

RESEARCH ARTICLE

Investors' Response to Political Connections: A Systematic Review

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This study aimed to deliver a concise overview of the market reaction towards a political connection (PCON) through the identification and analyses of the event announcements and outcomes of the events related to PCON firms and stock market reactions. The Scopus and Jstor databases via the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA), which are used to analyse previous studies, were utilised. The initial systematic search resulted in 8,518 records, which was narrowed to 16 articles through a process of elimination. It was found that PCON firms reacted positively, negatively, or a combination of the two to the event announcement through internal and external factors. Most of the studies were identified as being linked to General Election (GE) events and connected to political parties. The present study offers implications for future studies on utilising other searching techniques (reference searching, snowballing, citation tracking) and also enriches the literature by focusing on similar studies in other developing areas as well as in developed countries if pursued.

Keywords: Systematic review, political connection firms, stock market reaction, event studies, corporate governance

JEL Classification: G14, M40, M41

Political connection (PCON) has received great attention in current research. It is regarded as a double-edged sword because it provides both advantages and disadvantages to firms. The advantages include positive economic payoff (Wong, 2010), less impact during financial distress (Ahmad, Hiau-Abdullah & Taufil-Mohd, 2018), and reduced external risks (Mitchell & Joseph, 2010). On the other hand, the disadvantages are agency problems (Tee, Yee & Chong, 2018), real earnings manipulation (Sani, Abdul-Latif & Al-Dhamari, 2020), and higher earnings management

(Kamarudin, Wan-Ismail, Harymawan & Shafie, 2021). In addition, political causes ranging from policies issued by the government to associations with other countries can impact share prices as well (Wall Street, 2018). Binder (1998) argued that the reaction of share prices to event announcements can be detected through event study methodology, a powerful method that is able to identify crucial information about events that are evaluated by market players. Event research methodologies have been used in numerous firm-specific and economy-wide events in the academic field

of accounting and finance (Campbell, Lo & MacKinlay, 1997). Examples of event studies include trade deficit announcements, earnings announcements, mergers and acquisitions, and issues of debt and equity (McQueen & Roley, 1993). In this article, our main objective is to provide a good overview of the market's response to a political connection by analysing event announcements and the results of activities on PCON firms and stock market reactions. To achieve this goal, we conducted a systematic review of academic journals in the areas of finance, business, management, accounting, and social sciences.

Initially established in the field of medicine, systematic reviews are now a focus in the business field (Tranfield, Denyer & Smart, 2003; Jones & Gatrell, 2014; Preuss & Königsgruber, 2021). They were considered important since they critically analyse research articles. A systematic review is regarded as an investigation of a question articulated through an organised and clear method in identifying, selecting and critically valuing pertinent studies including collecting and analysing related data (Higgins et al., 2011). Additionally, the systematic review also encourages the production of strong evidence through more substantial results. Further, implementing a high-quality systematic literature review necessitates a thorough understanding of the necessary competencies which requires a complex task (Fisch & Block, 2018). Thus, it can be considered that systematic review is a good method to review market reaction towards PCON studies.

Nonetheless, despite the comprehensive research that has been carried out on PCON firms and stock market reactions in event studies, there are still few attempts to systematically review these studies. Previous studies have mostly examined corporate political brand (Nielsen, 2017), political activity (Rajwani & Liedong, 2015), and interlocking board political ties (Lamb & Roundy, 2016). As a result, through an event study, this research seeks to fill the gap by reviewing and categorising specific events that affect the relationship between PCON firms and stock market reactions. This review guided forward by a central research question: How do market reactions affect PCON firms during a specific event? This present study examined the event related to PCON firms whereby the impact of the event was measured through investors' reactions. Further, this study identifies and analyses the outcome of the

event announcements using internal and external factors.

