ASIAN JOURNAL OF ACCOUNTING PERSPECTIVES

DOI: 10.22452/AJAP.vol13no2.2
Vol. 13, No. 2, p. 17-39
30 August 2020

CORPORATE RISK DISCLOSURE IN EMERGING ECONOMIES: A SYSTEMATIC LITERATURE REVIEW AND FUTURE DIRECTIONS

WONG BAAN WAHH[1,2]
EDWARD WONG SEK KHIN[2,*]
MAZNI ABDULLAH[2]

Received: 17 September 2019 / Revised: 16 December 2019 / Accepted: 23 January 2020
© 2020 Faculty of Business and Accountancy, University of Malaya. All rights reserved.

ABSTRACT
Research aim: Corporate risk disclosure (CRD) has long been regarded as a focal point of corporate communication since adequate disclosure of risk information in the annual report may reduce investors' uncertainty and assist investors to make sound investment decisions. However, previous reviews of CRD literature have tended to focus on developed economies which may have limited applicability in the emerging markets. The aim of this article is, therefore, to extend reviews of CRD literature to emerging economies.
Design/ Methodology/ Approach: This paper concentrated on articles published in international peer-reviewed academic journals. Guided by the review methods recommended by Fink (2010) and Tranfield et al. (2003), a systematic review of the most relevant databases within social sciences was performed.
Research findings: Valuable evidence emerge from the review. The authors found that most prior risk disclosure studies have focused on the developed economies and that similar research within the context of emerging countries remains under-represented. The literature review also suggests that CRD studies have mainly adopted content analysis to examine the scope of voluntary disclosure practices. The findings show that agency theory remains the most dominant theory to explain the managerial attitudes towards risk disclosure practices. More interestingly, the authors found that rather than solely relying on a single theory alone to explain the phenomenon of CRD, more studies are incorporating multiple theoretical lenses to examine CRD given the diverse nature of voluntary risk reporting.
Theoretical contribution/ Originality: The paper adds to the limited number of systematic literature reviews relating to CRD in both developed and emerging economies.
Practitioner/ Policy implication: By providing an important snapshot through an integrated and synthesised overview of the current body of knowledge in the field of CRD, the findings may generate new insights to regulatory bodies and standard setters to refine policies on voluntary disclosure practices, conduct more effective monitoring on the level of information transparency among listed companies.
Keywords: Voluntary disclosure, Risk Reporting, Emerging economies, Theoretical Perspectives
Type of article: Literature review
JEL Classification: M40, M41, G30

1. Introduction

Within the accounting literature, the study of corporate risk disclosure (CRD) is an emerging area which has received a considerable level of interest and attention in recent times (Alnabsha, Abdou, Ntim, & Elamer, 2018; Elshandidy, Shrives, Bamber, & Abraham, 2018; Soobaroyen, Tsamenyi, & Sapra, 2017). Research

* Corresponding author. [1] School of Social Sciences, Heriot-Watt University Malaysia, Precinct 5, 62200 Putrajaya, Malaysia. [2] Faculty of Business and Accounting, University of Malaya, 50603 Kuala Lumpur, Malaysia. Email: Wahh, W.B. (ricky@siswa.um.edu.my), Khin, E.W.S. (edwardwong@um.edu.my), Abdullah, M. (mazni@um.edu.my).

studies to examine risk disclosure practices in the emerging markets are sparse as most of the prior studies have been confined to the developed economies. For example, most of the prior research surrounding this area focused on developed countries such as Finland (Miihkinen, 2012, 2013), UK (Abraham & Cox, 2007; Elshandidy, Fraser, & Hussainey, 2013; Elzahar & Hussainey, 2012; Linsley & Shrives, 2006), Germany (Elshandidy & Shrives, 2016), Italy (Beretta & Bozzolan, 2004), Canada (Lajili, 2009; Lajili, & Zéghal, 2005) and the United States (Campbell, Chen, Dhaliwal, Lu, & Steele, 2014; Hope, Hu, & Lu, 2016; Jorion, 2002; Pérignon & Smith, 2010). The outcomes of such empirical investigations in the developed markets may have limited applicability in the emerging markets due to differences in cultural, social, economic and regulatory structures between these two markets. Given the paucity of research studies on corporate risk disclosure in the context of emerging economies, the aim of this paper is, therefore, to identify and synthesise studies to investigate the various methodologies and theoretical approaches used to explain risk disclosure practices. Against this backdrop, this paper attempts to aggregate the recent research in corporate risk disclosure, highlight the trends and patterns, and inform the gaps for future research. Additionally, it seeks to stimulate the emergence of valuable insights to capital market regulators and policymakers to encourage firms to produce more decision-useful information at a time when firms are facing multi-faceted risks.

The following features of this paper are worth mentioning. It is by far the most extensive and up-to-date collection and review of recent literature, spanning across 21 years (1998-2018); it focuses on the archival empirical studies of corporate risk disclosure; and more importantly, it provides a comparative analysis of trends and approaches of corporate risk disclosure studies between the developed and emerging economies. By highlighting and discussing the (dis)similarities of CRD studies across these two economies, it provides avenues to offer suggestions for future research, collaboration and reconciliation as to how future research might be designed.

Ultimately, the objective of this paper is to generate an important snapshot, and possibly even a required step, in providing a platform for an integrated and synthesised overview of the current body of knowledge in the field of corporate risk disclosure. Further, it is hoped that, through a systematic comparison of multiple studies, this paper offers scholars and practitioners unique insights to reassess their stance on disclosure requirements while at the same time informs future research directions – especially in area(s) where the extant literature reveals inconsistencies or heterogeneity.

This paper contributes to the existing body of knowledge in corporate risk disclosure in four ways. Firstly, this paper attempts to systematically chart out a comparative analysis of approaches and the theoretical stance, that exist in the literature on corporate risk disclosure, conducted both in the developed and emerging economies. Secondly, this paper contributes to the existing literature by illustrating the major theories used by academic researchers to explain the phenomenon of corporate risk disclosure. Examining the major theories used in corporate risk disclosure will demonstrate the effectiveness of these theories in understanding the phenomenon of corporate risk disclosure practices in an emerging economy context. Thirdly, by identifying gaps and inconsistencies in the

current state of research, we suggest promising paths to inform future research on the area of corporate risk disclosure. Lastly, by aggregating and organising the literature on corporate risk disclosure and subsequently categorised them according to developed and emerging economies, this paper displays the (dis)similarities across studies which exist both in the developed and emerging economies.

This review paper collates and critically discusses the empirical studies gathered from 127 articles published between 1998 and 2018 through a review of empirical literature - an extensive analysis covering a period of 21 years. To keep the current review within a manageable limit, we decided to focus on the key accounting journals to provide the most up-to-date and authoritative information within this field of research.

The remainder of the paper is organised as follows. Section 2 examines the relevant prior literature related to corporate risk disclosure which may facilitate understanding of the later sections. In section 3, we explain the methodology used when conducting a systematic review. We then present and discuss the results in section 4. Finally, the last section provides main conclusions of this paper and proposes several avenues for future research.

2. Corporate Risk Disclosures: A Review of Previous Literature

2.1. Why is Corporate Risk Disclosure Important?

The reporting of an organisation's economic activities must be clear and provide meaningful information which communicate the possible ramifications of a company's business activities and risks under various scenarios to facilitate decision-making. Miihkinen (2012) defines risk disclosure as "all information that firms provide in the risk reviews in their annual reports." In this context, the ICAEW (2011) report "Reporting Business Risks" states that the concept of risk has a wide range of different outcomes that could be upside or downside; while IFRS (International Financial Reporting Standards) 9 defines risk as the uncertainty to the changes in the cash flows or fair value of a financial instrument arising from the risks to which the entity is exposed.

In recent times, the research on CRD has seen a dramatic surge of interest following the increased attention and pressure from shareholders and stakeholders (Linsley, Shrives, & Kajuter, 2008; Solomon, Solomon, Norton, & Joseph, 2000) for greater disclosure of risk-related information (Carlon, Loftus, & Miller, 2003). Corporate failures of large companies such as Enron, WorldCom, Lehman Brothers and AIG have highlighted the need for greater transparency and disclosure practices (Iatridis, 2010) through corporate governance reforms (Solomon et al., 2000). The lack of corporate risk disclosure exacerbated the financial crisis as investors are unable to adequately assess the risk exposures in their investment decisions (Eccles, Herz, Keegan, & Philips, 2001; Rahman, 1998). Given the increasing pressure for enhanced risk disclosures and corporate accountability, firms have responded to the call by voluntarily disclosing a greater amount of risk-related information (Abraham & Cox, 2007). This has attracted the attention of academics and researchers to investigate the improvements in CRD which have increased gradually in recent years (Alnabsha, Abdou, Ntim, &

Elamer, 2018, Beretta & Bozzolan, 2004; Cabedo & Tirado, 2004, Elshandidy et al., 2018, Elshandidy & Shrives, 2016; Pirson &Turnbull, 2011).

