



DOI: <https://doi.org/10.38035/sjam.v2i4>
<https://creativecommons.org/licenses/by/4.0/>

Impact of Risk Management and Good Corporate Governance on Firm Value in Sharia Commercial Banks for The 2018-2022 Period

Maria Lusiana Yulianti¹, Winna Roswinna², Dodi Sukmayana³, Febriyani Damayanti⁴, Indri Nuryasintia⁵

¹Management, Winaya Mukti University, Bandung, Indonesia, marialusiana2707@gmail.com

²Management, Winaya Mukti University, Bandung, Indonesia, winnaroswina71@gmail.com

³Management, Winaya Mukti University, Bandung, Indonesia,

⁴Accounting, Winaya Mukti University, Bandung, Indonesia

⁵Accounting, Winaya Mukti University, Bandung, Indonesia, indrinurya@gmail.com

Corresponding Author: winnaroswina71@gmail.com²

Abstract: This research is to look at the influence of Risk Management and Good Corporate Governance on Company Value (Empirical Study of Sharia Commercial Banks 2018-2022). The type of data used in this research is qualitative and quantitative data. The population in this research is Sharia Commercial Bank companies registered with the Financial Services Authority on the Islamic banking statistics website in 2018-2022, totaling 14 companies with research samples using census techniques, namely the entire population was sampled using multiple linear regression. The results of this research show that both partial and simultaneous risk management have a significant positive effect on company value. The better the implementation of risk management in sharia commercial banks, which is reflected in non-performing loans above 5%, the higher the company value in the sharia bank will be. Good corporate governance (GCG) has a significant positive effect on company value. This means that the better the implementation of good corporate governance (GCG) in sharia commercial banks, the greater the company value of the sharia commercial bank will be.

Keyword: Risk Management, Good Corporate Governance, Company Value

INTRODUCTION

The competitive development of the globalized world of business today is growing very rapidly. This can be seen from the rapid development of information and technology that drives companies to continue to thrive. The company strives consistently to keep trying to innovate in line with the developments of the times to increase the value of its company. Current developments are not free from tight business competition. Business competition must be balanced with consideration and knowledge of good resources in order to compete with companies both at home and abroad. Companies that apply knowledge-based business will create a way to manage knowledge as a means of earning corporate income, with the

application of knowledge based business, then the creation of corporate value will change. (Sunarsih & Mendra, 2016).

The value of the company is crucial and is the primary objective for the company to continue to increase the value of its company as the survival of its future company. (going concern). The market value that is able to provide maximum prosperity for shareholders if the company's stock price rises. The value of a company can be said to increase can be seen from the rise in the price of its shares. (Ross, Westerfield, & Jaffe, 2015). Investors will choose to invest in companies that have the maximum value of the company because basically if the company's value is high, then the price of the stock also rises, (Hoffmann, 2018).

Increasing the value of a company is a long-term goal of the company in attracting the interest of shareholders, so short-term profits are not prioritized to increase future profits. The importance of the company's value makes investors and creditors more selective in investing or giving credit to the company.

To that end, the step taken by the Indonesian Banking Development in persuading investors is by creating a roadmap for strategic steps in harmonizing the direction of the development of the Sharia economy in Indonesia, especially in the sector of Sharia financial services in the area of sharia banking. The objective of this Roadmap of Banking Development of Indonesia is to increase the value of Sharia Bank companies in order to be a positive attraction so that it is seen by overfunded parties such as investors. In the Indonesian Sharia banking development system as a catalyst to accelerate the process of development of Sharia banks in Indonesia by bringing three (three) directions of development consisting of strengthening the identity of the sharia bank; synergy of the Sharia economic ecosystem; and strengthening of licensing, regulation, and supervision.

Investors will be more interested in investing their modalities in business entities that have a record of good growth and development. Investors will of course also pay attention to the value of the company that is the object of its modality, the company value is very important because it reflects the company performance that can affect the perception of investors to the company. The value of a company is often associated with the stock price, where the higher the price of the stock, the greater the value of the company and the prosperity of its shareholders. According to Blundell et al., (1999) market share in a company can be used as an indicator to know the position of the company and its competitors in the market, the increase in market share of an industry indicates that the industry has experienced positive growth in the company's value. However, if viewed from the objectives of the Indonesian Banking Development Roadmap that has been compiled compared to the reverse with the shariah market share value of the banking that is still low. Here are the market share data of Bank Shariah for the year 2017-2020:

Table. 1 Sharia Bank Market Share from 2017-2020

Year	Sharia Bank	Total Bank	Total Office	Aset (in billion Rupiah)	(PYD) (in billion Rupiah)	(DPK) (in billion Rupiah)	Market Share (%)
2017	BUS	13	1.825	288,02	189,79	238,22	8,24
	UUS	21	344	136,15	95,91	96,49	
	BPRS	167	441	10,84	7,76	6,99	
Total		201	2.610	435,02	291,18	341,71	
2018	BUS	13	1827	294,30	189,68	241,07	8,47
	UUS	12	349	138,88	105,34	100,14	
	BPRS	168	459	11,24	8,52	7,17	
Total		202	2.635	444,43	303,54	348,38	
2019	BUS	14	1.894	322,95	212,56	266,57	8,29

Year	Sharia Bank	Total Bank	Total Office	Aset (in billion Rupiah)	(PYD) (in billion Rupiah)	(DPK) (in billion Rupiah)	Market Share (%)
	UUS	20	388	163,94	120,52	120,06	
	BPRS	164	506	12,45	9,73	8,09	
Total		198	2.746	499,34	342,81	394,72	
2020	BUS	14	2.034	397,07	246,53	322,85	6,51
	UUS	20	392	196,68	137,41	143,12	
	BPRS	163	627	14,95	10,68	9,82	
		197	3.053	608,90	394,63	475,79	

Sumber: www.ojk.go.id 2023

The Shariah banking industry experienced a declining trend in the year 2018-2020 and from the asset side experienced a significant increase from 2017 to 2020 for financing channeled slightly decreased in 2018 compared to 2017, but again rose in 2019-2020 and for third-party funds increased from 2017 until 2019. However, if seen from the market share every year it experienced significant decreases from year to year. This indicates that Sharia banking itself has not reached economic scale, minimal efficiency and still not optimal. (www.ojk.go.id,2017). Based on research from Kariastanto (2013) revealed that the phenomenon of sharia banking market share is still low due to, namely: 1.) low literacy of sharial banking in communities that imply on the image or value of the sharia banks; 2.) infrastructure and quality of services of Sharia Bank is still less than conventional banking; and 3.) non-technical (more experienced) superiority of conventional banks compared to Sharia Banks.

