

The copyright © of this thesis belongs to its rightful author and/or other copyright owner. Copies can be accessed and downloaded for non-commercial or learning purposes without any charge and permission. The thesis cannot be reproduced or quoted as a whole without the permission from its rightful owner. No alteration or changes in format is allowed without permission from its rightful owner.



**RISK MANAGEMENT COMMITTEE, OWNERSHIP STRUCTURE AND
FINANCIAL PERFORMANCE**

SHARIFAH NABIHAH BINTI SYED YASIN (814249)



UNIVERSITI UTARA MALAYSIA

2017

**RISK MANAGEMENT COMMITTEE, OWNERSHIP STRUCTURE AND
FINANCIAL PERFORMANCE**

By

SHARIFAH NABIHAH BINTI SYED YASIN (814249)



**A Thesis Submitted to College of Business in partial
fulfillment of the requirement for postgraduate Master of
Science of International Accounting
Universiti Utara Malaysia**

May 2017



PERAKUAN KERJA KERTAS PENYELIDIKAN
(*Certification of Research Paper*)

Saya, mengaku bertandatangan, memperakukan bahawa
(*I, the undersigned, certify that*)

SHARIFAH NABIHAH BINTI SYED YASIN (814249)

Calon untuk Ijazah Sarjana
(*Candidate for the degree of*)
MASTER OF SCIENCE (INTERNATIONAL ACCOUNTING)

telah mengemukakan kertas penyelidikan yang bertajuk
(*has presented his/her research paper of the following title*)

RISK MANAGEMENT COMMITTEE, OWNERSHIP STRUCTURE AND FINANCIAL PERFORMANCE

Seperi yang tercatat di muka surat tajuk dan kulit kertas penyelidikan
(*as it appears on the title page and front cover of the research paper*)

Bahawa kertas penyelidikan tersebut boleh diterima dari segi bentuk serta kandungan dan meliputi bidang ilmu dengan memuaskan.

(*that the research paper acceptable in the form and content and that a satisfactory knowledge of the field is covered by the research paper*).

Nama Penyelia : **ASSOC. PROF. DR. HASNAH KAMARDIN**
(*Name of Supervisor*)

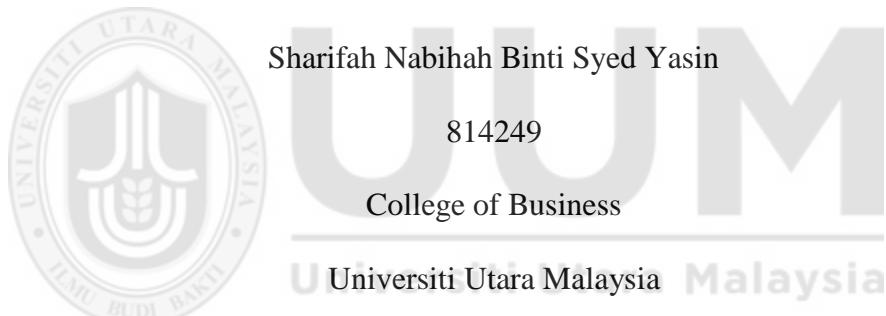
Tandatangan : 1 Jm

Tarikh : 13/6/2017
(*Date*)

DECLARATION

I hereby certify that the substance of this thesis has not been already submitted to any degree and is not currently being submitted for any other qualifications.

I certify that any assistance received in preparing this thesis and all sources used have been acknowledged and referenced in this thesis.



