THE EFFECT OF SMALL AND MEDIUM SIZE ENTERPRISES MANAGERS' LEADERSHIP PRACTICES ON RISK MANAGEMENT IN GAZIANTEP

2022
MASTER THESIS
BUSINESS ADMINISTRATION

Ahmad Abdullah AL HALABI

Supervisor
Prof. Dr. Elif ÇEPNI

THE EFFECT OF SMALL AND MEDIUM-SIZE ENTERPRISES MANAGERS' LEADERSHIP ON RISK MANAGEMENT IN GAZIANTEP

Ahmad Abdullah AL HALABI

Prof. Dr. Elif ÇEPNI

T.C

Karabuk University

Institute of Graduate Programs

Department of Business Administration

Prepared as

Master Thesis

KARABÜK

June 2022

TABLE OF CONTENT

THESIS APPROVAL PAGE

I certify that in my opinion, the thesis submitted by Ahmad Abdullah AL HALABI titled "THE EFFECT OF SMALL AND MEDIUM-SIZE ENTERPRISES MANAGERS' LEADERSHIP ON RISK MANAGEMENT IN GAZIANTEP" is fully adequate in scope and in quality as a thesis for the degree of Master of Business Administration.

Prof. Dr. Elif ÇEPNI ....

Thesis Advisor, Department of Business Administration

This thesis is accepted by the examining committee with a unanimous vote in the Department of Business Administration as a Master of Science thesis. June 15th, 2022

Examining Committee Members (Institutions)	**Signature**
Chairman : Prof. Dr. Elif ÇEPNI (KBU)	....
Member: Doç. Dr. Ozan BÜYÜKYILMAZ (KBU)	....
Member: Doç. Dr. Metin KILIÇ (BANU)	....

The degree of Master of Science by the thesis submitted is approved by the Administrative Board of the Institute of Graduate Programs, Karabuk University.

Prof.Dr. Hasan SOLMAZ ....

Director of the Institute of Graduate Programs

DECLARATION

I declare that all the information within this thesis has been gathered and presented in accordance with academic regulations and ethical principles and I have according to the requirements of these regulations and principles cited all those which do not originate in this work as well.

Without being bound by a particular time, I accept all moral and legal consequences of any detection contrary to the aforementioned statement

Name Surname: Ahmad Abdullah AL HALABI

Signature:

FOREWORD

I would firstly want to take this moment to express my thankfulness to Almighty God for allowing me this chance, to advance my studies and finish my degree. I would also like to thank and convey with genuine appreciation the individuals in my life who have supported, aided, and encouraged me throughout my MBA studies.

To Professor Dr. Elif ÇEPNI, my supervisor, for her outstanding advice, clever suggestions, devotion, and unflinching encouragement and support that helped me develop new skills and knowledge. Working under her direction was very rewarding, her insight and strong work ethic are attributes I aim to bring into the next stage of my career. Additionally, I would like to express my thanks to my family, including my father Abdullah, mother Iman, brother Mohammed, and sisters, for their motivation, inspiration, unconditional love, and emotional support during this journey. They have been patient, understanding, and helpful on every level imaginable. I would also like to thank my friends, Amer and Osama for being there in times of stress and frustration, as well as in times of joy and exuberance. Last but not least, I would also like to thank my MBA contemporaries with whom I have shared great memories with especially my colleague Zaid, Khaled, and my other family whom I have lived with for their unfaltering compassion, companionship, and encouragement.

ABSTRACT

SME growth is one of the primary preconditions for the country's healthy economic development since SMEs are an important component of economic and social stability. However, owing to the absence of a well-established structure and limited resources, they are particularly vulnerable to risks resulting from the uncertainty surrounding the company. This necessitates SMEs to properly manage their risks, preventing or minimizing their impact within acceptable bounds. Studies have shown that SMEs often lack a risk manager. As a result, risk management dominates the decision-making process. The purpose of this study is to examine the effect of managers' leadership practices on the risk management of SMEs in Gaziantep. A positivist research paradigm and a quantitative research approach were adopted, and questionnaires were used to collect data from SMEs in Gaziantep. The study utilizes descriptive statistics such as mean and standard deviation and correlation analysis, as well as ANOVA and a linear regression model for data analysis and hypothesis testing, using SPSS statistical software. The study results show a significant positive relationship between managers' leadership practices and the risk management of SMEs in Gaziantep. This means managers' leadership practices positively impacted the risk management in small and medium-sized companies in Gaziantep. As a result, managers' attitudes and knowledge about risks play a critical role in how risks are managed. They must understand how to use risk management initiatives effectively to benefit their organizations as well as be more educated about risk management initiatives that will positively impact risk management and the company as a whole.

Keywords : Risk; Risk management in Small and medium sized enterprises; SMEs; Manager of SMEs

ÖZ

KOB'lerin büyümesi ülkenin salkl ekonomik kalknmasnn birincil ön koşullarndan biridir. Ancak, köklü bir yapnn ve snrl kaynaklanan risklere karş özellikle savunmaszdrlar, şirketi çevreleyen belirsizlikten kaynaklanan risklere karş özellikle savunmaszdrlar Bu, KOB's risklerini uygun şekilde yönetmelerini, kabul edilebilir snrlar içinde etkiyi önlemelerini veya en aza indirmelerini gerektirmektedir. Araştrmalar, KOB'lerin genellikle bir risk yöneticisinden yoksun olduunu gösteriştir. Risk yönetimi karar verme sürecine hakimdir, sonuç olarak. Incelemektir yöneticilerin liderlik uygulamalarnn Gaziantep'teki KOB'lerin risk yönetimine etkisir. Anketler kullanlmştr bir araştrma paradigmas ve nicel bir araştrma yaklaşm benimsenmiş ve Gaziantep'teki KOB'lerden veri toplamak veri analizi ve hipotez testi için ortalama ve standard sapma ve korelasyon analizi gibi tanmlayc istatistiklerin yan sra ANOVA ve dorusal bir regresyon modelini kullanr. Gaziantep's KOB'lerin yöneticilerin liderlik uygulamalarnn ile risk yönetimi arasnda önemli bir pozitif ilişki olduunu göstermektedir. Bu, Gaziantep's teki küçük ve orta ölçekli şirketlerde yöneticilerin liderlik uygulamalarnn risk yönnetimini olumlu etkiledii anlamna geliyor. Risklerin nasl yönetildii konusunda kritik bir rol oynamaktadr, sonuç olarak, yöneticilerin risklerle ilgili tutumlar ve bilgileri, risklerin nasl yönetildii konusunda kritik bir Risk yönetimi inisiyatiflerini kuruluşlarna fayda salamak için nasl etkin bir şekilde kullanacaklarn anlamal ve risk yönetimimini ve bir bütün olarak şirketi olumlu yönde etkileyecek