The phenomenon faced by Sharia banking in Indonesia, both Sharia Bank (BUS) and Sharia Business Unit (UUS) are still limited funding. As is known, of the 34 players in the sharia banking industry 14 are Shariah General Bank and as many as 20 shariah enterprise units. Of the 14 Sharial General Bank only Sharial Bank Mandiri (BSM), BNI Sharial (by March 2020), BRI Sharialya (by 23 November 2020) and BTPN Shariaha (by 7 July 2020) have entered the bank with the capital category up to Rs 30 trillion. whereas six banks such as BCA Shariasha, Bank Aceh Shariash, Bank Mega Shariashe, Bank Muamalat, Bank Panin Dubai Shariasho and BPD NTB Shariashi entered capital category 1 billion rupiah up to with 5 billions rupiah.

Meanwhile, Maybank Shariah, Bank Victoria Sharial, Bank Bukopin Sharial and BJB Sharial still have capital below Rs 1 trillion. This is an overview of the scale of capital of the Sharia General Bank in Indonesia today. There are currently 20 Sharia enterprises (UUS) of which the majority are owned by the local government (BPD). The average of 13 BPDs currently holding a capital of less than Rs. 1 trillion. While national private banks have better capital. Thus we can see how limited the financing of the Sharia banking industry is.

The publication of POJK No.12/POJK.03/2021 on Consolidation of General Banking, banks will be grouped into 4 categories of KMBI. KMBI 1 for banks with core capital less than Rs. 6 trillion. KMBE 2 for the banks that have core capital of Rs. Understanding the background above, then this year, Sharia banking should pay attention to the challenge of liquidity management. The situation is not apart from the global situation which is of concern to many parties.

To look at the value of a banking company, one of them is by looking at the stock market price as a barometer of the company's management performance, if the price of a company can be projected to the stock price, then maximizing the market value of the firm is equal to maximising the share market price. Tahir & Razali (2011), to measure the value of the company

can be obtained a ratio of 1. This value describes that the company is valued equal between the valuation of the registered company and the company's value in the market. If the result of the ratio is below 1 then it means the company undervalued or on the market the company value is below the recorded value. (overvalued). This ratio is estimated to provide the best information, because this ratio can explain various phenomena in the activities of the company, can be seen in Graph 1.1 Average Company Values of the Company of the General Bank of Sharia in 2018-2022 as follows:

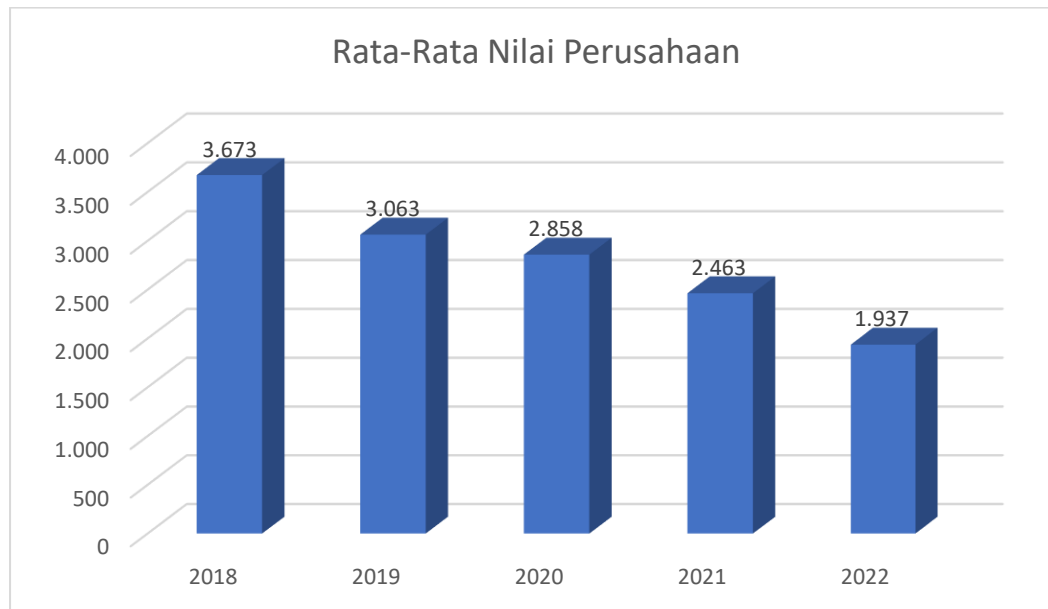


Figure. 1 Average Value of Sharia Bank Corporations in 2018-2022
Source: Process data from OJK 2023

From graph 1 above it can be concluded that according to the value of the Sharia General Bank companies measured by the price book value have fluctuated even with the trend of decline. There are some Shari'ah General Bank that have experienced price book values below 1, such as in the Bank Panin Dubai Shari'ah in the year 2019-2020, Bank Bukopin Shari'ah from the year 2018-2020, the Bank Victoria Shari'ah in the years 2016 and 2018 - 2020, the Bank MayBank Shari'ah in 2018-2022 and the Bank Jabar Banten Shari'ah 2016-2020. This will make the sharia bank undervalued or in the corporate value market below the registered value and this will have a bad impact on the company, plus the continued high NPL rise since 2010 from 2.2 percent until 2022 is currently at 4.42 percent.

