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The role of managerial ownership, independent commissioners, and corporate social responsibility, moderated by enterprise risk management, on company value in the pharmaceutical industry listed on the Indonesia Stock Exchange (IDX) from 2018 to 2022

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ABSTRACT

This study aims to investigate the influence of Managerial Ownership, Independent Commissioners, and Corporate Social Responsibility, both partially and collectively, with Enterprise Risk Management moderation on Company Value. Company value is measured using Tobins'q method. The research was conducted in the Pharmaceutical Industry listed on the Indonesia Stock Exchange (IDX) for the period 2018-2022. The research method used is quantitative. The population of the study consisted of 11 companies. Samples were determined using purposive sampling technique, obtaining samples from 10 companies with 5 years of observation, resulting in 50 samples. Hypothesis testing analysis was conducted using Moderated Regression Analysis (MRA) with SPSS 25.0 software for Windows. The results of the study indicate that: 1) Managerial Ownership has a negative and non-significant partial effect on Company Value, 2) Independent Commissioners have a positive but non-significant partial effect on Company Value, 3) Corporate Social Responsibility has a positive and significant partial effect on Company Value, 4) Enterprise Risk Management moderates positively but non-significantly the effect of Managerial Ownership on Company Value, 5) Enterprise Risk Management moderates positively and significantly the effect of Independent Commissioners on Company Value, 6) Enterprise Risk Management moderates positively and significantly the effect of Corporate Social Responsibility on Company Value, 7) Managerial Ownership, Independent Commissioners, Corporate Social Responsibility together with Enterprise Risk Management moderation have a significant effect on Company Value.

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KEYWORDS	*Managerial Ownership, Independent Commissioners, Corporate Social Responsibility, Enterprise Risk Management, Company Value*

INTRODUCTION

Companies are organizations where resources are processed to create products or services for consumers (Wulandari & Septiani, 2017). In an increasingly global and competitive business world, many companies use various methods to maintain their existence to meet capital needs (Asikin et al., 2024). Generally, businesses have two goals: short-term goals and long-term goals. Short-term goals are to maximize profits with the resources they have, while long-term goals are to increase Company Value (Amaliyah & Herwiyanti, 2020) (Rahayu & Sari, 2018). Maximizing Company Value is considered the goal of a business because it means maximizing the present value of all future profits that will be received by shareholders in the future (Muharramah & Hakim, 2021); (Rejeki & Haryono, 2021).

According to (Sari & Sedana, 2020), Company Value is a reflection of a company's performance that can influence investors' assessments of a company. The value of a company in the stock market is the pinnacle of its business journey (Nadhilah et al., 2022). Increasing investment interest in the stock market indicates Company Value (Setyawan & Christian, 2022). Differences in interests between agents and principals will create agency conflicts that can affect Company Value. To minimize these conflicts, investors need to be protected to improve the investment climate in Indonesia. One step to protect investors is by disclosing the implementation of good corporate governance (Prasetyo et al., 2020); (Mahriza, 2019).

Good corporate governance is a concept that ensures business oversight and is one of the determining factors of Company Value in the eyes of investors (Firmansyah et al., 2021). Implementing good corporate governance means being able to manage the resources within the company and influence the company's success (Purba et al., 2021). Companies that implement good corporate governance will gain trust from investors to invest their capital (Ermaya & Astuti, 2017); (Andara et al., 2022).

Good corporate governance is closely related to Company Value because the application of good corporate governance principles aims to increase Company Value through good company performance (Fathoni & Swandari, 2020); (Sudana & Dwiputri, 2018). In this study, the mechanism of good corporate governance is proxied through Independent Commissioners. Company Value can be maximized when shareholders delegate business management to experienced professionals such as managers and commissioners. However, in the process of increasing Company Value, various obstacles may arise, one of which is agency conflict caused by conflicts of interest and information imbalances between management and investors.

Solutions to overcome these conflicts include increasing Managerial Ownership (Nuryono et al., 2019).

The sustainability of a business is maintained by changing its social contract by placing the business as part of the existing social and political system (Javeed & Lefen, 2019). If a company shows a more responsive attitude to societal demands, then its business activities will be more accepted by society. Implementing Corporate Social Responsibility (CSR) in the long term will cultivate acceptance from society towards the presence of a company that brings economic benefits, such as increasing Company Value (Karina & Setiadi, 2020); (Siswantaya, 2022). CSR has been known since the early 1970s, where its implementation shows that companies are not only responsible to shareholders but also to other stakeholders. These stakeholders consist of customers, employees, the community, suppliers, and competitors (Rosiana et al., 2013); (Agustina & Murwaningsari, 2022).

