

Review Form 3

Journal Name:	Asian Journal of Economics, Business and Accounting
Manuscript Number:	Ms_AJEBA_127362
Title of the Manuscript:	OWNERSHIP STRUCTURE, AGENCY COSTS, BOARD INDEPENDENCE AND CORPORATE RISK AMONG FIRMS LISTED AT THE NAIROBI SECURITIES EXCHANGE, KENYA
Type of the Article	

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This journal's peer review policy states that **NO** manuscript should be rejected only on the basis of '**lack of Novelty**', provided the manuscript is scientifically robust and technically sound. To know the complete guidelines for the Peer Review process, reviewers are requested to visit this link:

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PART 1: Review Comments

Compulsory REVISION comments	Reviewer's comment	Author's Feedback <i>(Please correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)</i>
<p>Please write a few sentences regarding the importance of this manuscript for the scientific community. Why do you like (or dislike) this manuscript? A minimum of 3-4 sentences may be required for this part.</p>	<p>The manuscript presents a comprehensive and well-structured analysis of the relationship between ownership structure, agency costs, board independence, and corporate risk in Kenyan listed firms. The research is timely and addresses a significant gap in the literature, particularly in the context of emerging markets. The theoretical framework is sound, and the empirical methodology is appropriate.</p> <p>Strengths:</p> <ul style="list-style-type: none"> The literature review provides a thorough overview of the relevant theoretical and empirical studies, highlighting the research gaps and the contribution of the current study. The use of panel data and appropriate econometric techniques enhances the reliability and validity of the findings. The study offers valuable insights for policymakers, regulators, and corporate managers in Kenya, providing guidance on how to mitigate corporate risk through effective ownership structures and board governance. <p>Areas for Improvement:</p> <ul style="list-style-type: none"> While the theoretical framework is sound, a more in-depth discussion of the underlying theories, particularly agency theory and stewardship theory, could strengthen the conceptual foundation of the study. Consider conducting additional robustness checks, such as using alternative measures of corporate risk or ownership structure, to assess the sensitivity of the results. The discussion of policy implications could be further developed by providing more specific recommendations for regulators and policymakers, such as stricter corporate governance regulations or incentives for foreign investment. 	
<p>Is the title of the article suitable? (If not please suggest an alternative title)</p>	<p>The title "Ownership Structure, Agency Costs, Board Independence and Corporate Risk Among Firms Listed at the Nairobi Securities Exchange, Kenya" is clear and concise, accurately reflecting the core topic of the research. It effectively conveys the key variables and the specific context of the study. Therefore, I believe the title is suitable and does not require any alteration.</p>	

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<p>Is the abstract of the article comprehensive? Do you suggest the addition (or deletion) of some points in this section? Please write your suggestions here.</p>	<p>The abstract is comprehensive and effectively summarizes the key points of the research. It clearly states the research question, methodology, key findings, and implications.</p> <p>Here are a few minor suggestions to further enhance the abstract:</p> <ul style="list-style-type: none"> • <u>Consider adding a specific mention of the statistical techniques used:</u> This could be a brief phrase such as "using panel data regression analysis." • <u>Highlight the unique contribution of the study:</u> The abstract could briefly mention how the study contributes to the existing literature, perhaps by emphasizing the specific context of Kenyan firms or the inclusion of agency costs as a mediating factor. <p>Here's a revised abstract incorporating these suggestions: Revised Abstract: <i>This study examines the influence of ownership structure on corporate risk among firms listed on the Nairobi Securities Exchange, with a focus on the mediating role of agency costs and the moderating effect of board independence. Employing panel data regression analysis for 61 firms over an 11-year period (2011-2021), the research reveals that foreign and corporate ownership significantly reduce risk, while government ownership increases it. Managerial ownership has an insignificant impact. Agency costs partially mediate the relationship between ownership structure and risk, while board independence significantly moderates this relationship. The study contributes to the literature by providing empirical evidence on the complex interplay of ownership structure, agency costs, and board independence in shaping corporate risk in an emerging market context.</i></p>	
<p>Are subsections and structure of the manuscript appropriate?</p>	<p>The manuscript's structure appears to be appropriate, following the standard IMRAD format (Introduction, Methods, Results, and Discussion). The subsections within each section seem logical and well-organized. Overall, the structure of the manuscript is clear, logical, and well-suited to the research topic. It ensures a smooth flow of information and facilitates understanding of the research findings.</p>	
<p>Please write a few sentences regarding the scientific correctness of this manuscript. Why do you think that this manuscript is scientifically robust and technically sound? A minimum of 3-4 sentences may be required for this part.</p>	<p>The manuscript demonstrates a strong foundation in both theoretical and empirical research. The authors have effectively employed a rigorous methodology, including the use of panel data analysis and robust statistical techniques. The careful attention to diagnostic tests and the justification for the choice of econometric models further enhance the scientific rigor of the study.</p> <p>The interpretation of results is clear and supported by the empirical evidence. The authors have also demonstrated a deep understanding of the theoretical underpinnings of the research, allowing for insightful discussions of the findings. Overall, the manuscript is scientifically sound and makes a valuable contribution to the existing literature on corporate governance and risk management.</p>	
<p>Are the references sufficient and recent? If you have suggestions of additional references, please mention them in the review form.</p>		
<p><u>Minor REVISION</u> comments</p> <p>Is the language/English quality of the article suitable for scholarly communications?</p>		
<p><u>Optional/General</u> comments</p>	<p>The manuscript is well-structured, well-written, and provides a valuable contribution to the existing literature. The empirical analysis is sound, and the findings are insightful. However, there are a few areas where the manuscript could be further strengthened, as outlined in the previous comments.</p> <p>By addressing these minor revisions, the manuscript can be elevated to a higher level of quality and impact.</p>	

PART 2:

	Reviewer's comment	Author's comment (if agreed with reviewer, correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)
<p>Are there ethical issues in this manuscript?</p>	<p><i>(If yes, Kindly please write down the ethical issues here in details)</i></p>	

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