East Asian Journal of Multidisciplinary Research (EAJMR)
Vol. 3, No. 11, 2024 : 5363 - 5382

The Influence of Good Corporate Governance on Risk Management Disclosure (Case Study on Telecommunication Companies)

Hidayatul Aena[1]*, Elin Erlina Sasanti[2]
Faculty of Economics and Business, University of Mataram
Corresponding Author: Hidayatul Aena hidayatulaena99@gmail.com

A R T I C L E I N F O

Keywords: Risk Management Disclosure, Board of Commissioners Size, Proportion of Independent Commissioners, Audit Committee Size, Institutional Ownership Structure

Received : 14, October
Revised : 26, October
Accepted: 25, November

A B S T R A C T

This study examines the effect of good corporate governance elements on risk management disclosure in telecommunications companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2022. This study applies quantitative methods with panel data regression analysis using the fixed effects model (FEM). The results show that the size of the board of commissioners has a significantly negative impact on risk disclosure, while the size of the audit committee and company size have a significantly positive impact. In contrast, the proportion of independent commissioners and institutional ownership did not have a significant effect. The findings findings provide recommendations to improve good corporate governance practices and risk management in telecommunication companies.

DOI prefix: https://doi.org/10.55927/eajmr.v3i11.12141
ISSN-E: 2828 - 1519
https://journal.formosapublisher.org/index.php/eajmr

INTRODUCTION

The growth of the internet in Indonesia has increased significantly along with the needs of people in the digital era, which has led to intense competition between telecommunications companies. During the COVID-19 pandemic, demand for internet access surged sharply, forcing people to adapt to digital technology. At first, some telecommunications companies experienced a decline in instrumental functions, especially in financing (Krisdayanti & Dewi, 2022). However, the increase in digital lifestyle needs made the performance of some companies, such as PT Indosat Tbk and PT Telekomunikasi Indonesia Tbk, improve with an increase in data traffic of 27% and 22.8% respectively during the pandemic (CNBC, 2020). This shows the resilience of some telecommunications industries in dealing with the impact of the pandemic by providing relevant products for the community (Mahanani, 2021). From 2018 to 2022, internet usage in Indonesia jumped from 132.7 million to 204.7 million users, with penetration reaching 73.7% of the total population by early 2022 (Katadata, 2022). On the other hand, mobile phone users increased from 63.53% in 2019 to 66.88% in 2022 (Ummah, 2022). The performance of the telecommunications industry also continues to grow, in line with population growth and the contribution of the information and communication sector, which has increased annually.

Along with the growth of telecommunications in Indonesia, telecommunications companies will also face many risks so they need risk management. Risk management disclosure based on Richter et al., (2018) ROSC (Report on the Observance of Standards and Codes) 2018 focuses on aspects of transparency and accountability in fiscal risk disclosure by the government. Richter et al., (2018) emphasize the importance of clear and accurate disclosure of fiscal risks to ensure transparency and accountability in state financial management. Risk disclosure in Indonesia is low (Richter et al., 2018). The low level of risk disclosure needs attention in the annual report, especially since in Indonesia there are still few studies that discuss risk management disclosure. With the existence of ROSC Richter et al. (2018), companies must disclose their own risk management, thus ensuring good operational performance and increasing investor confidence.

Risk management disclosure according to Hirth et al., (2017) According to the Committee of Sponsoring Organizations of the Treadway Commission (COSO), "Enterprise Risk Management is a process influenced by corporate management, applied to every strategy, and designed to provide reasonable assurance in achieving corporate objectives". Based on the above understanding, enterprise risk management is a way to make the company aware of risks so that it can control its pace to achieve company goals. Companies can utilize this information to recognize opportunities, threats, risks and losses that may impact or have already impacted the company. Therefore, risk management plays an important role in building good Corporate Governance. Based on the Forum for Good Corporate Governance Indonesia (FCG1) described by Emirzon, (2015), good corporate governance is a set of rules that determine the rights and responsibilities between shareholders,

management, creditors, government, employees, and other stakeholders, both internal and external. Thus, this system aims to regulate and oversee the company's operations. Corporate governance prevents conflicts of interest within the company by resolving or protecting owners, managers, and stakeholders from agency problems (Rusdiyanto, S.E. et al., 2019).

Agency theory is closely related to corporate risk management disclosure. This theory provides an explanation of the relationship between managers and company owners. A person who has ownership of the company is called a shareholder (principal), and the manager is the person responsible for the company's operations. According to Widyiawati & Halmawati, (2018) managers and owners have different interests which cause information asymmetry, Since the direct relationship between principals and agents is crucial, corporate governance is necessary. Managers are responsible for managing the company's operations and creating financial reports, which are used by stakeholders in the decision-making process. (Muhamad Muslih, 2023). Decision-making stakeholders are also referred to as stakeholders, where these stakeholders have an interest that is prioritized in the company to carry out its operations. This is in accordance with stakeholder theory, which states that stakeholders have an influence on the sustainability of the company, so that all company operations can only run with their approval. one of the methods to maintain company relationships and its stakeholders is to provide information that can help them in the decision-making process.

Adnyana & Adwishanti, (2020) found that good corporate governance, board size, and company size have a positive effect on risk management disclosure. These findings indicate that board size and company size are factors that can influence risk management disclosure. In addition, Oktaviana & Puspitasari, (2022) in their research shows that independent commissioners, board size, and auditor reputation have an influence on the implementation of Enterprise Risk Management. This opinion contradicts the research conducted by Muhamad Muslih, (2023), Tieka Trikartika Gustyana & Putri, (2022), and Kurniawanto & Agustiningsih, (2017) The results indicate that the board of directors, board of commissioners, and audit committee have a negative influence on corporate risk management disclosure.

