THE EFFECT OF ENTERPRISE RISK MANAGEMENT, KNOWLEDGE MANAGEMENT, AND ORGANIZATIONAL CULTURE ON ORGANIZATIONAL RESILIENCE

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Abstract
This study aims to identify the influence of Enterprise Risk Management, Knowledge Management, and Organizational Culture on the company's ability to survive in an ever-changing environment. This research is a quantitative study using primary data. The data were obtained through a questionnaire distributed to accountants who held the lowest supervisory positions in private Indonesian companies. With a sample of 103 respondents, the data were processed using linear regression. This study found that in the context of companies in Indonesia, Enterprise Risk Management and Organizational Culture can increase Organizational Resilience. However, this study failed to prove the role of Knowledge Management in Organizational Resilience. This study provides contributions in both managerial and theoretical aspects. In the managerial aspect, this study implies ERM and organization culture are elements that should be implemented so that companies can survive in a volatile environment. From a theoretical point of view, this research has proven that in the long term ERM is able to maintain organizational resilience. Besides, this study also indicates that knowledge management is still not widely applied by companies in Indonesia. For this reason, the attention of management so that knowledge management is applied needs to be improved.

Keywords: Enterprise Risk Management, Knowledge Management, Organizational Culture, Organization Resilience.

JEL Classification: G32, M40, M14

INTRODUCTION
Disruptive events of the past few decades are something that many organizations have often faced. Starting with the rapid development in the technology sector that led to the creation of the industrial revolution 4.0 (Vaidya et al., 2018) to the
emergence of the Covid-19 pandemic announced by the World Health Organization (WHO) on January 31, 2020. These various conditions indicate that organizations often face uncertainty (Teixeira & Werther, 2013). For this reason, organizations must prepare themselves to be able to face these challenges (Tengblad & Oudhuis, 2018).

One of the sectors that have an impact on technological development is the traditional banking sector (ACCA, 2016). With the development of technology, ACCA (2016) sees that banking without physical offices is starting to grow in the United Kingdom. In addition, the Fintech sector also shows promising growth (ACCA, 2016). This is a threat to traditional banking. Even though currently the banking regulations in the United Kingdom are still in favor of traditional banking, traditional banking is starting to innovate in order to be able to compete with mobile-app-based banks (ACCA, 2016).

A similar condition happens during a pandemic. In 2003 the SARS CoV pandemic had an impact on the industry. One of the documented impacts is in the country of Hong Kong (Ceylan et al., 2020). At that time, due to reduced demand, the retail and tourism sectors experienced a decline where there was a reduction in the workforce in these two sectors by 6% for the retail sector and 3% in the tourism sector during 2020 (Ceylan et al., 2020). It also happens to the Covid 19 pandemic. In the aviation sector, The International Air Transportation Association (IATA) stated that during 2020, the aviation sector lost USD113 billion (Ceylan et al., 2020). For the retail sector, although it is not very impactful, there is a shifting in the shopping culture, where consumers more prefer to shop from the internet rather than visiting a store or mall (Ceylan et al., 2020).

Apart from these two types of events, disruptive can occur in other forms, including crisis or uncertainty (Sapeciay et al., 2017), disasters (Kim et al., 2016), incidents (Sawalha, 2015), or emergencies (Jung, 2015). Whatever the form of the event, the event could be that the company cannot operate normally making it difficult to achieve the goals that have been set (Stephenson, 2010). Because this risk is a real thing that needs to be faced by every organization, every organization needs to maintain its organizational resilience (Sawalha, 2015). The ability of an organization to deal with disruptive events is a form of organizational resilience (Somers & Christopher, 2007).

The issue of organizational resilience, when compared to other sciences, is still new (Koronis & Ponis, 2018). Therefore, Barasa et al. (2018) see that the research conducted in this field is still in the form of conceptual research. So, until now, there is still no common framework in assessing the ability of an organization to survive (Sawalha, 2015). One that can be exemplified is the model used by IBM (Sawalha, 2015). Sawalha (2015) identifies that IBM implements at least six elements, namely integrated risk management, business continuity management, security and data protection, regulatory compliance, market readiness, and knowledge and skills. Other researchers saw different things. Among them are (Biggs, 2011) who saw that the components that determine organizational resilience include the size of the
organization, the age and experience of the organization, and the values held by the company owners.

Due to there is no common agreement between the various parties related to the organizational resilience framework, research related to organizational resilience has expanded to many sectors. One of the studies related to organizational resilience is a research conducted by Bouaziz & Smaoui Hachicha (2018). In their research Bouaziz and Smaoui Hachicha (2018) aim to investigate whether there is a relationship between strategic human resource management and organizational resilience in Tunisia. They found that human resource management had an effect on organizational resilience. The analysis shows that human resource management will increase the robustness of the organization, especially in the next period.