In 2014, the Nielsen Global Survey launched an online survey on consumer tendencies in determining the products they desire. The results stated that 55% of consumers buy products and services from companies that consistently operate on social and environmental topics. Therefore, companies are increasingly competing to ensure environmental and social well-being through various social responsibility activities (Anggraeni & Djakman, 2018); (Hasan & Hasan, 2009).

Uncertainty is the situation that will be faced when striving to achieve goals. This potential condition can be beneficial in increasing Company Value if managed properly, otherwise, it can become a risk that the company must overcome due to its inability to deal with the current situation. Enterprise Risk Management (ERM) aims to create value for the business, which serves as an indication of the success or well-being of stakeholders (Sajida & Purwanto, 2021); (Lundberg & Rova, 2022).

Enterprise Risk Management enables management to effectively handle uncertainties and risks generated and opportunities, thereby increasing the organization's ability to create value (Xiaoxin, 2021). Some previous studies have revealed inconsistent or contradictory results. In the study by (Wirawan et al., 2020), CSR disclosure can increase Company Value. ERM negatively affects CSR disclosure. ERM does not help companies maximize their value.

Farrell's research (2019) states that companies demonstrating higher levels of ERM maturity have improved operational performance and higher Company Value. The disclosure of Corporate Social Responsibility and Sustainability Reports influences Company Value, and the disclosure of Enterprise Risk Management and Intellectual Capital does not affect Company Value (Siregar & Safitri, 2019). The existence of CSR disclosure has a positive effect on Company Value. The increase or decrease in Company Value is influenced by CSR value. The existence of ERM disclosure has a positive effect on Company Value (Shofiani et al., 2022).

Sibarani's study (2021) states that Independent Commissioners have a positive effect on Company Value. Managerial Ownership has a negative effect and no significant effect on Company Value. ERM was found unable to moderate the effect of Independent Commissioners on Company Value. ERM cannot moderate the effect of Managerial Ownership on Company Value. Managerial Ownership has a significant positive effect on Company Value, Independent Commissioners have a positive but not significant effect on Company Value (Widianingsih, 2018).

Managerial Ownership and Independent Commissioners do not affect Company Value (Wahyudin et al., 2020).

Shatnawi's research (Shatnawi et al., 2019) states that ERM has a strong potential to moderate the relationship between Managerial Ownership and Company Value. It also shows that ERM has a strong impact moderating Independent Commissioners on Company Value. The difference between this research and previous research is that the current study examines pharmaceutical sub-sector manufacturing companies that were not examined in previous research, namely food and beverage sector manufacturing companies listed on the Indonesia Stock Exchange (IDX). The present study examines the period 2018-2020 which was not examined in previous research.

This study aims to identify the influence of Managerial Ownership, Independent Commissioners, and Corporate Social Responsibility (CSR) on Company Value, both individually and with Enterprise Risk Management (ERM) as a moderating variable. Thus, this study will provide a deeper understanding of the relationship between these factors and company performance. The theoretical benefits include contributing as a reference for further research on ERM as a moderation of Company Value. Practically, the results of this study can help companies understand the importance of corporate social responsibility reflected in sustainability reporting and provide a basis for decision-making in establishing company policies that are more oriented towards concern for the social environment.

RESEARCH METHOD

This research employs a quantitative method based on an understanding of realities that can be categorized, relatively stable, concrete, observable, and measurable, as well as cause-and-effect relationships. The population used is all pharmaceutical companies listed on the Indonesia Stock Exchange (IDX) during the years 2018-2022, with sampling conducted using purposive sampling techniques. Data were collected through documentation techniques from the financial reports of companies carried out on the entire population (census). The data collection design used is a cross-sectional design, where data are collected from many different individuals at one point in time. The types of data used are nominal (dummy) and ratio, sourced from the financial reports of pharmaceutical companies on the IDX during that period.

The variables studied include Managerial Ownership, Independent Commissioners, Corporate Social Responsibility, and Company Value measured using Tobin's Q, as well as Enterprise Risk Management as a moderating variable. Operational definitions of variables are provided for each variable included in this study. Data analysis is conducted using multiple linear regression analysis with Moderated Regression Analysis (MRA) using SPSS software. Thus, this research aims to identify the relationship between these variables and provide a better understanding of the performance of pharmaceutical companies in the context of the variables under study.

