. For example, in the MNC International Bank company in 2018-2019, when the value of institutional ownership increased, ERM Disclosure also increased.

The Influence of the Independent Board of Commissioners on ERM Disclosure

Based on partial research results, the regression coefficient for the independent board of commissioners is 0.011 and sig 0.004 < 0.05. Hypothesis 6 states that a positive influence from the board of commissioners on ERM Disclosure is accepted. There is influence from the independent board of commissioners on ERM Disclosure, so the more independent members of the board of commissioners, the wider the level of ERM Disclosure. These results align with research by Swarte et al [9], which revealed that an independent board of commissioners positively influences ERM disclosure. These results indicate that the more significant the proportion of shares that institutions own, the higher the level of ERM Disclosure. According to agency theory, an independent board of commissioners is essential in reducing opportunism, namely monitoring manager performance and reducing conflict between managers and stakeholders. Agency theory shows that companies with an independent board of commissioners can positively impact the industry's supervisory function. For example, for the Bank NEO Commerce company for the 2018-2022 period, when the number of independent board of commissioners members increased, ERM Disclosure of these companies will also experience an increase. The more independent members of a company's board of commissioners, the higher the quality of supervision of executive directors.

Influence of the Risk Management Committee on ERM Disclosure

The regression coefficient of the risk management committee is 0.003, and sig 0.454 > 0.05 based on partial research results. Hypothesis 7 states that there is a positive influence of the risk management committee on ERM Disclosure rejected. The results of descriptive statistical tests show that the mean value is close to the minimum value, so the data processed is still low. It is concluded that there is no influence from the risk management committee on ERM disclosure, so the risk management committee can determine ERM disclosures. This result is in line with research by Sari et al[3], which revealed that there is no influence from the risk management committee on ERM Disclosure. It means the KMR does not decide what should be disclosed in the ERM disclosure. KMR can only supervise and implement risk management in the banking industry sector. According to agency theory, KMR causes an increase in ERM Disclosure so that too much-published company information can be a consideration for investors to invest in the company. ERM Disclosure will be reduced if the company's risk management committee is expanded.

The Influence of Public Ownership on ERM Disclosure

Based on the results when processing the independent variable data on the dependent variable from this research using SPSS 25, a problem occurred with the independent variable, namely public ownership. This problem arises because the public ownership value distribution curve is high in both tails but low in the middle. As a result, SPSS 25meng excluded public ownership variables and cannot process this data. This research cannot prove hypothesis 8, that public ownership positively influences ERM Disclosure.

The Influence of Company Size on ERM Disclosure

Based on partial research results, it was found that the regression coefficient for company size was 0.004 and sig 0.035 < 0.05. Hypothesis 9 states that there is a positive influence of company size on ERM Disclosure accepted. It is concluded that company size influences ERM Disclosure, so the more significant the company size, the higher its activity when facing uncertainty. The above results follow research by Abbas et al [12], which states that company size positively influences ERM disclosure. It means that large-sized companies have a more robust demand for broader risk disclosure. In agency theory, large company size generates higher agency funds than small companies, so company size has a good relationship with ERM Disclosure. The bigger the company, the more people invest in it. For example, for a banking company, namely Bank Mandiri, for the 2018-2022 period, when the value of company size increases, ERM Disclosure has also increased. Thus, large companies need to disclose ERM extensively to avoid uncertain risks, as well as carry out transparency to the public to determine how the company is in terms of the risks it will face.

4. Conclusions

This research proves that the board of commissioners, institutional ownership, independent board of commissioners, and company size positively affect ERM Disclosure. Furthermore, the board of directors, audit committee, ownership concentration, and risk management committee do not affect ERM Disclosure. This research has yet to prove the effect of public ownership on ERM Disclosure and has a low coefficient determination value as 9.3%. Therefore, it proves that other variables can still influence ERM Disclosure. Future research can use other variables apart from the ones used in this research, especially public ownership.

Authors' Contributions

Pratiwi, Sinarasri & Alwiyah conceived of the presented idea. Pratiwi developed the theory and performed the computations. Sinarasri and Janie verified the analytical methods. Janie & Alwiyah supervised the findings of this work. All authors discussed the results and contributed to the final manuscript.

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