Method

Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) offers three advantages: a clear and defined research question that allows systematic study, an identifiable insertion and elimination criteria, and an expeditious inspection of a large database of scientific study (Sierra-Correa & Kintz, 2015). The present review encompassed two electronic databases, Scopus and Jstor. With more than 5,000 publishers globally and 22,800 serial titles including journals, Scopus is amongst the top abstract and citation database of peer-reviewed literature (Elsevier, 2020). Jstor is another database utilised in the review, consisting of nearly 1,200 journals and primary publishers from more than 57 countries with more than 2,600 top academic journals (Jstor, 2020). It is acknowledged that no database is comprehensive and impeccable (Mohamed-Shaffril, Abu-Samah, Samsuddin & Ali, 2019) hence, a manual search in other recognised sources such as Taylor Francis and Science Direct, ProQuest, Wiley Online Library, and EBSCOhost was conducted given that they are credible databases that have journals related to PCON firms and stock market reactions. The systematic review process included data identification, screening, and suitability. The first phase involved keyword identification, accompanied by a search for similar and related words constructed by previous research, encyclopaedias, dictionaries, and thesauruses. Consequently, character strings on Scopus and Jstor were established in February 2020 and retrieved a total of 8,480 records. Related keywords were also manually searched in other databases, which contributed 38 more records. In total, 8,518 records were obtained in the initial phase of the systematic review.

Two duplicate records were then removed in the second phase. The balanced records were then screened through the following insertion and elimination criteria : i) peer-reviewed journal articles and empirical data (theses, dissertations, books, conference proceedings and review articles were removed), ii) only articles published in English were selected to prevent difficulty and confusion in interpretation, iii) all articles prior 2010 were excluded to provide a comprehensive indication of the present/current body of literature, and

iv) only finance, business, management, accounting, and social sciences including politics related articles were selected to increase the chances of obtaining relevant articles. Applying the aforementioned criteria, 8,270 records were removed in total. A total of 246 articles were reassessed for suitability in the last stage and the articles' caption, synopses, and main body were thoroughly reviewed. Overall, 230 articles were removed because they were irrelevant to PCON firms and stock market reactions studies and did not adhere to the focus of the event study, contributing to the remaining 16 articles.

Conceptual Framework

Stock price is influenced by internal and external factors (Özlen & Ergun, 2012). The study focuses on the factors that influence the PCON firms stock market (see Figure 1). While internal factors encompass the performance of a firm or microeconomics aspect, external factors involve the country's growth rate or macroeconomic aspect (In'airat, 2018). Internal factors relate to a firm's decision making and resource distribution. Al-Tamimi, Alwan and Abdel-Rahman (2011) recognised net income, declared dividends, firms net value capital structure, forecast analysts and financial performance as internal factors. Internal factors can be updated, monitored, and improved by the firm to provide advantages and values to the stakeholders (Subing & Kusumah, 2017). Meanwhile, external factors are beyond the control of the

organisation such as country exchange rate, gross domestic product, industry growth and interest rate (Usman & Olayiwola, 2019). Subing and Kusumah (2017) found that external factors comprise events or circumstances that happen outside of an organisation such as world oil prices, interest rates and any other aspect that influence overall economic growth as a whole. Also, external factors may comprise government policies, unpredictable environmental conditions, revolt, investment decisions, competitive environment, economic conditions and government expenditure (Al-Tamimi et al., 2011).

Discussions: Empirical Results

A large number of studies have found links between PCON firms on the stock market reactions during a General Election (GE) event whilst regarding the criteria of PCON firms, a higher number of studies identified their connection to political parties (Table 1). The present study found that PCON firms reacted to the event announcement due to internal or external factors. Studies in countries such as Taiwan, South Korea, Thailand and Pakistan were more conjecture to positive market reaction while China, Australia and Brazil revealed the opposite reaction. Malaysian and Japanese studies have provided mixed results, whereas only Israel produces insignificant results between PCON firms on the stock market reactions. As political landscapes are different in each country,

