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GROWTH IN THE SOUTHEAST
ASIAN COUNTRIES

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INTERNATIONAL SYMPOSIA IN ECONOMIC THEORY
AND ECONOMETRICS VOLUME 33B

**MACROECONOMIC
RISK AND GROWTH IN
THE SOUTHEAST ASIAN
COUNTRIES: INSIGHT
FROM SEA**

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PREFACE

The world's economic condition after suffering the COVID-19 pandemic has transformed dramatically by several challenges that affected numerous aspects. These potential issues include volatility in stock prices, labour markets, financial development, financial market risk, etc. Although the economy in various countries around the world is now developing for the better, the presence of problems such as geopolitical tensions and economic uncertainty still increases the probability of the emergence of a macroeconomic risk for certain countries.

The volume provides contemporary issues in the field of finance and economy in Indonesia and some Southeast ASEAN countries. These concentration areas, emerging markets, offer a unique setting that differs from those countries in developed markets, such as the domination of institutional and family-owned and the significant contribution of small businesses to economic growth. As a result, it is interesting to see the economic viability and risk with these background countries. This volume covers these topics and is represented in several papers written by authors from multiple countries. In Indonesia, a paper on this issue finds that business risk and asymmetric information significantly affected the increase of friction, while the stability of the economy reduced the friction. Another paper in this issue finds that business risk is associated with the instability in stock price that can cause the firm's financial stability.

Firms in emerging countries are also often difficult to sustain because of the lack of risk assessment practice. Hence, this volume contains a discussion regarding risk reporting and disclosure practices, and it will bring a new finding in the accounting practice in emerging economies. Also, a paper will propose a new method for evaluating the risk of investing in the stock portfolio that could be applied to investment data interest and decision-making, which is considered essential for business in the long term. Macroeconomic risks are also inseparable from the social context in the country. Thus, a paper in this book presents labour force, migrant workers, and gender equality, which are important to be discussed in this topic.

Apart from several aforementioned new issues in finance and economics, some classical issues such as systemic risk, bank stability, and profitability also be covered in this volume because those topics are never absolute to be discussed, particularly in the context of macroeconomics risk. All the paper's findings will enrich the evidence and literature on economic growth, economic risk, and others. These findings would be immensely beneficial for stakeholders, governments, policy-makers, and the people within the sector under financial risk, economic analysts, and others in order to tackle similar problems regarding the macroeconomics risk from the fundamentals.

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CHAPTER 1

A BIBLIOMETRIC ANALYSIS ON RISK REPORTING: A SYSTEMATIC LITERATURE REVIEW

Yeni Priatnasari, Djoko Suhardjanto, Agung Nur
Probohudono and Setyaningtas Honggowati

ABSTRACT

Risk reporting in financial reports has a positive impact on the company and its stakeholders. The purpose of this research is to present a literature review using the bibliometric method with the title we used is Risk Reporting, and the keywords are risk disclosure, risk reporting, stakeholders, and stakeholder theory. Data processing in this chapter uses Publish or Perish (PoP) software and Vos Viewers. This study uses the Google Scholar database. The researcher scanned the journal by using Scimagojr.com to view the journal quartile. Before the search was revised, there were 230 papers from 1991 to 2021 (30 years). Researchers will see the development of risk reporting from several sides, such as the country of origin of the researcher, the type of industry that reports risk, the research methods that have been used so far, and the analysis used for reporting risk.

Keywords: Risk reporting; bibliometric analysis; publish or perish; Google Scholar; Vos Viewer; annual report; stakeholder theory

JEL classifications: G3; G32; G38

1. INTRODUCTION

Research on risk disclosure in financial reporting has recently been of interest. Likewise, the demand for risk reporting on business entities is currently a concern in several countries over the last few years (ICAEW, 2011). Risk reporting is expected to provide an early warning to investors if there is a negative development in the company (Dobler, 2005). The expected risk reporting is the risk reporting contained in the company's annual report. The annual report is a public document prepared by management to fulfil legal obligations and ensure the company's service and accountability functions (ICAEW, 2011).

