Governance Turbulance: An Analysis of the Ex-Lion Air Recruitment Controversy at Garuda Indonesia and its Implications for Corporate Governance and Reputational Risk Management

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Abstract: *This study aims to analyze in depth the controversy surrounding the recruitment of former Lion Air employees at PT Garuda Indonesia (Persero) Tbk and its implications for corporate governance principles (Good Corporate Governance/GCG) and risk management frameworks, particularly reputation risk. Adopting a descriptive qualitative approach with a single case study at PT Garuda Indonesia (Persero) Tbk, this research uses the decision to recruit 14 former Lion Air employees during the 2024-2025 period as the unit of analysis. Data was collected through documentary studies, including news reports from reputable media outlets, official company statements, and labor union publications. Data was analyzed using qualitative content analysis, comparing narratives from various stakeholders (management vs. labor unions) and evaluating their alignment with GCG theory (Transparency, Accountability, Responsibility, Independence, Fairness) and the risk management framework (COSO ERM). Data triangulation was conducted by comparing information from various sources to ensure the validity of the findings. The findings indicate that this recruitment controversy triggered significant internal tensions, a decline in public trust and stock value, and raised serious questions about compliance with the principles of independence and transparency in GCG. Although management claimed that the recruitment process was in accordance with procedures and GCG principles, perceptions of conflicts of interest due to the CEO's background and a lack of transparent communication were the primary triggers of the reputational crisis.*

INTRODUCTION

In the highly capital-intensive global aviation industry landscape with high operational risk levels, PT Garuda Indonesia (Persero) Tbk plays a crucial strategic role as the national airline and a vital state-owned enterprise (SOE) in Indonesia. The company is not only profit-oriented but also bears a significant public responsibility in maintaining connectivity and representing the nation's image. Despite having navigated a highly challenging period, including a complex and critical debt restructuring process in mid-2022 to avoid bankruptcy, its financial condition post-restructuring remains vulnerable, with ongoing net losses. This situation inherently emphasizes the urgency of implementing Good Corporate Governance (GCG) and optimal risk management as the foundation for recovery and sustainable growth. However, these recovery efforts have been hindered by the controversy surrounding the recruitment of 14 former Lion Air employees by the new management. This decision has drawn widespread public attention and become increasingly sensitive given the current leadership of Garuda Indonesia's CEO, Wamildan Tsani Panjaitan, who previously served as CEO of Lion Air. This recruitment policy has sparked strong protests from internal labor unions, particularly the Garuda Pilots Association (APG), which openly views it as the primary source of conflict between management and staff. The union highlights the lack of transparency in the process, creating discomfort, potential conflicts of interest, and a sense of injustice among long-serving internal employees. In response, the labor union even demanded the suspension of the new employees and urged a comprehensive evaluation of management by the President and the Minister of State-Owned Enterprises, indicating significant and concerning internal tensions that could disrupt the company's operational stability. The impact of this controversy is not limited to internal dynamics but has quickly spread to the market and eroded public confidence, as evidenced by the sharp decline in PT Garuda Indonesia's stock price to its lowest point in history, at Rp33 per share on March 18, 2025; this drastic decline in share value is a direct reflection of the erosion of investor and public confidence in the national airline, signaling a serious reputation crisis that could hinder long-term financial recovery efforts and jeopardize the company's sustainability. This study is driven by the urgency to analyze how a controversial recruitment decision can swiftly erode GCG principles and trigger substantial reputational risks, particularly in the context of a state-owned enterprise undergoing financial recovery and bearing significant public responsibility, thereby offering an important empirical case study to understand the complex dynamics between management, employees, and external stakeholders within the framework of corporate governance in Indonesia, as well as its long-term implications for corporate stability and sustainability.