Research related to organizational resilience also includes certain industries. One of them is research in the insurance industry as conducted by Sawalha (2015). In her research, Sawalha (2015) aims to find out how insurance companies in Jordan interpret organizational resilience and find out what the implications of culture are for organizational resilience. From the results of her research, Sawalha (2015) concluded that insurance companies in Jordan understand the concept of organizational resilience. Various factors affecting the resilience of insurance companies in Jordan have been identified, but others are not. Apart from that, Sawalha (2015) also found evidence that culture will affect organizational resilience.

The development of research related to organizational resilience is then documented by Rahi (2019). From 2007 to 2017, Rahi (2019) identified at least 33 articles discussing organizational resilience. From all these articles, Rahi (2019) identified that 27% were qualitative research while the rest were quantitative research. Based on the results of his research, Rahi (2019) agrees with Sawalha (2015) that the absence of a common framework in understanding organizational resilience has an impact on differences in indicators used in measuring organizational resilience. In some cases, researchers have even compiled industry-specific indicators such as that done by Alonso & Bressan (2015) which build indicators of organizational resilience for the wine industry. However, Rahi (2019) identifies the various indicators used, adaptive and awareness are two dimensions that exist in organizational resilience.

From these studies, there are still few studies that try to analyze how the impact of the application of Enterprise Risk Management (ERM) on organizational resilience. In the concept of organizational resilience, in an integrated function model, risk management will affect organizational resilience (Gibson & Tarrant, 2010). This was also stated by the Committee of Sponsoring Organizations of the Tradeway Commission (COSO) where COSO (2017) argues that in the long term risk management will strengthen organizational resilience.

By considering these problems, this study tries to analyze three issues related to the resilience of an organization. The first issue is how the role of ERM in determining organizational resilience in Indonesia. The second issue is how knowledge management can affect organizational resilience and the last issue is to see how organizational
culture influences organizational resilience. These three things are interesting to analyze because to the best of the author's knowledge there are still few studies that address the role of the three in the Indonesian context even though they are important in maintaining the ability of an organization to survive (Mafabi et al., 2012; Sawalha, 2015).

Novelty in this study is the researcher builds a questionnaire related to the implementation of ERM based on the Enterprise Risk Management (ERM) framework which is integrated with the strategy and performance developed by COSO in 2017. In this study, the 20 indicators contained in the COSO (2017) were developed into 25 indicators.

Thus, this research is expected to be able to contribute to the benefits of implementing ERM, knowledge management, and organizational culture on organizational resilience. Thus, it will provide an overview of what factors management should pay attention to so that the managed organization can survive in changing conditions.

LITERATURE REVIEW

A Behavioural Theory of the Firm

Research on organizational resilience can be seen in the context of A Behavioural Theory of the Firm. The theory provides a foundation for understanding how companies behave in decision making (Argote & Greve, 2007). In this theory, the company is seen as a form of cooperation between several individuals and several groups of people. Because the company includes many parties who have different interests, the long-term goals of the company will describe the structure of the parties working together. Therefore, conflicts over the achievement of goals will always remain unresolved, so that the pattern of decentralized decision-making and short-term goals allows companies to make decisions that are tailored to the conditions at hand. The ability to adapt to environmental conditions is what can make an organization withstand various obstacles.

Organizational Resilience

The definition of organizational resilience itself has yet to find common ground (Rahi, 2019). Different research areas will define the concept of resilience differently. For example, in the ecological environment, resilience is defined as facing changes without changing the existing equilibrium (Berkes & Folke, 2000). In psychology, resilience is seen as the human ability to maintain mental and physical health despite facing various trials (Haglund et al., 2007). In the field of resilience engineering, one definition that is often referred to is the definition put forward by Hollnagel et al. (2006). Hollnagel et al. (2006) see that a resilience system is a system that can adapt so that it can overcome unexpected challenges in the future. A broader definition is also given by (Zolli & Heally, 2012), they define resilience as the ability of a system, company, or person to maintain its main purpose and integrity while dealing with dramatic environmental changes.
In the last few decades, issues related to resilience have attracted several researchers to study in the field of organizational and business environments (Tengblad & Oudhuis, 2018). Among the researchers conducting research related to resilience in the business world are Bhamra et al. (2011) and Hesketh et al. (2015). In their research, Bhamra et al. (2011) and Hesketh et al. (2015) see organizational resilience as the ability of people in the company to cope with crises, big changes, and bad conditions.

**Enterprise Risk Management (ERM)**

ERM, according to Rochette (2009), is not just how to manage risk so as not to have a negative impact, but how to manage the risk so that it can create more value to the organization. Rochette (2009) divides the sources of ERM development into two types, namely ERM as a development of risk management and ERM as a framework that integrates risk into the company's strategic decision-making process. This may be appropriate to see in the early days of ERM development where COSO ERM II can be seen as the first type of ERM while ISO 31000 as the second type of ERM (Rochette, 2009).