Risk disclosure in the company's financial statements is expected to increase the company's value for stakeholders. Risk reporting should provide helpful information for users and stakeholders. Although generating adequate risk reporting is difficult (ICAEW, 2011). Risk reporting and risk management were important to avoid financial crises (Yan & Nettayanun, 2019).

Expected risk reporting is related to the impact of risks faced by the company and the opportunities faced by the company's finances in the future (Dobler, 2005). Risk disclosure is expected to increase company transparency to increase capital market activity (Deumes, 2008). A company's transparency can also increase and maintain investors' confidence and ensure stock price stability. The existence of transparency can reduce the disparity between investors' perceptions and expectations of company management (U. M. Adamu, 2013b).

Risk reporting is very important to be carried out by companies (Kharis & Suhardjanto, 2012). Some papers reviewed the significant divergence in the literature, such as the manual versus automated content analysis, mandatory versus voluntary risk reporting, variations of reporting within-country versus cross-country, and the variations of risk reporting in financial versus non-financial firms (Elshandidy, Shrives, Bamber, & Abraham, 2018). Therefore, in this study, researchers will conduct a literature study on the development of research related to risk reporting that has been carried out and provide an overview for future research.

1.1 Problem Formulation

Based on the backgrounds mentioned above, researchers find it interesting to conduct a literature study on risk reporting. This study includes the research during the period of the risk reporting research's emergence. Research questions that arise are as follows:

1. What methods are most often used in research on risk reporting?
2. What grand theory is most often used in research on risk reporting?
3. What is the trend of risk reporting research so far and in the future?

2. RISK REPORTING DEFINITION

2.1 Concept of Risk

There is a debate about the terminology of risk and risk reporting in the company's annual report. For example, the risk is about the uncertainty that will occur in

the company. In a study conducted by [Konishi and Ali \(2007\)](#), ICAEW, through the Turnbull report, stated that the risk is not only for bad events that will occur but also for good events that will happen to the company. ICAEW, in research conducted by [Konishi and Ali \(2007\)](#), has defined that companies should report the substance of transactions about uncertainty. The term uncertainty implies the potential for gain or pressure for loss.

2.2 Risk Reporting

Risk reporting is one of the disclosure series made by the company. Inadequate disclosure by the company means that managers have superior information against investors who do not understand the risks and opportunities faced by the company (M. U. [Adamu, 2013a](#)). Risk reporting should be a direction in the context of risk management. Risk management is an ongoing process of identifying risk factors, analyzing risk, deciding on risk management, and controlling the impact of risks ([Dobler, 2005](#)).

3. METHODOLOGY

In general, a literature review can be classified into two. In a book edited by [Hartono \(2020\)](#), it is revealed that the first classified literature study is traditional or narrative, and the second is a structured or systematic literature study. A systematic literature review is a systematic method for identifying, evaluating, and synthesizing research works and ideas produced by researchers or practitioners ([Okoli & Schabram, 2010](#)).

The literature review aims to analyze and synthesize existing knowledge related to the topic to be studied to find the research gaps for future research. Also, a more detailed objective was conveyed by [Okoli and Schabram \(2010\)](#) in their research, that is, to provide a background/theoretical basis for the research being carried out, to study the depth or breadth of existing research related to the studied topic and to answer practical questions with an understanding of what has been studied by previous researchers ([Okoli & Schabram, 2010](#)).

Bibliometric reviews are generally used in scientific disciplines and focus on quantitative studies of papers, books, or other written communication methods ([Heersmink, van den Hoven, van Eck, & van den Berg, 2011](#)). In a book edited by [Hartono \(2020\)](#), the initial stage in bibliometric research is to prepare to set research objectives, formulate research questions, and determine relevant keywords. The next stage is processing work, such as searching for articles, inputting, processing, and displaying data. The final stage is to write a resume that includes data interpretation, summarizes findings, and writes a research report.

In this study, researchers took several steps in conducting research. The first step is to search for keywords for risk reporting in the Scopus database, perform search improvements, perform statistical grouping on the data, and conduct data analysis, which will be explained in several sections.

