



Unlocking Firm Value: The Interplay of Intellectual Capital, Financial Risk, and Enterprise risk Management

Suminarti^{1*}, Tupi Setyowati², Novita Kusuma Maharani³

^{1,2,3} Department of Management, Faculty of Economics and Business, Muhammadiyah Prof. DR. HAMKA University

Received: 26-11-2024; Accepted: 31-11-2024

Abstract

This research investigates the impact of Intellectual Capital, Financial Risk, and Enterprise Risk Management on Firm Value in the food and beverage industry. The sample consists of 9 companies listed on the Indonesia Stock Exchange for the 2018-2022 period, with 45 data points collected using purposive sampling. Secondary data was sourced from financial information available on www.idx.co.id. Multiple linear regression analysis was applied. The study's findings reveal that only Financial Risk has a significant positive effect on Firm Value, while Intellectual Capital and Enterprise Risk Management do not show a significant impact. These results contradict previous research. Based on these findings, it is recommended that companies focus on optimizing financial risk management, particularly in leveraging debt for operations, while still considering the importance of Intellectual Capital and Enterprise Risk Management. These factors may provide long-term benefits for the company despite their current lack of a direct impact on Firm Value.

Keywords: Enterprise risk management, Financial risk, Intellectual capital, Firm value

Abstrak

Penelitian ini menyelidiki dampak dari Kapital Intelektual, Risiko Keuangan, dan Manajemen Risiko Perusahaan terhadap Nilai Perusahaan di industri makanan dan minuman. Sampel terdiri dari 9 perusahaan yang terdaftar di Bursa Efek Indonesia untuk periode 2018-2022, dengan 45 data yang dikumpulkan menggunakan purposive sampling. Data sekunder diperoleh dari informasi keuangan yang tersedia di www.idx.co.id. Analisis regresi linier berganda diterapkan. Hasil penelitian menunjukkan bahwa hanya Risiko Keuangan yang memiliki pengaruh positif yang signifikan terhadap Nilai Perusahaan, sementara Kapital Intelektual dan Manajemen Risiko Perusahaan tidak menunjukkan pengaruh yang signifikan. Hasil ini bertentangan dengan penelitian sebelumnya. Berdasarkan temuan ini, disarankan agar perusahaan fokus pada optimalisasi manajemen risiko keuangan, khususnya dalam memanfaatkan utang untuk operasi, sambil tetap memperhatikan pentingnya Kapital Intelektual dan Manajemen Risiko Perusahaan. Faktor-faktor ini dapat memberikan manfaat jangka panjang bagi perusahaan meskipun saat ini tidak memiliki dampak langsung terhadap Nilai Perusahaan.

Kata Kunci: Manajemen Risiko Perusahaan, Risiko Keuangan, Kapital Intelektual, Nilai Perusahaan

JEL Classification:

How to cite: Suminarti, Setyowati, T., Maharani, N. K., (2024), Unlocking Firm Value: The Interplay of Intellectual Capital, Financial Risk, and Enterprise risk Management, *Jurnal Orientasi Bisnis dan Entrepreneurship (JOBS)*, 5(2), 175-188

Corresponding author: Suminarti (suminarti320@gmail.com)



This is an open-access article under the [CC-BY-SA](https://creativecommons.org/licenses/by-sa/4.0/) international license

1. Introduction

The world is moving so fast that it cannot be denied that it has an impact on the increasingly advanced business world, all business people, as well as investors, must have the accuracy to make decisions on their business. The rapid development of technology forms a very tight business competition, so changes in strategy are needed so that the Company can maintain its existence (Mariani & Suryani (2018).

Looking at information from Central Statistics Agency (BPS) in DJKN, Kemenkeu RI (2022), the food and beverage sector grew by 2.54% between the periods of 2020 and 2021. The GDP of the food and beverage sector jumped by 4.90% in 2022. One industry that drives the expansion of the non-oil and gas processing sector is the food and beverage sector. The food and beverage industry contributed 38.05% to the GDP of the non-oil and gas processing industry.

In the field of business, the value of a company is often emphasized. This figure is interpreted as an estimate of the return on funding for funders or capital. The value of the Company is reflected in the price of shares traded on the Indonesia Stock Exchange (IDX). Based on data from the IDX the price-to-book value (PBV) generated by the food and beverage industry tends to vary, especially in the period 2018 to 2022. The average PBV of companies decreased significantly from 2018 to 2020, but in 2021 there was a very significant increase to reach 632.657. However, again, there was a decline in the average PBV in this industry; in 2022, the average PBV displayed a value of 108.547. The fluctuations that occur in PBV the food and beverage industry are caused by various aspects. Aspects that affect the Company's capability to grow consist of financial factors, one of which is financial risk, as well as non-financial factors, including intellectual capital and enterprise risk management (Candra & Wiratmaja, 2020). Therefore, investors must also pay attention to non-financial information because only paying attention to financial information contained in security disclosures does not guarantee good decision-making.

To maintain and improve the performance of a company, it is necessary to utilize increasingly rapid technological developments in order to continue to innovate the products produced (Oktaviani, at el., 2019). So it is necessary to manage the Intellectual Capital (IC) owned by the company, so that the company can continue to innovate with the products produced (Ulum, 2017). Intellectual Capital (IC) is very important in terms of implementing strategies for companies to gain competitive advantage and improve their performance (Al-Azizah & Wibowo, 2023). The three main elements of intellectual capital include: human capital (sources of knowledge, skills, and competencies), organizational capital (structural), and customer capital (relational or consumer) (Mariani & Suryani, 2018). IC needs to be owned by companies to continue to be able to develop their companies along with the progress of the business environment that is accelerating so that the food and beverage industry is able to compete in the world arena.