RESULT AND DISCUSSION

Descriptive Data Analysis

Table 4.3 Descriptive Statistics

Statistics

		X1	X2	X3	M	Y
N	Valid	50	50	50	50	50
	Missing	0	0	0	0	0
Mean		,0142	,4599	,7424	,5940	2,5534
Std. Deviation		,03499	,10388	,18333	,12562	2,60506
Variance		,001	,011	,034	,016	6,786
Minimum		,00	,25	,44	,15	,28

Source: Data processed by the author, 2024

The table above presents a summary of statistics including mean, standard deviation, variance, minimum, and maximum values of the data for the variables Managerial Ownership (X1), Independent Commissioners (X2), Corporate Social Responsibility (X3), Enterprise Risk Management (M), and Company Value (Y). For the Managerial Ownership variable (X1), the mean is 0.0142, standard deviation is 0.03499, and variance is 0.001. The minimum value is 0 and the maximum is 0.12.

For the Independent Commissioners variable (X2), the mean is 0.4599, standard deviation is 0.10388, and variance is 0.011. The minimum value is 0.25 and the maximum is 0.75.

For the Corporate Social Responsibility variable (X3), the mean is 0.7424, standard deviation is 0.18333, and variance is 0.034. The minimum value is 0.44 and the maximum is 1.00.

For the Enterprise Risk Management variable (M), the mean is 0.5940, standard deviation is 0.12562, and variance is 0.016. The minimum value is 0.15 and the maximum is 0.75.

For the Company Value variable (Y), the mean is 2.5534, standard deviation is 2.60506, and variance is 6.786. The minimum value is 0.28 and the maximum is 14.62.

Table 4.4 Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		50
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	2,30541642
Most Extreme Differences	Absolute	,231
	Positive	,231
	Negative	-,150

Test Statistic	,231
Asymp. Sig. (2-tailed)	,000[c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

Based on the table above, the Kolmogorov-Smirnov test was used to assess normality. The obtained Sig. value is 0.000. Since this value is less than alpha 5% (0.000 < 0.05), it can be concluded that the residual data is not normally distributed. However, given that the data is a panel data with more than 30 observations, normality assumption is considered fulfilled according to the central limit theorem, which states that if there are n more than 30, the data tends to be normally distributed (Mclave, 2015). Therefore, further testing can be conducted.

Table 4.5 VIF Multicollinearity Test Results

Coefficients[a]

Model		Collinearity Statistics Tolerance	VIF
1	X1	,907	1,103
	X2	,947	1,056
	X3	,932	1,073

a. Dependent Variable: Y

The results in the table above show that the VIF value of each independent variable is below 10, namely Managerial Ownership (X1) = 1.103, Independent Commissioner (X2) = 1.056, *Corporate Social Responsibility* (X3) = 1.073. And it can also be known the *tolerance* value of each independent variable, namely the variable Managerial Ownership (X1) = 0.907, Independent Commissioner (X2) = 0.947, *Corporate Social Responsibility* (X3) = 0.932 has a value above 0.1. Based on these results, it can be concluded that there is no multicollinearity between independent variables in the model.

Table 4. 1 Heterokedasticity Test Results

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	2,141	1,708		1,253	,217
	X1	-16,434	43,538	-,312	-,377	,708
	X2	-16,998	13,193	-,957	-1,288	,205
	X3	9,837	9,099	,977	1,081	,286
	X1_M	6,232	70,929	,073	,088	,930
	X2_M	26,185	22,350	1,180	1,172	,248
	X3_M	-16,065	14,456	-1,473	-1,111	,273

a. Dependent Variable: Abs_Res1

The results in the table above show that the value of sig. each independent variable is more than alpha 5%, namely Managerial Ownership (X1) = 0.708, Independent Commissioner (X2) = 0.205, *Corporate Social Responsibility* (X3) = 0.286, Managerial Ownership moderated *Enterprise Risk Management* (X1*M) = 0.930, Independent Commissioner moderated *Enterprise Risk Management* (X2*M) = 0.248, *Corporate Social Responsibility* moderated *Enterprise Risk Management* (X3*M) = 0.273. Based on these results, it can be concluded that there is no heteroscedacity in multiple regression models.

Hypothesis testing:

Table 4. 2 Autocorrelation Criteria

Kesimpulan	Daerah Pengujian
Terdapat autokorelasi positif	$d < d_L$
Ragu-ragu	$d_L < d < d_U$
Tidak terdapat autokorelasi	$d_U < d < 4\text{-}d_U$
Ragu-ragu	$4\text{-}d_U < d < 4\text{-}d_L$
Terdapat autokorelasi negatif	$4\text{-}d_L < d$

By using the program *SPSS 25.00 for windows, obtained statistical value d* = 1.212.