06010 Sintok

Kedah

Mei 2017

PERMISSION TO USE

In presenting this thesis in partial fulfillment of the requirement for a postgraduate degree from Universiti Utara Malaysia (UUM), I agree that University library may make it unreservedly available for inspection. I further agree that permission for copy of this thesis in any manner, in whole or in part, for scholarly purposes may be granted by my supervisor Associate Professor Dr. Hasnah Kamardin or, in her absence by the College of Business Dean. It is understood that any copying or publishing or using of this thesis or part thereof for financial gain shall not be allowed without any written permission. It is also understood that due recognition shall be given to me and to Universiti Utara Malaysia for any scholarly use which may be made of any material from this thesis. Request for permission to copy or to make other use of material in this thesis, in whole or in part, should be addressed to :

Dean



ABSTRACT

The role of risk management committee (RMC) under the corporate governance consist of monitoring the risk strategies, policies and risk tolerance level as well as reviewing the sufficiency of risk management policies and framework. Risk management committee performs a very important function in the monitoring of the risk and internal control. Thus, the main objective of the study is to examine the effect of the existence of risk management committee on firm performance of companies listed in the Main Market of Bursa Malaysia. In addition, the study also examines the effect of ownership structure of director and family ownership on firm performance. ROA and ROE are used as proxy to measure the firm performance. Sample of the study is based on 20% companies in each industry excluding finance companies. Data were collected from 154 companies in the financial year 2015. The study uses agency theory to predict the relationship. Descriptive analysis shows that only 18% of the sample companies have stand-alone risk management committee and 28% of the sample companies have joining risk management committee with other committees such as audit committee. The mean of family ownership is 21.93% and the mean of director ownership is 36.81%. The regression analysis revealed that there is no significant relationship between the existence of risk management committee, family ownership and director ownership with firm performance. In addition, the result indicates that only board composition, the control variable has significant negative relationship with firm performance.

Keywords: risk management committee, family ownership, director ownership, board composition, firm performance, Malaysia



ABSTRAK

Peranan jawatankuasa pengurusan risiko (RMC) tertakluk kepada tataurus korporat meliputi pengawalan strategi risiko, polisi risiko dan paras toleransi risiko di samping mengkaji samada polisi dan rangka kerja pengurusan risiko sesebuah syarikat adalah mencukupi. Jawatankuasa pengurusan risiko memainkan peranan yang penting dalam mengawal selia kawalan dalaman dan risiko syarikat. Oleh itu, objektif utama kajian ini adalah untuk mengkaji kesan kewujudan jawatankuasa pengurusan risiko ke atas prestasi kewangan syarikat-syarikat yang tersenarai di Pasaran Utama Bursa Malaysia. Di samping itu, kajian ini juga mengkaji kesan struktur pemilikan oleh pengarah dan keluarga ke atas prestasi syarikat. ROA dan ROE digunakan sebagai proksi untuk prestasi syarikat. Sampel kajian adalah berdasarkan kepada 20% syarikat bagi setiap kategori industri tidak termasuk syarikat kewangan. Data telah dikumpul daripada 154 buah syarikat pada tahun kewangan 2015. Kajian ini menggunakan teori agensi dalam membuat ramalan tentang hubungan tersebut. Analisa deskriptif menunjukkan hanya 18% daripada sampel syarikat mempunyai jawatankuasa pengurusan risiko sendiri dan sebanyak 28% daripada sampel syarikat mempunyai jawatankuasa pengurusan risiko yang bergabung dengan jawatankuasa lain seperti jawatankuasa audit. Purata bagi saham pemilikan keluarga adalah 21.93% manakala purata saham yang dimiliki oleh pengarah syarikat adalah sebanyak 36.81%. Analisa regresi juga menunjukkan tiada hubungan yang signifikan di antara kewujudan jawatankuasa pengurusan risiko, saham pemilikan pengarah dan saham pemilikan keluarga dengan prestasi syarikat. Di samping itu, kajian ini menunjukkan komposisi lembaga pengarah sebagai pembolehubah kawalan mempunyai hubungan yang positif dan signifikan dengan prestasi syarikat.

Kata kunci:jawatankuasa pengurusan risiko, saham pemilikan keluarga, saham pemilikan pengarah, komposisi lembaga pengarah, prestasi syarikat, Malaysia.