Kencana et al., (2018) found in their study that company size, external auditor quality, and independent board quality have a significant positive influence on risk disclosure. Meanwhile, other factors such as ownership structure, industry type, leverage, and audit committee size have no influence on risk disclosure. (Gustyana & Fakhira, 2023) His research shows that the institutional ownership structure variable affects risk management disclosure individually. Gunawan & Zakiyah, (2017) in their research showed that auditor reputation and company size affect risk management disclosure (RMD), while institutional ownership variables, board size, and risk management disclosure are not affected by leverage. In addition, the results of research by Oktavia fajar utami, (2023) also show that institutional ownership structure, independent board of commissioners, audit committee, and board size significantly have a positive effect on corporate risk management. In research conducted by

Cahyono, (2023), found that institutional ownership structure, independent audit committee, and independent board of commissioners affect risk management disclosure. On the other hand, board size has an insignificant negative effect on risk management disclosure. This may be due to the possibility of increased internal conflicts on a larger board of commissioners, which causes board members to be unable to supervise and implement optimal risk management disclosure in the company.

In this study, in addition to using independent and dependent variables, a control variable is also used, namely company size. So that the results of the study are not influenced by outside factors, the control variables are kept at a constant state. This control variable can indicate the company's resources, including sources of funds. Company size is closely related to risk management capabilities and needs. Large firms have advantages in terms of resources, technology, and access to expertise, which allows them to better manage risk. However, operational complexity and reputational risk demand a more sophisticated and coordinated risk management system. Effective risk management not only helps large companies minimize losses, but also maintains business sustainability amid competition and market uncertainty. In this study, the control variable is company size.

By considering the relationship between good corporate governance, risk management disclosure, relevant theories, and previous research as well as the background of the problem that has been described, this study uses the size of the board of commissioners (X1), the proportion of independent commissioners (X2), the size of the audit committee (X3), institutional ownership structure (X4), and company size as a control variable (X5) to analyze its effect on risk management disclosure (Y) in telecommunications companies listed on the Indonesia Stock Exchange during the 2019-2022 period.

THEORETICAL REVIEW

Size of the Board of Commissioners

Supervising and instructing directors to ensure good corporate governance is one of the responsibilities of the board of commissioners (Nasional & Governansi, 2021). in line with agency theory which emphasizes the possibility of conflicts of interest between managers and company owners (agents). If the board of commissioners functions properly, it will help reduce the risk of a mismatch between the interests of management and company owners. Therefore, the main function of the board of commissioners is as a forum responsible for overseeing and managing the company and fulfilling the rights of shareholders (Nasional & Governansi, 2021). In general, it is expected that a large board of commissioners will have a high incentive to oversee the company's risk disclosure procedures, so that all information can be conveyed properly (Gunawan & Zakiyah, 2017). hus, the board of commissioners, or the company's supervisory board, has the ability to increase stakeholder confidence in the performance of the board of directors (Muslih & Mulyaningtyas, 2019; Muhamad Muslih, 2023).

Previous studies on the relationship between board size and risk management disclosure have produced mixed findings. Adnyana &

Adwishanti, (2020) found that the number of board members contributes to risk management disclosure. According to Cahyono, (2023) the number of board members has a negative and insignificant impact on risk management disclosure. As a result of this explanation, the researcher makes the following hypothesis:

H1: The size of the board of commissioners has a positive effect on risk management disclosure

Proportion of Independent Board of Commissioners

The independent board of commissioners is responsible for supervising, providing advice, and ensuring that the company has good corporate governance. (Rusdiyanto, S.E. et al., 2019). Each independent board member has an impartial nature, which means they act objectively. unaffected, and fair in handling company problems, and independent commissioners are very important to minimize management errors (Setiawan, 2018). With independent supervision, the risk of mismanagement can be reduced, thereby increasing stakeholders' trust in company management. This is in accordance with agency theory, which explains the relationship between managers (agents) and owners (principals), which can cause conflicts of interest due to differences in goals between them. In addition to agency theory, by implementing the principles of good corporate governance, such as transparency, accountability, responsibility and fairness, the independent board of commissioners ensures that the company's management practices are in line with the interests of all shareholders and stakeholders. The more independent commissioners, the better the company's supervision and risk management. In addition, stakeholder theory emphasizes that companies must pay attention to all parties, not only shareholders, but also other stakeholders, such as employees, consumers, suppliers and the government, which makes independent boards even more important.

Previous research conducted by Oktavia fajar utami, (2023) Indicates that the independent board of commissioners has a significant positive effect on risk management disclosure. In addition, research by Cahyono, (2023) Indicating that the independent board of commissioners has an effect on risk management disclosure, and the proportion of independent board of commissioners also has an influence on risk management disclosure. Based on this explanation, the hypothesis can be formulated as follows:

H2: The proportion of the independent board of commissioners has a positive effect on risk management disclosure.

Audit Committee Size

The audit committee is a professional and independent organization established and accountable to the Board of Commissioners. It oversees financial reporting, risk management, audit and corporate governance practices. The Indonesian Audit Committee Association issued this statement in the book (Effendi & Arief, 2016). The audit committee is tasked with overseeing the risk management process, management control system, internal audit, as

well as the company's compliance with corporate governance. This oversight aims to ensure that no manipulation or abuse of authority occurs. This is in accordance with agency theory which emphasizes the importance of independent supervision to reduce the information gap between shareholders and management. The larger the size of the audit committee, the more experience and views can be accessed, resulting in increased supervisory efficiency. Also, a larger audit committee size allows for a better division of responsibilities and increases the frequency and quality of supervision. With an active audit committee role, companies are better able to comply with regulations and codes of conduct, thereby reducing the risk of irregularities and increasing investor confidence.

Previous research on the relationship between audit committee size and risk management disclosure shows mixed results. A previous study by Gustyana & Fakhira, (2023) found that risk management disclosure and audit committee did not have a significant relationship. Contrary to the results of research conducted by Cahyono, (2023), which states that the audit committee has a significant influence on risk management disclosure, and the proportion of the audit committee also affects risk management disclosure. Based on this explanation, the hypothesis can be formulated as follows:

H3: The size of the audit committee has a positive effect on risk management disclosure

Institutional Ownership Structure

According to Tamrin & Maddatuang, (2019), companies such as investment, banks, insurance, and others have institutional ownership as part of their shares. Institutional ownership has a greater capacity affect risk management policies because they are responsible for external pressure and supervision related to risk management (Mohd-Sanusi et al., 2017). Since managers (agents) have more control over company operations and access to information than owners (principals), Often managers and owners are involved in conflicts of interest. Because they have greater resources and authority to oversee management and encourage companies to be more transparent and accountable in conveying information, including about risk management, institutional ownership helps reduce conflicts.

