

# Intellectual Capital, Islamic Corporate Social Responsibility, Enterprise Risk Management, and Financial Performance of Halal Industry Companies

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## Abstract

*This study aims to determine the effect of Intellectual Capital, Islamic Corporate Social Responsibility, and Enterprise Risk Management on the Financial Performance of Halal Industry Companies Listed on the IDX. The population in this study is industrial sector companies. The sampling technique used in this study is purposive sampling. The analysis technique used in this study uses Statistical Product and Service Solutions (SPSS). Based on the results of the study, it can be concluded that Intellectual Capital, Islamic Corporate Social Responsibility, and Enterprise Risk Management have a partial effect on Financial Performance.*

**Keywords:** *Intellectual Capital; Islamic Corporate Sosial Responsibility; Enterprise Risk Management; Financial Performance; Halal Industry Companies*

## Intellectual Capital, Islamic Corporate Social Responsibility, Enterprise Risk Management, dan Kinerja Keuangan Perusahaan Industri Halal

### Abstrak

Penelitian ini bertujuan untuk mengetahui pengaruh Intellectual Capital, Islamic Corporate Social Responsibility, dan Enterprise Risk Management terhadap Kinerja Keuangan Perusahaan Industri Halal yang Terdaftar di BEI. Populasi dalam penelitian ini adalah perusahaan sektor industri. Teknik pengambilan sampel yang digunakan dalam penelitian ini adalah purposive sampling. Teknik analisis yang digunakan dalam penelitian ini menggunakan Statistical Product and Service Solutions (SPSS). Berdasarkan hasil penelitian dapat disimpulkan sebagai Intellectual Capital, Islamic Corporate Social Responsibility, dan Enterprise Risk Management Berpengaruh secara parsial terhadap Kinerja Keuangan.

**Kata kunci:** *Intellectual Capital; Islamic Corporate Sosial Responsibility; Enterprise Risk Management; Kinerja keuangan; Perusahaan Industri Halal*

## 1. Introduction

Currently, the halal industry is becoming more strategic, especially in Indonesia, where the majority of Indonesians are Muslim. Halal products and services are a necessity for Muslim consumers and are valued globally [1]. Consequently, halal industry companies listed on the IDX are forced to meet reliability standards and achieve sustainable financial performance. Companies can improve their finances, create added value, and increase competitiveness by understanding and optimizing intellectual property, ICSR, and ERM. Halal companies must understand current market needs regarding corporate social

responsibility and product reliability in an increasingly stringent business environment. Companies can manage risks caused by various factors, such as regulatory changes or non-compliance with halal standards, by implementing an ERM approach.

The development of the halal industry demonstrates the potential for a broader and larger market for businesses. This is due to the fact that Muslims choose halal products because they trust the quality, health, and safety of the products they consume, as well as the assurance that the raw materials and processing processes comply with Islamic law. [2] . Therefore, halal labels are crucial for a Muslim, Law No. 33 of 2014 concerning Halal Product Guarantee Regulations (UUJHP) stipulates the protection of halal products for products to be traded. This regulation explains the real role of the government in protecting consumers regarding the products they will consume [3] .

*Intellectual capital* is an intangible asset that includes human knowledge that can be used to increase added value and company advantages compared to its competitors [4] [5] . Disclosure of intellectual property in Indonesia is still lacking. This is due to a lack of awareness of the role of *intellectual capital* to maintain and create a company's competitive advantage along with *shareholder* value. If *intellectual capital* is increased and utilized optimally, *stakeholders* will have more confidence in the company's sustainability, which can have an impact on the company's stock *returns* , so that if the company's stock *returns* increase, investors will feel better about their investment and the company's value will also increase [6] .

The components of intellectual capital include: (1) Human capital is the characteristics and potential of a company's employees, for example intelligence, energy, commitment, attitude, learning ability, creativity, and others, including knowledge and several abilities that employees have that can be channeled in creating added value for the company. (2) Structural capital or organizational capital is the knowledge that a company has to be transformed by human capital and then be able to provide added value for the company. Included in this component are technology, information systems, distribution systems and structures, production systems and others. (3) Customer capital or relational capital is the potential of a company to interact with external parties, for example suppliers and consumers and other parties, and then be able to provide an increase in added value for the company [7], [8] . Included in this component are good relationships with consumers, franchises, suppliers, and others. [9] .