Table 4. 3 Autocorrelation Test Results Before Transformation

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,466[a]	,217	,108	2,46101	1,018

a. Predictors: (Constant), X3_M, X2, X1, X3, X1_M, X2_M
b. Dependent Variable: Y

From the table above, a d value of 1.018 is obtained. These values are then compared with the dL and dU values in the *Durbin-Watson* table. For α = 0.05, k = 6 and n = 50, obtained dL=1.335 and dU = 1.771. Since d lies below dL(1.58), it is concluded that the model has a positive autocorrelation.

To overcome the autocorrelation problem, corrective action is needed, namely variable transformation using the ρ (rho) estimation method based on *Durbin-Watson d statistics* (Gujarati, N. Damodar, *Essentials of Econometrics, Second Edition*, 1998: 394).

After all observation samples were transformed, then a re-autocorrelation test was carried out using *SPSS 25.0 for Windows* where the results were as follows.

Table 4. 4 Autocorrelation Test Results After Transformation

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,513[a]	,263	,160	2,18213	2,228

a. Predictors: (Constant), X3_M, X2, X1, X3, X1_M, X2_M
b. Dependent Variable: Y

From the SPSS output in the table above, a d value of 2.228 is obtained. Since d lies between dU(1.771) and 4-dU(2.229), it is concluded that the model no longer has autocorrelation.

Multiple Linear Regression Equation

The multiple linear regression model to be formed is as follows:

$$\mathbf{Y = \beta_0 + \beta_1 X1 + \beta_2 X2 + \beta_3 X3 + \beta_4 X1{*}M + \beta_5 X2{*}M + \beta_6 X3{*}M}$$

Where:
YY = Company Value
$X1$ = Managerial Ownership
$X2$ = Independent Commissioners
$X3$ = Corporate Social Responsibility
X1*M = Managerial Ownership moderated by Enterprise Risk Management
$X2*M$= Independent Commissioners moderated by Enterprise Risk Management
$X3*M$= Corporate Social Responsibility moderated by Enterprise Risk Management
β_0 = Constant coefficient
β_{1-6} = Regression coefficients

Using the SPSS 25.0 for Windows software, the output of the multiple linear regression calculation is as follows:

Table 4.10 Calculation Results of Regression Equation Coefficient Values

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-2,821	1,363		-2,069	,045
	X1	-,518	1,760	-,195	-,294	,770
	X2	,994	,614	1,217	1,620	,113
	X3	1,691	,794	1,427	2,129	,039
	X1_M	,218	1,085	,132	,201	,842
	X2_M	1,155	,562	1,674	2,055	,046
	X3_M	1,444	,808	1,554	1,787	,081

a. Dependent Variable: Y

Based on the output in the table above, the constant value and regression coefficients are obtained, forming the multiple linear regression equation as follows:
Y = -2,821 - 0,518 X1 + 0,994 X2 + 1,691 X3 + 0,218 X1*M + 1,155 X2*M + 1,444 X3*M

The equation above can be interpreted as follows:

$\beta 0=-2.821$; meaning that if Managerial Ownership ($X1X1$), Independent Commissioners ($X2X2$), Corporate Social Responsibility ($X3X3$), Managerial Ownership moderated by Enterprise Risk Management ($X1*MX1*M$), Independent Commissioners moderated by Enterprise Risk Management ($X2*MX2*M$), and Corporate Social Responsibility moderated by Enterprise Risk Management ($X3*MX3*M$) are all zero, then the Company Value (YY) will be -2.821 units.

$\beta 1=-0.518$; meaning that if Managerial Ownership ($X1X1$) increases by one unit while other variables are held constant, then Company Value (YY) will decrease by 0.518 units.

$\beta 2=0.994$; meaning that if Independent Commissioners ($X2X2$) increases by one unit while other variables are held constant, then Company Value (YY) will increase by 0.994 units.

$\beta 3=1.691$; meaning that if Corporate Social Responsibility ($X3X3$) increases by one unit while other variables are held constant, then Company Value (YY) will increase by 1.691 units.

$\beta 4=0.218$; meaning that if Managerial Ownership moderated by Enterprise Risk Management ($X1*MX1*M$) increases by one unit while other variables are held constant, then Company Value (YY) will increase by 0.218 units.

$\beta 5=1.155$; meaning that if Independent Commissioners moderated by Enterprise Risk Management ($X2*MX2*M$) increases by one unit while other variables are held constant, then Company Value (YY) will increase by 1.155 units.

$\beta 6=1.444$; meaning that if Corporate Social Responsibility moderated by Enterprise Risk Management ($X3*MX3*M$) increases by one unit while other variables are held constant, then Company Value (YY) will increase by 1.444 units.