Previous research conducted by Gustyana & Fakhira, (2023) there is no significant effect of all independent variables individually on risk management disclosure, However, risk management disclosure is strongly influenced by the ownership structure of the organization and how the organization does it. How large or small the ownership of an organization affects risk management disclosure (Cahyono, 2023). Based on this description, a hypothesis can be formulated:

H4: institutional ownership structure has a positive effect on risk management disclosure

Research Model

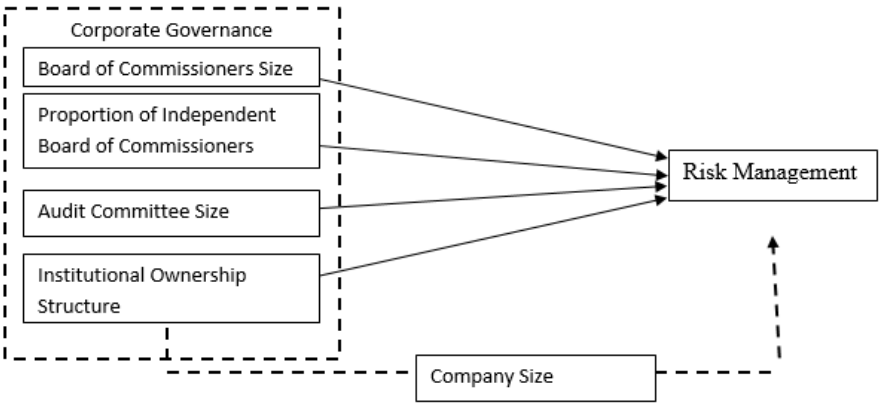

Figure 1: Conceptual Framework

METHODOLOGY

Research methods are the means used to carry out the research process, both in the search for data and the disclosure of phenomena Zulkarnaen et al., (2020). This research was conducted with a quantitative approach, and the data used were numbers and analyzed with statistics. (Sugiyono, 2017).

Population and Sample

Population is a generalization area that includes subjects or objects with certain numbers and characteristics, which are chosen by researchers to study, and from this research the researcher then draws conclusions. (Sugiyono, 2016). Based on the above understanding, this study will cover all telecommunication companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2022. The sample selection in this study was carried out purposively. Sugiyono, (2013) states that the purposive sampling method is based on special considerations and is used to collect samples from various data sources. In this study, the sample criteria included:

Sampling Criteria

Table 2. Sampling criteria

No	Sampling Criteria	Total
1.	Telecommunication companies listed on the Indonesia stock exchange during 2019-2022	22
2.	Telecommunication companies with incomplete annual reports	(4)
3.	Total sample of telecommunication companies	18
4.	Number of observations 4 years (4 x 18)	72

Based on Table 2, this study involved 72 observations from telecommunication companies listed on the Indonesia Stock Exchange during the 2019-2022 period, with a total of 18 samples used as research objects.

Type and Data Collection

The type of quantitative data used in this study is secondary data. The data used is taken from the official website of each telecommunications

company in Indonesia or from the Indonesia Stock Exchange. This data is taken from the annual report.

Operational Definition of Variables

Research variables are characteristics of various objects determined by researchers to be analyzed and conclusions drawn. (Sugiyono, 2019;68). The limitations and measurements of the variables to be studied are referred to as operational variables. In this study, five variables were used: the dependent variable of risk management (Y), the independent variable of board size (X1), proportion of independent commissioners (X2), audit committee size (X3), institutional ownership structure (X4), and the control variable of company size (X5).

Dependent variable (Y)

The dependent variable is the variable that results from or is influenced by the independent variable (Sugiyono, 2019;69). n this study, the dependent variable is the company's risk management disclosure, which includes 39 risk disclosure items based on (Ekramy Mokhtar, 2013) research as follows:

(Table 3 source: (Ekramy Mokhtar, 2013)

Financial Risk	*a. interest rate* *b. exchange rate* *c. commodity* *d. liquidity* *e. credit* *f. going concern* *g. cost of capital*
Operation Risk	*a. customer satisfaction* *b. product development* *c. efficiency and performance* *d. sourcing* *e. stock obsolescence and shrinkage* *f. product and service failure* *g. environmental* *h. health and erosion* *i. brand name erosion*
Empowerment Risk	*a. management process* *b. leadership and management* *c. outsourcing* *d. performance incentives* *e. change readiness* *f. communications*
Information processing and technology Risk	*a. integrity* *b. access* *c. availability* *d. infrastructure*
Integrity Risk	*a. management and employee fraud* *b. illegal acts* *c. reputation*
Strategic Risk	*a. environmental scan* *b. industry* *c. business portofolio* *d. competitor* *e. pricing* *f. valuation* *g. life cycle* *h. performance measurement* *i. regulatory* *j. sovereign and political*

The method used is content analysis with the formula:

$$MR = \frac{\Sigma risk\ disclosure\ items\ made\ by\ the\ company}{\Sigma total\ items\ of\ enterprise\ risk\ disclosure}$$

Independent variable (X)

Independent variables are defined as variables that cause or influence the dependent variable (Sugiyono, 2019;69). In this study, the independent variables used are:

Board of Commissioners Size (X1)

Calculations can be measured using the formula:

$$UDK = \Sigma number\ of\ all\ board\ of\ commissioners$$

Proportion of independent board of commissioners (X2)

The ratio between the number of independent commissioners and the total members of the board of commissioners.

$$DKI = \frac{DKI}{total\ number\ of\ commissioners}\ x\ 100\%$$

Audit Committee Size (X3)

A way to measure the performance of audit committees is to look at the number of their members.

$$KA = \Sigma total\ number\ of\ members\ AK$$

Institutional Ownership Structure (X4).

$$SKI = \frac{\Sigma institutionally\ owned\ shares}{\Sigma shares\ outstanding}\ x\ 100\%$$

Control Variables

Since company size is a control variable, unexamined components do not affect the effect of the independent variable on the dependent variable.