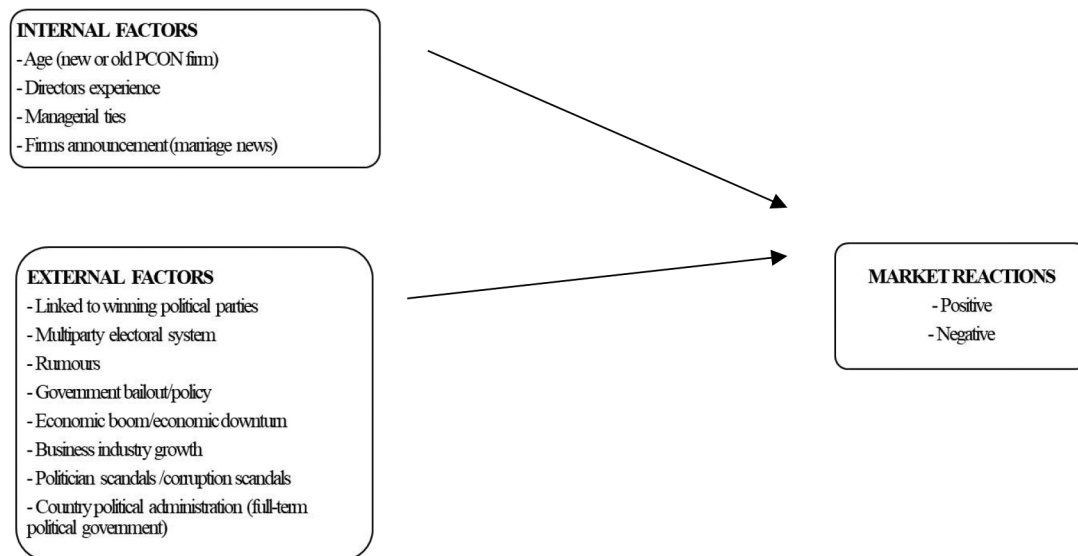


Figure 1. Conceptual model of internal and external factors influencing PCON firms stock market

Table 1. *Descriptive findings*

Authors/Countries	PCON firm criterion	Event study	Stock price determinant
Sun et al. (2015)/China	GO/BOD	CCP	IF
Lin et al. (2016)/Taiwan	PP	GE	EF
Hillier and Loncan (2019)/Brazil	SBO	BP	EF
Bunkanwanicha et al. (2013)/Thailand	FF	WA	IF
Ashraf et al. (2020)/Pakistan	LS	FD	EF
Lee et al. (2019)/Taiwan	PP	GE	EF
Jäger and Kim (2019)/South Korea	PP	GE	EF
Lehrer (2018)/Israel	PP	GE	EF
Shen and Lin (2015)/Taiwan	PP	GE	EF
Gray et al. (2016)/Australia	BOD	FP	IF
Liu et al. (2018)/China	BOD	IO18	EF
Fung et al. (2015)/Malaysia	CM/BOD/GO/PP	GE	IF
Okazaki and Sawada (2017)/Japan	MHR	GE	IF
Ahmad et al. (2018)/Malaysia	LS	GE	EF
Hassan et al. (2012)/Malaysia	LS	GE/ PHP/ DDP	EF
Tang et al. (2016)/China	BOD	D18	EF
PP = Political party	GE = General Election		IF = Internal Factor
BOD = Politicians and government officers as the board of directors	FD = Financial distress		EF = External Factor
LS = Large shareholders linked to politicians/ministers/parliamentarians	CCP = Custody of the top Communist Party officers		
GO = Government ownership	D18 = Declaration of No.18 Document		
MHR = Member of House Representatives	IO18 = Issued of 18 Decree policy		
CM = Connected manager	BP = Leakage of communication involving Brazil's President and an entrepreneur		
SBO = State bank ownership	PHIP = Poor health of the prime minister		
FF = Family firm with a political background	DDP = Dismissal of Deputy Prime Minister		
	WA = Wedding announcement		
	FP = Former politician appointment as a firm director		

the discussion of these events is tied to each country's basis of political jurisdiction concept.

