

Review Article

A Systematic Literature Review on Risk Management in Small and Medium Scale Industries

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Abstract: The current study aims to systematically review risk management in small and medium scale industries as well as aims to present a concise opinion on current research in this area and forward proposal for further studies. This study compiles, combines, and analyzes information based on a thorough literature evaluation. Following a predetermined review protocol, sixteen research articles on risk management in small and medium scale industries were chosen from seven databases between 2015 and 2023. The selected publications have been evaluated to gather relevant data for several scholarly issues. In 2016, we have seen growing trends in the articles. Most articles have examined the environmental, economic, and social aspects in risk management. In contrast, other sectors like the health, and pharmaceutical industries have received much ignorance. The outcome of the information extraction reveals that "risk management," small and medium sized industries, "industry" have the greatest occurrences in the literature separately. Though, less iterative, "combining all these data variables" remains a phase in study. Consequently, this review's findings can aid in the effective implementation and development of management by academics.

Keywords: risk management, small scale, medium size, industry

1. INTRODUCTION

In recent years, there has been a sharp rise in competition in all corporate sectors. Companies need to set high standards in order to meet client needs and maintain a competitive edge in the market. Any business must have a thorough understanding of its own industry, including its advantages, disadvantages, opportunities, and dangers, in order to do that. The negative and/or positive aspects of risk are threats and/or opportunities. Risk is described as an uncertainty that may result from various events in either positive or negative outcomes [1-3]. Risk exposure has increased along with the complexity of goods and services [4]. However, risk can be anticipated and controlled in a variety of circumstances [5]. The goal of risk management (RM) is to lessen the likelihood of hazards and lessen the effect of potential losses [6-7]. Since the business environment is unpredictable due to a variety of factors, including politics, the economy, the environment, technology advancements, and natural disasters, risk management (RM) has become a key strategy for small businesses looking to survive and get past obstacles in order to achieve their objectives. RM allows for the creation of strategies to minimize possible losses while taking advantage of new business opportunities, which has significant ramifications for company and competitiveness [8]. Despite this, RM adoption in businesses is still viewed as uneven [9]. A significant number of businesses, especially small and

medium-sized enterprises (SMEs), lack the expertise, assets, and trustworthy instruments necessary to support the implementation of RM [10]. SMEs are businesses that have limited resources and face more challenges when attempting to control risks. Because they are either too costly or too complicated, the instruments utilized by large companies are typically not appropriate for SMEs in and of themselves [11]. For SMEs, the resources needed to enable RM application are unaffordable and unachievable [12]. Small and medium-sized businesses would need to invest a lot of time and energy if they were to implement RM according to the same rules as major corporations. The unique features of their companies lead the SME managers to believe that those principles are not applicable to them. SMEs should participate in risk management more than large enterprises, despite the fact that they are more exposed to risk than the latter [13]. In fact, because they are already tiny, SMEs face greater challenges when it comes to downsizing in times of crisis, have a weaker financial structure, are less diversified in their economic operations, and are more difficult to obtain resources [14]. SMEs still have a long way to go before taking a proactive approach to risk management, even though it is vital to their long-term viability and the creation of value for their businesses [15]. Numerous studies have noted that the majority of the empirical evidence in the RM literature has been centered on large organizations, leaving a gap in the knowledge regarding small companies [16]. Just a small number of scholarly works have examined the topic of RM in SMEs, despite the growing quantity and importance of SMEs in Western economies [17–20]. SMEs account for 99 percent (99%) of all businesses and 67 percent (67%) of all employment in the EU, making them the backbone of the growth of EU nations [21]. Enhancing the managerial skills and knowledge of SMEs is therefore essential to maximizing the growth of the entire economy [22]. Given the significance of SMEs and the previously mentioned large gap in the literature, this study aims to identify and highlight potential opportunities for academics and practitioners as well as suggest future research directions on this pertinent topic by gathering and analyzing the relevant studies that have already been done on RM applied to SMEs through a systematic literature review.