Company size

Company size is a metric that indicates how wealthy a company is. The greater this value, the more stakeholder involvement (Misni Erwati, Ratih Kusumastuti, 2012). The size of a company can affect its value. Investors will prefer to invest in larger companies as they have more assets than smaller companies. Thus, the value of the company will increase. (Gunawan & Zakiyah, 2017). The indicator used in this study to measure company size is total assets. The formula for determining company size is as follows:

$$Company\ size = Log\ (total\ asset)$$

Data Analysis Technique

This research utilizes the E-Views program to conduct regression analysis on panel data. Statistical techniques are applied to test hypotheses using panel data. The analysis begins with descriptive statistics, then proceeds with panel data regression model estimation (CEM, REM, and FEM), and hypothesis testing (including panel data regression analysis, partial t test, F model feasibility test, and coefficient of determination) using E-Views 12 software to process the data. The regression model used is as follows:

$$MR = a + \beta 1\ UDK_1 + \beta 2\ DKI_2 + \beta 3\ KA_3 + \beta 4\ SKI_4 + \beta 5\ UP_1 + e$$

Description:

MR : Risk Manajemen
α : Constant
β1-β5 : Regression coefficient
UDK_1 : Board of Commissioners Size
DKI_2 : Independent Board of Commissioners
KA_3 : Audit Committe
SKI_4 : Institutional Ownership Structure
UK_1 : Company Size
e : Error

RESULTS

Descriptive Statistical Test Results

Table 4 Descriptive Statistics

	UDK	DKI	KA	SKI	UP	MR
Mean	4.472222	0.401425	3.222222	0.715519	32898.71	12.00000
Median	4.000000	0.387500	3.000000	0.700550	9674.205	12.00000
Maximum	15.00000	0.750000	7.000000	1.000000	277184.0	26.00000
Minimum	2.000000	0.250000	3.000000	0.420400	0.929000	4.000000
Std. Dev.	2489257	0.097191	0.735847	0.174582	60117.21	5.435926
N	72	72	72	72	72	72

(source: data processed)

The Board of Commissioners Size variable (UDK) has a standard deviation of 2.48, an average (mean) of 4, and a maximum value of 15, as seen in the table above. Meanwhile, the Independent Board of Commissioners (DKI) variable shows a minimum value of 0.25, a maximum of 0.75, an average (mean) of 0.40, and a standard deviation of 0.09. For the Audit Committee (KA) variable, the minimum value is recorded as 3 people, the maximum is 15 people, with an average of 3 people and a standard deviation of 0.73. The Institutional Ownership Structure variable has a minimum value of 0.42 and a maximum of 1, with an average of 0.71 and a standard deviation of 0.17. The Company Size variable (UP) recorded a minimum value of 0,929,000 and a maximum of 277,184.0, with an average of 32,898.71 and a standard deviation of 60,117.21. The Risk Management variable (MK) shows a minimum value of 4.00, a maximum of 26.00, an average of 12.00, and a standard deviation of 5.43. This means that the company's Risk Management disclosure has the lowest level of

4% and the highest of 26% of the total existing risk management disclosure items.

Chow test

Table 5. Chow Test Results

Effects Test	Statistic	d.f.	Prob.
Cross-section F	58.559862	(17,49)	0.0000
Cross-section Chi-square	220.283293	17	0.0000

(source: data processed)

The Chow test results show that the FEM model is chosen because the probability value is 0.0000, which is smaller than 0.05.

Hausman Test

Table 6. Hausman Test Results

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	21.112905	5	0.0008

(source: data processed)

The Hausman test results show that the probability value is 0.0008, which is smaller than 0.05, so the FEM model is selected.

Panel Data Regression

Table 7. Panel Data Regression

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.762965	2.938634	0.940221	0.3517
UDK	-1.841246	0.304904	-6.038781	0.0000
DKI	4.454959	3.140258	1.418660	0.1623
KA	4.021807	0.819926	4.905085	0.0000
KI	1.413402	1.220682	1.157879	0.2525
UP	5.31E-05	2.40E-05	2.212068	0.0317

Effects Specification			
Cross-section fixed (dummy variables)			
R-squared	0.961822	Mean dependent var	12.00000
Adjusted R-squared	0.944681	S.D. dependent var	5.435926
S.E. of regression	1.278535	Akaike info criterion	3.583350
Sum squared resid	80.09793	Schwarz criterion	4.310618
Log likelihood	-106.0006	Hannan-Quinn criter.	3.872878
F-statistic	56.11154	Durbin-Watson stat	2.122488
Prob(F-statistic)	0.000000		

(source: data processed)

The Fixed Effects Model (FEM) proved to be the most appropriate panel data regression model for this study. Based on this table, the panel data regression model equation that describes the effect of board size (X1), proportion of independent commissioners (X2), audit committee size (X3), institutional ownership structure (X4), as well as the control variable company size (X5) on risk management (Y) in telecommunication companies listed on the Indonesia Stock Exchange from 2019 to 2022 is as follows:

Panel Data Regression Equation (FEM)

RM = 2.76296472772 - 1.84124616524*BCS + 4.45495922982*IBC + 4.02180729379*AK + 1.41340214783*IOS + 5.3133593201e-05*CS + [CX=F]

Below is the panel data regression equation:

1. The constant value obtained of 2.76296472772 indicates that if the independent variable is 0 or no independent variable has an effect, then the value of the Risk Management (MR) variable is 2.76296472772. This positive constant coefficient indicates that if the independent variable increases by one unit on average, the MR variable tends to increase by 2.76296472772.
2. The regression coefficient value for the UDK variable is negative (-) of 1.84124616524. This means that if the UDK variable decreases by one unit, the Risk Management (MR) variable will also decrease by 1.84124616524, and vice versa.
3. he panel data regression coefficient for the DKI variable is positive (+) of 4.45495922982. This indicates that the Risk Management (MR) variable will increase by 4.45495922982 if the DKI variable increases by one unit, and vice versa.
4. The regression coefficient for the KA variable is positive (+) of 4.02180729379, which indicates that the Risk Management (MR) variable will increase by 4.02180729379 if the KA variable increases by one unit, and vice versa.
5. The regression coefficient for the KI variable is positive (+) of 1.41340214783. This shows that if the IP variable increases by one unit, the Risk Management (MR) variable will also increase, and vice versa.
6. The panel data regression coefficient for the UP variable is positive (+) of 5.3133593201, which indicates that if the UP variable increases by one unit, the Risk Management (MR) variable will also increase by 5.3133593201, and vice versa.