ACKNOWLEDGEMENTS

In the name of Allah, the most Compassionate and the Most Merciful.

First and foremost, (Alhamdulilah) all praises be upon Allah, Lord of the Universe for all blessing that He has given His' creatures. And may his blessings, peace and favor descend in perpetuity on our beloved Prophet Muhammad S.A.W, who is mercy for entire world. Truthfully without Allah's blessing, grace and guidance, this dissertation could not have been written.

Second, I would like to render my utmost appreciation and gratitude to my supervisor, Associate Professor Dr. Hasnah Kamardin, for her thoughtful guidance, advices and suggestions and precious comment during construction my dissertation. Without her understanding, consideration and untiring advice, this dissertation would not have been completed successfully.

Also, I would like to record my sincere appreciation to my lecturers for their guidance and encouragement which have enable me to acquire precious knowledge during my study for MSc (International Accounting) program.

Moreover, I would like to convey my highest appreciation to my mother and father, without them, I would never have the courage or ability to achieve this stage of learning. Last but not least, my deep love goes to my husband and my children, Alif, Arissa and Aisyah who gave up so much for me to complete this thesis. Finally my heartfelt appreciation to all my friends who involved directly or indirectly in the completion of this thesis, thank you very much.

TABLE OF CONTENTS

	Page No.
DECLARATION.....	ii
PERMISSION TO USE.....	iii
ABSTRACT.....	iv
ACKNOWLEDGEMENT.....	vi
TABLE OF CONTENTS.....	vii
LIST OF TABLES.....	xi
LIST OF FIGURES.....	xii
CHAPTER ONE : INTRODUCTION	
1.1 Background of the study	1
1.2 Problem Statement	4
1.3 Research Questions	5
1.4 Research Objectives	6
1.5 Significance of the study	6
1.5.1 Theoretical Significance	6
1.5.2 Practical Significance	7
1.6 Scope and Limitation of the Study.....	8
1.7 The Organization of the Study	9

CHAPTER TWO : LITERATURE REVIEW

2.1 Introduction	10
2.2 Determinants of Financial Performance	10
2.3 Corporate Governance in Malaysia	13
2.4 Existence of Risk Management Committee	15
2.5 Ownership Structure	18
2.5.1 Director Ownership	19
2.5.2 Family Ownership	20
2.6 Agency Theory	25
2.7 Summary	27

CHAPTER THREE : RESEARCH DESIGN AND METHODOLOGY

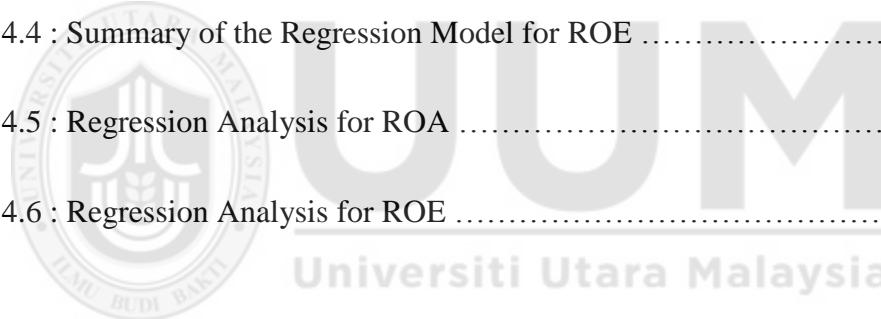
3.1 Introduction	29
3.2 Theoretical Framework	29
3.3 Hypotheses Development	31
3.3.1 Existence of Risk Management Committee	31
3.3.2 Ownership Structure (Director Ownership).....	33
3.3.3 Ownership Structure (Family Ownership)	34
3.4 Variables Measurement	36