Based on the explanation above, Intellectual Capital (IC) is an intangible asset that if managed optimally will give birth to the innovations needed by the company to ensure its value and business continuity. However, the rapid development of technology goes hand in hand with increasing company risk in the future (Savitri, et al., 2020). So that companies need to maximize company risk management.

According to ISO 31000, Enterprise Risk Management (ERM) is defined as organized actions taken to manage and address the Company's risks. ERM is developed and implemented by management to provide a high level of assurance that all potential negative risks are

appropriately addressed for risks that may be considered acceptable to the Company. This is an effort to manage the uncertainty that arises in a company (Malik & Simatupang, 2021).

ERM disclosures provide details about an enterprise's risk management practices and highlight how those practices may affect the organization going forward. The eight components of Enterprise Risk Management (ERM) include internal environment, goal setting, problem identification, risk assessment, risk response, control measures, information, communication, and monitoring. The Committee of Sponsoring Organizations (COSO) originally introduced ERM in 2004. An illustration of an internal business risk that may arise from inadequate enterprise risk management is the problem of fraud. The implementation of enterprise risk management in an organization can help in managing operations to reduce the possibility of fraud that can harm the organization.

One of the important financial factors to consider when trying to increase a firm value is financial risk with the Debt to debt-to-equity ratio (DER). This aspect relates to the use of Debt for the Company's operational activities, which will affect the Company's financial flexibility. The danger that arises when a company starts using fixed-interest Debt to support its operations is known as financial risk (Ginting et al., 2020). The high use of debt by the company will have an impact on the company's value as well as the views of potential investors in the company.

The results of the study (Siregar & Safitri, 2019) show the influence of Intellectual Capital on Firm Value, but in contrast to the findings (Halim, 2021) which confirm the absence of the influence of Intellectual Capital on Firm Value. Furthermore, the findings (Ginting, et al., 2020) show a positive relationship between Financial Risk and Firm Value, but in contrast to the results of the study (Agung & Wulandari, 2022) which did not find a relationship between Financial Risk and Firm Value. Then the study results (Candra & Wiratmaja, 2020) revealed an absolute impact between Enterprise Risk Management and Firm Value, in contrast to the findings (Rahmi & Wijaya, 2022) which did not find any impact of Enterprise Risk Management on Firm Value.

Referring to the background that has been described, gap research or inconsistency in the results of previous research on the specified variables is found. So that it becomes the basis for researchers to prove and conduct research again. There have been many studies related to the variables of Intellectual Capital, Financial Risk, and Enterprise Risk Management on Firm Value, but what distinguishes this research from previous studies is that in research conducted by Ginting, et al. (2020) and Berliana & Bwarleling (2021) the object used in the study is the banking sector. Meanwhile, the objects used in this study are companies in the food and beverage sector.

2. Literature Review and Hypothesis

Signaling Theory

This theory shows that management's response to inform investors about the Company's opportunities is called a signal. Based on this theory, investors can be distinguished between companies that have high value and those that have low value (Brigham and Houston in Riberu & Sulfitri, 2023). In signal theory, there are two groups involved: management, which functions as a signal provider and external groups, such as investors, who act as signal recipients. By providing investors with information that can ultimately change their judgment by assessing the health of the Company, signal theory helps explain management actions (Suganda, 2018). Signaling theory highlights the importance of information that businesses disclose regarding outside investment decisions. Since it offers information, clues, or explanations about the state of events in the past, present, and even future periods related to

the survival of the Company and its impact on the market, information is an important component for investors and business people. Increased transparency reveals that this business outperforms competitors because of its openness policy Pratiwi (2019) in S.Emar & Ayem (2020).

Making decisions requires clear and comprehensive information. This includes details regarding the Company's risk profile and risk management, also referred to as enterprise risk management (ERM); intellectual capital disclosure is also required for investor investment, and the financial risks resulting from the Company's commercial operations.

Resource Based Theory

Understanding how resources, capabilities, competitive advantage, and profitability—especially the ability to master procedures by fortifying a competitive reputation to one another over time—is what Wernerfelt (1984) defined as Resource-Based Theory. Berliana and Bwarleling (2021) explained that the Company has the resources to create a company that competes in quality and is able to guide the Company to achieve good long-term performance.

The main purpose of a knowledge-based economy is value addition. Therefore, physical capital, in the form of money, is necessary, as is the intellectual potential that comes from employees using all their skills and potential. The ideas presented lead to the conclusion that the Company's resources, both material and immaterial, will have an impact on its performance so that, ultimately, the Company's value will increase.

Firm Value

Firm Value describes the present value of future free cash flows. Firm value can be seen from the selling price of its shares. The higher the selling price of its shares, the higher the firm value will be (Ginting et al., 2020). Supriyadi & Setyorini (2020), Firm Value is the selling price of a company like a business that is currently operating. Siregar & Safitri (2019) explained that Company Value is a position that the Company has reaped as a form of public trust because the Company has gone through a long journey over the years, namely from the first time the Company was established until now. Fadhilah et al. (2020), Company Value is market value because it offers abundance and peace of mind to owners and investors when the Company's share price has successfully surged.