Hypothesis Test Results

1. T Test Results

The following table shows the panel data and hypothesis test results (T-test). The following factors affect the dependent variable and the independent variable:

a. The UDK variable has a t value of -6.038781 and a probability (significance) value of 0.0000 (<0.05), so it can be concluded that the UDK variable has a significant effect on the Risk Management (MR) variable. Therefore, the first hypothesis (H1) is accepted.
b. The DKI variable has a t-statistic value of 1.418660 and a probability value (insignificant) of 0.1623 (> 0.05), so it can be concluded that the DKI variable has no significant effect on the Risk Management (MR) variable. Thus, the second hypothesis (H2) is rejected.
c. The KA variable has a t value of 4.905085 and a probability value (significant) of 0.0000 (<0.05), so it can be concluded that the KA variable has a significant effect on the Risk Management (MR) variable. Therefore, the third hypothesis (H3) is accepted.

d. The KI variable has a t-statistic value of 1.157879 and a probability value (insignificant) of 0.2525 (> 0.05), so it can be concluded that the KI variable has no significant effect on the Risk Management (MR) variable. Therefore, the fourth hypothesis (H4) is rejected.
e. The UP variable has a calculated t value of 2.212068 and a probability value (significant) of 0.0317 (<0.05), so it can be concluded that the UP variable has a significant effect on the Risk Management (MR) variable. Therefore, the fifth hypothesis (H5) is accepted.

Table 8. Hypothesis Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.762965	2.938634	0.940221	0.3517
UDK	-1.841246	0.304904	-6.038781	0.0000
DKI	4.454959	3.140258	1.418660	0.1623
KA	4.021807	0.819926	4.905085	0.0000
KI	1.413402	1.220682	1.157879	0.2525
UP	5.31E-05	2.40E-05	2.212068	0.0317

Effects Specification			
Cross-section fixed (dummy variables)			
R-squared	0.961822	Mean dependent var	12.00000
Adjusted R-squared	0.944681	S.D. dependent var	5.435926
S.E. of regression	1.278535	Akaike info criterion	3.583350
Sum squared resid	80.09793	Schwarz criterion	4.310618
Log likelihood	-106.0006	Hannan-Quinn criter.	3.872878
F-statistic	56.11154	Durbin-Watson stat	2.122488
Prob(F-statistic)	0.000000		

(source: data processed)

2. *F Test Results (model feasibility test) for Panel Data Regression*

Table 9. F Test Results (model feasibility test) on Panel Data Regression

Effects Specification			
Cross-section fixed (dummy variables)			
R-squared	0.961822	Mean dependent var	12.00000
Adjusted R-squared	0.944681	S.D. dependent var	5.435926
S.E. of regression	1.278535	Akaike info criterion	3.583350
Sum squared resid	80.09793	Schwarz criterion	4.310618
Log likelihood	-106.0006	Hannan-Quinn criter.	3.872878
F-statistic	56.11154	Durbin-Watson stat	2.122488
Prob(F-statistic)	0.000000		

(Source: data processed)

The F test is used to test the regression coefficient of each independent variable and the dependent variable simultaneously. In the model feasibility test, the independent variable has a significant effect on the dependent variable. The results show an F-Statistic value of 56.11154 and a probability value of 0.000000 (<0.05).

3. *Determination Coefficient Test Results*

The higher the R^2 value, the better the model is at explaining variations in the data. With an Adjusted R^2 value of 0.944, this indicates a very high predictive power. This means that the independent variables used can significantly explain 94.4% of the variation in the dependent variable, while 5.6% of the variation cannot be explained by these variables and may come from other influential external factors that have not been included in the model.

Table 10. Test Results of the Coefficient of Determination

Effects Specification			
Cross-section fixed (dummy variables)			
R-squared	0.961822	Mean dependent var	12.00000
Adjusted R-squared	0.944681	S.D. dependent var	5.435926
S.E. of regression	1.278535	Akaike info criterion	3.583350
Sum squared resid	80.09793	Schwarz criterion	4.310618
Log likelihood	-106.0006	Hannan-Quinn criter.	3.872878
F-statistic	56.11154	Durbin-Watson stat	2.122488
Prob(F-statistic)	0.000000		

(source: data processed)

DISCUSSION

Effect of Board of Commissioners Size on Risk Management Disclosure

The t-test results show that UDK has a significant negative effect on risk management disclosure, with a probability value of 0.0000 (<0.05). Thus, the first hypothesis (H1) is rejected.

The negative regression coefficient indicates that lower risk management disclosure is associated with a larger number of directors and commissioners. This can be caused by several factors such as: Internal conflicts, the greater the number of board members, the potential for conflicts and differences of opinion among member increases, which can hinder effectiveness in risk oversight and decision making. Less efficient coordination, a larger board may require more time and effort to reach consensus, thereby reducing efficiency in delivering risk information to stakeholders (Cahyono, 2023). In addition, because of the large number of board members, the company feels that it can manage its risks well. This apparently resulted in a decrease in risk management disclosure. Based on these results, companies need to consider the balance between board size and effectiveness. Having a smaller but more competent and coordinated board can promote more effective risk oversight. Previous studies (Cahyono, 2023; Tieka Trikartika Gustyana & Putri, 2022) found that risk management disclosure is influenced by the board of commissioners.