The other thing is because of the shortage of sales transactions triggered by the decline in demand due to the sharp purchasing power. A slowdown of only 4.4 to 4.5 per cent, a depression of the rupee against the US dollar that has reached the level of Rs. 15,400, unclear government policies and burdensome tax rules will affect the growth of Shari'ah General Bank sales. This has led to many companies aiming to optimize the value of their companies at the maximum point in order to invite investors to invest. Euis and Taswan (2018) stated that the company's price is rising. The high value of a company becomes the desire of the owners of the company, because the high value indicates the wealth of the shareholders is also high. Companies founded of course have a definite purpose where one of the main objectives of companies founded is to have a good or high value of the company that can be reflected in the price of the stock circulating on the stock exchange. For that, one factor in raising the value of a company is how to understand risks and minimize them. According to Maprurroh (2016), risk management will be able to raise the value of a company when risk management is done properly where a process is carried out to accommodate all the bad possibilities of a business

transaction in order to increase the company's value. Further Iswajuni (2018), risk management management will affect the value of the company if it is done with the precautionary principle in the management, investors will see which risks can be controlled and which can not be controlled, then minimize the potential of such risks in the asset portfolio. Risk management must be adequate so that it can be used as a careful and appropriate decision-making tool. The stakeholder's demand for more transparent disclosure prompted companies to expand on the financial and non-financial information they deemed relevant. If a company has a high level of risk then the value of the company will be low. The value of a company is very important because with the high value of the company will be followed by the high prosperity of the shareholders (Ardianto & Rivandi 2018). According to Ministry of Finance Regulation No. 142/PMK.010/2009 risk management is a set of procedures and methodologies used to identify, measure, monitor and control risks arising from business activities. Enterprise Risk Management (ERM) is the ability of an organization to understand and control the level of risk taken in managing a business strategy, plus accountability for the risk taken. The main benefit of Enterprise Risk Management is to add perspective and focus on risk management across the company line. The basic concept of corporate risk management has been applied in several industries for more than a decade.

Changes in environmental regulation, economic turmoil, and increased complexity of products, tools, and also risks among others helped launch corporate risk management practices into the area of financial services. The banking industry faces a variety of risks. Enterprise Risk Management to support the depth and scope of activities by providing a structured approach to identifying, measuring, controlling, and reporting the significant risks faced by an organization. Specific risk management (e.g. credit, operational, and market), capital management, and liquidity management provide essential foundations into the ERM framework. Bank capital consists of two types of core capital and complementary capital. According to the Financial Services Authority regulations, the minimum funding required by banks is 8%. Uncertainty or risk will not be independent of the company's activities. Risk is the possibility of loss indicating uncertainty. Risk must be managed so that the company can minimize losses. The company faces business risk and non-business risk. Business risk is the risk associated with the company's activities/business while non-Business risk is an uncontrollable risk of the company. The research conducted by Pratama et al. (2020) that Enterprise Risk Management Disclosure has a positive impact on the value of the company. Unlike Ardianto & Rivandi (2018) research, which revealed that Enterprise Risk management has no effect on the Company's value, and the Outcome & Maryati (2017) research, it reveals that the enterprise risk management disclosure does not affect the company's worth.

To increase the value of a company requires good governance in providing the principles of transparency and independence to minimize risk and conflict of interest so that will help investors to make an assessment to give funds to a company. Good corporate governance describes how the management enterprise manages its assets and modalities well to attract investors. If a company implements a GCG (Good Corporate Governance) system, it expects intellectual capital, management ownership and risk management to improve, and reduce high levels of risk.

In the theory Sumarno et al (2016), the key to determining the added value for companies is by applying good corporate governance. further Richardson (2018), stated that good Corporate Governance (GCG) can create added value because by implementing good corporation governance, it is expected that companies will have a good performance so that they can generate added value and increase the value of companies that can provide benefits for the shareholders or owners of companies. The application of good corporative governance can increase the company's value, by improving financial performance, reducing the risk that the board of directors may take regarding self-benefit decisions, and in general good corporates governance may increase investor confidence. The essence of good corporate governance is

the improvement of corporate performance through supervision or monitoring of management performance and the presence of management accountability to shareholders and other stakeholders, based on the framework of rules and regulations in force, (Gray dan Radebough 2019). The agency theory states that an agency relationship arises when one person or more principal hire another as an agent to provide information and then delegate decision-making authority to an agent.

In the Sulastri and Nurdiansyah study (2017), GCG has a positive influence on the value of the company. Similar to Connelly, Limpaphayom and Nguyen (2017) and also Sumarno et al (2016), that good corporate governance positively affects the company's value. It shows that investors are willing to give more premiums to companies that provide transparency over the implementation of the GCG in their annual reports. Further research according to Mai (2017), has a significant influence on the value of the company,

However, contrary to Sugiyanto and Tato (2019), GCG does not have a significant influence on the company's value in part and Mutmainah (2018) shows that the Good Corporate Governance (GCG) variable has a significantly negative influence over the Company's Value.

Based on the results of research conducted by previous researchers showed varying results. In other words, there is an inconsistent outcome between the influence of independent variables on dependent variables. In a previous study conducted by Siagian et al. (2013) on the influence of good corporate governance index as an independent variable and financial performance on the value of the company where in its research GCGI used item KNKG 2004 with classification 4 divided into 40 items of disclosure. The difference from the previous research is that Good corporate governance updated item disclosures from KNKK in 2006 with classification 16 divided in 103 items of revelation. It's more to give a better level of significance in looking at the real value of the company.

ERM measurement uses the 108 disclosure criteria based on the COSO ERM Framework dimensions that include eight dimensions: (1) internal environment, (2) goal setting, (3) identification of incidents, (4) risk assessment, (5) risk response, (6) surveillance activities, (7) information and communication, and (8) monitoring according to the Desender (2010) study in Meizaroh and Lucyanda. (2011). Furthermore, the calculation of items using a dichotomy approach is that each ERM item used is given a value of 1, and a zero value when not disclosed. Each item is summed to obtain the entire ERM index of each company by calculating the number of disclosures and divided by the total of 108 disclosure items. In this study, he also added control variables, namely corporate size, Loss, and Sales Growth. The purpose of the inclusion of the control variable is to control that the relationship that occurs on the dependent variables is purely influenced by the independent variables rather than by other factors.

