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Enterprise Risk Management Practices and Financial Performance of SMEs: Moderating Role of Management Competence in Nigeria

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Abstract: *Enterprise risk management (ERM) has become an essential component of modern corporate governance, providing organisations with structured approaches to identifying, assessing, and mitigating risk that may threaten long-term sustainability. This study investigates the moderating effects of management competence on the relationship between ERM and financial performance using a cross-sectional survey design. Primary data was collected through structured questionnaires administered to owners of SMEs. Descriptive and inferential statistics were employed to test the hypothesized relationship. Results reveal a positive and significant relationship between internal environment of ERM and revenue and sales growth of small and medium-scale enterprises (SMEs) in Nigeria, a positive and significant relationship between risk assessment of ERM and revenue and sales growth of small and medium-scale enterprises (SMEs) in Nigeria, a positive and significant relationship between risk response of ERM and revenue and sales growth of small and medium-scale enterprises (SMEs) in Nigeria, a positive and significant relationship control activities of ERM and revenue and sales growth of small and medium-scale enterprises (SMEs) in Nigeria and a positive and significant relationship between monitoring of ERM and on revenue and sales growth of small and medium-scale enterprises (SMEs) in Nigeria and revenue and sales growth of small and medium-scale enterprises (SMEs) in Nigeria. The study further emphasised that management competence enhances the effectiveness of ERM implementation. The policy implication is that regulators should encourage SMEs to institutionalize ERM practices as a mechanism for achieving financial stability and sustainable growth. Overall, this investigation contributes to the literature by providing empirical evidence from survey-based data that ERM is a driver of superior financial performance.*
Keywords: enterprise risk management, financial performance, management competence, SMEs, Nigeria.

INTRODUCTION

Organisations operate in increasingly dynamic and uncertain environments where risks – financial, operational, regulatory, and technological – pose significant threats to business continuity and profitability. Traditional risk management techniques, which often treated risks in isolation, have been criticized for their inability to provide a holistic understanding of organizational exposures (Beasley et al, 2015). In response, enterprise risk management (ERM) emerged as an integrated framework that emphasizes a comprehensive and proactive approach to identifying, assessing, and managing risks across the enterprise. The Committee of Sponsoring Organisations of the Treadway Commission (COSO) popularized ERM by outlining its key components – internal environment, risk assessment, risk response, control activities, information and communication, and monitoring (COSO, 2017). Globally, scholars have argued that effective ERM contributes to financial performance by reducing earnings volatility, improving decision-making, and enhancing shareholder value (Florio & Leani, 2017). Businesses that adopt ERM frameworks are expected to achieve more sustainable growth to achieve more sustainable growth. After all, they are positioned to mitigate because they are better positioned to mitigate threats and exploit emerging opportunities. ERM refers to a structured, consistent, and continuous process applied across a firm to identify, assess, manage, and monitor potential risks that may affect the achievement of strategic objectives. It takes a holistic and integrated approach by considering all types of risks (Beaslye et al, 2005). ERM enables firms to anticipate uncertainties, minimize potential losses, and exploit opportunities. According to Florio and Leoni (2017), ERM integrates risk considerations into governance and strategic planning, thereby creating a sustainable pathway for financial growth. Bamigboye et al (2024) explains that firms that adopt ERM practices tend to perform better financially than those relying solely on traditional risk management approaches. Therefore, ERM is not just a risk control mechanism but a strategic tool that supports decision-making and enhances organizational resilience.

Although ERM has been widely recognized as a strategic tool for improving organizational performance. Odubuasi (2022) finds that ERM adoption particularly through board level risk committee, significantly enhances earning capacity of African banks, with the effect strongest in South Africa, followed by Nigeria, and weaker but still positive in Ghana. Gonzalez et al (2020) provide evidence that ERM adoption by Spanish listed firms significantly improves financial performance and reduces risks, especially when supported by governance structures like CROs and risk committees. Horvey and Odei-Mensah (2024) find that ERM adoption significantly improves financial and underwriting performance among South African insurers, and this positive impact is strengthened by strong corporate governance structures. The study of Judi and Aighnaimat (2021) provides robust evidence that ERM adoption by European insurance firms significantly enhances firms' performance with a 54% value premium and substantially lowers total, systematic, and idiosyncratic risk. Evidence from Nigeria suggests that the effectiveness of ERM is uneven across firms (Olowokudejo & Oladimeji, 2019; Asenge et al, 2023). Olowokudejo and Oladimeji (2019) found that ERM adoption significantly enhances profitability, shareholder wealth, and management efficiency in non-financial firms. Asenge et al (2023) reported that ERM practices particularly risk identification and mitigation positively influence organizational performance in microfinance institutions. More recently, Bamigboye et al (2024), provided evidence that ERM implementation improves earnings quality in Nigerian financial institutions, underscoring its role in ensuring financial transparency and stability. While some firms report improvements in financial performance, others experience limited or negligible benefits despite adopting ERM frameworks. This inconsistency raises vital questions about the conditions under which ERM produces significant financial outcomes.

A growing body of literature highlights that the implementation of ERM is not merely a technical process but also a managerial function that requires competence, judgement, and leadership (Hambrick & Mason, 1984). In Nigeria, however, most empirical studies have concentrated on the direct effect of ERM on the direct effect of ERM on firm performance (Bamigboye et al, 2024) with limited attention to the contingent factors that may strengthen or weaken this connection. Management competence refers to the skills, knowledge, and ability of managers to make effective decisions and implement organizational strategies, is increasingly recognized as a critical determinant of performance. For example, Adesunkanmi and Aderibigbe (2022) demonstrated that managerial control activities significantly moderated the relationship between risk assessment and performance in Nigerian insurance companies. Despite the growing attention, the association between ERM and financial performance remains complex. While some firms benefit significantly from ERM adoption, others report marginal or no improvement (Mansi et al, 2022). While several studies have examined moderators such as corporate governance, financial literacy, and intellectual capital (Yang et al, 2018; Saeidi et al, 2021; Horvey & Odei-Mensah, 2024), limited attention has been given to management competence as a moderating variable. Management competence, encompassing technical expertise, analytical capability, and leadership skills, is likely to influence how ERM practices impact organizational outcomes. Yet existing research rarely investigates this moderating role directly. Furthermore, most prior evidence is drawn from developed economies, with little focus on emerging markets such as Nigeria, where weaker institutional structures may amplify the importance of management competence in risk management. In addition, much of the existing literature relies on cross-sectional survey data and emphasizes traditional accounting measures of performance such as ROA, ROE, TobinQ while neglecting forward-looking indicators such as sales and revenue growth, which are critical for assessing competitive and strategic success. This leaves a gap in understanding how management competence conditions the ERM and financial performance nexus when performance is measured through growth focused indicators. This study makes several important contributions to both theory and practice. First, it advances the ERM – performance literature by introducing management competence as a moderating variable. Second, the study contributes to emerging market scholarship, as most ERM research is concentrated in developed economies (Florio & Leoni, 2017; Gonzalez et al, 2020). By examining Nigerian firms, this research addresses calls for contextualized evidence from regions with weaker institutional structures, where management competence may have an even greater effect on risk management success. Third, by measuring financial performance in terms of sales and revenue growth, the study moves beyond traditional accounting based indicators such as ROA, ROE, TobinQ. Therefore, the major objective of this study is to investigate the moderating role of management competence on the relationship between enterprise risk management (ERM) practices and financial performance of small and medium enterprises (SMEs) in Nigeria. The specific objectives are as follows:

1. To examine the effect of internal environment on sales and revenue growth of small and medium enterprises (SMEs) in Nigeria.
2. To assess the effect of risk assessment on sales and revenue growth of small and medium enterprises (SMEs) in Nigeria.