This study has multidimensional significance. Academically, it contributes to the literature on GCG and risk management in SOEs in developing countries by presenting an empirical case study on the impact of human resource issues on governance and reputation, filling a research gap that has not focused on these micro aspects. Although many studies discuss GCG and risk management in SOEs or focus on financial problems and the major scandal involving Garuda Indonesia, studies that specifically analyze the impact of recruitment controversies involving potential conflicts of interest and internal dissatisfaction on GCG and risk management remain very limited. From a practical/managerial perspective, these findings are expected to provide valuable lessons for SOE management and regulators regarding the importance of transparency, independence, and effective communication in every strategic policy, especially those related to human resources and potential conflicts of interest, as well as emphasizing the need for proactive and responsive reputation risk management. In the policy realm, the results of this study can be important input for the Ministry of SOEs in formulating governance and risk management policies that are more adaptive, responsive, and comprehensive to the internal and external dynamics of the company, especially in dealing with sensitive issues involving public perception and the interests of various stakeholders. To achieve this objective, this study formulates the core question: how did the timeline and dynamics of the controversy surrounding the recruitment of former Lion Air employees at PT Garuda Indonesia (Persero) Tbk unfold? how this controversy affects the implementation of GCG principles (particularly those related to transparency, accountability, independence, and fairness); how this controversy implies the risk management profile, particularly reputation risk, and the company's response; and what the overall impact of this recruitment controversy is on company performance and public trust. Therefore, the purpose of this study is to describe the chronology and dynamics of the controversy, analyze the implications of the recruitment controversy on the implementation of GCG principles, identify and evaluate the implications of the controversy on risk management (particularly reputation risk), and analyze the impact of the recruitment controversy on company performance and public trust. This study refers to the framework of Corporate Governance Theory (Good Corporate Governance - GCG) with five main principles abbreviated as TARIF (Transparency, Accountability, Responsibility, Independence, Fairness, and Equality), which is highly relevant because the labor union's criticism explicitly highlights the lack of transparency, accountability issues related to management salaries and strategic positions, the neglect of internal human resources raising questions of responsibility, potential conflicts of interest due to the CEO's background, and perceptions of unfairness toward long-term employees. It also shows that GCG often functions as “window dressing” rather than true implementation, where formal compliance does not always guarantee effective practices, indicating that the integrity and ethical leadership of top management are the most important factors. Additionally, this study applies Risk Management Theory, specifically the COSO ERM (Enterprise Risk Management) framework, which covers internal environment, goal setting, event identification, risk assessment, risk response, control activities, information and communication, and monitoring, and specifically focuses on Reputation Risk Management, as the recruitment controversy at Garuda Indonesia highlights the complex interconnections of risk, where weak or perceived poor corporate governance practices can be the root cause of reputational and financial risks, evidenced by declining stock prices and eroding public trust, thus the COSO ERM framework emphasizes the importance of managing “multiple and cross-company risks,” underscoring that strong corporate governance is not merely a compliance exercise but a fundamental pillar of holistic corporate risk management, which is crucial for financial stability and long-term sustainability.

LITERATURE REVIEW

A number of studies have examined the implementation of GCG and risk management in Indonesian SOEs. Studies show that although SOEs strive to implement GCG, there are still obstacles and deviations in its practice. For example, the case of PT INTI (Persero) shows that although the company received a “Good” rating in the GCG assessment, its President Director was involved in a corruption case. This indicates that formal GCG assessments do not always reflect the actual quality of GCG practices in the field.

More specifically, a study by Yuniarwati, Ardana, and Sugiarto D (2021) analyzed the failure of GCG at PT Garuda Indonesia Tbk during the 2018-2019 period. Interestingly, this failure occurred despite Garuda's GCG being rated “Very Good” with a score of 93.850 out of 100 at the time. The study concluded that the primary cause of corporate governance failure at Garuda Indonesia was an ethical leadership crisis across nearly all levels of top management. This manifested in various cases, including allegations of corruption involving the former CEO, the publication of fake financial reports, the smuggling of Harley-Davidson motorcycles, board members holding multiple positions, and allegations of airline ticket price cartels.

Yuniarwati, Ardana, and Sugiarto D (2021) state: "The study concludes that the failure of corporate governance at PT Garuda Indonesia Tbk was primarily caused by a crisis of ethical leadership across almost all top management ranks. This reinforces findings from other researchers who link the absence of ethical leadership to corporate governance failures. The paper argues that a seemingly good corporate governance system does not guarantee effective implementation if leaders lack integrity, often using the system for 'window dressing.'" This statement underscores that a seemingly sound GCG system does not ensure effective implementation if leaders lack integrity, often using the system merely as "window dressing."

Additionally, research by Purbaya (2021) specifically analyzes how Garuda Indonesia manages reputation risk through voluntary disclosure strategies. The study found that when facing reputation threats, companies tend to more frequently disclose information about management quality and employ strategies such as "bolstering" (enhancing positive image), "shifting the blame" (shifting responsibility), "corrective action" (corrective action), and "compensation" (compensation) to restore its image.