2.2. Corporate Risk Disclosure and Emerging Economies

Due to its rapid economic growth in recent years, the emerging markets have become the focus of attention among private and international investors (Millar, Eldomiaty, Choi, & Hilton, 2005). To stimulate economic growth and attract foreign investments, many emerging markets offer various promising investment incentives through regulatory reforms and investor-friendly monetary policies (Millar et al., 2005). However, unlike their Western counterparts, the stock market regulations of emerging countries tend to be less sophisticated and suffers from inferior investor protection practices, such as expropriation of minority shareholders by controlling shareholders (Gonenc & Aybar, 2006). The perception that shareholders in the emerging markets are taking on additional risks due to the relatively lax corporate governance standards can impede the inflow of capital (Gibson, 2003; Klapper & Love, 2004). In most of the emerging economies, it is not uncommon for a large number of enterprises to be dominated by large shareholders, who are able to exercise their control rights and thereby putting the minority shareholders at high risk (Claessens, Fan, & Lang, 1999). Large shareholdings by a small group of investors may lead to problems associated with ownership concentration which increases the risk of expropriation of minority interests (Claessens, Djankov, & Lang, 2000; Khan, 1999) and higher information asymmetry between managers and investors (Chau & Gray, 2010; Healy & Palepu, 2001). In addition, previous authors found evidence of deficits in the quality of risk disclosure reporting in emerging markets compared to those in advanced market economies (Siregar & Siagian, 2013). Taken together, these two factors (i.e., lack of minority interest protection and inadequate risk disclosure) create an unfavourable investment climate and thus potentially deter foreign direct investments from flowing into the emerging economies. For example, Mitton (2002) posit that these elements (i.e., protection of minority interest and enhanced risk disclosures) are two key pillars of ensuring good corporate governance.

3. Review Design

3.1. Systematic Literature Review of CRD Studies

We undertake a systematic literature review (SLR) which is increasingly being used as a mechanism to identify and select the most potentially robust evidence-based research within a specific field of interest. To provide a high-quality integrative review of prior literature, a systematic literature review is undertaken in this review paper in order to identify and critically evaluate relevant research on a specific subject from previously published literature (Hart, 1998). According to Littell (2008, p.1), a systematic review "*aims to comprehensively locate and synthesise research that bears on a particular question, using organised, transparent, and replicable procedures at each step in the process*." A systematic review process involves the use of well-defined and rigorous processes (Cronin, Ryan, & Coughlan, 2008) to appraise and synthesise the extant literature investigating the similar questions at hand (Boland, Cherry, & Dickson, 2008; Gough, Thomas, & Oliver, 2012).

3.2. Selection of Journal Articles

This review paper aims to provide an international overview of the current state of knowledge in the field of corporate risk disclosure. This review paper adopted a four-step approach to search and identify studies for systematic review recommended by Fink (2010) and Tranfield, Denyer and Smart (2003). These steps are: i) planning the review, ii) conducting the review, iii) reporting, and iv) dissemination. Only peer-reviewed and high-impact journals, which serve as a reliable indicator for research quality and legitimacy, were retrieved and analysed in this review paper. This effectively minimises the chances of including non-reliable, dubious or/and poor-quality papers in the analysis. In line with the research protocol, at least two databases or journals should be searched to ensure boarder array of topics and minimise the risk of publication bias as a result of non-inclusion of relevant studies (Cooper, Hedges, & Valentine, 2009). The journal articles were identified by screening for keywords in the most relevant databases within social sciences such as "voluntary disclosure", "risk disclosure", "risk information", "risk communication" and "risk reporting". These databases include Business Source Premier (EBSCO), Emerald full text, JSTOR, Science Direct (Elsevier), and Scopus (Elsevier).

Although there is no universal recipe for literature analysis within the research protocol, a systematic literature review process should flow logically from analysis leading to synthesis, to comprehension and eventually to contributing to the body of knowledge (Hart, 1998). It should also be noted that the primary aims of SLR are to aggregate study findings on a chosen field of study aiming to achieve a greater level of understanding, to facilitate theory-testing and theory-building by way of exploring the (dis)similarities across studies (Petticrew & Roberts, 2006) and to identify the more authoritative papers and authors as well as discovering the contemporary and emerging themes from among the range of research studies (Zhao & Strotmann, 2015).

3.3. Categorisation of the Reviewed Articles

This paper aims at reviewing and aggregating the scholarly work on corporate risk disclosure practices, both in the developed and emerging economies. To add credence to the study, this review paper adopts the methodological rigour of systematic literature review as espoused by Tranfield et al. (2003). The procedures in the initial phase involved reviewing literature surrounding the area of corporate risk disclosure by scrutinising major journals and citation databases based on the choice of keywords and relevance of the studies (McGowan & Sampson, 2005). This review, which covers the periods of 1998-2016, is limited to major peer-reviewed journal articles, excluding book chapters and other non-refereed publications. The rationale for this approach is that established influential journal articles are regarded as a source of validated knowledge and are likely to make a substantive contribution of knowledge to the field. High-impact journals tend to set new horizons for inquiry by allowing for greater exploration through the deployment of various theoretical and empirical techniques that are fully consistent within their frame of reference. Hence, this approach is justified to maximise the relevance of the review as it provides a more representative picture of the relevant scholarly research to date which informs researchers within the

field about what is known, what is unknown, how the evidence was produced and how the findings may vary according to study populations and contextual factors (Kitchenham, 2004). We, therefore, feel that the approach mentioned above provides an accurate and representative picture of relevant scholarly research.

4. Results of Review and Discussion

This study examined a sample of 127 articles spanning over a 21-year period (1998-2018) which are aggregated and subsequently analysed and categorised according to developed and emerging economies to provide some fresh insights on the (dis)similarities between these two regions concerning analytical methods and theoretical underpinnings used. Specifically, the analysis from the evaluation of the selected articles are reported in the following three categories: i) distribution of papers analysed according to developed and emerging economies, ii) methodological approaches used according to developed and emerging countries, and iii) theoretical underpinnings used in these studies arranged according to developed and emerging countries. Additionally, we provide tables and charts to highlight comparisons of and differences in risk disclosure studies between emerging economies and the developed economies.

4.1 Categorisation of Corporate Risk Disclosure Studies According to Developed and Emerging Economies

In this study, the search for empirical studies covered an extensive 21-year period – from 1998 to 2018 and examined 127 articles conducted both in developed and emerging economies. Each country has its own set of unique characteristics, and thus regulatory framework in any given country must be framed within its political, economic, social and cultural context. This review paper aims to bring together the empirical analysis of risk disclosure practices in the extant literature and provide an integrated snapshot for comparison of studies between the developed and emerging markets.

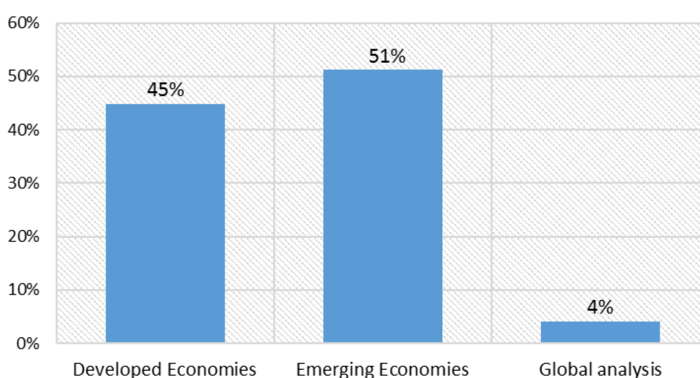

Figure 1: Categorisation of the papers by economic regions

The distribution of corporate risk disclosures studies according to developed and emerging economies is shown in Figure 1. Figure 1 indicates that 51 per cent of the studies are concentrated in the emerging economies, 45 per cent in

developed economies and 4 per cent studies with a multi-country design. It shows that the empirical studies conducted in emerging countries are more than that of developed countries. This is not surprising given the fact that the emerging economies are experiencing rapid economic growth and in line with this economic expansion, these countries have undertaken various regulatory reforms to enhance transparency and accountability in corporate reporting. Therefore, this has attracted the attention of researchers to analyse the evolving trends of CRD practices among emerging markets. Historically, the emerging capital markets are known to be relatively less efficient and riskier due to the ineffective enforcement mechanisms and lack of transparency (Opper, 2003), leading to inadequate risk assessments in their decision-making process (Linsley et al., 2008). In addition, the majority of emerging countries exhibited the presence of ownership concentration, government interference, cultural and social belief systems which are associated with CRD practices (for example, Haniffa & Cooke, 2005; Haniffa & Hudaib, 2007; Jaggi & Low, 2000). Despite these weaknesses, the expected returns are sometimes much higher than in developed markets (Fama & French, 1997). According to Hooke (1999; p.447), "many foreign economies, particularly in those developing countries known as emerging markets, are expanding faster than the US economy."

Table 1. Top 5 countries by publications

Developed economies		Emerging economies	
Countries	Number of publications	Countries	Number of publications
United Kingdom	18	China	12
United States of America	14	Malaysia	8
Canada	3	Jordan	6
Finland	2	Bangladesh	6
Spain	2	Fiji	4

Of the 127 papers reviewed, 65 (51%) are based on emerging economies, 57 papers (45%) are from developed economies while a small number of papers (4%) looked at corporate risk disclosure practices with a multi-country analysis. Within the emerging economies, the countries that publish the most are China, with 18 publications, while the second-highest country is Malaysia with eight publications. In the developed economies, the UK has the highest number of publications (18), followed by the USA with 14 publications. Tables 1 and 2 provide further details of these.