3. To determine the effect of risk response on sales and revenue growth of small and medium enterprises (SMEs) in Nigeria.
4. To evaluate the effect of control activities on sales and revenue growth of small and medium enterprises (SMEs) in Nigeria.
5. To investigate the effect of monitoring on sales and revenue growth of small and medium enterprises (SMEs) in Nigeria.
6. To examine the moderating role of management competence on the relationship between enterprise risk management (ERM) practices on sales and revenue growth of small and medium enterprises (SMEs) in Nigeria.

Research Questions: Based on objectives, the study seeks to answer the following questions:
1. What is the effect of internal environment on sales and revenue growth of small and medium enterprises (SMEs) in Nigeria?
2. How does risk assessment affect sales and revenue growth of small and medium enterprises (SMEs) in Nigeria?
3. To what extent does risk response affect sales and revenue growth of small and medium enterprises (SMEs) in Nigeria?
4. What is the effect of control activities on sales and revenue growth of small and medium enterprises (SMEs) in Nigeria?
5. How does monitoring affect sales and revenue growth of small and medium enterprises (SMEs) in Nigeria?
6. Does management competence moderate the relationship between enterprise risk management practice and sales and revenue growth of small and medium enterprises (SMEs) in Nigeria?

The following null hypotheses were tested in this study:

$H0_1$: Internal environment of ERM has no significant effect on sales and revenue growth of SMEs in Nigeria.

$H0_2$: Risk assessment of ERM has no significant effect on sales and revenue growth of SMEs in Nigeria.

$H0_3$: Risk response of ERM has no significant effect on sales and revenue growth of SMEs in Nigeria.

$H0_4$: Control activities of ERM has no significant effect on sales and revenue growth of SMEs in Nigeria.

$H0_5$: Monitoring of ERM has no significant effect on sales and revenue growth of SMEs in Nigeria.

$H0_6$: Management competence does not significantly moderate the relationship enterprise risk management practices and sales and revenue growth of SMEs in Nigeria.