Based on Islamic religious norms, ICSR (Islamic Corporate Social Responsibility) is a company's social responsibility towards environmental concerns. ICSR is a company's effort to develop their image by portraying it as a human activity full of goodness and socially responsible. However, companies can also use ICSR as a way to hide what they are actually doing. The theory of Sharia Companies is that companies must consider the responsible parties as a whole, consisting of Allah, humans, and nature. Worshiping Allah and protecting nature are two responsibilities given by Allah to humans as creatures. ICSR is defined as a balanced approach for organizations in dealing with social, economic, and environmental problems using ways that benefit society and individuals. Based on the Islamic perspective, ICSR is the application of the concept of Islamic teachings which means doing good deeds that can benefit others to obtain Allah's pleasure [10] .

ERM (Enterprise Risk Management) is a strategic approach involving internal company elements to be implemented in the business environment to identify potential influences that can impact the achievement of company goals [5]. One of the main differences between ERM and conventional risk management is that ERM provides a more

comprehensive and in-depth risk assessment. If ERM is implemented in a company, risks can be identified at the smallest level, for example, the availability of goods in a manufacturing company. The company will conduct supply chain analysis, delivery, and evaluation of the production process. ERM will explain what the company can anticipate to ensure the availability of stock of goods ready for sale. Examples of risks include disruptions in the production process, shortages of raw materials, or problems in the distribution process.

There are five ratios that can be used to measure a company's performance [11] : solvency ratio, market valuation, liquidity, and profitability. Based on this research, ROA and ROE are metrics used to assess company performance. ROA is a ratio that shows the rate of return on total assets, which is calculated as the ratio between profit after tax to total assets. A higher ROA level proves better company performance because it shows a higher return from market valuation, solvency ratio, profitability ratio, and liquidity ratio. Investors will see ROE as one of the crucial financial ratios in determining investment decisions because it measures the level of company profitability by calculating how well the company generates profits from funds invested by shareholders.

Research on corporate financial performance has undergone significant developments, along with the development of modern managerial and accounting approaches that place greater emphasis on intangible assets. One important element in managing intangible assets is Intellectual Capital (IC), which includes human capital, structural capital, and relational capital. IC has been identified as a crucial source of competitive advantage, especially in the context of knowledge-based industries, including the halal industry sector which is currently growing rapidly globally and domestically [12], [13] .

Research related to Intellectual Capital (IC) is interesting because IC is one of the crucial assets for a company, because it has benefits in improving company performance or adding company value which will ultimately create competitive advantage [14] , [15] . Companies that can manage their intellectual capital efficiently and effectively will improve financial performance. Research on intellectual capital that has been carried out has proven that IC affects company financial performance [16] , [17] . In addition, several previous studies have also confirmed the positive influence of IC on company financial performance. Research by Pulic using the Value Added Intellectual Coefficient (VAIC) method is a reference in measuring the contribution of IC to the creation of company value [18] . Subsequent studies also showed similar results, that IC has a positive correlation with company profitability, efficiency, and productivity [19] , [20] . However, different research results based on those that have been carried out provide conclusions that intellectual capital and human capital have a negative and insignificant influence on company financial performance [21] . This difference in results makes researchers want to conduct further research to determine the influence of intellectual capital on company financial performance.

Several other previous researchers regarding the influence of ICSR on financial performance that were implemented showed that ICSR had a positive influence on financial performance [22] . Likewise, other studies also proved that the results were not different that ICSR had a positive influence on financial performance [23] . In relation to company performance, there are also a number of studies, for example, research on samples of companies listed on the British capital market proved that there was a significant influence on company performance by ERM. The results of the study were in accordance with research [24] . However, different results were shown in other studies stating the opposite, where

company performance was not significantly influenced by ERM [25] . The difference in research results is a research gap factor that provides encouragement for researchers to carry out further research.

Developing and analyzing the combined influence of intellectual capital, Islamic Corporate Social Responsibility (ICSR), and Enterprise Risk Management (ERM) on financial performance simultaneously remains a relatively new area. Many studies focus on one or two variables, but few have combined all three into a single analytical model for the halal industry.