3.4.1 Dependent Variable	36
3.4.2 Independent Variables	36
3.4.2.1 Existence of RMC	36
3.4.2.2 Ownership Structure (Director Ownership)....	37
3.4.2.3 Ownership Structure (Family Ownership)...	37
3.4.3 Control Variables	38
3.4.3.1 Board Size	38
3.4.3.2 Board Composition	38
3.4.3.3 Firm Size	39
3.4.3.4 Leverage	39
3.4.4 Model Specification and Analysis	41
3.5 Data Collection	42
3.5.1 Sample Selection	42
3.5.2 Data Collection Procedures	43
3.6 Data Analysis	44
3.7 Summary	44
CHAPTER FOUR : FINDINGS AND DISCUSSION	
4.1 Introduction	46
4.2 Descriptive Statistics	46

4.3 Assumption Test in Regression Analysis	48
4.4 Correlation Analysis	52
4.5 Regression Analysis Results	55
4.6 Summary	61
CHAPTER FIVE : CONCLUSION AND FUTURE RESEARCH	
5.1 Introduction	63
5.2 Conclusion	63
5.3 Future Research	65
5.4 Summary	66
REFERENCES	67
APPENDIX 1 : LIST OF COMPANIES	76

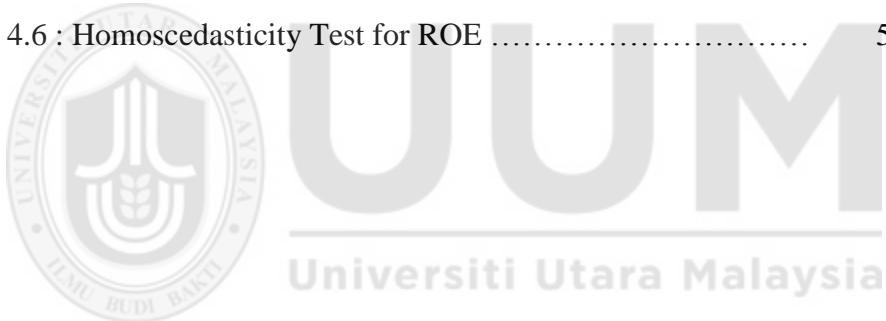
LIST OF TABLES

	Page No.
Table 3.1 : Summary of Measures of Variables	40
Table 3.2 : Number of companies on Bursa Malaysia with websites	43
according to respective categories.	
Table 4.1 : Descriptive Statistics	47
Table 4.2 : Correlation Coefficient between Variables	53
Table 4.3 : Summary of the Regression Model for ROA	56
Table 4.4 : Summary of the Regression Model for ROE	57
Table 4.5 : Regression Analysis for ROA	57
Table 4.6 : Regression Analysis for ROE	59



LIST OF FIGURES

	Page No.
Figure 3.1 : Research Framework	30
Figure 4.1 : Normality Test for ROA	49
Figure 4.2 : Linearity Test for ROA	50
Figure 4.3 : Homoscedasticity Test for ROA	50
Figure 4.4 : Normality Test for ROE	51
Figure 4.5 : Linearity Test for ROE	51
Figure 4.6 : Homoscedasticity Test for ROE	52



CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Every listed company in Malaysia needs to disclose about the way they manage risk in their annual report every year. The consequence, in the public listed annual report, there is a part called a statement about risk management and internal control that disclose about directors responsibility in managing risk and risk management framework of the company. Risk management is defined as the way and procedure used by firms to control risk or grab an opportunities consistent to the achievement of their objectives (Amran & Hassan, 2008). The important of risk management was highlighted due to the uncertainty of world economic growth that gives a major impact on the business performance worldwide. Investopedia (www.investopedia.com) states that risk management becomes one of the factors looked by the investors besides other factors for examples business model, competitive advantage, management and corporate governance before making a decision to invest in a company.