Table 2. Corporate Risk Disclosure Studies in Emerging Economies by Regions and Countries

Regions	Countries	Authors
South East Asia	Indonesia (3), Malaysia (8), Philippines (1), Sri Lanka (4), Thailand (3), and Vietnam (1)	Abeysekera & Guthrie (2005), Abeywardana & Panditharathna (2016), Haji (2013), Akhtaruddin et al. (2009), Amran & Devi (2008), Amran et al. (2009), Basalamah & Jermias (2005), Beddewela & Herzig (2013), Connelly & Limpaphayom (2004), Dissanayake et al. (2016), Ghazali (2008), Gunawan (2007), Ismail & Abdul Rahman (2011), Ismail et al. (2013), Kuasirikun (2005), Kuasirikun

Table 2. Corporate Risk Disclosure Studies in Emerging Economies by Regions and Countries (*Continued*)

Regions	Countries	Authors
		& Sherer (2004), Lambino (2013), Siregar & Siagian (2013), Sumiani et al. (2007), Tower et al. (2011).
Middle East	Arab Middle East (4), Jordan (6), Turkey (3), Egypt (1), Libya (1)	Agca & Onder (2007), Aksu & Kosedag (2006), Al-Akra & Hutchinson (2013), Al-Akra et al. (2010), Al-Bassam et al (2017) Alhazaimeh et al. (2014), Al-Shattarat et al. (2013), Alnabsha et al. (2018), Elbannan & Elbannan (2015), Hassan (2009), Kamla (2007), Naser et al. (2002), Sartawi et al. (2014), Uddin & Hassan (2011), Uyar & Kilic (2012),
East Asia	China (12)	Chan & Welford (2005), Chen et al. (2014), Dong et al. (2014), Liu & Anbumozhi (2009), Meng et al. (2014), Qu & Leung (2006), Qu et al. (2012), Wang et al. (2008), Wang et al. (2013), Yuen et al. (2009), Zeng et al. (2012), Zhou et al. (2016).
South Asia	Bangladesh (6) and India (3)	Abhayawansa & Azim (2014), Belal (2001), Belal & Owen (2007), Hossain (2008), Islam & Deegan (2008), Khan & Khan (2010), Mondal & Ghosh (2014), Murthy (2008), Muttakin & Subramaniam (2015), Nurhayati et al. (2015).
Other regions	Fiji (4), South Africa (1)	Khan et al. (2013), Lodhia (2000), Ntim et al. (2013), Sharma & Davey (2013), Sharma, Low & Davey (2013).
Multi-country analysis	More than two countries (4)	Goldstein & Xie (2009), Klapper & Love (2004), Mitton (2002), Probohundono et al. (2013).

Additionally, we provide Table 2, which classified the previous studies by regions within the emerging economy context, where 64 papers have been identified, spanning across four regions. Table 2 shows that majority of the studies are concentrated in the South East Asian region, followed by the Middle Eastern countries. Therefore, corporate risk disclosure studies within the emerging economy context have garnered much interest due to the economic growth and regulatory reforms in this region. Examining corporate risk disclosure trends within the emerging economies context would demonstrate the ebbs and flows in this area of research at a time when the corporate governance reforms are still emerging. The analysis above provides strong support for the argument that emerging-country settings provide an intriguing area among researchers due to the following reasons: (i) introduction of new regulations and requirements in emerging countries in response to demand for more accountability and transparency; (ii) majority of the emerging economies regulatory systems are often inherited from the models laid down in developed countries' regulations which may not be applicable with the local environments due to differences in social, economic, and political settings; and (iii) emerging capital markets are arguably less transparent and efficient, lagging in the adoption of best practices (e.g. IFRSs and the corporate governance code) compared to its counterparts from the developed economies.

4.2. Categorisation of Corporate Risk Disclosure Studies According to Methods and Approaches

Our review shows that content analysis is the most commonly used method in corporate risk disclosure literature and has been widely used by researchers to obtain reliable and valid information from narratives (e.g. Abraham & Cox,2007; Amran & Devi, 2008; Linsley & Shrives, 2006). It is a method used to codify the text (content) of an annual report into several categories according to specified criteria (Beattie & Thomson, 2007; Campbell & Abdul Rahman, 2010) such that valid and replicable inferences can be drawn from the textual analysis.

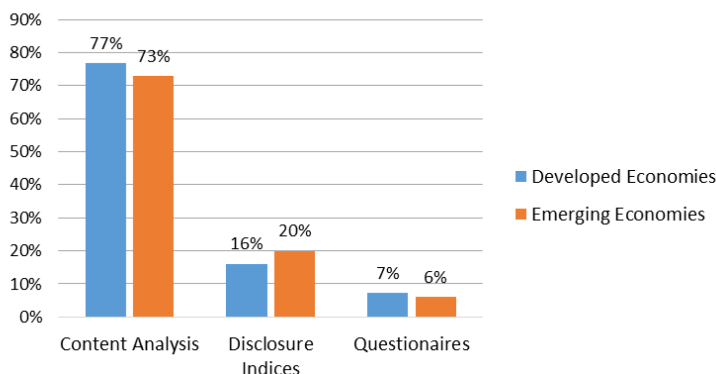

Figure 2: Methodological approaches by economic regions

Figure 2 presents a categorisation of reviewed papers according to methods used to screen and extract the presence of risk disclosure items in the annual reports by developed and emerging markets. The analysis in Figure 2 indicates that content analysis was the most frequently used method in both regions to evaluate the quality and extent of corporate risk disclosure practices, thereby giving a more comprehensive picture of the organisations' attempts to discuss risk-related matters. Figure 2 reveals that in the emerging economies, 73 per cent of the studies adopted content analysis, while in the developed economies, 77 per cent of the papers adopted it. Different papers employed different methods to analyse annual reports to assess the quality and quantity of corporate risk disclosures. Most of these studies adopt content analysis to investigate the level of risk reporting practices (Abraham & Cox, 2007; Beretta & Bozzolan, 2004; Lajili & Zéghal, 2005; Linsley & Shrives, 2006; Lopes & Rodrigues, 2007) while others used it to construct a corporate risk disclosure index (Aljifri & Hussainey, 2007; Barako et al., 2006; Cabedo & Tirado, 2004; Robb et al., 2001) and assess the readability scores of risk-related sentences (Linsley & Lawrence, 2007). The findings in Figure 2 lend further support that content analysis is the most prevalent technique used in the extant corporate risk disclosure literature, both in the emerging and economies.

The next commonly used method which we identify is disclosure index. In these studies, the index is constructed based on the different risk categories to evaluate the quality of reporting for the sampled firms (Akhtaruddin et al., 2009, Cabedo & Tirado, 2004; Elbannan & Elbannan, 2015; Klapper & Love, 2004).

Notwithstanding the fact that content analysis is an important research method, it has several drawbacks (Beattie, McInnes & Fearnley, 2004). Firstly, content analysis studies can invariably contain some subjective judgement during the process of coding the narratives. Secondly, content analysis can be one dimensional which only captures only the presence or absence of a particular feature. To overcome these limitations, Krippendorff (1980) advocates the use of three types of reliability measures - accuracy, reproducibility and stability so that valid and replicable inferences can be drawn from the data. As a result, in developing a risk disclosure index to capture the multi-faceted dimensions of risk categories, researchers developed clear decision rules for coding to minimise inconsistencies between coders.

4.3. Frequency of Use of Underpinning Theories

Given the complexity of risk disclosure phenomena, researchers have offered various theories to explain what motivated firms to disclose more risk-related information. Firms must have different levels of motivations and incentives such that some firms tend to disclose more risk-related information than others. To date, there is no single unified theory which can clearly explain the phenomenon of disclosure as a whole because relying only on a single theoretical perspective to interpret the empirical findings remains a challenge in practice (Cormier et al., 2005; Linsley & Shrives, 2000). Therefore, a multi-theoretic approach is deemed most appropriate when no single theory dominates. This is very much the case as multiple theoretical frameworks provide "wider conceptual lenses" in concert to capture the different aspects of risk disclosure practices (Cormier et al., 2005 p.8) and offers greater insight as to how organisations conform to the prevailing set of norms and expectations prescribed within an environment in which they operate. This multi-theoretic approach resonates with the emerging market settings given their distinctive social, cultural and institutional features which influenced the risk disclosure practices in these countries (Lopes & Rodrigues, 2007; Lundholm & Winkle, 2006; Naser et al., 2006).

4.3.1. Theorisation of Corporate Risk Disclosure Practices

The extant disclosure research often refers to the use of different theories to investigate the phenomena of risk disclosure practices. Researchers tend to adopt a theory which is well-suited to derive research hypothesis and to explain the motivation of risk disclosure (Linsley & Shrives, 2000). In general, theories used in corporate risk disclosure studies can be classified in two main categories: economics-based theories (example: agency theory, signalling theory, and capital need theory) and socio-political theories (example: institutional theory, legitimacy theory and stakeholder theory). Table 3 presents an analysis of the reviewed papers based on theories used in explaining the motives behind CRD practices among firms. Across both regions, the results indicate that the most commonly used theories were agency theory (18% - developed economies vs 20% emerging economies), followed by legitimacy theory (5% - developed economies vs 9% emerging economies) and the stakeholder theory (2% - developed economies vs 9% emerging economies). Using these complementary and intersecting theories both in concert and individually provides more significant insights than relying

only on a single theory to make sense of the findings and observations because "they explicitly recognise that organisations evolve within a society that encompasses many political, social and institutional frameworks" (Cormier et al., 2005, p.7). Surprisingly, several studies make no explicit reference to any theory underpinning their research, (i.e., 17 papers for developed economies vs 20 papers for emerging economies) (Collins et al., 1993; Dunne et al., 2004; Lajili & Zéghal, 2005). Due to space constraints and to keep the current review within a manageable limit, the three most frequently used theories are discussed and reviewed in the following sections. These theories commonly used by researchers are particularly useful for explaining and understanding risk disclosure practices.

Table 3. Classification of papers based on theories used to explain CRD

Theories	Number of Papers (127)		As a percentage of total	
	Developed economies	Emerging economies	Developed economies	Emerging economies
Agency theory	10	14	18	20
Legitimacy theory	3	6	5	8
Stakeholders theory	1	6	2	8
Attribution theory	3	-	5	-
Signalling theory	1	1	2	2
Institutional theory	1	3	2	4
Multiple theories	14	15	25	21
Other theories*	6	2	11	3
No theory used	17	24	30	34

Efficient market theory, neo-classical economic theory, proprietary costs theory, political economy accounting theory, postcolonial theory.

