International Journal of Psychosocial Rehabilitation, Vol. 24, Issue 02, 2020
ISSN: 1475-7192

Firm Ownership and Enterprise Risk Management: Evidence from a Developing Country

[1]Ooi Chee Keong, [2]Abdurrahman Adamu Pantamee, [3]Shafi Mohamad, 4Kwong Wing Chong Garrett

Abstract---*This study examines the association between the ownership structure and enterprise risk management. Thefindings of the current study show that the enterprise risk management is significantly influenced by ownership structure. This study used secondary data of 200 Malaysian firms listed in Malaysian Stock Exchange (Bursa Malaysia) during the period 2014 to 2018. We use disperse ownership concentration and managerial ownership concentration as the proxy of ownership structure and correlate with the adoption of enterprise risk management. Our results are consistent with our hypothesis as we found the positive and significant relationship between enterprise risk management and ownership structure. Moreover, the results are consistent with the hypothesis that there is a positive relationship of disperse ownership structure with the adoption of enterprise risk management and negative relationship of managerial ownership with the adoption of enterprise risk management.*

Keywords---*enterpriserisk management, ownership structure, managerial ownership, disperse ownership, agency conflict.*

I. Introduction

This study examined the relationship between the firm ownership and enterprise risk management in listed companies of Malaysia. Further, current study investigated the constraints of ownership structure while implementing enterprise risk management in Malaysia, where corporate governance is highly characterized by the regulatory bodies in order to protect the minority shareholders. In addition, the level of adoption of enterprise risk management in Malaysia and the resistance experienced by the firm was examined while implementing and practicing the enterprise risk management due to the ownership feature. This research also takes into account that agency conflict has an impact on enterprise risk management.

Ownership structure dictate the flow of operation in the firm through management. Management is wholly responsible for the organizational operation as it is quite complex and unpredictable in existing business market. Enterprise risk management program is the prerequisites for management to protect the shareholders' investment. It has remarkable implications which increase the competencies in business and reduce the chances of potential losses. It also increases the business opportunities for firms and provide the protected environment for the interested investors to trade the firm's stock(Brustbauer, 2016). Usually it is voluntary for the private companies to opt

[1][1, 2, 3 & 4] ***School of Accounting & Finance, Faculty of Business & Law, Taylors University, Malaysia***
Corresponding author: Adamu.Abdurrahman@taylors.edu.my

DOI: 10.37200/IJPR/V24I2/PR200691
Received: 02 Jan 2020 | Revised: 15 Jan 2020 | Accepted: 28 Jan 2020

enterprise risk management but mandatory for the listed companies, especially to protect the minority shareholders. Ownership structure plays a strategic role in the development of organizational system and it depends on their intensions that at what extant they are willing to implement the system. Ownership structure depends on the concentration of shareholding that strongly influence the organizational culture and decision making through management control. In many cases firm's ownership structure become the reason of lacking in resources and poor mechanism to support the risk management activities. Diverse ownership structure with expert board of directors collectively seen to be the best as compare to others in managing risk (Prinsloo, 2015). In context of Malaysia, companies run under the corporate governance that is mainly based on the equity structure which affects board composition, board practices & board decision (Thi, 2018). However, there are various kind of ownership exist in Malaysian companies among most of them are individually own or family owned (Arujunan et al., 2018). In Malaysian companies, owners havea strong concern related to enterprise risk management, so they personally involve in business operations as around 33% of the owners are personally involved in administrative activities (Al-Sraheen et al., 2019).

The family-owned firms have a competitive advantage for the subsequent generation as they can be benefited from the experience of their elders but in some situation the directors are uneducated and incapable for the particular position(Kotlar et al., 2019). The internal knowledge of the family members combines with loyalty and trust helps the business to run effectively and provide the opportunity to generate a competitive advantage (Duran et al., 2016). However,In diverse ownership, the board of directors used to hire professional recruiters to make the succession decision, and the third party selects the successor on the bases of professional competencies. Whereas, in the family-owned businesses they have to select the successor from the family either having required competencies or not. This issue is very rare, usually happens once in each generation (De Massis et al., 2016).