The problem formulation contains article questions that must be explained in the discussion and answered in the conclusion.

METHOD

The approach in this research is a quantitative approach, because this research is presented with numbers. This is in accordance with the opinion (Priatna, 2020, 2022; Priatna & Anggraeni, 2022; Roswinna, 2020) who put forward quantitative research is a research approach that requires a lot of numbers, starting from data collection, interpretation of the data, as well as the appearance of the results.

The population in this study is Sharia General Bank companies that are listed in the Financial Services Authority on the Sharia banking statistics site in the year 2018-2022 as many as 14 companies. This study uses secondary data with a quantitative approach obtained from the company's financial statements at pharmaceutical companies.

The sample that will be used in this study is a shariah general bank for 5 years, that is, from the period 2018 to 2022. Sampling Techniques In this study, a purposive sampling method

was used, namely a sample selection technique by determining based on certain sample criteria. adapted to the research objectives. The criteria set, namely:

Tabel 2. Sampling Criteria

No	Sampling Criteria	Substraction	Total company
1	Shariah General Bank companies with an observation period of 2018 to 2022.		14
2	Companies that have complete financial report data during the study period from 2018 to 2022		14
3	Published financial statements ending December 31 2018 to 2022		14
	Total sample		14
	Year of study		5
	The amount of data that becomes the research sample		70

Source: Indonesia Stock Exchange, processed

Financial data was obtained through Annual Reports and ICMD data for sample companies from 2018 to 2022, so 70 observations were made. This study uses panel data regression analysis to calculate the influence of the independent variable risk management as measured using EnterprisesRisk Management Disclosure Index (ERMDI) and the effect of the independent variable Good Corporate Governance as measured using Good Corporate Governance Index (GCGI) to firm value as measured using Price Book Value (PBV) with the help of e-Views ver. 10.

RESULTS AND DISCUSSION

Statistik Deskriptif

Descriptive statistics is a statistical analysis that gives a general overview of the characteristics of each research variable seen from mean values (mean), standard deviation, maximum, and minimum as in the following table:

Table 3 Descriptive Statistics
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Manajemen Resiko	70	-1.89	.80	2.2677	1.06159
Good Corporate Governance	70	40.40	78.54	16.1906	1.21507
Nilai Perusahaan	70	.27	3.97	2.3239	.83413
Valid N (listwise)	70				

Source: Data processed by the researcher, 2023

Based on table 2, it can be explained that on variable Y1 (corporate value) has an average value of 2,323 and standard deviation value of 0,834. On variable X1 (risk management) has a mean value of 2,267 and the standard deviations value of 1,061. And for variable (X2) good corporate governance has an averaging value of 16,190 and the default deviations of 1,215. From the statistical output results descriptive of all research variables can be seen that the average value is greater than the standard deviation value, it shows that the data spread is used quite well and indicates that such data is worthy of use in this study.

Multiple Linear Regression Test Results

Based on calculations with the SPSS for Windows program version 25.0 obtained coefficients on the multiple linear regression equation as shown in the following table :

Table 4. Multiple Linear Regression Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.368	4.339		2.315	.753
Manajemen Resiko Good	.258	.080	.369	3.219	.002
Corporate Governance	.452	.268	.596	4.836	.001

a. Dependent Variable: Firm Value

Source: Data Processed, 2023

Based on Table 4 above, we can see that the double linear regression equation in this analysis is:

$$Y = 4,120 + 0,258 X1 + 0,452 X2$$

The meaning of the linear regression equation is: Value a = 1,368 indicates that if Risk Management (X1), Good Corporate Governance (X2) is constant or constant then the Company's value will increase by 1,368. Value b1 = 0,258 indicate that when the value of the risk management variable (X1) increases by 1 unit then the company' s value will grow by 0.258 assuming other variables are fixed or constant.

The determination coefficient (R2) aims to measure how far the ability of the model is in the opposite variation of the dependent variable. A small R2 value means that the ability of independent variables to explain dependent variables is very limited. A near-value means that an independent variable provides almost all the information needed to predict variable dependence. Here's the determination coefficient test:

Table 5. Coefficient Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.701 ^a	.661	.536	2.63427	1.146

a. Predictors: (Constant), Good Corporate Governance, Manajemen Resiko

b. Dependent Variable: Nilai Perusahaan

Source: Data Processed, 2023

Table 5. known R Square value is a correlation coefficient where large R is 0.661 or equal to 66.1% means great risk management and good corporate governance influence on the company's value is 66.1%, and other variable influence is 1-R2 = 1-0.661 = 0.339 (33.9%). The remaining 33.9% is explained by other variables that are not present in this study model.

Simultaneous Testing (F-Test) Compares F-Calculus to F-Table, i.e. when F-calculus is larger than F-table (F - Calculus > F - Table) it means that exogenous variables together have

a significant effect on the endogenic variable, but when F - Cals is smaller than the F -Table (f - Tabel) it does not mean that the exogeneous variable together has a significant impact on the Endogenic Variable. Here are the results of the simultaneous test. (Uji F)

:

Table 6. Simultaneous Result ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	89.293	2	44.646	6.434	.003b
	Residual	464.937	67	6.939		
	Total	554.230	69			

a. Dependent Variable: Nilai Perusahaan

b. Predictors: (Constant), Good Corporate Governance, Manajemen Resiko

Source: Data Processed, 2023

From Table 6, it is possible to describe the value of Fcalung of 6,434 with a significant value of 0,003. Thus known Fcalunga (3,989) > Ftable (2,76) with a value sig. 0,001<0,05 means that is independent variable (Risk Management and good corporate governance) jointly have a significant influence on the dependent variable. (nilai perusahaan).