Pearson Product Moment Correlation Analysis

By using the help of SPSS 25.0 *software for windows*, the *output* of the correlation coefficient results is obtained as follows:

Table 4.5. *PearsonProduct Moment Correlation Coefficient Value*

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson

1	,513[a]	,263	,160	2,18213	2,228

a. Predictors: (Constant), X3_M, X2, X1, X3, X1_M, X2_M
b. Dependent Variable: Y

From the analysis in the table above, it can be seen that the value of the correlation coefficient (R) is 0.513. The value is then interpreted based on Guilford's criteria as follows:

Table 4.6. Correlation Coefficient and Its Estimation

Coefficient Interval	Relationship Level
0,00 - 0,199	Very low
0,20 - 0,399	Low
0,40 – 0,599	Medium
0,60 – 0,799	Strong
0,80 – 1,000	Very strong

Source :Sugiyono, 2009:231

Based on the correlation coefficient interpretation table presented in the table above, the correlation coefficient of 0.513 indicates a moderate relationship between the variables Managerial Ownership (X1), Independent Commissioner (X2), *Corporate Social Responsibility* (X3), Managerial Ownership moderated *Enterprise Risk Management* (X1*M), Independent Commissioner moderated *Enterprise Risk Management* (X2*M), *Corporate Social Responsibility* moderated *Enterprise Risk Management* (X3*M) with variable Company Value (Y).

Coefficient of Determination Analysis

After knowing the value of r is 0.513, the coefficient of determination can be calculated using the following formula:

KD = R2 × 100%
= $(0.513)^2$ × 100%
= 26.3%

Thus, the value of the coefficient of determination of 26.3% is obtained which shows the meaning of Managerial Ownership (X1), Independent Commissioner (X2), *Corporate Social Responsibility* (X3), Managerial Ownership moderated Enterprise *Risk Management* (X1*M), Independent Commissioner moderated *Enterprise Risk Management* (X2*M), *Corporate Social Responsibility* moderated *Enterprise Risk Management* (X3*M) exerts a simultaneous influence (together) of 26.3% on Company Value (Y), while the remaining 73.7% is influenced by other factors not observed in this study.

Hypothesis Testing

Simultaneous Test (F Test)

Simultaneous hypothesis testing is a hypothesis testing that aims to determine whether together or simultaneously independent variables have a significant or no significant effect on the dependent variable.

Hypothesis:

H_0 : Managerial Ownership ($X1$), Independent Commissioners ($X2$), Corporate Social Responsibility ($X3$), Managerial Ownership moderated by Enterprise Risk Management ($X1*M$), Independent Commissioners moderated by Enterprise Risk Management ($X2*M$), and Corporate Social Responsibility moderated by Enterprise Risk Management ($X3*M$) collectively do not have a significant effect on Company Value (Y).

H_a : Managerial Ownership (X1), Independent Commissioner (X2), *Corporate Social Responsibility* (X3), Moderated Managerial Ownership *Enterprise Risk Management* (X1*M), Moderated Independent Commissioner *Enterprise Risk Management* (X2*M), *Corporate Social Responsibility* moderated *Enterprise Risk Management* (X3*M) simultaneously has a significant effect on Company Value (Y).

Test statistics:
Test *F* at significance level (α) = 5%.
Test criteria:
Reject *H0* and accept *H1* if *Fcalculate* ≥ *Ftable*; or
Accept *H0* and reject *H1* if *Fcount*< *Ftable*.

By using the help of the SPSS program application obtained the *Fcalculate* value as follows:

Table 4.7. Simultaneous Hypothesis Testing (F-Test)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	73,107	6	12,184	2,559	,033[b]
	Residual	204,752	43	4,762		
	Total	277,859	49			

a. Dependent Variable: Y
b. Predictors: (Constant), X3_M, X2, X1, X3, X1_M, X2_M

Based on the table above, a *Fcalculate* value of 2.559 is obtained. This value will then be compared to the F value in the F distribution table. For α = 5%, *df1* = *k* = 6, and *df2* = *n*–*k*–1 = 50–6–1 = 43, the *Ftable* value is 2.318.