In today's world, one of the fundamental concerns of the business organization is to implement the enterprise risk management system. As the world is emerging so fast, the innovation in financial products, the rapid growth in IT market, the increase in globalization, the changes in governance models, etc. all required the integrated risk management system. During the financial crises of 1997, Malaysian firms had to face difficulties in surviving due to poor risk management(Soltanizadeh et al., 2016).These risks include organizational risk, reputational risk, operational risk, compliance risk, market risk, which was mainly due to the lack of corporate governance in the area of risk management.

Consequences of the crisis of 1997, all the leading organizations of America who had to face the difficulties during the period, such as General Electric, IBM, Bank of America, Wal-Mart, all have stared adopting Enterprise Risk Management (ERM). It is the expectation of stakeholders that all kind of risk should be early manage and control by the senior management and board of directors in such a way that may reduce the hurdles in the growth of organization(Sax & Torp, 2015).Consequently, a positive impact appears among the Malaysian organization and they voluntarily began to implement enterprise risk management to facilitate the business community. Enterprise risk management is extremely popular concept in today's world and eventually it is growing rapidly with the ultimate approach of implementing effective risk management. The objective of enterprise risk management is to assist the board and senior management in context of risk management and take the preventive decisions in order to protect the shareholders' investment(Sax & Torp, 2015). Technically, enterprise risk management provide the overview of risk

DOI: 10.37200/IJPR/V24I2/PR200691
Received: 02 Jan 2020 | Revised: 15 Jan 2020 | Accepted: 28 Jan 2020

portfolio that may face by the organization as a result it gives the competitive advantage to firm among others (Shenase, 2016). The ultimate beneficiary of enterprise risk management are the shareholders and the stockholders.

As enterprise risk management is a mature concept now, therefore it is fully implemented by most of the Malaysian companies. It is now easy to implement enterprise risk management because all the obstacles in the accomplishment has been defined by academic researchers. Adopting enterprise risk management is no longer an issue for organizations, it is left with just a decision taken by the board and management has to follow accordingly. The acceptance level of enterprise risk management is surprisingly high, and companies are keen to adopt it except those who has small scale business and others whose ownerships are uneducated and reluctant to move with the emerging world.

Since enterprise risk management widely practiced in Malaysia, the scholarly researches and evidences shows that the relationship of enterprise risk management program with the related determinants is consistently positive. Moreover, it provides the protective environment for investors and shareholders and also gives a positive sign for the growth of the company. In some cases, it is found that the firms are not interested in adopting enterprise risk management. The reason behind is the ownership structure that create hurdles in the adoption of enterprise risk management. Mostly, it is opposed by the individuals who are less qualified or unable to compete with the modern systems don’t want to give up their responsibilities. In some cases relatives of family own firms don’t want to implement systems because they have a lack of understanding in respect of the effectiveness and benefits of risk management and have no idea how to measure the risk and the corresponding elements within the firm (Bromiley et al., 2015).

Therefore, this study is motivated to empirically investigate the relationship between the ownership structure and enterprise risk management in listed companies of Malaysia. The findings suggest that enterprise risk management is positively and significantly influenced by disperse ownership whereas managerial ownership is negatively and significantly associated with enterprise risk management.

II. Literature Review

Initially, it is assumed that the change in ownership structure will result in poor risk management. Previously it was denied by (Elamer et al., 2017) who suggest that ownership structure developed internally in firms and it could not affect the risk management program. Later on, it is explained as the strategic issue cause by the lack of governance and the firm’s management would be responsible for this misshape. In addition, it is also affected by the sale and purchase of share in the stock market which causes the increase and decrease of the stock value in the capital market. Particularly, there is no direct relationship between ownership structure and firm performance (Koutoupis&Malisiovas 2019). There are other constrains that affect the firm performance and the absence of enterprise risk management is one of the constraints that affect firm performance. Koutoupis&Malisiovas(2019) argue that ownership may not remain same if the firm is not making profits. In addition to this, it has been noted that the firm with diffuse ownership does not generate healthy profits. It is a general assumption that the trading of the share would emerge the performance of the firm but if the ownership concentration is endogenous. In other words, if the corporation is facing rapid and drastic changes in their ownership structure and the concentration is endogenous than it would definitely be heading towards profitability. Previously this research is not popular as the scholars are not much interested in examining the relationship of ownership and risk management. Most of the studies found the

DOI: 10.37200/IJPR/V24I2/PR200691
Received: 02 Jan 2020 | Revised: 15 Jan 2020 | Accepted: 28 Jan 2020

relationship of ownership with firm performance using profitability ratio as the proxy of firm performance and the results were consistent.