2. RESEARCH METHODOLOGY

Finding data utilizing the selection criteria for study is the aim of the multi-phase coordinated search technique. Phase 1 entails researching the seven key websites; compile your results. Phase 2: Look through the list of references for every chosen inquiry topic to find any particularly noteworthy articles. Academic e-databases were utilized in the computerized search strategy for this inquiry. These phases result in small- and medium-sized industry risk management. To gather the relevant literature, we used a number of significant electronic databases, such as Science Direct, Sage, and Springer. It is thoroughly examined during scanning measurements, and one of the author's hypotheses may contain data that is important for doing a literature analysis. Three study assistants separately assessed each component's quality at that point. Essentially, the aforementioned search methods were used to extract academic publications. It's possible that significant posts remained after unnecessary documents were eliminated. Only potentially significant studies remained after irrelevant studies were removed by skimming the titles and abstracts. Reports that were left unfinished provide guidance on specific goals or directions for system architecture (and were not generalize). We used the following quality assessment questions to examine each of the investigation's papers in more detail: 1. Is the field or category correctly described? 2. Is the essay supported by research, or is it just a collection of educated observations compiled by experts? 3. Are the objectives of the research well-defined? 4. Is the environment in which the research was conducted adequately described? 5. Does the research plan effectively accomplish the objectives of the study? 6. Is the last statement clear and succinct? Does the research cover every facet of risk management in thoughtful small- and medium-sized businesses? 8. Does the research offer a synopsis of the subject? 9. Is an established design used in the study article to aid in the analysis? N (No) = 0 or indeterminate (i.e., no explicit data was provided), P (Partially) = 0.5, and Y (Yes) = 1. This is how the article's ranking system was created. Only 16 out of the 44 items that underwent thorough analysis in order to facilitate data extraction and aggregation satisfied our inclusion criteria. Right now, the goal is to provide access

to paperwork that contains trustworthy details regarding the preliminary investigation. Along with other basic data, the author, year, study techniques, country, and context were all extracted. The investigation's objectives were taken into consideration when selecting these products. Data were collected, scrutinized, and subsequently extracted. There is more information regarding the results of the merging process in the sections that follow.

3. RESULTS AND ANALYSIS

Parameters from each of the selected publications were to be extracted during the data extraction phase. During the search process for this evaluation, 16 documents were located. The amount of research that we select from internet databases is shown in Figure 1. On the other hand, only three papers came from the MDPI and Springerlink databases, while the rest (n=5) were sourced via the Science Direct database. In addition, Figure 2 shows the chronological history of investigations over time.