Based on the previous explanation of the definition of company value, the researcher concludes that company value is a number that describes the current condition of the Company based on the performance that the Company has gone through before.

Intellectual Capital

According to Siregar & Safitri (2019) Intellectual Capital (IC) is an approach used to assess intangible wealth in the form of knowledge. According to Berliana & Bwarleling (2021), Intellectual Capital is an intangible asset that includes knowledge, information, experience, and intellectual property. It can be used to generate wealth and give the Company a competitive advantage, which can show that it is worth more than other businesses. According to Putuyana & Budiarto (2018), IC is intangible wealth, which is the root of useful information and understanding to increase competitiveness and can advance the Company's capabilities and create company value.

On the basis of the previous definition of IC, researchers were able to conclude that intangible resources such as knowledge, expertise, and other intellectual assets that can provide a competitive advantage for businesses are included in Intellectual Capital. This information is very important for investors because it can explain the future possibilities of a company.

Because of this, Intellectual Capital can be expected to have a positive relationship with firm value, therefore this hypothesis is proposed:

Hypothesis 1: Partially Intellectual Capital affects the value of the company.

Financial Risk

Rahmadani & Wulandari (2022) financial risk is news and instructions for investors regarding the monetary capacity and risk of bankruptcy of a company in the future and long term. According to Ginting et al. (2020), Financial risk is a risk that arises because the Company starts using Debt with a fixed interest burden to finance its operational activities. According to Syamsuddin in Ginting et al. (2020), financial risk is a condition when the Company cannot fulfill its financial obligations. According to Kahira et al. (2021), Financial Risk is an additional risk for investors caused by the use of leverage in a company.

Looking at the definition of financial risk above, researchers are able to conclude that financial risk is a form of financial uncertainty arising from poor financial management or other external conditions that make it difficult for companies to cover their financial costs.

The use of debt for the company's operational activities will indirectly increase dividends for investors, which means that the company's value will grow (Ginting, et al., 2020). So Financial Risk can be expected to have a positive relationship with firm value. Therefore, the following hypothesis is proposed:

Hypothesis 2: Financial Risk partially affects Firm Value

Enterprise Risk Management

According to ISO 31000 in Riberu & Sulfitri (2023), Enterprise Risk Management (ERM) is defined as organized actions taken to manage and overcome company risks. The Committee of Sponsoring Organization of The Treadway Commission (COSO) confirms that The Company's board of directors, management, and other staff members establish an enterprise risk management process, which is used in setting cross-company strategies and strategies. The goal is to manage risk, identify possible events that could impact the business, and provide assurance that objectives will be met. According to Malik & Simatupang (2021), Enterprise Risk Management is an effort to manage the uncertainties that arise in a company.

Based on the definition of Enterprise Risk Management (ERM) above, researchers are able to conclude that Enterprise Risk Management is the Company's expertise to understand and manage business risks or uncertainties.

The findings of Candra & Wiratmaja (2020) and Riberu & Sulfitri (2023) support the idea that enterprise risk management increases firm value when information about corporate risk is disclosed. So, Enterprise Risk Management can be expected to have a positive relationship with Firm Value. Therefore, the following hypothesis is proposed:

Hypothesis 3: Enterprise Risk Management partially affects Firm Value.

3. Data and Method

Based on the approach and nature of the research used, this study belongs to the quantitative approach, which is explanatory. Quantitative studies refer to the positive school of thought. The positive philosophy scans that an event in research can be categorized and measured, tends to be constant, actual, and observable, and the bond of symptoms is causal (Sugiyono, 2022).

Data Type and Source

The type of data in this study is subordinate data obtained from financial information

contained on the www.idx.ac.id page. The population of this study is a food and beverage company listed on the Indonesia Stock Exchange in the 2018-2022 period. Purposive sampling is a technique used in the sampling process of this study; there are nine companies as samples that match the criteria that have been compiled.

Analysis Technique

Quantitative techniques were used along with descriptive analysis techniques to analyze the data available in this study. Specifically, secondary data collected was compiled from the Indonesia Stock Exchange (IDX) website. Information was used between 2018 and 2022, and the IBM SPSS application was used to process the data.

Classical Assumption Test

Testing classical hypotheses to ascertain whether there are errors in the multiple regression equation or the underlying classical assumptions. Hypothesis testing used in this study includes autocorrelation, multiplicity collinearity, heteroskedastic, and normality tests.

Multiple Linear Regression Analysis

Multiple linear regression was used in this study because it involved three independent variables (X): enterprise risk management, financial risk, and intellectual capital. This method is used because it can predict dependent value based on the value of several independent variables and can assess the contribution of each independent variable to the dependent variable (Hair., et.al, 2019).

Hypothesis Test

The tentative response to the formulation of the study problem based on empirical evidence found through data collection, according to Sugiyono (2019) is a hypothesis. Hypothesis tests include the F Test (Simultaneous) and the T-Test (Partial).

Coefficient of Determination (R²)

Estimating how well a model can explain the volatility of the dependent variable is the role of the Determinant Coefficient (R²), according to Ghozali (2018). The coefficient of determination ranges in the interval 0 to 1.