Partial Test (Test t)

The results of partial testing calculations are as follows:

Table 4.8. Partial Hypothesis Testing (t-Test)

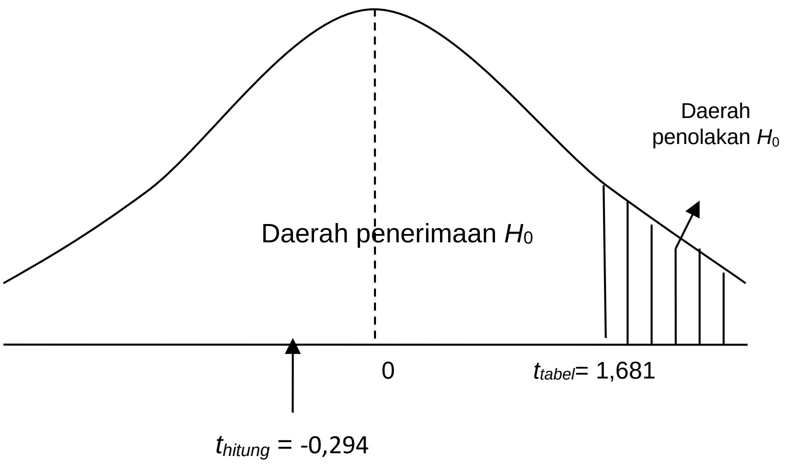
Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-2,821	1,363		-2,069	,045
	X1	-,518	1,760	-,195	-,294	,770
	X2	,994	,614	1,217	1,620	,113
	X3	1,691	,794	1,427	2,129	,039
	X1_M	,218	1,085	,132	,201	,842
	X2_M	1,155	,562	1,674	2,055	,046
	X3_M	1,444	,808	1,554	1,787	,081

a. Dependent Variable: Y

Based on the table above, the calculated *value for each independent variable is obtained* . The *calculated* values are then compared with the *t values* in the t distribution table. With α = 5% and *df* = *n–k-1* = 50–6-1 = 43, *the ttable value* of the distribution table t for one-party testing is 1.681.

Figure 4.1. Partial Hypothesis Testing Curve of the Effect of Managerial Ownership (X1) on Firm Value (Y)



Based on the test criteria described earlier, it can be seen that the calculated value of *the* Managerial Ownership variable (X1) is in the H0 acceptance area (-0.294 < 1.681). This shows that *H0* is accepted and *H1* is rejected, meaning that Managerial Ownership (X1) has a negative and partially insignificant effect on Company Value (Y).

Discussion

The Influence of Managerial Ownership on Company Value

The results of the partial hypothesis testing (t-test) for the variable Managerial Ownership ($X1$) on Company Value (Y) indicate that the tt-value for Managerial

Ownership ($X1$) falls within the acceptance region of $H0$ ($-0.294 < 1.681$). This suggests that $H0$ is accepted, and H1 is rejected, meaning that Managerial Ownership ($X1$) has a negative and statistically insignificant partial effect on Company Value (Y).

This finding is consistent with the research conducted by Sibarani (2021), where $H1$ was rejected due to the small proportion of Managerial Ownership in the pharmaceutical industry sample. Descriptive analysis results showed that the mean value of Managerial Ownership was 1.42 percent, with a maximum value of 12 percent. Five out of ten companies had no Managerial Ownership during the period from 2018 to 2022. Only three out of ten companies had Managerial Ownership during the 2018-2022 period. Due to the limited proportion of Managerial Ownership, managers do not feel emotionally attached to the company where they work. This contradicts the principles proposed by agency theory, which assume that giving managers the opportunity to act as owners of the company will overcome agency problems between the agent (manager) and the principal (company owner).

The Influence of Independent Commissioners on Company Value

The results of the partial hypothesis testing (t-test) for the variable Independent Commissioners ($X2$) on Company Value (Y) indicate that the t-value for Independent Commissioners ($X2$) falls within the acceptance region of $H0$ ($1.620 < 1.681$). This suggests that $H0H0$ is accepted, and $H1$ is rejected, meaning that Independent Commissioners ($X2$) have a positive but statistically insignificant partial effect on Company Value (Y).

This is consistent with the research conducted by Widianingsih (2018), Nuryono, M., Wijanti, A., & Chomsatu, Y. (2019). All pharmaceutical companies in the research sample already have Independent Commissioners. The positive but insignificant effect of Independent Commissioners on Company Value may be due to inefficiencies in performing supervisory functions by the current composition of the Independent Commissioner board. This occurs because the proportion of Independent Commissioners is not strong enough to control every policy adopted by the board of commissioners (Widianingsih, 2018).

Ineffective financial reporting oversight can trigger fraudulent financial reporting practices by management. This potentiality could subsequently reduce stock prices and overall Company Value. Moreover, the lack of monitoring of management actions by the board of commissioners and the lack of accountability of the board of commissioners to the company and shareholders can create agency conflicts leading to a decline in Company Value (Nuryono, M., Wijanti, A., & Chomsatu, Y., 2019).