Effect of Proportion of Independent Board of Commissioners on Risk Management Disclosure

Based on the t test, the DKI variable shows a t value of 1.418660 and a probability value of 0.1623 (more than 0.05). These results indicate that DKI

does not have a significant influence on risk management disclosure. Thus, the second hypothesis (H2) is rejected.

The independent board of commissioners needs to play an important role in increasing transparency and accountability by monitoring risks. However, these findings show that in the context of Indonesian telecommunication companies during 2019-2022, The existence of independent commissioners does not have a significant influence on the level of risk management disclosure. Some possible causes include a lack of independence, despite being formally declared independent, some independent board members may still have informal links with management, resulting in decreased supervisory effectiveness. Independent commissioners may not have full access to internal information or be deeply involved in the decision-making process, so their contribution to risk oversight is limited (Oktavia fajar utami, 2023). Limited formal roles, independent commissioners may not be sufficiently involved in day-to-day operational or risk management aspects, which reduces their contribution to risk disclosure. In addition, the reason for the insignificant presence of independent commissioners is the OJK rule stipulating that every company must have an independent commissioner. Thus, the appointment of independent commissioners in manufacturing companies is considered only to fulfill existing regulations (Putri, 2013; Tieka Trikartika Gustyana & Putri, 2022). This finding is in line with the results of previous research (Gustyana & Fakhira, 2023; Oktavia fajar utami, 2023).

The Effect of Audit Committee Size Has a Significant Effect on Risk Management Disclosure

Based on the t test, the KA variable shows a t value of 4.905085 and a probability value of 0.0000 (less than 0.05). These results indicate that KA contributes to improving risk management disclosure. Therefore, the third hypothesis (H3) is accepted.

The positive regression coefficient indicates that a larger number of audit committees is related to the disclosure of corporate risk management. One of the reasons is due to better supervisory capacity, where an audit committee with more members can provide diverse perspectives and expertise, thus being able to identify and assess risks more effectively. To improve the efficiency of the company by being responsible for controlling and supervising top management activities, the audit committee must have knowledge and understanding of the company (Ruwita & Harto, 2013). The audit committee has the responsibility to review and oversee the company's risk management system, making risk reporting more transparent to stakeholders. Active supervision by the audit committee ensures that potential risks are identified and disclosed thoroughly (Oktavia fajar utami, 2023). These results are consistent with Cahyono, (2023), which shows that the size of the audit committee has a significant effect on risk management disclosure. This finding is also in line with the research of Gustyana & Fakhira, (2023) which indicates that overall, the audit committee has a significant role in encouraging risk management disclosure. This suggests that audit committee size is one of the

important elements in enterprise risk governance. Telecommunication companies should carefully consider the composition of the audit committee, including improving the quality and competence of its members, ensuring the independence of the committee, as well as setting an optimal meeting frequency.

Effect of Institutional Ownership Structure on Risk Management Disclosure

With a probability value of 0.2525 (more than 0.05), the KI variable has a calculated t value of 1.157879 according to the t test. These results indicate that risk management disclosure is not significantly influenced by KI. Therefore, the fourth hypothesis (H4) is rejected.

These results indicate that although institutional ownership is often considered capable of providing stricter oversight, in the context of telecommunications companies in Indonesia in the 2019-2022 period, its influence on risk management disclosure is not significant. Studies show that institutional ownership is often insufficient to influence risk management disclosure. When the percentage of shares owned by institutions is low, their ability to supervise and influence management decisions is also limited (Nugroho & Pramesti, 2021). Although institutions have the power to monitor management, if board members or management have informal relationships with institutional shareholders, this may reduce the effectiveness of supervision. These relationships can cause conflicts of interest that hinder transparent information disclosure (Pernama, 2016). In some companies, a weak organizational culture towards transparency and accountability can result in a lack of commitment to risk management disclosure, despite institutional ownership (Dwi Apriani, 2021). These results are consistent with research by Gustyana & Fakhira, (2023), which found that risk management disclosure is not significantly affected by institutional ownership.

CONCLUSIONS AND RECOMMENDATIONS

This study analyzes the effect of Good Corporate Governance (GCG) on risk management disclosure in telecommunications companies listed on the Indonesia Stock Exchange between 2019 and 2022. The results of the analysis and hypothesis testing are based on these findings. Some of the independent variables evaluated include board size, proportion of independent commissioners, audit committee size, and institutional ownership structure. Company size is used as a control variable. The results of this study are:

1. The number of commissioners has a negative impact on risk management disclosure. The more board members, the lower the level of risk disclosure, which may be due to conflicts and lack of effective coordination within the organization.
2. Risk management disclosure is not much influenced by the proportion of independent commissioners. This shows that the existence of independent commissioners has not been effective in increasing risk transparency.
3. The number of audit committees increases risk management disclosure; larger audit committees increase corporate oversight and disclosure about risk.

4. Institutional ownership structure has no effect on risk management disclosure. Although institutional ownership is expected to strengthen supervision, this does not prove significant in the context of telecommunications companies.
5. Company size has a significant positive influence on risk management disclosure. Larger companies with more sufficient resources tend to have a better ability to manage and disclose risks.

Research Limitations

There are several limitations in this study, namely:

1. This study only focuses on the telecommunications industry, considering that it only includes telecommunications companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2022. Thus, the results cannot be generalized to other industries.
2. In terms of variable limitations, this study only uses several independent variables, namely board size, proportion of independent commissioners, audit committee size, and institutional ownership structure. Other variables that may be relevant to risk management disclosure, such as corporate culture, external regulation, or the level of industry competition, are not included in the discussion.
3. The observation period is limited to 2019-2022, which coincides with the COVID-19 pandemic. The pandemic situation may have abnormally affected company results and behavior, so it does not fully reflect market conditions outside the pandemic.
4. Limitations of secondary data, research data sourced from company annual reports. The disclosure of information in the report depends on the policies of each company, so there may be disclosure bias that affects the research results.
5. This study only applies panel data regression as an analysis method. Additional methods, such as conducting interviews or surveys with company leaders, can help gain a deeper understanding of the internal components that influence risk disclosure.