4.3.1.1. Agency Theory and Corporate Risk Disclosure

The findings indicate that agency theory remains as the dominant theory of risk disclosure. According to Jensen and Meckling (1976), a principal-agent relationship can be referred to as "contracts under which one or more principal(s) engages another the agent to perform some service on their behalf which involves delegating some decision-making authority to the agent" (Jensen & Meckling, 1976, p.308). The agency view is that in modern corporations, the separation of ownership (principals) and management (agents) gives rise to an inherent moral hazard between the shareholders (principals) and managers (agents), leading to agency cost (Berle & Means, 1932; Eisenhardt, 1989; Jensen & Meckling, 1976). The agency theory is based on the fundamental premise that managers act out of self-interest and do not always protect the interests of shareholders. Agency theory demonstrates that disclosure acts as a mechanism to reduce information asymmetry and agency conflicts through the preparation of accounting reports and enhancing the information contained in these reports (Kelly, 1983; Marston & Shrives, 1991; Morris, 1987). Disclosure can be regarded as a means to confer more assurance to shareholders that the company is being appropriately managed via enhanced transparency and accountability (Craswell & Taylor, 1992; McKinnon & Dalimunthe, 1993). Agency theory advocates that corporate disclosure by firms could reduce shareholders' monitoring costs (Morris, 1987), alleviate the adverse effects of moral hazard (Schipper, 1981) and reduce conflict of interest between the shareholders and the management (Fama & Jensen, 1983).

In the face of severe competition to attract foreign capital, emerging capital markets have taken steps to strengthen their legal and institutional frameworks to be on par with the Western counterparts such as the US and UK. (Gul & Leung, 2004; Wang et al., 2008). In summary, given the rapid economic transformation, the application of the agency theory in the emerging capital markets should take into consideration the unique characteristics of corporate governance structures, the legal framework and government political interference which may shape the attitudes corporations take towards corporate disclosure.

4.3.1.2. Legitimacy Theory and Corporate Risk Disclosure

Organisational legitimacy refers to the extent at which organisations conform to a pre-determined set of practices and processes which are socially and culturally acceptable within their field. Legitimacy theory argues that firms provide greater levels of corporate disclosure in order to gain legitimacy as mandatory disclosure is deemed inadequate (Guthrie et al., 2004). According to legitimacy theory, organisations have a social contract with the society whereby they seek to achieve conformance in accordance with the demands and expectations of the existing social structure within which the organisation is operating (Guthrie & Parker, 1989). Conformance to institutional norms brings about mimetic isomorphism – which is based on the notion that organisations tend to adopt the similar established practices and systems which in turn, will result in them appearing isomorphic over time (Deephouse & Carter, 2005; DiMaggio & Powell, 1983; Washington & Patterson, 2011). Thus, institutionalised environments provide guidelines and set boundaries for behaviours which are deemed acceptable and prohibit those which are not.

Organisations face multiple institutional pressures, and in order to survive, they may respond to the pressure by adopting similar processes and behaviours deemed desirable or appropriate (e.g., risk disclosures) to gain social legitimacy (Oliveira et al., 2011b). This legitimation process by way of providing more corporate disclosure leads to a reduction in information asymmetries and litigation costs while at the same time, increases transparency and the trust of stakeholders (Bebbington et al., 2008; Toms, 2002).

4.3.1.3. Stakeholder Theory and Corporate Risk Disclosure

Stakeholder theory is founded on the notion that stakeholders are parties with vested interests in a firm which can affect or can be affected by an organisation's objectives (Boesso & Kumar, 2007; Deegan, 2002; Freeman, 1994). The theory posits that stakeholders exert influence over firm decisions and the more powerful the stakeholders, the more the company must adapt and meet stakeholders demand (Freeman, 1994; Gray et al., 1995a).

Unlike agency theory which primarily focuses on the relationship between managers (agent) and shareholders (principal), stakeholder theory considers the broader relationship between managers and all stakeholders of the company. Generally, a broader definition of stakeholders would include employees, customers, suppliers, providers of capital such as banks and shareholders, insurance companies, government, communities and adverse groups such as competitors, interest groups and regulators (Freeman, 1994; Tencati et al., 2004).

This theory is based on the premise that the stronger the companies' relationships are with the stakeholders, the easier it will be for companies to gain their trust and ensuring that it is aligned with the business objectives.

Stakeholder theory has been employed in accounting literature to rationalise the phenomenon of, for example, risk disclosure, corporate social and environmental disclosure (e.g., Amran et al., 2009; Deegan, 2000; Gray et al., 1995a; 1997; Oliveira et al., 2011b; Solomon, 2010). Companies require resources to support the business activities, and, therefore, managers are likely to respond in a way that meets the demands of the stakeholders (Ullmann, 1985). Abraham & Cox (2007) state that managers furnish corporate risk disclosures in order to satisfy the information needs of users and demonstrate the accountability of management to stakeholders, enabling such companies to allocate capital more efficiently. Research has shown that annual report risk disclosure acts as a mechanism to minimise conflicts of interest among stakeholders (Chow & Wong-Boren, 1987).

Based on the discussion so far, it is acknowledged that there is no single universal theory that prescribes a one-size-fits-all approach to explain the phenomenon of CRD. Each theory, therefore, justifies the disclosure phenomenon from a different perspective. Hence, this necessitates a multi-theoretic view as different theoretical approaches are seen to be complementary rather than competing with one another (Gray et al., 1995) in explaining and understanding the current state of risk reporting. For instance, Beattie and Smith (2010) documented that a multi-theoretic framework provides a richer theoretical justification which enables researchers to explain better the incentives of managers to disclose information. This is very much the case throughout the CRD literature, where the use of complementary and intersecting theories provides greater insight than relying on just a single theory.

5. Conclusions and Suggestions for Future Research

As most risk disclosures empirical studies have focused on the developed capital market, this study attempts to address the gap in the risk disclosure literature by examining the emerging capital market due to the differences in political, economic, social and cultural settings from the developed markets. By providing an up-to-date review of recent empirical research on corporate risk reporting literature, this paper highlighted and discussed the comparative analysis of methodological and theoretical approaches conducted both in the developed and emerging economies. Thus, the findings from this systematic review provide suggestions for future research, collaboration and reconciliation, particularly between the developed and emerging markets.

In considering how the relevance of corporate risk reporting can be further improved, this review paper aggregated and examined a total of 127 articles on corporate risk disclosure literature, both developed and emerging economies, spanning over an extensive 21-year period – from 1998 to 2018. The extant research has attempted to demonstrate the existing state of knowledge in this area of research, particularly in examining the motives for, and determinants of, corporate risk disclosures.

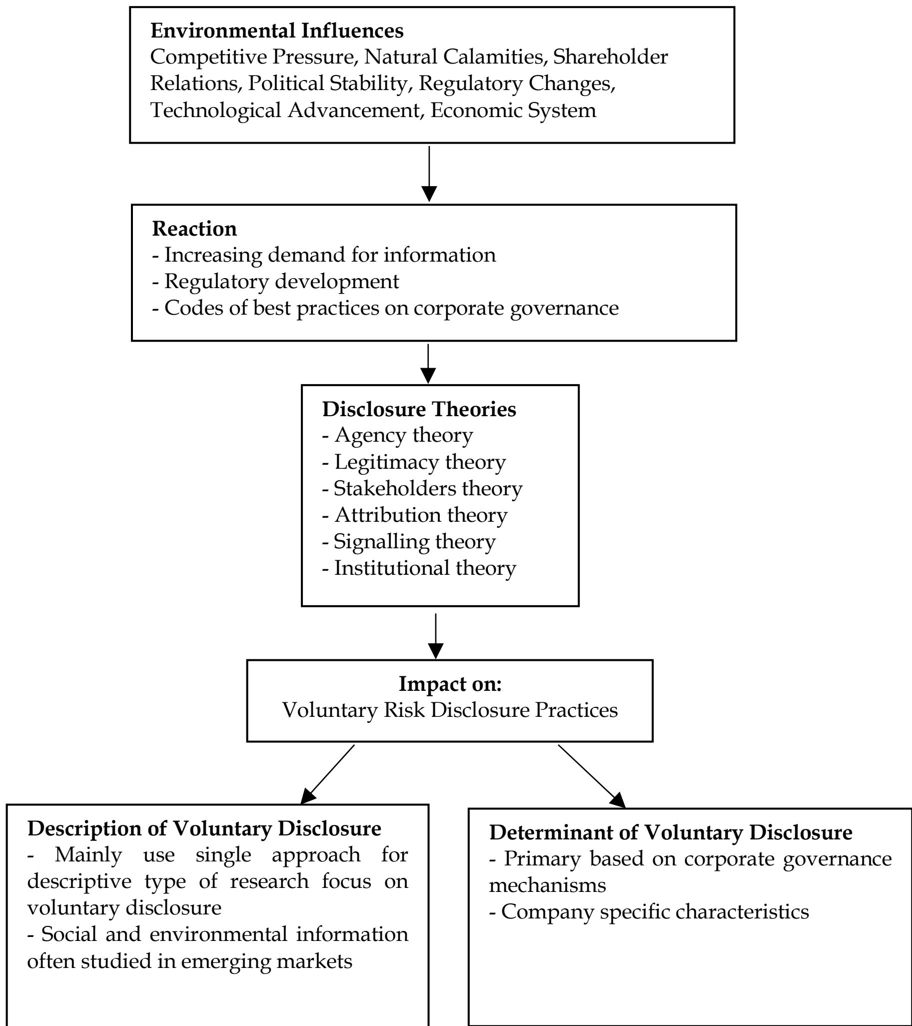

Figure 3: Theoretical roadmap of voluntary risk disclosure

Based on the outcomes in Section 4, Figure 3 provides useful insights by showing the current state of knowledge to describing and explaining corporate risk disclosures in the extant research. Increasingly, corporate risk disclosures are an important mechanism of financial reporting to ensure the efficient operating of capital markets so that investors can make well-informed investment decisions. This study contributed to the literature by exploring the approaches used by researchers in corporate risk disclosures and analysed the corporate risk disclosure literature in developed versus emerging economies. It aims to demonstrate the comparisons of and differences in corporate risk disclosure studies between developed and emerging economies. This systematic review has highlighted the importance of the content analysis technique as the most dominant

and established method to investigate and measure risk-related information disclosed in companies' annual reports. To this end, our review serves to heighten awareness among future scholars of the adoption of content analysis as an accurate and reliable method to explore any practical issues within the field of risk reporting. For capital market regulators and future scholars, this study provides guidance and insights to encourage firms for higher levels of risk reporting.