The second test is to prove the truth of the hypothesis using partial regression testing to find out whether individually, the exogenous variable has a real or non-real influence on the endogenic variable. Here's the t test:

Table 7. t-test Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.368	4.339		2.315	.753
Manajemen Resiko	.258	.080	.369	3.219	.002
Good Corporate Governance	.452	.268	.596	4.836	.001

a. Dependent Variable: Nilai Perusahaan

Source: Data Processed, 2023

From the results of the t count in Table 7. on Substructural I it can be stated that the test results are as follows: Testing Hypothesis 1, Impact of risk management on the value of the company. Known thitung (3,219)>ttable (1,997) and value sig. (0,012) < 0,05. Means risk management has a significant positive impact on the company's value. Ha accepted and Ho rejected. Testing hypothesis 2, Effect of good corporate governance on the corporate value.

Discussion

Risk Management to Firm Value

The results of this study found that risk management has a significant positive impact on the value of the company. It can be explained that the better the company applies risk management then will increase the company's value on the Shariah public bank. Enterprise Risk Management or risk management is the principle of the company in implementing the policies adopted in order to manage the risk to provide adequate confidence about the

achievement of the objectives of the organization. Increased Capital Adequacy Ratio (CAR) can increase customer security, which indirectly increases customer confidence in the bank, which can then have a positive impact on increased bank profitability. According to Susilo and Kaho (2010), by applying risk management will be better in controlling risk, companies can better explore and exploit existing opportunities, improve relationships with stakeholders, can improve the company's reputation and also protect directors and other officials in managing the company. It can be said, that the implementation of risk management can help companies design strategies to the company's goals by paying attention to the balance of interests of the entire stakeholder, and protecting the policies and resources that the company owns. So the implementation of risk management can create a positive impact on corporate governance, if implemented in accordance with risk management principles and procedures. According to the Law No. 21 of 2008 on Sharia Banking, Sharia bank is a bank that carries out business activities based on the principle of Shariah, or the principles of Islamic law regulated in the fatwa of the Indonesian General Assembly. The Bank of Indonesia (BI) as a central bank pays special attention to the implementation of the GCG and risk management. In addition, the BI also issued the regulations for implementing banking risk management to control the risks faced by banks through the PBI No. 11/25/PBI/2009 on amendments to the PBB No. 5/8/ PBI/2003 dated 19 May 2003 on the application of risk management for general banks. Mardiana Research (2018) The results of the analysis showed that risk management projected with NPL, Enterprise Risk Management and BOPO simultaneously had a significant positive influence on the value of the company. Risk management monitors the achievement of major goals in an ethical way to maximize shareholder value and balance the interests of stakeholders (Demidenko dan McNutt, 2010). Risk management provides protection to stakeholders against the adverse consequences of risk through procedural risk treatment. Implementing good and correct risk management will support the realization of GCG through business planning taking into account possible risks. Risk management is essential in order to mitigate potential losses and to the goals of the organization. Risk management in banking is carried out against risk on several things namely credit risk, liquidity risk, capitalization risk and operational risk. Credit risk is the risk faced by the bank as a result of the debtor's inability to repay the loan and interest. The increase in credit problems has led to a decline in income and profits, ROA and ROE have also been reduced (Purwanto, 2011:167). Therefore, banks need to improve management of their credit risks so that the rate of credit problems or non-performing loans (NPLs) does not exceed the requirements of the Bank of Indonesia (BI) which is a maximum of 5% of the total credit.

Good Corporate Governance to Firm Value

The results of this study found that good corporate governance has a significant positive impact on the value of the company in the Shariah public bank. This can be explained by the better the bank applies good corporation governance, i.e. by reducing the risk that may be taken by the board with a decision that is self-beneficial, it will increase the company's value in the shariah general bank. In a study Nikel (2014) explained that GCG has a positive influence on the value of the company. This shows that investors are willing to give more premium to companies that provide transparency over the implementation of GCG in their annual reports.

Good corporate governance (GCG) is to use the measurement of indexes that have been formed and applied non-weighted indexes using a dichotomic value of 1 for each item that is expressed as well as 0 for items that are not expressed Rini (2010) and in accordance with the rules of the decision BAPEPAM-LK No. KEP-134/BL/2006 and the general guidelines good corporate Governance Indonesia. (KNKG, 2006). Some fraud committed by management in abuse of corporate governance can lead to corporate performance deviations and also harm other parties such as shareholders, creditors, employees and other parties involved. The collapse of the world economy in 1998 due to the weakness of the corporate governance system suppressed the need to improve and reform corporate Governance at the international level.

Since then, the implementation of corporate governance has become an important aspect that should be applied to enhance the value of companies in any industry in Indonesia.

Some studies in particular related to the GCG found that the gCG has an influence on risk management in a bank, such as the results of Permatasari and Novitasary (2014), Iannotta et al (2007), Laevan and Levine (2009) the research concluded that the mechanisms of the GCG can play a role in increasing risk taking so that the bank's risk management will also improve. Research by Weir et al (2002) has found that internal and external mechanisms of governance have an influence in improving the performance of the company. It shows that with effective implementation of risk management will encourage good corporate governance also demonstrated through internal monitoring mechanism (composition of the board of directors, composition of board of commissioners, presence and effectiveness of the audit committee) and outside monitoring (independent commissioners ratio, ownership structure, quality of audits and threat of corporate acquisition) can drive improvement of company performance in the general bank of the scheme.

CONCLUSION

Based on the results of the research and discussion and analysis carried out in the previous chapter, this chapter presents the following research conclusions:

1. Risk management has a significant positive effect on company value. The better the implementation of risk management in sharia commercial banks, which is reflected in non-performing loans above 5%, the higher the company value in the sharia bank will be.
2. Good corporate governance (GCG) has a significant positive effect on company value. This means that the better the implementation of good corporate governance (GCG) in sharia commercial banks, the greater the company value of the sharia commercial banks will be.
3. Risk management and good corporate governance have a positive and significant effect on company value which is mediated by good. This shows that the implementation of risk management in sharia commercial banks is getting better, which can be seen in maintaining the NPL ratio above 5%, thus increasing investor confidence in sharia banks, resulting in increased company value and more effective implementation of good corporate governance (GCG)..

