

YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF COMMERCE
MASTER OF BANKING AND FINANCE PROGRAMME

**EFFECT OF RISK MANAGEMENT PRACTICES ON
ORGANIZATION PERFORMANCE OF GRAND
GUARDIAN TOKIO MARINE GENERAL INSURANCE**

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EMBF II - 03

EMBF 9th BATCH

JUNE, 2024

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ACADEMIC YEAR (2022-2024)

Supervised By:

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Submitted By:

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A Thesis submitted to the Board of Examiners in partial fulfillment of the requirements for the degree of Master of Banking and Finance (MBF)

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ABSTRACT

This study aims to analyze the impact of risk management techniques on the organizational performance of Grand Guardian Tokio Marine Insurance (GGI Tokio Marine). The study seeks to analyze the impact of risk management practices on the organizational performance of GGI Tokio Marine. To achieve this, the study will identify and analyze the specific risk management practices employed by the company. The research is predicated on the opinions of 67 GGI Tokio Marine managers. A basic random sampling technique is applied. Using structural questionnaires, primary data is gathered from managerial-level GGI Tokio Marine employees and analyzed using descriptive methods. This study employs six risk management practices as independent variables to ascertain the impact of these factors on an organization's performance. These practices encompass risk identification, risk analysis and assessment, risk mitigation, risk monitoring, compliance regulation, and risk evaluation. The study demonstrates a strong consensus among employees regarding their perception of risk management practices. The study reveals that risk analysis and assessment and compliance regulation has the greatest effect on the organization performance of GGI Tokio Marine. Among six risk management practices, GGI Tokio Marine should pay more attention to compliance since it has the greatest effect on firm performance. GGI Tokio Marine can enhance their compliance regulation practices by developing a comprehensive compliance framework, embracing automation, adapting to regulatory shifts, and collaborating with regulatory bodies and international stakeholders for further insurance regulation standards and compliance guidelines.

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CHAPTER I

INTRODUCTION

Numerous risks, such as market, underwriting, and regulatory compliance risks, are present in the environment in which insurance companies operate. The efficacy of an insurance company's risk management protocols significantly influences its ability to effectively navigate these challenges. A well-structured risk management framework allows an insurance company to accurately assess and price risks, ensuring that the premiums charged align with the associated exposures. This, in turn, contributes to financial stability and profitability. Implementing robust risk management protocols enhances an insurance company's capacity to meet its obligations to policyholders, regulators, and other interested parties, thereby fostering credibility and confidence in the industry.

Risk management has been necessary for all aspects of the economy in recent years, so companies can preserve their interests when attaining their targets. There is no text provided. Risk management is essential in today's business environment, serving as a vital tool for organizations to navigate the intricacies and uncertainties of the global market. Through risk management, companies will ensure that the desired outcomes are achieved, that the effect of threats is minimized to reasonable levels, and that opportunities are improved to seize opportunities (Hopkin, 2017).

Ombiro (2014) contends that effectively overseeing risks on a global level poses a formidable challenge for any organization, and it assumes even greater significance in a world where economic occurrences are interrelated. The process comprises two consecutive stages. To determine the origin of the risk, the first step is to identify the main factors that are causing the risk. To fully understand the risk characteristics of the instrument and ensure effective strategic implementation, the next step involves developing methods for quantifying risk using mathematical models.. The source cited is Kealhofer (2003). Risk management is an organized method of handling uncertainties by evaluating risks, creating management plans, and utilizing managerial resources to reduce risks.

A fascinating element of achieving organizational success is that the efficacy of an institution can be assessed through the utilization of both non-financial and financial indicators. Several theories have been proposed regarding risk management in organizations, aiming to provide guidance in establishing the core principles of risk management in establishments globally. Effective risk management practices are

contingent upon a combination of factors that collectively shape an organization's ability to identify, assess, and respond to uncertainties.

The strategic integration of risk management principles in the insurance sector is, therefore, not only a regulatory requirement but also a key driver of organizational performance, playing a pivotal role in maintaining financial health, ensuring operational resilience, and ultimately sustaining competitive advantage. Grand Guardian Insurance strives to be an ethical business.

Risk management is essential in today's business environment, serving as a vital element for organizations to navigate the intricacies and uncertainties of the global market. In the realm of the insurance industry, where uncertainties are inherent, effective risk management practices are paramount.

A holistic approach to risk management involves a series of interconnected practices. First and foremost is risk identification, wherein organizations systematically identify and catalog potential threats to their objectives. By adopting a proactive approach, one can gain a thorough comprehension of the risk environment. The next step in the process entails performing a risk assessment, which entails evaluating the identified risks in terms of their potential consequences and probability of happening. Through the use of this process, organizations are able to prioritize risks according to their significance and make wise resource allocations.

Identifying, evaluating, and prioritizing risks is an essential process for organizations. Subsequently, there are coordinated endeavors to diminish, monitor, and govern the probability or consequences of adverse occurrences. Typically, this process involves several crucial stages. The activities mentioned include the monitoring, identification, assessment, mitigation, and evaluation of risks.

The next stage after identifying and evaluating risks is risk assessment, which entails determining each risk's possible impact and likelihood. This procedure aids in risk prioritization and efficient resource allocation for organizations. To quantify and comprehend the significance of each risk, a variety of tools and techniques are used, including impact analysis and risk matrices. The next critical step is risk mitigation.. Organizations use a variety of tactics, such as risk acceptance, transfer, avoidance, and reduction, to manage and lessen the impact of risks. The organization's risk appetite and the type of risks it faces determine which mitigation strategies are selected. Additionally, risk monitoring and communication are integral components of effective risk management, ensuring that the organization remains agile and responsive to changing risk scenarios

(Hull, 2017). Organizations can decide which risks can be tolerated, which ones need immediate attention, and which ones require more research or monitoring by evaluating the risks.

Thus, protecting an organization's assets and guaranteeing its long-term success require an efficient risk management procedure. Through methodical risk identification, evaluation, prioritization, mitigation, and monitoring, organizations can reduce the potential impact of threats and adjust to dynamic environments. In addition to safeguarding the company, this proactive strategy improves its capacity to meet strategic goals and keep a competitive advantage.

Robust risk management practices in the context of organizational performance contribute to improved decision-making, resilience, and sustainability. By proactively identifying and resolving potential obstacles, businesses can maximize their strategic goals and safeguard their resources. A well-designed risk management framework also increases stakeholder confidence by showcasing an organization's dedication to protecting value and implementing responsible governance. Risk management procedures are essential and ever-changing elements of modern corporate operations. Organizations that embrace a proactive and comprehensive approach to risk management are better positioned to navigate uncertainties, capitalize on opportunities, and ultimately bolster their overall performance and resilience in an ever-evolving business landscape.

Superior Protector Since its establishment in 2012, Tokio Marine Insurance has advanced annually GGI In the 2018–2019 fiscal year, Tokio Marine added five new locations, bringing its total number of locations across the nation to 27 as of this writing. The organization is expanding its branch network in order to raise public awareness of insurance and offer prompt and efficient customer service. The organization is expanding its branch network to enhance public awareness of insurance and provide expedient and effective customer service. However, GGI Tokio Marine faced a lot of risk for doing improvement of organization performance increased. This research investigates the intricate correlation between risk management protocols and the organizational performance, with a specific focus on Grand Guardian Tokio Marine Insurance.

1.1 Rationale of the Study

Protection against loss and uncertainty for people and property has come to be associated with insurance. As the global landscape becomes increasingly dynamic and

unpredictable, insurance companies are compelled to adopt sophisticated risk management practices to safeguard their financial stability, reputation, and overall performance. Understanding the impact of these practices on organizational performance is essential for academic discourse and practical implications. This contributes to the existing knowledge in risk management and enables practitioners to optimize their strategies.

Currently in Myanmar, a total of 27 insurance companies including fully foreign-owned insurers are operating in Myanmar, according to Myanmar Insurance. Presently, there are nine life insurance companies owned by citizens, three life and non-life insurance companies formed through joint ventures, six life and non-life insurance companies owned locally, five life insurance companies fully owned by foreign entities, three life insurance companies formed through joint ventures between local and foreign entities, and Myanmar Insurance operating in the insurance industry.

In 1950, the Union of Insurance Board Law was passed by the government, indicating its involvement in the insurance industry. In the wake of the nationalization of Burma National Insurance (BNI), which took place on March 1, 1952, the Union of Insurance Board was established. Following the passage of the Insurance Business Law of 1975 (Pyithu Hluttaw Law No. 10), the Myanmar Insurance Corporation (MIC) completed its transformation into the Myanmar Insurance Corporation (MIC) in 1976 and started conducting insurance business on a large scale. The Insurance Business Law was enacted in 1996, and the regulations that accompanied it were put into effect in 1997. This process resulted in the establishment of the legal framework that governs the insurance industry. The Insurance Business Regulatory Board (IBRB) was established in 2011 and is led by a deputy minister from the Ministry of Planning and Finance. The Financial Regulatory Department (FRD) has taken on the responsibility of serving as the secretariat for the IBRB. The Insurance Brokers and Risk Managers Board (IBRB) is the organization that is responsible for issuing licenses to insurance brokers, underwriters, and insurers.

The only insurer in Myanmar up until 2012 was State-Owned Myanmar Insurance. Grand Guardian Insurance strives to be an ethical business. Since it first began operations in 2012, Grand Guardian Insurance has made significant progress on an annual basis. Over the course of the 2018–2019 fiscal year, Grand Guardian Insurance reported a gross premium income of 25.19 billion (MMK), which represents a significant annual growth rate of 59%. In addition to this, GGI continues to be the market leader in the insurance sector in Myanmar. At this time, the user has not supplied any text. General

Insurance Group (GGI) provides a comprehensive range of general insurance products, which include travel insurance, marine cargo insurance, overseas marine cargo insurance, cash in transit insurance, cash in safe insurance, fidelity insurance, motor insurance, and personal accident insurance. GGI provides a diverse selection of insurance options, such as health insurance, life insurance tailored for athletes and farmers, endowment life insurance, short-term endowment life insurance, group life insurance, and snake bite insurance. For Myanmar's insurance market to expand, consumers must initially develop trust in financial institutions and the market itself, enabling them to subsequently acquire products that mitigate and control their future risks. Although risk management is widely acknowledged, there is a deficiency in the research concerning its precise influence on the organizational efficacy of insurance firms, like Grand Guardian Tokio Marine Insurance. The dearth of comprehensive studies on this subject limits the industry's ability to develop targeted and effective risk management strategies.

Although risk management practices are important, the insurance industry does not fully analyze or comprehend how these practices affect the overall organizational performance of businesses such as Grand Guardian Tokio Marine Insurance. Thus, in the context of the insurance industry, it is imperative to look into the precise mechanisms by which risk management practices help or hurt organizational performance. By offering a sophisticated understanding of the connection between risk management procedures and Grand Guardian Tokio Marine Insurance's performance, this study may be able to close this knowledge gap and provide insightful information to academics, practitioners, and policymakers.

1.2 Objective of the Study

The objectives of the study are as follows:

1. To identify the risk management practices of GGI Tokio Marine.
2. To analyze the effect of risk management practices on organization performance in GGI Tokio Marine.

1.3 Scope and Method of the Study

This study primarily examines the organizational performance of Yangon in relation to its risk management practices. This study employs a quantitative research approach and

utilizes descriptive statistics. The data is examined using regression analysis. This analysis utilizes both primary and secondary data. The structured questionnaires are used to gather first-hand information. Secondary data are gathered from a range of publications, journals, research papers, and webpages. In this study, the questionnaire survey method and sample random sampling method are applied. Using a straightforward random sampling technique, 67 respondents are chosen at the manager level of GGI Tokio Marine in Yangon from a total population of 200 employees, as determined by Taro Yamane (1973).

1.4 Organization of the Study

This study consists of five chapters. The first chapter of the paper provided an overview of the rationale, goals, methodology, scope, and organization of the study. The theoretical background of the study, including its conceptual framework, was presented in Chapter 2. A profile of GGI Tokio Marine is provided in Chapter 3. The impact of risk management techniques on GGI Tokio Marine's organizational performance is examined in Chapter 4, and the conclusion is provided in Chapter 5.

CHAPTER II

THEORITICAL BACKGROUND

In this chapter, the theoretical framework of the study was presented. This framework is closely connected to the literature review that was conducted earlier. An examination of the fundamental ideas and principles that serve as the foundation for the research was presented in the text. The capital asset pricing model and the theory of enterprise risk management (ERM) are both subjected to an analysis in this chapter. The evaluation of the processes involved in enterprise risk management and the framework of enterprise risk management (ERM) is the primary focus of this section, which also includes a review of the relevant empirical literature. After that, the conceptual framework of the study was presented in the next section, which was the final section.

2.1 Concept of Risk Management

An unfavorable or negative event that could have a negative impact on the organization is referred to as a risk. It is said that decision making entails risk, which can be quantified by looking at a number of variables including risk, event, and risk. He pointed out that the incident's frequency and severity were the primary determinants (Mazouni, 2008). Risk management refers to the process of recognizing, evaluating, and handling particular risks. Risk management guarantees that positive things happen in addition to lowering the likelihood of negative ones (Kanchu & Kumar, 2013). Many people are impacted by fundamental and economic risks like unemployment and earthquakes. On the other hand, special risks are hazards like theft or vandalism that only affect a particular group of people. The insurer does not provide coverage for all fundamental risks, as this would lead to significant financial losses for the insurer. Specific events, such as storms and injuries, are included in insurance coverage. However, insurance companies provide assurance for nearly all private risks (Muzaffar, 2015). In an effort to reduce financial losses, insurance companies are employing strategies such as reducing convergence in certain areas and increasing reliance on reinsurance (Scor, 2012). explains that reinsurance is the practice of insurers paying out big insurance companies to cover potential losses.