However, ERM continues to develop, wherein 2017 the Committee of Sponsoring Organizations of the Tradeway Commission (COSO) has developed a new ERM framework known as the COSO ERM Framework: Integrating with Strategy and Performance (COSO ERM 2017). Unlike the previous ERM framework, in COSO ERM 2017, COSO (2017) defines ERM as integrating culture, capabilities, and practices into the planning and implementation of strategies that organizations use in managing risk to maintain or create value. So that if we look at this definition, it is not much different from ERM which is seen as a separate part of risk management.

The definition taken by COSO (2017) in this new framework is very different from the previous framework. Some of the changes that are implications of the adoption of this definition are that the focus of ERM application includes considering the role of culture, implementing practices, integrating into strategy setting and implementation, managing strategic risks and objectives, and linking creating, maintaining and utilizing value. Thus, it can be seen that the 2017 COSO Framework prioritizes the integration of risk management with strategy and internal control. For this reason, in this Framework, there are five principles, namely governance and culture, strategy and objective setting, performance, and information, communication and reporting. Each of the principles consists of some components that can be listed as follow:

| Principles and Components in COSO ERM Framework 2017 |
|-----------------------------------------------------|
| **Principles**                                      | **Components**                                 |
| Governance & Culture                                | 1. Exercises board risk oversight               |
|                                                    | 2. Establishes Operating Structure              |
|                                                    | 3. Defines Desired Culture                      |
|                                                    | 4. Demonstrate Commitment to Core Value         |
|                                                    | 5. Attract, Develops & Retain Capable           |


Knowledge Management

The classic definition of knowledge management but still often used is the definition presented by Davenport and Prusak (1998) where knowledge management is defined as the acquisition of knowledge that is owned by an organization that is spread into various organizational units within it. Over time, this definition continues to develop under the field of science in which knowledge management is discussed.

One of the definitions used in the field of education is the definition stated by King (2009). King (2009) defines knowledge management to include several structured activities to manage people, systems, and processes within an organization to ensure that knowledge assets within the organization are managed effectively. In the financial sector, knowledge management is seen as a process of creating, internalizing, and distributing knowledge to everyone in the organization to improve organizational performance. In the accounting sector, several definitions have also developed, including the definition presented by Shim et al. (2014) where they define knowledge management as the management of human relations both with others and with information to improve company performance. From these various definitions, in general, knowledge management can be defined as a system that manages how knowledge within the organization is obtained, stored, shared, and internalized in order to achieve organizational goals.

Organizational Culture

Organizational culture is defined differently by some academics. Denison and Neale, (1999) states that organizational culture is the basic values or principles that underlie the management system of an organization and its application, including the behaviour of the people in it as a form of application of these basic values. In addition to the definition proposed by Denison and Neale, (1999), organizational culture can also be seen as a common basic principle that is considered valid by a group of people.
in solving problems that arise in the process of adaptation to the environment or internal integration so that it deserves to be conveyed to new members as the right way to solve it. The same problem (Schein, 2010). A similar definition is also stated by Fitria (2021) where organizational culture is the values and beliefs that are internalized into a routine behavior within the organization.

From these various definitions, in general, organizational culture includes at least the norms, basic values, or beliefs in an organization that is transmitted to members of the organization. This is a form of culture, namely beliefs, norms, values by Denison and Neale, (1999).

**Hypothesis Development**

In recent years, researchers have started to pay attention to how ERM can affect organizational resilience even though the effect of risk management on organizational resilience has previously been a concern. One of the studies examining the effect of risk management on organizational resilience is Gibson and Tarrant (2010). Gibson and Tarrant (2010) in their article try to identify what factors determine the success of an organization to adapt to an environment full of change. Gibson and Tarrant (2010) concluded that effective risk management can help companies achieve organizational goals during turbulence.

Other studies related to the application of risk management tend not to directly assess organizational resilience but test its effect on the organizational resilience component. One of them is a study conducted by Mishra et al. (2019) which tries to identify the role of ERM on the company's ability to manage its resources. Based on his research, Mishra et al. (2019) concluded that the resources owned by the company not only help the company achieve its goals but also create risks that need to be managed. Thus, the company can change the configuration of its assets so that they can be adjusted to changes in the environment (Mishra et al., 2019). Another study is research conducted by Vij (2019). Vij (2019) tries to examine the impact of implementing ERM on the innovation ability of companies in the Indian hospitality sector. From the results of his survey, Vij (2019) concluded that the application of ERM in the hospitality sector can connect risk with organizational goals so that it can balance innovation and risk. Furthermore, research conducted by Bogodistov and Wohl gemuth (2017) examines how ERM is applied to the resilience risk of an organization. Bogodistov and Wohl gemuth (2017) concluded that implementing ERM helps companies manage risk resilience in a turbulent environment.