Operational Variables

Firm Value

According to S.Emar & Ayem (2020) Investors' assessment of business success, known as company value, is often correlated with its share price. The measurement formula uses Tobins's Q:

$$\text{Firm Value} = \frac{\text{MVE} + \text{Debt}}{\text{TA}} \quad (1)$$

With: MVE = Market Value of Equity; Debt = debt; TA = Total Assets

Intellectual Capital

According to Berliana & Bwarling (2021) Intangible assets that are very meaningful to improve the company's finances are Intellectual Capital. Public (1998, 1999, 2000) produced a combination of three additional values, which he named VAIC. The following are instructions for collecting and calculating VAIC in (Wijayani, 2017):

1. Value Added (VA)

$$\text{VA} = \text{output} - \text{input} \quad (2)$$

With: Output = Total sales and ancillary income; Input = Cost of sales and ancillary expenses (other than employee expenses)

2. Value Added Capital Employed (VACA)

$$\mathbf{VACA = VA/CE} \quad (3)$$

With: CE = Capital Employed, available funds (equity, net income); VA = Value Added

3. Value Added Human Capital (VAHU)

$$\mathbf{VAHU = VA/HC} \quad (4)$$

With: HC = Human Capital, labor burden

4. Structural Capital Value Added (STVA)

$$\mathbf{STVA=SC/VA} \quad (5)$$

With: SC = VA - HC

5. Value Added Intellectual Coefficient (VAIC)

$$\mathbf{VAIC = VACA + VAHU + STVA} \quad (6)$$

Financial Risk

Debt to equity (DER) is a metric as a measure of financial risk. The following formula is used to calculate the variables for measurement:

$$\mathbf{DER = \frac{Total Liabilities}{Total Capital} \times 100\%} \quad (7)$$

Enterprise Risk Management

The ERM disclosure elements used in this study are the same as the ERM disclosure elements used by Desender (2007). Among them, (1) internal area, (2) direction, (3) incident recognition, (4) risk assessment, (5) risk response, (6) monitoring activities, (7) information and communication, (8) Divided into 108 monitoring items. The ERM Disclosure Index is a measurement tool for ERM disclosure (Deffi et al., 2020). The index in this study is calculated using the formula below.

$$\mathbf{ERMD = \frac{\sum ijDitem}{\sum ijADitem}} \quad (8)$$

With:

ERMDI = ERM Disclosure Index;

$\sum ij$ Ditem = Total Score of Disclosed ERM Items;

$\sum ij$ ADItem = Total ERM Items that Should Be Disclosed

4. Results**Classical Assumption Test****Table 1. Normality Test**

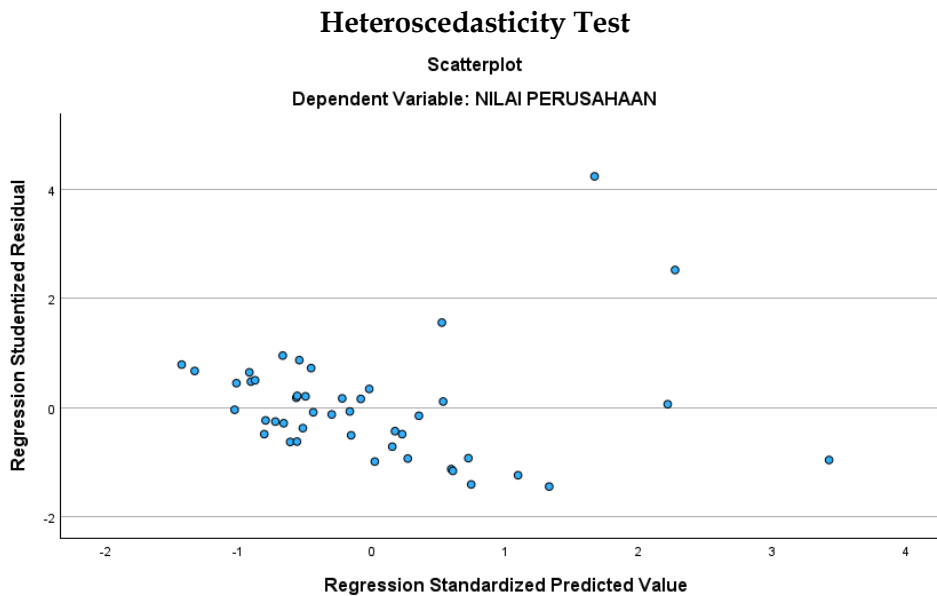
One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
N		45
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.43402614
Most Extreme Differences	Absolute	.124
	Positive	.124
	Negative	-.075
Test Statistic		.124
Asymp. Sig. (2-tailed) ^c		.079

Monte Carlo Sig. (2-tailed) ^d	Sig.		.078
	99% Confidence Interval	Lower Bound	.071
		Upper Bound	.085

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 1314643744.

Source: *Output IBM SPSS*

Judging from this table, it can be concluded that the Tolerance value is more than 0.10. For the intellectual capital variable (X1) has a tolerance value (0.968 > 0.10). The financial risk variable (X2) has a tolerance value (0.699 > 0.10), and the enterprise risk management variable (X3) has a tolerance value (0.700 > 0.10). This means that all independent variables are not intervened by multicollinearity in the regression model, or there is multicollinearity between Intellectual Capital (X1). Financial Risk (X2). Enterprise Risk Management (X3) and Firm Value (Y), there is no multicollinearity between the independent variables.



Source: *Output IBM SPSS*

Image 1. Scatterplot

The bar plot image above shows that heterocadasticity is absent as no pattern can be seen between the separate points above and below 0 (zero) on the Y-axis.