The person who is responsible for managing risk in a company is directors. Corporate Governance Guideline issued by Bank Negara Malaysia stated that, a member of Risk Management Committee (RMC) must be at least three non-executive directors and the chairman must be an independent director (Kallamu, 2015). It is because directors' have an important role in making a decision on behalf of the company before entering into a business agreement or make an investment. So, directors of the companies should have a

The contents of
the thesis is for
internal user
only

REFERENCES

- Abdel-Khalik, A.R. (1993), "Why do private companies demand auditing? A case for organizational loss of control", *Journal of Accounting, Auditing and Finance*, Vol.8 No.1, pp.31-52
- Abdullah, S. N. (2004). Board composition, CEO duality and performance among Malaysian listed companies. *Corporate Governance International Journal of Business in Society*, 4, 47-61.
- Agrawal, A., & Knoeber, C. R. (1996). Firm performance and mechanisms to control agency problems between managers and shareholders. *Financial and Quantitative Analysis*, 31, 377–397. doi:10.2307/2331397
- Alchian, A. A., & Demsetz, H. (1972). Production, information and economic organization. *American Economic Review*, 62, 777–795. doi:10.1109/EMR.1975.4306431
- Alhaji, I. A., & Wan Yusoff, W. F. B. (2012). Corporate Governance and Firm Performance of Listed Companies in Malaysia. *Trends and Development in Management Studies*, 1, 43-65. ISSN 2319-7838
- Ali, S. M., Salleh, N. M., & Hassan, M. S. (2008). Ownership structure and Earnings Management in Malaysia Listed Companies. *Asian Journal of Business and Accounting*, 1(2), 89-116.
- Amran, A., Bin, A. M. R., & Hassan, B. C. H. M. (2008). Risk reporting an exploratory study on risk management disclosure in Malaysian annual reports. *Managerial Auditing Journal*, 24, 39–57. doi:10.1108/02686900910919893
- Amran, N. A., & Ahmad, A. C. (2010). Corporate governance mechanisms, succession planning and firm performance: Evidence from Malaysian family and non-family controlled companies. *Journal of Modern Accounting and Auditing*.

Anderson, R. C., & Reeb, D. M. (2003). Founding-family ownership and firm performance: Evidence from the S&P 500. *Journal of Finance*, 58, 1301–1328. doi:10.1111/1540-6261.00567

Ang, J., Cole, R., & Lin, J. (2000). Agency costs and ownership structure. *Journal of Finance*, 55, 81–106.

Asteriou, D. and Hall, S. G. (2007). Applied econometrics: a modern approach using Eviews and microfit, New York, palgravemacmillian; USA.

Barbosa, N., & Louri, H. (2005). Corporate Performance: Does Ownership Matter? A Comparison of Foreign- and Domestic-Owned Firms in Greece and Portugal. *Review of Industrial Organization* , 27(1),73-102

Barney, J. (2009). Corporate scandals, executive compensation, and international corporate governance convergence: A U.S.-Australia case study. [Online] Available: http://works.bepress.com/jacob_barney/1

Beasley, M. S., Clune, R., & Hermanson, D. R. (2005). Enterprise risk management: An empirical analysis of factors associated with the extent of implementation. *Journal of Accounting and Public Policy*, 24, 521–531. doi:10.1016/j.jacccpubpol.2005.10.001.

Berle, A. & Means, G. (1932). The Modern Corporation and Private Property, MacMillan, New York, N.Y.

Bursa Malaysia (2015). Kuala Lumpur Stock Exchange (KLSE) Listing Requirements 2015, Kuala Lumpur, Malaysia

Chami, R. (1999). What's different about family business? *Working Paper, University of Notre Dame*.