The Influence of Corporate Social Responsibility on Company Value

The results of the partial hypothesis testing (t-test) for the Corporate Social Responsibility (CSR) variable ($X3$) on Company Value (Y) indicate that the tt-value for the Corporate Social Responsibility (CSR) variable ($X3$) falls within the rejection region of $H0H0$ ($2.129 > 1.681$). This suggests that $H0$ is rejected, and $H1$ is accepted, meaning that Corporate Social Responsibility (CSR) has a positive and significant partial effect on Company Value (Y).

This finding is consistent with research conducted by (Wirawan et al., 2020), (Siregar & Safitri, 2019), (Shofiani et al., 2022). Corporate CSR disclosure can reduce conflicts of interest and information asymmetry as explained in agency theory. When this result is linked to stakeholder theory, the company's CSR activity reports provide more relevant value to stakeholders. This indicates that the company has succeeded in increasing its Company Value (Wirawan et al., 2020).

The Influence of Managerial Ownership on Company Value with Enterprise Risk Management as a Moderating Variable

The results of partial hypothesis testing for the variable Managerial Ownership moderated by Enterprise Risk Management ($X1*M$) on Company Value (Y) show that the tt-value for the Managerial Ownership moderated by Enterprise Risk Management ($X1*M$) falls within the acceptance region of $H0H0$ (0.201<1.681). This indicates that $H0H0$ is accepted, and $H1H1$ is rejected, meaning that Managerial Ownership moderated by Enterprise Risk Management ($X1*M$) has a positive but statistically insignificant partial effect on Company Value (Y). This result is consistent with the findings of Sibarani (2021).

This is due to the involvement of managers as minority shareholders not being able to encourage them to actively participate in adequate company management. Managers with proportionate shares tend to limit their responsibilities only to meet the needs of company owners to receive their share of bonuses, including in terms of information disclosure and implementation of corporate risk management.

Through this condition, managers are not encouraged to be more actively involved and are still unable to independently disclose the company's risk management as they should, which will hinder their ability to maximize Company Value. Furthermore, an increase in share ownership by managers does not always mean an increase in Company Value. This indicates a difference of opinion on the proposed solutions to solve agency problems, as described by Jensen & Meckling (1976).

Managers have the opportunity to abuse these benefits for their own personal gain rather than using their rights for the benefit of the company and all its shareholders. Therefore, this does not encourage managers with share proportions to support the proper implementation of risk management in their businesses (Sibarani, 2021).

Research conducted by Rivandi (2018) found that disclosure of elements of corporate risk management may not always benefit investors. Investors may overlook important information about corporate risk management when making investment decisions. Statements about corporate risk management can only show that the company has complied with the regulations mentioned in the Financial Services Authority Regulation.

The Influence of Independent Commissioners on Company Value with Enterprise Risk Management as a Moderating Variable

The results of partial hypothesis testing for the variable Independent Commissioners moderated by Enterprise Risk Management ($X2*M$) on Company Value (Y) show that the t-value for the Independent Commissioners moderated by

Enterprise Risk Management ($X2{*}$M) falls within the rejection region of $H0$ (2.055>1.6812.055>1.681). This indicates that $H0$ is rejected, and $H1$ is accepted, meaning that Independent Commissioners moderated by Enterprise Risk Management ($X2{*}M$) have a positive and significant partial effect on Company Value (Y). This result is consistent with the research of Shatnawi (2019). This occurs due to the effective and well-functioning supervisory function of Independent Commissioners, which encourages the implementation of good governance. Thus, company managers will disclose ERM properly, rationally, and in accordance with the law, which will maximize Company Value (Handayani, B. D, 2017).

The Influence of Corporate Social Responsibility on Company Value with Enterprise Risk Management as a Moderating Variable

The results of partial hypothesis testing for the variable Corporate Social Responsibility moderated by Enterprise Risk Management ($X3{*}M$) on Company Value (Y) show that the *t*-value for the Corporate Social Responsibility moderated by Enterprise Risk Management ($X3{*}M$) falls within the rejection region of $H0$ (1.787>1.681). This indicates that $H0$ is rejected, and $H1$ is accepted, meaning that Corporate Social Responsibility moderated by Enterprise Risk Management ($X3{*}$M) has a positive and significant partial effect on Company Value (Y). This is in line with the research conducted by Fitriani, E., Nur, E., & Nasir, A. (2023).