Malaysia

The loss of many parliamentary seats by the Malaysian governing party in 2008 resulted in new PCON firms having more negative market reactions than long-standing PCON firms (Fung, Gul & Radhakrishnan, 2015). This comes with the argument of the internal factor that old PCON firms appear to have established their reliability by obtaining key economic tools, for instance, talented managers and board professionalism improvements, thereby enabling them to be more self-sustaining (Donaldson, 2008; Sanders & Tuschke, 2007). On another note, the announcement of favourable political events increased the PCON firms' share prices and vice versa in Malaysia. For instance, supported by the external factor of the economic boom (1995 Malaysian GE), PCON firms experienced higher volatility of share prices preceding the election announcement than after the election announcement since the GE announcement had a more substantial effect than the election result on the market (Hassan, Kabir-Hassan, Mohamad & Chaw Min, 2012). However, during an economic

downturn (1999 Malaysian GE), more positive market responses on PCON firms were perceived as the firms were predicted to obtain favourable support when they have won the election. Further tests showed that the bad news of the Prime Minister's health negatively impacted PCON firms' stock price, but improved due to the external factor as the news turned out to be just as a rumour (Hassan et al., 2012). Financial distress is another event that influences market reactions to the PCON firms' share prices in Malaysia. Ahmad et al. (2018) reported that the losses of PCON firms were reported as less compared to non-PCON firms during financial distress. Frequently, investors expect the share prices of firms with the risk of bankruptcy to fall during financial distress. Nevertheless, PCON firms have the external factor support due to the advantage of access to a bailout by the government throughout financial distress (Faccio, Masulis & McConnell, 2006).

A distinctive feature of Malaysia over other countries includes the largest percentage of PCON firms among the public listed firms due to the advantages exhibited by their investors (Faccio et al., 2006). Consequently, the introduction of the Malaysian New Economic Policy (NEP) to balance wealth among ethnic groups in Malaysia has also contributed to political connection occurrence (Abdul-Wahab, Ariff, Madah-Marzuki

& Mohd-Sanusi, 2017). Besides, other studies have reported that high-level politically tied firms have a better approach to key sources during financial distress (Jacoby, Li & Liu, 2019). This becomes a conjecture as to why political connections are preferred by firms in Malaysia.

Taiwan

Pástor and Veronesi (2012) raised the subject of the 'government spending effect' where investors buy shares of firms that rely on a victorious party doctrine has demonstrated the external factor to PCON firms in Taiwan. The initial results revealed that investors were keen to buy shares of PCON firms associated with the winning party, the Kuomintang party (KMT) (Lin, Ho, Shen & Wang, 2016). Consistently, Shen and Lin (2015) showed that PCON firms belonging to the winning party, KMT, gained more value than those of the defeated party, the Democratic Progressive Party (DPP) in the presidential election. Similarly, Lee, Yen and Lee (2019) reported that the higher export rate of the KMT linked firms had positive returns when KMT dominated the presidential poll in 2008 compared to DPP firms in the 2016 poll. Taiwan is shaped by several distinctive features of jurisdiction. First, the major political parties in Taiwan, the KMT and the DPP, have two distinct economic policies. It was indeed largely related to the Chinese trading market strategy of KMT in 2008, while DPP sees the importance of trading in other countries as of 2016 (Imai & Shelton, 2011). Apart from that, Taiwanese firms have greater potential to demonstrate their help and assistance to their favoured political parties to win the elections. This is because investors with political ties benefited more from profitable strategy instead of fundamental analysis of information only (Shen & Lin, 2015). The above determined the reasons for the positive return of the firms linked to the party that won the elections.

China

Negative returns on PCON firms through managerial-political ties during the announcement on the custody of the Shanghai top communist party official in China (Sun, Mellahi, Wright & Xu, 2015) has illustrated the exposure to internal factors by the PCON firms. Accordingly, managerial ties tend to