There are two main problems in ownership structure, first is the endogeneity and second is the scattered ownership structure. (Paniagua et al., 2018) consider both the problems and find the estimation model consists of two-equation and find the regression using the data of US firms. The results show that owners have a negative relationship with risk management. It also shows that the ownership is surrounded by unsystematic risk. In this scenario, risk management is considered as the performance measure of the firm and he relates the performance with different kinds of ownership structure likewise, managerial ownership, insider ownership, ownership by the limited shareholders. Researcher used the equations on the listed firms of Malaysia. They used the single equation model similar to that used by (Mukhopadhyay et al., 2017) which is based on the generalized nonlinear equation for firm performance. A rare evidence was found which shows the nonlinear relationship between risk management and managerial ownership.

During the last decade a vast level of changes appears in risk management systems within which the investors have a great level of interest. Intellectuals and consultants had to experience the revolutionary and progressive change from isolated system to more comprehensive and coordinated system that include all kind of risk management commonly known as enterprise risk management risks (Brustbauer, 2016). Enterprise risk management program encounter all kinds of threats a company can face from the spectrum of risk. This new approach enables the firms to tear the traditional balloons and go beyond the conventional accounting practices in order to achieve the strategic goals (Mafrolla et al., 2016). Enterprise risk management become more popular after the last economic global crisis and especially foreign investors are concern about risk management system (Karaca et al., 2018). In developed countries enterprise risk management is considered as the competitive tool and the source of organizational development(Florio & Leoni 2017).Standard and poor started measuring the degree to which the insurance companies implementing the enterprise risk management program in the year 2007 when the prominent financial scandals floating around in the financial market(Bailey, 2019). However standard and poor initiated the analysis of enterprise risk management for the credit rating process of non-financial companies. These days enterprise risk management is a mandatory part of corporate governance for listed companies (Palermo, (2017).

However, a series of research has investigated the value relevance of enterprise risk management and the results were positive with respect to the listed companies. Mostly the results were consistent with the data of listed companies. Some of the scholars suggest that the listed companies should have more developed and mature risk management system as compare to non-listed firm just because of the minority shareholders. Since the results related the adoption of enterprise risk management for private companies is not consistent as enterprise risk management is time and context specific and especially depends on the departmental capabilities and willingness, whereas the management of private companies are seriously concern about adopting enterprise risk management.

Agency conflict is consistent with the ownership structure in the Asia pacific region and the shareholder are more concern about the monitoring of management activities, so they are keen to implement the enterprise risk management to enhance their protection (Fraser & Simkins 2016). In specific cases, where ownership concentration is in the hands of group of people called block holders are less concern about the management action because

DOI: 10.37200/IJPR/V24I2/PR200691
Received: 02 Jan 2020 | Revised: 15 Jan 2020 | Accepted: 28 Jan 2020

management completely runs under the owner’s control. The type II agency conflict arise in this situation where block holders are controlling the firm and the minority shareholders are unable to play part in the controlling activity (Lin et al., 2016).

The firms with less dispersed ownership will have the best testing ground for enterprise risk management and ownership structure because it has the heterogeneous features (Mafrolla et al., 2016). In addition, the ownership structure concentrated with management has the possibility to involve in type I agency conflict. Previously a stream of documents addressed the fact that the type of ownership structure does matter while making corporate governance choices, therefore the impact of agency conflict appear differently with every kind of ownership structure and same as the remedy of the conflict for every type may be different. So, it is difficult for listed firms to survive in such scenarios without enterprise risk management.

There are some proposals suggested by the scholars in order to eliminate the agency conflict. These proposals could be the attributes of corporate governance and will ensure the effectiveness of monitoring elements that causes the agency conflict. These attributes include the incentive of chief executive officer, independence of board, dominancy of large shareholders, board size and equal shareholder rights among others. Prior studies suggest that if the incentive of management increase gradually and firmly through the board equity ownership and intersect the level that aligned the interest of management and shareholders than there is no need to spend more money on monitoring and control. With respect to the risk management, if the value of the firm properly leads the managers’ wealth than it is expected by the managers that they will not involve in any value destroying activity for the firm. It is argued by the scholars that managerial ownership especially take interest in risk management as they feel that the side effects of poor decision have to face them badly as compare to the higher management. Hence managers with equity ownership avoid the high-risk activities when it comes to the poor management issues.