These results can be interpreted to mean that good ERM implementation will improve better CSR disclosure, which will attract investors to invest, thereby increasing stock prices and ultimately Company Value. Signal theory explains that risk management disclosure can give investors confidence that all company operational activities, including CSR activities, have been implemented without ignoring the risks involved through risk management activities (Abdullah et al., 2015; Sari et al., 2019; Fitriani, E., Nur, E., & Nasir, A, 2023). Companies implementing risk management demonstrate good financial and market performance because risk management helps reduce uncertainty in the business environment. ERM can also influence the implementation of CSR, which in turn will affect Company Value (Florio & Leoni, 2017).

The Influence of Managerial Ownership, Independent Commissioners, and Corporate Social Responsibility, Together with Enterprise Risk Management Moderation on Company Value

The results of simultaneous hypothesis testing using the F-test show that the computed F-value is greater than the critical F-value (2.559 > 2.318). Therefore, $H0$ is rejected, and $H1$ is accepted, indicating a significant influence from Managerial Ownership ($X1$), Independent Commissioners ($X2$), Corporate Social Responsibility ($X3$), Managerial Ownership moderated by Enterprise Risk Management ($X1{*}M$), Independent Commissioners moderated by Enterprise Risk Management ($X2{*}M$), and Corporate Social Responsibility moderated by Enterprise Risk Management ($X3{*}M$) simultaneously on Company Value (Y).

The statistical test results for the Managerial Ownership variable on Company Value partially indicate a negative and insignificant effect. When tested by adding the Enterprise Risk Management moderation variable, it shows a positive and insignificant result. This indicates that the Managerial Ownership variable partially shows an insignificant result on Company Value even when moderated by the Enterprise Risk Management variable.

Enterprise Risk Management as a moderation variable can change the Managerial Ownership effect from negative to positive but has not been able to change its significance. Different results are shown when the Managerial Ownership variable is tested simultaneously with all independent variables in this study, namely Independent Commissioners and Corporate Social Responsibility, with Enterprise Risk Management moderation showing a positive and significant effect on Company Value.

The statistical test results for the Independent Commissioners variable on Company Value partially show a positive and insignificant effect. When tested by adding the Enterprise Risk Management moderation variable, it shows a positive and significant result. This indicates that there is a change in the significance of the Independent Commissioners variable partially on Company Value when moderated by the Enterprise Risk Management variable. Enterprise Risk Management as a moderation variable can change the effect of Independent Commissioners from insignificant to significant.

The statistical test results for the Corporate Social Responsibility variable on Company Value partially show a positive and significant effect. When tested by adding the Enterprise Risk Management moderation variable, it shows the same positive and significant result. This indicates that there is no change in the significance of the Corporate Social Responsibility variable partially on Company Value when moderated by the Enterprise Risk Management variable. Enterprise Risk Management as a moderation variable does not change the significance of the Corporate Social Responsibility effect. Overall, Enterprise Risk Management as a moderation variable can influence the direction of the relationship between independent variables and the dependent variable both partially and simultaneously.

According to the Committee of Sponsoring Organizations of the Treadway Commission (2017), to enhance company value, the concept of Enterprise Risk Management (ERM) encompasses holistic risk management used to create, maintain, and realize value for organizations. Organizations can identify new opportunities for business growth and development using a holistic ERM approach. They can also make more informed decisions by understanding the risks involved. Companies can manage risks that may hinder the achievement of their business objectives by implementing effective ERM practices.

By proactively identifying, evaluating, and managing risks, companies can reduce the likelihood of losses and increase the likelihood of achieving desired outcomes. By considering related risks, ERM helps organizations make better strategic decisions. With a better understanding of how risks affect business objectives, management can make more accurate decisions and achieve long-term value. ERM enables organizations to better see what threatens them and what has been done to manage it.

This increases transparency and accountability in decision-making, which can enhance stakeholder confidence and company value. Companies can create sustainable long-term value by leveraging growth opportunities, proactively managing risks, and making better strategic decisions by implementing ERM. This helps companies become more resilient, flexible, and competitive in a changing market, which in turn can increase overall company value.

CONCLUSION

Based on the discussion results, it can be concluded that Managerial Ownership has a negative but insignificant partial effect on Company Value, while Independent Commissioners have a positive but insignificant partial effect, and Corporate Social Responsibility has a positive and significant partial effect on Company Value. Enterprise Risk Management moderates positively but insignificantly the effect of Managerial Ownership.

However, it moderates positively and significantly the effect of Independent Commissioners and Corporate Social Responsibility on Company Value. Overall, these variables together with Enterprise Risk Management moderation provide a significant influence on Company Value. As a suggestion, although this study provides an understanding of 26.3% of the influence of independent variables through moderation on Company Value, further research considering other unobserved factors is needed to explain the remaining 73.7% of the influence.

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