Table 2. Autocorrelation Test

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.566 ^a	.320	.270	2.52150	1.715

- a. Predictors: (Constant), Enterprise Risk Management, Intellectual Capital, Financial Risk
- b. Dependent Variable: Firm Value

Source: *Output IBM SPSS*

With a Durbin-Watson (DW) value of 1.715, the autocorrelation test was calculated. Refer to the Durbin-Watson table to get the DU value. The difference between the number of variables (n) and the number of samples (n) is 1.61482. The DW value of 1.715 is higher than the DU value of 1.61482 and lower than the 4-DU value of 2.38518, according to the autocorrelation

test findings mentioned above. This indicates that $du < d < 4-du$, indicating the absence of positive or negative autocorrelation and acceptance of H_0 .

Multiple Linear Analysis

Table 3. Multiple Linear Regression Analysis

Model		Coefficients ^a					Collinearity Statistics	
		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Tolerance	VIF
		B	Std. Error	Beta				
1	(Constant)	1.060	2.941		.361	.720		
	Intellectual Capital	.262	.155	.221	1.690	.099	.968	1.033
	Financial Risk	3.496	1.019	.529	3.432	.001	.699	1.431
	Enterprise Risk Management	-2.138	5.124	-.064	-.417	.679	.700	1.429

a. Dependent Variable: Firm Value
Source: *Output IBM SPSS*

Looking at the findings from the multiple linear regression test shown in the previous table. It can be interpreted that if other independent variables are fixed and Intellectual Capital increases by 1%, then the company value will increase by 0.262. If other independent variables have a constant value and Financial Risk experiences a 1% increase, the company value will increase by 3.496. If other independent variables have a constant value and the Enterprise Risk Management variable increases by 1%, the Company Value will decrease by 2,138.

Hypothesis Test

Table 4. Partial Test Results (T Test)

Model		Coefficients ^a					Collinearity Statistics	
		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Tolerance	VIF
		B	Std. Error	Beta				
1	(Constant)	1.060	2.941		.361	.720		
	Intellectual Capital	.262	.155	.221	1.690	.099	.968	1.033
	Financial Risk	3.496	1.019	.529	3.432	.001	.699	1.431
	Enterprise Risk Management	-2.138	5.124	-.064	-.417	.679	.700	1.429

a. Dependent Variable: FIRM VALUE
Source: *Output IBM SPSS*

Based on the table above, it is found that partially the Intellectual Capital variable has no influence on Firm Value. The Financial Risk variable affects the Company Value variable positively and significantly. The Enterprise Risk Management variable has no effect on the Company Value variable.

Table 5. Simultaneous Test Results (F Test)

Model		ANOVA ^a				
		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	122.581	3	40.860	6.427	.001 ^b
	Residual	260.677	41	6.358		
	Total	383.258	44			

a. Dependent Variable: Firm Value
b. Predictors: (Constant). Enterprise Risk Management. Intellectual Capital. Financial Risk
Source: *Output IBM SPSS*

The simultaneous test results table shows that H4 is accepted, meaning that the Intellectual Capital, Financial Risk, and Enterprise Risk Management variables simultaneously affect Firm Value.

Coefficient of Determination (R^2)

Table 6. Coefficient of Determination Analysis (Adjusted R Square)

Model Summary ^b						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson	
1	.566 ^a	.320	.270	2.52150	1.715	

a. Predictors: (Constant), Enterprise Risk Management, Intellectual Capital, Financial Risk

b. Dependent Variable: Firm Value

Source: *Output IBM SPSS*

The results of the study confirm that the Intellectual Capital, Financial Risk, and Enterprise Risk Management variables can explain 27% of the variation in Firm Value. Meanwhile, the Company Value can be caused by variables other than those examined in this study by 73%.

5. Discussion

The Effect of Intellectual Capital on Firm Value

It is evident from the findings of the premise test above that there is no relationship between the Intellectual Capital variable and firm value in food and beverage companies. This is because the Intellectual Capital variable does not support resource-based theory, the resources owned by the company, in this case intellectual capital, have no impact on company performance so that it does not have an impact on company value. Besides that the large IC value means the high budget spent by the company to finance human resources and other resources, so that investors think this can reduce the capital resources of the company.

The findings of this study are consistent with the findings of Candra & Wiratmaja (2020), Siregar & Safitri (2019), Agustin et al. (2022), and Deffi et al. (2020), who found no relationship between intellectual capital and firm value.

The Effect of Financial Risk on Firm Value

It is proven by the findings of the premise test above that financial risk variables in food and beverage companies have a significant and absolute impact on company value. The use of debt for company operations that are managed optimally in allocating funds appropriately can increase firm value, supporting the Modigliani & Miller theory put forward by Fadhilah & Sukmaningrum (2020) that when a company uses debt for operational purposes, it must pay interest, which will reduce taxable income, meaning that indirectly the taxes paid by the company are reduced and the profits received will increase. So that the dividends received by investors will also grow, which means that the value of the company will grow along with the welfare of shareholders.

This study is consistent with the findings of Fadhilah & Sukmaningrum (2020); Annisa, et al., (2023); Astakoni & Wardita (2020); and Kalbuana, et al., (2020).

The Effect of Enterprise Risk Management on Firm Value

It is evident from the findings of the premise test above that the company's risk management variable has little or no effect on firm value in the food and beverage industry. This is because the Enterprise Risk Management variable does not support signal theory because the information presented by the company through ERM is unable to signal investors in making

investment decisions. The information presented is considered insufficient so that investors tend to use other aspects outside ERM to make decisions. Moreover, there are some investors who only focus on stock technicals so that they ignore the ERM disclosure information presented by the company.