The government guarantees some fundamental risks, like unemployment, during this time. None of these risks can be guaranteed by insurance companies. The government cannot control them because it is able to do so. It is possible to categorize pure risk and

special risk as either estimated risk or basic risk (Scor, 2012). The organization is also impacted by the main risks, in addition to individuals. For instance, "business risks" are a category of hazards that have an impact on an organization (Grinsven, 2010). Furthermore, speculative risks have an impact on organizations. These hazards are separated into three categories: financial, operational, and strategic. Risk associated with strategy is linked to the organization's vision, mission, and purpose. As a result, an organization may encounter increased rates of loss if it makes changes to its business tools, policies, or practices in an effort to enhance productivity and profitability (Grinsven, 2010). The routine activities of the organization pose an inherent risk to the organization's operations. As an illustration, the possibility of harm being caused to employees or the corruption of data as a result of inadequate security or backup measures. The capacity of the company to continue offering its products and services is significantly impacted as a result of this. Financial risk stems from the instability of financial markets, as it can lead to financial institutions experiencing financial losses. Speculative risk is the main risk that organizations encounter, which is why they make efforts to reduce it. Many individuals are interested in employing and establishing departments dedicated to managing project risks. (Storkey, 2001).

Financial risk, which falls into five categories, is the biggest threat to the insurance sector. The first is market risk, which is concerned with asset depreciation as a result of shifts in significant market variables. Second, a company's inability to pay its debts represents a credit risk. The term "operational risk" refers to the possibility of incurring a financial loss as a result of insufficient or defective internal operations, personnel, systems, or events. In addition, businesses face difficulties in meeting their immediate financial obligations when they do not have sufficient cash flow, which in turn raises the risk of liquidity. Fifth, there will be legal and regulatory risks if current laws are applied incorrectly or if laws, like tax laws, are changed (Basel Committee, 2001). Non-financial risks, however, have grown recently as a result of issues and higher losses brought on by technical and operational systems. Complications therefore raise the possibility of failure. The unorganized insurance market has grown significantly in the last several years. Similar to other economic sectors, the insurance industry faces challenges from new entrants, particularly from around the world, as globalization intensifies competition.

Volatility factors significantly influence the value of cash flows generated by insurance companies, alongside other contributing factors (Grinsven, 2010). This indicates that the insurance company's evaluation is determined by the present worth of the

forthcoming cash flows linked to the risks assumed by these enterprises. Before delving into a discussion on risk management and its characteristics, it is essential to establish a precise definition of risk. According to Bessis (2011), a risky situation is one that has been put to the test in an adversarial setting or where there is a chance that the results will not be as expected or desired. defined risks as anything that prevents the accomplishment of preset objectives. As per the definition provided by the Business Dictionary, risk refers to the potential or likelihood of experiencing harm, injury, liability, loss, or other undesirable consequences due to vulnerabilities from within or outside an organization. These vulnerabilities can be mitigated by implementing preventive measures. (KANCHU & KUMAR, 2013). This definition is consistent with that definition. Making well-informed decisions about how to accept or handle risks, as well as removing the fallout from significant events or the possibility of dangerous ones, are all part of risk management. Furthermore, according to Berg (2010), risk management also includes the policies, practices, processes, and instruments used to accept and manage risks. The term "risk management" also refers to management practices that are intended to anticipate, quantify, and assess risks. Risk can be managed by avoiding it altogether, minimizing its negative effects, bringing its effects down to a manageable level, and creating management plans that either fully or partially accept the risk's outcome (Dionne, 2013).

Financial institutions, such as banks and insurance companies, are responsible for managing both individual and portfolio-wide credit risk. Because organizational performance, risk management, and probability all affect a financial institution's ability to survive and compete (Stulz, 1996). Institutions founded on corporate governance use good governance as a "defensive mechanism and offensive weapon". Since many significant losses in the financial sector are the consequence of inadequate risk management within the company, risk management is crucial for financial institutions and demands the attention of practitioners, regulators, shareholders, and scientists. According to Bezzina et al. (2014), risk management should permeate the boardroom and start with the first line of employees. One way to define risk management is as an organized method of handling uncertainty. Within the larger topic of management, this is a significant area. It can also be applied to react to unfavorable situations. It is helpful to plan for the worst in this way. It is a system that facilitates decision-making, to sum up. It offers an array of alternatives and techniques to assist administrators in selecting a less prone to failure approach (McNamara & Rejda, 2014).

2.2 Risk Management Practices

Organizations can employ various essential strategies and best practices in risk management to accurately identify, assess, and mitigate risks. The Institutional Risk Policy Management Framework (IRMPF) is a comprehensive and structured set of guidelines that offer precise guidance on the management of risks within an organization. The objective of this is to furnish individuals with information and direction who are accountable for executing policies at every level. The elements included are: a precise definition of risk, the crucial role of governance in risk management, the specific goals and purpose of the policy, a clear and concise policy statement, the comprehensive scope of the policy, the specific structures that will be used, and the well-planned roll-out model. The document also includes the duties and obligations of each participant, the dates of risk assessments, the communication and reporting mechanisms, the definitions of significant risks, and the timetable for implementation (McNaull, 2004). Amulyoto (2014) defines risk management as the process of reducing unexpected events and financial losses, enhancing decision-making regarding risks, handling various risks that affect multiple parts of an organization, taking advantage of opportunities, and decreasing instances of fraud and corruption.

These are all in line with the COSO framework. In addition, it creates responsibility and guarantees adherence to legal statutes and guidelines. Jorion (2001) asserts that a company's ability to succeed is dependent on its risk management procedures and accurate assessment of its susceptibility to various forms of risk. Furthermore, according to Lam (2001), risk management lowers earning volatility, increases shareholder value, and fosters financial and job security within the company.

It is clear from this that businesses will benefit from implementing risk management procedures to reduce the variety of risks that they face. There is no text provided. Previous studies on the relationship between risk management practices and performance have shown that a variety of risk management practices, including risk and control self-assessment, identification of risk indicators, incident management, compliance with internal and external regulations, action tracking, and others, have a significant impact on the performance of an organization. However, this study addresses the best ways to manage risk, which comprise six essential procedures: risk assessment, monitoring, mitigation, identification, analysis, and assessment; compliance regulation; and risk evaluation. These are the risk management techniques that are offered.

(a) Risk Identification

In the identification process, hotspots and trends in the risk over the last few years are identified, along with the current risk levels and control performance being monitored. The goal is to determine the threshold of risk that will be deemed catastrophic in the course of regular business operations without implementing any additional measures to enhance the situation or, more optimally, to pinpoint the risks that necessitate prompt remedial action. According to Simmons (2000), defining the business objectives is an essential first step in risk mitigation because it can be challenging for an organization to identify potential risks without direction. Uncertainty about the business objective is actually a strategic risk, and it ought to be addressed now.

The assessment of the business objectives' clarity is accomplished through a comprehensive review of the plans and strategy, conducting interviews, and convening a management meeting to discuss targets and objectives. According to Kersnar (2009), the risk identification process should make every effort to eliminate any ambiguity, conflict, disagreements, and other vagueness. A thorough risk inventory will be necessary in order to help an organization identify the risks associated with its goals. For instance, according to COSO, businesses may begin risk management with risk-event categories. The second criterion is whether the business employs surveys or assessments to delineate identified risks. COSO and the American Institute of Certified Public Accountants (AICPA) state that companies can identify risks using various methods. To effectively respond to these risks, companies must first identify them.

For instance, Gupta (2012) notes that risk in Indian companies is evaluated first for its financial impact and then for its consequences. Operational modeling is not a common method for identifying risks, though, as process analysis and past experience analysis are typically used by internal auditors, CFOs, and line managers. Businesses with board of directors or executive management teams often do not make regular use of sophisticated risk identification tools such as scenario analysis and strengths, weaknesses, opportunities, and threats (SWOT) analysis (Deloitte, Report, 2008). According to Stulz (1996), it is suggested that academic theory should progress beyond the idea that the only goal of risk management is to reduce variance. Instead, he promotes research that emphasizes efficient coordination and strategic allocation of risk. Put simply, the goal of risk management is to distribute risks in a way that maximizes a company's strengths instead of solely reducing

overall risk. The fundamental principle that underlies Enterprise Risk Management (ERM) is that a company should reduce risk in areas where it does not have a significant information advantage and take advantage of risks in areas where it does have such an advantage. Consequently, the allocation of risk in ERM may lead to an increase in overall risk.

(b) Risk Assessment and Analysis

Risk assessment includes evaluating the possibility and effect of events that could hinder a company from achieving its goals. It helps a company to decide how best to handle risk factors that are arising from both the internal and external environments. The ERM integrated framework evaluates risk by taking into account both inherent and residual factors, while the ISO 31000 standard on ERM (2009) acknowledges only residual risks. According to Solomon & Muntean (2012), a company's risk assessment, which is based on leverage coefficients, is crucial for forecasting future outcomes using behavior analysis. Deloitte & Touche LLP; Curtis and Carey (2012) argue that risk assessment is crucial because it allows businesses to assess the importance of each risk in relation to their overall goals.

(c) Risk Mitigation

A key component of risk management is risk mitigation, which is organizing and formulating strategies to lessen risks to an organization's or business's project objectives. Rather than completely eliminating threats, its goal is to reduce risk to a manageable level. Planning for unforeseen catastrophes and reducing their effects on business continuity are the main objectives. This includes considering a variety of possible risks, including cyberattacks, natural disasters, financial instability, legal obligations, poor strategic management, and accidents. The significance of risk mitigation lies in its ability to prepare for and lessen the effects of threats faced by a business. Risk management is a crucial business strategy that entails formulating strategies and implementing measures to mitigate potential risks to an organization. Organizations can guarantee the uninterrupted operation of their business by identifying and managing different risks, repairing any resulting damage, and restoring normal operations using a risk mitigation plan.

(d) Risk Monitoring

To make sure the goals of each function and the ERM as a whole are met, the firm's ERM functions must be continuously observed. Wholey (2010) asserts that government uses monitoring and evaluation to boost accountability, boost transparency, and enhance performance. The monitoring function may take the form of an ongoing procedure or a periodic assessment with the goal of determining whether the firm's ERM needs any additional changes. Public service reform initiatives in the fields of budgeting and accountability often involve the implementation of monitoring and evaluation (M&E) systems and structures (Mutinda and Kiruja, 2015). The accomplishment of each function's goals is ensured by effective, continuous monitoring of a company's primary ERM functions.

(e) Compliance Regulation

Organizations need to assess their options at this point in order to realize their long-term goals. The organizations discuss resource limitations, take into account different approaches to risk management, and provide detailed instructions. This segment necessitates ingenuity and a readiness to navigate the intricacies of various strategies. The resource costs and associated risk levels of management actions that yield the same profit might differ. Because of this, the practice is intensely concerned with assessing how various scenarios will affect the base of resources, have an impact on costs and returns, and, most importantly, what kind of risk they pose (Nishat et al., 2007). Determining the risk sources, identifying management alternatives, estimating likelihoods, and ranking management alternatives are specific steps in an organization's risk analysis level. An organization can prioritize areas where strategic risk management practices will yield the greatest returns by identifying the sources of risks and when and from where they will arise. Nobody has the resources or time to deal with risk. Navigator assists you in identifying the risks you face and prioritizing them for optimal management.

In order to produce a thorough examination of strategic risks, this stage entails organizing a brainstorming session (Berinato, 2006) and evaluating the institution's strengths, weaknesses, opportunities, and threats. In order to evaluate the impact of risks on asset values and economic performance, an organization must determine the necessity of risk transfer and financing arrangements, as well as the potential advantages of different risk mitigation strategies (Berinato, 2006).

(f) Risk Evaluation

Risk evaluation involves establishing qualitative and/or quantitative connections between benefits and associated risks to determine priorities for risk management. The tool provides IT professionals with insights into the specific areas and methods through which their company's reputation and security may be compromised. Additionally, it assists in evaluating the susceptibility of assets to various forms of threats. It is crucial for small businesses to identify, assess, and develop a plan for getting rid of, minimizing the effects of, or lowering the frequency or intensity of risks. This involves assessing the probability, magnitude, and scope of each identified risk, as well as identifying all external and internal risks that the company is exposed to and categorizing them as financial, strategic, operational, and hazard-related risks. Evaluating a risk management plan involves a thorough investigation of each activity, assessing the business environment where the plan is to be implemented, and making possible changes in faulty activities to achieve desired results. Determining the right moment to conduct a risk assessment is crucial for its effectiveness. Timely evaluations provide crucial insights that enable businesses to make informed decisions, prevent costly consequences, and align their goals and objectives with potential risks.

2.3 Organization Performance

Performance encompasses the attainment of objectives set by employers, the delivery of services or acquisition of goods in return for payment from clients, and it contributes to the ongoing survival, expansion, and financial success of the business. Each activity within an organization is guided by a performance strategy, which is implemented in different ways based on the industry, environment, and organization (Samsonowa, 2012). Organizational performance refers to the overall performance of various departments within a company. It is evaluated based on specific timelines for achieving the overall objective at different stages. It also relates to an organization's capacity to efficiently and effectively utilize resources in order to accomplish its objectives (Armstrong, 2006).