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LITERATURE REVIEW

Conceptual Review

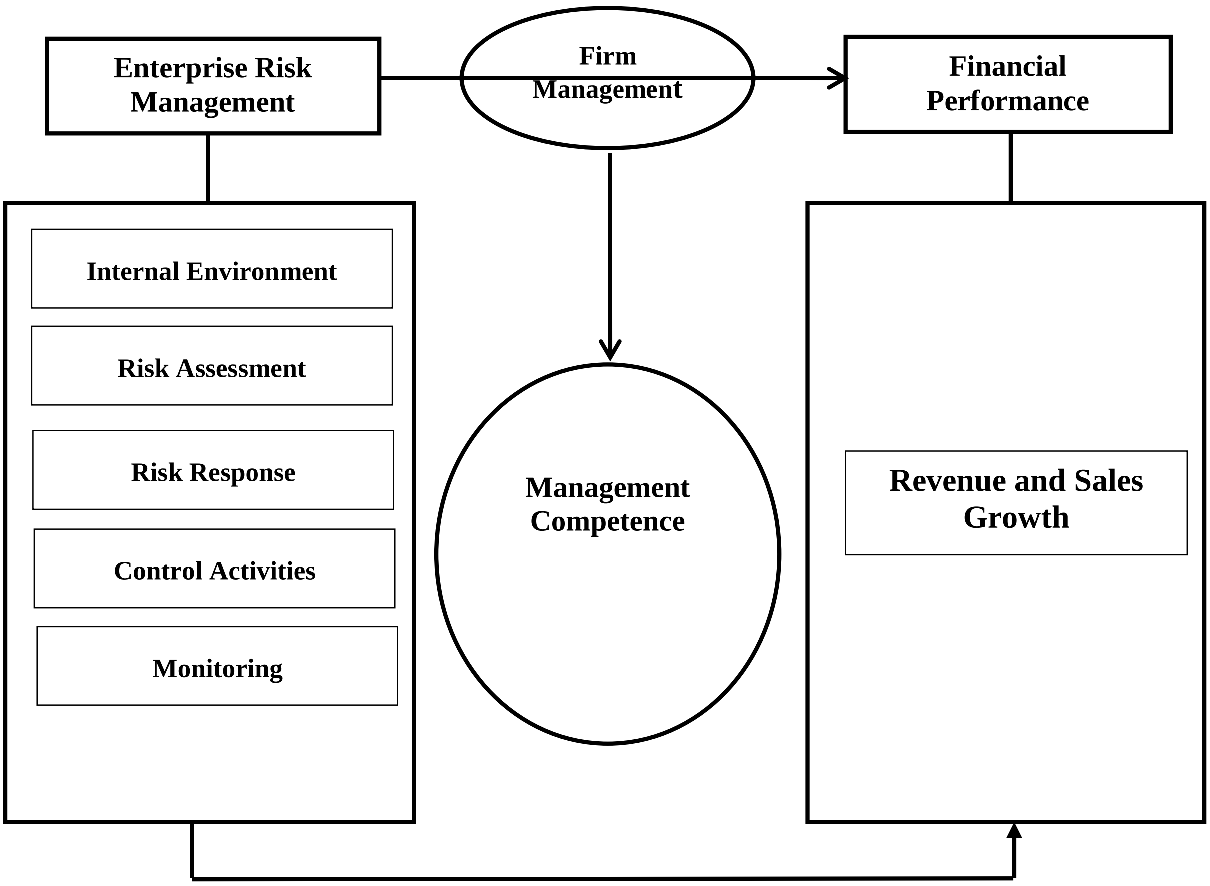

Figure 1: Conceptual Framework of ERM & Financial Performance

Concept of Enterprise Risk Management: Enterprise risk management (ERM) is a structured and integrated approach to identifying, assessing, managing, and monitoring risks across an entire organization to achieve strategic, operational, reporting, and compliance objectives. ERM adopts a holistic perspective by considering the interdependence among risks and aligning risk management practices with organizational strategy. According to Committee of Sponsoring Organisation of the Treadway Commission (COSO), ERM is the culture, capabilities, and practices, integrated with strategy setting and its performance that organizations rely on to manage risk in creating, preserving, and realizing value (COSO, 2017). Scholars have described ERM as a dynamic capability that enables firms to anticipate uncertainties, mitigate threats, and exploit opportunities (Florio & Leoni, 2017). In this sense, ERM strengthens organizational resilience by integrating risk considerations into governance, leadership, and performance management structures. Beasley et al (2021) further argue that effective ERM improves transparency, stakeholder confidence, and long-term financial performance. Majumder and Dey (2024) conceptualize ERM as more than risk control – it is about enhancing both organizational strategies and well-being programs, reflecting its role in aligning risk processes with broader strategic and culture related aims. Dindarian (2023) frames ERM through the lens of enterprise resilience, emphasizing its role in addressing emergent and interconnected risks. This view underscores the need for complexity awareness and strategic alignment between risks and objectives. A case study of Swedish mining industry Monazzam and Crawford (2024) positions ERM as a dynamic resilience enabler, emphasizing managing risk not just to mitigate losses but to build adaptive capabilities and strategic continuity. Drawing on principles from ISO 31000 and business excellence models NIST (2024) describes ERM as an organization's coordinated activities to direct and control the effect of uncertainty on achieving its objectives. Resende et al (2024) highlight ERM as an integrative force aligned with corporate strategy and corporate social responsibility. Specifically, ERM helps firms create, preserve, and realize value, not just in financial terms but also through socially responsible practices. The widely adopted COSO ERM framework highlights eight interrelated components (COSO, 2017). These components are internal environment/governance and culture, objective setting/strategy, event identification (risk identification), risk assessment, risk response, control activities, information and communication and monitoring (Anto & Nucu, 2021). Research shows that these components foster stronger governance, align risk strategies with objectives, and enhance organizational performance (Anton & Nucu, 2021). Thus, ERM serves as both a control and strategic tool, improving resilience and long-term value creation.

Concept of Financial Performance: Financial performance is a central construct in management and accounting research, representing how effectively a firm utilizes its resources to generate revenue, profit, and long-term shareholder value. Traditionally, it is measured through accounting-based ratios such as return on assets (ROA), return on equity (ROE), and liquidity ratios, which provide insights into operational efficiency and profitability (Egiyi & Okafor, 2022). Recent scholarship expands this view, emphasizing that financial performance reflects not only historical outcomes but also the firm's ability to remain competitive and resilient in dynamic environment (2022). Furthermore, studies highlight that organizational factors such as strategic orientation, governance quality, and innovation capacity significantly shape financial performance, suggesting outcome (Baby et al, 2024). Thus, financial performance is best understood as a multi-dimensional construct, encompasses efficiency, profitability, and future sustainability. In corporate governance and risk management studies, financial performance is frequently used as the dependent variable, reflecting how strategic choices and risk management practices impact firm performance (Anton & Nucu, 2021). Sales and revenue growth are widely recognized as key indicators of financial performance because they reflect a firm's ability to expand market share, improve competitiveness, and generate sustainable income streams. According to Egiyi and Okafor (2022), revenue growth provides evidence of effective resource utilization and customer demand, which are central to measuring profitability and operational success. Recent studies highlight that consistent growth in sales and revenue is strongly associated with improved shareholder value and long-term organizational sustainability (Baby et al, 2024). Revenue expansion not only signals financial health but also indicates resilience in dynamic business environments where firms must adapt to changing customer needs and competitive pressures. Thus, sales and revenue growth remain critical dimensions for assessing both the short-term and strategic aspects of financial performance.

Concept of Management Competence: Management competence refers to the knowledge, skills, abilities, and behaviours that enable managers to effectively carry out their roles and responsibilities in achieving organizational goals. It encompasses both technical and interpersonal dimensions, allowing managers to lead teams, make informed decisions, and ensure organizational success. According to Boyatzis (1982), competence is the underlying characteristic of individuals that is causally related to superior job performance. Building on this, Cardoso et al (2022) defines management competence as the integration of managerial knowledge, leadership capabilities and decision-making skills that enhance both employee performance and organizational outcomes. Furthermore, Moldoveanu and Narayandas (2023) argue that management competence goes beyond technical expertise to include adaptability, innovation, and the ability to align organizational resources with strategic objectives in uncertain environments. Similarly, Alshammari (2024) highlights that competent managers must demonstrate ethical judgment, emotional intelligence, and resilience, especially in dynamic business contexts. Thus, management competence can be conceptualized as a multidimensional construct involving cognitive (Knowledge), functional (skills), social (communication and leadership), and ethical (values and responsibility) elements that collectively influence organizational performance.

Theoretical Review: This study is grounded on the resource-based theory. RBT, also known as the Resource Based View (RBV), provides a lens through which to understand how organisations achieve and sustain competitive advantage by effectively deploying their internal resources and capabilities (Wernerfelt, 1984; Barney, 1991). RBT argues that internal firm specific resources – if they are valuable, rare, inimitable and non-substitutable (VRIN) – enable superior performance and long-term competitiveness. ERM represents a strategic organizational capability that integrates risk identification, assessment, and response across different business units to mitigate threats and seize opportunities. When viewed from RBT perspective, ERM serves as a value-enhancing capability that supports effective decision-making, resource allocation, and resilience building, which ultimately improves financial performance (Florio & Leoni, 2017; Anton & Nucu, 2021). Managerial competence which includes knowledge, expertise, leadership, and decision-making can be considered a strategic intangible resource under RBT. Research shows that managerial competences are rare, inimitable, and difficult to substitute, making them crucial in shaping how effectively ERM practices are implemented (Cardoso et al, 2022). Competent managers interpret complex risk data, align ERM practices with organizational strategy, and ensure that risk response mechanisms translate into revenue growth and profitability. While ERM provides the structured tools and processes for managing risks, the effectiveness of ERM in improving financial performance depends on the capabilities of managers to apply these tools strategically. From RBT perspective, managerial competence acts as a moderator that strengthens the ERM – financial performance nexus. In firms with highly competent managers, ERM initiatives are more likely to result in higher sales and revenue growth, whereas in firms with low managerial competence, ERM adoption may have limited or no impact. Hence, this moderating aligns with the principles of RBT, which highlight that firm performance is not Soley determined by having resources but by how effectively those resources are utilized. Thus, managerial competence transforms ERM from a procedural framework into a strategic driver of competitive advantage.

Empirical Review

Al Lawati et al (2025) explored enterprise risk management and firm performance focusing on the mediating role of competitive advantage. The study used a quantitative, cross sectional survey research design to analyse the relationship between ERM, competitive advantage and firm performance. The target population consisted of firms across multiple industries in Oman and other Gulf countries. Data was collected from senior managers, risk managers, and executives directly involved in ERM practices. A purposive sampling technique was applied to ensure respondents had adequate knowledge of ERM implementation. Primary data was collected from questionnaire which was validated through pilot testing and expert reviews and the data collected were analysed using partial least square structural equation modeling (SEM) (PLS -SEM) via SmartPLS software. Also, reliability and validity checks included Cronbach's alpha, composite reliability, convergent validity and discriminate validity. The study findings revealed that ERM positively affects firm performance, but its impact is significantly enhanced through competitive advantage. Additionally, managerial competence, though not the primary focus, is highlighted as a critical factor enabling firms to implement ERM effectively and convert risk management into superior performance. Furthermore, alignment of ERM within organizational processes is essential for achieving maximum benefits.