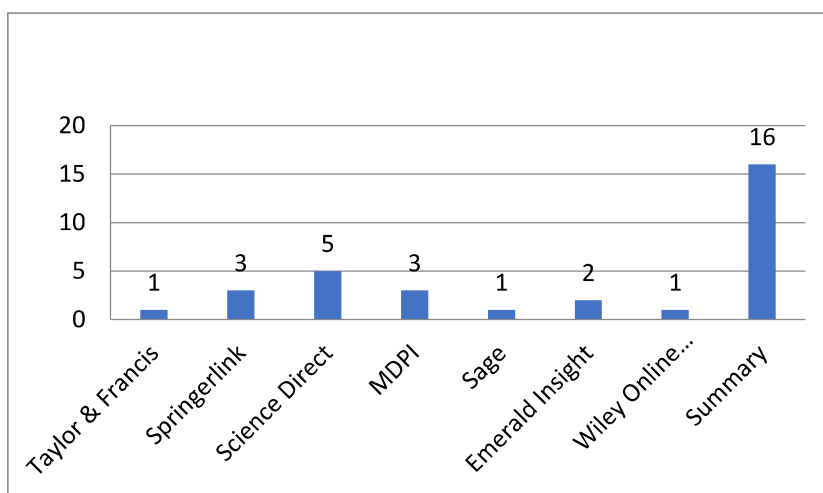


Figure 01: Papers in seven selected electronic databases

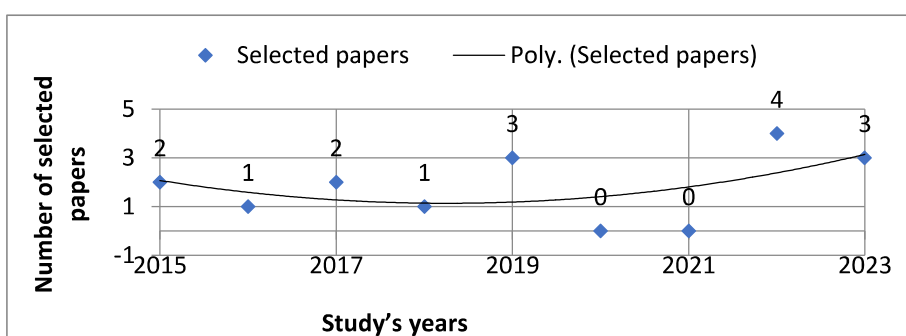


Figure 02: Chronological order of studies over time

To assess the overall quality of the included research, we used nine quality assessment questions. The maximum score for each question is 1, and the aggregate score was 9. Figure 3 demonstrates the high value of the chosen research, which has a quality score above 5, and more details may be found in Appendix 2.

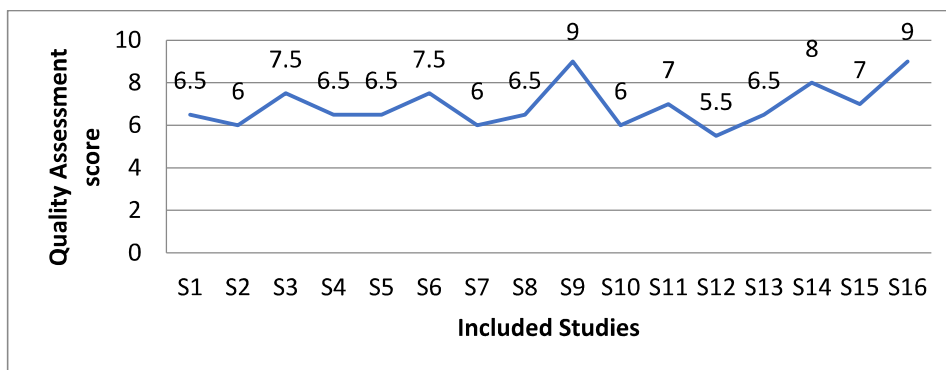


Figure 03: Quality assessment of all included studies

This study demonstrated that 75% of the selected researchers employed survey research as their primary quantitative strategy. However, just around 25% of all papers using qualitative approach were conceptual papers, empirical investigations, or case studies. The examination of a few selected studies showed that industries have been studied in a variety of settings and countries. Study investigated the small and medium sized industries relevant to RM in eight various scenarios, including two distinct contexts.

4. DISCUSSION AND CONCLUSION

The relevant studies that identified risk management in small and medium-sized industries were chosen for this evaluation. We looked at five datasets. In addition, abstract analysis, title and keyword analysis of the results, and inclusion and exclusion criteria were used to choose the papers. Our study predicts a large increase in the number of articles reporting studies starting in 2022. Therefore, research on the relationship between industries and risk management included examples of growing trends in the industry. Studies that use risk management in small-scale industries, however, have received less attention. Sixteen articles from 2015 to 2023 were chosen. The research methods used in the selected articles were then examined. While other approaches were employed less frequently, the survey strategy was employed in the majority of research. We wanted to increase the level of knowledge in this new field through these contributions, as well as our study of the topic and the development of a future research agenda based on a comprehensive evaluation of the literature for the preceding ten years. We inform the research audience about the expanding possibility for further study and contribute to the corpus of knowledge on risk management in small and medium-sized businesses. Even though research on this topic is still in its early stages, it is critically needed to be further explored through rigorous conceptual and empirical work in order to keep up with the rapid changes and unstable nature of the corporate environment. Together with the other papers in this special issue, this review will increase understanding, provide guidance for risk management in small and medium-sized businesses, and encourage creative ideas.

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