III. Hypothesis

It is a general assumption that enterprise risk management does not have a direct relationship with ownership structure. In family-owned firms, the family gives more focus on organizational culture and try to maintain the family instead of risk management. Risk management cannot be implemented easily as the intention of managers is not clear, either they are taking the optimal decision or manipulating the earnings. Therefore, based on the prior arguments and results, it will not be wrong to say that ownership structure does affect the risk management, however, it is mainly influenced by agency conflict. In agency conflict, if the managerial ownership is strong than the minority shareholders are required to engage in establishing the effective corporate governance tools in order to protect their investment. Thus, this study proposes the following hypothesis:

H1: There is a relationship between enterprise risk management and ownership.

H2: There is a negative relationship between enterprise risk management and managerial ownership.

H3: There is a positive relationship between enterprise risk management and disperse ownership.

DOI: 10.37200/IJPR/V24I2/PR200691
Received: 02 Jan 2020 | Revised: 15 Jan 2020 | Accepted: 28 Jan 2020

IV. Methodology

Data and Sample

In this study, we collect the data from the non-financial companies listed on the stock exchange of Bursa Malaysia during the financial period of 2014 to 2018. These firms belong to six non-financial business sectors, registered on the stock exchange of Malaysia likewise, the Construction sector, the Health care sector, Hotel sector, Properties sector, Utility sector, and Plantation sector. This data does not include the data of financial institutions because it does not meet the criteria of empirical analysis. We didn't include the data of the firms whose core data is missing for example total asset, total debt, total sales, etc. Bursa Malaysia consists of more than 900 companies. We selected200 listed companies that belong to the different business sectors. Financial institutions and the firms who haven't provide a complete annual report and those firms whose data is missing for the study variables are not included in our study as followed by previous practice. The ownership structure measures are calculated from the extracted data of companies' financial statements. Investigation of ownership data explores that the magnitude of ownership structure varies widely. Our hypothesis H1 suggests that the ownership structure is significantly related to enterprise risk management. H2 and H3 based on the relationship of enterprise risk management with managerial ownership and disperse ownership.

To measure the enterprise risk management, this study adopts the approach of Beasley et al. (2015) and developed the index that provide the magnitude at which the enterprise risk management is exist in the firm. This index-based approach is different from other studies as they used the binary-indicator-based approach as the proxy of enterprise risk management.

Now the most important objective is to discover the systematic relationship of disperse shareholders and managerial shareholders with enterprise risk management. To achieve this objective, we have to put both variables in the risk management equation. As we have discussed earlier that risk management is not only affected by ownership structure, but ownership structure can also be influenced by risk management. To handle this problem, we use the econometric model which is based on one-year data for each firm and the dependent variable would be risk management in the equation and similarly, the ownership structure would be independent. The estimation equations are as under:

Equation 1

Enterprise risk management =

$$ERM = \alpha_0 + \beta_1 managerial_i + \beta_2 disperse + Y_1 SIZE + Y_2 ROA + Y_3 DEBT + C_i$$

Where ERM is the measure of enterprise risk management for the firm, Y_t is the control variables.

In the above equations, we evaluate the degree of risk with ownership structure. The ownership variablesinclude both the ownerships, the disperse ownership, and the managerial ownership as we mentioned before. Moreover, we need to verify whether these ownership structures significantly affect risk management.

DOI: 10.37200/IJPR/V24I2/PR200691
Received: 02 Jan 2020 | Revised: 15 Jan 2020 | Accepted: 28 Jan 2020

Control variables

According to previous research, there are other factors that should be consider while evaluating the importance of Enterprise risk management with respect to ownership structure. These additional variables are called control variables, which were used in previous studies. These variables should be controlled in order to validate our descriptive results. BIG4 is an indicator variable which is scored 1 if a firm is audited by any of the big four auditor and score 0 otherwise (Zandi et al., 2019). Following the study of Sadiq & Othman (2017), DEBT is measured using the proportion of total assets which is financed by loans. SIZE is calculated using the log of total assets of the firm, which is expected to be positively associated with enterprise risk management. ROA is equals to the percentage of profit a company earns in relation to its total assets, which is commonly defined as net income divided by total assets (Sadiq et al., 2019).