From some of these studies, we can conclude that the application of risk management or ERM will strengthen organizational resilience. This is also consistent with the view of COSO (2017) that in the long term, the application of ERM can help organizations be more resilient in dealing with disturbance environments. Thus, the hypotheses that can be built based on this statement are:

H1: ERM has a positive effect on organizational resilience.

Regarding the role of knowledge management in organizational resilience, several researchers have also tried to identify it. Among them is research conducted by Mafabi et al. (2012). In their research, Mafabi et al. (2012) try to identify the relationship between knowledge management and organizational resilience. By using samples from the parastatal sector in Uganda, Mafabi et al. (2012) concluded that
knowledge management can strengthen organizational resilience. This is because organizations that can manage their knowledge will be able to use these resources to adapt to environmental changes (Mafabi et al., 2012). Apart from that, Darroch, (2005) also concluded a similar result to that concluded by Mafabi et al. (2012). By using a survey conducted on company leaders in New Zealand, Darroch, (2005) found that companies that apply knowledge management will be able to use their resources better so that they can perform superiorly.

Another study was conducted by Godwin and Amah (2013) in Nigeria. By using a sample of 128 respondents, Godwin and Amah (2013) concluded that knowledge management affects organizational resilience. Likewise with research conducted by Fani and Hasan (2015). Using a sample of 270 managers in Iran, Fani and Hasan (2015) confirm the role of knowledge management in organizational resilience.

The important role of knowledge management in determining organizational resilience comes from tacit knowledge that accumulates over time and becomes a routine behavior of people in the organization (Dutrénit, 2004). This behavior according to Ongaro (2004) can provide resilience to an organization. However, some researchers argue that organizational resilience is obtained from the ability to innovate from knowledge management (Ogbonna & Harris, 2003).

From the previous discussion, we can conclude that organizations that carry out knowledge management will be able to convey their tacit knowledge to new members of the organization so that they can increase the company's ability to survive both through innovation and decision making adapted to the conditions at hand. Thus, the hypotheses that can be built are:

**H2: Knowledge Management has a positive effect on organizational resilience.**

In the context of organizational resilience, some researchers see that organizational resilience is the ability of organizational culture to adapt to a changing environment (Madni & Jackson, 2009). So, in this case, it is very difficult to separate the culture and resilience of an organization. This is also the opinion of Parsons (2010). The difficulty of separating culture and resilience arises because the ability to survive an organization is obtained from a long process, including self-improvement, both the culture of the people within the organization and the organization itself (Paton et al., 2000). However, Hiles (2011) sees that the ability of an organization to survive is a combination of culture and behavior as well as between the basic values and processes contained in the organization. Thus, organizational culture has a role in determining the resilience of an organization.

The important role of organizational culture on organizational resilience has been investigated by several researchers, although it is still rare. Among the studies that have tried to identify the role of culture in organizational resilience is research conducted by Sawalha (2015). In her research, Sawalha (2015) conducted a survey of management in 28 Jordanian insurance companies. From the survey, Sawalha (2015) concluded that culture can influence organizational resilience. Similar research with different scopes was conducted by Daskon (2010). In his research, Daskon (2010) aims to identify the role of culture in the resilience of a village. Based on his research, Daskon (2010) found that the culture adopted by the community was able to provide
alternative strategies for the community so that it was able to survive in the face of environmental changes, the same thing was also found by Gaillard (2007) and Aman (2019).

Based on the explanation above, we can conclude that culture plays an important role in determining organizational resilience. This is because the culture in an organization is formed in a long process to create the identity of the organization. In this process, there is an organization going through various challenges so that each individual in the organization can face various challenges. For that, the hypotheses that can be built are:

H3: Organizational culture has a positive effect on organizational resilience

**METHODS**

In this study, we examine how ERM and knowledge management affect the resilience of an organization in facing the various challenges it faces. Besides, in this study, we also examine how the role of organizational culture can influence the role of ERM and knowledge management on organizational resilience.

This research is a quantitative study using primary data. Data obtained from a survey conducted on accountants who held managerial positions with the lowest position as supervisor. This considers that supervisors already can manage risk, manage knowledge and build a culture within the smallest company. This ability will help respondents in answering the statements in the survey.

We divided our survey into five parts. The first part covers the characteristics of the respondents, the second part covers how the respondents’ perceptions of organizational resilience in their company work. The third and fourth sections, respectively, cover respondents' perceptions of the application of ERM and knowledge management in their companies. The last part is consisting of respondents' perceptions of the company's organizational culture. The respondent's attitude towards each statement in the questionnaire is measured by a 6-level Likert scale. Value 1 represents strongly disagree, value 2 represents disagree, value 3 shows somewhat disagree, 4 indicates somewhat agree, 5 indicates agree and value 6 represents strongly agree to the statements in the questionnaire.

