Risk Management, Female Leadership and Project Management Performance: A study in Oman

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Abstract
The impact of corporate governance composition of a company is critical on the reacting ability of a company to external elements that effect on company’s financial performance. A very good management in the company has a positive impact in making the company performance higher than other companies that they have no good management. Inspire of the fact that corporate governance ha several internal mechanisms, the current research tested the effect of board size and CEO duality on company financial performance measures namely ROA 36 public listed companies in Oman. Annual data collection is annual reports, covering fiscal year of 2022. In addition, the current research utilized Partial Least Square (PLS) approach to be used by the current study to analyse data. However, comparatively unsatisfied results regarding the impact of the chosen mechanisms in the current research in their impact of company performance measured by return on assets were obtained, companies in Oman are encouraged to keep larger board sizes and should adopt non duality in the board structure by separating the role of the chairman from the role of the CEO by appointing 2 persons for each position in order to have effective company performance.

Keywords: Risk management, female leadership, project management performance, Oman

1. Introduction
In order to achieve better levels of functioning, many contemporary firms have placed a strong emphasis on performance management systems. Long-term high profits, job creation, increased corporate revenue, and increased shareholder wealth are all possible outcomes of a company's strong performance. Additionally, a company's financial performance will encourage employee retention and help it give its consumers better service (Abdullah, 2023). Working through the initial process, performance management is one of the most crucial elements of organizational effectiveness (Cardi, 2004). Therefore, all managers in various firms must make increasing corporate performance their main objective (Lawler, 2008). Based on these justifications for corporate performance, a number of prior studies have cited the literature and strongly encouraged investigating the connection between corporate governance and performance, given the significance of corporate governance in raising performance. Along with strengthening businesses' comparative advantages and improving the value of corporate returns, respectively. As stated (Alabdullah et al., 2014), corporate governance has a single
control system but lacks a single concept and definition to describe and express within a single philosophical framework, which may explain why companies operating in Jordan's non-financial sector perform poorly.

Because of how the corporate governance structure is regarded and oriented internationally, the current study is significant. Since there is a lot of stewardship and advice provided by states and institutions for excellent corporate governance practices and the board of directors, a good corporate governance structure supports the company's success. The theoretical concepts of the Agency's in settling the conflict between directors (agent) and shareholders (original) are extended by corporate governance. The execution of corporate governance without errors then became essential for regulators and regulatory leaders to implement to avoid additional potential crises or their impact, on the one hand, and to improve the company, on the other. This was especially true following the worldwide crisis (Covid_19 pandemic).

In the non-financial sector of Oman, current research examines two corporate governance processes: ownership and performance through ROE (ROA). Oman has one of the biggest exchanges in Asia, we will also discuss a sample of non-financial sector companies in Oman and their statistics from annual reports. According to a study by Ahmed et al. (2020), competition in Oman has a favorable effect on company performance and corporate governance. Performance has become the best corporate governance practice as a result of its extreme importance. Due to its evident significance, corporate performance has been the subject of several studies in various nations.

Companies have known for a long time that excellent governance increases a firm's profits and builds public trust. Therefore, a firm's corporate governance arrangements have a significant impact on its ability to respond to outside forces that affect its performance (Alabdullah et al., 2014; Duppati et al., 2020; Ahmed et al., 2015). It is important to note that, particularly among extremely large enterprises, the idea of corporate governance has been a top priority on the policy agenda in developed market economies for more than a decade. Additionally, the idea is gradually becoming a priority throughout the Asia continent. The Asian crisis and the relative underperformance of the corporate sector in Asian corporations are said to be responsible for making the topic of corporate governance a buzzword in the development debate. Recent research demonstrates that effective corporate governance raises valuations and improves profitability. They demonstrated that firms with robust shareholder rights produced higher yearly returns than those with lax rights. This was followed by the observation that the more democratic enterprises also benefited from greater valuations, higher profitability, higher sales growth, and fewer capital expenditures. Once more, badly governed businesses are predicted to be less profitable, to have greater bankruptcy risks, to have lower valuations, and to distribute less money to their shareholders. In contrast, well-governed businesses are predicted to be more profitable, to have lower bankruptcy risks, to have higher valuations, and to distribute more money to their shareholders. Alabdullah (2016) also makes the case that improved corporate frameworks help businesses by increasing access to capital, lowering their cost of capital, improving performance, and treating all stakeholders fairly. It has been argued that bad corporate governance contributes to macroeconomic crises like the East Asia Crisis of 1997 in addition to poor firm performance and hazardous financing patterns. According to some academics, improving corporate governance is crucial for boosting investor trust and market liquidity.
In relation to the mechanisms of corporate governance and its principles, all kind of companies have to be involved to society in order to participate in raising the value of the country (Alfadhel et al., 2018) and Alabdullah, 2022; Kanan et al.,2021) and Nor et al. (2019) and Alabdullah. (2022) and Almashhadani, (2020) and Kanan et al. (2016) and Alabdullah et al. (2019) and Alabdullah, (2020) and Almashhadani (2022) and Alfadhel et al. (2016). In light of this, whether or not specific information is disclosed would probably depend on a number of factors, such as CG standards (Alabduallah, 2019; Alabduallah et al., 2016; AL-Hashimy et al., 2020). The corporation, through its board of directors and senior managers, achieves its objectives by synchronizing corporate goals. Corporate governance characteristics, according to (Said et al., 2009; Amashhadanii, 2020; Aladullah, 2021), are very important in both developed and developing countries.