3.1 Defining Search Keywords

The researcher conducted a literature search in January 2021 using the keyword *risk disclosure, risk reporting, stakeholder, and stakeholder theory*. Researchers used the software *PoP* to assist searches using the Google Scholar database. The Scholar database becomes a reference for researchers because the Scholar database has a broad scope covering papers from various indexers. Researchers conducted searching in *PoP* software using the keywords '*Risk disclosure; risk reporting; stakeholder and stakeholder theory*' and set specific conditions such as searching only for journals and title words with years ranging from '0-0'. Researchers do not research mass media, books, book reviews, and book sections.

3.2 Initial Search Results

At the initial search stage, the researcher did not specify a period to find the first year of the term '*Risk disclosure, risk reporting, stakeholder and stakeholder theory*' began to be published. [Table 1](#) mentions the term '*Risk disclosure, risk reporting, stakeholder, and stakeholder theory*' in their research. From the results of this initial search on the Google Scholar database, there are 230 articles with titles containing the word '*risk reporting*' and the keyword '*Risk disclosure; risk reporting; stakeholder and stakeholder theory*' starting from 1994 to 2021 or for 27 years. The annual citation rate is 242 citations/year, and the citation rate per paper is 31.57 citations/paper. The following are the 10 papers with the highest level of citation.

Table 1. The First 10 Papers Using *PoP* Search (Initial Search).

Cites	Authors	Title
995	J Bebbington, C Larrinaga, JM Moneva	Corporate social reporting and reputation risk management
791	PM Linsley, PJ Shrives	Risk reporting: A study of risk disclosures in the annual reports of UK companies
465	A Amran, AMR Bin, BCHM Hassan	Risk reporting
305	R Deumes, WR Knechel	Economic incentives for voluntary reporting on internal risk management and control systems
271	M Dobler	Incentives for risk reporting – A discretionary disclosure and cheap talk approach
257	CG Ntim, S Lindop, DA Thomas	Corporate governance and risk reporting in South Africa: A study of corporate risk disclosures in the pre- and post-2007/2008 global financial crisis periods
200	PM Linsley, PJ Shrives	Examining risk reporting in UK public companies
198	PM Linsley, MJ Lawrence	Risk reporting by the largest UK companies: readability and lack of obfuscation
186	A Miihkinen	What drives the quality of firm risk disclosure?: The impact of a national disclosure standard and reporting incentives under IFRS
186	K Brasel, MM Doxey, JH Grenier, ...	Risk disclosure preceding negative outcomes: The effects of reporting critical audit matters on judgments of auditor liability

Source: Processed secondary data (2021).

The initial results of the articles in this study are 230 papers obtained from the Google Scholar database. This shows that the highest number of citations is in the research written by [Bebbington, Larrinaga, and Moneva \(2008\)](#) with 995 citations. The results of this initial search will be further refined by using several criteria, such as non-journal publications (proceedings and book chapters) and reporting other than accounting.

3.3 Results After Search Refinement

From all the articles collected, researchers made search improvements by selecting articles that were not in accordance with the research topic. [Table 2](#) shows the results of the selection of the 230 articles:

From the selection results of 230 articles that have been collected from the PoP application, the researcher made a deeper selection by separating several articles. The mapping is based on topics under the field of accounting; only journals will be studied, not including books and proceedings. Based on a more specific mapping, it was found that there were 44 journals without information, 14 topics other than accounting, while non-journal papers (proceedings and book chapters) were 48 papers, Q1 journals were 50 papers, Q2 journals were 25 papers, Q3 journals were 24 papers, and Q4 journals were 15 papers, and papers indexed by the Web of Science were 10 papers so that the total number of papers that will be carried out in a systematic literature review is 124 papers.

3.4 Compiling Preliminary Data

The results of the search improvement can be seen in [Table 3](#). In [Table 3](#), the search comparison metrics show search results that were initially 27 years from 1994 to 2021 become 21 years from 1999 to 2020, likewise for the number of papers, from 230 papers at the beginning to 122 papers after the search improvement. However, the second search result shows that the citation level of each paper is higher than the initial search. This means that the second search resulted in more papers cited by researchers. Therefore, the researcher will conduct a literature review based on the second search.