An analysis of previous research, particularly the study by Yuniarwati et al. (2021), revealed recurring patterns of ethical leadership and governance crises at Garuda Indonesia. The study details various GCG failures from 2018-2019 caused by an "ethical leadership crisis." The current controversy, involving the CEO's past affiliations and non-transparent recruitment, has once again raised concerns about GCG and public distrust. This shows that the ongoing controversy is not an isolated incident, but another symptom of deeper and persistent challenges in ensuring authentic GCG implementation, beyond mere compliance. This recurring pattern indicates systemic issues that require more than just reactive measures; it demands fundamental changes in corporate culture and leadership integrity.

RESEARCH METHOD

This study adopts a qualitative approach using case study methods to gain an in-depth understanding of the complexity of the recruitment controversy at PT Garuda Indonesia (Persero) Tbk and its implications for corporate governance (GCG) and risk management, enabling the exploration of perceptions, motivations, and interactions among stakeholders in a real-life context, in accordance with Yin's (2018) principles. The unit of analysis is the recruitment decision of 14 former Lion Air employees by Garuda Indonesia management in 2024-2025, focusing on the process, justification, and impact, examined within the context of PT Garuda Indonesia (Persero) Tbk, a state-owned enterprise and publicly listed company in the Indonesian aviation sector, requiring high GCG and accountability due to its dual responsibility as a business entity and development agent. Data collection was conducted through a literature review, including reports from reputable media outlets (Tempo, The Star, Metro TV, Asia News Network, Katadata) covering the timeline, union allegations, and management responses, official company statements (Human Capital Director Enny Kristiani, CEO Wamildan Tsani Panjaitan), statements and demands from labor unions (Garuda Pilots Association, SEKARGA, IKAGI), relevant financial reports and corporate governance documents of Garuda Indonesia, as well as scientific journals and academic publications related to GCG and risk management in SOEs to establish a theoretical framework. Data analysis was conducted qualitatively using a qualitative content analysis approach, involving data reduction stages (focusing on chronology, allegations, defenses, as well as GCG and risk implications), data presentation (narrative organization, tables, or matrices including timelines, comparisons of labor union-management perspectives, and analysis of GCG principles and risk management), and drawing conclusions/verification based on patterns and themes identified and linked to GCG and risk management theory. Additionally, thematic analysis will identify recurring themes such as "lack of transparency" and "conflict of interest," followed by comparative analysis to compare union claims with management responses. To enhance the validity and reliability of findings, this study employs data triangulation using various secondary sources (media, official statements, union reports, academic journals) for verification and reinforcement of findings, as well as theoretical triangulation using the Corporate Governance and Risk Management framework to interpret the same phenomena, providing a richer and deeper perspective on the impact of recruitment controversies on various operational and strategic aspects of the company.

RESULT AND DISCUSSION

Chronology of the Controversy Surrounding the Recruitment of Former Lion Air Employees by Garuda Indonesia

The controversy surrounding the recruitment of former Lion Air employees at PT Garuda Indonesia (Persero) Tbk stems from the appointment of Wamildan Tsani Panjaitan as CEO of Garuda Indonesia in November last year. His background as the former CEO of Lion Air quickly became the main focus of attention, sparking allegations of a conflict of interest from the outset of his tenure. The recruitment process of 14 former Lion Air employees under the new leadership soon led to significant internal tensions. The Garuda Pilots Association (APG), as part of Garuda's labor union, identified this recruitment as one of the main sources of conflict between management and staff, highlighting “several irregularities in the recruitment process,” particularly from the perspective of good corporate governance (GCG).

Similar concerns were also raised by Mufti Anam, a member of the House of Representatives' Commission VI overseeing state-owned enterprises, during a meeting in May. He cited unverified reports that the new employees were receiving salaries ranging from Rp 25 million to Rp 117 million, which could potentially add around Rp 1 billion per month to Garuda's salary burden. The pilots' union considers this amount unusual and inconsistent with the government and company's current push for cost efficiency.

