RISK MANAGEMENT IN INDUSTRIAL ENTERPRISE- SMEs IN CYPRUS

By

GIOULIANNA ASLANIDOU

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Neapolis University Pafos

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Dr. Michailina Siakalli

Abstract

This study investigates the concept of risk management in the small and medium enterprise sector. The literature review conducted reveals the definition of the concept of risk management, its application in various areas of organizational management and its growing importance considering the rapidly evolving external business environment. The primary data collection has been conducted using quantitative data collection techniques using a questionnaire and collecting data by sending out to the owners of small and medium enterprises through emails. The data analysis has been conducted by the use of statistical and graphical representation tools of excel. The analysis of the results of the primary data collected from a sample of 100 small and medium sized enterprises in Cyprus revealed that majority of the enterprises currently in operation identified risk management as an essential organizational function in lines with production and marketing. Majority of the organizations feel that there is need for a scope of improvement of the risk management function in the Small and Medium business sector. The majority of the organizations current rely upon the insurance policies undertaken as a part of their risk management process. The Government policies implemented in the recent times have played an important role in bringing about improvement and opening up of the capital markets for the businesses operating in the small and medium business sector and thereby reduce their financial risk levels.

Keywords: RM = Risk management, SME= Small and Medium Enterprises.

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