The term "organization performance" describes how well a company meets its targets and goals. It includes a number of elements, such as operational effectiveness, customer satisfaction, financial performance, and employee engagement. Understanding an organization's strengths and weaknesses, identifying areas for improvement, and making well-informed decisions to promote growth and success all depend on measuring and

analyzing organizational performance (Kaplan & Norton, 1992). An evaluation of an organization's performance entails identifying the factors that contribute to its success or failure and conducting a thorough assessment of each department within the organization. Organizations place utmost importance on productivity, quality, and overall consistency. The behavior of employees in the workplace is a critical determinant that significantly impacts an organization's performance, especially in non-financial areas. The ultimate determinant of an organization's success or failure lies in the performance of its employees (Ling & Hung, 2010). Because they are the ones who answered the questionnaire, employees are therefore mentioned here.

An organization's high-performance business system practices determine how well it performs, according to Camps and Luna (2012). Risk management techniques are undoubtedly part of these procedures. The phenomenon of organizational performance has been extensively researched by numerous scholars. Both external and internal factors can be used to measure it. Multiple research studies have shown a strong correlation between the implementation and application of risk management and the overall effectiveness of organizations. Consequently, the organization's overall performance will enhance if risk management practices are implemented and executed efficiently. Managers can enhance the performance of their organization by cultivating a culture of risk management within it. Successful businesses are built on their workforce, especially in light of the deplorable worker organization culture (Baxter, Bedard, Hoitash & Yezegel, 2013).

2.4 Theories for Risk Management

A range of theoretical frameworks have been employed to augment the research's comprehensibility. The study utilizes the capital asset pricing model and enterprise risk management (ERM) theory to demonstrate its findings.

2.4.1 Enterprise Risk Management (ERM) Theory

Organizations employ Enterprise Risk Management (ERM) Theory as a comprehensive and integrated framework to systematically identify, assess, and control risks associated with all facets of their operations. This theoretical approach recognizes that risks are interconnected and dynamic, requiring a strategic and organization-wide perspective. The ERM theory has been formalized and widely adopted, with frameworks like COSO providing guidelines and standards that assist organizations in implementing effective risk management practices. (Lam, J., 2003)

The increasingly dominant corporate risk management approach is known as enterprise risk management, or ERP. The demand for improved risk management for businesses in general, and enterprise risk management (ERM) specifically, has experienced substantial growth over the last two decades. The development has been greatly influenced by external stakeholders' pressure, which is a clear sign of corporate scandals related to excessive risk-taking (Gates, 2006). The distinguishing characteristic of ERM is its ability to present risk management from the perspective of directors and senior executives. This is unrelated to project risk, investment risk, or any other type of risk. Instead, the emphasis is placed on effectively managing the overall risk exposures of the business and effectively communicating the firm's preparedness and capacity to handle such exposures.

2.4.2 Capital Asset Pricing Model (CAPM) Theory

The concepts of portfolio theory and risk are intricately interconnected. The primary framework for assessing risk is a key element of a set of principles called the Capital Asset Pricing Model (CAPM), which was developed by Sharpe and Lintner in 1964 and subsequently enhanced by Black in 1972. These findings are known in the financial economics literature. The relationship between risk and return was first theorized by the Markowitz model (Markowitz, 1952). As there are investor risk preferences, so too are there numerous efficient portfolios in his model. Every optimal portfolio should lie on the mean-variance investment frontier, where a greater return can only be achieved by investors who are willing to assume higher levels of risk. The CAPM expands this theory to encompass a state of balance or stability. According to the Capital Asset Pricing Model (CAPM), all investors will have the same efficient portfolio, which is also known as the market portfolio. This is the case regardless of the investors' individual preferences regarding the level of risk they are willing to take. Because of this, the Capital Asset Pricing Model (CAPM) can be utilized to determine an appropriate risk gauge as well as the market price for risk for a particular asset (Gossy, 2008).

The CAPM has a number of anomalies that researchers studying finance have found. This has sparked a debate about the CAPM's applicability to strategic management, beginning with Bettis's (1983) contribution. He identifies a paradox concerning risk's function in the context of strategic management and outlines the key disagreements between strategy and finance (Vicente.Lorente, 2001). He specifically raises serious concerns about how the CAPM may affect corporate risk management in particular as well as strategic management. He finds that the CAPM subtly advises corporate management to

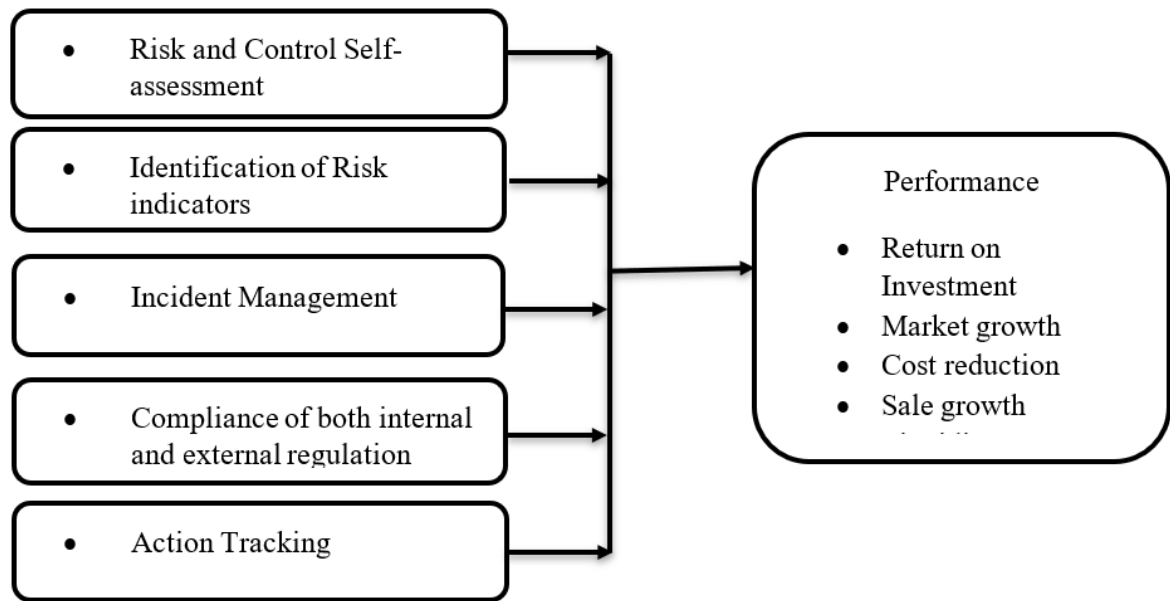
have no concern whatsoever for risks unique to the company. According to Bettis (1983), business risks have a strong correlation with the firm-environment interface and are linked to firm-specific resources and competencies.

2.5 Previous Studies

Several academic articles using different theoretical frameworks have been published on the topic of risk management. The current study used a number of research publications that were found to be pertinent earlier studies.

A definition of the impact that risk management practices have on the performance of commercial banks in Kenya was presented by Gachanja, C. C. (2017). In Kenya, there are 34 commercial state corporations, and the purpose of this study was to evaluate the impact that enterprise risk management practices have on the performance of these corporations. An approach known as descriptive research was utilized for the study. In total, there were 136 people who participated in the study. These individuals were employed by 34 different businesses that were in the computer science industry. All of the individuals who participated in the survey were managers, managers of operations, managers of internal audit, and accountants. The data were subjected to multiple regression analysis in order to investigate the impact that a variety of Enterprise Risk Management (ERM) practices have on the overall performance of commercial state corporations in Kenya. Presented below is a diagram that illustrates the conceptual framework that will be utilized for this investigation.

Figure (2.1) Effect of Risk Management Practice on the Performance of the Commercial State Corporation in Kenya



Source : Gachanja, C. C. (2017).

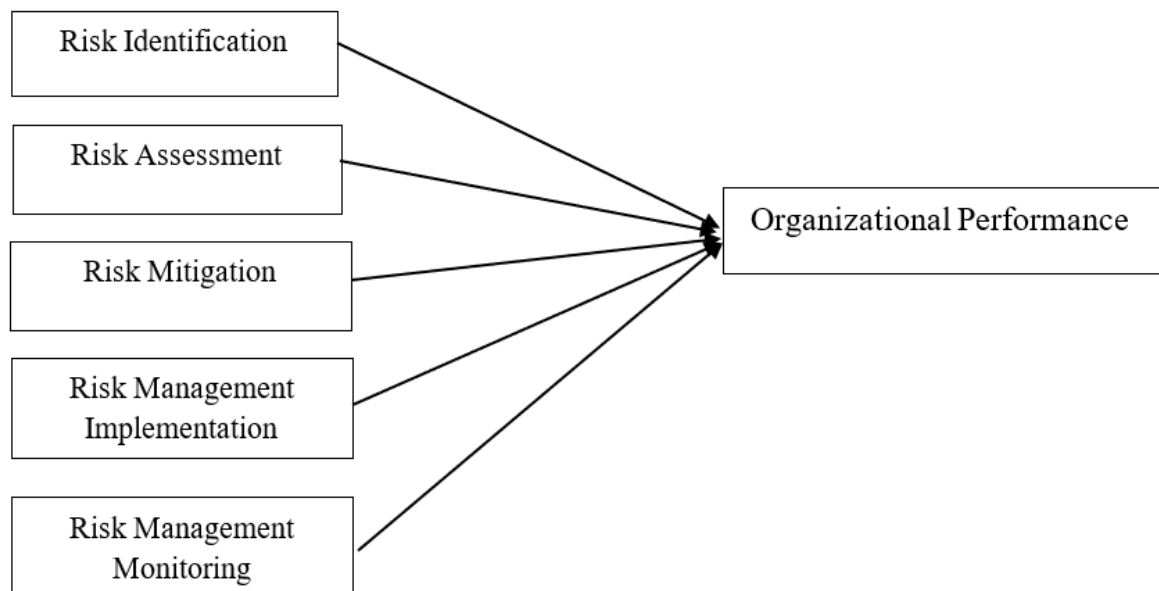
The study revealed that the commercial state corporations prioritize the identification of key risk indicators as their most commonly practiced enterprise risk management (ERM) practice. The practice of corporations conducting risk and control self-assessments was also discovered to be widespread. All five of the coefficients of the independent variables (X1 through X5) were found to be significant at the 5% significance level, which indicates that they had a significant influence on the performance of the corporations that fall under the category of computer science. An investigation into the impact that risk management practices have on the organizational performance of insurance companies in Amman, Jordan, was carried out by Aladdin Saadi Jaber in the year 2020.

Specifically, the purpose of this study is to investigate the influence that risk management strategies have on the organizational performance of insurance companies located in the Hashemite Kingdom of Jordan. Over the course of this research project, a questionnaire was used to collect information from a total of 120 managers working for insurance companies in Jordan. Following validation of the tool's validity and reliability as well as the responses' normal distribution, a descriptive analysis was carried out and the

variables' correlation was examined. The conceptual framework for this investigation was shown in the following figure.

Figure (2.2) The Impact of Risk Management Practices on the Organizational Performance at Insurance Companies in Amman-Jordan

Risk Management Practices



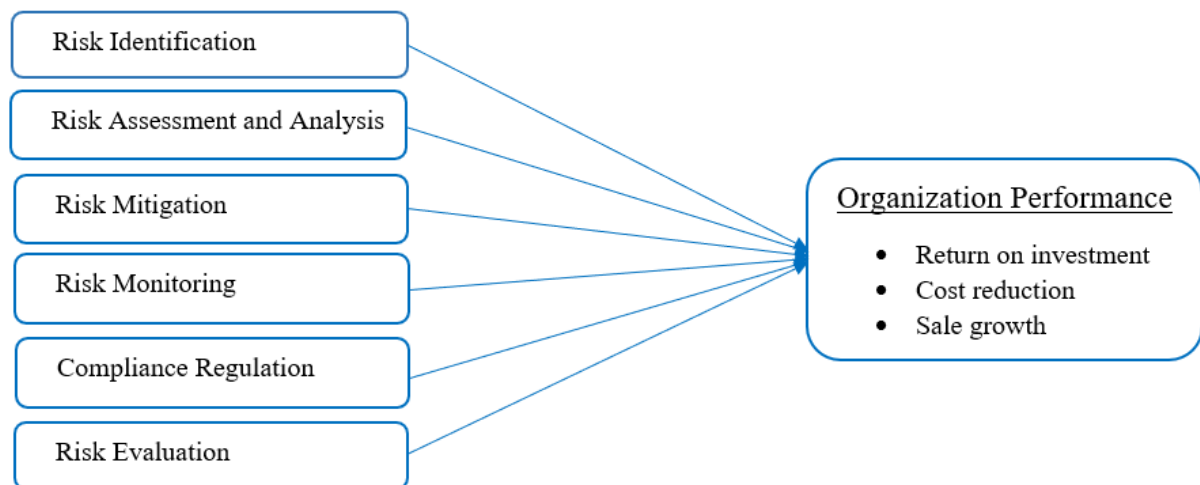
Source: Aladdin Saadi Jaber (2020)

Based on this study, the majority of businesses have a long duration of operation. The study findings demonstrated a significant impact of risk management procedures on organizational performance. The performance was most significantly influenced by risk mitigation, with risk identification, assessment, and control following closely behind. Risk management implementation had the least impact. Organizational performance is positively impacted by all risk management techniques. According to the research, insurance companies should adopt reasonably priced steps to promptly identify risks and efficiently reduce them.