Wang et al (2025) investigated the effects of CEO competence of enterprise financial performance. The study employed a quantitative empirical research design to test the relationship. Panel data was collected from Chinese A-share listed firms between 2012 to 2021. CEO competence was measured using textual analysis of CEOs' resumes, disclosures, and career histories. Financial performance was measured using ROA, ROE and Tobin's Q, while internal control was captured using internal control index scores. Also, several control variables were used such as firm size, leverage, ownership type, industry, and year fixed effects. The study used multiple regression, mediation analysis, heterogeneity and robustness check for data analysis. The study demonstrates that CEO enterprising competence has a significant positive effect on enterprise financial performance. Additionally, internal control behaviour serves as a key channel through which enterprising CEO competence enhances financial outcomes and newly appointed CEOs are better positioned to leverage their enterprising competence to improve financial performance compared to longer-tenured CEOs. This suggests that adaptability and a fresh strategic perspective matter.

Bamigboye et al (2024) examined whether formal ERM implementation affects earnings quality across fifty (50) Nigerian financial firms, using a pre-post implementation design and panel tests. The authors construct ERM compliance indicators and standard earnings-quality metrics, and report that firms that moved toward stronger ERM compliance experienced marked improvements in earnings quality (the paper reports large percentage improvements for treated firms). The study contributes empirical evidence from an emerging market financial sector showing that ERM is not only value-relevant but also improves the reliability of reported earnings – a mechanism through which ERM may support better financial performance. The authors note that contextual caveats,

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that regulatory changes and sample size, limit generalisation and the analysis focuses on short-to-medium term post-implementation effects.

Resende et al (2024) analysed whether ERM affects firm performance directly and indirectly through CSR strategy, using a European panel and structured equation modelling. The authors found that ERM positively influences firm performance and that a significant portion of this effect operates via stronger CSR strategy and actions that firms with robust ERM are better able to design and deliver CSR initiatives that in turn improve long-term performance. The study's main contribution is to link ERM with non-financial strategic capabilities (CSR) and show that ERM's value can be partly explained by improved strategic CSR execution. The authors also highlight that alignment between ERM and firm strategy is a key contingency: without alignment, ERM investments yield smaller performance gains.

Le et al (2024) explored ERM effect on firm performance in Vietnam (n = 297) while explicitly modelling mediates such as knowledge management and technology adoption and a moderator (supply-chain resilience). Using survey measures and PLS-SEM, the authors show ERM improves firm performance primarily when firms translate ERM into knowledge management and technological adoption, supply-chain resilience strengthens the indirect paths. The paper advances the literature by unlocking how ERM produces performance benefits through internal capabilities rather than assuming a direct ERM – performance link especially useful for emerging market manufacturing and supply-chain intensive firms. The key limitation is resilience on cross-sectional survey measures (self-reports), which the authors acknowledged may bias causality inference.

Horvey et al (2024) investigated a penal study of sixty-three (63) South-African insurers (2015 – 2019) and used generalized method of moments (GMM) estimators to investigate ERM's effects on underwriting performance and ROA and to test how corporate governance characteristics moderate ERM effects. The findings indicate ERM is positively associated with both underwriting and accounting performance, and that the board characteristics such as size, independence, and gender condition the strength of ERM's impact on firms with stronger governance capture more of ERM's performance benefits. By integrating governance as a moderator, the paper shows that ERM's value is contingent on governance structures that can translate risk processes into strategic and operational outcomes. The study is robust in method but context-specific to insurers operating under South African regulatory and market conditions.

Samudera and Husaini (2023) analysed ERM and corporate performance with intellectual capital as moderator in Indonesia. The study used survey and secondary data on Indonesian banks to test whether intellectual capital moderates the ERM and performance nexus. Their results show that ERM is positively related to accounting-based and market performance, and intellectual capital (human, structural and relational capital) strengthens this relationship. The study adds to evidence that firm capabilities (knowledge assets) are critical boundary conditions where ERM works better in firms that possess the internal knowledge resources to implement risk processes effectively. The paper's main constraint is geographic and sampling focus on Indonesia and the cross-sectional design, but it reinforces the argument that managerial and organizational competence is a plausible moderator.

Oniovosa and Okoro (2023) studied ERM and firm value of commercial banks in Sub-Saharan Africa. The study used 27 sub-Saharan banks using panel regression across 2012 to 2021 to investigate ERM independence and disclosure practices. The study reports that ERM independence such as presence of dedicated ERM roles and ERM disclosure positively associated with firm value (Tobin'sQ), while ERM size (perhaps the scale of the ERM department) had no effect. The study provides regionally specific evidence that governance and transparency around ERM correlate with market valuation, suggesting investors reward ERM practices that signal credible risk oversight. The study limitations include a relatively small sample and heterogeneity across jurisdiction in regulatory regimes.

Alsalami et al (2023) analysed twenty-three (23) listed Islamic banks in the GCC (2011 to 2020) using content analysis and panel methods to measure ERM implementation and financial outcomes. The authors found that ERM implementation is associated with improvements in accounting performance such as ROA and ROE but not with market performance such as stock market measures. The paper's contribution lies in its focus on Islamic banking – a context with additional constraints such as Shariah compliance that complicate risk management, and it suggests ERM's benefits can be domain specific thereby improving internal accounting metrics before market valuation responds. The study flags limitations of content analysis ERM proxies and the challenge of capturing market perception effects in a relatively less-liquid stock market.

Abdulkadir (2024) investigated ERM practices and financial performance of listed insurance firms in Nigeria. The study used COSO ERM objectives to measure ERM (strategic and operational objectives) and runs panel regressions on listed Nigerian insurance firms from 2018 to 2022. The results show strategic ERM objectives positively affect Tobin's Q, while operational ERM objectives unexpectedly show a negative effect on firm value in this context. The paper interprets the negative operational effect as possibly due to short-term costs or misalignment between operational ERM activities and investor expectations. The study is important because it disaggregated ERM into strategic and operational components, demonstrating that not all ERM activities uniformly produce positive valuation effects – alignment and maturity matter.

Natasha and Rokhim (2024) explored ERM implementation and financial performance and firm value in East Asia from 2018 to 2022. The study used 151 listed East Asia firms and demonstrated that ERM implementation correlates positively with both accounting performance (ROA) and firm value proxies across a diverse East Asia sample. The author's contribution is to show that ERM and performance nexus observed in developed markets also holds across a heterogeneous East Asian sample, provided firms adopt ERM in line with governance best practices. The paper highlights practical policy implications for corporate governance reforms in the region. As with many cross–country studies, the authors note potential measurement heterogeneity and the need to consider country fixed effects.

Feng (2024) analysed the relationship between ESG risk exposure and managerial ability and investigated whether the quality of internal control influences this relationship. The study used panel data from Chinese listed firms between 2008 and 2002. The findings indicate that firms led by more capable managers exhibit lower overall ESG risk exposure, encompassing environmental,

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social, and governance risks. Furthermore, higher ICQ strengthens the relationship between managerial ability and ESG risks. An analysis of the five internal control components reveals that ICQ influences this association, risk assessment, control activities, and information and communication channels. Additionally, the moderating effect of ICQ is influenced by managerial power and the effectiveness of external governance mechanisms.