Chen, Z., Cheung, Y.-L., Stouraitis, A., & Wong, A. W. S. (2005). Ownership concentration, firm performance, and dividend policy in Hong Kong. *Pacific Basin Finance Journal*, 13, 431–449. doi:10.1016/j.pacfin.2004.12.001

- Claessens, S., Djankov, S. & Lang, L.H.P. (2000). The Separation of Ownership and Control in East Asian Corporation. *Journal of Financial Economics*, 58, 81-112.
- Cosken, M. and Sayilar, O. (2012). Relationship between corporate governance and financial performance of Turkiescompanies. *International Journal of Business and Social Science*, 3(14) (Special Issue).
- Dalton, D. R., Daily, C. M., Ellstrand, A. E., & Johnson, J. L. (1998). Meta-Analytic Review of Board Composition, Leadership Structure, and Financial Performance. *Strategic Management Journal*, 19, 269–290. doi:10.1002/(SICI)1097-0266(199803)19:3<269::AID-SMJ950>3.0.CO;2-K
- DeAngelo, H., & DeAngelo, L. (2000). Controlling stockholders and the disciplinary role of corporate payout policy: A study of the Times Mirror Company. *Journal of Financial Economics*, 56(2), 153–207.
- Demsetz, H., & Lehn, K. (1985). The structure of corporate ownership: Causes and consequences. *Journal of Political Economy*, 93, 1155– 1177.
- Druckeriv, P. (1992). Corporate Governance after Enron and WorldCom Applying Principles of Results-Based Governance. *Working Paper presented at Insight Conference on Corporate Governance*.
- Eisenberg, T., Sundgren, S., & Wells, M. T. (1998). Larger Board Size and Decreasing Firm Value in Small Firms. *Journal of Financial Economics*, 48, 35–54. doi:10.1016/S0304-405X(98)00003-8
- Erkens, D. H., Hung, M., & Matos, P. (2012). Corporate governance in the 2007-2008 financial crisis: Evidence from financial institutions worldwide. *Journal of Corporate Finance*, 18, 389–411. doi:10.1016/j.jcorpfin.2012.01.005
- Fama, E. F., & Jensen, M. C. (1983). Separation of Ownership and Control Separation of Ownership and Control. *Journal of Law and Economics*, 26, 301–325. doi:10.1086/467037

- Fauzias, M. N., Rasidah, M. S., & Hendon, R. (1999). Structure of ownership and corporate financial performance: A Malaysian case. *Malaysian Management Review*, December, 44-48
- Filatotchev, I. Lien, Y. C., & Piesse, J. (2005). Corporate governance and performance in publicly listed, family-controlled firms: Evidence from Taiwan. *Asia Pacific Journal of Management*, 22, 257–283.
- Gama, A. P. M., & Rodrigues, C. (2013). The governance-performance relations in publicly listed family controlled firms: an empirical analysis. *Corporate Governance*, 13, 439–456. doi:10.1108/CG-04-2011-0031
- Hair J., Black, W., Babin, B., Anderson, R., and Tatham, R. (2006). Multivariate data analysis, 6th ed. Pearson Prentice Hall, Upper Saddle River, New Jersey.
- Han, K.C., & Suk, D.Y. (1998). The effect of ownership structure on firm performance: Additional evidence. *Review of Financial Economics* 7 (2), 143–155
- Heinrich, R.P. (2002). Complimentarities in corporate governance : Springer Verlag.
- Ibrahim, H., & Samad, F. A. (2011). Corporate Governance Mechanisms and Performance of Public-Listed Family-Ownership in Malaysia. *Journal of Economics and Finance*, 3, 105–115. doi:10.5539/ass.v10n11p233
- Investopedia (2016). Return On Assets (ROA) Definition |*Investopedia*, 4–7. doi:10.1007/0-387-26336-5_1736
- Investopedia (2016). Return On Equity (ROE) Definition |*Investopedia*, 4–7. doi:10.1007/0-387-26336-5_1736
- James, H. (1999). Owner as manager, extended horizons and the family firm. *International Journal of the Economics of Business*, 6(1), 41– 56.

