

TABLE OF CONTENTS

<i>STATEMENT OF VALIDATION</i>	<i>i</i>
<i>STATEMENT OF THE AUTHENTICITY OF SCIENTIFIC WORKS</i>	<i>ii</i>
<i>ABSTRACT</i>	<i>iii</i>
<i>ABSTRAK</i>	<i>iv</i>
<i>ACKNOWLEDGEMENT</i>	<i>v</i>
<i>TABLE OF CONTENTS</i>	<i>vii</i>
<i>LIST OF TABLES</i>	<i>x</i>
<i>LIST OF FIGURES</i>	<i>xi</i>
<i>CHAPTER I</i>	<i>1</i>
<i>INTRODUCTION</i>	<i>1</i>
1.1 Background	1
1.2 Research Problem.....	13
1.3 Research Objective.....	13
1.4 Research Benefits	14
1.5 Research Location and Time.....	14
<i>CHAPTER II</i>	<i>15</i>
<i>LITERATURE REVIEW AND THEORETICAL FRAMEWORK</i>	<i>15</i>
2.1 Literature Review	15
2.1.1 Theory of Stakeholders	15
2.1.2 Theory of Legitimacy.....	16
2.1.3 Theory of Signalling.....	17
2.1.4 Definition of Enterprise Risk Management	18
2.1.5 Definition of Environmental, Social, and Governance	23
2.1.6 Definition of Firm Value.....	26

2.2	Previous Research	27
2.3	Research Framework.....	32
2.3.1	The Effect of Enterprise Risk Management on Firm Value.....	33
2.3.2	The Effect of Environmental, Social, and Governance Performance on Firm Value.....	34
2.3.3	The Effect of Enterprise Risk Management and Environmental, Social, and Governance Performance to Firm Value.....	35
<i>CHAPTER III</i>		36
<i>RESEARCH METHOD</i>		36
3.1	Research Object	36
3.2	Research Method.....	36
3.3	Population and Sample.....	36
3.3.1	Population	36
3.3.2	Sample.....	37
3.4	Variable Definition and Operationalization	38
3.4.1	Independent Variable	38
3.4.2	Dependent Variable.....	44
3.4.3	Control Variable.....	45
3.5	Data Gathering Technique	46
3.6	Hypothesis Testing.....	47
3.7	Data Analysis Method.....	47
3.7.1	Descriptive Analysis	47
3.7.2	Panel Data Regression	48
3.8	Classic Assumption Test.....	49
3.9	Hypothesis Testing.....	51
3.10	Quantitative Data Analysis	52
<i>CHAPTER IV</i>		53

<i>RESULT AND ANALYSIS</i>	53
4.1 Statistic Test Result.....	53
4.1.1 Descriptive Statistic Analysis.....	53
4.1.2 Model Determination Test	55
4.1.3 Classic Assumption Test	58
4.1.4 Data Panel Regression Analysis and Hypothesis Testing.....	58
4.2 Discussion	62
4.2.1 The Effect of Enterprise Risk Management on Firm Value.....	62
4.2.2 The Effect of ESG Performance on Firm Value	63
4.2.3 The Effect of Enterprise Risk Management and ESG Performance on Firm Value.....	64
<i>CHAPTER V</i>	66
<i>CONCLUSIONS AND RECOMMENDATIONS</i>	66
5.1 Conclusions	66
5.2 Research Limitation	67
5.3 Recommendations	67
<i>REFERENCES</i>	69
<i>ATTACHMENTS</i>	77

LIST OF TABLES

Table 1 Financial Metrics in ASEAN Banking Sector	3
Table 2 Previous Research	32
Table 3 Description of Each Components for Quantitative Measurement	40
Table 4 The Matrix of ERM-CAMELS Method.....	41
Table 5 Description of Qualitative Outcome to Measure ERM Index.....	42
Table 6 Range of ESG Score	44
Table 7 Definitions of Variable Operationalization.....	46
Table 8 ERM Descriptive Analysis.....	53
Table 9 ESG Performance Descriptive Analysis	54
Table 10 Firm Value Descriptive Analysis.....	55
Table 11 List of Target Population	79
Table 12 ESG Score	80
Table 13 Firm Value of Sample Companies	81
Table 14 Inflation Rate for Each Country	82
Table 15 Firm Size	83

LIST OF FIGURES

Figure 1 Graph of ESG Scores from 2002 to 2020.....	9
Figure 2 Conceptual Framework.....	32
Figure 3 Chow Test.....	56
Figure 4 Hausman Test	57
Figure 5 Lagrange Multiplier Test	57
Figure 6 Data Panel Regression using Random Effect Model.....	59