2.6 Conceptual Framework of the Study

Previous studies have shown that the risk management strategies that an organization implements have a direct impact on the overall performance of the organization. In order to measure the performance of an organization, this study employs risk identification, analysis, and assessment, risk mitigation, risk monitoring, compliance regulation, and risk evaluation as independent variables. It does so by drawing on previous research and theories. Organization performance is considered with three factors: return on investment, cost reduction and sale growth in this study. Organizational performance is taken into account in the study as the dependent variable. Based on earlier research, the conceptual framework for this investigation is created and displayed in Figure (2.3).

Figure (2.3) Conceptual Framework of the Study



Source: Own Compilation (2024)

Figure 2.3 examines the influence of Grand Guardian Tokio Marine Insurance (GGI Tokio Marine) on various aspects of risk management, such as risk identification, analysis, assessment, mitigation, monitoring, compliance regulation, evaluation, and organizational performance. Multiple regression analysis and the descriptive research approach were used in the study to determine the results. The operational definitions for the study's structure questionnaire are provided below:

Risk Identification

As part of the identification process, monitoring the current levels of risk and the performance of controls is included. Additionally, the process involves identifying hotspots and trends in risk over the course of the many years that have passed.

Risk Analysis and Assessment

It entails the methodical analysis of risks that have been identified in order to comprehend their nature, traits, and possible effects on the organization. It also entails the assessment of risks that have been prioritized in order to ascertain their importance and inform management decisions.

Risk Mitigation

It is the application of preventive measures to lessen the possibility that hazards will manifest.

Risk Monitoring

It is to ensure that organizations remain vigilant and responsive to changes in the risk landscape, enabling them to adapt their strategies and mitigation measures accordingly.

Compliance regulations

It is imperative for organizations to operate ethically, mitigate risks, and maintain a positive reputation.

Risk evaluation

The interrelationships among the various risk management steps ensure the seamless connection of all planning levels and promote the awareness of the goals and strategies among all stakeholders involved.

Organization Performance

The assessment of task completion based on established standards for efficiency, precision, thoroughness, and expenditure. When a contract is performed, it means that an obligation has been fulfilled and the performer has been released from all contractual obligations.

CHAPTER III

BACKGROUND STUDY OF GRAND GUARDIAN TOKIO MARINE INSURANCE (GGI Tokio Marine)

This chapter's goal is to provide an overview of Grand Guardian Tokio Marine Insurance (GGI Tokio Marine), including its history, goals, organizational structure, vision, and mission. It also identifies insurance products and related risks, the kinds of risks that GGI Tokio Marine faces, and its risk management procedures.

3.1 Profile of Grand Guardian Tokio Marine Insurance (GGI Tokio Marine)

On December 11, 2012, Grand Guardian Insurance Company Limited (GGI) was established as a public insurance company under the Myanmar Companies Act with the goal of offering reliable insurance products and improved customer services as a one-stop shop. On June 12, 2013, GGI officially opens for business. Its mission is to protect the financial security of individuals and companies in Myanmar by providing better insurance products and value-added services. The year 2019 marked the beginning of our collaboration with Tokio Marine, the leading general insurance provider in Japan. We are honored to collaborate with a company of their caliber. We are thrilled to introduce a new line of premium general insurance policies to the Myanmar market, combining GGI's in-depth knowledge of the country's people with Tokio Marine's extensive international experience. GGI is dedicated to offering high-quality insurance plans that safeguard individuals' most valuable possessions, enabling them to pursue their aspirations with confidence. Grand Guardian was founded with the goals of improving insurance offerings, introducing value-added services, and enhancing the professionalism of Myanmar's insurance sector.

The company's objectives are outlined in its Memorandum of Association, and they include borrowing money for business purposes from any individual, business, bank, or financial institution in any way that the company deems appropriate. Additionally, the company intends to conduct insurance in accordance with the Insurance Laws and Rules and the Ministry concerned, in accordance with notifications issued from time to time with approval from the government.

Grand Guardian Insurance's mission is to create the best possible conditions for the development and defense of assets and people.

Grand Guardian Insurance's mission is to enhance customer satisfaction, provide value-added services, and elevate industry standards of professionalism. Grand Guardian Insurance also has the honesty to win over their clients' trust. They do this by being straightforward, treating clients like friends, and consistently offering the best plan for their needs.

Grand-Guardian Insurance Company adopted the slogan "Securing Your Future" to reflect its commitment to creating insurance policies that meet the needs of the people of Myanmar. This statement encapsulates the company's mission and vision.

Eventually, GGI expanded into new markets to form a joint venture with international insurance providers. In order to provide the Myanmar market with a new range of premium general insurance policies, it teamed up with Tokio Marine, the top general insurance provider in Japan, in 2019. Grand Guardian Tokio Marine General Insurance Co. Ltd., the joint venture, was given the go-ahead to begin operations following Tokio Marine Holdings' acquisition of 15% of the venture's shares. GGI Tokio Marine introduces a new range of high-end general insurance products to the Myanmar market, leveraging Tokio Marine's worldwide experience and GGI's in-depth understanding of the country's population. The company maintains offices in 38 countries around the world and has over two hundred claims offices globally, demonstrating its extensive international reach and specialized knowledge. GGI Tokio Marine prospers presently due to its exceptional clientele, which includes business professionals, farmers, merchants, and others. This entails round-the-clock telephone assistance, easily understandable and open policies, and highly skilled personnel prepared to assist customers throughout their insurance experience.

In order to cater to the diverse needs of individuals and businesses in Myanmar, GGI Tokio Marine offers a comprehensive selection of insurance products, including life insurance and general insurance, amongst others. The organization is dedicated to gaining an understanding of the requirements and goals of the people of Myanmar and to developing insurance policies that accurately reflect those requirements. There is a wide variety of insurance policies offered by GGI Tokio Marine, each of which is tailored to meet the particular requirements of the general population in Myanmar. Motor insurance, cash in safe insurance, fidelity insurance, fire insurance, cash in transit insurance, marine cargo insurance, overseas marine cargo insurance, marine hull insurance, and personal accident insurance are some of the policies that fall under this category. With a commitment

to transparency, efficiency, and attentiveness, they take pride in their exceptional customer service and wide selection of products. GGI Tokio Marine places a strong emphasis on the significance of actively listening to the requirements of its customers and giving them top priority in its business activities. The company operates multiple branches throughout Myanmar, staffed by proficient professionals who are prepared to provide customers with assistance in their insurance requirements. GGI Tokio Marine stresses its dedication to offering protection to both businesses and individuals and is backed by a sizable network of seasoned professionals.

3.2 Organization Structure of Grand Guardian Tokio Marine General Insurance (GGI Tokio Marine)

Grand Guardian Tokio Marine General Insurance Co., Ltd. was founded with the necessary co-ventural strength. The organization, enhance internal control, and lower insurance risk are the driving forces behind GGI's structure. This Organization Structure are amended during 2019 because they have become joint venture company and also they have One Head Office and 27 Branches around Myanmar.

Grand Guardian Tokio Marine Insurance (GGI Tokio Marine) has an organizational structure that is intended to guarantee efficient operations and competent leadership. The Chief Executive Officer (CEO) is in charge, with assistance from the Deputy Chief Executive Officer (DyCEO). The Chief Risk Management Officer (CRMO) is responsible for managing risk assessment and mitigation techniques, whereas the Chief Operating Officer (COO) is in charge of day-to-day operations. Financial oversight is the responsibility of the Chief Financial Officer (CFO), and the Chief Supporting Officer (CSO) handles administrative and support functions. The Chief Insurance Business Officer (CBO) oversees insurance-related operations, while the Chief Marketing Officer (CMO) leads marketing and customer engagement initiatives. GGI Tokio Marine utilizes a structured hierarchy to effectively maintain an efficient and adaptable organization that can meet market demands and provide exceptional service.

Under the leadership of Senior Management, GGI Tokio Marine operates through several key divisions: Finance, Insurance Business Selling, Information Technology, Business Support, Corporate and Dealer, Risk Management, Underwriting, and Claims. Each division plays a critical role in delivering the comprehensive services and support needed to serve their customers effectively. This well-organized departmental structure

aligns seamlessly with the company's business nature and functional requirements. The detailed layout of these operational divisions is illustrated in Appendix-C.

3.3 Type of Risk faced by Grand Guardian Tokio Marine Insurance (GGI Tokio Marine)

The Grand Guardian Tokio Marine Insurance Company has adhered to essential corporate governance principles in risk forecasting and management by establishing a comprehensive risk management framework. This framework addresses three primary goals: systematically identifying all potential risks, developing mitigation strategies, and effectively managing these risks. A good risk management system should include a warning mechanism to alert management, enabling the development of countermeasures to mitigate the problem. It is the responsibility of the insurance board to identify and manage all risks through a dedicated department that monitors risk trends.

Businesses like Grand Guardian Tokio Marine Insurance Company must manage a variety of insurance risks. These comprise risks related to strategy, related parties and contagion, counterparty default, legal and regulatory, insurance, credit, liquidity, market, and operations. Investments and insurance are the company's main sources of income for daily operations. Assessing risk and return, generating steady revenue, lowering earnings volatility, and raising shareholder returns all depend on having a robust governance structure. The company's business lines are susceptible to various risks, including strategic risk, contagion and related party risks, counterparty default risk, legal and regulatory risk, insurance risk, liquidity risk, market risk, currency risk, price risk, foreign exchange risk, and operational risk.

Understanding the risks faced by an insurance company like Grand Guardian Tokio Marine involves categorizing them into market and non-market risks.

Market Risks

Market Risk: Market risk refers to the probability that fluctuations in market prices, such as those of commodities and exchange rates, will impact the earnings or fair value of a financial instrument. Both general market conditions and characteristics specific to the particular instrument or its issuer may have an impact on these swings.

Currency Risk: Currency risk is the chance that changes in foreign exchange rates will affect the fair value of a financial instrument or future cash flows.

Price Risk: Price risk refers to the potential impact of market price changes on the fair value or income of a financial instrument, excluding any fluctuations caused by interest

rates or exchange rates. Both market-wide factors and specific characteristics of each instrument or issuer may be to blame for these variations. The company has no equity investments, so it is not subject to price risk.

Foreign Exchange Risk: The company is exposed to foreign exchange risk because its liabilities and assets are denominated in foreign currencies. However, because it is not deemed significant, it does not act as a hedge against this risk.

Non-Market Risks

Strategic risk: Every strategic initiative carries inherent risks that must be analyzed and recognized. Companies handle strategic risks by either accepting specific risk levels or mitigating high-risk components, such as acquiring a competitor.

Contagion and related party risks: Insurance companies that are part of a conglomerate, like the Grand Guardian Insurance Company, face certain risks associated with the entire group. The company may be exposed to considerable risks if the group's owners decide to use company funds to handle the group's concerns. Long-term competitive strategies are developed to reduce these risks.

Counterparty default risk: Payments from third parties, such investment partners and reinsurers, are essential to insurance companies. These third parties may occasionally neglect to pay on time, which poses a danger to the business, especially when redeemable preference shares are involved.

Legal and Regulatory Risk: Similar to other investments, an insurance company is vulnerable to legal risks, such as being sued for denying a claim, just like any other investment. In order to resolve this, the management group should put in place procedures that guarantee the business pays out a significant portion of claims while keeping legal expenses to a minimum.

Insurance Risk: These risks are connected to the particular kinds of insurance products that a business provides. The amount of risk that can be insured determines the risk level. In this context, a balanced connection between invested capital and insured risks is necessary for effective risk management.

Liquidity Risk: This risk arises when a business cannot make enough money to cover its obligations, such paying an insurance company's claims. The business should create procedures to turn some investments into cash so it can pay its debts in order to reduce this risk.

Operational Risk: Operational risks are related with different operational units within a firm, such as the investment and underwriting claims departments. Each department faces

unique risks, thus internal procedures should be carefully followed and cross-checks made to assure compliance.

3.4 Risk Management Practices in Grand Guardian Tokio Marine Insurance (GGI Tokio Marine)

Risk management, a critical practice in the insurance sector, entails a number of tactics to reduce the possibility of unfavorable events and their financial impact on the business. In the insurance industry, risk management entails taking precautions to reduce the possibility of unfavorable events, also referred to as loss control, and getting insurance to lessen the financial impact when such events occur.

(a) Risk Identification

Grand Guardian Tokio Marine General Insurance (GGI Tokio Marine) is a well-known insurance provider in Myanmar that provides both individuals and companies with a variety of insurance products. While specific details about the company's risk identification processes are not readily available in the provided search results, it's important to note that effective risk identification is a crucial aspect of insurance operations. Here are some general considerations for risk identification in the insurance industry:

Understanding Local Context: Grand Guardian Tokio Marine emphasizes its understanding of the needs and aspirations of the people of Myanmar. This understanding likely extends to the identification of local risks that are pertinent to the community and businesses in Myanmar.

Global Expertise: Tokio Marine, the parent company, has a global presence and expertise in risk management. This global perspective likely contributes to the identification of diverse risks that may impact the operations of Grand Guardian Tokio Marine.

Regulatory Compliance: Insurance businesses have to abide by legal requirements for managing and identifying risks. This entails determining and managing the risks connected to investment, underwriting, and operational activities.

