

Accepted Manuscript

The influence of risk culture on firm returns in times of crisis

Dien Giau Bui, Yiwei Fang, Chih-Yung Lin

PII: S1059-0560(16)30334-3

DOI: [10.1016/j.iref.2018.01.015](https://doi.org/10.1016/j.iref.2018.01.015)

Reference: REVECO 1571

To appear in: *International Review of Economics and Finance*

Received Date: 3 December 2016

Revised Date: 10 December 2017

Accepted Date: 23 January 2018

Please cite this article as: Bui D.G., Fang Y. & Lin C.-Y., The influence of risk culture on firm returns in times of crisis, *International Review of Economics and Finance* (2018), doi: 10.1016/j.iref.2018.01.015.

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.



The Influence of Risk Culture on Firm Returns in Times of Crisis

Dien Giau Bui

Department of Finance
National Taiwan University, Taiwan
E-mail: buidiengiau@gmail.com

Yiwei Fang

Illinois Institute of Technology
565 W Adams St., Chicago, IL 60661
E-mail: yfang15@stuart.iit.edu

Chih-Yung Lin*

College of Management
Yuan Ze University, Taiwan
E-mail: d95723009@ntu.edu.tw

Abstract

This research investigates the effects of risk culture on firm performances during 2000-2002 dot-com bubble and 2007-2009 financial crisis. Our sample includes all publicly traded U.S. nonfinancial firms. We measure the risk cultures of firms by their business model, which leads them to be either more or less sensitive to a crisis. In our empirical results, risk culture is the most important variable predicting crisis performance, while our findings on the influences of CEO characteristics and corporate governance are not statistically significant. Thus, we argue that risky business models lead to poor firm performance during financial crises.

JEL: G01, G33, G34

Keywords: financial crisis, firm performance, risk culture, CEO characteristics, corporate governance

Chih-Yung Lin appreciates the financial support from Taiwan Ministry of Science and Technology. Any remaining errors are ours.

*Corresponding author: College of Management, Yuan Ze University, 135 Yuan-Tung Road, Chung-Li, Taiwan. Phone: +886-927390078. E-mail: d95723009@ntu.edu.tw.

Download English Version:

<https://daneshyari.com/en/article/11007939>

Download Persian Version:

<https://daneshyari.com/article/11007939>

[Daneshyari.com](https://daneshyari.com)