FURTHER STUDY

There are several suggestions for further research that aim to provide a more in-depth and comprehensive contribution, namely:

1. Expansion of research objects to other sectors, future research can expand the object of research to include industrial sectors other than telecommunications, such as banking, manufacturing, or energy, so that the results are more general and relevant for various industries.
2. Extending the observation period, using a longer observation period will allow for a more stable trend analysis, thus reducing bias that may be caused by specific events, such as the COVID-19 pandemic.
3. Adding other independent variables, additional variables such as auditor reputation, leverage, frequency of board meetings, or level of regulatory compliance can be investigated to determine their effect on risk disclosure.

This will provide a more complete picture of the factors that influence risk management.

4. Using mixed methods, future research can use both quantitative and qualitative approaches to gain a deeper understanding. Interviews with company management or board members can provide insight into the motivations and challenges of risk disclosure.
5. The influence of external factors, it is recommended to include external factor variables such as economic stability, regulatory changes, or technological developments that may affect risk disclosure.

REFERENCES

Adnyana, I. M., & Adwishanti, P. R. (2020). Good Corporate Governance , Ukuran Dewan Komisaris , Net Profit Margin Dan Ukuran Perusahaan Efeknya Terhadap. *Jurnal Sosial Dan Humaniora*, *5*(10), 245–270.

Annur, C. M. (2022, March 23). Ada 204,7 Juta Pengguna Internet di Indonesia Awal 2022. *Databoks*. https://databoks.katadata.co.id/datapublish/2022/03/23/ada-2047-juta-pengguna-internet-di-indonesia-awal-2022

Cahyono, K. E. (2023). Pengaruh Good Corporate Governance TerhadapPengungkapan Enterprise Risk Management PadaPerusahaan Telekomunikasi. *Jurnal Eksekutif*, *20*(1), 54–73.

Dwi Apriani, N. (2021). *ANALISIS FAKTOR-FAKTOR YANG MEMPENGARUHI RISK MANAGEMENT DISCLOSURE (Studi empiris pada perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia 2015-2018)*. http://repository.stei.ac.id/id/eprint/5162

Effendi, & Arief, M. (2016). *The Power Of Good Corporate Governance Teori Dan Implementasi Edisi 2* (2nd ed.). New Jersey : Salemba Empat.

Ekramy Mokhtar, H. M. (2013). Competition, Corporate Governance, Ownership Structure and Risk Reporting. *Managerial Auditing Journal*, *28(9)*, 838–865. https://doi.org/10.1108/MAJ-11-2012-0776

Emirzon, J. (2015). *Prinsip-prinsip good corvorate governance: pradigma baru dalam praktik bisnis indonesia*. genta press.

Gunawan, B., & Zakiyah, Y. N. (2017). Pengaruh Mekanisme Corporate Governance, Ukuran Perusahaan, Dan Leverage Terhadap Risk Management Disclosure. *Ekspansi*, *9*(1), 1–18.

Gustyana, T. T., & Fakhira, V. (2023). *SEIKO : Journal of Management & Business Pengaruh Good Corporate Governance Terhadap Pengungkapan Manajemen Risiko (Studi pada Perusahaan Teknologi yang Terdaftar di BEI)*. *6*(1), 260–271. https://doi.org/10.37531/sejaman.v6i1.3633

Hirth, R. B., Danaher, M. A., Landes, C. E., Prawitt, D. F., Richtermeyer, S., Everson, M. E. A., Chesley, D. L., Martens, F. J., Bagin, M., Katz, H., Sylvis, K. T., Perraglia, S. J., Crader, K., Manager, Z., & Grimshaw, M. (2017). *Committee of Sponsoring Organizations of the Treadway Commission Board Members PwC-Author Principal Contributors*. *II*(June).

Kencana, A., Lastanti, H. S., Fakultas, A., Dan, E., Universitas, B., Governance, G. C., & Perusahaan, K. (2018). *PENGARUH GOOD CORPORATE GOVERNANCE DAN KARAKTERISTIK*. *2002*, 161–166.

Krisdayanti, U., & Dewi, P. E. D. M. (2022). Pengaruh Pandemi COVID-19 dan Kinerja Keuangan terhadap Harga Saham Perusahaan Telekomunikasi yang Terdaftar di Bursa Efek Indonesia (BEI). *Jurnal Ilmiah Mahasiswa Akuntansi Universitas Pendidikan Ganesha*, *13*(2), 402–415.

https://ejournal.undiksha.ac.id/index.php/S1ak/article/view/36248

Kurniawanto, H., & Agustiningsih, W. (2017). Corporate Governance and Corporate Risk Disclosure: Empirical Evidence of Non-Financial Companies Listed in Indonesia Stock Exchange. *Review of Integrative Business and Economics Research*, *6*(4), 255. http://buscompress.com/journal-home.html

Mahanani, D. A. (2021). *Dampak Pandemi Covid – 19 Terhadapahargaasaham Pada Sub Sektor Telekomunikasi Yangaterdaftaradi BEI*. *16*(2), 238–252.

Misni Erwati, Ratih Kusumastuti, D. F. (2012). Analisis pengaruh ukuran perusahaan dan risiko perusahaan terhadap pengungkapan risiko dalam laporan tahunan. *Jurnal Manajemen Terapan Dan Keuangan*, 171–357. https://doi.org/https://doi.org/10.22437/jmk.v1i2.1831

Mohd-Sanusi, Z., Motjaba-Nia, S., Roosle, N. A., Sari, R. N., & Harjitok, A. (2017). Effects of Corporate Governance Structures on Enterprise Risk Management Practices in Malaysia. *International Journal of Economics and Financial Issues*, *7*(1), 6–13.