involve corruption and fraudulent activities (Arnoldi & Muratova, 2019). Moreover, political leaders are also public officials (Acemoglu, Reed & Robinson, 2014). Therefore, personal interest in managerial political connections and firm interest is likely to be mixed and overlapped, thus corresponding to more negative reactions (Sun et al., 2015). Besides, a study by Liu, Lin and Wu (2018) also found negative market reactions on firms with politically connected directors due to an external factor (the news of an opinion on the 18th Decree Policy) in China. The policy was issued by the Chinese government intentionally to control the government officers' employment in firms. Moreover, political connection plays the main role of retrieving access to scarce sources such as advantages in tax, bank loans and interest rates in China (Tu, Lin & Liu, 2013). Therefore, the sudden 18th Decree Policy issued by the Chinese government has resulted in 640 resignations of PCON firms' directors after the news and has also led to a loss of multiple benefits linked to the connections (Liu et al., 2018). Later, in October 2013, the Chinese government further declared the No. 18 documents, another external factor to the PCON firms that prohibit government officers from being employed at Chinese firms. This has also contributed to negative share prices on firms tied to political directors (Tang, Lin, Peng, Du & Chan, 2016). Through political connections, the related firms experienced an increase in value and countless benefits such as faster growth and lower interest rate financing costs (Liu, Tang & Tian, 2013). Thus, a lower value or a negative stock market was perceived by these firms by the new policy announcement.

Even though China has made tremendous economic development for the past three decades, corruption has always been a historical concern in China. This involves the misconduct of government officials to obtain personal benefits at the public's expense (Keliher & Wu, 2016). Besides, government ownership also contributes to value-destroying political interference since the local government with vested shares can reinforce their interest by mistreating the minority shareholders (Jiang, Lee & Yue, 2010). This identifies the rationale of why the Chinese government came up with huge efforts to prevent the practices of government officials or political leaders from filling positions in enterprises.

Japan

New PCON firms were found to be having connections in post-election periods and none during pre-election in the 1928 and 1930 Japanese GE (Okazaki & Sawada, 2017). Initial tests showed that new PCON firms experienced negative results since they had no connections in the pre-election phase, signifying the presence of an internal factor in the firms. Nonetheless, the after-variable moderated the new PCON firms to positive results, indicating the perceived advantages of newly formed connections. This comes with the argument that they remained inconspicuous before the election and had directors who had just entered the political field, thereby having less participation in corruption and so increased their values. Also, many corporate firms in Japan engaged in politics before World War 1 (WW1) and the tough conditions for the industries and enterprises after the war suggest the value of political ties (Okazaki & Sawada, 2017). In the literature of Japanese political history, there are close ties between the firms and political parties after and during WW1 (Masumi, 1979). It is further argued that political parties required funds for the elections whereas greater political influence was desired by the firms, thus verifying the close relationship between the two (Masumi, 1988).

Israel

Firms with political ties did not exhibit any advantage in financial value after the 2015 GE in Israel due to the lack of market reactions (Lehrer, 2018). Generally, though insignificant, PCON firms have better returns than non-PCON firms since they are larger, solvent and financially stable. Nevertheless, the political party sub-samples test showed that the majority of the political parties provided no significant result since a party is seen as a combination of different government coalition parties with a ministry that is not involved with the firms' operations in Israel (Lehrer, 2018). Consequently, Israel adheres to a unique multiparty electoral system, an external factor to the PCON firms in which no party has ever won a majority and the ruler's combination of some political parties need to be established subsequently after each election (Tuttnauer, 2020). This explains why the financial values were unclearly displayed and could not be linked to specific political firms as it is more difficult

for the market to accurately identify who gains and who loses in a multiparty electoral system.

South Korea

The sudden news of the triumph of Park from the New Frontier Party (NFP) in the 2012 South Korean Presidential elections and NFP triumph in the parliamentary election influenced only small firms with personal connections (Park and Moon's connections) instead of huge family conglomerates, the Chaebol (Jäger & Kim, 2019). This is because Korea's political business industry has developed from a chaebol republic (large business with political influence) into a hybrid regime (personal ties to prominent leaders necessary for smaller firms' profitability) (Pirie, 2012). Therefore, portraying the external factor of the business industry growth. Accordingly, Korea illustrated a victorious state-led development with strong links between the government and the Chaebol (Hundt, 2014). These ties have proven to be effective for lobbying funds for businesses. However, corporate political ties have been perceived as reasons for the economic downturn during the 1997 Asian Financial Crisis and contributed to conflict between the government and the Chaebol (Chung, Byun & Young, 2019). Thus, the chaebol republic has been replaced with a hybrid regime in the business industry.