V. Results

Descriptive Analysis

Table 1 shows the descriptive analysis for the dependent, independent and control variables over the period 2014 to 2018 for 200 listed companies of Bursa Malaysia. The mean value of ERM is 2.216 which is closed to the mean values of Brustbauer (2016). The mean value of managerial OWST is 1.029, which is almost doubled the mean value of Zandi et al. (2019). The mean value of disperse OWST is 0.852 which is less than the mean value of managerial OWST. The mean value of control variable SIZE, ROA, DEBT is 7.242, 0.263 and 0.298 respectively. The mean value of BIG4 is 0.620 which indicates that around 62% of the firms in our samples are audited by BIG4 audit firms.

Table 1 Descriptive Analysis

Variables	Minimum	Maximum	Mean
ERM	0.163	25.156	2.216
Managerial OWST	0	3.121	1.029
Disperse OWST	0	3.185	0.852
SIZE	5.846	9.572	7.242
ROA	-3.854	1.056	0.263
DEBT	0	0.54	0.298
BIG4	0	1	0.620
Observation		1,000	

Correlation Analysis

Table 2 below shows the correlation analysis between enterprise risk management with managerial and disperse ownership. ERM shows an equal relationship between disperse worship and managerial ownership with a value of 0.021 but disperse ownership have a significant relationship. ERM and firm SIZE have a negative relationship with a value of 0.01* with the high significance. The firm's ROA and ERM have a positive relationship with a value of 0.017with high level significance. ERM and firm's DEBT also have a positive relationship with a value of 0.271. Disperse ownership have a positive relationship with all the other variables except firm size. Managerial ownership

DOI: 10.37200/IJPR/V24I2/PR200691
Received: 02 Jan 2020 | Revised: 15 Jan 2020 | Accepted: 28 Jan 2020

also have a positive relationship with all other variables except firm DEBT. Firm SIZE has a positive relationship with the ROA and the firm's DEBT but the relationship with ROA is significance. The relationship between Firm SIZE and firm DEBT have a significant relationship which shows that as the size of the firm increases, the liabilities of the firm also increase. BIG4 and enterprise risk management have a significant positive relationship with the value of 0.362. The correlation of managerial owner ship and disperse ownership with BIG4 is not significant but positive with the value of 0.542 and 0.421 respectively. All the other control variable correlate positively with BIG4. Over all the results are positive and consistent with other studies that encourage the adoption of enterprise risk management.

Table 2: Correlation

Variables	**ERM**	**Managerial OWST**	**Disperse OWST**	**SIZE**	**ROA**	**DEBT**	**LEV**	**BIG4**
ERM	1							
Managerial OWST	0.021	1						
Disperse OWST	0.021**	0.412**	1					
SIZE	-0.1*	0.018	0.053*	1				
ROA	0.017*	0.061	0.048	0.032**	1			
DEBT	0.271	-0.051	0.049	0.106*	0.000	1		
BIG4	0.362*	0.542	0.421	0.51	0.410	0.329	0.519	1

*** & ** indicate significance at 1% and 5% levels, respectively.

Regression Analysis

Table below provides the regression results of ownership structure (i.e. managerial ownership and disperse ownership) and ERM. These results in the current study are based on enterprise risk management index using Binomial and Poisson models. Below results shows that ERM and managerial OWST is negatively associated with each other with the coefficients being -1.69 and -1.44. Consistent with hypothesis H2, the results suggest that managerial ownership does not support the ERM implementation. Our findings explore that the disperse OWST is positively and significantly associated with the ERM along with the coefficient being 2.14 and 1.88. Consistent with hypothesis H3, which suggest that disperse OWST is more favorable to adopt ERM and moreover the results are also significant. As managerial ownership and disperse ownership is the proxy of ownership structure, the hypothesis H1 is automatically consistent with our results as both found a relationship with ERM.