Anahtar Kelimeler: Risk; Küçük ve Orta Ölçekli İşletmelerde risk yönetmek; KOBİ Yöneticileri

ARCHIVE RECORD INFORMATION

Title of the Thesis	The Effect of Small and Medium-Size Enterprises Managers' Leadership Practice on Risk Management in Gaziantep
Author of the Thesis	Ahmad Abdullah AL HALABI
Supervisor of the Thesis	Prof. Dr. Elif ÇEPNİ
Status of the Thesis	Master
Date of the Thesis	June, 2022
Field of the Thesis	Business Administration
Place of the Thesis	KBU/LEE
Total Page Number	88
Keywords	Risk; Risk management; Small and medium sized enterprises; SMEs; Manager of SMEs

ARŞİV KAYIT BİLGİLERİ

Tezin Adı	Gaziantep'te Küçük ve Orta Ölçekli İşletme Yöneticilerinin Liderlik Uygulamasının Risk Yönetimine Etkisi.
Tezin Yazarı	Ahmad Abdullah AL HALABI
Tezin Danışmanı	Prof. Dr. Elif ÇEPNI
Tezin Derecesi	Yüksek Lisans
Tezin Tarihi	Haziran,2022
Tezin Alanı	İşletme
Tezin Yeri	KBU/LEE
Tezin Sayfa Sayısı	88
Anahtar Kelimeler	Risk; Risk Yönetmek; Küçük ve Orta Ölçekli İşletmelerde

ABBREVIATIONS

SMEs : Small and Medium Sized Enterprises

ERM : Enterprise Risk Management

RM : Risk Management

SUBJECT OF THE RESEARCH

This study focuses on the role of refugee entrepreneurs' programs in small projects, the role of business support programs in facilitating and developing their work in their new country, and the challenges that refugee entrepreneurs face in their new country. In addition, it focuses on the types of business support programs provided by training services and financial grants, the role of these programs targeting refugee entrepreneurs, their characteristics, weaknesses and gaps related to the refugee context.

PURPOSE AND IMPORTANCE OF THE RESEARCH

The study provided an academic and practical guideline for drawing features of an emerging model in the decision-making method, which can be a pioneering and suitable attempt for small-project owners to make a decision that fits the nature of the difficulties they face in terms of adjustment and speed in the Turkish environment. The research clarify the theoretical foundations of the concept, importance, objectives and principles of entrepreneurship, and the philosophy and essence of the work of business support programs for Syrian refugees in Turkey.

METHOD OF THE RESEARCH

The descriptive (descriptive-analytical) study approach was adopted by presenting the theoretical frameworks based on references and recent studies in the field of study variables, and the analytical method for analyzing and testing the hypotheses of the study in the researched field.

HYPOTHESIS OF THE RESEARCH

First hypothesis: There is a correlation between training services and the performance of small business owners for refugees in Turkey.

The second hypothesis: There is an effect of training services in enhancing the performance of small business owners for refugees in Turkey.

The third hypothesis: There is a correlation between the financial grant and the performance of small business owners for refugees in Turkey.

The fourth hypothesis: there is an effect of the financial grant in enhancing the performance of small business owners for refugees in Turkey.

POPULATION AND SAMPLE (IF AVAILABLE)

The target population of this study are entrepreneurs, owners of start-up companies operating in the southern provinces of Turkey (Sanliurfa, Hatay, Gaziantep, Kilis) who have participated in business support programs implemented by non-profit organizations. The sampling framework consists of 1,550 small and medium-sized businesses, ranging from small manufacturing, service, agribusiness, and food beverage/restaurant establishments.

SCOPE AND LIMITATIONS / DIFFICULTIES

It includes the limits of the study through four areas, which are as follows:

1) **Spatial limits:** Includes the spatial boundaries of the study in the provinces of southern Turkey (Sanliurfa, Hatay, Gaziantep, Kilis) as an application field.
2) **Time limits:** The research time limits include the period prescribed for preparing the thesis, from (2022/1/10) to (2022/5/15).
3) **Human limits:** The limitations of the study included a human population through a sample of Syrian refugees in Turkey as a target group.
4) **Objective limits:** Represented by (Business Support Programs, Performance of Small Business Owners).

1. INTRODUCTION

1.1. Background of Research

This study investigates the small and medium sized enterprises (SMEs) sector in Gaziantep. The primary goal of this research is to highlight how risk management is conducted by SME managers in order to safeguard businesses and workers from the chance of risk occurring or to keep the risk's effect within acceptable bounds. Every organization, regardless of its form or size, regardless of the product or service it provides, and regardless of the market in which it operates, is continually confronted with a plethora of risks and uncertainties. Risks may be defined as the chance of a random event or a collection of random events occurring that, if they do, it would have an adverse effect on the attainment of all organizations' goals due to the inherent uncertainty involved with the course of action (Vose, 2000). This impact may be beneficial (the firm earns more earnings than anticipated) or detrimental (the company incurs a loss rather than the anticipated profit), jeopardizing the business's existence. Some of this danger is predictable, while others are not; some are manageable, while others are not. This arises as a result of external or internal weaknesses, which may be prevented by taking proactive measures. Risks are classified as follows by the authors: production risks, economic, marketing, financial, credit, legislative, social, environmental, human resource, and technology risk, and risk due to force majeure.

Risk is the primary source of uncertainty in every business, and businesses are attempting to survive and thrive in an unpredictable environment created by these massive developments, which expose them to a broad array of risks in their operations. As a consequence, businesses are focusing their efforts on identifying risks, monitoring and controlling them before they negatively impact the company, and taking steps to mitigate or remove such threats (Ntlhane, 1995). The capacity to manage risk will enable businesses to make more confident business choices in the future. Their awareness of the risks they face provides them with a variety of alternatives for resolving future issues. Effective risk management is critical to the success of company decision-making techniques.