2. Literature Review

Given the significance of corporate governance and performance, a number of authors and academics have previously studied the relationship between control corporate governance mechanisms and promoting the performance and outcomes of corporations and other different institutions. In their studies, they have pointed to and strongly recommended this relationship (Al-Abdullah et al., 2014; Al-Abdullah et al., 2016; Al-Abdullah et al., 2019; Ahmed et al., 2020; Ahmed et al., 2021: Aboshamaleh et al., 2021). On the other hand, some earlier research have drastically reduced administrative ownership's importance as a tool. Studies on corporate governance like (Alabdullah, et al., 2022; Alabdullah, et al., 2014;2013), consistent performance, and corporations' outcomes were conducted in 2023 in emerging nations like Vietnam. Institutional investors are less likely to hold onto shares of companies with larger sizes than the Board of Directors, the duplication of the CEO, the ultimate control of the State (aside from the perspective of State-owned enterprises), and the impact of its ownership on the company's performance as to whether it is sensitive to pressure (grey) or non-pressure-sensitive (independent) companies, according to listed companies. More effectively than grey institutional investors, independent institutional investors in developing countries keep an eye on the business and its investments can have a big impact on management choices and raise shareholder value. Contrarily, due to conflicts of interest between the beneficial parties, such as the fact that they may have a linked future business contact with invested companies, grey corporate ownership is either adversely or unfavorably connected with consistent performance. To ascertain the impact of CG procedures on profitability, a study on the IDX from 2015 to 2020 used random data analysis with a significant standard error. According to the study's findings, internal mechanisms existed and had an effect on banking performance, as did the number of managers and government ownership. Independent commissioners, however, can only act as internal corporate governance systems to safeguard a company's performance in times of crisis. It has been demonstrated that independent commissioners can effectively defend against the crisis' destructive impacts without lowering return on assets (ROA). The results of prior research have demonstrated that management ownership has a favorable effect on performance, but at the same time, the number of managers, government ownership, and directors has not been adequate to safeguard the company's performance during the COVID-19 epidemic.

Modern subjects include corporate governance and profitability and how to test them. This is correct in spite of the many laws and collections that call for testing several mechanisms of corporate governance as internal control mechanisms. This needs local residents value and
testing such mechanisms in several countries to get the results of the impact of the mechanisms of corporate governance. Thus, it is the responsibility of the human beings in all institutions to work as individual and group to increase public awareness of agency problems and tough issues (Al_abdullah, 2016; Amashhadani and Amashhadani, 2021; Marquez-Cardenas et al. 2022; Kanen et al., 2020; Amashhadani and Amashhadani, 2021; Alhashimy et al., 2020; Alhashimy et al., 2020; Alhashimy et al., 2021; Alhashimy et al., 2019; Alhashimy et al., 2018; Kenan et al., 2022; Kenan et al., 2016; Kenan et al., 2015). Corporate governance mechanisms was defined by several scholars such as (Ahmad et al., 2018; Amashhadani, 2021; Amashhadani, 2022;2023). More companies are reportedly including control mechanisms in their annual financial reports in order to meet the needs of stakeholders and potential investors. As a result, firms are now creating control systems that are available on their official websites, as opposed to disclosing them in a paragraph in the annual report. In this regard, a variety of descriptive formats are employed, such as comments regarding the management and financial accounts.