Product Offerings: The range of insurance products offered by Grand Guardian Tokio Marine, including general insurance and life insurance, suggests that the company likely engages in comprehensive risk identification to tailor its products to the specific needs of its customers.

(b) Risk Assessment and Analysis

Supreme Guardian Tokio Marine Insurance, as a member of the Tokio Marine Group, is dedicated to enhancing and refining the group's risk management system. The organization acknowledges that insurance underwriting risks and investment risks are sources of income and effectively manages quantitative risks to maintain credit ratings and prevent insolvency. In order to guarantee the financial stability and suitability of business activities, the company has identified a range of risks and has implemented suitable risk management measures that align with the characteristics, status, and other qualities of these risks.

The company is also focused on improving natural disaster risk management, which includes a review of reinsurance schemes, and expanding risk assessments to include risks that are hard to quantify, like cyber risks. This thorough approach entails evaluating material risks from the prior business year within the group as well as emerging risks. In order to safeguard its clients' assets and loved ones, the company is dedicated to crafting insurance policies that are meaningful to them.

For the purpose of risk mitigation and avoidance, the company's risk management strategy is in line with Tokio Marine's strict standard for evaluating risk capital, which is more extensive than traditional risk management. This method includes assessing risks in both qualitative and quantitative ways, including those that are challenging to measure, like cyberthreats. Superior Protector By utilizing Tokio Marine's worldwide experience and GGI's in-depth familiarity with the people of Myanmar, Tokio Marine Insurance hopes to introduce a new range of high-end general insurance products to the Myanmar market.

(c) Risk Mitigation

Superior Protector Tokio Marine Insurance is committed to reducing risks in order to protect people's and companies' finances. Grand Guardian Tokio Marine gains access to Tokio Marine's worldwide experience as a top general insurance provider, which has offices abroad in 38 nations and over 200 claims offices worldwide. They emphasize the importance of understanding the local needs and aspirations of the people of Myanmar, reflecting this understanding in their insurance policies. Superior Protector By offering insurance policies that cover risks to assets and loved ones, Tokio Marine is dedicated to preserving the financial security of companies and individuals. Grand Guardian Tokio Marine is part of the Tokio Marine Group, which is mindful of the potential for harm to society and the environment. They endeavor to appropriately identify and manage risks that

have an adverse effect on the environment and society, and they conduct transactions with consideration for these factors. Tokio Marine Group has recognized a variety of risks and has put in place suitable risk management in accordance with the characteristics, status, and other aspects of risks. They recognize insurance underwriting risks and investment risks as sources of earnings and manage quantitative risks to preserve credit ratings and prevent insolvency.

(d) Risk Monitoring

A vital component of maintaining financial stability and guarding against future losses is risk monitoring. The risk management process for insurance companies involves assessing and identifying various risks, including cybersecurity, information security, emerging threats, and vulnerabilities. To guarantee the security of the business and its customers, risk posture must be continuously monitored. GGI Tokio Marine uses a range of metrics and key performance indicators (KPIs) to track risk, including average policy size, frequency of claims, and cost components of claims. By using strategies like insurance policies, whereby third parties assume the risk in return for insurance premiums, GGI Tokio Marine transfers risk to external stakeholders. It's crucial to track and evaluate risk appetite to make sure the business is staying within its intended risk profile and making adjustments for evolving conditions. It is possible to mitigate unacceptable risks by transferring, lowering, or avoiding them. These metrics help in managing cash flows, risk exposure, and rate setting, providing insights into the company's risk profile.

(e) Compliance Regulation

Regulatory compliance refers to the objective that organizations strive to achieve in order to ensure their awareness of and adherence to relevant laws, policies, and regulations. It entails abiding by the rules, laws, regulations, guidelines, and specifications that are pertinent to business processes as well as meeting the stated requirements. Organizations must comply with the law in order to avoid penalties, including federal fines. Similar to any other organization, GGI Tokio Marine must comply with regulations. In order to systematically match IT with business objectives, GGI Tokio Marine needs to control risks and adhere to all applicable laws and industry standards. This entails putting policies in place to guarantee that its operations adhere to the relevant laws.

(f) Risk Evaluation

When evaluating risk in insurance companies, several key factors and processes come into play. An insurance company's primary risks include those related to

underwriting, credit, markets, operations, and liquidity. These hazards must be taken into account during the risk assessment procedure. Insurance companies carefully consider a range of factors in order to assess the possible risks related to various individuals, properties, or endeavors. Informed decisions about pricing, coverage, and risk management techniques are made easier for insurers by this assessment. Underwriters evaluate risks in order to determine the possible degree of risk involved in providing insurance for a specific person, entity, or asset. In order to maintain financial stability, this assessment helps determine the right coverage, premiums, and risk management techniques. When evaluating risks, insurance companies mainly rely on historical data. Insights from previous incidents and claims about the prevalence and seriousness of particular risks help insurers forecast future occurrences with confidence.

CHAPTER IV

**ANALYSIS OF RISK MANAGEMENT PRACTICES ON
ORGANIZATION PERFORMANCE OF GRAND GUARDIAN
TOKIO MARINE INSURANCE**

The information analyzed from the study's data collection is presented in this chapter, with a particular emphasis on the impact of risk management techniques on Grand Guardian Tokio Marine Insurance's (GGI Tokio Marine) organizational performance.

4.1 Research Design

The purpose of this study was to investigate the impact that risk management practices have on the performance of Grand Guardian Tokio Marine Insurance (GGI Tokio Marine) throughout the city of Yangon. Primary and secondary sources of information are both utilized in this research project. In this particular study, a survey research methodology was utilized. The study's research design and the analysis of how risk management techniques affect GGI Tokio Marine's organizational performance depend heavily on the survey questionnaires. The questionnaire comprised of two sections. The initial part of the survey encompassed the respondent profile, whereas the subsequent part encompassed the survey item. The primary method of data collection will be in-person and email surveys using structured questionnaires to assess GGI TOKIO MARINE's organizational performance in Yangon.

Using the Taro Yamane (1973) method, a sample size of 67 respondents is obtained from the total population of 200 GGI Tokio Marine managerial level employees. Respondents are chosen using a basic random sampling procedure. This study has 67 respondents in its sample.

$$n = \frac{N}{1 + N * (e)^2} = \frac{200}{1 + 200 * (0.05)^2} = 67$$

Where, n = the sample size, N = population size, e = acceptable sampling error which is assumed that 95% confidence level and e = 5 %

The secondary data is derived from various sources such as local and international research papers, relevant journals, published textbooks, survey reports, articles, and websites. The survey questionnaire uses a five-point Likert scale to gauge how strongly respondents feel about a topic. which are assigned numerical values on a 5-point scale

(strongly disagree = 1, disagree = 2, neutral = 3, agree = 4, and strongly agree = 5), ranging from strongly disagree to strongly agree.

4.2 Demographic Characteristics of Respondents

Identifying the traits of the study's respondents is the first step in the analysis process. An employee profile of GGI Tokio Marine is created by gathering background data and personal characteristic information from the respondents. The profile of GGI Tokio Marine managerial level employees includes general information about the employees, including gender, age, education, experience, income level, and position, and 67 respondents were identified from the total population. The demographic characteristics summary table is used to more clearly display the data after each characteristic has been analyzed in terms of absolute value and percentage.

Table (4.1) Profile of Respondents

Items	Demographic	No. of Respondents	Percent (%)
Gender	Male	21	31.3
	Female	46	68.7
Age (Year)	Below 30 years	9	13.4
	31 to 40 years	16	23.9
	41 to 50 years	23	34.3
	Above 50 years	19	28.4
Education	Bachelor Degree	43	64.2
	Master Degree	16	23.9
	Ph.D	8	11.9
Experience (Year)	Under 2 years	28	41.8
	3-6 years	14	20.9
	7-10 years	19	28.4
	Over 10 years	6	9.0
Income (MMK)	Less than 1,000,000 Ks	28	41.8
	1,000,001 – 4,000,000 Ks	12	17.9
	4,000,001 – 8,000,000 Ks	20	29.9
	More than 8,000,000 Ks	7	10.4
Total		67	100.0

Source: Survey data (2024)

With a response rate of 68.7%, female employees make up the majority of the workforce, as indicated in table (4.1), with male respondents making up the remaining 31.3 percent. The respondents' ages were split into five groups based on age: 13.4% were under 30, 23.9 percent were between 31 and 40 years old, 34.3 percent were between 31 and 50 years old, and 28.4% were over 50. Based on the results of the respondents' educational attainment, 64.2 percent of respondents have a bachelor's degree, 23.9 percent have a master's degree, and 11.9 percent have a PhD. Table (4.1) displays the number of respondents by years of experience for the chosen respondents. Consequently, the data revealed that 41.8 percent of respondents had less than two years of work experience, 20.9 percent had three to five years' experience, 28.4 percent had seven to ten years' experience, and the remaining 9.0 percent had more than ten years. From the result, 41.8 percent of respondents got less than 1,000,000Kyats in a month, 17.9 percent got 1,000,001 – 4,000,000 Kyats income, 29.9 percent got between 4,000,001 Kyats and 8,000,000 Kyats income, and the rest of 10.4 got more than 8,000,000 Kyats income. In selected respondents, supervisor level includes 37.3 percent, assistant manager level includes 20.9 percent, manager level includes 31.3 percent, directors include 9.0 percent and owner includes 1.5 percent.

4.3 Risk Management Challenges Faced by Respondents

Based on the findings, every respondent provided a GGI response. Tokio Marine has a systematic and well-researched approach to risk management, and their risk management procedures enhance the performance of the company. The result shown that 22.4 percent of respondents answered they are facing cybersecurity risks, including the threat of data breaches and cyberattacks , 13.4 percent were facing failure to identify and manage risks properly, 28.4 percent were facing complex regulatory environment, 25.4 percent were lack of technical knowledge and trained personal and 10.4 percent were facing competing priorities and limited time for the successful risk management plan while implementing successful risk management practices. The result are shown in Table (4.2).

Table (4.2) Risk Management Challenges Faced by Respondents

-Complex Regulatory Environment	19	28.4
- Scare skillful staffs	17	25.4
-Cybersecurity risks	15	22.4
-Failure to identify and manage risk properly	9	13.4
-Insufficient staff	7	10.4
Total	67	100.0

Source: Survey data (2024)

4.4 Reliability Test of the Study

Validity and reliability tests are crucial for the study's analysis. Likert scales have been widely used in this research. Prior to utilizing any dimension, it is imperative to assess its reliability. According to Janice et al. (2002), the evaluation of completed research has gradually shifted from putting an emphasis on reliability and validity to analyzing criteria and benchmarks for evaluating the overall significance, relevance, impact, and usefulness of the research. Cronbach's Alpha is a metric that is utilized in order to evaluate the degree of internal consistency that prevails within the study. In accordance with the definition provided by Sekaran (2003), Cronbach's Alpha is a reliability coefficient that quantifies the degree to which a group of items exhibits a positive correlation with one another. Cronbach's Alpha Coefficient is presented in Table 4.3, which contains the results of the algorithm.

Table (4.3) Rule of Thumb on Cronbach's alpha

Alpha Coefficient Range	Strength of Association
< 0.6	Poor
0.6 to < 0.7	Moderate
0.7 to < 0.8	Good
0.8 to < 0.9	Very Good
0.9	Excellent

Source: Rule of thumb on cronbach alpha. resarchgate.net

Cronbach's alpha was utilized in order to assess the internal consistency or reliability of the variables by making use of the survey data. In the survey study, the results of the alpha coefficient calculated by Cornbrash are presented in Table 4.3 to the reader.

Table (4.4) Reliability Test for Risk Management Practices and Organization Performance

Sr. No.	Factors	No. of items	Cronbach's Alpha
1	Risk Identification	6	0.909
2	Risk Assessment and Analysis	6	0.929
3	Risk Mitigation	6	0.849
4	Risk Monitoring	6	0.903
5	Compliance and Regulation	6	0.951
6	Risk Evaluation	6	0.899
7	Organization Performance	10	0.962

Source : Survey data (2024)

Ten organization performance items as well as every item related to risk identification, analysis, and assessment, monitoring, mitigation, compliance, and regulation were tested in this analysis. Based on Table (4.4) results, all alpha values fall between 0.8 and 0.9. Consequently, this survey's research data are excellent and trustworthy.

4.5 Employee Perception on the Risk Management Practices and Organization Performance in GGI Tokio Marine

Six distinct variables served as the basis for the conceptual model that was developed for this research project. These variables were risk identification, risk assessment and analysis, risk mitigation, risk monitoring, compliance and regulation, and risk evaluation. In addition, the performance of the organization was taken into consideration as a dependent variable. The purpose of the findings that are presented in this section is to evaluate the influence that each variable has on the organizational performance of GGI TOKIO MARINE, which is located in Yangon. In Table 4.5, the interpretation of the Likert Scale is presented for reader convenience.

Table (4.5) Likert Scale Score Interpretation

No.	Mean Score between	Interpretation
1	1.00 -1.80	Very Low
2	1.81 – 2.60	Low
3	2.61 – 3.40	Neutral
4	3.41 – 4.20	High
5	4.21 – 5.00	Very High

Source: Best (1977)

4.5.1 Risk Identification

One risk management technique that affects performance is this one. Six items make up the analysis of this factor. Table (4.6) displays the mean and standard deviation for every statement in the risk identification results.