This research is consistent with the research findings of Fadhilah & Sukmaningrum (2020); Rahmi & Wijaya (2022); Siregar & Safitri (2019); S. Emar & Ayem (2020), and Deffi, et al., (2020).

The Effect of Intellectual Capital, Financial Risk, and Enterprise Risk Management on Firm Value

The simultaneous test results show a significant value of $0.001 < 0.05$. Since it can be explained that intellectual capital, financial risk, and enterprise risk management all have an impact on company value in the food and beverage industry from 2018 to 2022, it can be determined that H4 is approved based on the significance value. This confirms that the independent variables in this study can be used to predict business value.

6. Conclusion

The results showed that Intellectual Capital and Enterprise Risk Management did not affect Firm Value. This is because the Intellectual Capital variable proxied by the Value Added Intellectual Coefficient (VAIC) does not support the resource-based theory of the Company's resources; in this case, intellectual capital has no impact on company performance, so it does not have an impact on company value and the Enterprise Risk Management variable proxied by Enterprise Risk Management Disclosure (ERMD) does not support signal theory because the information presented by these variables is not able to signal investors in making investment decisions. While Financial Risk has a substantial positive impact on Firm Value, the Financial Risk variable calculated using the debt to equity ratio (DER) supports Modigliani Miller's theory, which says that when a company uses Debt for operating purposes, it must pay interest, which will reduce its taxable income, meaning that indirectly the taxes paid by the Company are reduced and the profits received will increase.

Investors are expected to be able to analyze the value of a company so that investors can receive returns from each fund invested in related companies. In addition, investors are expected to make Financial Risk a reference in making investment decisions because financial risk in this case the use of debt by companies that are well managed shows good company value.

Companies are expected to be able to optimize the management of financial risk, namely the use of debt for company operations by having a strategy in allocating the right funds so as to increase company profits. In addition, companies are also expected to be able to increase their Intellectual Capital both from the aspects of Capital Employed, Human Capital, and Structural Capital of the company. And it is expected to be able to improve ERM management by displaying a complete risk profile in the company's annual report as a form of company transparency and showing the sustainability of the company to the public or potential investors.

Limitations and avenue for future research

The limitations in this study are that there are too few samples because many companies do not meet the specified requirements, methods that have been widely used before so that they are considered less effective, and research limitations in obtaining data. It is hoped that the next research can be even better, especially in the selection of samples and methods used. In addition, it is hoped that future researchers will be able to conduct research related to Intellectual Capital in depth on each of its components, so that it can be clearly seen which

components are more influential on firm value. Then it is expected to be able to use other measurements for ERM variables besides the ERM Framework by COSO.

References

- Agustin, E. D., Made, A., & Sari, A. R. (2011). Pengaruh Struktur Modal, Ukuran Perusahaan, Intellectual Capital Terhadap Nilai Perusahaan, dengan Kinerja Keuangan sebagai Intervening (Studi Kasus Pada Perusahaan Manufaktur yang Terdaftar di BEI Periode 2017-2019). *Jurnal Akuntansi Indonesia*, 11, 37-58. <https://doi.org/10.30659/jai.11.1.37-58>
- Agustiniingsih, W., & Septiani, N. D. (2022). Pengaruh Ukuran Perusahaan, Leverage, dan Profitabilitas Terhadap Nilai Perusahaan. *Fair Value*, 2, 1433-1440. Retrieved from <https://journal.ikopin.ac.id/index.php/fairvalue>
- Al-Azizah, U. S., & Wibowo, B. P. (2023). Impact Of Intellectual Capital On Financial Performance: Panel Evidance From Banking Industry In Indonesia. *Economic Studies (Ikonomicheski Izsledvania)*, 32(5), 51-65.
- Anggraini, F., Seprijon, Y. P., & Rahmi, S. (2020). Pengaruh Intellectual Capital Terhadap Nilai Perusahaan dengan Financial Distress sebagai Variabel Intervening. *Jurnal Informasi, Perpajakan, Akuntansi, dan Keuangan Publik*, 15(2), 169-190. Retrieved from <https://doi.org/10.25105/jipak.v15i2.6263>
- Annisa, I., Ulupui, I., & Utaminingtyas, T. H. (2023). Pengaruh Pengungkapan Laporan Keberlanjutan, Profitabilitas, dan Leverage Terhadap Nilai Perusahaan. *Jurnal Revenue*, 4(1), 327-341. <https://doi.org/10.46306/rev.v4i1.268>
- Aprilia, G. F., Tobing, R. L., & Tampubolon, L. D. (2022). The Moderating Effects Of Enterprise Risk Management (ERM) On Managerial Ownership, Leverage, and Company Growth On Company Value In The Financial Industry Sector Listed On Indonesia Stock Excnage 2015-2019. *PRIMANOMICS*, 20(2), 1-13. Retrieved from <https://jurnal.ubd.ac.id/index.php/ds>
- Astakoni, I. P., & Wardita, I. (2020, Maret). Keputusan Investasi, Leverage, Profitabilitas, dan Ukuran Perusahaan Sebagai Faktor Penentu Nilai Perusahaan Manufaktur. *Wacana Ekonomi (Jurnal Ekonomi, Bisnis dan Akuntansi)*, 19(1), 10-23. Retrieved from https://ejournal.warmadewa.ac.id/index.php/wacana_ekonomi
- Berliana, G., & Bwarleling, T. H. (2021, Mei). Peran Intellectual Capital Terhadap Nilai Perusahaan (Kaitan Antara Nilai Tambah, Kinerja Keuangan Dan Nilai Perusahaan). *Jurnal Syntax Admiration*, 2(5), 843-862. <https://doi.org/10.46799/jsa.v2i5.233>
- Candra, A. D., & Wiratmaja, I. N. (2020). Pengaruh Enterprise Risk Management, Pengungkapan Intellectual Capital, dan Struktur Pengelolaan Pada Nilai Perusahaan. *E-Jurnal Ekonomi dan Bisnis Universitas Udayana*, 9, 561-588.
- Deffi, L. S., Cahyono, D., & Aspirandi, R. M. (2020, Juni). Pengaruh Enterprise Risk Management Disclosure, Intellectual Capital Disclosure dan Debt To Asset Ratio Terhadap Nilai Perusahaan. *BUDGETING : Journal of Business, Management and Accounting*, 1(2), 147-162. doi:<https://doi.org/10.31539/budgeting.v1i2.806>
- Devi, S., Budiasih, I. N., & Badera, I. N. (2017). Pengaruh Pengungkapan Enterprise Risk Management dan Pengungkapan Intellectual Capital Terhadap Nilai Perusahaan. *Jurnal Akuntansi dan Keuangan Indonesia (JAKI)*, 14(1), 20-45. <https://doi.org/10.21002/jaki.2017.02>
- DJKN, Kemenkeu RI. (2022, Oktober 31). <https://www.djkn.kemenkeu.go.id/kanwil-suluttenggomalu/baca-artikel/15588/Kondisi-Industri-Pengolahan-Makanan-dan-Minuman-di-Indonesia.html#:~:text=Industri%20makanan%20dan%20minuman%20di,Rp1%2C12%20kuadriliun%20pada%202021>. Retrieved from www.djkn.kemenkeu.go.id
- Fadhilah, M., & Sukaningrum, P. S. (2020, Mei). Pengaruh Enterprise Risk Management (ERM), Kinerja Perusahaan dan Size Perusahaan Terhadap Nilai Perusahaan. *Jurnal Ekonomi Syariah Teori dan Terapan*, 7, 926-939. <https://doi.org/10.20473/vol7iss20205pp926-939>