REFERENSI

- A.Perwataatmadja, Karnaen, dan Muhammad Syafi'i Antonio, (2018). *Apa dan Bagaimana Bank Islam*. Yogyakarta: Dana Bhakti Wakaf.
- Achmad Sidiq Pamungkas, S. M. (2017). *Pengaruh Enterprise Risk Management Disclosure, Intellectual Capital Disclosure Dan Debt To Aset Ratio Terhadap Nilai Perusahaan*. Semnas Iib Darmajaya, Prosiding Issn: 2598 – 0246 | E-Issn: 2598-0238.
- Agustina, Wulan. 2017. *Analisis Pengaruh Intellectual Capital Terhadap Kinerja Kantor Akuntan Publik Di Surabaya*. Tesis Fakultas Ekonomi Universitas Airlangga Surabaya.
- Ali & Darsono. (2017). *Perbankan Syariah Di Indonesia*. Jakarta : PT Raja Grafindo.
- Anton, S. G. (2018). *The Impact Of Enterprise Risk Management On Firm Value: Empirical Evidence From Romanian Non-Financial Firms*. *Inzinerine Ekonomika-Engineering Economics*, 018, 29(2), 151–157.
- Ardianto, D., & Rivandi, M. (2018). *Pengaruh Enterprise Risk Management Disclosure, Intellectual Capital Disclosure Dan Struktur Pengelolaan Terhadap Nilai Perusahaan*. *Komunikasi Ilmiah Akuntansi Dan Perpajakan*, Vol. 11 No. 2 | Agustus 2018, P-Issn: 2086-7662. E-Issn: 2622-1950.

- Asmaul Husna, I. S. (2019). Effects Of Return On Asset, Debt To Asset Ratio, Current Ratio, Firm Size, And Dividend Payout Ratio On Firm Value. *International Journal Of Economics And Financial Issue*, Issn: 2146-4138, Http: [Www.Econjournals.Com](http://www.Econjournals.Com).
- Berg, H.-P. (2010) Risk Management: Procedures, Methods and Experiences. RT&A, 2.
- Bima Cinintya suma, K. M. (2020). Sharia Firm Value: The Role Of Enterprise Risk Management Disclosure, Intellectual Capital Disclosure, And Intellectual Capital. *Journal Of Economics And Business*, Volume 5, No. 1, January - April 2020 Issn: 2503-4235 (P); 2503-4243 (E).
- Blundell, R., Griffith, R., & Van Reenen, J. (1999). Market share, market value and innovation in a panel of British manufacturing firms. *Review of Economic Studies*, 66(3), 529–554. <https://doi.org/10.1111/1467-937X.00097>.
- Bontis, Nick, Wiliam Chua Chong Keow Dan Stanley Richardson. 2018. Intellectual Capital And Business Performance In Malaysian Industries. *Journal Of Intellectual Capital*. Vol 1, No. 1.
- Brigham dan Houston, (2006). *Fundamental of Financial Management: Dasar-Dasar Manajemen Keuangan*. Edisi 10. Jakarta: Salemba Empat.
- Cadbury, & Elena Merino. 1992. Corporate Governance Effect On Financial Distres Likelihood: Evidence From Spain.
- Damodaran, (2013). *Statement of Financial Accounting Concepts No.1: Objectives of Financial Reporting by business Enterprises*. Stamford, Connecticut.
- Darmawi, Herman. (2014). *Manajemen Perbankan Pemasaran Bank*. Jakarta :Bumi Aksara.
- Darminto (2010). *Firm Value: Teori dan Model Empiris*. Penerbit PT Gramedia Widiasarana Indonesia, Jakarta.
- Dedi goto, M. R. (2018). Pengaruh Enterprise Risk Management Disclosure, Intellectual Capital Disclosure Dan Struktur Pengelolaan Terhadap Nilai Perusahaan. *Komunikasi Ilmiah Akuntansi Dan Perpajakan*, Vol. 11 No. 2 | Agustus 2018, P-Issn: 2086-7662. E-Issn: 2622-1950.
- Devi ,S., Badera, I.D.N., & Budiasih I. G. A. N. (2016). Pengaruh Enterprise Risk Management Disclosure dan Intellectual Capital Disclosure Pada Nilai Perusahaan. *Jurnal Keuangan dan Bisnis*, Vol. 5, No. 2.
- Eisenhardt, Kathleem. (2009). Agency Theory: An Assesment and Review. *Academy of Management Review*.
- Estiasih, S.P, Yuniarsih, N, & Wajdi M. B. D. (2017). The Influence of Corporate Social Responsibility Disclosure, Managerial Ownership and Firm Size on Firm Value in Indonesia Stock Exchange. *International Journal of Innovation, Creativity and Change*. www.ijicc.net Volume 9, Issue 9, 2019.
- Eva Maria Sulastri, Dian Haki Nuradiansyah (2017). Pengaruh good corporate governance terhadap kinerja dan nilai perusahaan. Universitas Gajah Mada, Yogyakarta.
- Fakhrudin M. dan Hadianto (2001). *Perangkat dan Model Analisis Investasi di Pasar Modal*. Jakarta: Gramedia.
- Felani dan Inta,Puspita. (2016). Tesis: Analisis Pengaruh Modal Intelektual terhadap Kinerja Perusahaan (Studi Empiris pada Perusahaan Perbankan yang Terdaftar di Bursa Efek Indonesia Tahun 2012-2015). Fakultas Ekonomi Universitas Esa Unggul.
- Ghozali, Imam. 2016. *Aplikasi Analisis Multivariate Dengan Program Ibm Spss Edisi Kedua Puluh*. Semarang: Badan Penerbit Universitas Diponegoro.
- Goh Roos, Lim, N.C 2015. *Intellectual capital: Navigating in the new business landscape*. Houndsmills: Macmillan Business.
- Gray dan Radebough, (2019). *Report of the Committee on the Financial Aspects of Corporate Governance*. London: Gee.