Our survey was conducted from 12 January to 16 February 2020. The survey was distributed to respondents online and in person. Submission of the survey is carried out directly by the author. From the survey distributed, there were 108 respondents, however, we did not include five respondents because they did not hold the lowest position as supervisor.

The data we obtained were analysed using multiple linear regression using SPSS 25. We used multiple linear regression analysis with the consideration of maintaining the practicality of the model (Firmansyah et al., 2021). As a stage in the analysis, before regression, we tested these data to ensure their validity and reliability.

The operationalization of the variables in this study develops dimensions from various sources. The dimensions used in assessing an organization's ability to survive
were adopted from Mafabi et al. (2012) which consists of three dimensions, namely the ability to adapt, the ability to compete, and company value. For measuring knowledge management, we also adopted a questionnaire developed by Mafabi et al. (2012) where knowledge management has four dimensions, namely knowledge acquisition, knowledge formation, knowledge sharing, and knowledge storage. For a survey on the application of ERM, this study developed a questionnaire based on the COSO ERM Framework 2017 where ERM includes dimensions of governance and culture, setting strategies and objectives, performance, review and revision as well as information, communication, and reporting. For culture, the research adopts the Denison and Neale (1999) model where organizational culture includes dimensions of engagement, compatibility, adaptability, mission, and flexibility.

In this research, we develop the indicator of ERM based on COSO ERM Framework 2017. In our research, the indicator of each dimension is developed based on the component of each dimension as stated in the Framework. However, in order to capture the aspect of each indicator, we add some indicators in a particular dimension. The addition in the Exercises Board Risk Oversight can be explained in table 2.

| COSO Indicators                     | Improvement                                      | Explanation                                                                 |
|-------------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------|
| Implementation of supervision by the top management                   | We change it into 2 indicators, namely:          | COSO explains the top management needs to understand the risks faced by the company and be active in determining and implementing risk management. |
|                  | 1. Top management involvement in determining and implementing risk management; and |                                                                      |
|                  | 2. Organizational leaders understand the risks faced. |                                                                      |
| Leaders practice commitment to values.                                 | We developed into 3 indicators, namely:          | This development is based on COSO's explanation regarding the leadership practicing commitment to values. In its explanation, COSO stated that these practices include integrity, ethics, and the ability to make all employees aware of their responsibility for their respective risks. |
|                  | 1. The top management has high integrity;        |                                                                      |
|                  | 2. The top management provides an example of ethics; |                                                                      |
|                  | 3. The top management implements a system that makes everyone in the company responsible for managing risk |                                                                      |
| The ability to attract, develops, and retain capable individuals.      | This indicator is developed into 3 indicators, namely: | According to the COSO explanation, this indicator explanation consists of appropriate |
|                  | 1. The top management provides appropriate       |                                                                      |
COSO Indicators | Improvement | Explanation
---|---|---
remuneration. | remuneration, a clear career path, and training programs.
2. Clear career path. | 
3. Programs of training and development for employees | 

Source: COSO Framework, 2017.

In the strategy and objective setting, we also do an improvement in formulating business objectives. The improvement can be seen in Table 3.

Table 3.
Indicator improvement for the strategy and objective setting

| COSO Indicators | Improvement | Explanation |
|---|---|---|
| Formulates Business Objectives | This indicator is developed into 2 indicators, namely: 1. The company has achievable and relevant goals; 2. The company has objectives that are compatible with acceptable risks. | According to the COSO's explanation of this indicator, the organization's objective set must be achievable, relevant, and following the established risk appetite. | 

Source: COSO Framework, 2017.

RESULTS

The survey we conducted on accountants who held managerial positions at companies in Indonesia. From the questionnaires that we distributed, 103 questionnaires could be included in this study. The demographics of the respondents who were included in this study are as follows:

Tabel 4.
Respondents Characteristics

| Gender | Education | Position | Experience |
|---|---|---|---|
| Male | Bachelor: 41 | Supervisor: 20 | 1-2 yrs; 11 |
| | Master: 15 | Deputy Manager: 7 | 3-5 yrs: 15 |
| | Doktoral: 7 | Manager: 36 | > 5yrs: 37 |
| Female | Bachelor: 24 | Supervisor: 12 | 1-2 yrs; 18 |
| | Master: 15 | Deputy Manager: 11 | 3-5 yrs: 10 |
| | Doktoral: 1 | Manager: 17 | > 5yrs: 12 |

Source: primary data, 2020

On the data obtained from the sample, we tested the validity of each statement in the questionnaire. In this study the validity of each statement was tested using the Pearson correlation (r-count). By using the r-table with a confidence level of 95% and the degree of freedom (df) 101 (n=2), the rtable value in this study is 0.1937. Thus, if...
the value of \( rcount > rtable \), then the statement is declared valid. Table 5 presents the results of the validity test of the statements in the organizational resilience variable.