Research related to reporting risk shows a higher development from year to year. This can be seen in [Fig. 1](#).

Table 2. Detailed Selection Improvements Search.

Selection Search	Number of Articles
Papers that have no information	44
Topics other than Risk Reporting in Accounting	14
Non-journals (book chapters and proceedings)	48
Web of Science	10
Q1	50
Q2	25
Q3	24
Q4	15
Total	230

Table 3. Search Comparison.

Matrix	Initial Search	Results After Refinement Search
Query	Title: Risk Reporting; Keywords: risk disclosure; risk reporting; stakeholders; stakeholder theory	Title: Risk Reporting; Keywords: risk disclosure; risk reporting; stakeholders; stakeholder theory
Database source	Google Scholar	Google Scholar
Publication years	1994–2021	1999–2020
Citation years	27 (1994–2021)	21 (1999–2020)
Number of paper	230	122
Citation per year	242	322.8
Papers cite per paper	31.57	56

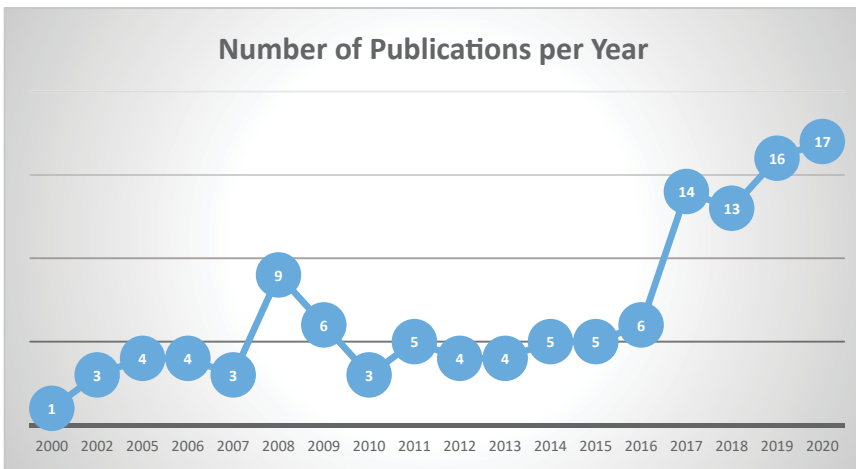


Fig. 1. Number of Publications Per Year. *Source:* Processed secondary data (2021).

Based on Fig. 1, it can be seen that the research on risk reporting has been continuously developing and has become an interesting discussion material for researchers. From the initial observation in 2000 until 2020, there was a significant increase in 2017. In 2021, there were no publications at the time the researchers conducted this research.

From Fig. 2, it can be seen that the most published papers with the theme of risk reporting come from accounting, auditing, and accountability journals. Meanwhile, other journals only display four papers or fewer during the research period.

Fig. 3 provides the publishers that published the most papers related to risk reporting during the research period.

Journal publishers that publish a lot of research on risk reporting are Emerald.com, followed by Wiley Online and Taylor & Francis. Meanwhile, 53 other publishers have also published research related to risk reporting.

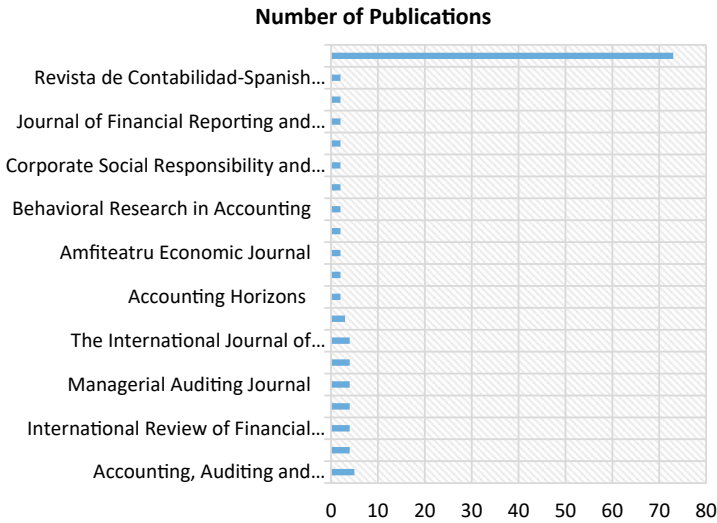


Fig. 2. Number of Publications/Journals During the Research Period. Source: Processed secondary data (2021).