1.2. Research Motivations

The implementation of risk management strategies contributes to a major role in companies achievement and development. This role is considered more important in SMEs than in large companies. In comparison to bigger businesses, due to their low equity ratio, SMEs are more vulnerable to external occurrences (Altman et al., 2010). This illustrates that not only larger firms confront many risks but also SMEs, whose durability is surely affected by their limited financial and nonfinancial resources. Numerous studies have concentrated on larger enterprises, with a lesser emphasis on risk management in small and medium sized enterprise (SMEs), since the risks are deemed to be less catastrophic. small and medium sized enterprise (SMEs) in Turkey and around the world contribute significantly to economic growth and development by providing new jobs, social development, and regional development, and are capable of quickly responding to market movements and demand. SMEs have a greater level of flexibility and creativity. SMEs contribute to economic and social stability (Fetisovova et al., 2012). Therefore, one of the most important prerequisites for a country's healthy economic development is the growth of SMEs. However, no systematic examination of SMEs' risk management has yet been conducted. As a result, the purpose of this thesis is to fill in the gap by looking at the present situation of SMEs risk management in Gaziantep. The study's specific goals are to determine which risk areas are most significant to SMEs, how risk management is presently addressed by SMEs, attitudes toward risk, the business culture of SMEs with regard to risks, and how managers see risk and what role they play in SME risk management.

1.3. Research Problem

SMEs are vital to the economic development of any nation (Ayyagari et al., 2007). Due to their large share within total enterprises and significant contribution to real GDP growth, new job creation, and reduction of poverty, these social and economic roles have resulted in the SME sector being seen as a strategic issue for states' economies (Avasilicai, 2009). However, they are extremely exposed to risks because of the absence of organized structure and inadequate resources. According to Anic and Paus (1998), Aruwa (2004), one of the persistent issues that makes SMEs appealing to investors is risk. Therefore, risk management implementation and strategies play an important part in SMEs accomplishment and growth. Risk management requires recognizing risks and foretelling how possible they are and how grave they might become. And making decisions that will control risks and minimize the adverse effects and maximize opportunities. Although in recent years there has been progress in this aspect of research, there is insufficient work that investigates how risk management is practiced in SMEs.

1.4. Aim of Research

This study aims to broaden discussions about types of risks and understanding risks. Where we will try through this study to show the importance of risk management, understanding risks, preventing their occurrence, or discovering them in their initial stages, and how risk management is practiced by managers of SMEs, which help protect companies and employees from the possibility of their occurrence, or minimizes the impact of the risk within acceptable limits. Thus it will help companies to reduce the occurrence of negative events, and preserve physical and human resources for the effective continuation of their operations.

1.5. Research Significance

Every company encounters the risk of unexpected unfavorable occurrences that may incur financial costs or result in the company's ultimate closure. Thus companies increasingly concentrate more on identifying risks and managing them, and by reacting to them. In today's business environment, risk management is necessary for survival. We hope that this study will add to the scientific library academic scientific research on knowledge of how risk management is currently handled by SMEs. The ability to manage risk will assist firms to favorably plan and be more self-assured in their business decisions, and also alleviate doubts that affect business goals and objectives. Their understanding of the risks they are encountering will give them several options on how to deal with potential problems. This research is imperative in order to strengthen our understanding on risk management and its purpose as it relates to SMEs and the need to increase the performance of SMEs, thereby developing the nation's economy.

1.6. Research Objective

Recognize the risks facing SMEs in Gaziantep, and the most impacted.

Recognize the current methods of risk management and the relationship of risk management to business planning in SMEs in Gaziantep.

How do managers view risk and the relationship of managers' leadership practices to the management of risk in SMEs in Gaziantep.

To make suggestions to SMEs on how to enhance their risk management practices.

Define SMEs and recognize their value to the overall economy.

This research is also hoped to assist with further researches conducted in the related field.

1.7. Research Question

In this section, the aim of this research outlined above will be highlighted, and key questions for this research will be identified to help correct this message towards reaching the goals and achieving them. The main research question is formulated as follows:

How do SMEs deal with the risks they face?

The main question is divided into sub-questions:

What are the risks facing SMEs in Gaziantep and the most impacted?

What is the relationship of risk management to business planning in SMEs?

How do owners-managers view risk and what role do they play in SME risk management?

1.8. Scope of the Research

This research collects data in Turkey, Gaziantep City. Gaziantep was chosen because of its industry and developed infrastructure, abundance of qualified workforce, free trade zone, Gaziantep has been named one of the world's seven most competitive cities by the Competitive Cities Knowledge Base (CCKB) program, and it is widely regarded as a successful and appealing city because of its closeness to Iraq, Syria, and other Middle Eastern nations. The research data was collected from small and medium sized companies in Gaziantep. It is worth indicating that SMEs in the research include both foreign companies and Turkish companies. These firms are not restricted to a specific industry, and they all work in different ventures. Accordingly, the utilization of the considerable hypothesis needs to consider the personality of the specific business and every one of the firms was administration.

2. LITERATURE REVIEW

In this chapter, we are able to speak approximately in a way to gain the studied goals that we cited in chapter one through complete evaluations of the literature associated with risk management In SMEs.

Brief

The purpose of this chapter is to review the literature on risk and management of risk in SMEs, and thus the distinctive problems of analysis. The measurable objectives of this chapter are as follows to achieve the primary objective:

To explore risk approaches by reviewing the literature.

To explore risk management approaches by reviewing the literature.

To produce a review of the literature regarding the themes of SMEs and their importance.

To produce a review of the literature regarding the role of the owner-manager of SMEs in risk management.

To produce a summary of SMEs in relation to risk management.

2.1. Risk

2.1.1. Definitions of Risk

Despite a wide range of studies in the areas of risk and risk management, there is still no clear and shared concept and/or definition of risk (Holton, 2004). There are many definitions of risk throughout history. Researchers' perceptions of risk vary according to the purpose sought, the intended use, and the kind of organization researched. Of many definitions of risk available, a more appropriate definition of risk is "the possibility of a random event or a collection of random events that, if they occur, will have an adverse effect on the achievement of all organizations' objectives due to the uncertainty associated with the course of action. Risk is a general term that refers to the likelihood of anything occurring that will influence objectives, either positively or negatively.