Table 5.
Validity Test of Organization Resilience

| Item | Pearson correlation | Sig | result |
|------|--------------------|-----|--------|
| OR.1 | 0.439              | 0.000 | valid |
| OR.2 | 0.365              | 0.000 | valid |
| OR.3 | 0.416              | 0.000 | valid |
| OR.4 | 0.293              | 0.003 | valid |
| OR.5 | 0.473              | 0.000 | valid |
| OR.6 | 0.200              | 0.043 | valid |
| OR.7 | 0.397              | 0.000 | valid |
| OR.8 | 0.424              | 0.000 | valid |
| OR.9 | 0.431              | 0.000 | valid |
| OR.10| 0.529              | 0.000 | valid |
| OR.11| 0.613              | 0.000 | valid |
| OR.12| 0.637              | 0.000 | valid |
| OR.13| 0.535              | 0.000 | valid |
| OR.14| 0.645              | 0.000 | valid |
| OR.15| 0.689              | 0.000 | valid |
| OR.16| 0.667              | 0.000 | valid |
| OR.17| 0.229              | 0.020 | valid |
| OR.18| 0.550              | 0.000 | valid |
| OR.19| 0.583              | 0.000 | valid |
| OR.20| 0.643              | 0.000 | valid |
| OR.21| 0.508              | 0.000 | valid |

Source: SPSS result, 2021.

Related to the ERM variable, it consists of 25 statements related to the five dimensions in the COSO ERM Framework 2017. Test results on these statements are presented in Table 6.

Table 6.
Validity Test for ERM Variable

| Item | Pearson correlation | Sig | result |
|------|--------------------|-----|--------|
| ERM.1| 0.519              | 0.000 | valid |
| ERM.2| 0.637              | 0.000 | valid |
| ERM.3| 0.713              | 0.000 | valid |
| ERM.4| 0.599              | 0.000 | valid |
| ERM.5| 0.820              | 0.000 | valid |
| ERM.6| 0.817              | 0.000 | valid |
| ERM.7| 0.758              | 0.000 | valid |
| ERM.8| 0.633              | 0.000 | valid |
| ERM.9| 0.791              | 0.000 | valid |
| ERM.10| 0.673             | 0.000 | valid |
| ERM.11| 0.805             | 0.000 | valid |
| ERM.12| 0.866             | 0.000 | valid |
| ERM.13| 0.853             | 0.000 | valid |
Source: SPSS result, 2021.

For knowledge management variables, this study adopted the questionnaire used by Mafabi et al. (2012). This variable is measured using 18 indicators with the results of the validity test presented in Table 7. From Table 7, out of 18 statements, there are two invalid statements, namely statements KM.7 and KM.10. For further analysis, both statements were dropped.

| Item   | Pearson correlation | Sig    | result  |
|--------|---------------------|--------|---------|
| ERM.14 | 0.825               | 0.000  | valid   |
| ERM.15 | 0.889               | 0.000  | valid   |
| ERM.16 | 0.695               | 0.000  | valid   |
| ERM.17 | 0.627               | 0.000  | valid   |
| ERM.18 | 0.807               | 0.000  | valid   |
| ERM.19 | 0.789               | 0.000  | valid   |
| ERM.20 | 0.746               | 0.000  | valid   |
| ERM.21 | 0.805               | 0.000  | valid   |
| ERM.22 | 0.670               | 0.000  | valid   |
| ERM.23 | 0.482               | 0.000  | valid   |
| ERM.24 | 0.655               | 0.000  | valid   |
| ERM.25 | 0.761               | 0.000  | valid   |

For organizational culture variables, the questionnaire adopted the Denison (2000) model of organizational culture. This variable is measured using 14 statement indicators. Based on the test results, it can be concluded that all statements for this organizational culture variable are valid. The results of testing the data validity of the 14 statements are presented in Table 8.