In response to the escalating situation, on March 5, 2025, the Garuda Indonesia labor union, under the Joint Secretariat (Sekber) comprising APG, the Garuda Indonesia Employee Union (SEKARGA), and the Garuda Indonesia Cabin Crew Association (IKAGI), sent an official letter to Garuda Indonesia CEO Wamildan Tsani Panjaitan, demanding the suspension of the 14 individuals. The Chairman of the Garuda Pilots Association, Captain Ruli Wijaya, even urged President Prabowo Subianto and State-Owned Enterprises Minister Erick Thohir to conduct a comprehensive evaluation of the newly appointed management, highlighting the severity of the crisis.

This controversy has had a direct and significant impact on the market. On March 18, 2025, PT Garuda Indonesia's share price plummeted to Rp33 per share, reaching its lowest level in history. This drastic decline clearly shows the erosion of public and investor confidence in the national airline, indicating a serious reputation crisis.

In addition to recruitment issues, the labor union also complained about poor communication between Garuda management and employee representatives. APG accused management of viewing the union as an enemy rather than a strategic partner, even reporting some union leaders to the police over public statements. The union also condemned the sudden suspension of automatic salary deductions for union membership fees, interpreting this move as a sign of bad faith that further deteriorates industrial relations.

In response to the union's protests, Garuda Indonesia management, through Director of Human Capital and Corporate Services Enny Kristiani, defended the recruitment process. She stated that the recruitment was conducted in accordance with the company's internal policies and aimed to accelerate the ongoing transformation. Enny explained that the recruited employees are on fixed-term contracts, and their compensation is determined based on company guidelines and aligned with current market standards. CEO Wamildan Tsani Panjaitan also clarified that the circulating information about the “Lion Air employee group” and inaccurate salary figures was not entirely accurate, emphasizing that recruitment was conducted from various companies, not just Lion Air. He also stressed that the recruitment aimed to help Garuda Indonesia accelerate operational improvements and company development.

This incident clearly shows the existence of a hidden conflict of interest and its significant impact on public perception. The former CEO of Garuda's role at Lion Air is explicitly linked to the recruitment of former Lion Air employees, reinforcing this suspicion. Although management denies nepotism and claims compliance with GCG, the labor union still perceives a “potential conflict of interest.” This perception, regardless of management's true intentions, directly triggers controversy and erodes public trust, as evidenced by the plummeting stock price. This highlights that in corporate governance, perception can be just as damaging as reality. Even if the recruitment process technically complies with some internal guidelines, the appearance of a conflict of interest, especially given the CEO's background, is sufficient to trigger a significant crisis. This underscores the importance of not only complying with rules but also appearing compliant and transparent to all stakeholders, particularly in SOEs where public scrutiny is high. Here is a timeline of the controversy surrounding the recruitment of the former Lion Air executive at Garuda Indonesia:

Table 1. Timeline of the Controversy Surrounding the Recruitment of Former Lion Air Employees by Garuda Indonesia

Date / Period	Key Events
November	Wamildan Tsani Panjaitan (former CEO of Lion Air) has been appointed as CEO of Garuda Indonesia.
Early 2025	The process of recruiting 14 former Lion Air employees by Garuda Indonesia's new management has begun.
March 5, 2025	The Garuda employee union (Sekber) sent a letter to Garuda's CEO demanding the dismissal of the 14 individuals.
March 18, 2025	Garuda shares plummeted to Rp33 per share, the lowest level in its history.
May 2025	Member of Commission VI of the House of Representatives, Mufti Anam, raised concerns about unusual salaries (Rp 25 million - Rp 117 million) and the implications for corporate governance.
May 27, 2025	Garuda management, through Human Capital Director Enny Kristiani, responded to the pilots' protests, defending the recruitment process as being in line with internal policies and transformation objectives.
June 2025	Wamildan CEO Tsani Panjaitan provided further clarification, denying allegations of nepotism and circulating salary figures, and stating that recruitment was carried out from various companies.