METHODOLOGY

This study adopts a quantitative cross-sectional survey research design to examine the relationship between enterprise risk management (ERM) and financial performance (FP), and to test whether management competence moderates this relationship. Cross sectional survey is appropriate because the aim is to measure constructs and relationships at a single point in time across a representative sample of owners of small and medium enterprises (SMEs) in Port Harcourt and Yenagoa. The target population consists of all owners of small and medium enterprises (SMEs) in Port Harcourt and Yenagoa in Nigeria. The sample size was determined using A sample size of 385 was determined using Cochran's (1977) standard formula. According to Appah (2020), this formula was preferred because it is utilised for an infinite population size. Hence, a total of 770 questionnaires were distributed to owners of small and medium enterprises (SMEs) in Port Harcourt and Yenagoa. A structured questionnaire was used as the primary data collection instrument. The questionnaire comprised four sections: Section A: Demographic Information, Section B: Enterprise Risk Management Practices, Section C: Management Competence and Section D: Financial Performance. All items were measured using a five-point Likert Scale ranging from “1 = Strongly Disagree” to “5 = Strongly Agree”. Enterprise Risk Management (Internal Environment, Risk Assessment, Risk Response, Control Activities and Monitoring) with a latent construct of five (5) items each, Management Competence with a latent construct of five (5) items and Financial Performance with a latent construct of five (5) items. The second process was to validate the instrument, and the questionnaire was pre-tested, and the responses from the respondents were used to improve the items. The study questionnaire used test-retest reliability. The instrument was administered to 30 of the target subjects who were not part of the respondents, and after a period of two weeks, the same instrument was again given to the same 30 respondents to ascertain reliability. Consequently, the Cronbach Alpha coefficient (0.82, 0.75, 0.74, 0.82, 0.86, 0.78 and 0.86) respectively was used to determine the statistical reliability of the research instrument. This study employed univariate, bivariate and multivariate analysis using the SmartPLS version 4 for structural equation modelling (SEM). This study is guided by the functional relationship to test the hypotheses as presented as follows:

$$RSG = \beta_0 + \beta_1 INE + \beta_2 RIA + \beta_3 RIR + \beta_4 COA + \beta_5 MON + \beta_6 MAC + \beta_7 INE * MAC + \beta_8 RIA * MAC + \beta_9 RIR * MAC + \beta_{10} COA * MAC + \beta_{11} MON * MAC + \varepsilon \text{ --- } (1)$$

Where:
INE = Control Environment, RIA= Risk Assessment, RIR= Risk Response, COA = Control Activities, MON = Monitoring, RSG = Revenue and Sales Growth and MAC = Management Competence. $\beta_0 - \beta_5$ = Coefficients, $\beta_6 - \beta_{11}$ = Coefficient of moderator variable, ε = Standard error. The priori expectation: β_1- β_{11} >0 and statistical software was applied in data analysis.

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Results and Discussions

Table 1: Questionnaire Distribution

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Number returned and correctly filled	523	74.7	74.7	74.7
	Number returned and not correctly filled	40	5.7	5.7	80.4
	Number not returned	137	19.6	19.6	100.0
	Total	700	100.0	100.0	

Source: Field Survey (2025) Via **SPSS Output**

Table 1 shows a total of Seven Hundred (700) copies of the questionnaire were distributed to the respondents. Out of this number, Five Hundred and Twenty-three (523) representing 74.7% response rates were correctly filled and returned while Forty (40) copies representing 5.7% were returned but not correctly filled. However, One Hundred and Thirty-Seven (137) representing 19.6% were not returned. The implication is that the analysis of data will be based on Five Hundred and Twenty-three (523) representing 74.7% response rates were correctly filled.

Table 2: Descriptive Statistics of Internal Environment of ERM - COSO

S/N	Items	N	Min	Max	Mean	Std. D
1	Our Organisation has a clearly defined risk management philosophy	523	1.00	5.00	3.484	1.224
2	The board of directors provides effective oversight of risk management	523	1.00	5.00	3.237	1.216
3	Ethical values and integrity guide our organisations' activities	523	1.00	5.00	3.192	1.525
4	There is a governance structure that supports risk management practices	523	1.00	5.00	3.235	1.237
5	The organisation's risk appetite is clearly communicated to employees	523	1.00	5.00	3.284	1.315
Valid N (listwise)		**523**			**3.286**	**1.303**

Source: Field Survey **(2025)**

The results in table 2 showed the descriptive statistics of the mean and standard deviation responses on internal environment of enterprise risk management variable using five questionnaire items that were designed on a five-point Likert scale. Thus, the questionnaire items labelled above, and the mean and standard deviation of the five items were calculated to determine the overall mean and standard deviation responses on internal environment of risk management. Notwithstanding, all the items mean are above the cut-off point of 2.5. However, the grand mean and standard deviation responses on the questionnaire items disclosed (**Mean =3.286; Std. D =1.303**) respectively. This implies that internal environment of enterprise risk management is a significant predictor of revenue and sales growth of small and medium enterprises (SMEs) in Nigeria.

Table 3: Descriptive Statistics of Risk Assessment of ERM - COSO

S/N	Items	N	Min	Max	Mean	Std. D
1	Risks are assessed based on both likelihood and impact	523	1.00	5.00	3.635	1.438
2	Risk assessments are updated regularly to reflect changes in the environment	523	1.00	5.00	3.584	1.384
3	Both qualitative and qualitative methods are used in assessing risks	523	1.00	5.00	3.563	1.483
4	The organization prioritise risks according to their potential effect on objectives	523	1.00	5.00	3.626	1.238
5	Scenario analysis and stress testing are applied where necessary	523	1.00	5.00	3.584	1.543
Valid N (listwise)		**523**			**3.598**	**1.417**

Source: Field Survey **(2025)**

The results in table 3 revealed the descriptive statistics of the mean and standard deviation responses on risk assessment of enterprise risk management variable using five questionnaire items that were designed on a five-point Likert scale. Thus, the questionnaire items labelled above, and the mean and standard deviation of the five items were calculated to determine the overall mean and standard deviation responses on risk assessment of risk management. Notwithstanding, all the items mean are above the cut-off point of 2.5. However, the grand mean and standard deviation responses on the questionnaire items disclosed (**Mean =3.598; Std. D =1.417**) respectively. This implies that risk assessment of enterprise risk management is a significant predictor of revenue and sales growth of small and medium enterprises (SMEs) in Nigeria.

Table 4: Descriptive Statistics of Risk Response of ERM - COSO

S/N	Items	N	Min	Max	Mean	Std. D
1	Risk responses are designed to align with organizational objectives	523	1.00	5.00	3.256	1.523
2	The organization evaluates alternatives such as avoid, accept, reduce, or transfer risks	523	1.00	5.00	3.427	1.426
3	Risk responses are cost-effective and feasible	523	1.00	5.00	3.531	1.512
4	Management implements clear policies and procedures to mitigate risks	523	1.00	5.00	3.713	1.543
5	Contingency plans are developed for critical risks	523	1.00	5.00	3.843	1.234
Valid N (listwise)		**523**			**3.554**	**1.448**

Source: Field Survey **(2025)**

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The results in table 4 indicate the descriptive statistics of the mean and standard deviation responses on risk response of enterprise risk management variable using five questionnaire items that were designed on a five-point Likert scale. Thus, the questionnaire items labelled above, and the mean and standard deviation of the five items were calculated to determine the overall mean and standard deviation responses on risk response of risk management. Notwithstanding, all the items mean are above the cut-off point of 2.5. However, the grand mean and standard deviation responses on the questionnaire items disclosed (**Mean =3.554; Std. D =1.448**) respectively. This implies that risk response of enterprise risk management is a significant predictor of revenue and sales growth of small and medium enterprises (SMEs) in Nigeria.