Upon observation of a range of empirical research both in the developed and emerging economies, this section aims to provide readers with further understanding and informs future directions on the area of corporate risk disclosure. Based on the above findings in Section 4, we identify several gaps in the literature and provide suggestions for future research as follows. First, a review of prior literature indicates that there is a lack of research examining the association between the level of risk disclosure informativeness (e.g., forward-looking, risk-specific information) and firm value (Elshandidy et al., 2018, Uyar & Kilic, 2012). Exploring the economic effects of improved disclosure is still missing and is worthy of empirical examination.

The basis for our suggestion is that a great deal of energy and attention needs to be paid as to why, how and to what extent greater disclosure of risk information leads to value creation and investors' confidence on the prospect of the firm. In line with Hassan et al. (2009), we recommend future papers may look into how informativeness of risk disclosures may impact firm value. We also recall the suggestions of Elshandidy et al. (2018) for future researchers to apply risk-related terminology in a way that is coherent and comparable, owing to the different risk types and its quantifiability. Secondly, the legal and institutional frameworks within emerging countries are arguably weaker and may not offer sufficient legal protection for external investors. We recall the findings by Shleifer and Vishny (1997) that ownership concentration is greater in lesser developed countries where proprietary rights are not sufficiently protected. We suggest that further research is needed to investigate the effects of corporate risk disclosure and ownership concentration on firm performance. Thirdly, given the improving corporate governance mechanisms and the quest for adoption and harmonisation IFRS within the emerging capital markets, it would be beneficial for future research to explore why, how and to what extent public listed firms economically benefit from a more comprehensive risk reporting. This presents an interesting research opportunity, particularly for emerging markets which need to attract foreign investment into their countries to finance high growth.

References

Abeysekera, I., & Guthrie, J. (2005). An empirical investigation of annual reporting trends of intellectual capital in Sri Lanka. *Critical Perspectives on Accounting, 16*(3), 151-163. https://doi.org/10.1016/s1045-2354(03)00059-5

Abeywardana, N., & Panditharathna, K. (2016). The extent and determinants of voluntary disclosures in annual reports: evidence from banking and finance companies in Sri Lanka. *Accounting and Finance Research, 5*(4), 147-162. https://doi.org/10.5430/afr.v5n4p147

Abhayawansa, S., & Azim, M. (2014). Corporate reporting of intellectual capital: evidence from the Bangladeshi pharmaceutical sector. *Asian Review of Accounting, 22*(2), 98-127. https://doi.org/10.1108/ara-10-2013-0067

Abraham, S., & Cox, P. (2007). Analysing the determinants of narrative risk information in UK FTSE 100 annual reports. *British Accounting Review, 39*(3), 227-248. https://doi.org/10.1016/j.bar.2007.06.002

Agca, A., & Önder, S. (2007). Voluntary disclosure in Turkey: a study on firms listed in Istanbul Stock Exchange (ISE). *Problems and Perspectives in Management, 5*(3), 241-251.

Akhtaruddin, M., Hossain, M.A., Hossain, M., & Yao, L. (2009). Corporate governance and voluntary disclosure in corporate annual reports of Malaysian listed firms. *Journal of Applied Management Accounting Research, 7(*1), 1-19.

Aksu, M., & Kosedag, A. (2006). Transparency and disclosure scores and their determinants in the Istanbul Stock Exchange. *Corporate Governance: An International Review, 14*(4), 277-296. https://doi.org/10.1111/j.1467-8683.2006.00507.x

Al-Akra, M., Eddie, I.A., & Ali, M.J. (2010). The association between privatisation and voluntary disclosure: evidence from Jordan. *Accounting and Business Research, 40*(1), 55-74. https://doi.org/10.1080/00014788.2010.9663384

Al-Akra, M., & Hutchinson, P. (2013). Family firm disclosure and accounting regulation reform in the Middle East: the case of Jordan. *Research in Accounting Regulation, 25*(1), 101-107. https://doi.org/10.1016/j.racreg.2012.11.003

Al-Bassam, W.M., & Ntim, C.G. (2017). The effect of Islamic values on voluntary corporate governance disclosure: The case of Saudi listed firms. *Journal of Islamic Accounting and Business Research, 8*(2), 182–202. https://doi.org/10.1108/jiabr-09-2015-0046

Alhazaimeh, A., Palaniappan, R., & Almsafir, M. (2014). The impact of corporate governance and ownership structure on voluntary disclosure in annual reports among listed Jordanian companies. *Procedia Social and Behavioral Sciences, 129*(1), 341-348. https://doi.org/10.1016/j.sbspro.2014.03.686

Aljifri, K., & Hussainey, K. (2007). The determinants of forward-looking information in annual reports of UAE companies. *Managerial Auditing Journal, 22*(9), 881-894. https://doi.org/10.1108/02686900710829390

Alnabsha, A., Abdou, H.A., Ntim, C.G., & Elamer, A.A. (2018). Corporate boards, ownership structures and corporate disclosures. *Journal of Applied Accounting Research, 19*(1), 20–41. https://doi.org/10.1108/jaar-01-2016-0001

Al Shattarat, W.K., Haddad, A.E., & Al-Hares, O.M. (2013). The extent of voluntary disclosure in an emerging capital market: the case of Jordan. *Journal of Modern Accounting and Auditing*, *6*(10), 39-50.

Amran, A., Bin, A., & Hassan, B. (2009). An exploratory study of risk management disclosure in Malaysian annual reports. *Managerial Auditing Journal*, *24*(1), 39-57. https://doi.org/10.1108/02686900910919893

Amran, A., & Devi, S.S. (2008). The impact of government and foreign affiliate influence on corporate social reporting: the case of Malaysia. *Managerial Auditing Journal*, *23*(4), 386-404. https://doi.org/10.1108/02686900810864327

Barako, D.G., Hancock, P., & Izan, H.Y. (2006). Factors influencing voluntary corporate disclosure by Kenyan companies. *Journal Compilation*, *14*(2), 107-125. https://doi.org/10.1111/j.1467-8683.2006.00491.x

Basalamah, A.S., & Jermias, J. (2005). Social and environmental reporting and auditing in Indonesia. *Gadjah Mada International Journal of Business*, *7*(1), 109-127. https://doi.org/10.22146/gamaijb.5565

Beattie, V., McInnes, W., & Fearnley, S. (2004). A methodology for analysing and evaluating narratives in annual reports: A comprehensive descriptive profile and metrics for disclosure quality attributes. *Accounting Forum*, *28*(3), 205-236. https://doi.org/10.1016/j.accfor.2004.07.001

Beattie, V., & Smith, J. (2010). Human capital, value creation and disclosure. *Journal of Human Resource Costing and Accounting*, 14(4), 262-285. https://doi.org/10.1108/14013381011105957

Beattie, V., & Thomson, S. J. (2007). Lifting the lid on the use of content analysis to investigate intellectual capital disclosures. *Accounting Forum*, *31*(2), 129-163. https://doi.org/10.1016/j.accfor.2007.02.001

Bebbington, J., Larrinaga, C., & Moneva, J.M. (2008). Corporate social reporting and reputation risk management. *Accounting, Auditing & Accountability Journal*, *21*(3), 337-361. https://doi.org/10.1108/09513570810863932

Beretta, S., & Bozzoland, S. (2004). A framework for the analysis of firm risk communication. *The International Journal of Accounting*, *39*(3), 265-288. https://doi.org/10.1016/j.intacc.2004.06.006

Beddewela, E., & Herzig, C. (2013). Corporate social reporting by MNCs' subsidiaries in Sri Lanka. *Accounting Forum*, *37*(2), 135-149. https://doi.org/10.1016/j.accfor.2012.09.001

Belal, AR (2001). A study of corporate social disclosures in Bangladesh. *Managerial Auditing Journal*, *16*(5), 274-289. https://doi.org/10.1108/02686900110392922

Belal, AR, & Owen, D.L. (2007). The views of corporate managers on the current state of, and future prospects for, social reporting in Bangladesh: an engagement-based study. *Accounting, Auditing and Accountability Journal*, *20*(3), 472-494. https://doi.org/10.1108/09513570710748599

Berle, A.A., & G. Means. (1932). *The Modern Corporation and Private Property*. Commerce Clearing House, New York.

Boesso, G., & Kumar, K. (2007). Drivers of corporate voluntary disclosure: A framework and empirical evidence from Italy and the United States. *Accounting, Auditing and Accountability Journal*, *20*(2), 269-296. https://doi.org/10.1108/09513570710741028

Boland, A., Cherry, M. G., & Dickson, R. (2008). *Doing a systematic review: A student's guide*. Philadelphia: SAGE Publications.