The halal industry often operates in markets with specific regulations and standards, both in terms of products and operations. This study aims to evaluate how factors such as intellectual capital and ICSR influence financial performance within the context of halal standards, which may differ from other industries. By using a sample of the halal industry, this study not only provides an in-depth understanding of how intellectual capital, CSR, and ERM influence financial performance in a specific context but also provides valuable insights for business practices and policies within the halal industry sector.

This study uses three variables: intellectual capital, Islamic social responsibility, and enterprise risk management as independent variables, with company financial performance as the dependent variable. However, this study differs from previous research because the independent variables differ from those of previous studies. Therefore, the novelty of this study is the inclusion of ICSR and ERM variables, which are rarely used in other studies. This research can provide information on factors that can influence a company's financial performance. By understanding these factors, halal industry companies can take steps to improve their financial performance .

The purpose of this study is to determine and test the partial influence of the variables Intellectual Capital, Islamic Corporate Social Responsibility, and Enterprise Risk Management on the financial performance of companies in the halal industry.

## **2. Literature Review**

### **2.1. Stakeholder Theory**

The theory that all stakeholders of a company should report on its financial and non-financial activities also leads to value creation. Intellectual capital is a measure of value creation [26] . Companies with more intellectual resources are valued more highly by investors than companies with fewer intellectual resources. Companies can disclose the amount of intellectual capital they have to investors through their annual reports. Companies argue that the reciprocal influence between management and stakeholders should be designed to serve the interests of the company, not just pursue traditional profit assumptions. Companies strive to manage relationships with increasingly important stakeholders [27] .

### **2.2. Signal Theory**

Signaling theory states that information generated in the market encourages managers to modify the information by taking certain actions that can be interpreted as signals that clearly indicate differentiation from other companies [28] . Signaling theory discusses how managers (agents) should convey signals of success or failure to owners (principals) [27] . Signaling theory is considered a theory that influences company value because it provides information about the company's situation through financial reporting and reduces the information gap. Information received from investors is initially interpreted as a good signal

(good news) or a bad signal (bad news). If a company's reported financial performance increases, this information can be considered a good signal because it shows that the company is doing well. Conversely, if the reported financial performance decreases, it is considered a bad sign because the company's condition is declining [29] .

### **2.3. Hypothesis Development**

#### **The Influence of Intellectual Capital on Financial Performance**

Intellectual capital can add value to a company when implemented effectively. According to stakeholder theory, when management is implemented effectively using existing resources, particularly in an effort to create value, it indicates that the management is in accordance with ethical principles. In this context, value creation involves utilizing all of a company's potential, including physical assets, human capital, and structural capital [30] . Utilizing this potential as a whole creates added value for the company and drives its performance.

Furthermore, Resource-Based Theory explains that when a company's resource management is implemented efficiently and effectively, it will create a competitive advantage. This plays a crucial role in improving financial performance. Physical capital that is managed efficiently and effectively is part of the company's intellectual capital utilization. Previous research has examined the influence of intellectual capital on financial performance. These results align with the study presented, which found a positive and significant influence of intellectual capital on financial performance [17] . From these results, the following hypothesis can be formulated:

**H1: Intellectual Capital has an impact on financial performance**

#### **The Influence of Islamic Corporate Social Responsibility on Financial Performance**

A company's performance can generate a positive response from the public by effectively implementing corporate social responsibility practices. This positive response then creates positive corporate value in the eyes of the public, ultimately leading to increased profits. Given that CSR has become a crucial driver for improving a company's financial performance, investors can support companies with good environmental performance through increasing stock price fluctuations.

Previous research has shown that Islamic Corporate Social Responsibility has a positive and significant impact on financial performance. This finding corroborates previous research that demonstrated that Islamic Corporate Social Responsibility significantly impacts financial performance. Based on these results, the following hypotheses can be drawn:

**H2: Islamic Corporate Social Responsibility has an impact on financial performance**

#### **The Influence of Enterprise Risk Management on Financial Performance**

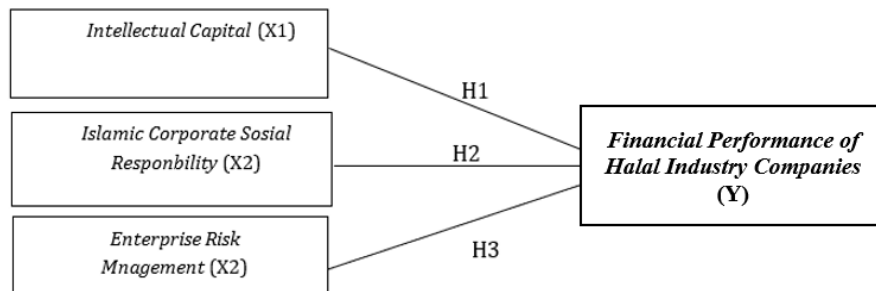
Referring to stakeholder theory, companies and individuals generate value and trade it off. ERM implementation can be used to trade the value generated by a company for other value provided by stakeholders, which can take the form of reputation, capital, loans, and so on.

Improved reputation, capital, or loans enable a company to improve its financial performance. Therefore, ERM creates value for stakeholders and the company by avoiding direct costs such as bankruptcy, losses, or difficulty paying creditors, as well as indirect costs such as loss of reputation, which can impact relationships with customers and suppliers.

Previous research has found that Enterprise Risk Management has a significant positive effect on financial performance. Based on these results, the following hypothesis can be drawn:

**H3: Enterprise Risk Management has an impact on financial performance**

Based on the explanation and the relationship between variables and the research objectives, the hypothesis testing is carried out based on various explanations and relationships between variables and the research objectives.



**Figure 1.** Conceptual Framework

### 3. Method

#### 3.1. Types and Objects of Research

This research employs a quantitative research approach. A quantitative approach utilizes statistical analysis and numerical data to test hypotheses. Halal industry companies listed on the Indonesia Stock Exchange (IDX) in 2018–2022 will be the object of this research. The reason why data in this study is only collected up to 2022 is because company financial data, especially those that have been audited and officially published, typically experience delays in reporting. Complete and accurate 2023 data is generally only available by the end of 2024, while 2024 data is not yet available or is still projected. Therefore, the process of data collection, cleaning, and analysis requires considerable time. To maintain consistency and timeliness of research completion, the researcher limited the data scope to 2022 so as not to hinder the overall research process. To ensure the validity and reliability of the analysis results, final, openly accessible data that has undergone an audit process is used. The data utilized in this study is secondary data in the form of company annual reports obtained from the website [www.idx.co.id](http://www.idx.co.id).

#### 3.2. Data Types and Sources

Secondary data refers to the types and sources of research data. Secondary data is information obtained by researchers from data collectors. Financial report statistics from the halal industry sector listed on the Indonesia Stock Exchange (IDX) from 2018 to 2022 are the data examined and analyzed in this study.

#### 3.3. Population and Sample

The population used in this study was Halal Industry companies listed on the Indonesia Stock Exchange from 2019 to 2022, with a total of 29 companies. Although there were 250 halal industry companies listed on the IDX consecutively during the 2018–2022 period, only 29 companies met all the criteria required for valid and accurate analysis. The selection of 29 companies as a sample was the result of a strict and structured selection process to ensure data quality, temporal consistency, and compatibility with the research variables. This

approach aims to maintain the internal validity of the study and obtain relevant and well-interpretable results. The sampling technique used was the purposive sampling method, in which samples were selected based on certain criteria.

**Table 1.** Purposive Sampling

No	Criteria	Number of Companies
	Halal Industry Companies listed on the IDX consecutively for the period 2018-2022	250
1.	Halal Industry Company who published the report consecutive financial results in the BEI period 2018-2022	(100)
2.	The company has data related to the variables in this study	(55)
3.	Halal Industry Companies that are experiencing profits during the period 2018-2022	(66)
	Number of companies selected as research samples	29
	Number of years of research	5
	Selected samples	145

### 3.4. Identification and Variable Indicators

The dependent variable in this study is financial performance. The independent variables used are Intellectual Capital, Islamic Corporate Social Responsibility, and Enterprise Risk Management. The following is a table of variable indicators:

**Table 2.** Variable Indicators

Variables	Indicator	Scale
Financial Performance (Y)	$ROA = \frac{\text{Net profit}}{\text{Total Assets}}$ Source [31]	Ratio
Intellectual Capital (X1)	$VAIC = VACA + VAHU + STVA$  <b>Information:</b> $(VACA) = \frac{\text{Value Added (VA)}}{\text{Capital Employed (CA)}}$  $(VAHU) = \frac{\text{Value Added (VA)}}{\text{Human Capital (HC)}}$  $(STVA) = \frac{\text{Structural Capital (SC)}}{\text{Vale Added (VA)}}$ Source [31].	Ratio
Islamic Corporate Social Responsibility (X2)	$ICSR = \frac{\text{Number of items Disclosed}}{\text{Total Number of Disclosure Items}}$ Source [32].	Ratio
Enterprise Risk Management (X3)	Six components of measurement: 1. Chief Risk Officer (CRO) 2. Risk Committee Committee (RCC) 3. Risk committee report to the board of directors (RCTOBOC) 4. Risk Assessment Frequency (RAFREQ) 5. Risk assessment level (RALEVEL) 6. Risk assessment method (RAMETHOD) <b>ERM Implementation (ERMA DV)</b> : ERM implementation is a <i>dummy variable</i> , where a company is given a code of 1 if it has fulfilled at least four of the six aspects that are components of ERM implementation, and is given a code of 0 otherwise.  Source [33].	Ratio

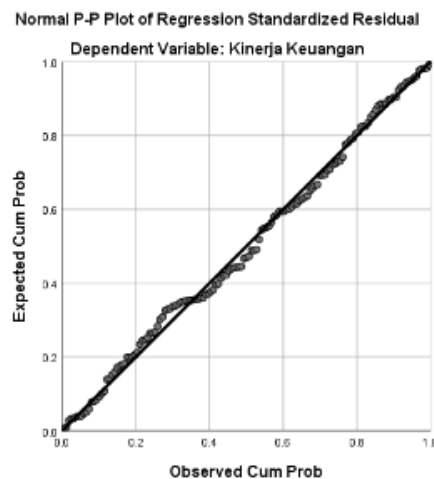
### 3.5. Analysis Techniques

This research employs quantitative methods, with data measured using a numerical scale. This study used descriptive statistics, classical assumption tests, and hypothesis testing. The regression model used in this study was tested for its feasibility using classical assumption tests, which are often used to identify and evaluate the feasibility of regression models. Autocorrelation tests, heteroscedasticity tests, multicollinearity tests, and normality tests are some of the tests used. [34]. The SPSS program is used to calculate multiple linear regression analysis. This explains the relationship between two variables, namely the independent variable and the dependent variable [35].

## 4. Results and Discussion

### 4.1. Descriptive Statistical Test

#### Normality Test



**Figure 2.** Results of the Q-Plot Normality Test

Source: SPSS data processing, 2025

Figure 1 shows that the results of the normality test point are spread along the direction of the diagonal line and around the diagonal line, so it can be stated that the data is normally distributed.

**Table 3.** Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
N		Unstandardized Residual 145
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	.11118685
Most Extreme Differences	Absolute	.048
	Positive	.045
	Negative	-.048
Test Statistic		.048
Asymp. Sig. (2-tailed)		.200 <sup>c,d</sup>
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Source: SPSS data processing, 2025

The results of the Kolmogorov-Smirnov test in table 5 are that the Asymp. Sig. (2-tailed) value is  $0.200 > \alpha (0.05)$  so it can be said that the data is normally distributed.

### Multicollinearity Test

**Table 4.** Multicollinearity Test Results

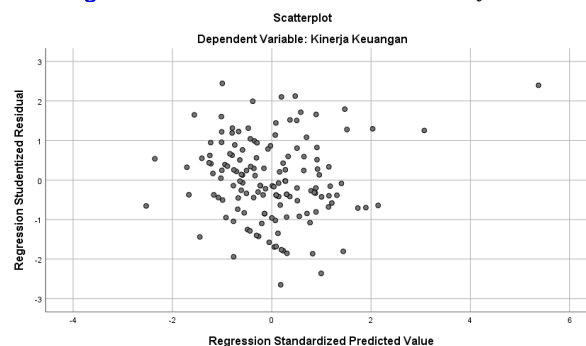
Coefficients <sup>a</sup>			
1	Model	Collinearity Statistics	
		Tolerance	VIF
	<i>Intellectual Capital</i>	.979	1.021
	<i>Islamic Corporate Social Responsibility</i>	.935	1.069
	<i>Enterprise Risk Management</i>	.953	1.049
a. Dependent Variable: Financial Performance			

Source: SPSS data processing, 2025

Based on the data in Table 5, it shows that the tolerance value of the independent variables is greater than  $\alpha$  0.10, where the tolerance value of intellectual capital is 0.979, Islamic corporate social responsibility is 0.935, and enterprise risk management is 0.953. The VIF value is  $<10$ , where the VIF value of intellectual capital is 1.021, Islamic corporate social responsibility is 1.069, and enterprise risk management is 1.049. So it is said that there is no multicollinearity because a good regression analysis is one that does not occur in the data.