Table 5: Descriptive Statistics of Control Activities of ERM - COSO

S/N	Items	N	Min	Max	Mean	Std. D
1	Internal controls are implemented to ensure risk responses are carried out	523	1.00	5.00	3.483	1.362
2	Standard operating procedures (SOPs) are documented and followed	523	1.00	5.00	3.215	1.536
3	Segregation of duties is enforced to minimize operational risks	523	1.00	5.00	3.326	1.416
4	Control policies are communicated to employees at all levels	523	1.00	5.00	3.395	1.253
5	The organization uses both manual and automated controls to mitigate risks	523	1.00	5.00	3.184	1.542
Valid N (listwise)		**523**			**3.321**	**1.422**

Source: Field Survey **(2025)**

The results in table 5 indicate the descriptive statistics of the mean and standard deviation responses on control activities of enterprise risk management variable using five questionnaire items that were designed on a five-point Likert scale. Thus, the questionnaire items labelled above, and the mean and standard deviation of the five items were calculated to determine the overall mean and standard deviation responses on control activities of risk management. Notwithstanding, all the items mean are above the cut-off point of 2.5. However, the grand mean and standard deviation responses on the questionnaire items disclosed (**Mean =3.321; Std. D =1.422**) respectively. This implies that control activities of enterprise risk management is a significant predictor of revenue and sales growth of small and medium enterprises (SMEs) in Nigeria.

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Table 6: Descriptive Statistics of Monitoring of ERM - COSO

S/N	Items	N	Min	Max	Mean	Std. D
1	ERM practices are regularly reviewed to ensure effectiveness.	523	1.00	5.00	3.213	1.251
2	Independent evaluations (e.g., internal audit) assess risk management performance.	523	1.00	5.00	3.457	1.472
3	Deficiencies in risk management are identified and promptly corrected.	523	1.00	5.00	3.294	1.517
4	Continuous improvement is emphasized in the ERM process	523	1.00	5.00	3.475	1.461
5	Management demonstrates commitment to follow-up on audit and monitoring recommendations.	523	1.00	5.00	3.325	1.364
Valid N (listwise)		**523**			**3.343**	**1.413**

Source: Field Survey **(2025)**

The results in table 6 depict the descriptive statistics of the mean and standard deviation responses on monitoring of enterprise risk management variable using five questionnaire items that were designed on a five-point Likert scale. Thus, the questionnaire items labelled above, and the mean and standard deviation of the five items were calculated to determine the overall mean and standard deviation responses on monitoring of risk management. Notwithstanding, all the items mean are above the cut-off point of 2.5. However, the grand mean and standard deviation responses on the questionnaire items disclosed (**Mean =3.343; Std. D =1.413**) respectively. This implies that monitoring of enterprise risk management is a significant predictor of revenue and sales growth of small and medium enterprises (SMEs) in Nigeria.

Table 7: Descriptive Statistics of Management Competence

S/N	Items	N	Min	Max	Mean	Std. D
1	Managers of this firm have the knowledge to effectively implement ERM frameworks	523	1.00	5.00	3.543	1.353
2	Managers can identify how ERM practices influence financial performance outcomes	523	1.00	5.00	3.216	1.513
3	Managers use ERM to improve the accuracy of financial forecasts and performance targets.	523	1.00	5.00	3.538	1.643
4	Managers promote the culture where ERM is valued as part of achieving financial success	523	1.00	5.00	3.519	1.512
5	Managers ensure that employees understand the link between ERM and financial performance	523	1.00	5.00	3.419	1.423
Valid N (listwise)		**523**			**3.446**	**1.489**

Source: Field Survey **(2025)**

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The results in table 7 disclose the descriptive statistics of the mean and standard deviation responses on management competence variable using five questionnaire items that were designed on a five-point Likert scale. Thus, the questionnaire items labelled above, and the mean and standard deviation of the five items were calculated to determine the overall mean and standard deviation responses on management competence. Notwithstanding, all the items mean are above the cut-off point of 2.5. However, the grand mean and standard deviation responses on the questionnaire items disclosed (**Mean =3.446; Std. D =1.449** respectively. This implies that management competence is a significant predictor of revenue and sales growth of small and medium enterprises (SMEs) in Nigeria.

Table 8: Descriptive Statistics of Revenue and Sales Growth

S/N	Items	N	Min	Max	Mean	Std. D
1	The level of sales revenue consistently meets or exceeds management expectations	523	1.00	5.00	3.135	1.534
2	Revenue targets are consistently achieved or exceeded by the business	523	1.00	5.00	3.426	1.324
3	The business has successfully expanded its customer base, leading to higher revenue	523	1.00	5.00	3.253	1.473
4	Effective marketing and sales strategies have positively influenced revenue growth	523	1.00	5.00	3.485	1.312
5	New products or services introduced by the company have contributed to revenue growth	523	1.00	5.00	3.621	1.573
Valid N (listwise)		**523**			**3.384**	**1.443**

Source: Field Survey **(2025)**

The results in table 8 show the descriptive statistics of the mean and standard deviation responses on revenue and sales growth variable using five questionnaire items that were designed on a five-point Likert scale. Thus, the questionnaire items labelled above, and the mean and standard deviation of the five items were calculated to determine the overall mean and standard deviation responses on revenue and sales growth. Notwithstanding, all the items mean are above the cut-off point of 2.5. However, the grand mean and standard deviation responses on the questionnaire items disclosed (**Mean =3.384; Std. D =1.443** respectivel

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Table 9: Correlation Matrices

		RSG	INE	RIA	RIR	COA	MON	MAC
RSG	Pearson Correlation	1						
	Sig. (2-tailed)	0.00						
	N	523						
INE	Pearson Correlation	0.674	1					
	Sig. (2-tailed)	.000	.000					
	N	523	523					
RIA	Pearson Correlation	0.628	0.523	1				
	Sig. (2-tailed)	.000	.000	.000				
	N	523	523	523				
RIR	Pearson Correlation	0.618	0.629	0.569	1			
	Sig. (2-tailed)	.000	.000	.000	.000			
	N	523	523	523	523			
COA	Pearson Correlation	0.557	0.635	0.624	0.694	1		
	Sig. (2-tailed)	.000	.000	.000	.000	.000		
	N	523	523	523	523	523		
MON	Pearson Correlation	0.735	0.588	0.695	0.622	0.506	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	523	523	523	523	523	523	
MAC	Pearson Correlation	0.786	0.525	0.611	0.643	0.604	0.627	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	N	523	523	523	523	523	523	523

