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**Enterprise Risk Management:
An Empirical Analysis of Factors Associated With the Extent of Implementation**

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Abstract

Enterprise risk management (ERM) has emerged as a new paradigm for managing the portfolio of risks that face organizations, and policy makers continue to focus on mechanisms to improve corporate governance and risk management. Despite these developments, there is little research on factors associated with the implementation of ERM. Research is needed to provide insights as to why some organizations are responding to changing risk profiles by embracing ERM and others are not.

This exploratory study examines factors associated with the stage of ERM implementation at a variety of U.S. and international organizations. Based on data gathered from 123 organizations, we find the stage of ERM implementation to be positively related to the presence of a chief risk officer, board independence, CEO and CFO apparent support for ERM, the presence of a Big Four auditor, entity size, and entities in the banking, education, and insurance industries. We also find U.S. organizations to have less-developed ERM processes than international organizations. We believe this paper will provide an initial foundation for more advanced research about ERM.

Key Words: Enterprise risk management, corporate governance, board of directors, chief risk officer.