| Item   | Pearson correlation | Sig    | result  |
|--------|---------------------|--------|---------|
| KM.1   | 0.608               | 0.000  | valid   |
| KM.2   | 0.663               | 0.000  | valid   |
| KM.3   | 0.338               | 0.000  | valid   |
| KM.4   | 0.548               | 0.000  | valid   |
| KM.5   | 0.681               | 0.000  | valid   |
| KM.6   | 0.707               | 0.000  | valid   |
| KM.7   | 0.007               | 0.945  | Not valid     |
| KM.8   | 0.700               | 0.000  | valid   |
| KM.9   | 0.529               | 0.000  | valid   |
| KM.10  | 0.178               | 0.072  | Not valid     |
| KM.11  | 0.661               | 0.000  | valid   |
| KM.12  | 0.774               | 0.000  | valid   |
| KM.13  | 0.707               | 0.000  | valid   |
| KM.14  | 0.616               | 0.000  | valid   |
| KM.15  | 0.672               | 0.000  | valid   |
| KM.16  | 0.746               | 0.000  | valid   |
| KM.17  | 0.772               | 0.000  | valid   |
| KM.18  | 0.732               | 0.000  | valid   |

Source: SPSS result, 2021
Tabel 8.
Validity Test for Organizational Culture

| Item | Pearson correlation | Sig  | result |
|------|---------------------|------|--------|
| OB.1 | 0.479               | 0.000| valid  |
| OB.2 | 0.483               | 0.000| valid  |
| OB.3 | 0.603               | 0.000| valid  |
| OB.4 | 0.774               | 0.000| valid  |
| OB.5 | 0.728               | 0.000| valid  |
| OB.6 | 0.425               | 0.000| valid  |
| OB.7 | 0.716               | 0.000| valid  |
| OB.8 | 0.503               | 0.000| valid  |
| OB.9 | 0.813               | 0.000| valid  |
| OB.10| 0.703               | 0.000| valid  |
| OB.11| 0.675               | 0.000| valid  |
| OB.12| 0.781               | 0.000| valid  |
| OB.13| 0.570               | 0.000| valid  |
| OB.14| 0.486               | 0.000| valid  |

Source: SPSS result, 2021

Furthermore, we conducted a reliability test on the variables studied. The test results show that all variables are reliable. This decision is based on Sujarweni's (2015) view that if the Cronbach alpha value is more than 0.6, then all variables are reliable.

Table 9.
Reliability Test

| Variabel                      | Cronbach alpha | Result  |
|-------------------------------|----------------|---------|
| Organizational Resilience     | 0.806          | reliable|
| Enterprise Risk Management    | 0.961          | reliable|
| Knowledge Management          | 0.911          | reliable|
| Organizational Cultural       | 0.864          | reliable|

Source: SPSS result, 2021

In this study, we identified the characteristics of the data we obtained from each tested variable. The data characteristics we identified included the minimum, maximum, mean, and standard deviation. The value used in this survey is a value of one to six, where a value above 3.5 indicates that the respondent tends to agree with the statement. Meanwhile, a value below 3.5 indicates that the respondent does not agree with the statement. Table 10 presents descriptive statistics of each of the tested variables.

Table 10.
Descriptive Statistics of Variable

| Variable | N   | Mode | Min  | Max  | Std. Dev |
|----------|-----|------|------|------|----------|
| OR       | 103 | 5    | 3.71 | 5.71 | 0.47462  |
| ERM      | 103 | 5    | 3.24 | 5.96 | 0.65750  |
| KM       | 103 | 5    | 2.88 | 6.00 | 0.64413  |
| OB       | 103 | 5    | 3.57 | 6.00 | 0.62128  |

OR= Organizational Resilience; ERM: Enterprise Risk Management; KM: Knowledge Management; OB: Organizational Cultural.

Source: SPSS output, 2021
If we look at Table 10, all variables have a mode value of 5. This shows that the majority of respondents agree with the statements on each of these variables. However, if we look at the minimum value, we can see that some variables have a value below the mean value (3.5), namely ERM and Knowledge Management variables. This is an indication that some respondents see that ERM and Knowledge management have not been implemented thoroughly in the company where they work. Apart from these two variables, the Organizational Cultural variable also has a value that is not too high. Based on Table 10, the minimum value of Organization Cultural is 3.57. This shows that there are respondents who see that organizational cultural is owned but has not been cultured strongly within the organization. We conducted hypothesis testing, the results of which are presented in Table 11.

Based on Table 11, two variables affect organizational resilience, namely ERM and Organizational Behavior. The ERM variable has a significant value of 0.000, a value lower than 1%. Likewise, with the Organizational Cultural variable, the significance value obtained is 0.001, this value is less than 1%. Besides, the coefficients of the ERM and Organizational Behavior variables are positive with values of 0.277 and 0.324, respectively. This shows that ERM and Organizational Behavior have a positive effect on Organizational Resilience. Thus, the results of this study indicate that hypothesis 1 that ERM has a positive effect on Organizational Resilience and hypothesis 3 that Organizational Cultural affects Organizational Resilience is proven.

| Variables | β    | t     | Sig  |
|-----------|------|-------|------|
| C         | 48.121 | 7.278*** | 0.000 |
| ERM       | 0.277 | 3.130*** | 0.000 |
| KM        | -0.096 | -.717 | 0.238 |
| OB        | 0.324 | 2.230*** | 0.001 |

R² 0.381
Adj R² 0.362
F 20.272
Sig 0.000

C: Constant; ERM: Enterprise Risk Management; KM: Knowledge Management; OB: Organizational Cultural. Dependent Variable: Organizational Resilience.
* Significant at 10%; ** Significant at 5%; ***Significant at 1%.