Cabedo, J.D., & Tirado, J.M. (2004). The disclosure of risk in financial statement. *Accounting Forum*, *28*(2), 181-200. https://doi.org/10.1016/j.accfor.2003.10.002

Campbell, D., & Abdul Rahman, M. R. (2010). A longitudinal examination of intellectual capital reporting in Marks & Spencer annual reports, 1978-2008. *British Accounting Review*, *42*(1), 56-70. https://doi.org/10.1016/j.bar.2009.11.001

Campbell, J.L., Chen, H., Dhaliwal, D.S., Lu, H., & Steele, L.B. (2014). The information content of mandatory risk factor disclosures in corporate filings. *Review of Accounting Studies, 19*(1), 396-455. https://doi.org/10.1007/s11142-013-9258-3

Carlon, S., Loftus, J., & Miller, M. (2003). The challenge of risk reporting: regulatory and corporate response. *Australian Accounting Review*, *13*(31), 36-51. https://doi.org/10.1111/j.1835-2561.2001.tb00170.x

Chan, J.C.H., & Welford, R. (2005). Assessing corporate environmental risk in China: an evaluation of reporting activities of Hong Kong listed enterprises. *Corporate Social Responsibility and Environmental Management, 12*(2), 88-104. https://doi.org/10.1002/csr.88

Chau, G., & Gray, S. J. (2010). Family ownership, board independence and voluntary disclosure: Evidence from Hong Kong. *Journal of International Accounting, Auditing and Taxation*, *19*(2), 93-109. https://doi.org/10.1016/j.intaccaudtax.2010.07.002

Chen, J.J., Cheng, X., Gong, X.S. & Tan, Y. (2014). Do higher value firms voluntarily disclose more information? Evidence from China. *The British Accounting Review*, *46*(1), 18-32. https://doi.org/10.1016/j.bar.2013.06.003

Chow, C., & Wong-Boren, A. (1987). Voluntary Financial Disclosure by Mexican Corporations. *The Accounting Review*, *62*(3), 533-541.

Claessens, S., Fan, J., & Lang, L. (1999). *Expropriation of minority shareholders: Evidence from East Asia*. World Bank Policy Research Working Paper No. 2088. https://ssrn.com/abstract=620647.

Claessens, S., Djankov, S., & Lang, L.H.P. (2000). The separation of ownership and control in East Asian corporations. *Journal of Financial Economics*, *58*, 81-112. https://doi.org/10.1016/s0304-405x(00)00067-2

Collins, W., Davie, E.S., & Weetman, P. (1993). Management discussion and analysis: evaluation of practice in UK and US companies. *Accounting and Business Research*, *23*(90), 123-137. https://doi.org/10.1080/00014788.1993.9729870

Connelly, J.T., & Limpaphayom, P. (2004). Environmental reporting and firm performance: evidence from Thailand. *Journal of Corporate Citizenship*, *13*(1), 137-149.

Cooper, H. M., L. V. Hedges., & J. C. Valentine (2009). *The Handbook of Research Synthesis and Meta-Analysis*. New York: Russell Sage Foundation.

Cormier, D., Magnan, M., & Van Velthoven, B. (2005). Environmental disclosure quality in large German companies: economic incentives, public pressures or institutional conditions? *European Accounting Review*, *14*(1), 3-39. https://doi.org/10.1080/0963818042000339617

Craswell, A., & Taylor, S. (1992). Discretionary disclosure of reserves by oil and gas companies: An economic analysis. *Journal of Business Finance and Accounting*, *19*, 295-308. https://doi.org/10.1111/j.1468-5957.1992.tb00626.x

Cronin, P., Ryan, F., & Coughlan, M. (2008). Undertaking a literature review: a step-by-step approach. *British Journal of Nursing*, *17*(1), 38-43. https://doi.org/10.12968/bjon.2008.17.1.28059

Deegan, C. (2000). *Financial Accounting Theory*. McGraw Hill Book Company, Sydney.

Deegan, C. (2002). The legitimising effect of social and environmental disclosures a theoretical foundation. *Accounting, Auditing and Accountability Journal*, *15*(3), 282-311. https://doi.org/10.1108/09513570210435852

Deephouse, D.L., & Carter, S.M. (2005). An examination of differences between organisational legitimacy and organisational reputation. *Journal of Management Studies*, *42*, 329-360. https://doi.org/10.1111/j.1467-6486.2005.00499.x

DiMaggio, P.J., & Powell, W.W. (1983). The iron cage revisited: institutional isomorphism and collective rationality in organisational fields. *American Sociological Review*, *48*, 147-160. https://doi.org/10.2307/2095101

Dissanayake, D., Tilt, C., & Xydias-Lobo, M. (2016). Sustainability reporting by publicly listed companies in Sri Lanka. *Journal of Cleaner Production*, *129*, 169-182. https://doi.org/10.1016/j.jclepro.2016.04.086

Dong, S., Burritt, R., & Qian, W. (2014). Salient stakeholders in corporate social responsibility reporting by Chinese mining and minerals companies. *Journal of Cleaner Production*, *84*(1), 59-69. https://doi.org/10.1016/j.jclepro.2014.01.012

Dunne, T., Helliar, C., Power, D., Mallin, C., Ow-Yong, K., & Moir, L. (2004). The introduction of derivatives reporting in the UK: a content analysis of FRS 13 disclosures. *Journal of Derivatives Accounting*, *1*(2), 205-219. https://doi.org/10.1142/s0219868104000166

Eccles, R.G., Herz, R.H., Keegan, E.M., & Phillips, D.M.H. (2001). *Value Reporting Revolution: Moving Beyond the Earnings Game*. Wiley, New York, NY.

Eisenhardt, K.M. (1989). Agency theory: An assessment and review. *Academy of Management Review*, *14*, 57-74. https://doi.org/10.5465/amr.1989.4279003

Elbannan, M.A., & Elbannan, M.A. (2015). Economic consequences of bank disclosure in the financial statements before and during the financial crisis: Evidence from Egypt. *Journal of Accounting, Auditing and Finance*, *30*(2), 181-217. https://doi.org/10.1177/0148558x14552723

Elshandidy, T., Shrives, P., Bamber, M., & Abraham, S. (2018). Risk reporting: a review of the literature and implications for future research. *Journal of Accounting Literature*, *40*(1), 54-82. https://doi.org/10.1016/j.acclit.2017.12.001

Elshandidy, T., Fraser, I., & Hussainey, K. (2013). Aggregated, voluntary, and mandatory risk reporting incentives: Evidence from FTSE all-share. *International Review of Financial Analysis*, *30*, 320-333. https://doi.org/10.1016/j.irfa.2013.07.010

Elshandidy, T., & Shrives, PJ (2016). Environmental incentives for and usefulness of textual risk reporting: Evidence from Germany. *International Journal of Accounting*, *51*, 464-486. https://doi.org/10.1016/j.intacc.2016.10.001

Elzahar, H., & Hussainey, K. (2012). Determinants of narrative risk disclosures in UK interim reports. *The Journal of Risk Finance*, *13*(2), 133-147. https://doi.org/10.1108/15265941211203189

Fama, F., & French, K. (1997). Industry cost of equity. *Journal of Financial Economics*, *43*(2), 153-193.

Fama, E., & Jensen, M. (1983). Separation of ownership and control. *Journal of Law and Economics*, *26*(2), 301-325. https://doi.org/10.2139/ssrn.94034

Fink, A. (2010). Conducting Research Literature Reviews. *From the Internet to Paper*. SAGE Publications, Inc., Thousand Oaks.

Freeman, R. (1994). The politics of stakeholder theory: Some future directions. *Business Ethics Quarterly*, *4*(4), 409-421. https://doi.org/10.2307/3857340

Ghazali, NAM (2008). Voluntary disclosure in Malaysian corporate annual reports: views of stakeholders. *Social Responsibility Journal*, *4*(4), 504-516. https://doi.org/10.1108/17471110810909902

Gibson, M.S. (2003). Is corporate governance ineffective in emerging markets? *Journal of Financial and Quantitative Analysis*, *38*(1), 231-250. https://doi.org/10.2307/4126771

Goldstein, M., & Xie, D. (2009). *The impact of the financial crisis on emerging Asia.* Peterson Institute for International Economics Working Paper, 09-11. https://doi.org/10.2139/ssrn.1499875.

Gonenc, H., & Aybar, C.B. (2006). Financial crisis and firm performance: empirical evidence from Turkey. *Corporate Governance: An International Review*, *14*(4), 297-311. https://doi.org/10.1111/j.1467-8683.2006.00508.x

Gough, D., Thomas. J., & Oliver, S. (2012). Clarifying differences between review designs and methods. *Systematic Reviews*, *1*(28). https://doi.org/10.1186/2046-4053-1-28

Gray, R., Kouhy, R., & Lavers, S. (1995). Corporate social and environmental reporting. A review and a longitudinal study of UK disclosure. *Accounting, Auditing and Accountability Journal*, *8*(2), 47-77. https://doi.org/10.1108/09513579510146996

Gray, R.H., Dey, C.R., Owen, D., Evans, R., & Zadek, S. (1997). Struggling with the praxis of social accounting: Stakeholders, accountability, audits and procedures. *Accounting, Auditing and Accountability Journal*, *10*(3), 325-364. https://doi.org/10.1108/09513579710178106

Gul, F.A., & Leung, S. (2004). Board leadership, outside director's leadership expertise and voluntary corporate disclosures. *Journal of Accounting and Public Policy*, *23*(5), 351-379. https://doi.org/10.1016/j.jaccpubpol.2004.07.001

Gunawan, J. (2007). Corporate social disclosures by Indonesian listed companies: A pilot study. *Social Responsibility Journal*, *3*(3), 26-34. https://doi.org/10.1108/17471110710835554

Guthrie, J., & Parker, L. (1989). Corporate social reporting: A rebuttal of legitimacy theory. *Accounting and Business Research*, *76*(19), 343-352. https://doi.org/10.1080/00014788.1989.9728863

Guthrie, J., Petty, K., Yongvanich, K., & Ricceri, F. (2004). Using content analysis as a research method to inquire into intellectual capital reporting. *Journal of Intellectual Capital*, *5*(2), 282-293. https://doi.org/10.1108/14691930410533704

Haniffa, R.M., & Cooke, T.E. (2005). The impact of culture and governance on corporate social reporting. *Journal of Accounting and Public Policy*, *24*(5), 391-430. https://doi.org/10.1016/j.jaccpubpol.2005.06.001

Haniffa, R., & Hudaib, M. (2007). Exploring the ethical identity of Islamic banks via communication in annual reports. *Journal of Business Ethics*, *76*(1), 97-116. https://doi.org/10.1007/s10551-006-9272-5

Hart, C. (1998). *Doing a Literature Review: Releasing the Social Science Research Imagination*. London: Sage.