### Heteroscedasticity Test

**Figure 3.** Results of Heteroscedasticity Test



Source: SPSS data processing, 2025

Figure 3 shows a scatterplot graph with points that do not have a particular pattern and are spread above and below the number zero (0) on the Y axis. Therefore, it can be concluded that there is no heteroscedasticity.

### Autocorrelation Test

**Table 5.** Autocorrelation Test Results

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.599 <sup>a</sup>	.359	.345	.11236	.886
a. Predictors: (Constant), Enterprise Risk Management, Intellectual Capital, Islamic Corporate Sosial Responsibility					
b. Dependent Variabel: Kinerja Keuangan					

Source: SPSS data processing, 2025

Based on table 5, the results of Durbin-Watson are 0.886 and in 25th the DU and DL Durbin-Watson tables for K of 3, the DU value is 1.7710, so the 4-DU value is also 2.2290 and it can be seen that  $DW < DU < 4-DU$ , so it can be stated that autocorrelation occurs. To correct the autocorrelation problem, the Cochrane-Orcutt test was conducted. The following are the results of the autocorrelation test using the Cochrane-Orcutt method:

**Table 6.** Results of the Cochrane-Orcutt Method Autocorrelation Test

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.575 <sup>a</sup>	.331	.316	.09219	1.938
a. Predictors: (Constant), Lag_X3, Lag_X1, Lag_X2					
b. Dependent Variable: Lag_Y					

Source: SPSS data processing, 2025

Based on [table 6](#), the results of Durbin-Watson are 1.938 and in the Durbin-Watson DU and DL tables for K of 3, the DU value is 1.7710 so that the 4-DU value is also known to be 2.2290 and it can be seen that  $DU < DW < 4-DU$ , so it can be stated that there is no autocorrelation because a good regression analysis is one where there is no autocorrelation in the data.

### Multiple Linear Regression Analysis Test

**Table 7.** Results of Multiple Linear Regression Analysis Test

Model	Coefficients <sup>a</sup>		Standardized Coefficients		t	Sig.
	Unstandardized Coefficients	Std. Error	Beta			
1(Constant)	.662	.069			9,538	.000
<i>Intellectual Capital</i>	.035	.014	.174		2,558	.012
<i>Islamic Corporate Social Responsibility</i>	-.662	.087	-.528		-7,574	.000
<i>Enterprise Risk Management</i>	-.236	.086	-.189		-2,735	.007

a . Dependent Variable: Financial Performance

Source: SPSS data processing, 2025

From the table above, it can be seen that the multiple linear regression analysis equation is as follows:

$$Y = \alpha + \beta_1$$

$$Y = 0.662 + 0.035X_1 - 0.662X_2 - 0.236X_3$$

Based on the regression equation above, it can be interpreted as follows: The constant  $\alpha$  value of 0.662 indicates that the variables of intellectual capital, Islamic corporate social responsibility, and enterprise risk management are considered constant. The dependent variable, namely financial performance, will have a positive value of 0.662. The coefficient of the intellectual capital variable is 0.035, which means that if the value of intellectual capital increases by 1%, then financial performance will increase by 3.5%, assuming other variables remain constant. The coefficient of the Islamic corporate social responsibility variable is -0.662, which means that if Islamic corporate social responsibility increases by 1%, then financial performance will decrease by 66.2%, assuming all variables remain constant. Then, the coefficient of the enterprise risk management variable is -0.236, which means that if enterprise risk management increases by 1%, then financial performance will decrease by 0.236, assuming other variables remain constant.