Source: SPSS output, 2021

DISCUSSION

This study aims at aspects in Enterprise Risk Management (ERM), Knowledge Management, and Organizational Culture that can influence the sustainability of an organization. This research is important in today's environment where many organizations are experiencing turnover. The company's ability in managing the factors that affect its business continuity is an important factor that determines the company's success in achieving its goals.
This study found that the application of ERM has a positive effect on Organizational Resilience. These results support the opinion of Gibson and Tarrant (2010) which states that risk management has an important role in determining the sustainability of an organization in the face of an environment full of turmoil and uncertainty. This research also supports the statement of COSO (2017), that in the long term the application of ERM will strengthen organizational resilience. The important role of ERM in supporting organizational resilience can be seen in the second component of ERM, namely Risk, Strategy, and Objective-Setting (COSO, 2017). In this component, it is necessary to determine organizational goals and the strategies used to achieve these goals. ERM, must be integrated into the process. Thus, the organization can identify risks that arise in achieving organizational goals. By integrating ERM in determining company strategy, risk identification will be implemented in strategy implementation. So that the company can overcome various obstacles that occur.

This study also found that Organizational Culture was also able to increase organizational survival skills. This conclusion is following the viewpoint of Sawalha (2015) who sees that organizational culture can affect organizational resilience. The same thing was stated by Parsons (2010) who stated that Organizational Culture and value are the main attributes in creating organizational resilience. In addition, this study is also in line with the results obtained by Daskon (2010) who found that culture and community values are able to strengthen community resilience. Culture has a role in determining organizational resilience because culture is able to prevent the destruction created by a disaster (Coles & Buckle, 2004).

However, this study failed to prove the influence of knowledge management on organizational resilience. This is not in line with the results obtained by Mafabi et al. (2012), Godwin and Amah (2013), Fani and Hasan (2015). All these studies conclude that knowledge can influence Organizational Resilience. The non-impact of knowledge management on organizational resilience in the Indonesian context is not an unusual thing. The main cause of the absence of influence of knowledge management on organizational resilience is the non-implementation of knowledge management by the company. Conditions that commonly occur in organizations in Indonesia. This is supported by the results of the questionnaire which shows a low value for the application of knowledge management. The same condition was also encountered by Salo (2011) in educational institutions and Hartono et al. (2018) in the construction industry. In both of these studies, Salo (2011) found that knowledge management in Indonesia is not applied by educational institutions. On the other hand, Hartono et al. (2018) found that in Indonesian construction companies, the application of knowledge management is more widely applied in large companies, while small companies tend not to have knowledge management system. Thus, in this case, this research is in line with the results of research by Salo (2011) and Hartono et al. (2018) where organizations in Indonesia have not yet implemented a knowledge management system. As a result, this does not affect the organization's ability to survive.
CONCLUSION

This study concludes several important things related to the implementation of ERM, knowledge management, and organizational culture on the company's ability to face various organizational challenges. From the results we have obtained, the application of ERM and organizational culture is able to help strengthen organizational resilience in facing conditions that threaten the existence of the organization. On the other hand, our study failed to identify the role of knowledge management in increasing organizational resilience. We see this is more since there are not many companies implementing knowledge management systems because this is commonplace in emerging countries.

We are aware that this study still has several limitations. Some of the things that we think are the limitations of this study are that we do not identify the type of company where the respondent works so that the representation of the type of company is not identified. Also, this study uses data processing using linear regression which has various weaknesses compared to using Structural Equation Modelling (SEM). Therefore, we suggest that research related to organizational resilience can identify the type of company in the sample and use the SEM approach in data analysis.

With various limitations in this study, we believe this research can have implications for the applications of ERM, knowledge management, and organizational culture in helping companies face the disruptive era. In the managerial scope, this research shows that ERM and organizational culture are essential factors in determining organization resilience. Particularly ERM, the 2017 COSO ERM Framework can become a management consideration in managing risks because this Framework views that ERM is an integral part of an organization in formulating strategies to achieve organizational goals. In terms of theory, this study provides empirical evidence that supports COSO's statement that in the long term, ERM supports organizational resilience. Given that this study has not identified the type of company or the size of the company, further research is needed to determine whether this condition applies to all types of industries. In addition, each company also has a level of maturity in implementing risk management. It would be better if further research could capture the effect of the maturity of risk management implementation on organizational resilience.

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