Hassan, M.K. (2009). UAE corporations-specific characteristics and level of risk disclosure. *Managerial Auditing Journal*, *24*(7), 668-687. https://doi.org/10.1108/02686900910975378

Healy, P.M., & Palepu, K.G. (2001). Information asymmetry, corporate disclosure, and the capital markets: A review of the empirical disclosure literature. *Journal of Accounting and Economics*, *31*(1), 405-440. https://doi.org/10.1016/s0165-4101(01)00018-0

Hooke, J. (1999). *Security Analysis on Wall Street a Comprehensive Guide to Today's Valuation Methods.* Canada: John Wiley & Sons.

Hope, O.-K., Hu, D., & Lu, H. (2016). The benefits of specific risk-factors disclosures. *Review of Accounting Studies, 21*, 1005-1045. https://doi.org/10.1007/s11142-016-9371-1

Hossain, M. (2008). The extent of disclosure in annual reports of banking companies: The case of India. *European Journal of Scientific Research*, *23*(4), 2008, 659-680. http://hdl.handle.net/10576/10429

Iatridis, G. (2010). International financial reporting standards and the quality of financial statement information. *International Review of Financial Analysis*, *19*(3), 193-204. https://doi.org/10.1016/j.irfa.2010.02.004

ICAEW (2011). *Reporting business risks: Meeting expectations*. London: Institute of Chartered Accountants of England and Wales (ICAEW).

IFRS 9 (2014). *International financial reporting standard no.9: Financial instruments*. London: IASB.

Islam, M.A., & Deegan, C. (2008). Motivations for an organisation within a developing country to report social responsibility information: evidence from Bangladesh. *Accounting, Auditing & Accountability Journal*, *21*(6), 850-874. https://doi.org/10.1108/09513570810893272

Ismail, R., & Abdul Rahman, R. (2011). Institutional investors and board of directors' monitoring role on risk management disclosure level in Malaysia. *The IUP Journal of Corporate Governance*, *2*, 37-61.

Ismail, R., Rahman, RA., & Ahmad, N. (2013). Risk management disclosure In Malaysian islamic financial institutions: Pre- and post-financial crisis. *The Journal of Applied Business Research*, *29*(2), 419-432. https://doi.org/10.19030/jabr.v29i2.7647

Jaggi, B., & Low, PY. (2000). Impact of culture, market forces, and legal system on financial disclosures. *The International Journal of Accounting*, *35*(4), 495-519. https://doi.org/10.1016/s0020-7063(00)00076-5

Jensen, M., & Meckling, W. (1976). Theory of the firm: managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, *3*(4), 305-360. https://doi.org/10.1016/0304-405x(76)90026-x

Jorion, P. (2002). How informative are value at risk disclosure? *The Accounting Review*, *77*(4), 911-931. https://doi.org/10.2308/accr.2002.77.4.911

Kamla, R. (2007). Critically Appreciating Social accounting and reporting in the Arab MiddleEast: A postcolonial perspective. *Advances in International Accounting*, *20*, 105-177. https://doi.org/10.1016/s0897-3660(07)20005-4

Kelly, L. (1983). The development of a positive theory of corporate management's role in external financial reporting. *Journal of Accounting Literature (Spring)*, 111-150.

Khan, H.A. (1999). *Corporate Governance of Family Businesses in Asia: What's Right and What's Wrong?* The World Bank Working Paper. http://hdl.handle.net/10419/111094

Khan, I., Chand, P.V., & Patel, A. (2013). The impact of ownership structure on voluntary corporate disclosure in annual reports: evidence from Fiji. *Accounting and Taxation*, *5*(1), 47-58.

Khan, M.H.-U.-Z., & Khan, M.R. (2010). Human capital disclosure practices of top Bangladeshi companies. *Journal of Human Resource Costing and Accounting*, *14*(4), 329-349. https://doi.org/10.1108/14013381011105984

Kitchenham, B. (2004). *Procedures for performing systematic review*. Joint Technical Report, Computer Science Department, Keele University (TR/SE0401) and National ICT Australia Ltd. (0400011T.1). http://www.inf.ufsc.br/~aldo.vw/kitchenham.pdf

Klapper, L. F., & Love, I. (2004). Corporate governance, investor protection, and performance in emerging markets. *Journal of Corporate Finance*, *10*(5), 703-728. https://doi.org/10.1016/s0929-1199(03)00046-4

Krippendorff, K. (1980). *Content Analysis: An Introduction to Its Methodology*. London: Sage.

Kuasirikun, N. (2005). Attitudes to the development and implementation of social and environmental accounting in Thailand. *Critical Perspectives on Accounting*, *16*(8), 1035-1057. https://doi.org/10.1016/j.cpa.2004.02.004

Kuasirikun, N., & Sherer, M. (2004). Corporate social accounting disclosure in Thailand. *Accounting, Auditing and Accountability Journal*, *17*(4), 629-660. https://doi.org/10.1108/09513570410554588

Lajili, K. (2009). Corporate risk disclosure and corporate governance. *Journal of Risk and Financial Management*, *2*, 94-117. https://doi.org/10.3390/jrfm2010094

Lajili, K., & Zeghal, D. (2005). A content analysis of risk management disclosure in Canadian annual reports. *Canadian Journal of Administrative Sciences*, *22*(2), 125-142. https://doi.org/10.1111/j.1936-4490.2005.tb00714.x

Lambino, R. (2013). Public disclosure and environmental performance in Laguna de Bay Region, Philippines. *International Journal of Sustainable Future for Human Security*, *1*(1), 15-22. https://doi.org/10.24910/jsustain/1.1/1522

Linsley, P.M., & Lawrence, M.J. (2007). Risk reporting by largest UK companies: readability and lack of obfuscation. *Accounting, Auditing and Accountability Journal*, *20*(4), 620-7. https://doi.org/10.1108/09513570710762601

Linsley, P., & Shrives, P. (2000). Risk management and reporting risk in the UK. *Journal of Risk and Insurance*, 3(1), 115-129. https://doi.org/10.21314/jor.2000.034

Linsley, P.M., & Shrives, PJ (2006). Risk reporting: A study of risk disclosures in the annual reports of UK companies. *British Accounting Review*, *38*(4), 387-404. https://doi.org/10.1016/j.bar.2006.05.002

Linsley, P., Shrives, P., & Kajuter, P. (2008). Risk reporting: development, regulation and current practice. In Woods, M., Kaju¨ter, P. & Linsley, P. (Eds), *International Risk Management: Systems, Internal Control and Corporate Governance, Elsevier, London*, 185-207.

Littell, J.H. (2008). *Systematic Reviews and Meta-Analysis*. Oxford University Press, USA.

Liu, X., & Anbumozhi, V. (2009). Determinant factors of corporate environmental information disclosure: an empirical study of Chinese listed companies. *Journal of Cleaner Production*, *17*(6), 593-600. https://doi.org/10.1016/j.jclepro.2008.10.001

Lodhia, S.K. (2000). Social and environmental reporting in Fiji: a review of recent corporate annual reports. *Social and Environmental Accountability Journal*, *20*(1), 15-18. https://doi.org/10.1080/0969160x.2000.9651627

Lopes, P.T., & Rodrigues, L.L. (2007). Accounting for financial instruments: an analysis of the determinants of disclosure in the Portuguese stock exchange. *The International Journal of Accounting*, *42*(1), 25-56. https://doi.org/10.1016/j.intacc.2006.12.002

Lundholm, R., & Winkle, M.V. (2006). Motives of disclosure and non-disclosure: a framework and review of the evidence. *Accounting and Business Research*, *36*, special issue, 43-48. https://doi.org/10.1080/00014788.2006.9730044

Marston, C.L., & Shrives, PJ (1991). The use of disclosure indices in accounting research: A review article. *British Accounting Review*, *23*(3) 195-210. https://doi.org/10.1016/0890-8389(91)90080-l

McGowan, J., & Sampson, M. (2005). Systematic reviews need systematic searchers. *Journal of Medical Library Association*, *93*(1), 74-80.

McKinnon, J.L., & Dalimunthe, L. (1993). Voluntary disclosure of segment information by Australian diversified companies. *Accounting and Finance*, *33*(1), 33-50. https://doi.org/10.1111/j.1467-629x.1993.tb00192.x

Meng, X., Zeng, S., Shi, J.J., Qi, G., & Zhang, Z. (2014). The relationship between corporate environmental performance and environmental disclosure: an empirical study in China. *Journal of Environmental Management*, *145*(1), 357-367. https://doi.org/10.1016/j.jenvman.2014.07.009

Miihkinen, A. (2012). What drives the quality of firm risk disclosure? The *International Journal of Accounting*, 47(4), 437-468. https://doi.org/10.1016/j.intacc.2012.10.005

Miihkinen, A. (2013). The usefulness of firm risk disclosures under different firm riskiness, investor-interest, and market conditions: new evidence from Finland. *Advances in Accounting, Incorporating Advances in International Accounting*, *29*(2), 312-331. https://doi.org/10.1016/j.adiac.2013.09.006

Millar, C., Eldomiaty, T.I., Choi, C.J., & Hilton, B. (2005). Corporate governance and institutional transparency in emerging markets. *Journal of Business Ethics*, *59*(1-2), 163-174. https://doi.org/10.1007/s10551-005-3412-1

Mitton, T. (2002). A cross-firm analysis of the impact of corporate governance on the East Asian financial crisis. *Journal of Financial Economics*, *64*(2), 215-241. https://doi.org/10.1016/s0304-405x(02)00076-4

Mondal, A., & Ghosh, S.K. (2014). Determinants of intellectual capital disclosure practices of Indian companies. *Journal of Commerce and Accounting Research*, *3*(3), 25-36.