### Partial Test

**Table 8.** Partial Test Results

Model	Coefficients <sup>a</sup>		Standardized Coefficients		t	Sig.
	Unstandardized Coefficients	Std. Error	Beta			
1(Constant)	.662	.069			9,538	.000
<i>Intellectual Capital</i>	.035	.014	.174		2,558	.012
<i>Islamic Corporate Social Responsibility</i>	-.662	.087	-.528		-7,574	.000
<i>Enterprise Risk Management</i>	-.236	.086	-.189		-2,735	.007

a . Dependent Variable: Financial Performance

Source: SPSS data processing, 2025

[Table 8](#) shows the results of the t-test for the intellectual capital variable of 2.558 with a significance value of  $0.012 < \alpha (0.05)$ . This indicates that during the 2018–2022 period, the financial performance of halal industry companies listed on the Indonesia Stock Exchange was positively and significantly influenced by intellectual capital. In [Table 8](#), the Islamic corporate social responsibility variable shows a t-test result of -7.574 and a significance result of  $0.000 < \alpha (0.05)$ . This indicates that during the 2018–2022 period, the financial performance

of halal industry companies listed on the Indonesia Stock Exchange was negatively and significantly influenced by Islamic corporate social responsibility. From Table 9, the enterprise risk management variable shows a t-test result of -2.735 and a significance result of  $0.007 < \alpha (0.05)$ . This shows that during the 2018–2022 period, the financial performance of halal industry companies listed on the Indonesia Stock Exchange was negatively and significantly affected by enterprise risk management.

#### Coefficient of Determination Test ( $R^2$ )

**Table 9.** Test of the Coefficient of Determination ( $R^2$ )

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.599 <sup>a</sup>	.359	.345	.11236

<sup>a</sup> . Predictors: (Constant), Enterprise Risk Management, Intellectual Capital, Islamic Corporate Responsibility

*Source: SPSS data processing, 2025*

Based on the results of table 9, it can be seen that the Adjusted R Square value is 0.345 or 34.5%, meaning that the variables of intellectual capital, Islamic corporate social responsibility, and enterprise risk management can explain the financial performance variable by 34.5%, while the remaining 65.5% is influenced by other variables. This means that the influence of the independent variables (intellectual capital, Islamic corporate social responsibility, and enterprise risk management) on the related variables studied is limited or small, while the rest is influenced by other factors not included in this study.

#### 4.2. Discussion

##### The Influence of Intellectual Capital on Financial Performance (ROAI)

Based on table 9, the results of the t-test of the Intellectual Capital variable are  $2.558 > t\text{-table } 1.97693$  with a significance value of  $0.012 < 0.05$  with a positive coefficient direction ( $b_1 = 0.035$ ). These results illustrate that the management of Intellectual Capital carried out well by the company is able to produce added value for the company. Referring to this added value, companies that increase added value will also get higher financial performance and ultimately increase the company's competitiveness [32]. These results are in line with Stakeholder Theory, namely if companies are able to use their resources well and effectively, the company will create a competitive advantage that improves financial performance. The greater the company's Intellectual Capital, the higher the financial performance that can be achieved [11]. Intellectual Capital allows each individual in the organization to work professionally, while ensuring that procedures apply in each company. These results can produce activities that are aligned with the company's direction and vision and mission. With the existence of intellectual capital, a system can be formed that controls and connects companies well, so that company performance also increases [36]. In line with the signal theory which explains that information shared as a bad signal (bad news) or a good signal (good news), when information is announced, stakeholders can interpret and assess the information as a relevant signal for investment decisions. The results of this study support the first hypothesis which states that the Intellectual Capital variable significantly affects Financial Performance. These results are in line with research conducted by [37]. So it can be concluded that Intellectual Capital affects Financial Performance.

##### The Influence of Islamic Corporate Social Responsibility on Financial Performance (ROAI)

Based on table 9, the results of the t-test of the Islamic Corporate Social Responsibility (ICSR) variable are  $7.574 > t\text{-table } 1.97693$  with a significance value of  $0.000 < 0.05$  with a negative coefficient direction ( $b_1 = -0.662$ ). This illustrates that the greater the ICSR value