Table (4.6) Risk Identification

Sr. No.	Items	Mean	Standard Deviation
1	Inspecting of risk.	3.88	0.708
2	Checking the environment for risk.	4.07	0.703
3	Setting roles and responsibilities for risk identification.	3.87	0.694
4	Setting clear standards to improve risk identification.	3.88	0.708
5	Adopting techniques include risk avoidance, risk reduction, risk sharing, and risk acceptance.	4.07	0.531
6	Using risk rating to classify the risks.	3.99	0.639
Overall Mean		3.96	

Source : Survey data (2024)

The individual mean score for each of the six risk identification questions was reported in Table (4.6). The result falls between 3.88 and 4.07. As a result, the high level 3.96 is the overall mean score. In particular, assessing environmental risk and implementing risk-reduction, risk-sharing, risk-avoidance, and risk-acceptance strategies by staff.

4.5.2 Risk Assessment and Analysis

Workers must answer a total of six questions about the risk analysis and assessment. Table (4.7) displays the mean and standard deviation of each statement in the risk analysis and assessment results.

Table (4.7) Risk Assessment and Analysis

Sr. No.	Factors	Mean	Standard Deviation
1	Risk is assessed in terms of both inherent and residual risk.	3.99	0.788
2	Key risks are assessed within a standard framework considering their likelihood of happening and impact on performance.	3.45	1.019
3	There is a periodic review process to ensure that the organization's risk assessments are reviewed and updated.	3.48	0.503
4	There exists a linkage between the organizational mission and risk management process.	3.67	0.786
5	The company reduces risks occurrence.	3.46	0.804
6	A risk with a large potential loss and a low probability of occurring is often treated differently from one with a low potential loss and a high likelihood of occurring.	3.36	0.792
Overall Mean		3.57	

Source: Survey data (2024)

Table 4.7 shows that all six questions on risk assessment and analysis have mean scores above 3, with standard deviations around 1, indicating reliable data. The mean score is within the range of 3.36 and 3.99. The overall mean score of 3.57 suggests effective risk assessment and analysis. Employees agree that these processes are crucial for various business aspects, such as underwriting, premium determination, risk management, and advanced technologies, ensuring the financial stability of insurance companies and their policyholders.

4.5.3 Risk Mitigation

Workers must answer a total of six questions about the risk mitigation factors. The following table displays the current employee perception of the risk mitigation factors.

Table (4.8) Risk Mitigation

Sr. No.	Items	Mean	Standard Deviation
1	The company ensures different types of risks	3.85	.942
2	The company eliminates catastrophic risks.	3.48	.503
3	The company has means of approximating potential losses at the point of accepting the contract.	3.49	.504
4	The company has a way of training the insured on how to reduce the probability of losses happening.	3.87	.833
5	The company has a mechanism for transferring certain risks to third parties e.g. through reinsurance/hedging.	3.58	.678
6	The company sets aside sufficient technical reserves to pay for claims.	3.57	.802
Overall Mean		3.64	

Source : Survey data (2024)

The mean scores for each of the six questions about risk mitigation factors are shown in Table 4.8. The company's strategy for removing catastrophic risks has the lowest mean score (3.48), but it is still higher than the neutral value of 3. The highest mean score, 3.87, relates to the company's training of insured individuals to reduce the likelihood of losses. Despite these scores, the overall mean of 3.64 indicates effective risk mitigation practices. However, reconsidering the approach to eliminating catastrophic risks could further enhance effectiveness. With standard deviations below 1, the data is considered reliable.

4.5.4 Risk Monitoring

Employees must answer a total of six questions about risk monitoring factors. Data regarding current employee perceptions of the risk monitoring factors are shown under table (4.9).

Table (4.9) Risk Monitoring

Sr. No.	Items	Mean	Standard Deviation
1	The required information is available to allow for proper monitoring of risk throughout the company.	4.16	.994
2	The organization has developed and monitors critical risk indicators that are significant for its survival.	3.99	.444
3	The organization has developed and monitors critical risk indicators that signal something is going wrong with the business processes.	3.88	.708
4	Risks are clustered into various levels for easy monitoring and control.	4.07	.703
5	Policies on monitoring and controlling of risk are well articulated to the company employees.	3.87	.694
6	Control techniques of estimating the efficiency of risk management platforms are well established.	3.88	.708
Overall Mean		3.98	

Source : Survey data (2024)

The question at hand pertains to the clarity and effectiveness of the company's policies regarding risk monitoring and control. According to table (4.9), the lowest average score recorded is 3.87. The statement "The necessary data is accessible to enable effective risk monitoring across the organization" has the highest average rating of 4.16. The outcome indicates that the average score is 3.98, surpassing the neutral value of 3. Consequently, employees hold the belief that the risk monitoring procedures are of exceptional quality.

4.5.5 Compliance Regulation

In relation to compliance regulation factors, employees must answer a total of six questions. Data regarding current employee perceptions of the compliance regulation factors are shown under table (4.10).

Table (4.10) Compliance Regulation

Sr. No.	Items	Mean	Standard Deviation
1	The organization has a corporate-wide common language for communicating risk-type exposures, control activities, and monitoring efforts.	3.45	0.919
2	There is a regular brief to the board and executive committee on risk management issues.	3.37	0.671
3	The organization has incorporated responsibility for risk management into the position description of all managers.	3.54	0.805
4	The organization has communicated a risk management mission statement, value proposition, and benefits statement to senior managers.	3.45	0.919
5	Employees receive regular training on compliance policies, procedures, and regulations.	3.45	0.909
6	The insurance company provides clear and transparent policy terms and conditions.	3.87	0.694
Overall Mean		3.57	

Source : Survey data (2024)

The compliance regulation factors' individual mean scores for each of the six questions were displayed in the above table. The question with the lowest mean score of 3.37 pertains to the regular briefs provided to the board and executive committee regarding risk management issues. The question is, "The insurance company provides clear and transparent policy terms and conditions," and the highest mean score is 3.87. The employee agreed that compliance and regulation are of utmost importance at GGI Tokio Marine, influencing various aspects of business operations, risk management, and client trust, based on the overall mean score of 3.52, which is higher than the neutral value of 3.

4.5.6 Risk Evaluation

The staff members must answer a total of six questions regarding risk evaluation factors. Data regarding current employee perceptions of the risk evaluation factors are shown under table (4.11).

Table (4.11) Risk Evaluation

Sr. No.	Items	Mean	Standard Deviation
1	The company has sufficient security measures in place to prevent unauthorized access or theft.	4.07	.531
2	The company accurately assesses and evaluates risks associated with the insured property or individual.	3.99	.639
3	The company promotes a culture of risk awareness and accountability among employees at all levels.	3.96	.767
4	The nature of the occupancy or business conducted at the insured property poses a higher risk.	3.88	.537
5	The company provides adequate training to employees regarding risk management and safety protocols.	3.99	.788
6	The company regularly evaluates the effectiveness of its risk evaluation process and makes improvements as needed.	3.45	.919
Overall Mean		3.89	

Source : Survey data (2024)

The tabular representation of the individual mean score for each of the six questions concerning the risk assessment factor is presented in Table (4.11). A mean score of 3.45 suggests that the question "The company regularly evaluates the effectiveness of its risk evaluation process and makes improvements as needed" has the lowest possible score. "The company has sufficient security measures in place to prevent unauthorized access or theft" is the question that received the highest mean score of 4.07 out of a possible 5. Considering that the overall mean score is 3.89, which is higher than the neutral value of 3, it is possible to draw the conclusion that the employees of GGI Tokio Marine have a positive perception of the risk evaluation procedures that are in place.

4.5.7 Organization Performance

Regarding the overall factors, employees must answer ten questions in total. Data regarding current employee perceptions of the organization performance factors are shown under Table (4.12).

Table (4.12) Organization Performance

Sr. No.	Items	Mean	Standard Deviation
1	The premiums paid for insurance coverage are reasonable considering the level of protection provided.	3.85	.821
2	The insurance coverage provided by the company has been effective in protecting against potential risks.	3.97	.778
3	Risk management practices have affected the company's ROI.	4.15	.744
4	The insurance company processes claim in a timely and efficient manner.	3.88	.708
5	The insurance company's risk assessment methods effectively identify potential risks and help reduce costs associated with claims	3.97	.778
6	The insurance premiums charged by the company are reasonable considering the level of coverage provided.	3.97	.627
7	The insurance company processes claim in a way that minimizes costs for both the company and the insured.	4.00	.778
8	The company has been successful in acquiring new customers and expanding its customer base.	3.78	.599
9	The risk management practices improve the profitability.	3.91	.753
10	The company has been successful in retaining existing customers and fostering long-term relationships.	4.06	.833
Overall Mean		3.95	

Source : Survey data (2024)

The average score for each of the ten questions pertaining to the factors influencing organizational performance was documented in Table (4.12). The average value lies within the range of 3.78 and 4.15. Based on the respondents' agreement, it is evident that the organization performance factors are effective, as the overall mean value of 3.95 exceeds the statistical average of 3. When a standard deviation is less than 1, it indicates that the survey results are more acceptable and the data deviate less from the mean.

4.5.8 Overall Mean Value of Risk Management Practices

The following Table (4.13) displays the Summary of Overall Mean Value of Risk Management Practices.

Table (4.13) Overall Mean Value of Risk Management Practices

Source: Survey data (2024)

No.	Title	Overall Mean
1	Risk Identification	3.96
2	Risk Assessment and Analysis	3.57
3	Risk Mitigation	3.64
4	Risk Monitoring	3.98
5	Compliance Regulation	3.52
6	Risk Evaluation	3.89

Above table presents the overall mean values of various risk management practices within the organization. "Risk Identification" and "Risk Monitoring" received the highest mean scores of 3.96 and 3.98, respectively, indicating strong performance in these areas. "Risk Evaluation" also scored well with a mean value of 3.89. Meanwhile, "Risk Assessment and Analysis" and "Compliance Regulation" had slightly lower mean scores of 3.57 and 3.52, respectively, suggesting potential areas for improvement. Overall, the organization demonstrates a solid approach to risk management, with particular strengths in identifying and monitoring risks.

4.6 Relationship between Risk Management Practices and Organization Performance

A statistical measure that quantifies the direction and strength of a linear relationship between two variables, the correlation coefficient can range from -1 to 1 and is a measure of the strength of the relationship. A quantitative analysis of the relationship that exists between two variables is presented in the form of correlation. In order to determine the correlation coefficients of the individual for the purpose of this analysis, bivariate regression was utilized. Bivariate correlations, which quantify the degree of association between two variables without taking into consideration the impact of an additional variable on the relationship,

have the potential to have an effect on the relationship that is being investigated between the two variables. This study examines the relationships between various factors, including risk identification, assessment, mitigation, monitoring, compliance, and regulation, as well as risk evaluation and organizational performance. In order to conduct the study, the researchers first determined the specific objective of the study. Then, they calculated the correlation coefficient for each pair of variables. Finally, they obtained the average scale scores for each scale. The correlation between organizational performance and average scores for the utilization of risk management practices is presented in Table (4.14).

Table (4.14) Correlation between Risk Management Practices and Organization Performance

No.	Factors	Correlation Coefficient	P-value
1	Risk Identification	.942***	0.000
2	Risk Analysis and Assessment	.957***	0.000
3	Risk Mitigation	.947***	0.000
4	Risk Monitoring	.936***	0.000
5	Compliance Regulation	.980***	0.000
6	Risk Evaluation	.961***	0.000
*** Correction is significant at the 0.01 level (2 tailed)			

Source: Survey data (2024)

The correlation coefficient between an organization's performance and its determinants is shown in Table (4.14). Organizational performance and risk identification correlate at 0.942, risk mitigation at 0.947, risk monitoring practices at 0.936, compliance regulation at 0.980, and risk evaluation at 0.961, respectively. Risk analysis and assessment correlates at 0.957. Every factor has a 1% significance level. The correlation analysis's findings show a positive relationship between GGIMT's organizational performance and its risk management procedures. Out of the six determination factors, compliance and regulation have the highest correlation, as per the findings.

4.7 Analysis of Effect of Risk Management Practices on Organization Performance

This multiple regression analysis is carried out in order to determine the extent to which risk management procedures have an impact on the performance of the organization. There is a presentation of the findings in Table (4.15).

Table (4.15) Effect of Risk Management Practices on Organizational Performance

Dependent Variable: Organization Performance	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig	VIF
	B	SE				
(Constant)	.946	.140		6.754	.000	
Risk Identification	.257**	.125	.221	2.060	.044	3.181
Risk Assessment and Analysis	.429***	.095	.456	4.523	.000	9.197
Risk Mitigation	.149	.131	.136	1.132	.262	1.682
Risk Monitoring Practices	.423**	.183	.392	2.318	.024	2.191
Compliance Regulation	.457***	.064	.586	7.116	.000	9.439
Risk Evaluation	-.002	.171	-.002	-.012	.990	2.631
R ²	0.919					
Adjusted R ²	0.917					
F statistics	468.424***					
Statistically significant indicate ***at 1%, ** at 5%						

Source: SPSS Output,2024

All independent variables were positive, and the adjusted R-squared was 0.917, according to Table (4.15), indicating that the model fits the organization performance at GGI Tokio Marine well. The F statistics in this table are 486.424, with a 1% significance level (p value = 0.000). There are only four variables that effect the organization performance positively and statistically significant at the 1% and 5%. Regarding the VIF,

all the value are less than 10. Thus there is no multicollinearity among these variable.

