

ABSTRACT

This study aims to examine the role of moderation in the existence of risk management committees between risk-taking behavior and company performance. The research sample includes 250 manufacturing companies-listed on the Indonesia Stock Exchange for the period 2020-2023. Risk-taking behavior includes the use of leverage, capital intensity ratio, profitability, going concern and company size. Data analysis using descriptive test, multicollinearity test (VIF) and t test for hypothesis testing.

The results of the study showed that the existence of a risk management committee serves as a moderator in the relationship between risk-taking behavior and company performance. The study also identified similar findings when analyzing the impact of risk management committees and risk-taking behavior on future performance. In addition, a more in-depth analysis revealed that the level of expertise possessed by the risk management committee helped moderate the influence of risk-taking behavior on company performance.

This study contributes to fill the previous gaps related to risk-taking behavior and company performance by considering the existence of a risk management committee that serves to increase the supervisory role of risk-taking behavior. In addition, the study also provides new evidence in Indonesia on the role of risk management committees in increasing the benefits or reducing the costs associated with risk-taking behavior.

Keywords: Risk-Taking behavior, Company Performance, Risk Management Committee