applied, the lower its influence on ROAI. Companies do not only focus on business entities, but also on social entities that involve interactions with the environment, including environmental, social, and economic aspects in the company's operational activities. The negative results in this study indicate that any increase in the ICSR value shared will have an impact on the company's response. Thus, the implementation of the Islamic Corporate Social Responsibility (ICSR) program does not automatically increase the company's ROAI [38]. This study is in line with stakeholder theory which reveals that the influence of stakeholders, both internal and external, plays a role in improving company performance. Islamic Corporate Social Responsibility (ICSR) can show attention to the company's external and internal conditions. ICSR is a long-term investment strategy that has a positive impact on company performance [38]. In accordance with the signaling theory, which explains that increasing CSR activities provides a positive signal from stakeholders who see the company as an entity that cares about the environment. The company does not only focus on financial achievements, but also provides benefits to the environment around its operations. The results of this study support the second hypothesis which states that the Islamic Corporate Social Responsibility variable significantly influences Financial Performance. These results are in line with previous research [38]. Therefore, it can be concluded that Islamic Corporate Social Responsibility influences Financial Performance.

### **The Impact of Enterprise Risk Management on Financial Performance (ROAI)**

Based on [table 9](#), the results of the t-test for the Enterprise Risk Management variable are  $2.735 > t\text{-table } 1.97693$  with a significance value of  $0.007 < 0.05$  with a negative coefficient direction ( $b_1 = -0.236$ ). These results illustrate that companies that have good Enterprise Risk Management can improve and maintain their financial performance. Thus, if a company has good Enterprise Risk Management, it will improve financial performance better in the future [39]. The results of this study support the stakeholder theory, namely that companies that implement ERM can reduce operational losses, identify potential risks, and reduce the negative impact of these risks. Overall, this creates value for stakeholders by increasing Return on Assets (ROAI) [40]. The results of this study indicate that the signaling theory is not proven true, because in reality investors do not utilize Enterprise Risk Management information in making their investment decisions. Investors are more likely to consider other factors, such as financial ratios, dividend policies, and stock prices, in making investment decisions. The results of this study support the third hypothesis, which states that the Enterprise Risk Management variable significantly influences Financial Performance. These results are in line with research conducted by [41]. Therefore, it can be concluded that Enterprise Risk Management influences Financial Performance.

## **5. Conclusion**

### **5.1. Conclusion**

Based on the results of testing the influence of Intellectual Capital, Islamic Corporate Social Responsibility (CSR) Responsibility (ICSR), and Enterprise Risk Management (ERM) on the financial performance of halal companies (measured by Return on Assets based on Invested Capital or ROAI), the following conclusions were obtained: that Intellectual Capital, Islamic Corporate Social Responsibility (ICSR), and Enterprise Risk Management (ERM) have a significant effect on the financial performance of halal companies as measured by Return on Assets based on Invested Capital (ROAI). Intellectual Capital has a positive effect,

indicating that effective intellectual asset management can increase the added value and profitability of the company. Meanwhile, ICSR and ERM show a negative but significant effect on ROAI, indicating that the implementation of social responsibility and risk management requires a strategic approach so as not to burden financial performance in the short term. This finding supports stakeholder theory and emphasizes the importance of resource and risk management in increasing the competitiveness of halal companies in a sustainable manner.

## 5.2. Suggestion

### For Company Management

Companies in the halal industry are advised to continue strategically improving their intellectual capital management, particularly in human resource development, internal innovation, and external networks. This is crucial for driving efficiency and productivity, which directly impact financial performance. Islamic Corporate Social Responsibility practices also need to be more closely aligned with sharia values and stakeholder needs, not merely as an obligation but as a strategy for building long-term reputation and customer loyalty. Furthermore, Enterprise Risk Management needs to be implemented in a more comprehensive and integrated manner so companies can identify and manage potential risks early. This is especially crucial in the halal industry, which faces regulatory challenges and global market dynamics.

### For Further Research

It is recommended that subsequent research expand the research model by adding other variables such as Good Corporate Governance or Sustainability Performance, as well as conducting moderation or mediation tests to strengthen the understanding of the relationship between variables.

## Implications

### Theoretical Implications

These findings enrich the accounting and strategic management literature, particularly in the context of the halal industry, by emphasizing the importance of intangible assets and risk governance as well as Islamic value-based social responsibility on corporate financial performance.

### Practical Implications

For halal industry players, these results provide a basis for designing strategies to improve financial performance not only from an operational perspective, but also from the aspects of intellectual resources, social ethics, and measurable risk management that are aligned with sharia principles.

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