Morris, R. D. (1987). Signalling, agency theory and accounting policy choice. *Accounting and Business Research*, *18*(69), 47-56. https://doi.org/10.1080/00014788.1987.9729347

Murthy, V. (2008). Corporate social disclosure practices of top software firms in India. *Global Business Review*, *9*(2), 173-188. https://doi.org/10.1177/097215090800900201

Muttakin, M.B., Khan, A., & Subramaniam, N. (2015). Firm characteristics, board diversity and corporate social responsibility: evidence from Bangladesh. *Pacific Accounting Review*, *27*(3), 353-372. https://doi.org/10.1108/par-01-2013-0007

Naser, K., Al-Hussaini, A., Al-Kwari, D., & Nuseibeh, R. (2006). Determinants of corporate social disclosure in developing countries: the case of Qatar. *Advances in International Accounting*, *19*, 1-23. https://doi.org/10.1016/s0897-3660(06)19001-7

Naser, K., Al-Khatib, K., & Karbhari, Y. (2002). Empirical evidence on the depth of corporate information disclosure in developing countries: the case of Jordan. *International Journal of Commerce and Management*, *12*(3/4), 122-155. https://doi.org/10.1108/eb047456

Ntim, C.G., Lindop, S., & Thomas, D. A. (2013). Corporate governance and risk reporting in South Africa: A study of corporate risk disclosures in the pre- and post-2007/2008 global financial crisis period. *International Review of Financial Analysis*, 30, 363-383. https://doi.org/10.1016/j.irfa.2013.07.001

Nurhayati, R., Taylor, G., & Tower, G. (2015). Investigating social and environmental disclosure practices by listed Indian textile firms. *The Journal of Developing Areas*, *49*(6), 361-372. https://doi.org/10.1353/jda.2015.0109

Oliveira, J., Rodrigues, L.L., & Craig, R. (2011b). Voluntary risk reporting to enhance institutional and organisational legitimacy: evidence from Portuguese bank. *Journal of Financial Regulation and Compliance*, *19*(3), 271-289. https://doi.org/10.1108/13581981111147892

Opper, S. (2003). Enforcement of China's accounting standards: Reflections on systemic problems. *Business and Politics*, *5*(2), 151-173. https://doi.org/10.1080/1369525032000125367

Pérignon, C., & Smith, D.R. (2010). The level and quality of Value-at-Risk disclosure by commercial banks. *Journal of Banking and Finance*, *34*(2), 362-377. https://doi.org/10.1016/j.jbankfin.2009.08.009

Petticrew, M., & Roberts, H. (2006). *Systematic reviews in the social sciences: A practical guide*. Malden, MA: Blackwell Publishing.

Pirson, M., & Turnbull, S. (2011). Corporate governance, risk management, and the financial crisis: An information processing view. *Corporate Governance: An International Review*, *19*(5), 459-470. https://doi.org/10.1111/j.1467-8683.2011.00860.x

Probohudono, N, Agung, Tower, G., & Rusmin, R. (2013a). Diversity in risk communication. *Australian Accounting Business and Finance Journal*, *7*(1), 44-58. https://doi.org/10.14453/aabfj.v7i1.4

Qu, W., Cooper, B.J., Wise, V., & Leung, P. (2012). Voluntary disclosure in a changing regulatory environment: Evidence from Chinese stock market. *International Journal of Economics and Finance*, *4*(4), 30-43. https://doi.org/10.5539/ijef.v4n4p30

Qu, W., & Leung, P. (2006). Cultural impact on Chinese corporate disclosure - a corporate governance perspective. *Managerial Auditing Journal*, *21*(3), 241-264. https://doi.org/10.1108/02686900610652991

Rahman, M.Z. (1998). The role of accounting in the East Asian financial crisis: lessons learned? *Transnational Corporations*, *7*(3), 1-52.

Robb, S.W.G., Single, LE, & Zazeeski, M.T. (2001). Non-financial disclosure across Anglo-American countries. *Journal of International Accounting*, *10*, 71-83.

Sartawi, I.I.M., Hindawi, R.M., Bsoul, R., & Ali, A.E.J. (2014). Board composition, firm characteristics, and voluntary disclosure: the case of Jordanian firms listed on the Amman Stock Exchange. *International Business Research*, *7*(6), 67-82. https://doi.org/10.5539/ibr.v7n6p67

Schipper, K. (1981). Discussion of Voluntary Corporate Disclosure. The Case of Interim Reporting. *Journal of Accounting Research, 19*, 85-88. https://doi.org/10.2307/2490986

Sharma, U., & Davey, H. (2013). Voluntary disclosure in the annual reports of Fijian companies. *International Journal of Economics and Accounting*, *4*(2), 184-208. https://doi.org/10.1504/ijea.2013.055172

Sharma, U.P., Low, R., & Davey, H. (2013). Developments in non-mandatory disclosures in annual reports of companies: a case study. *International Journal of Economics and Accounting*, *4*(4), 297-326. https://doi.org/10.1504/ijea.2013.059882

Shleifer, A., & Vishny, R. (1997). A survey of corporate governance. *Journal of Finance, 52*(2), 737-783. https://doi.org/10.3386/w5554

Siregar, S., & Siagian, F. (2013). Corporate governance reporting quality, and firm value: evidence from Indonesia. *Journal of Accounting in Emerging Economies*, *3*(1), 4-20. https://doi.org/10.1108/20440831311287673

Solomon, J. (2010). *Corporate Governance and Accountability*. 2nd ed, Hoboken, NJ, Wiley, Chichester, UK.

Solomon, J.F., Solomon, A., Norton, S.D., & Joseph, N. (2000). A conceptual framework for corporate risk disclosure emerging from the agenda for corporate governance reforms. *British Accounting Review*, *32*(4), 447-478. https://doi.org/10.1006/bare.2000.0145

Soobaroyen, T., Tsamenyi, M., and Sapra, H. (2017). Accounting and governance in Africa – contributions and opportunities for further research. *Journal of Accounting in Emerging Economies*, *7*(4), 422-427. https://doi.org/10.1108/jaee-10-2017-0101

Sumiani, Y., Haslinda, Y., & Lehman, G. (2007). Environmental reporting in a developing country: A case study on status and implementation in Malaysia. *Journal of Cleaner Production*, *15*(10), 895-901. https://doi.org/10.1016/j.jclepro.2006.01.012

Tencati, A., Perrini, F., & Pogutz, S. (2004). New Tools to Foster Corporate Socially Responsible Behaviour. *Journal of Business Ethics*, *53*(1-2), 173-190. https://doi.org/10.1023/b:busi.0000039407.37497.44

Toms, J.S. (2002). Firm resources, quality signals and the determinants of corporate environmental reputation: some UK evidence. *British Accounting Review*, *34*(3), 257-282. https://doi.org/10.1006/bare.2002.0211

Tower, G., Vu, KA, & Scully, G. (2011). Corporate communication for Vietnamese listed firms. *Asian Review of Accounting*, *19*(2), 125-146. https://doi.org/10.1108/13217341111181069

Tranfield, D., Denyer, D., & Smart, P. (2003). Towards a Methodology for Developing Evidence-Informed Management Knowledge by Means of Systematic Review. *British Journal of Management*, *14*(3), 207-222. https://doi.org/10.1111/1467-8551.00375

Uddin, M.H., & Hassan, M.K. (2011). Corporate risk information in annual reports and stock price behavior in the United Arab Emirates. *Academy of Accounting and Financial Studies Journal*, *15*(1), 59-84.

Ullmann, A.A. (1985). Data in search of a theory: a critical examination of the relationships among social performance, social disclosure, and economic performance of US firms. *Academy of Management Review*, *10*(3), 540-547. https://doi.org/10.5465/amr.1985.4278989

Uyar, A., & Kilic, M. (2012). Value Relevance of Voluntary Disclosure: Evidence from Turkish Firms. *Journal of Intellectual Capital*, *13*(3), 363-376. https://doi.org/10.1108/14691931211248918

Wang, K., Sewon, O., & Claiborne, M. C. (2008). Determinants and consequences of voluntary disclosure in an emerging market: Evidence from China. *Journal of International Accounting, Auditing and Taxation*, *17*, 14-30. https://doi.org/10.1016/j.intaccaudtax.2008.01.001

Wang, Z., Ali, M.J., & Al-Akra, M. (2013). Value relevance of voluntary disclosure and the global financial crisis: evidence from China. *Managerial Auditing Journal*, *28*(5), 444-468. https://doi.org/10.1108/02686901311327218

Washington, M., & Patterson, K. (2011). Hostile takeover or joint venture: Connections between institutional theory and sport management research. *Sport Management Review*, *14*(1), 1-12. https://doi.org/10.1016/j.smr.2010.06.003

Yuen, D.C.Y., Liu, M., Zhang, X., & Lu, C. (2009). A case study of voluntary disclosure by Chinese enterprises. *Asian Journal of Finance and Accounting*, *1*(2), 118-145. https://doi.org/10.5296/ajfa.v1i2.121

Zeng, S.X., Xu, X.D., Yin, H.T., & Tam, C.M. (2012). Factors that drive Chinese listed companies in voluntary disclosure of environmental information. *Journal of Business Ethics*, *109*(3), 309-321. https://doi.org/10.1007/s10551-011-1129-x

Zhao, D., & A. Strotmann. (2015). *Analysis and Visualisation of Citation Networks*. Chapel Hill, NC: Morgan and Claypool.