Perspectives of Garuda Indonesia's Employee Union and Management

The controversy surrounding the recruitment of former Lion Air employees at PT Garuda Indonesia (Persero) Tbk is marked by significant narrative disparities between employee unions (APG, SEKARGA, IKAGI) and management, with unions voicing strong protests against a process deemed non-transparent and non-compliant with procedures, sparking strong allegations of potential conflicts of interest given the CEO's background as the former CEO of Lion Air, as well as creating internal injustice due to the neglect of loyal staff and the placement of new recruits in strategic positions with unusually high salaries (ranging from Rp 25 million to Rp 117 million, potentially adding Rp 1 billion per month), in addition to complaining about poor communication from management, which views the unions as enemies and has stopped automatic salary deductions for union dues, even reporting union leaders to the police. In contrast, Garuda management, through CEO Wamildan Tsani Panjaitan and Human Capital Director Enny Kristiani, defended the recruitment decision by emphasizing that the process followed procedures and GCG principles, aimed at accelerating operational transformation, clarifying that the recruits came from various companies (not just Lion Air), that remuneration aligns with guidelines and market standards, the recruits' status is as professional hires with fixed-term contracts to assist the CEO's strategic functions, and they are committed to open communication with the union, explaining the cessation of automatic salary deductions as an effort to maintain the union's independence. This disparity in narratives "their words, our words" where both parties claim adherence to principles but interpret facts in contrasting ways, creates significant ambiguity that erodes public and investor trust, as evidenced by the plummeting stock price of the company, underscoring fundamental failures in trust and communication that exacerbate the crisis, and highlighting that in corporate governance, the perception of a conflict of interest, regardless of technical reality, is sufficient to damage credibility and requires not only compliance but also clear transparency and proactive engagement with all stakeholders, especially in state-owned enterprises with high public scrutiny. Here is a comparison of the union's allegations and Garuda Indonesia management's defense:

Table 2. Comparison of the Allegations of the Employees' Union and Garuda Indonesia Management

Controversial Aspects	Employee Union Allegations	Defense of Garuda Indonesia Management
Recruitment Transparency	Recruitment is conducted in a closed and non-transparent manner, with a lack of clear business justification.	Conducted in accordance with long-established internal policies, procedures, and GCG
Conflict of Interest	Former Lion Air CEO recruits ex-Lion Air employees, creating potential conflict of interest	Recruitment from various companies, not just Lion Air; no nepotism
Employee Justice Internal	Ignoring competent and loyal internal human resources creates discomfort and injustice.	Recruitment aims to accelerate operational improvement and development of Garuda.
Remuneration	High/unusual salary (IDR 25 million - IDR 117 million), additional salary burden of IDR 1 billion per month	Circulating salary figures are incorrect; remuneration is in line with company guidelines and market standards.
Positioning	Placed in strategic positions up to director, not according to internal career paths	Professional hire status with a specific time contract, assisting the CEO in strategic functions.
Communication with Unions	Poor communication, management viewing the union as the enemy,	Commitment to open communication with unions;

	stopping dues, reporting union leaders.	cessation of dues to maintain union independence.

Implications for Corporate Governance (GCG)

The controversy over the recruitment of former Lion Air employees at PT Garuda Indonesia (Persero) Tbk has significant implications for the implementation of Good Corporate Governance (GCG) principles. The appointment of CEO Wamildan Tsani Panjaitan, who previously served as CEO of Lion Air, followed by the simultaneous recruitment of 14 former Lion Air employees, directly raises strong allegations of conflicts of interest that could potentially violate the principle of GCG independence, which explicitly requires managing the company without intervention and avoiding any form of conflict of interest; although management denies nepotism, public and union perceptions are already forming, indicating doubts about the objectivity of the decision. The union's allegation that recruitment was conducted in a "non-transparent" and "secretive" manner directly violates GCG transparency principles, which demand disclosure of material and relevant information and decision-making processes, where the lack of detailed explanations regarding selection, criteria, and business justifications exacerbates perceptions of non-transparency and erodes stakeholder trust, Although management denied the salary figures, the lack of clarity in this information eroded trust and cast doubt on management accountability. Protests from labor unions that feel internal human resources are being neglected and the existence of "discomfort" among longtime employees indicate a potential violation of the principle of fairness and equality, where GCG demands fair and equal treatment of all stakeholders, including internal employees, so this perception of injustice can interfere with morale and productivity. Finally, criticism of management for ignoring the interests of internal employees and potentially creating conflicts of interest touches on aspects of the principle of responsibility, as management's responsibilities are not only limited to shareholders, but also include all stakeholders and the long-term sustainability of the company, so failure to manage industrial relations and meet employee expectations shows a lack of comprehensive responsibility.