Australia

In Australia, Gray, Harymawan and Nowland (2016) reported negative share prices to the news of a firm's policy to appoint an ex-politician as a director compared to an ordinary director, an internal factor decided by the firm. A possible reason is that former politicians have less director experience and limited political involvement when their political party is not in power, which affirms that investors do not value the expertise exhibited by ex-politicians. It is attributable to the fact that Australia has similar rules and restrictions to the United States where political leaders are prohibited from having corporate directorates while in political terms and must reveal their share ownership and changes in share ownership during their political term (Faccio, 2006). Besides, driven by the release of new corporate governance principles since the last decade, the main focus of the board of director research in Australia has been

on the independence and monitoring role of directors (Aldamen, Duncan, Kelly, McNamara & Nagel, 2012).

Brazil

A negative market reaction was found on PCON firms towards the political scandals of news of leaked communication involving Brazil's President and an entrepreneur featuring the external factor that is outside of the firm boundary. The news was recorded by police officers in which the President was accused of bribing the eyewitness, which negatively affected returns of firms linked to the Brazilian state-owned development banks (SODB) (Hillier & Loncan, 2019). PCON firms' stock returns tend to be negatively influenced by political uncertainty, which results in value loss (Liu et al., 2018). As such, during that period, Brazil was facing two big corruption scandals, another external factor to the PCON firms involving Mensalão in 2012 and the Petrobras Corporation in 2014 (Hillier & Loncan, 2019). These events have also caused uncertainty in the political views in Brazil. Other potential clarifications that affirm the negative effects are the news that government subsidies were mainly granted by the SODB for political interest with a vague investment basis in Brazil (Carvalho, 2014). In particular, the majority of the SODB subsidies are given to huge corporations operated by business leaders with close links to top government officials (Lazzarini, Musacchio, Bandeira-de-Mello & Marcon, 2015).

Thailand

Marriage within a network is common in Thailand as it is likely to establish a reliable form of a coalition that unites the operations of two firms for the long term. Higher stock prices were found to be linked to firms with network marriage announcements; an internal factor authorised by the firm, where a spouse either originated from the political field or is a prominent corporate family member in Thailand (Bunkanwanicha, Fan & Wiwattanakantang, 2013). Consequently, influential guests including business leaders, royals and political figures are invited for the wedding reception to stimulate status and display the family network (Bunkanwanicha, Fan & Wiwattanakantang, 2008). Likewise, network marriages (business-origin) generated higher returns than non-network marriages. This is because a marriage-based family network

contributes to expertise, technology, reliability and high-quality information (Ingram & Simons, 2002). Notably, the marriage network may safeguard the family's future offspring's prosperity through capable sons-in-law due to the absence of capable heirs and this has been attempted by the Japanese as a strategy (Mehrotra, Morck, Shim & Wiwattanakantang, 2013).

Pakistan

There were fewer negative market returns for PCON firms relative to non-PCON firms during GE in Pakistan, as a connection might reduce the impact of uncertainty by using internal election information (Ashraf, Hassan, Abbas & Zaman, 2020). The PCON firms were negatively impacted only in the 14 days of the 2013 GE, portraying that the non-PCON firms were more negatively affected in the 2013 GE. A possible explanation for this was perhaps an external factor of Pakistan very first full-term political government in 2013 (Ahmad & Rafiq, 2016). In conjunction with that, Pakistan has a noticeable history with a poor governance structure (Aslam, Kalim & Fizza, 2019). Subsequently, this has led the top businesses to establish political ties for grants and financial assistance and they may also use the ties to safeguard their benefits during the inherently unpredictable general election (Saeed, Belghitar & Clark, 2016).