One of the first definitions of risk is attributed to COSO, which was established in 1985 by five of the largest accounting, financial control, and auditing, committees in the United States, risk is "the likelihood that an event will adversely affect the success of reaching its goals". Similarly, according to Aernorld (1998), risk is defined as the possibility of anything occurring that will have an effect on aims. The concept of risk, according to a subsequent definition defined by management literature, comprises both negative and positive repercussions of an occurrence that may impact a company's financial, operational, and strategic goals (BBA, et al., 1999).

Characteristics of Risks (Nieto-Morote and Ruz-Vila, 2011):

A risk is an anticipated event that may or may not transpire.

A risk must also be an unforeseeable event or circumstance that, if it happens, it has an impact on no less than, one of the project's purpose, such as scope, schedule, cost or quality.

The possibility of the anticipated event happening must be higher than 0% but less than 100%. Anticipated events that have zero or 100% chance of happening are not risk.

The ramification or result of the anticipated event must be unforeseen or unexpected.

According to Chapman and Cooper (1983), the risk is the possibility of suffering economic and financial losses or physical material damages, as a result of an inherent uncertainty associated with the action taken. Risk is the possibility of a bad future event occurring that may or may not occur (Wikipedia 2004). In various circumstances, risk implies different things to different individuals. For example, for a student, it is the prospect of failing a course, for a miner, the risk of an explosion, and for an entrepreneur, the possibility of company failure (Arthur, John, and J., 2011). As for Campbell (2005), the risk is the expected disutility. Risk is defined by the Institute of Internal Auditors as the uncertainty of an event occurring that might have an impact on the achievement of the objectives. Risk is quantified in terms of its repercussions and likelihood (Hopkin and Institute of Risk Management, 2014). The risk is defined as the expected loss (Willis, 2007).

Finally, in most economic literature, risk is defined as a negative diversion from the plan (Maylor, 2010).

2.1.2. Risk Categories

Every business and organization confronts the danger of unanticipated, damaging occurrences that might result in financial losses or the company's ultimate closure. Sometimes risk is inevitable in order to achieve success. Dealing with risks – risk management – is an integral task in every company. Risk management helps firms to prepare for the unexpected by building systems for avoiding potential risks, mitigating their impact if they do occur, and dealing with the resulting consequences, which helps the company to save money and protect their future. Risks that a business or organization may face may be categorized in a variety of ways. Based on their sources, impacted project regions, and other important categories to evaluate which aspects of the project are most vulnerable to the impacts of risks or uncertainties. According to (Hopkin, 2014), risks may be categorized based on the nature of the risk's qualities, such as the type of the impact, the timetable for effect, and/or the expected amount of the risk. Risk categorizations are a unique manner of classifying risks in order to give an organized and systematic approach to risk management at a consistent level of information (Babou, 2008). Furthermore, we are unable to make clear distinctions between these risk categories. Consider credit risk, which may be considered as a financial risk but can also be viewed as an operational risk depending on the reasons.

The risk categorization process has numerous advantages for businesses, including providing an overview of the different types of risks that can be controlled and faced, avoiding unpleasant surprises, and assisting project managers in understanding and planning for what parts of a project might go wrong. It also aids in risk assessment by convening sessions with participants to work on a particular risk category. The functioning of a strong corporate risk management system requires risk classification. Because most organizations confront risks or problems that are distinct from other business risks, it is hard to identify a single categorization that suits all risk classes for all enterprises. And the causes of danger are many. Although there are other techniques for classifying risks, the most accepted risk classification approaches are organized into the areas below:

2.1.2.1. Internal Risks and External Risks

Internal risks are those that originate from inside the company during routine business operations (Citibank, 2000). It may also be characterized as the risks associated with the degradation of ordinary operational procedures, as well as the risks associated with unethical or improper conduct by workers and management inside the business, affecting all parties involved. Internal risks are often forecastable and hence avoidable or reduced, giving a corporation a strong possibility of controlling internal business risk to a significant degree or to an acceptable level. Internal risks include financial risks, operational risks, organizational and management risks, as well as human mistake, fraud, system failure, interrupted production, and other risks (Henschel, 2008).

External risks are those that originate outside of the organization and are unrelated to the company's operations (A. Horcher, 2005). External risks are unforeseeable and outside the firm's control. As a result, external risks are more difficult to foresee and manage, and they have an impact on the company's total risk level (Bolak, 2004). The following are some of the external variables that might contribute to such risks:

First, there are socio-political factors, which are risks arising from social and political activities that have a significant impact on the operation of a business in the short and long term, as well as government decisions or policies made systematically for a specific purpose that is in the public interest. The decisions you make might be beneficial or cost you a lot of money (L. M. Khodeir et al., 2015). Companies may be dismissed as unfair as a consequence of problems such as changing tax rules or specific ambiguities in auditing methods, and it may have to pay considerable damages as a result of these concerns. Economic issues are the most common sources of external risks; changes in macroeconomic circumstances may have a negative influence on a company's prospects or investment. For example, currency volatility, inflation, and the imposition of economic penalties. Economic risks are notoriously difficult to predict (Z. Sigmund et al., 2014). Natural variables are phenomena that have a significant influence on the human population and typical business operations, and they may throw a company's carefully prepared plans and predictions into chaos. Earthquakes, floods, volcanic activity, and harsh weather are examples of natural occurrences. Natural catastrophes such as storms, floods, and earthquakes have caused nearly 146 billion dollars in economic losses, according to the report. Turkey is among the five nations with the greatest risk of natural catastrophes, according to a research compiled by Allianz Global Corporate & Specialty (Allianz Global Corporate & Specialty, 2019).

2.1.2.2. Financial Risks and Operational Risks and Strategic Risks

Financial risks arise through transactions of a financial nature for business, and financial risks generate the prospect of losses if a financial goal is not met (and in some cases, financial gain). Financial risks arise, according to Napp (2011), when a company's cash flow is insufficient to pay a creditor's responsibility and meet other financial obligations. As a result, as a company's debt grows, so do its financial risks. Financial risks include, but are not limited to, foreign exchange rate risk, interest rate risk, credit risk, cash flow risk, liquidity risks, inflation risk, pricing risk, debt financing risk, and risk arising from management decisions, competitors, stakeholders, foreign governments, and other sources (Chauhan, 2009). Different types of financial risks exist. On the one hand, there are external financial risks related to currency rates, interest rates, and commodity prices. Internal financial risks, such as financing, liquidity, and equity consumption as a result of losses, on the other hand, may become risks for the firm, when the company is the cause of the risk (Eichhorn, 2004). The importance of these risks varies per company. A local business will be less susceptible to currency risk than a global business; a bank will be more subject to credit risk than most other businesses, and so on.

