

## The Influence of Risk Management Maturity on Organizational Performance in the Public Sector: A Systematic Literature Review

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### Abstract

*This study analyzes the influence of risk management maturity on organizational performance in the public sector using a Systematic Literature Review of 20 journal articles published between 2018 and 2025.*

*The findings show that most studies report a positive impact, including improvements in reputation, operational effectiveness, flexibility, resilience, and the achievement of strategic objectives. However, two studies report negative effects due to silo mentality, bureaucracy, and failure of integration.*

*Contingency Theory emerges as the dominant theoretical framework in explaining this relationship. The study concludes that risk management maturity has the potential to enhance public sector performance, but its success depends on contextual factors and proper integration.*

*Keywords: Risk Management, Organizational Performance, Public Sector*

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## 1. Introduction

Public sector organizations are required to continuously improve service quality and accountability (Irfan et al., 2020). Risk management has become one of the key approaches used to address these demands (Mahama et al., 2020). The level of risk management maturity reflects how well an organization systematically manages uncertainty (De Lorena & Costa, 2023). Previous studies have found that mature risk management helps organizations achieve their objectives (Capaldo et al., 2018). In addition, effective risk management practices positively impact organizational reputation (Irfan et al., 2020). Risk management has also been shown to enhance organizational resilience against various shocks (Pham & Vu, 2025). Therefore, understanding the influence of risk management on performance is essential for the public sector (Rana et al., 2019).

However, the implementation of risk management in the public sector does not always run smoothly (Phaladi, 2024). Barriers such as rigid bureaucracy and lack of interdepartmental coordination often hinder its effectiveness (Bracci et al., 2024). If not properly integrated into

performance management systems, risk management may even reduce organizational effectiveness (Bracci et al., 2024). Conversely, organizations that successfully implement mature risk management tend to demonstrate better performance (Abdou et al., 2024). This success largely depends on top management support and adequate talent development (Kravariti et al., 2023). An interactive approach to management control has also been shown to strengthen organizational flexibility (Nuhu et al., 2019). Therefore, the relationship between risk management and performance is highly contextual (Khaltar & Moon, 2020).

Although many studies have been conducted, the findings remain varied (De Lorena & Costa, 2024). Most studies report a positive impact, while some identify negative effects (Phaladi, 2024). These differences highlight the need to synthesize existing empirical evidence (Mathobo, 2025). This study aims to fill this gap through a Systematic Literature Review (Elashry et al., 2024). By applying this approach, it is expected to provide a more comprehensive understanding of the influence of risk management maturity on organizational performance in the public sector (Razzaq et al., 2019).

## 2. Research Methodology

This study employs a Systematic Literature Review (SLR) method to analyze and synthesize empirical findings on the influence of Risk Management Maturity on Organizational Performance in the public sector.

The article selection process follows the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) protocol, which consists of four main stages: identification, screening, eligibility, and inclusion.

The literature search was conducted using leading databases such as Scopus, ProQuest, and Google Scholar, using the following keyword combinations: “Risk Management” OR “Risk Management Maturity” AND “Organizational Performance” AND “Public Sector.”

The search was limited to articles published in reputable international journals within the 2018–2025 period.

Table 1. Journal Article Distribution

Quartile	Number of Articles	Percentage
Q1	11	55%
Q2	5	25%
Q3	2	10%
ProQuest	2	10%
<b>Total</b>	<b>20</b>	<b>100%</b>

Based on Table 1, the majority of articles used in this study come from Q1-indexed journals with 11 articles (55%), followed by Q2 with 5 articles (25%), Q3 with 2 articles (10%), and 2 articles (10%) from the ProQuest database.

This distribution indicates that the articles forming the basis of analysis possess high academic quality and strong credibility, as they are predominantly sourced from top-tier journals.

### 3. Results and Discussion

Based on the analysis of 20 selected journal articles, Contingency Theory emerges as the most dominant theoretical framework in explaining the relationship between risk management and organizational performance in the public sector.

Table 2. Theoretical Framework Distribution

<b>Theory</b>	<b>Number</b>	<b>Percentage</b>
<b>Contingency Theory</b>	7	35%
<b>Resource-Based View</b>	3	15%
<b>Institutional Theory</b>	3	15%
<b>Stewardship Theory</b>	2	10%
<b>Goal Setting Theory</b>	2	10%
<b>Knowledge Management Theory</b>	1	5%
<b>Social Exchange Theory</b>	1	5%
<b>Resilience Theory</b>	1	5%
<b>Total</b>	<b>20</b>	<b>100%</b>

Based on Table 3, Contingency Theory is the most dominant theoretical framework used in the analyzed studies, appearing in 7 articles (35%). Other commonly used theories include Resource-Based View and Institutional Theory, each represented by 3 articles (15%).

The remaining studies apply Stewardship Theory, Goal Setting Theory, Knowledge Management, Social Exchange Theory, and Resilience Theory, each contributing between 5% and 10%.

#### **The Influence of Risk Management Maturity on Organizational Performance in the Public Sector**

Based on the synthesis of 20 analyzed articles, risk management maturity generally has a positive impact on organizational performance in the public sector (Irfan et al., 2020). This positive effect is reflected in improved organizational reputation when risk management is implemented at a mature level (Mahama et al., 2020). In addition, operational effectiveness and the achievement of strategic objectives are shown to improve alongside the maturity of risk management practices (Capaldo et al., 2018).

Strategic flexibility and employee empowerment serve as key mechanisms linking risk management to organizational performance (Nuhu et al., 2019). Organizational resilience is also found to increase significantly when internal control and risk management are well integrated (Pham & Vu, 2025). Managerial support and talent development further strengthen the positive impact of risk management on performance (Kravariti et al., 2023).

However, two studies report negative effects under certain conditions (Phaladi, 2024). These negative outcomes are caused by barriers such as silo mentality and excessive bureaucracy (Bracci et al., 2024). Failure to integrate risk management with performance management systems can also hinder organizational effectiveness (Bracci et al., 2024).

Therefore, the success of risk management in improving performance is highly dependent on organizational context and readiness (De Lorena & Costa, 2023). Overall, risk management maturity is a strategic factor with strong potential to enhance organizational performance in the public sector (Abdou et al., 2024).

#### 4. Conclusion

This study concludes that risk management maturity generally has a positive impact on organizational performance in the public sector (Irfan et al., 2020). These positive effects include improvements in reputation, operational effectiveness, achievement of strategic objectives, flexibility, resilience, and long-term performance (Mahama et al., 2020; Pham & Vu, 2025).

However, two studies report negative impacts caused by silo mentality, excessive bureaucracy, and failure to integrate risk management with performance management systems (Bracci et al., 2024; Phaladi, 2024).

Contingency Theory emerges as the most dominant theoretical framework in explaining this relationship, as it emphasizes the importance of aligning risk management practices with the organization's contextual conditions (De Lorena & Costa, 2023).

This study is limited by the scope of articles, which are restricted to certain databases and the 2018–2025 period (Rana et al., 2019). Future research is recommended to expand the range of literature and conduct quantitative empirical studies to further examine the causal relationship between risk management maturity and organizational performance in the public sector (Mathobo, 2025).

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