Conclusions

Though PCON firms and stock market reactions have been extensively studied, there has been no attempt to systematically review these studies. The present study sought to fill this gap. PRISMA, resources namely, Scopus and Jstor, the process of the systematic review and analysis of data were used to gather information about PCON firms and stock market reactions under event studies. Most of the studies have frequently identified PCON firms as firms that donate to political parties or firms that have large shareholders linked to top politicians, ministers, or parliamentarians who regularly participate in the GE event. They demonstrate that external factors such as ties to the winning party, industry growth and country administration as well as internal factors including marriage announcement were found to be essential for PCON firms and contribute to a positive reaction. Nonetheless, the market was also found to react

negatively towards PCON firms due to other internal factors (managerial ties and director experience) together with external factors (government policies and scandals). The study observed an interesting finding in which an external factor implied by a unique multiparty electoral system has contributed to an insignificant market reaction. Meanwhile, factors such as age, favourable events, rumours and government bailouts have revealed a mixed result of both positive and negative market reactions. The findings should be comprehended since these internal or external factors may affect the event announcements differently as political jurisdiction is different in each country.

There are several important implications for research and practice, as well as the study's contribution to the body of knowledge. First, the systematic review conducted has highlighted and differentiated the specific events related to PCON firms that have occurred and the resulting outcomes that could be used to assist researchers. The events associated with PCON firms under each country's political jurisdiction were identified and discussed to assist with prospect event studies using PCON firm-related events. Second, the study also contributes to the body of knowledge by updating the literature on event studies correlated to PCON firms. Next, the study benefits practitioners by suggesting a conceptual framework that represents the market reactions to PCON firms through internal and external factors. The study has identified internal factors such as age, director experience, managerial ties and the firm's announcement under the influence of the firm. Meanwhile, external factors such as those tied to winning political parties, multiparty electoral system, rumours, government bailouts, government policies, economic conditions, industry growth, scandals and the country's political administration are uncontrollable determinants that influence the PCON firm's stock market. This serves as a useful reference for regulators, who can use it to develop future governance policies for PCON firms. The reviews are also useful to assist investors with their investments in current PCON firms or those who intend to invest in PCON firms. Similarly, PCON firms may use the internal and external factors as feedback on their ties with political connections.

Limitations and Future Research Directions

There is a probability that some related articles have not been included in the review due to constraints in

the search terms. In addition, review articles, theses, dissertations, conference proceedings and books were left out from the analysis although they are known to exist. This limitation needs to be accepted because it is not possible to verify the quality of the study without it being peer-reviewed. Additionally, the present study only covered a review of articles established from the year 2010 until February 2020 in the field of finance, business, management, accounting, social sciences, and politics that emerged in the Scopus and Jstor online databases. Therefore, in other online databases, there may be articles that are not covered under other fields out of this period. This study gives some suggestions that may assist in future studies. First, all the studies are fully quantitative. Therefore, future studies should consider administering a qualitative method in their review. Thorough analysis and complete justifications may be provided by the qualitative approach on the effects of market reactions on PCON firms during specific events. Next, although the majority of the studies reported findings on PCON firms and stock market reactions under the GE political events, some studies have reported findings under other news or announcements. It is vital to examine the events that have influenced the market reactions considering that they are expected to impact the share prices of PCON firms.

Electronic keyword searches are recognised as an excellent searching technique for a systematic literature review. Nonetheless, some other methods can help in the researchers' searching process. Among the techniques is reference searching whereby other articles are identified by checking the reference list in the existing articles. Checking the reference list may reduce the potential of losing important information when researchers face a challenge in searching for relevant information (Horsley, Dingwall & Sampson, 2011). Citation tracking is another technique, referring to the process of identifying associated articles based on papers citing the main paper (Wright, Golder & Rodriguez-Lopez, 2014). This helps to enrich the results by discovering additional publications that went undetected through standard database searches because of bibliography records or vocabulary constrained in the searching process. Another technique that can improve the searching process is forward snowballing and backwards snowballing. However, it is crucial to understand that these three techniques have disadvantages since they manually

retrieve more articles than is feasible, which can get out of control (Tsafnat et al., 2014). Besides, future research should cover other countries, such as those in Oceania (Australia and New Zealand), Western Asia (Israel, Yamen and Oman) and South America (Brazil, Peru and Columbia). It is important to obtain empirical data on market reactions' influence on PCON firms during specific events as this has been well observed to occur worldwide. Moreover, these market reactions should be investigated further in developed countries since the majority of the studies only concentrated on developing countries.

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