Using a sample of publicly traded American and Indian companies, a study in America also looked at one of the developed nations' link between corporate governance and dividend pay-out. This study established that firms with strong corporate governance pay higher dividends than firms with inadequate corporate governance, which is contrary to the replacement hypothesis but consistent with the outcome’s hypothesis. Whereas none of the personal corporate governance criteria are significantly relevant to the payment of dividends to Indian firms, board independence, board size, and company ownership are crucial elements of corporate governance for pay-outs in American corporations. This knowledge can be used by an investor to choose an investment. For dividend distribution to be improved and the agency's issue to be resolved, financial authorities must boost the corporate governance structure. The connection between corporate governance and business performance has received significant attention in the field of corporate finance research, despite extensive prior literature. The effect of governance companies (GC) on the profitability of companies in non-financial industries placed on the Frankfurt Exchange in Germany from 2002 to 2018 was studied in a study in Germany for 2023. In order to do this, ROA and ROE were used to calculate the company's performance based on the financial accounts. The findings showed that, while the influence of the CEO's duplication is not statistically significant, the features of the auditing committee and the Board of Directors have major and detrimental effects on the company's financial performance. The issue of delayed decision-making by directors in the Germany system of corporate governance governed by insiders might be brought up by the size of the large board. Additionally, it was discovered that the company's performance had improved as a result of the implementation of IFRS in 2005. When managers and shareholders emphasize their company's financial success, these outcomes can spark a great deal of interest.

Profitability and independence have a favourable association, according to studies. The fact that listed firms and managers of the stock exchange in Amman do not have issues with this element is one potential explanation for such findings. This illustrates the idea that the autonomy of managers might or might not be advantageous in this wealthy setting. Such results are most likely caused by the fact that this factor does not cause issues for businesses that are listed on the stock market in Amman (Abdullah et al., 2021). Previous research has shown that patterns emerge gradually. By analysing the relationship between Jordan's business achievements as a growing economy and the ownership structure, an essential corporate
governance tool, this article seeks to engage in such trends. Results tested the influence of the number of directors and CEO replication as a broker in this connection and demonstrated that managerial ownership has a beneficial impact on performance. The profitability of these businesses is negatively impacted. In their investigation of the connection underlying managerial ownership and corporate governance and how it affects a company's profitability, Bahu, Ahmad, Shawkat, and Ahmad (2019) discovered that governance has a notable impact on a company's profitability through financial profitability. Haq, Gao, and Rahman (2020) examined a number of different variables, including board size and autonomy, to test their effects on profitability, and the results were encouraging. The relationship between board size and firm performance has been shown to have considerable negative consequences by Mohan WChandramohan (2018) and Merendino and Melville (2019). But is emerging from additional study Performance is better for more diversified organizations when the board of directors has a larger number of members. In their research, Francour et al. (2008) and Hassan and Mariamuthu (2018) provide an intriguing viewpoint on the impact of board size and note that when the board's size increases, members may not accurately express their views and opinions (Cheng 2008; Guest 2009). Based on data gathered from businesses in Singapore and Malaysia, Mac and Cosnady (2005) found an inverse association between board size and firm success, calculated as Tobins Q. These findings generally show that a company's performance will decline as the number of members of the board of directors rises. One logical explanation is that when a plate's size increases, communication between plates decreases due to personnel errors, poor decisions, and inefficient coordination. The researchers hypothesized that in Denmark, as the board of directors grew, the organization's performance return on assets fell (Nicholson et al., 2007).