- Gunawan, Ade Dan Sri Fitri Wahyuni. 2019. Pengaruh Rasio Keuangan Terhadap Pertumbuhan Laba Pada Perusahaan Perdagangan Di Indonesia. *Jurnal Manajemen Dan Bisnis* Vol13 No. 01 2019.
- Guthrie, J., R. Petty, K. Yongvanich, dan F. Ricceri. 2015. Using content analysis as a research method to inquire into intellectual capital reporting. *Journal of Intellectual Capital* 5 (2): 282-293.
- Hoffmann, P. S. (2018). Firm Value - Theory and Empirical Evidence. English: <https://www.intechopen.com>. doi:<http://doi.org/10.5772/intechopen.72333>.
- Iswajuni Iswajuni, A. M. (2018). The Effect Of Enterprise Risk Management (Erm) On Firm Value In Manufacturing Companies Listed On Indonesian Stock Exchange Year 2010-2013. *Asian Journal Of Accounting*. Department Of Accountancy, Universitas Airlangga, Surabaya, Indonesia, Vol. 3 No. 2, 2018, Pp. 224-235. Doi 10.1108/Ajar-06-2018-0006.
- J. Thomas Connelly, Piman Limpaphayom, Hien T. N, Thanh D. Tran (2017). A tale of Two Cities : Econmic Development, Corporate Governance and Firm Value in Vietnam. *International Review of Business Research Papers*, Vol. 3 No.1 pp 279-300.
- Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305–360. HYPERLINK "[https://doi.org/10.1016/0304-405X\(76\)90026-X](https://doi.org/10.1016/0304-405X(76)90026-X)" [https://doi.org/10.1016/0304-405X\(76\)90026-X](https://doi.org/10.1016/0304-405X(76)90026-X)
- Johanes Sumarno, Sendy Widjaja, Subandriah (2016). The Impact of Good Corporate Governance to Manufacturing Firm's Profitability and Firm's Value. *Science*, 62, 1313-1318.
- Karadeniz, Erdinc., Kandir, Serkan Yilmaz., Iskenderoglu, Omer., and Onal, Yidirim Beyazit. 2011. Firm Size and Capital Structure Decisions: Evidence From Turkish Lodging Companies. *International Journal of Economics and Financial Issues*, 1(1), pp: 1-11.
- Khan, Fahad Najeeb; Ghulam Shabir Khan Niazi; Tayyaba Akram. 2017. Impact of Capital Structure on Firm Financial Performance: A Case Of The Pakistani Engineering Firms Listed On KSE. *International Journal of Information, Business and Management*, 5 (2), 218-240.
- Kusumajaya, Jaya (2011). Analisis Firm Value Pada Penawaran Saham Perdana di Bursa Efek Jakarta. *Sinergi Kajian Bisnis dan Manajeme dan Akutansi*.
- M, S. S. (2017). The Effect Of Asset Structure And Firm Size On Firm Value With Capital Structure As Intervening Variable. *Business & Financial Affairs, J Bus Fin Aff, An Open Access Journal* Volume 6 • Issue 4 • 1000298. Issn: 2167-0234.
- Mabruroh (2016). Intellectual Capital Disclosure , Cost Of Finance And Firm Value. *Journal Of Human Resource Costing & Accounting, Emerald*, Vol. 47, 1536–1554. HYPERLINK "<https://doi.org/10.1108/00251740911004673>" <https://doi.org/10.1108/00251740911004673> .
- Mai, M. U. (2017). Mediation Of Csr And Profitability On The Influences Of Gcg Mechanisms To The Firm Value. *Jurnal Keuangan Dan Perbankan*, 21(2): 253–264, 2017. Nationally Accredited: No.040/P/2014. [Http://Jurnal.Unmer.Ac.Id/Index.Php/Jkdp](http://Jurnal.Unmer.Ac.Id/Index.Php/Jkdp).
- Mandey, S. R., Pangemanan, S. S., & Pangerapan, S. (2017). Analisis Pengaruh Insider Ownership, Leverage, Dan Profitabilitas Terhadap Nilai Perusahaan Pada Sektor Perusahaan Manufaktur Di Bursa Efek Indonesia. *Jurnal Emba*, 5(2), 1463–1473.
- Margaretha. Maritza Ellanyndra. 2014. Pengaruh Intellectual Capital Terhadap Business Performance Pada Perusahaan Manufaktur. Universitas Diponegoro.
- Mutmainah, T (2015). Analisis good corporate governance terhadap nilai perusahaan. *Jurnal Keuangan dan Bisnis*, Vol. 5, No. 2.