As stated by KA Horcher (2011), financial risks can be separated into three primary sources:

Financial risks which appears from an organization's subjection to modifications in market prices, for instance a difference in exchange rates, differences in interest rates, and differences in equity prices or commodity prices.

Financial risks arising from the organizations own activities or shortcomings, especially its individuals, activities, and systems.

Financial risks arising from the activities and dealings of other businesses in secondary transactions, such as contractors, clients, and counterparties.

Operational risk is defined as the risk of loss as a result of inadequate or failed internal processes, people, systems, or external events (Basel II, 2006). This concept includes legal risk, but not strategic or reputational risk.. This concept includes legal risk, but not strategic or reputational risk. The main reason of operational risk is ineffective and inefficient processes. Legal risk is included in this definition, but reputational and strategic risks are not. Inefficient processes, according to Lam (2014), are those that accomplish their goals with disproportionate expenses. Although the proper definition of operational risk has been debated, risk experts generally agree that it should involve breakdowns or failures pertaining to internal processes, people, technology, or the effects of external events at the very least (International Association of Financial Engineers, 2010).

When any activity happens in any area of the economy, whether we are controlling it or not, there are operational risks. Losses may be incurred as a result of operational risks. Losses may harm the company's brand, as well as the employee's reputation. As a result, operational risk management is becoming more important in businesses for a number of reasons. As a result of the company's realization that operations are something it can entirely or almost totally control, it must also manage the risks connected with these processes in order for the controls to be more satisfying to the many stakeholders at work. And there is regulatory pressure to do so in critical areas of the economy like insurance (Solvency, 2009) and banking (Basel II, 2006). Operational risk can be divided into 3 groups, which are:

Operational risks arising from people: These risks include, insufficient knowledge or experience of the personnel, employee misdeeds (like internal fraud), lack of order at the workplace or unsuitability of the workplace can be listed as personnel risk. Factors such as theft and fraudulent acts by the personnel, inability to adapt to new technological innovations, the personnel’s failure to comply with the instructions or their violation of rules, and poor project management.

Operational risks coming from internal processes: Risks resulting from a lack of operational procedures relating to the organization's activity flow. Inefficiency or ineffectiveness in various business processes within the organization, or due to wrong planning of current procedures or inaccurate implementation of the same. Among the factors that cause these types of risks are the insufficiencies in the flow of information among internal units, failure to adequately inform the employees of the risks, inability to determine the risks sustained by the organization.

Operational risks arising from external risks: These are risks that occur outside of the organization's control, such as the risk of loss caused by external parties' actions, such as external fraud, failure of suppliers and outsourced contractors to comply with the agreement's criteria, competitor behavior, and macro-socio-economic events. Natural catastrophes, acts of terrorism, and conflicts are also threats.

Threats or opportunities to an organization's capacity to survive or achieve its goals and objectives are referred to as strategic risks (Allan and Beer, 2006). According to Chatterjee (2003), strategic risks are obstacles preventing the achievement of the financial and operational objectives of the organization. Strategic risks, in a simplified definition, are the risks of failure resulting from a weak strategic business plan, failed business choices, or inconsistent and improper plan execution that may prohibit an organization from achieving its short, medium, or long-term goals. Risks such as corporate governance, business model, investment decisions in new countries, planning, inconsistent and inappropriate implementation according to the plan are examples of strategic risks. As we mentioned before strategic risks pose threat to earnings, and corporation’s viability. So Strategic risk management is a primary component of an enterprise risk management, as a result, knowing the organization's strategy is a critical first step in strategic risk management. The review process should be ongoing and backed up by a legitimate strategic risk profile, risk management communications, and a business strategy (Frigo M et al., 2009).