The relationship between the dependent and independent variables is shown by the standardized beta coefficient. With a beta value of 0.586, compliance regulation is the one with the highest correlation to higher organizational performance. The second-highest beta value is 0.456 for risk assessment and analysis, and it is followed by 0.221 for risk identification. Given the negative beta value (-.392), there is a negative correlation between risk monitoring and organizational performance.

The findings presented in Table (4.15) indicate that the compliance, regulation, and risk assessment and analysis p-values were both 0.000 and deemed significant at the 1% level. The results demonstrated that risk analysis and assessment, in conjunction with compliance regulations, have a significant and favorable impact on the performance of an organization. It was determined that the risk identification p-value of 0.044 was significant at the probability level of 5%. The findings of this study demonstrated that the identification of risks has an effect on the performance of an organization..

CHAPTER V CONCLUSION

The purpose of this concluding chapter is to derive conclusions from the study's findings, which are based on the results of the data analysis. This chapter presents the findings of the investigation conducted on the performance of GGI Tokio Marine, Yangon, and its risk management procedures. The first section discusses the findings from the investigation into GGI Tokio Marine's risk management procedures and organizational performance. Suggestions and recommendations are then made. The study's contribution and recommendations are then made public.

5.1. Findings and Discussions

The main objective of the study is to investigate the influence of risk management practices, including risk identification, analysis and assessment, mitigation, monitoring, compliance regulation, and risk evaluation, on the organizational performance of GGI Tokio Marine. To accomplish the goal of the study, 67 respondents representing all GGI Tokio Marine managerial level employees were surveyed. In terms of the respondents' demographics, the bulk of the participants in this study are female and range in age from 41 to 50. The majority of respondents have bachelor's degrees in terms of education. Furthermore, the majority of the staff at GGI Tokio Marine has worked there for less than two years, and they receive a respectable salary of about one million kilos per month. The majority of responders are employees at the supervisory level.

Descriptive statistics results regarding risk identification indicate that the company monitors the environment for potential risks. The company's response strategies, which include risk avoidance, risk reduction, risk sharing, and risk acceptance, have the highest average score for risk identification. These strategies are employed by the company. On the other hand, the establishment of roles and responsibilities for risk identification within the company has received the lowest average score. In terms of risk assessment and analysis, the study found that the employee perception of risk assessment in terms of inherent and residual risk had the highest mean score. This was the case for both qualitative and quantitative risk assessment. When compared to risks that have a low potential loss but a high probability, which are typically handled differently, risks that have a high potential loss but a low probability are typically handled differently. The company that offers

training to its insureds to lessen the likelihood of losses occurring has the highest mean score when it comes to risk mitigation, while the company that removes catastrophic risks has the lowest mean score. In terms of risk monitoring procedures, the study discovered that GGI Tokio Marine had the lowest mean score for employee perceptions of the company's policies regarding risk monitoring and control, while the highest mean score went to the availability of the necessary information to enable effective risk monitoring throughout the entire organization. According to the study, the insurance company that offers transparent and unambiguous policy terms and conditions has the highest mean score when it comes to compliance and regulation, while the belief that the board and executive committee receive regular updates on risk management matters has the lowest mean score. The company has adequate security measures in place to prevent theft or unauthorized access, according to the study, which gives it the highest mean score for risk evaluation. On the other hand, the company regularly assesses the efficacy of its risk evaluation process and makes necessary improvements, receiving the lowest mean score.

In this study, return on investment, cost containment, and sales growth are used to measure the organizational performance of GGI Tokio Marine. In terms of organizational performance factors, the study discovered that GGI Tokio Marine's risk management practices have impacted the company's return on investment (ROI), which has the highest mean score, and the company has been successful in bringing in new clients and growing its clientele, which has the lowest mean score.

According to the findings of the regression analysis, it can be deduced that risk management procedures, which include risk assessment and analysis, risk compliance and regulation, and risk analysis and assessment, have a significant and favorable influence on the performance of an organization. In addition, it is possible to assert that the monitoring of risks has a negative relationship with the performance of the organization, whereas the identification of risks has a positive relationship with the performance of the organization.

5.2. Suggestions and Recommendations

This section discusses recommendations for GGI Tokio Marine regarding the impact of risk management practices on organizational performance, based on analysis and findings. First off, since risk identification has the lowest mean score of any point, the company should think about assigning roles and responsibilities for risk identification in order to improve GGI Tokio Marine's organizational performance level. Establishing clear

roles and responsibilities makes sure that people or groups are responsible for recognizing, evaluating, and controlling risks in their specific fields of expertise or influence. By designing roles such as risk analyst, compliance officers and business unit managers, GGI Tokio Marine can leverage specialized expertise for identifying and analyzing risks.

In addition, according to the findings of the research, it is suggested that a risk that has a high potential loss but a low probability of occurrence should be handled differently than a risk that has a low potential loss but a high probability of occurrence. Considering that GGI Tokio Marine has the lowest average score in terms of risk analysis and assessment, this fact is of utmost importance. Along with risk analysis and assessment, risk assessment can be easily integrated into business processes by using tools like risk matrices, decision trees, failure modes, and bowties.

Third, the study found that GGI Tokio Marine need to focus on enhancing its risk mitigation strategies since these are the lowest mean score item regarding risk mitigation. This could involve investing in more robust risk control measures, improving the training programs for staff to effectively implement risk mitigation techniques, and integrating advanced technologies to better predict and manage potential risks. Additionally, regularly reviewing and updating mitigation plans based on emerging threats and feedback from internal audits can ensure that the company remains proactive in minimizing potential impacts on its operations. Strengthening these areas will not only improve the mean score but also bolster overall risk management effectiveness.

Forth, GGI Tokio Marine should re-consider about articulation of policies on monitoring and controlling of risk are well to the company employees since that point is the lowest mean for risk monitoring and it is essential for ensuring a cohesive and effective risk management framework. Based on the results, the recommendations for risk monitoring practices are: implementing a process for continuous risk assessment to identify and evaluate potential risks, utilizing risk management information systems to monitor and manage risks within the workplace. This include creating comprehensive reports to track and analyze insurance risk data, enabling informed decision-making, embracing digital tools and platforms to enhance risk monitoring capabilities.

Fifth, as there is lowest mean score on a regular brief to the board and executive committee on risk management issues, GGI Tokio Marine should reconsider that point. Moreover, GGI Tokio Marine can enhance their compliance regulation practices by developing a comprehensive compliance framework, embracing automation, adapting to

regulatory shifts, and collaborating with regulatory bodies and international stakeholders for further insurance regulation standards and compliance guidelines.

Sixth, the study found that the company regularly evaluates the effectiveness of its risk evaluation process and makes improvements as needed has the lowest mean score regarding risk evaluation. GGI Tokio Marine need to identify the core risks facing such as underwriting, credit, market, operational, and liquidity risks, establish a system for regular review and assessment of the risk evaluation process, and implement a feedback mechanism to gather input from teams, stakeholders, and experts involved in the risk evaluation process. This can provide valuable insights for refining and enhancing the effectiveness of risk evaluation.

Regarding the organization's performance, GGI Tokio Marine should evaluate its success in acquiring new customers and expanding its customer base, as this is the area with the lowest mean score among all points. In conclusion, this study indicates that GGI Tokio Marine should be cognizant of the following factors: should assign roles and responsibilities for risk identification, should utilize risk assessment tools and should utilize reinsurance and retrocession to transfer a portion of the catastrophic risk to other entities, should implement a process for continuous risk assessment, should report regular briefs to the board and executive committee on risk management issues, should regularly evaluates the effectiveness of its risk evaluation process and makes improvements as needed. By doing this, GGI Tokio Marine will have a high organization performance.

5.3 Needs for Further Research

The GGI Tokio Marine Company in Yangon is the subject of this study, which specifically investigates the impact that risk management practices have on the organizational performance of the company. The other states or divisions of GGI Tokio Marine Companies are not included in this study under any circumstances. In light of this, additional research ought to investigate a variety of subject areas. The text is not provided in any way. The conduct of additional studies that investigate the influence of risk management techniques on organizational performance across a variety of industries, using larger sample sizes, and taking into consideration a variety of risk management practices and employees may result in more valuable outcomes, provided that sufficient funds and time are available. Additionally, the study used a self-rating Likert scale; therefore, future research should incorporate open-ended questions. The insurance industry as a whole is not

covered by this study. Consequently, more research should be done on the organizational performance and risk management strategies used by other insurance companies.

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Appendix-A

Questionnaire

Survey Questionnaire for Employees

I'm a candidate of Executive Master of Banking and Finance Program at Yangon University of Economics. I'm currently doing my research with carries the title "Effect of Risk Management Practices on Organization Performance of Grand Guardian Tokio Marine Insurance (GGITM)". Your co-operation to answer the following questions is very important helping in my research. All the information collected is used for this research purpose only and the answers provided by you are confidential and anonymous. Thank you in advance for your participation in this research.

PART (A)

Employee Related Information

Make the selected point with (√).
(မေးခွန်းများအား (√) ခြစ်၍ ဖြေဆိုပါ။)

1. Gender: What is your gender?
 Male Female
2. Age: What is your age? *
 Less than 30 years 31 – 40 years 41 – 50 years above 50 Years
3. What is your education level? *
 Bachelor Degree Master Degree Ph.D
4. How long have you been working in this organization?
 Less than 2 years
 3 years – 6 years
 7 years – 10years
 above 10 years
5. What is your approximate monthly income? *
 Less than 1000,000 Ks 1000,001 – 4000,000 Ks 4000,001 –
8000,000 Ks More than 8000,000 Ks
6. What is your position in GGITM?

- Supervisor
- Assistant Manager
- Manager
- Director
- CEO

7. Does your organization have a structured and well-documented risk management approach?

- Yes
- No

8. Does risk management improve your organization performance?

- Yes
- No

9. Major Challenges faced in successful implementation of risk management practices

- Cybersecurity risks
- Failure to identify and manage risks properly
- Complex regulatory environment
- Scare skillful staffs
- Competing priorities and limited time for the successful risk management plan
- Other (if other -----)

-----)

PART (B)

Credit Risk Management Practices

Please indicate the degree for each statement by making a choice the scale below.

- 1 = strongly disagreed (လွန်စွာကန့်ကွက်သည်) 2 = disagrees (ကန့်ကွက်သည်)
 3 = neutral (သေချာမသိပါ) 4 = agree (ထောက်ခံသည်)
 5 = strongly agreed (လွန်စွာထောက်ခံသည်)

(1) Risk identification

No	Statement	1	2	3	4	5
1.	Managers perform an inspection of risk.					
2.	The company checks the environment for risk.					
3.	The company sets roles and responsibilities for risk identification.					
4.	The company sets clear standards to improve risk identification.					
5.	The company response techniques include risk avoidance, risk reduction, risk sharing, and risk acceptance.					
6.	The company uses risk rating to classify the risks.					

(2) Risk Assessment and Analysis

No	Statement	1	2	3	4	5
1.	Risk is assessed in terms of both inherent and residual risk.					
2.	Key risks are assessed within a standard framework considering their likelihood of happening and impact on performance.					
3.	There is a periodic review process to ensure that the organization's risk assessments are reviewed and updated.					
4.	There exist a linkage between the organizational mission and risk management process.					
5.	The company reduces risks occurrence					
6.	A risk with a large potential loss and a low probability of occurring is often treated differently from one with a low potential loss and a high likelihood of occurring					

(3) Risk Mitigation

No	Statement	1	2	3	4	5
1.	The company ensures different types of risks					
2.	The company eliminates catastrophic risks.					
3.	The company has means of approximating potential losses at the point of accepting the					
4.	The company has a way of training the insured on how to reduce the probability of losses happening.					
5.	The company has a mechanism for transferring certain risks to third parties e.g. through reinsurance/hedging					
6.	The company sets aside sufficient technical reserves to pay for claims.					

(4) Risk Monitoring

No	Statement	1	2	3	4	5
1.	The required information is available to allow for proper monitoring of risk throughout the					
2.	The organization has developed and monitors critical risk indicators that are significant for its					
3.	The organization has developed and monitors critical risk indicators that signal something is going wrong with the business processes.					
4.	Risks are clustered into various levels for easy monitoring and control.					
5.	Policies on monitoring and controlling of risk are well articulated to the company employees.					
6	Control techniques of estimating the efficiency of risk management platforms are well established.					

(5) Compliance and Regulation

No	Statement	1	2	3	4	5
1.	The organization has a corporate-wide common language for communicating risk-type exposures, control activities, and monitoring efforts.					
2.	There is a regular briefs to the board and executive committee on risk management issues.					
3.	The organization has incorporated responsibility for risk management into the position description of all managers.					
4.	The organization has communicated a risk management mission statement, value proposition, and benefits statement to senior managers.					
5.	Employees receive regular training on compliance policies, procedures, and regulations.					
6.	The insurance company provides clear and transparent policy terms and conditions.					

(6) Risk Evaluation

No	Statement	1	2	3	4	5
1.	The company has sufficient security measures in place to prevent unauthorized access or theft.					
2.	The company accurately evaluates risks associated with the insured property or activities.					
3.	The company promotes a culture of risk awareness and accountability among employees.					
4.	The nature of the occupancy or business conducted at the insured property poses a higher risk.					
5.	The company provides adequate training to employees regarding risk management and safety protocols.					
6.	The company regularly evaluates the effectiveness of its risk evaluation process and makes improvements as needed.					

PART (C)

Organizatin Performance

Please indicate the degree for each statement by making a choice the scale below.