- Nikel, Puteri, P. A. (2014). Analisis Pengaruh Investment Opportunity Set (IOS) dan Mekanisme Corporate Governance Terhadap Kualitas Laba dan Nilai Perusahaan. Skripsi Fakultas Ekonomi Dan Bisnis, Universitas Diponegoro.
- Nur Mufidah & Puji Endah Purnamasari (2018). Pengaruh Profitabilitas Terhadap Nilai Perusahaan Dengan Pengungkapan Corporate Social Responsibility dan Good Corporate Governance sebagai variabel moderating. *Financial Management, Spring*, pp. 32-38.
- Nurlela & Islahuddin, (2016). Commentary on Earnings Management. *Accounting Horizon* 3. Hal 91-102.
- Priatna, D. K. (2020). Evaluation of Education and Training Program for Civil Servants: a New Approach To Improving Employee Productivity. *Sosiohumaniora*, 22(3), 274. <https://doi.org/10.24198/sosiohumaniora.v22i3.28500>
- Priatna, D. K. (2022). Marketing Strategy Analysis of Recycled Products in Improving Independent Graduation of Hope Family Program Group. *Sosiohumaniora*, 24(3), 351. <https://doi.org/10.24198/sosiohumaniora.v24i3.42537>
- Priatna, D. K., & Anggraeni, A. F. (2022). Job Satisfaction and Organizational Commitment as Factors Affecting Employee Withdrawal at Army Flight Center. 3(3), 122–135.
- Putu Riska Amanda Dewi & I.G.A.M Asri Dwija Putri (2017). Pengaruh Kebijakan Deviden pada Nilai Perusahaan dengan Pengungkapan CSR dan Good Corporate Governance Sebagai Variabel Pemoderasi. *Journal of Business Finance & Accounting*, Vol. 78 No. 6, pp. 845-865.
- Razali. 2011. Prinsip-Prinsip Manajemen Keuangan Buku 1, Edisi 12. Jakarta: Penerbit Salemba Empat.
- Rezanata Rahmanto (2017). Pengaruh Profitabilitas, Kebijakan utang, dan Kebijakan Deviden Terhadap Nilai Perusahaan. *Journal of Financial Management and Analysis*, Vol. 4 No. 1, pp. 29-39.
- Ridwan dan Gunardi. 2018. Akuntansi Sumber Daya Manusia. Yogyakarta: Graha Ilmu.
- Rivandi, M. (2018). Pengaruh Intellectual Capital Disclosure, Kinerja Keuangan, Dan Kepemilikan Manajerial Terhadap Nilai Perusahaan. *Jurnal Pundi*, Vol. 02, No. 01, Maret 2018. Issn: 2355-7052.
- Roswinna, W. (2020). Increasing the Potential Region Attractiveness in the Development Order Investation. *Sosiohumaniora*, 22(3), 341. <https://doi.org/10.24198/sosiohumaniora.v22i3.28499>
- Salowe, (2002). Analisis Investasi dan Manajemen Portofolio. Edisi 1. Yogyakarta: Kanisius.
- Sawarjuwono, Tjiptohadi dan Agustine Prihatin Kadir. 2016. Intellectual Capital: Perlakuan, Pengukuran Dan Pelaporan (Sebuah Library Research). *Jurnal Akuntansi & Keuangan* Vol. 5, No. 1, Mei 2016.
- Shleifer, A dan R.W. Vishny. (2016). A Survey of Corporate Governance. *Journal of Finance*, Vol. 52. No. 2 Juni. 737-783.
- Soewarno, M. M. (2018). The Effect Of Good Corporate Governance Mechanism And Corporate Social Responsibility On Financial Performance With Earnings Management As Mediating Variable. *Asian Journal Of Accounting*. Emerald Publishing Limited, Vol. 3 No. 1, 2018, Pp. 41-60. 2443-4175. Doi 10.1108/Ajar-06-2018-0008.
- Sunarsih, N. M., & Mendra, N. P. Y. (2016). Pengaruh Modal Intelektual terhadap Nilai Perusahaan dengan Kinerja Keuangan sebagai Variabel Intervening pada Perusahaan yang terdaftar di Bursa Efek Indonesia. *Jurnal Fakultas Ekonomi Universitas Mahasaraswati Denpasar*.
- Sunitha Devi, I Dewa N.B, I Gusti Ayu N.B (2016). Pengaruh Enterprise Risk Management Disclosure dan Intellectual Capital Disclosure Pada Nilai Perusahaan. *Jurnal Keuangan dan Bisnis*, Vol. 5, No. 2.

- Timotius Hadiwijaya, L. L. (2017). Effect Of Capital Structure And Corporate Governance On Firm Value (Study Of Listed Banking Companies In Indonesia Stock Exchange). *Journal Of Accounting And Business Studies*, Vol. 1, No. 1, September 2016.
- Tito Gustiandika, P., Basuki Hadiprajitno, (2014). Pengaruh Keputusan Investasi dan Keputusan Pendanaan Terhadap Nilai Perusahaan dengan Corporate Governance sebagai Variabel Moderating. *Jurnal "Performance" Bisnis & Akuntansi Volume V, No.1*, pp 66-80.
- Ulum I. 2016. Model Pengukuran Kinerja Intellectual Capital Dengan IB-VAIC Di Perbankan Syariah. *Jurnal Penelitian Sosial Keagamaan* Vol. 7 No.1.
- Umar M.M, (2017). Mediation Of Csr And Profitability On The Influences Of Gcg Mechanisms To The Firm Value. *Jurnal Keuangan dan Perbankan*, 21(2): 253–264, 2017. Nationally Accredited: No.040/P/2014. <http://jurnal.unmer.ac.id/index.php/jkdp>.
- UU No. 21 tahun 2008 tentang Perbankan Syariah.
- Wau, M. (2021). The Influence Of Dividend Policy On The Performance Of Mining Companies: Corporate Governance As A Moderating Variable. *Jurnal Ekonomi Lldikti Wilayah 1 (Juket)*, Issn : 9999-9999 | Vol. 1 Issue 1, 2021. Doi : 12.45677/Juket.V1i1.Xxxx.
- Westerfield, R., & Jaffe, J. F. (2015). *Corporate finance*. Irwin, McGraw-Hill.
- Weston dan Copeland, (2001). *Nilai perusahaan dan Manajemen Berdasarkan Nilai Panduan Praktis Untuk Implementasi*. Jakarta: Salemba Empat
- Widyaningrum, Ambar. 2014. *Modal Intelektual*. *Jurnal Akuntansi dan Keuangan Indonesia* Vol. 1. Departemen Akuntansi Fakultas Ekonomi Universitas Indonesia.
- Yuliana, W. Y. (2020). Influence Of Intellectual Capital, Income Diversification On Firm Value Of Companies With Profitability Mediation: Indonesian Banking. *Jurnal Dinamika Akuntansi*, Vol. 12, No. 1, March 2020, Pp. 77-89. P-Issn 2085-4277 | E-Issn 2502-6224. [Http://Journal.Unnes.Ac.Id/Nju/Index.Php/Jda](http://Journal.Unnes.Ac.Id/Nju/Index.Php/Jda).
- Yulius dan Tarigan, (2007). *Management Control Systems on Firm Value*. Irwin: Homewood, Illinois