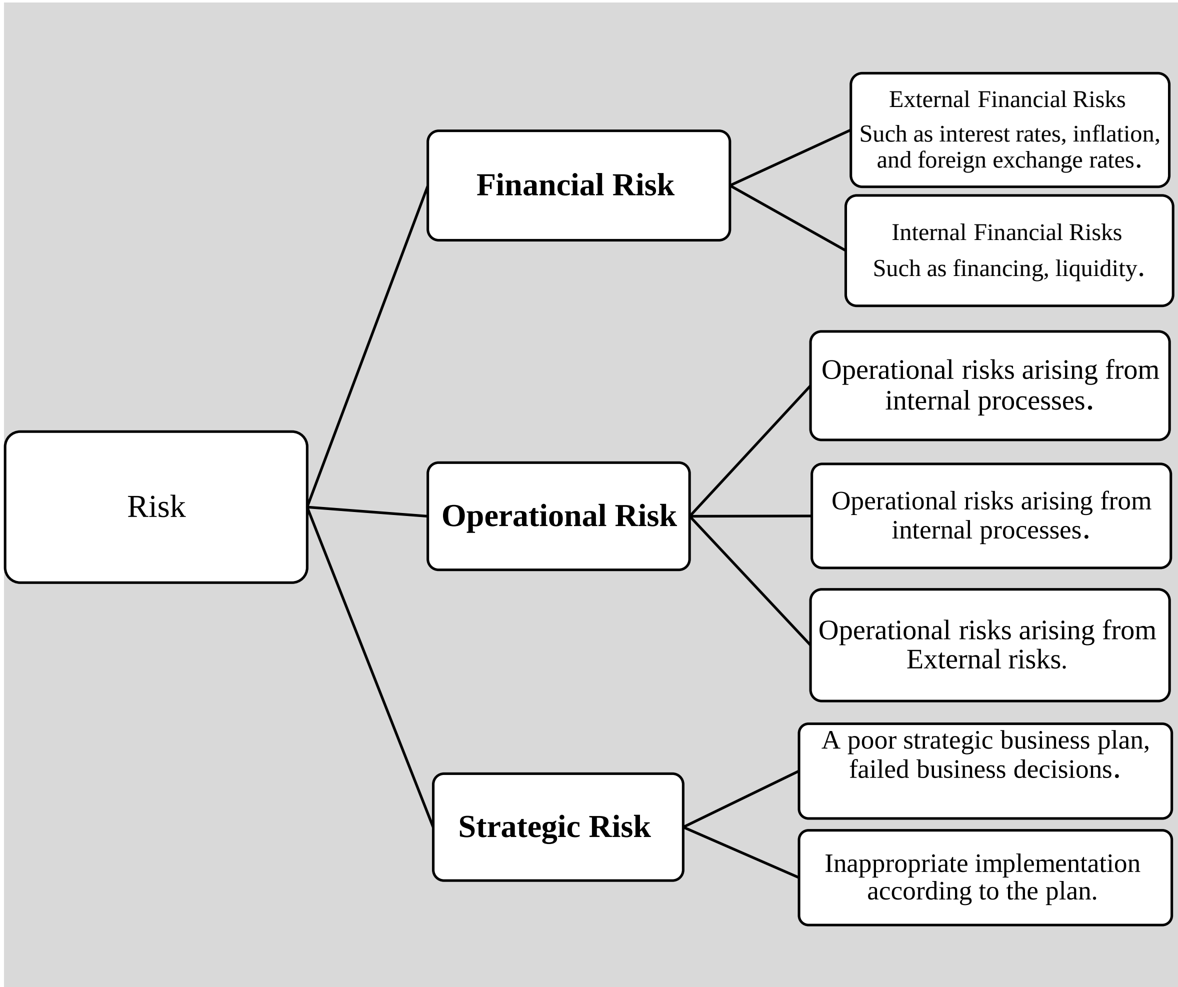

Figure 1. Risk Categories

2.2. Risk Management

This section looks at some of the issues identified in the previous part, while strategic planning research on forecasting future uncertainty is limited, and therefore requires risk management within the firm's strategy. Hence, this section looks at several topics, such as the rationale for risk management, the importance of managing risk, the risk strategy, risk management process, which are then discussed to give an understanding of the body of knowledge about risk management.

2.2.1. Definitions of Risk Management

Risk management is the process by which a business protects its assets against any negative events that may occur during the course of its operations, through series of steps aimed at identifying, evaluating, addressing, controlling, or eliminating business risk issues before they become a substantial source of costly rework or an impediment to effective business operations (Boehm, 1989). Similarly, Risk management is described as a process that comprises identifying prospective events that may affect goals and driving assessments and reaction plan procedures by identifying and managing potential events to offer reasonable confidence about the attainment of objectives (COSO, 2004). In addition, Aruwa (2004) defined risk management as an integral part of good business governance. It is simply protecting the company from potential negative events, as well as recognizing and taking advantage of opportunities as they arise. The risk management process is widely accepted to involve four interconnected steps: risk identification, quantification and risk assessment, risk management and control, and continuing reporting on the evolution of risks (Vaughan and Vaughan, 2001).

Originally, the concept of risk management appeared in the 1950s following World War I. At this point in time there weren't any books available on the subject of risk management and there weren't any universities offering courses on the subject (Snider, 1956). This proves that risk management research began in the previous 65 years. In the 1960s, the notion of risk management was born. Mehr and Hedges in 1963 and William and Hems in 1964 were the first scholarly works on risk management (Dionne, 2013). In 1990, the International Organization for Standardization (ISO) issued guidelines on risk management. Consequently, as a result, risk management has been regarded as the most professional field. In comparison to other specialties since the 1990's. After this period, the importance given to risk management in organizations increased so it is focused on the risks that may cause the collapse of the institutions (Kızılboğa, 2012).

2.2.2. The Importance of Risk Management

As the business grows periodically, the uncertainty and related risks grow at the same rate, and thus the discourse about the advantages of risk management is gaining traction. In order to provide the company with long-term value. According to Hopkin (2018), companies started to more invest in the area of risk management. Especially after the worldwide financial crisis in 2008, risk management started to be the most important topic. In addition to the increase in losses resulting from the operations of enterprises and the collapse of other enterprises. This made managers change their methods of leading. The purpose of risk management isn't to eliminate the risks that come with uncertainty; rather, it's to make sure that uncertainty doesn't get in the way of achieving the company's objectives and goals. Through enhancing the companies' ability to anticipate changes, and how to actively choose the kind and quantity of risk that the organization should take (AICPA, 2008). Avoiding risks means waiting for an event to happen and then reacting to it rather than preparing for changes.

The importance of risk management also lies in dealing with risks before they develop into a crisis if they are ignored. This is what Wilks and Moore (2004) emphasized that in some cases risks can quickly develop into a crisis and then a disaster if they are ignored or not effectively controlled (showing the process related to this issue), as shown in Figure 2.2. Thus, errors can quickly escalate from a functional issue to a level of strategic importance and eventually to a survival issue.

Figure 2. Escalation of events

Source: (Wilks and Moore, 2004)

Ultimately, risk and uncertainty are present in all human acts (to variable degrees), all types of businesses, and every aspect of corporate management. So every business decision and entrepreneurial act involves risks and uncertainties. These risks not only hinder expansion plans and profits but also results in loss of working - hours and productivity and reduces the confidence that the company uses in anticipating its next exploits and projects. Therefore, it provides motivation for firms to ensure that they have a proper understanding of the risks assumed by their firm, and finding effective ways to measure and manage their exposure to risk.

A definite and plausible perception of the risks and unpredictability contained in risk management practices enables the successful allotment of resources and the way an organization come to a balance between a hazard and an opportunity. By bracing for the worst and taking the upper hand of opportunities to enhance services and decrease costs, this endorses and encourages effective management culture. As stated earlier, the main objective of risk management is to guarantee that unpredictability does not influence the intended business objectives and goals, because if the business determines goals without taking into thought the potential risks, it is likely to lose it's direction when the risks occur. As Andy Osborne (2012) states, effective risk-taking and risk management, as well as risk reduction to acceptable levels, are the only ways for organizations to prosper.

2.2.3. Strategy of Risk Management

Every company has different goals and strategies from each other. There is no combined risk management strategy for companies. According to Tekathen and Dechow (2013), emphasized that within companies, marked differences in risk management practices exist due to immediate local differences in perceptions between hierarchical levels of the organization. Similarly, Tekathen (2020) emphasized that risk management means different things to different people.