Source: ***Computed by Author Via SPSS (2025)***

The bivariate analysis was carried out using Pearson's Product-Moment Correlation Coefficient (PPMC), showing the relationship between enterprise risk management practices (internal environment, risk assessment, risk response, control activities, monitoring), financial performance (revenue and sales growth) and management competence. Table 9 shows a strong and positive (r = 0.674, P = 0.00) relationship between internal environment and revenue and sales growth of small and medium enterprises in Nigeria; a strong and positive (r = 0.628, P = 0.00) relationship between risk assessment and revenue and sales growth of small and medium enterprises in Nigeria; a strong and positive (r = 0.618, P = 0.00) relationship between risk response and revenue and sales growth of small and medium enterprises in Nigeria; a moderate and positive (r = 0.557, P = 0.00) relationship between control activities revenue and sales growth of small and medium enterprises in Nigeria; a strong and positive (r = 0.735, P = 0.00) relationship between monitoring and revenue and sales growth of small and medium enterprises in Nigeria and a strong and positive (r = 0.786, P = 0.00) relationship between management competence revenue and sales growth of small and medium enterprises in Nigeria.

Table 10: R-Square Adj.

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
Productivity Improvement	0.568	0.478	0.046	12.348	0.000

Source: Authors' Computation (2025)

The study investigated the relationship between enterprise risk management and financial performance of small and medium scale enterprises in Port Harcourt and Yenagoa, Nigeria, with management competence acting as a moderating variable. The adjusted R^2 of 0.568 indicates that the model explains 56.8% of the variance in financial performance (revenue and sales growth) of small and medium scale enterprises (SMEs).

Table 11: ERM & Revenue and Sales Growth & Management Competence

	Original Sample (O)	Sample Mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Remarks
INE -> RSG	0.552	0.140	0.271	2.037	0.012	**H1 Supported**
RIA -> RSG	0.503	0.519	0.184	2.737	0.006	**H2 Supported**
RIR -> RSG	0.653	0.597	0.249	2.622	0.010	**H3 Supported**
COA -> RSG	0.753	0.478	0.326	2.310	0.021	**H4 Supported**
MON -> RSG	0.508	0.508	0.194	2.618	0.009	**H5 Supported**
MAC -> RSG	0.884	0.415	0.358	2.469	0.017	**H6 Supported**
INE * MAC -> RSG	0.371	0.156	0.148	2.507	0.014	**H7 Supported**
RIA* MAC -> RSG	0.154	0.058	0.068	2.265	0.024	**H8 Supported**
RIR* MAC -> RSG	0.181	0.077	0.083	2.181	0.027	**H9 Supported**
COA* MAC -> RSG	0.128	0.112	0.096	2.271	0.023	**H10 Supported**
MON* MAC -> RSG	0.167	0.066	0.074	2.257	**0.026**	**H11 Supported**

Source: Authors' Computation (2025)

On table 11 the first hypothesis (**Ho$_1$)**, which proposed that internal environment positively and significantly affect revenue and sales growth of small and medium scale enterprises in Nigeria, the result was significant (β = 0.552, t = 2.037, p = .012), leading to the rejection of the null hypothesis (**Ho_1**) and acceptance of **H_{a1}**. For **H_{o2}**, concerning risk assessment on revenue and sales growth of small and medium scale enterprises in Nigeria, the result was significant (β = 0.508, t = 2.737, p = .006), thus **H_{a2}** was supported either. For **H_{o3}**, which proposed that risk response does not positively and significantly affect revenue and sales growth of small and medium scale enterprises in Nigeria (β = 0.053, t = 2.622, p = .010), meaning that the alternative hypothesis (**Ha_3**) was accepted. For **Ho_4**, relating to control activities does not positively and significantly affect the revenue and sales growth of small and medium enterprises (SMEs) in Nigeria, the finding was significant (β = 0.753, t = 2.310, p = .021), leading to the rejection of the null hypothesis and acceptance of the alternative hypothesis (**Ha_4**). For **Ho_5,** pertaining to monitoring does not positively and significantly affect revenue and sales growth of small and medium enterprises in Nigeria, the finding was significant (β = 0.508, t = 2.618, p = .009), thus rejecting the null hypothesis (**Ho_5**) and accepting the alternative hypothesis (**Ha_5**). The moderation analysis showed that **Ho_6**, which posited that management competence does not positively and significantly affect revenue and sales growth of small and medium enterprise in Nigeria, the finding was also significant (β = 0.884, t = 2.469, p = .017), thus rejecting the null hypothesis (**Ho_6**) accepting the alternative hypothesis ((**Ha_6**). For **Ho_7**, concerning management competence moderates the relationship between internal environment and revenue and sales growth of small and medium enterprises in Nigeria, the result was significant (β = 0.371, t = 2.507, p = .014), leading to the rejection of the null hypothesis and acceptance of the alternative hypothesis (**Ha_7**). For **Ho_8**, concerning management competence moderates the relationship between risk assessment and revenue and sales growth of small and medium enterprises in Nigeria, the finding was significant (β = 0.154, t = 2.265, p = .024), meaning the rejection of the null hypothesis and acceptance of the alternative hypothesis (**Ha_8**). For **Ho_9**, pertaining to management competence moderates the relationship between risk response and revenue and sales of small and medium enterprises in Nigeria, the result was also significant (β = 0.181, t = 2.181, p = .027), leading to the support of **Ha_9** and rejection of the null hypothesis. For **Ho_{10}**, concerning management competence moderates the relationship between control activities and revenue and sales growth of small and medium enterprises in Nigeria, the outcome was significant (β = 0.281, t = 2.271, p = .023), thus rejecting the alternative hypothesis and accepting the alternative hypothesis (**Ha_{10}**). Finally, for **Ho_{11}**, which proposed management competence moderates the relationship between monitoring and revenue and sales growth of small and medium enterprises in Nigeria, the result was significant (β = 0.167, t = 2.257, p = .024), meaning the acceptance of the alternative hypothesis (**Ha_{11}**) rejection of the null hypothesis (**Ho_{10}**).