- Jensen, M.C. (2000). *A Theory of the Firm: Governance, Residual Claims, and Organizational Forms*, Harvard University Press, Cambridge.
- Jensen, M., & Meckling, W. (1976a). Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure. *Journal of Financial Economics*, 3, 305–360.
doi:doi:10.1016/0304-405X(76)90026-X
- Joh, S. (2003). Corporate governance and firm profitability: Evidence from Korea before the economic crisis. *Journal of Financial Economics*, 68, 287–322.
- Kallamu, B. S. (2015). Risk Management Committee Attributes and Firm Performance. *International Finance and Banking*, 2, 1. doi:10.5296/ifb.v2i2.8580
- Kamardin, H. (2014). Managerial ownership and firm performance: The influence of family directors and non-family directors. In *Ethics, Governance and Corporate Crime: Challenges and Consequences*, 47-84, UK: Emerald Group Publishing Limited.
- Kamardin, H., Latif, R. A., & Mohd, K. N. T. (2016). Ownership Structure and Firm Performance in Malaysia. (Online) Available : <http://www.icas.my>
- Kashyap, A., Rajan, R., & Stein, J. (2008). Rethinking capital regulation. [Online] Available:
<http://scholar.harvard.edu/sites/scholar.iq.harvard.edu/files/stein/files/kashyaprajanstein.03.1.2.09.pdf>
- Kets de Vries, M. F. R. (1993). The dynamics of family controlled firm: The good and the bad news. *Organizational Dynamics*, 21(3), 59–71.
- Krivogorsky, V. (2006). Ownership, board structure, and performance in continental Europe. *The International Journal of Accounting* 41, 176–197.
- La Porta, R., Lopez-De-Silanes, F., & Shleifer, A. (1999). Corporate ownership around the world. *Journal of Finance*, 54, 471-514

- Liebenberg, A. P., & Hoyt, R. E. (2003). The Determinants of Enterprise Risk Management: Evidence from the Appointment of Chief Risk Officers. *Risk Management and Insurance Review*, 6, 37–52. doi:10.1111/1098-1616.00019
- Mak, Y.T. & Yuanto, K. (2002). Size Really Matters: Further Evidence on the Negative Relationship between Board Size and Firm Value, *Working Paper, National Univ. of Singapore* .
- Mak, Y. T., & Kusnadi, Y. (2005). Size really matters: Further evidence on the negative relationship between board size and firm value. *Pacific Basin Finance Journal*, 13, 301–318. doi:10.1016/j.pacfin.2004.09.002
- Malaysian Institute of Corporate Governance (MICG) (2001). Malaysian Code on Corporate Governance (MCCG), Kuala Lumpur: *Malaysian Law Journal Sdn Bhd*.
- Malaysian Institute of Corporate Governance (MICG) (2012). Malaysian Code on Corporate Governance (MCCG), Kuala Lumpur: *Malaysian Law Journal Sdn Bhd*.
- Malaysian Institute of Corporate Governance (MICG) (2016). Malaysian Code on Corporate Governance (MCCG), Kuala Lumpur: *Malaysian Law Journal Sdn Bhd*.
- Malaysian Institute of Corporate Governance (MICG) (2017). Malaysian Code on Corporate Governance (MCCG), Kuala Lumpur: *Malaysian Law Journal Sdn Bhd*.
- Mehran, H. (1995). Executive compensation structure, ownership, and firm performance. *Journal of Financial Economics*, 38, 163–184.doi:10.1016/0304-405X(94)00809-F
- Merton, R. C. (1995). A Functional Perspective of Financial Intermediation. *Financial Management*, 24, 23–41. doi:10.2307/3665532
- Mishra, C. S., Randoy, T., & Jenssen, J. I. (2001).The effect of founding family influence on firm value and corporate governance. *Journal of International Financial Management and Accounting*, 12, 235–259. doi:10.1111/1467-646X.00073

Mohd Sehat, R. & Abdul Rahman, R. (2005). Ownership of the Firm and Corporate Value, *Working Paper Faculty of Accountancy*, UniversitiTeknologi MARA, Shah Alam, Selangor.