The research conducted by Duchin et al. (2010) demonstrates the potential value of external managers. Their presence could, however, hurt the company's performance if the expense surpasses the advantages. A sample of American businesses was gathered for their study in order to determine the level of the board of directors' independence. It has an impact on output. They discovered no evidence suggesting that Curly's performance would improve if the board of directors' independence were increased. Internal managers, according to these authors, are better equipped to comprehend the job of the organization because they are more knowledgeable and experienced. The ideal board should have all executive and non-executive directors, despite their claims that they provide more value than external board members. A rising number of people today are realizing how important it is that there are female directors on corporate boards. The results of studies on the relationships between the participation of female board members and the performance of the company were conflicting. According to certain studies and academics, having a diverse board of directors improves corporate performance (Brahma et al. 2021; Marques Cárdenas et al. 2022; Yiilmaz et al. 2021). Zhang (2020) reports that diversity of genders in the council was absolutely linked to business performance in another place. Additionally, in contrast, Martinez-Jimenez et al. (2020) found no correlation between diversity of genders and profitability in companies listed on the stock market. Similar to this, Elgadi and Ghardallou (2022), they study from 2022 found that the president has little impact over the company's presentation. Women on the board of directors, they found. Based on data gathered from the UK company, Brahma et al. (2021) contend that Board diversity is associated to increased financial value. Kim and Starks (2016) shown that women on corporate boards provide a distinctive experience that aids in differentiating the kinds of knowledge presented to the board's blackboard. In their 2003 study, Cartier et al.
examined the connection both board diversity and regard for the organization's Tobins Q. They used one corporate governance mechanism, the number of women on the board of directors, along with American Cadets, Asians, Africans, and Hispanics in the top group of mediator executives, to test the impact of painting. They discovered that having more women from diverse backgrounds increased the company's cash flow. Weck et al. (2022) claim in a different study that gender diversity can lead to a wider range of opinions on particular tasks. Enabling more balanced, high-quality board choices will be crucial, according to (Fernando et al. 2020). However, other research indicates a poor correlation between company performance and boardroom diversity. According to El-Ghadi and Gardlow's analysis from 2022, board diversity generally does not appear to have an impact on firm performance. It does, however, reduce variance performance. The dual role of the CEO and Chairman can aid in fostering a culture of open communication (Creary et al. 2019), which has been linked to longer managerial decision-making processes (Konrad et al. 2008). According to certain research, when women hold positions of leadership, their responsibilities and thought processes may change because they may take a stereotypically male attitude to information disclosure when they are president (Amorelli and Garca Sánche 2020). When compared to male directors, there is no difference in how the company performs in such situations. According to Dirman (2020), there is less risk of financial hardship when a corporation grows in size. In 2002, Balla and Mateus conducted study. An important connection between the business's leverage measurement and Hungary was discovered. A tiny board of directors can result in an increase in leverage; as a result, the financial leverage is influenced by the board's size. According to Al-Abdullah et al. (2018), the biggest board of directors restricts the level of risk the management of a business is allowed to take. This risk is likely to be taken, and the debt may not rise past a particular point. According to Jensen (1986), management commitments have a favourable effect on board size and financial ratios (Wen et al. 2002). It might be argued that studies have found that businesses with bigger panels are more likely to borrow money from smaller boards. Large councils can borrow money at a reduced cost of borrowing, according to Tulung and Ramdani (2018). (Fields et al. (2012) noted that the more members there are, the more debt can be accrued due to interstate tax advantages. According to estimates, a corporation will incur less expense the more debt. Similar to Anderson et al. (2004) Evidence demonstrating the premise that there is better supervision with more members participating resulted in lower commitment costs. Using the justification from above, we hypothesize:

Hypothesis 1.1: There is a strong relationship between board size and business performance.

CEO dualism is strongly connected with business performance, according to hypothesis 1.4.

3. Methodology

The population is 36 public listed companies in this study in one of very important GCC countries which is Oman. Data are collected in the present study from annual reports of the listed Omani companies. It is a cross-sectional study via using a quantitative method. Annual reports were used by the current study as a unit of analysis for the companies listed for the year of 2022. Moreover, Partial Least Square (PLS) approach was used by the current study to analyse data.

The present study utilised range of measures of set of variables selected by the current study is explained as follows:
Table 1: Measuring the Variables

<table>
<thead>
<tr>
<th>Independent Variables (IVs)</th>
<th>Acro.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on equity</td>
<td>ROE</td>
<td>Can be obtained via dividing the net income after taxes to total equity</td>
</tr>
<tr>
<td>Risk management</td>
<td>RSM</td>
<td></td>
</tr>
<tr>
<td>Female leadership</td>
<td>FMLD</td>
<td></td>
</tr>
</tbody>
</table>

4. Results

Descriptive Analysis

Based on the findings of descriptive analyses, dependent variables that represent the project management performance is ROE, the findings revealed that the ROE level is 30% demonstrating the rate of performance, and the ST. D is 0.134. Besides, the min and max values showed that the ROE equal to 31% and 22%. Furthermore, the descriptive test for variables indicates that the Risk management is 0.71% and the ST. D is 1.31; the Female leadership is average of 2.0% and ST. D is 1.01.