This controversy presents a profound dilemma, GCG as a crisis prevention mechanism versus GCG as a crisis trigger. Although Garuda Indonesia has a clear GCG policy aimed at optimizing corporate value and encouraging ethical management, the current controversy, driven by alleged violations of these principles, has led to internal unrest and a plummeting share price. This is in stark contrast to the purpose of GCG as a mechanism to prevent such crises, suggesting that GCG, when not truly embedded in organizational culture and leadership behavior, can be a source of crisis rather than a solution. If stakeholders sense that GCG principles are being ignored or are just lip service, it will destroy trust and may trigger severe consequences. This case highlights that GCG is not a static set of rules, but rather a dynamic process that requires continuous ethical compliance, especially from the top management ranks, to maintain its integrity and effectiveness in preventing and mitigating risks.

Table 3. Analysis of GCG Principles in the Recruitment Controversy

GCG Principles	Allegations/Events Related to Recruitment Controversy	Analysis of Implications for GCG
Transparency	Closed recruitment, lack of clear business justification.	Potential violation of transparency principles, eroding stakeholder trust
Accountability	Salaries that are considered unusual, additional salary burden	Raises questions over management accountability in HR and financial

	without adequate explanation	management
Responsiveness	Neglect of internal HR, potential conflicts of interest, poor communication with unions	Ethical issues and corporate social responsibility towards employees and sustainability of industrial relations
Independence	Ex-Lion Air CEO, ex-Lion Air recruit; strong suspicion of conflict of interest	Strong suspicion of conflict of interest, violating management independence from external or personal influence
Fairness and Equality	Internal discomfort, perceived priority of certain groups over internal employees	Perceptions of unfairness, undermining employee morale and healthy industrial relations

Implications for Risk Management

The controversy over the recruitment of former Lion Air employees at Garuda Indonesia directly and significantly affected various aspects of the company's risk management, with reputational risk being the most prominent, as evidenced by the plunge in Garuda's share price to a low of IDR33 per share on 18 March 2025 and the decline in public and investor confidence indicating a serious reputational crisis, although management's response denying the issue of nepotism and salary figures can be analyzed as a mitigation strategy but its effectiveness is questionable given the continued union discontent and share decline. In addition, operational risks were heightened by internal tensions triggered by union protests, the termination of union dues deductions, and police reports against union leaders, potentially eroding employee morale, reducing productivity, and disrupting operational stability. These controversies also pose a strategic risk, which could hamper Garuda's efforts to achieve its business transformation and sustainability goals as they affect the company's ability to attract investment, retain talent, and compete effectively in a tight aviation market. Furthermore, compliance risk increases as allegations of GCG violations and potential conflicts of interest could attract the attention of regulators such as the DPR Commission VI, potentially leading to sanctions or regulatory intervention, given that SOE Ministerial Regulation No. PER-2/MBU/03/2023 regulates SOE risk management guidelines. Lastly, there is the financial risk arising from the potential for significant salary increases (if the union's allegations are true) that could exacerbate Garuda's still vulnerable financial condition following the debt restructuring, so this lack of clarity creates financial uncertainty that affects investor decisions.

CONCLUSION

The controversy over the recruitment of former Lion Air employees at PT Garuda Indonesia (Persero) Tbk is an important case study on the implications of corporate governance (GCG) and risk management in strategic SOEs. The appointment of a CEO with a background in a competing airline, followed by the recruitment of employees from the same company, sparked union protests. They alleged non-transparency, potential conflicts of interest and unfairness. Although management defended the recruitment process as GCG compliant, the disparity in narrative eroded public and investor confidence, evidenced by Garuda's share price plummeting to its lowest level. Specifically, this incident highlighted serious violations of GCG principles, with Independence threatened by conflicts of interest, Transparency questioned due to closed processes, Accountability in doubt regarding remuneration and strategic placements, and Fairness and Equality and Responsibilities affected by perceptions of unfairness. This case confirms that GCG can become “window dressing” if not supported by ethical leadership, turning it from a crisis preventer to a crisis trigger itself. In risk management, this controversy triggered severe reputational risk, evident from the decline in shares and trust. It also increases operational risk (internal tensions), strategic risk (transformation barriers), compliance risk (regulatory scrutiny), and financial risk (cost uncertainty). The Garuda Indonesia case clearly demonstrates the complex interconnection of risks, where governance failures can trigger and amplify risks across all aspects of a company's business.

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