SIZE positively and significantly related to ERM with the coefficient being 1.71 and 1.75, suggesting that firm with good asset strength interested to adopt ERM activities. Moreover, ROA is also positive and significant with

DOI: 10.37200/IJPR/V24I2/PR200691
Received: 02 Jan 2020 | Revised: 15 Jan 2020 | Accepted: 28 Jan 2020

coefficient being 2.43 and 2.48, suggesting that firms with good performance more inclined to adopt the ERM.DEBT is positively but not significantly related with ERM. BIG4 is positively and significantly relate with ERM, suggest that those firms employ the BIG4 are also inclines to adopt ERM. Our regression results are consistent with the previous study of (Mafrolla et al., 2016).

Table 3: Regression

Variables	Binomial	Poisson
Intercept	-5.27** -2.08	-1.87* -0.98
Managerial OWST	-1.03* -1.69	-0.88 -1.44
Disperse OWST	0.02** 2.14	0.01* 1.88
SIZE	0.24* 1.71	0.28* 1.75
ROA	0.70** 2.43	0.78*** 2.48
DEBT	0.58 0.96	0.57 0.95
BIG4	0.34*** 2.64	0.38*** 2.72

***, ** & *indicate significance at 1%, 5% & 10% levels, respectively.

VI. Conclusion

This study examined the relationship between ownership structure and enterprise risk management in various ways. First, this study examined whether there is a relationship between enterprise risk management and ownership structure. Second, we examined whether the behavior of different ownership structure is same with enterprise risk management in the context of Malaysian business market. The data verified our hypothesis by using enterprise risk management with two ownership concentrations namely managerial ownership and disperse ownership. Disperse ownership refers to outsider ownership concentration whereas managerial ownership refers to insider ownership concentration.

Our empirical data based on 200 Malaysian listed companies used a total of 1000 observations over the period 2014 to 2018. The empirical analysis found that managerial ownership has a negative relationship whereas disperse ownership has a positive relationship with enterprise risk management. Enterprise risk management was positively influenced by disperse ownership whereas managerial ownership reluctant to adopt enterprise risk management. The other factors that use to measure the performance of the firm positively consistent with the adoption of enterprise risk

DOI: 10.37200/IJPR/V24I2/PR200691
Received: 02 Jan 2020 | Revised: 15 Jan 2020 | Accepted: 28 Jan 2020

management. However, it depends which party possessed the higher degree of shareholding be it insider or outsider, as both parties will tend to manage the firm in a better manner since they possessed control over the firm. Thus, it is important to note that prior studies found that firms with managerial ownership structures tend to be run more effectively when compared to firms run by outsiders leading to better corporate performance.

Reference

[1] Brustbauer, J. (2016). Enterprise risk management in SMEs: Towards a structural model. *International Small Business Journal*, *34*(1), 70-85.

[2] Thi, C. H. (2018). The impact of ownership structure and capital structure on firm performance of privatized state-Owned enterprises in Vietnam.

[3] Prinsloo, S. (2015). The influence of combined assurance initiatives on the efficiency of risk management in retail small and very small enterprises in Bellville, South Africa.

[4] Arujunan, N., Hashim, F., &Jamaludin, M. F. (2018). The Moderating role of Family Ownership in Board Gender Diversity and Corporate Social Performance. *Available at SSRN 3302128*.

[5] Al-Sraheen, D. A. D., Saleh, R. M., &Alsmadi, M. H. (2019). Cosmetic Accounting Practices among Jordanian Firms? The Role of Ownership Concentration and Political Influence. *Review of Applied Socio-Economic Research*, *17*(1), 18-25.

[6] Sadiq, M., & Othman, Z. (2017). Earnings manipulations in politically influenced firms. Corporate Ownership & Control, 15 (1): 65-71.

[7] Kotlar, J., De Massis, A., Frattini, F., &Kammerlander, N. (2019). Motivation gaps and implementation traps: The paradoxical and time‐ varying effects of family ownership on firm absorptive capacity. *Journal of Product Innovation Management.*

[8] Zandi, G., Sadiq, M., & Mohamad, S. (2019). Big-four auditors and financial reporting quality: evidence from Pakistan. *Humanities & Social Sciences Reviews*, *7*(2), 369-375.

[9] Duran, P., Kammerlander, N., Van Essen, M., & Zellweger, T. (2016). Doing more with less: Innovation input and output in family firms. *Academy of Management Journal*, *59*(4), 1224-1264.