Due to the high level of variance in risk management practices between - and within the companies. The practice of risk management can be viewed as a set of activities that evolve from both formal top-down frameworks and bottom-up engagement from decisionmakers, handling responsibilities in a hierarchical manner. For instance, it thinks that each manager should be accountable to a higher level for his or her contribution to enterprise risk management, with the CEO ultimately liable to the board of directors (COSO, 2004), and be recognized as the responsibility of everyone in the business, where each executive is effectively a CEO for his or her sphere of responsibility (COSO, 2004). The ultimate duty for comprehending the company's risks rests with the Board of Directors. They must also guarantee that top executives and risk management specialists properly execute risk management procedures and that they function as intended (Branson, 2010). Risk management and strategy are linked in most risk management literature because risk refers to the uncertainty involved in decision-making and strategic planning (Baird and Thomas, 1985).

Risk management has become critical in all facets of organizational operations (Olson and Wu, 2008), consequently, it should be an essential part of the company's management, it must be incorporated into the normal operations of the business, and operative strategy. Risk management should be a complete model consistent with the company's intended objectives, organizational structure, management reports and control procedures. In line with modern management. All recently created enterprise-wide frameworks, such as the COSO ERM (COSO, 2004), FERMA, and ISO 31000:2009, share the assumption that a risk management strategy should be designed to connect risk strategies, business goals, and key strategies.

The International Organization for Standardization (ISO 31000, 2009) has defined the following risk management principles that should be followed:

To be an integral part of organizational processes.

Being part of a decision-making process that explicitly addresses uncertainty.

To be methodical and organized.

To be based on the best available information.

To be designed taking into account human factors.

To be transparent and inclusive.

To be dynamic, iterative, and responsive to change.

To be able to continuously improve and enhance.

2.2.4. Risk Management Process

Risk management, like other management systems, has processes and stages, therefore we must follow the phases and processes of the risk management system to manage our company risks. All organizations need robust, reliable systems to control risks that arise in all facets of their operations. A systematic approach to risk management, according to Beckett (2005), will aid in delivering a goal-oriented and consistent risk management strategy. In the scientific literature, there are several research and studies on what risk management processes are made up of.

Risk management, according to ISO 3100: which is utilized by many businesses in reality, consists of the following stages:

Establish the risk.

Identifying the risks.

Risk analysis.

Risk assessment.

Risk treatment.

These phases are accompanied by continuous consultation and communication as well as monitoring and reviewing.

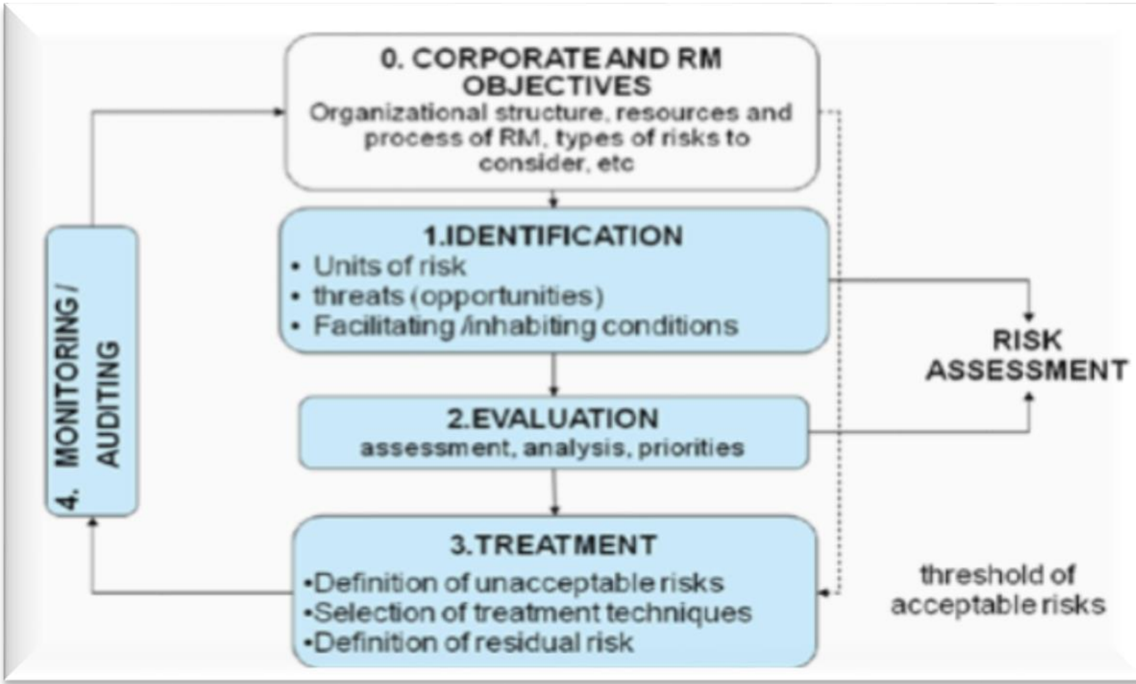

Figure 3. ISO standard risk management process

Source: (ISO 31000, 2009)

The enterprise risk management process, as recommended by (COSO, 2004), consists of eight linked components that must be integrated into the management process. The following interconnected aspects are discussed more below:

Internal Environment: This affects the risk management ideology, appetite for risk and risk customs of the organization.

Objective Setting: Every entity encounters an extensive range of risks both from inner and outer sources, and consequently the initiation of clear objectives becomes a requirement for effective event identification, risk assessment and risk response.

Event Identification : Management needs to be aware of probable events (External/inner events), if they happen, and how will it affect the organization, and then decide whether those events illustrates prospects, or whether they may unfavourably affect the organization's capability to effectively apply strategies and achieve goals.

Risk Assessment: Risk assessment assists an organization to consider the degree to which anticipated events will have an impact on the achievement of goals.

Risk Response: Once the relevant risks have been assessed, management will determine how to react to them. Risk avoidance, risk reduction, risk sharing, and risk acceptance are all critical ideas to grasp.

Controlled Activities: Policies and processes for ensuring that the risk response is carried out correctly.

Communication and risk awareness are two aspects of information and communication. Pertinent information is acknowledged, seized and conveyed in a manner and time span that allows people to execute their respective tasks.

Monitoring: Ongoing activities or different evaluations. Enterprise risk management can be achieved through continued monitoring and evaluations.