Table 2: Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Minimum</th>
<th>Maximum</th>
<th>ST-D</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROE</td>
<td>.030</td>
<td>-.311</td>
<td>.225</td>
<td>.134</td>
</tr>
<tr>
<td>RSM</td>
<td>0.71</td>
<td>5.100</td>
<td>11.20</td>
<td>1.31</td>
</tr>
<tr>
<td>FMLD</td>
<td>.200</td>
<td>.000</td>
<td>3.00</td>
<td>1.01</td>
</tr>
</tbody>
</table>

Table 3: Validity of the Discriminant

<table>
<thead>
<tr>
<th></th>
<th>ROE</th>
<th>RSM</th>
<th>FMLD</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROE</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RSM</td>
<td>0.243</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>FMLD</td>
<td>0.044</td>
<td>0.045</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Validity of the Discriminant

In the validity of the discriminant via using PLS test, standards applied are there. In every construct with every square root in any AVE, there should have a high-rate level of correlation. Therefore, to use square root, the validity of the discriminant in every construct has to be likened against the correlations of the constructs for all additional constructs.

Table 4: Variance Explanation

<table>
<thead>
<tr>
<th>Variables</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endogenous, ROE</td>
<td>0.132</td>
</tr>
</tbody>
</table>
Hypothesis

The results of the hypothesis are shown in Table 5 and it shows that hypotheses of this study are supported. The results show that there is a positive link between risk management and profitability represented by ROE where it is P< .05 and t= 1.32. The findings also reveal that the Female leadership is positively related to profitability (ROE) and it is with values P< .05 and t= .316. These findings reveal in-dependency is relating with organization outcomes represented by ROE in a positive relation. Furthermore, the board meeting as shown in the result has a negative link with organization outcomes represented by ROE and the values are P< .05 and the t= 1.52.

Table 5: Coefficients Results

<table>
<thead>
<tr>
<th>All variables</th>
<th>Coefficients</th>
<th>T value</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>RSM -&gt; ROE</td>
<td>.120</td>
<td>1.324*</td>
<td>Supported</td>
</tr>
<tr>
<td>FMLD -&gt; ROE</td>
<td>.131</td>
<td>1.523*</td>
<td>Supported</td>
</tr>
</tbody>
</table>

*** P < 0. 001, **p < 0. 01, *p < 0.05

5. Conclusion

It is impossible to overstate the value of corporate governance because it improves the working environment for a company's internal operations and performance. Indeed, corporate governance adds new dimensions for efficient management of a corporate entity via outside independent directors, so boosting a firm's corporate value and performance. In the current study, the profitability of listed non-financial companies in Oman was compared to some major control mechanisms of corporate governance, including board size, board composition, and CEO duality. Due to their own restrictions and procedures, financial companies were also excluded from other studies. The current study also suggests that Oman's boards are not regarded as independent, which is consistent with the premise. It was clear from the sample that most businesses in Oman use non-duality, where the CEO and board chairman are held by different people, which helps to alleviate the agency cost issues. The asset bases of the companies show that they are roughly equal in size, fixed assets make up a significant portion of their total assets, and most of the companies rely more heavily on debt financing than equity financing. Therefore, it follows that corporate governance practices have an effect on how well businesses operate in Ghana. The two-tier board structure is actually thought to be more efficient than the one-tier approach inside the governance frameworks. The results of the aforementioned investigation make it clear that listed companies in Oman exhibit relatively inconsistent performance in terms of corporate governance and other performance metrics. However, it must be noted that this is in line with prior research. However, adopting non-duality and retaining smaller board sizes—often about eight members—are essential for the effective operation of businesses. The study clearly supports the idea that corporate governance does in fact take into account a wider range of factors, including the economic and legal environment, progressive practices, the presence of internal control mechanisms, ownership and reward systems within an institution, the type and quality of information flow, and the degree to which low-level employees are involved in the day-to-day operations of a corporate entity. Following this effort, our attention would therefore turn to the banking and financial services industry and the creation of a corporate governance index for the performance of firms in Oman.
References

2) Oxford: Oxford University Press.