Muhamad Muslih, O. I. M. (2023). PENGARUH GOOD CORPORATE GOVERNANCE TERHADAP JIMEA | Jurnal Ilmiah MEA (Manajemen , Ekonomi , dan Akuntansi). *Jurnal Ilmiah MEA*, *7*(2), 1070–1086.

Muslih, M., & Mulyaningtyas, C. T. (2019). Pengaruh Corporate Governance, Kompetisi dan Karakteristik Perusahaan Terhadap Pengungkapan Risiko Perusahaan. *Jurnal ASET (Akuntansi Riset)*, *11*(1), 179–188. https://doi.org/10.17509/jaset.v11i1.17303

Nasional, K., & Governansi, K. (2021). *Pedoman ini diterbitkan oleh Komite Nasional Kebijakan Governansi*.

Nugroho, B., & Pramesti, H. (2021). Analisis Struktur Kepemilikan Terhadap Risk Management Disclosure Pada Perusahaan Manufaktur Di Bei Tahun 2016-2018. *Research Fair Unisri*, *5*(1), 15. https://doi.org/10.33061/rsfu.v5i1.4560

Oktavia fajar utami, krido eko cahyono. (2023). Pengaruh ukuran dewan komisaris, dewan komisaris independen, komite audit, dan struktur kepemilikan institusi terhadap pengungkapan manajemen risiko pada perusahaan telekomunikasi yang terdaftar di bura efek indonesia. *Jurnal Ilmu Dan Riset Manajemen*, *12*.

Oktaviana, I. R., & Puspitasari, E. (2022). *Pengaruh Good Corporate Governance terhadap pengungkapan enterprise risk management pada perusahaan manufaktur*. *5*(2), 826–836.

Pernama, O. D. (2016). *PENGARUH STRUKTUR KEPEMILIKAN, PROFITABILITAS, DAN UKURAN PERUSAHAAN TERHADAP PENGUNGKAPAN MANAJEMEN RISIKO.* http://eprints.perbanas.ac.id/3090/3/ARTIKEL ILMIAH

Putri, E. E. (2013). pengaruh komisaris independen, komite manajemen risiko, reputasi auditor dan konsentrasi kepemilikan terhadap pengungkapan enterprise risk management (dimensi coso ERM framework. In *Integration of Climate Protection and Cultural Heritage: Aspects in Policy and Development Plans. Free and Hanseatic City of Hamburg* (Vol. 26, Issue 4).

Richter, L. E., Carlos, A., & Beber, D. M. (2018). *ROSC 2018 (Report on the Obdervence of Standards and Codes on Accounting and Auditing)*.

Rusdiyanto, S.E., M. A., Dra. Ec. Hj. Susetyorini, M. M., & Dra. Ec. Hj. Umi Elan, M. S. (2019). *Good Corporate Governance Teori dan Implementasinya di Indonesia*. PT Refika Aditama.

Ruwita, C., & Harto, P. (2013). ANALISIS PENGARUH KARAKTERISTIK PERUSAHAAN DAN CORPORATE GOVERNANCE TERHADAP PENGUNGKAPAN RISIKO PERUSAHAAN (Studi empiris pada perusahaan-perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia). *Diponegoro*

Journal of Accounting, *2*(2), 1–13.

Setiawan, D. (2018). *Karakteristik dewan komisaris dan manajemen laba : Bukti pada peristiwa penawaran saham perdana Pendahuluan*. *22*(2), 164–181. https://doi.org/10.20885/jsb.vol22.iss2.art4

Sidik, S. (2020, June 11). Perusahaan Telekomunikasi Paling Cuan Saat Pandemi Covid-19. *CNBC INDONESIA*. https://www.cnbcindonesia.com/market/20200611154403-17-164699/perusahaan-telekomunikasi-paling-cuan-saat-pandemi-covid-19

Sugiyono. (2016). *Metode pendidikan penelitian : pendekatan kuantitatif, kualitatif, dan R&B*. alfabeta.

Sugiyono. (2017). *Metode penelitian kuantitatif, kualitatif, dan R&D*. alfabeta.

Sugiyono. (2019). *Metode penelitian kuantitatif kualitatif dan R&D*. alfabeta.

Sugiyono, P. D. (2013). *E-Book Metode Penelitian Kuantitatif, Kualitatif, dan RD*. 334.

Tamrin, M., & Maddatuang, B. (2019). *Penerapan Konsep Good Corporate Governance dalam Industri Manufaktur di Indonesia / Muhammad Tamrin; Bahtiar Maddatuang* (cetakan pe). Bogor : IPB Press.

Tieka Trikartika Gustyana, & Putri, R. S. A. (2022). *Pdengaruh good corporate governance terhadap pengungkapan manajemen risiko pada perusahaan telekomunikasi*. *6*(1), 951–960.

Ummah, M. S. (2022). Statistik telekomunikasi indonesia. *Sustainability (Switzerland)*, *11*(1), 1–14. http://scioteca.caf.com/bitstream/handle/123456789/1091/RED2017-Eng-8ene.pdf?sequence=12&isAllowed=y%0Ahttp://dx.doi.org/10.1016/j.regsciurbeco.2008.06.005%0Ahttps://www.researchgate.net/publication/305320484_SISTEM_PEMBETUNGAN_TERPUSAT_STRATEGI_MELESTARI

Widyiawati, W., & Halmawati, H. (2018). Pengaruh Corporate Governance dan Ukuran Perusahaan Terhadap Enterprise Risk Management (ERM) Disclosure (Studi Empiris pada Perusahaan Manufaktur yang Terdaftar di BEI Tahun 2014-2017). *Wahana Riset Akuntansi*, *6*(2), 1281. https://doi.org/10.24036/wra.v6i2.102512

Zulkarnaen, W., Fitriani, I. D., & ... (2020). Pengembangan Supply Chain Management Dalam Pengelolaan Distribusi Logistik Pemilu Yang Lebih Tepat Jenis, Tepat Jumlah Dan Tepat Waktu Berbasis Human …. … *Ilmiah MEA (Manajemen …*, *4*(June), 222–243. http://www.journal.stiemb.ac.id/index.php/mea/article/view/372