[10] De Massis, A., Kotlar, J., Frattini, F., Chrisman, J. J., & Nordqvist, M. (2016). Family governance at work: Organizing for new product development in family SMEs. *Family Business Review*, *29*(2), 189-213.

[11] Soltanizadeh, S., Abdul Rasid, S. Z., Mottaghi Golshan, N., & Wan Ismail, W. K. (2016). Business strategy, enterprise risk management and organizational performance. *Management Research Review*, *39*(9), 1016-1033.

[12] Sax, J., & Torp, S. S. (2015). Speak up! Enhancing risk performance with enterprise risk management, leadership style and employee voice. *Management Decision*, *53*(7), 1452-1468.

[13] Shenase, S. (2016). Internal Control over Financial Reporting and Enterprise Risk Management.

[14] Bromiley, P., McShane, M., Nair, A., &Rustambekov, E. (2015). Enterprise risk management: Review, critique, and research directions. *Long range planning*, *48*(4), 265-276.

[15] Elamer, A. A., Ntim, C. G., & Abdou, H. A. (2017). Islamic governance, national governance, and bank risk management and disclosure in MENA countries. *Business & Society*, 0007650317746108.

[16] Sadiq, M., Othman, Z., & Ooi, C. K. (2019). A study of interaction effects of political influences and earnings management on organisational performance. *Asian Economic and Financial Review*, *9*(5), 642.

[17] Koutoupis, A., &Malisiovas, T. (2019). The Effects of Internal Control Systems on Risk, Profitability and Compliance of the US Banking Sector: A Quantitative Approach. *Profitability and Compliance of the US Banking Sector: A Quantitative Approach (August 10, 2019)*.

[18] Paniagua, J., Rivelles, R., &Sapena, J. (2018). Corporate governance and financial performance: The role of ownership and board structure. *Journal of Business Research*, *89*, 229-234.

[19] Honey, D., Tashfeen, R., Farid, S., & Sadiq, R. (2019). Credit Risk Management: Evidence of Corporate Governance in Banks of Pakistan. *Journal of Finance and Accounting Research*, 1-18.

[20] Villalonga, B. (2019). Ownership structure and corporate performance: Looking back and looking forward. *Journal of Corporate Finance*, *58*, 64-67.

[21] Mukhopadhyay, J., & Chakraborty, I. (2017). Foreign institutional investment, business groups and firm performance: Evidence from India. *Research in International Business and Finance*, *39*, 454-465.

[22] Mafrolla, E., Matozza, F., & D'Amico, E. (2016). Enterprise risk management in private firms: Does ownership structure matter?*Journal of Applied Business Research*, *32*(2), 671.

DOI: 10.37200/IJPR/V24I2/PR200691
Received: 02 Jan 2020 | Revised: 15 Jan 2020 | Accepted: 28 Jan 2020

[23] Karaca, S. S., Şenol, Z., & Korkmaz, Ö. (2018). Mutual Interaction Between Corporate Governance And Enterprise Risk Management: A Case Study In Borsa Istanbul Stock Exchange. *Journal of Accounting & Finance*, (78).

[24] Florio, C., & Leoni, G. (2017). Enterprise risk management and firm performance: The Italian case. *The British Accounting Review*, *49*(1), 56-74.

[25] Bailey, C. (2019). The Relationship Between Chief Risk Officer Expertise, ERM Quality, and Firm Performance. *Journal of Accounting, Auditing & Finance*, 0148558X19850424.

[26] Palermo, T. (2017). Risk and performance management. *The Routledge Companion to Accounting and Risk*, 137

[27] Fraser, J. R., & Simkins, B. J. (2016). The challenges of and solutions for implementing enterprise risk management. *Business horizons*, *59*(6), 689-698

[28] Lin, Y. E., Chih, H. H., Cheng, C. H., & Ku, Y. Q. (2016). Market Competition, Arbitrage Risk, And Capital Structure: Evidence from Taiwan. *Annals of Financial Economics*, *11*(01), 1650002.

[29] Mafrolla, E., Matozza, F., & D'Amico, E. (2016). Enterprise risk management in private firms: Does ownership structure matter? *Journal of Applied Business Research*, *32*(2), 671.