Mohamad, W. I. A. & Sulong, Z. (2010). Corporate governance mechanisms and extent of disclosure: Evidence from listed companies in Malaysia. *International Business Research*, 3, 216–228. doi:<http://dx.doi.org/10.5539/ibr.v3n4p216>

Ng, T-H., Chong, L-L., & Ismail, H. (2013). Is risk management committee only a procedural compliance? An insight into managing risk taking among insurance companies in Malaysia. *The Journal of Risk Finance*, 14(1), 71-86.
<http://dx.doi.org/10.1108/15265941311288112>

Ngui, C. Y. K. (2002). Asian family businesses: From riches to rags? *Malaysian Business*, 27.

Ruhani, A., & Sanda, A.U. (2001). Further evidence on the relationship between board ownership and firm performance in Malaysia. *Capital Market Review*, 9(1&2), 111-124

Saleh, N. M., Rahman, M. R. C. A., & Hassan, M. S. (2009). Ownership structure and intellectual capital performance in Malaysia. *Asian Academy of Management Journal of Accounting and Finance*, 5, 1–29. doi:<10.1108/14720700710756562>

Sekaran, U. M. (2003). Research methods for business: A skill building approach. USA, New York: Jonh Wiley & Son, Inc.

Shleifer, A., & Vishny, R. (1997). A survey of corporate governance. *The Journal of Finance*, 52(2), 737-783.

Shukeri, S. N., Shin, O. W., & Shaari, M. S. (2012). Does Board of Director's Characteristics Affect Firm Performance? Evidence from Malaysian Public Listed Companies. *International Business Research*, 5, 120–127. doi:<10.5539/ibr.v5n9p120>

Solomon, J. (2007). Corporate governance and accountability. *Social Science Research Network* (Vol. 3rd, p. 440). doi:10.2139/ssrn.328401

Subramaniam, N., McManus, L., & Zhang, J. (2009). Corporate governance, firm characteristics and risk management committee formation in Australian companies. *Managerial Auditing Journal*, 24, 316–339. doi:10.1108/02686900910948170

Sufian, F., & Habibullah, M. S. (2010). Assessing the Impact of Financial Crisis on Bank Performance Empirical Evidence from Indonesia. *ASEAN Economic Bulletin Vol*, 27, 245–62. doi:10.1355/ae27-3a

Tao, N. B., & Hutchinson, M. (2013). Corporate governance and risk management: The role of risk management and compensation committees. *Journal of Contemporary Accounting & Economics*, 9, 83–99. doi:10.1016/j.jcae.2013.03.003

Villalonga, B., & Amit, R. (2006). How do family ownership, control and management affect firm value? *Journal of Financial Economics*, 80, 385–417. doi:10.1016/j.jfineco.2004.12.005

Wallace, W.A. and Kreutsfeldt, R.W. (1991). Distinctive Characteristics of Entities with an Internal Audit Department and the Association of the Quality of such Departments with Errors, *Contemporary Accounting Research*, 7, 2: 485-512.

Wiwattanakantang, Y. (2001). Controlling shareholders and corporate value: Evidence from Thailand. *Pacific Basin Finance Journal*, 9, 323–362. doi:10.1016/S0927-538X(01)00022-1

Yatim, P. (2009). Audit committee characteristics and risk management of Malaysian listed firms. *Malaysian Accounting Review*, 8, 19–36. Retrieved from <http://myais.fsktm.um.edu.my/10673/>

Yatim, P. (2009). Board structures and the establishment of a risk management committee by Malaysian listed firms. *Journal of Management and Governance*, 14, 17–36. doi:10.1007/s10997-009-9089-6

Yeh, Y., Lee, T., & Woidtke, T. (2001). Family control and corporate governance: Evidence from Taiwan. *International Review of Finance*, 2, 21–48.
doi:10.1111/1468-2443.00014