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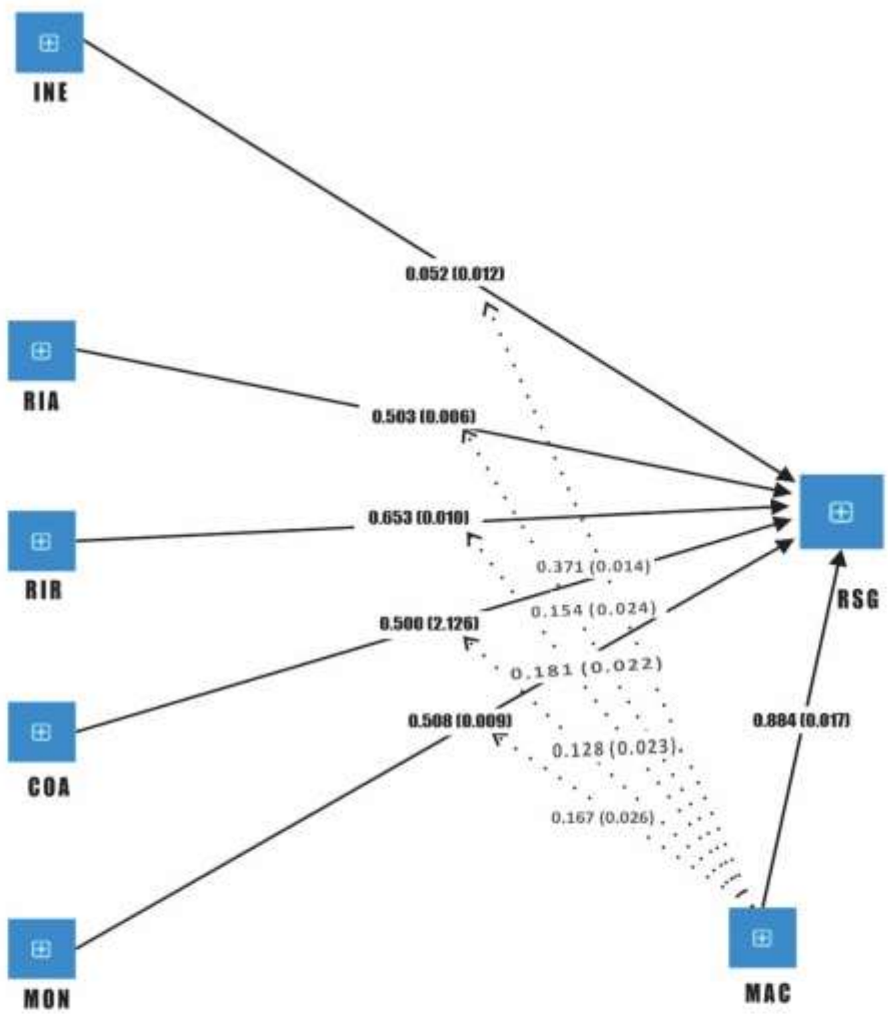

Figure 2: Process-Based Approach of Smart PLS

DISCUSSION OF FINDINGS

The paper explores the moderating effect of management competence on the relationship between enterprise risk management practices and the financial performance of small and medium enterprises in Nigeria. The findings of the study indicated that the internal environment has a significantly positive effect on the revenue and sales growth of small and medium enterprises in Nigeria. This study concurs with the findings conducted by Al Lawati et al (2025) in Oman and other Gulf countries, and the study findings revealed that ERM positively affects firm performance, but its impact is significantly enhanced through competitive advantage. Additionally, managerial competence, though not the primary focus, is highlighted as a critical factor enabling firms to implement ERM effectively and convert risk management into superior performance. The study is also consistent with the study carried out by Gonzalez et al (2020) in Spain using the ERM disclosure index and return on assets, and the findings disclosed that ERM adoption is positively associated with accounting and market performance; it improves financial stability. Hence, the empirical evidence of the present study supports the statements that the internal environment of enterprise risk management improves the level of revenue and growth of small and medium enterprises (SMEs) in Nigeria. The second finding of the paper suggests that risk assessment has a significantly positive effect on the revenue and sales growth of small and medium enterprises in Nigeria. This result agrees with the studies carried out by Saedi et al (2021) and Horvey and Moloi (2024). The study of Saedi et al (2021) that was conducted in Iran using survey-based ERM and ROA, and ROE revealed that ERM improves both financial and non-financial performance; the effect is stronger when intellectual capital is high. Furthermore, the study of Gonzalez et al (2020) in Spain using the ERM disclosure index and return on assets, and the findings disclosed that ERM adoption is positively associated with accounting and market performance; it improves financial stability. Therefore, the empirical evidence revealed that risk assessment enhances the level of revenue and sales growth, thereby improving the financial performance of small and medium enterprises (SMEs) in Nigeria. The third finding of this study disclosed that risk response has a positive and significant association with revenue and sales growth of small and medium enterprises in Nigeria. The finding is in line with the research conducted by Abdulkadir (2024), which suggested that strategic objectives of ERM positively impact performance. Also, the study of Saedi et al (2021) that was conducted in Iran using survey-based ERM and ROA, and ROE revealed that ERM improves both financial and non-financial performance; the effect is stronger when intellectual capital is high. The fourth finding showed that control activities had a significantly positive effect on revenue and sales growth of small and medium enterprises (SMEs) in Nigeria. The result agrees with the prior studies of Horvey and Moloi (2024), Gonzalez et al (2020) that EMR positively and significantly impacts financial performance. The fifth finding showed that monitoring had a significantly positive impact on the revenue and sales growth of small and medium enterprises (SMEs) in Nigeria. The finding concurs with the studies carried out by Gonzalez et al (2020), Horvey and Moloi (2024) that ERM enhances the financial performance of organisations. The sixth findings reveal that management competence improves revenue and sales growth of SMEs in Nigeria. In addition, the study further revealed that management competences moderate positively and significantly the relationship between ERM and the financial performance of small and medium-scale enterprises in Nigeria.

Conclusion, Policy Implications, Limitations and Further Research

This study investigated the effects of enterprise risk management practices on the financial performance of small and medium-scale enterprises (SMEs) in Nigeria. The study employed descriptive, correlation analysis, and SEM. The findings from the inferential statistics revealed a positive and significant relationship between the internal environment of ERM and revenue and sales growth of SMEs in Nigeria; a positive and significant relationship between risk assessment of ERM and revenue and sales growth of SMEs in Nigeria; a positive and significant relationship between risk response of ERM and revenue and sales growth of SMEs in Nigeria; positive and significant relationship between control activities of ERM and revenue and sales growth of SMEs in Nigeria; and positive and significant relationship between monitoring of ERM and revenue and sales growth of SMEs in Nigeria. The study also suggested that management competence moderates the positive and significant relationship between ERM and financial performance. Therefore, grounded in the findings, the study concludes that enterprise risk management practices enhance the level of revenue and sales growth of SMEs in Nigeria. Furthermore, management competence positively and significantly moderates the linkage between ERM practices and financial performance.

The policy implications of the relationship between ERM practices and the financial performance of small and medium enterprises in Nigeria are that regulators should integrate ERM adoption into corporate governance codes. SMEs should establish risk committees and ensure diverse, independent members to oversee ERM implementation. Policymakers should encourage firms to align ERM with strategic objectives rather than treating it as a compliance exercise. Government agencies and professional bodies should support ERM training, certification, and capacity building to strengthen risk culture and organizational learning. Since ERM contributes to long-term financial resilience, policymakers can integrate ERM requirements into the sustainability and ESG reporting framework, ensuring that firms account for emerging risks.

This study provides significant contributions, but with several limitations. This study employed self-reported survey data, which may not accurately capture the true depth of ERM practices. This study used cross-sectional survey designs, limiting the ability to establish causality. Also, the outcome of this study cannot be generalized across industries or regions due to regulatory, cultural and institutional differences. Although governance quality and risk culture have been explored as contingencies, management competence as a moderator remains under-investigated. Without accounting for leadership skills, decision-making quality, and managerial expertise, the ERM-EP relationship may be overstated or understated. Therefore, further studies should be carried out using panel data, multi-dimensional measurement, comparative cross-country studies and exploring mediating mechanisms.

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