- 1 = strongly disagreed (လွန်စွာကန့်ကွက်သည်) 2 = disagrees (ကန့်ကွက်သည်)
 3 = neutral (သေချာမသိပါ) 4 = agree (ထောက်ခံသည်)
 5 = strongly agreed (လွန်စွာထောက်ခံသည်)

Organization Performance

No	Statement	1	2	3	4	5
1.	The premiums paid for insurance coverage are reasonable considering the level of protection provided.					
2.	The insurance coverage provided by the company has been effective in protecting against potential risks.					
3.	Risk management practices have affected the company's ROI.					
4.	The insurance company processes claims in a timely and efficient manner.					
5.	The insurance company's risk assessment methods effectively identify potential risks and help reduce costs associated with claims					
6.	The insurance premiums charged by the company are reasonable considering the level of coverage provided.					
7.	The insurance company processes claims in a way that minimizes costs for both the company and the insured.					
8.	The company has been successful in acquiring new customers and expanding its customer base.					
9.	The company practices improve the profitability.					
10.	The company has been successful in retaining existing customers and fostering long-term relationships.					

Thanks for taking of your time to complete the questionnaires

Frequency Table

APPENDIX-B

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	21	31.3	31.3	31.3
Female	46	68.7	68.7	100.0
Total	67	100.0	100.0	

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than 30 years	9	13.4	13.4	13.4
31-40 years	16	23.9	23.9	37.3
41-50 years	23	34.3	34.3	71.6
above 50 years	19	28.4	28.4	100.0
Total	67	100.0	100.0	

Education

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Bachelor Degree	43	64.2	64.2	64.2
Master Degree	16	23.9	23.9	88.1
PhD	8	11.9	11.9	100.0
Total	67	100.0	100.0	

Experience

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than 2 years	28	41.8	41.8	41.8
3-6 years	14	20.9	20.9	62.7
7-10 years	19	28.4	28.4	91.0
above 10 years	6	9.0	9.0	100.0
Total	67	100.0	100.0	

Salary

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1,000,000 Ks	28	41.8	41.8	41.8
	1,000,001 - 4,000,001 Ks	12	17.9	17.9	59.7
	4,000,001 - 8,000,000 Ks	20	29.9	29.9	89.6
	More than 8,000,000 Ks	7	10.4	10.4	100.0
	Total	67	100.0	100.0	

Position

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Supervisor	25	37.3	37.3	37.3
	Assistant Manager	14	20.9	20.9	58.2
	Manager	21	31.3	31.3	89.6
	Director	6	9.0	9.0	98.5
	CEO	1	1.5	1.5	100.0
	Total	67	100.0	100.0	

Does your organization have a structured and well-documented risk management approach?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	67	100.0	100.0	100.0

Does risk management improve your organization performance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	67	100.0	100.0	100.0

Challenges

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Cybersecurity risks, including the threat of data breaches and cyberattacks	15	22.4	22.4	22.4
Failure to identify and manage risk property	9	13.4	13.4	35.8
Complex regulatory environment	19	28.4	28.4	64.2
Lack of technical knowledge and trained personal	17	25.4	25.4	89.6
Competing priorities and limited time for the successful risk managemen plan	7	10.4	10.4	100.0
Total	67	100.0	100.0	

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
RI_1	67	3	5	3.88	.708
RI_2	67	3	5	4.07	.703
RI_3	67	3	5	3.87	.694
RI_4	67	3	5	3.88	.708
RI_5	67	3	5	4.07	.531
RI_6	67	3	5	3.99	.639
Valid N (listwise)	67				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
RAA_1	67	3	5	3.99	.788
RAA_2	67	2	5	3.45	1.019
RAA_3	67	3	4	3.48	.503
RAA_4	67	2	5	3.67	.786
RAA_5	67	2	5	3.46	.804
RAA_6	67	2	5	3.36	.792
Valid N (listwise)	67				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
RM_1	67	2	5	3.85	.942
RM_2	67	3	4	3.48	.503
RM_3	67	3	4	3.49	.504
RM_4	67	2	5	3.87	.833
RM_5	67	2	4	3.58	.678
RM_6	67	2	5	3.57	.802
Valid N (listwise)	67				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
RMn_1	67	2	5	4.16	.994
RMn_2	67	3	5	3.99	.444
RMn_3	67	3	5	3.88	.708
RMn_4	67	3	5	4.07	.703
RMn_5	67	3	5	3.87	.694
RMn_6	67	3	5	3.88	.708
Valid N (listwise)	67				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
CR_1	67	2	5	3.45	.919
CR_2	67	2	4	3.37	.671
CR_3	67	2	5	3.54	.805
CR_4	67	2	5	3.45	.919
CR_5	67	2	5	3.45	.909
CR_6	67	3	5	3.87	.694
Valid N (listwise)	67				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
RE_1	67	3	5	4.07	.531
RE_2	67	3	5	3.99	.639
RE_3	67	3	5	3.96	.767
RE_4	67	3	5	3.88	.537
RE_5	67	3	5	3.99	.788
RE_6	67	2	5	3.45	.919
Valid N (listwise)	67				

Descriptive

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
OP_1	67	3	5	3.85	.821
OP_2	67	3	5	3.97	.778
OP_3	67	3	5	4.15	.744
OP_4	67	3	5	3.88	.708
OP_5	67	3	5	3.97	.778
OP_6	67	3	5	3.97	.627
OP_7	67	3	5	4.00	.778
OP_8	67	3	5	3.78	.599
OP_9	67	3	5	3.91	.753
OP_10	67	3	5	4.06	.833
Valid N (listwise)	67				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
RI3	67	3.00	4.83	3.9602	.55284
RAA	67	2.50	4.67	3.5672	.68354
RM	67	2.67	4.33	3.6393	.58932
RMn	67	2.83	4.83	3.9751	.59548
CR	67	2.33	4.83	3.5199	.82344
RE	67	2.83	4.83	3.8881	.59769
OP	67	3.00	4.90	3.9537	.64252
Valid N (listwise)	67				

Reliability

Reliability Statistics

Cronbach's Alpha	N of Items
.909	6

Reliability Statistics

Cronbach's Alpha	N of Items
.929	6

Reliability Statistics

Cronbach's Alpha	N of Items
.894	6

Reliability Statistics

Cronbach's Alpha	N of Items
.903	6

Reliability Statistics

Cronbach's Alpha	N of Items
.951	6

Reliability Statistics

Cronbach's Alpha	N of Items
.899	6

Reliability Statistics

Cronbach's Alpha	N of Items
.962	10

Factor Analysis

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.641
Bartlett's Test of Sphericity Approx. Chi-Square	370.537
df	15
Sig.	.000

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.728
Bartlett's Test of Sphericity	Approx. Chi-Square	479.794
	df	15
	Sig.	.000

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.570
Bartlett's Test of Sphericity	Approx. Chi-Square	361.057
	df	15
	Sig.	.000

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.663
Bartlett's Test of Sphericity	Approx. Chi-Square	326.535
	df	15
	Sig.	.000

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.755
Bartlett's Test of Sphericity	Approx. Chi-Square	524.440
	df	15
	Sig.	.000

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.761
Bartlett's Test of Sphericity	Approx. Chi-Square	309.350
	df	15
	Sig.	.000

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.767
Bartlett's Test of Sphericity	Approx. Chi-Square	966.785
	df	45
	Sig.	.000

Correlations

		RI3	RAA	RM	RMn	CR	RE	OP
RI	Pearson Correlation	1	.933**	.965**	.981**	.939**	.967**	.942**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	67	67	67	67	67	67	67
RAA	Pearson Correlation	.933**	1	.925**	.952**	.929**	.978**	.957**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	67	67	67	67	67	67	67
RM	Pearson Correlation	.965**	.925**	1	.977**	.956**	.966**	.947**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	67	67	67	67	67	67	67
RMn	Pearson Correlation	.981**	.952**	.977**	1	.931**	.982**	.936**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
	N	67	67	67	67	67	67	67
CR	Pearson Correlation	.939**	.929**	.956**	.931**	1	.950**	.980**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
	N	67	67	67	67	67	67	67
RE	Pearson Correlation	.967**	.978**	.966**	.982**	.950**	1	.961**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000
	N	67	67	67	67	67	67	67
OP	Pearson Correlation	.942**	.957**	.947**	.936**	.980**	.961**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	67	67	67	67	67	67	67

** . Correlation is significant at the 0.01 level (2-tailed).

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.929 ^a	.919	.917	.09743

a. Predictors: (Constant), RE, CR, RI3, RM, RAA, RMn

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26.677	6	4.446	468.424	.000 ^b
	Residual	.570	60	.009		
	Total	27.247	66			

a. Dependent Variable: OP

b. Predictors: (Constant), RE, CR, RI3, RM, RAA, RMn

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.	Collinearity Statistics	
		B	Std. Error	Beta	t		Tolerance	VIF
1	(Constant)	.946	.140		6.754	.000		
	RI	.257	.125	.221	2.060	.044	.030	3.181
	RAA	.429	.095	.456	4.523	.000	.034	9.197
	RM	.149	.131	.136	1.132	.262	.024	1.682
	RMn	.423	.183	.392	2.318	.024	.012	2.191
	CR	.457	.064	.586	7.116	.000	.051	9.439
	RE	-.002	.171	-.002	-.012	.990	.014	2.631

a. Dependent Variable: OP

RI – Risk Identification

RAA- Risk Analysis and Assessment

RM- Risk Mitigation

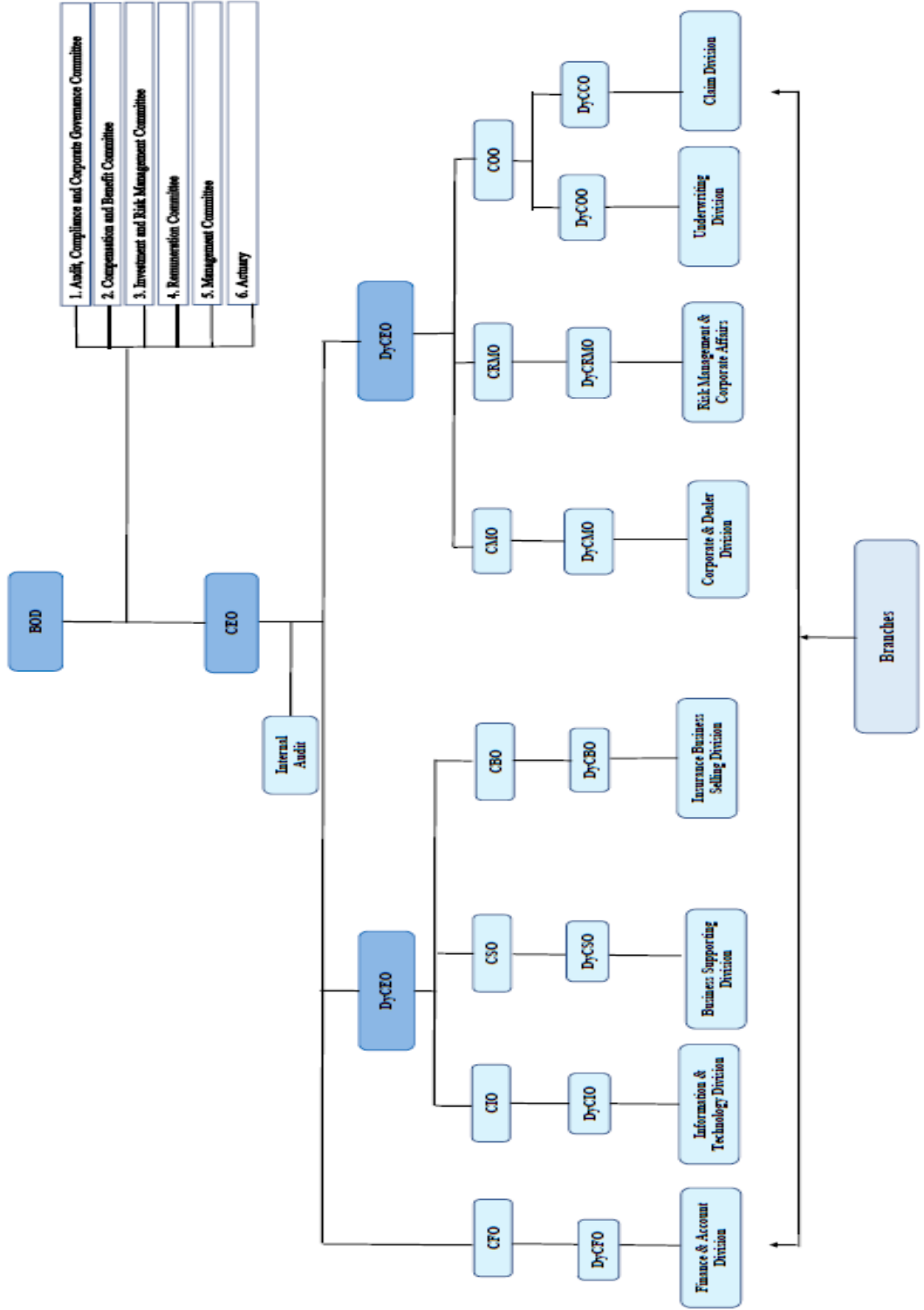
RMn- Risk Monitoring

CR- Compliance and Regulation

RE- Risk Evaluation

OP- Organization Performance

Organization Structure



Appendix-C
Organization Structure