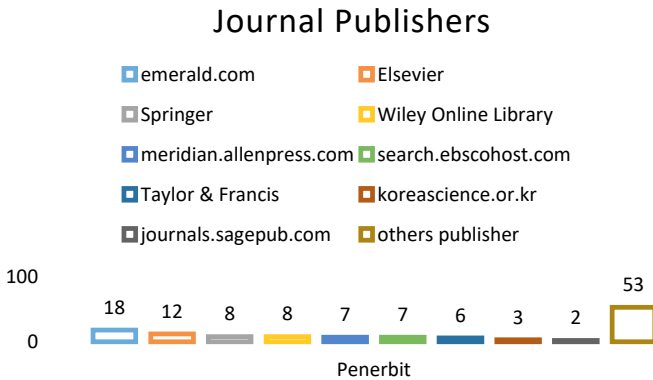


Fig. 3. Journal Publishers. Source: Processed secondary data (2021).

3.5 Data Analysis

A systematic literature review is used to provide an overview and conclude from several definitions, theories, themes, methodologies, and several research designs from each article that will be used to answer research questions. Research conducted by [Apriliyanti and Alon \(2017\)](#) provides an alternative to deeper and more comprehensive meaning. Researchers can use organic and interpretive approaches in the literature review conducted. In this approach, researchers use the most specific way according to the writer’s understanding and knowledge.

In this research, four researchers will guarantee objectivity in the analysis of this literature review. The first and second researchers conducted data collection from the agreed database. The second researcher carried out data processing and data analysis. Simultaneously, the fourth researcher conducted an evaluation and re-checking of data collection and analysis carried out by the first, second, and third researchers. After carrying out a series of process activities, the researchers discussed the analysis results carried out and provided input for further research trends from predetermined themes. Data collection was carried out by the first and second researchers because of their mastery of PoP, Lexymancer, and Vos Viewers software, while the third and fourth authors mastered the theme of risk reporting and matters related to risk reporting.

From Table 4, it can be seen that the highest number of citations comes from the Q1 journals, namely *Accounting, Auditing, and Accountability Journal*. The most cited journals are also indexed by the Web of Science and are in Q2. Fig. 4 shows the number of publications related to risk reporting from 1999 to 2020.

Fig. 4 shows the frequent themes processed by using the Lexymancer application.

It can be seen that the frequent themes expressed in the papers studied are risk, reporting, finance, banking, capital, markets, economics, variables, systems, auditing, models, and stakeholders. All of these words are the most mentioned words in all the reviewed papers.

After calculating the number of cited papers and other metrics, in this session, the researchers analyze the output results of the Vos Viewer software. The Vos Viewer software will detect what keywords often come out of the entire papers studied. Fig. 5 shows the research network visualization map. Fig. 6 shows the research overlay visualization, and Fig. 7 shows the research density level.

Fig. 6 shows that research related to risk reporting and the annual report began in 2013. Meanwhile, research related to corporate risk and financial reporting began to appear in 2015. Recent topics such as the quality of risk reporting in companies, companies' risk management, and their relationship with various other variables emerged in 2016.

Table 4. Journal Quartile.

Total Citation	Journals	Quartile
995	<i>Accounting, Auditing and Accountability Journal</i>	Q1
791	<i>The British Accounting Review</i>	Q1
465	<i>Managerial auditing journal</i>	Q1
305	<i>Auditing: A Journal of Practice & Theory</i>	WoS
271	<i>The International Journal of Accounting</i>	Q2
257	<i>International Review of Financial Analysis</i>	Q1
200	<i>The Journal of Risk Finance</i>	Q2
198	<i>Accounting, Auditing and Accountability Journal</i>	Q1
186	<i>The International Journal of Accounting</i>	Q2
186	<i>The Accounting Review</i>	Q1

Source: Processed secondary data.