- Ghozali, I. (2018). *Aplikasi Analisis Multivariate Dengan Program IBM SPSS 25 Edisi 9*. Semarang: Badan Penerbit Universitas Diponegoro.
- Ginting et al., . (2020, Januari). Pengaruh Risiko Bisnis, Risiko Finansial, dan Risiko Pasar Terhadap Nilai Perusahaan Pada Bank BUMN Periode Tahun 2011-2018. *Jurnal EMBA*, 8(1), 252-261.
- Halim, K. I. (2021, Februari). Pengaruh Intellectual Capital, Profitabilitas, dan Ukuran Perusahaan Terhadap Nilai Perusahaan. *Jurnal Revenue*, 01(02), 227-232. <https://doi.org/10.46306/rev.v1i2.27>
- Herawati, S. W., & Riswandari, E. (2022, Desember). Pengaruh Enterprise Risk Management dan Intellectual Capital Terhadap Nilai Perusahaan yang Tercantum Dalam Indeks LQ45 BEI. *ULTIMA Accounting | ISSN 2085-4595*, 14(2), 385-401.
- Ismail, M. (2023). Effect of Intellectual Capital on Firm Value and Financial Performance: An Empirical Study on Companies Listed on Egyptian Stock Exchange. *Researchgate*, 1-29. Retrieved from https://www.researchgate.net/publication/369384422_Effect_of_Intellectual_Capital_on_Firm_Value_and_Financial_Performance_An_Empirical_Study_on_Companies_Listed_on_Egyptian_Stock_Exchange?enrichId=rgreq-02d4eea7bc57793386008d2119bfe7a3-XXX&enrichSource=Y2
- Kahira, A., Hona, D., & Mary, H. (2021, April). Family Control, Biaya Keagenan dan Risiko Keuangan Terhadap Nilai Perusahaan. *AKUNTANSI DEWANTARA*, 5(1), 11-18. <https://doi.org/10.26460/ad.v5i1.8323>
- Kalbuana, N., Yohana, Agustina, & Aryadi, R. C. (2020). Effect Of Audit Quality, Tax Avoidance, Leverage, and Presentation Of Other Comprehensive Income On Firm's Value In Jakarta Islamic Index Company. *Journal of Islamic Economics Perspectives*, 2(1), 1-11.
- Karlina, Y., & Lako, A. (2020). The Impact of Financial Performance, Financial Risk, Liquidity, and Corporate Governance on Corporate Value. *Journal Of Management and Business Environment*, 1(2), 154-177.
- Malik, I., & Simatupang, A. (2021). Nilai Perusahaan Akibat Pelaksanaan Enterprise Risk Management (ERM). *Economics and Digital Business Review*, 2(1), 1-13. <https://doi.org/10.37531/ecotal.v2i1.24>
- Mariani, D., & Suryani. (2018). Pengaruh Enterprise Risk Management Disclosure, Intellectual Capital Disclosure dan Corporate Social Responsibility Disclosure terhadap Nilai Perusahaan dengan Profitabilitas sebagai Variabel Pemoderasi (Studi Empiris pada Perusahaan Sektor Industri Baran. *Jurnal Akuntansi dan Keuangan*, 7(2), 119-138.
- Oktaviani, R. M., Susanti, D. T., Sunarto, S., & Udin, U. (2019). The effect of profitability, tax avoidance and information transparency on firm value: An empirical study in Indonesia. *International Journal of Scientific and Technology Research*, 8(11), 3777-3780.
- Putuyana, A. A., & Budiarto, D. S. (2018). Pengungkapan Enterprise Risk Management Dan Intellectual Capital: Apakah Bermanfaat Bagi Perusahaan Real Estate? *Akuntansi Dewantara*, 2(2), 183-193.
- Rahmadani, F. A., & Wulandari, P. P. (2022). Pengaruh Kondisi Keuangan, Risiko Keuangan, dan Pertumbuhan Perusahaan Terhadap Nilai Perusahaan (Sebuah Analisis Pada Perusahaan Sektor Ritel Indonesia Di Masa Pandemi Covid 19 Tahun 2019-2021). *Widya Akuntansi dan Keuangan, Universitas Hindu Indonesia*, 142-158.
- Rahmi, N. U., & Wijaya, V. V. (2022, Juli). Pengaruh Enterprise Risk Management, Corporate Social Responsibility, Free Cash Flow, dan Leverage Terhadap Nilai Perusahaan pada Perusahaan Sektor Consumer Goods yang Terdaftar Di Bursa Efek Indonesia Tahun 2016-2019. *Owner: Riset & Jurnal Akuntansi*, 6(3), 2712-2720. <https://doi.org/10.33395/owner.v6i3.853>
- Riberu, A. M., & Sulfitri, V. (2023, Oktober). Pengaruh Enterprise Risk Management, Kebijakan Hutang, dan Sustainability Report Terhadap Nilai Perusahaan Pada Perusahaan Sektor Pertambangan. *Jurnal Ekonomi Trisakti*, 3(2), 3015-3024. <https://doi.org/10.25105/jet.v3i2.17062>
- S. Emar, A. E., & Ayem, S. (2020). Pengaruh Pengungkapan Enterprise Risk Management dan Pengungkapan Intellectual Capital Terhadap Nilai Perusahaan dengan Good Corporate Governance sebagai Moderasi. *Wacana Ekonomi (Jurnal Ekonomi, Bisnis dan Akuntansi)*, 19(2), 78-90. Retrieved from https://ejournal.warmadewa.ac.id/index.php/wacana_ekonomi

- Salvi, A., Vitolla, F., Glakoumelou, A., Raimo, N., & Rubino, M. (2020, Juli 24). Intellectual capital disclosure in integrated reports: The effect on firm value. *Technological Forecasting & Social Change*, 1-8. <https://doi.org/10.1016/j.techfore.2020.120228>
- Saputra, Wendy Salim et al.,. (2023, Februari). The Effect of Enterprise Risk Management and Intellectual Capital Disclosure on Firm Value. *DIJEMSS: Dinasti Internasional Journal Of Education Management and Social Science*, 4(3), 448-454. <https://doi.org/10.31933/dijemss.v4i2>
- Savitri, E., Gumanti, T. A., & Yulinda, N. (2020). Enterprise risk-based management disclosures and firm value of Indonesia finance companies. *Problem and Perspective in management*, 18(4), 414-422. [https://doi.org/10.21511/ppm.18\(4\).2020.33](https://doi.org/10.21511/ppm.18(4).2020.33)
- Siregar, N. Y., & Safitri, T. A. (2019, Juli). Pengaruh Pengungkapan Enterprise Risk Management, Intellectual Capital, Corporate Social Responsibility, dan Sustainability Report Terhadap Nilai Perusahaan. *Jurnal Bisnis Darmajaya*, 5(2), 53-79.
- Suganda, T. R. (2018). *Event Study: Teori dan Pembahasan Reaksi Pasar Modal Indonesia*. Malang: Seribu Bintang.
- Sugiyono. (2019). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Bandung: Alfabeta.
- Sugiyono. (2022). *Metode Penelitian Kuantitatif*. Bandung: Alfabeta.
- Ulum, I. (2017). *Intellectual Capital: Model Pengukuran, Framework Pengungkapan, dan kinerja Organisasi*. Malang: Universitas Muhammadiyah Malang. Retrieved from [https://books.google.co.id/books?id=e25jDwAAQBAJ&lpg=PP1&ots=v9_nkbQ6VK&dq=Ulu m%20I.%20\(2017\).%20Intellectual%20Capital%20\(Model%20Pengukuran%20Framework%20Pengungkapan%20Dan%20Kinerja%20Organisasi\).&lr&hl=id&pg=PP1#v=onepage &q=Ulum,%20I.%20\(2017](https://books.google.co.id/books?id=e25jDwAAQBAJ&lpg=PP1&ots=v9_nkbQ6VK&dq=Ulu%20m%20I.%20(2017).%20Intellectual%20Capital%20(Model%20Pengukuran%20Framework%20Pengungkapan%20Dan%20Kinerja%20Organisasi).&lr&hl=id&pg=PP1#v=onepage&q=Ulum,%20I.%20(2017)
- Wijayani, D. R. (2017). Pengaruh Intellectual Capital Terhadap Kinerja Keuangan Perusahaan Publik di Indonesia (Studi Empiris Pada Perusahaan Manufaktur di BEI 2012-2014). *Jurnal Riset Akuntansi dan Bisnis Airlangga*, 2(1), 97--116.