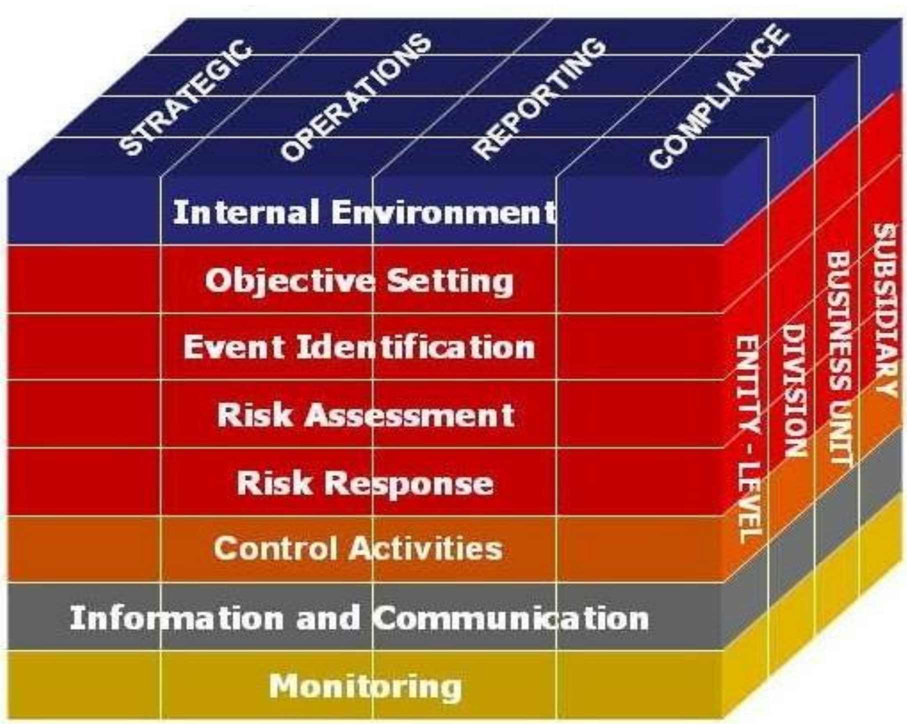

Figure 4. ERM Objectives and Components Relationship

Source: (COSO, 2004)

Similarly, the risk management process, according to Perry and Hayes (1985), comprises four phases:

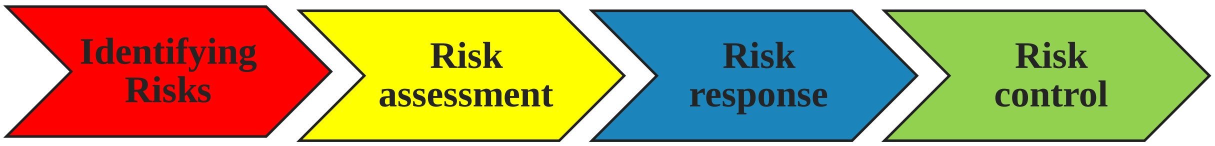

Figure 5. Linear Risk Management Process

Source: (Perry and Hayes, 1985)

The risk management process, according to Baker, Ponniah, and Smith (1998), is separated into five stages, as shown in Figure 2.6:

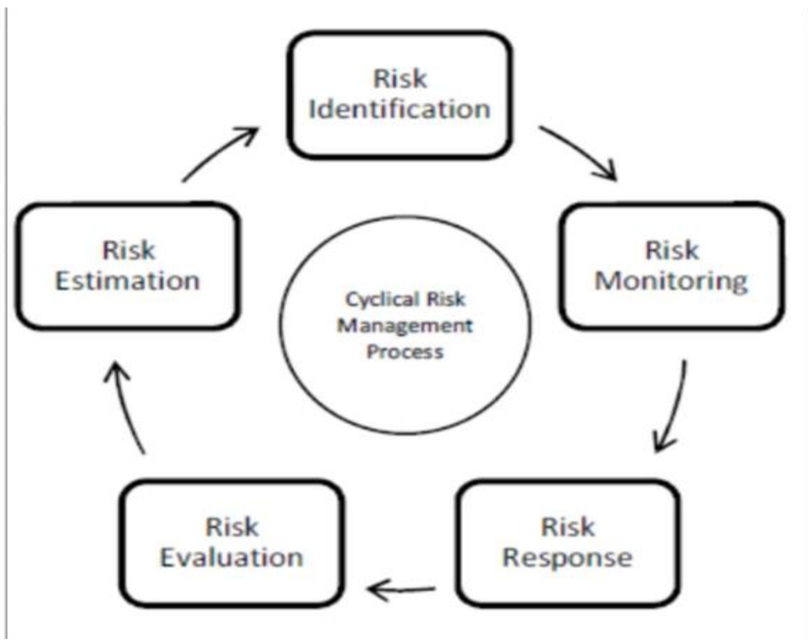

Figure 6. Cyclical Risk Management Process

Source: (Baker, Ponniah And Smith ,1998)

The risk management methods presented include equivalent steps with varied terminology among the authors, ranging from risk identification/analysis (or estimate) through risk assessment (or evaluation) to various risk management measures. The process begins with risk identification, which entails identifying a wide range of possible risks that may have a detrimental or beneficial influence on the organizations and its goals. The company cannot manage its risks until they are first recognized. Following that is a quantitative or qualitative assessment of risk probability and risk effectiveness, as well as an estimate of risk exposure. The risk management process begins with this step. Where the degree of risk and its influence on the firm are established during the risk assessment by evaluating the frequency with which events will occur and the severity of the consequences. As a result, it's crucial to figure out how the risk could harm the company (Liekweg & Weber, 2000). Followed by the stage of risk monitoring and control, which serves as techniques for responding to risks. Risk monitoring and control are the goals of risk management and should be begun right on time and proceeded until the end. As the passage of time will be noticed that large portions of the risks will change, some will never be conceivable again, others will happen and be discarded, and new risks will be identified. Risk control models are usually designed and implemented to control the impact of risks by management, the aim of this procedure is to keep identified risks in line with the risk strategy and risk policy approved by the board of directors and the executive team. At this stage, the way risks are viewed may change, there are several reasons for this to happen. The risk tolerance of the project group may change; the risk tolerance of stakeholders may change. According to Newell, et al,(2003), as the project progresses towards its realization, certain risks that were thought to be essential to the achievement of the project may get to be risks that are no more considered as being so imperative.

2.3. Small and Medium Sized Enterprises (SMEs)

2.3.1. SMEs

Small and medium sized enterprises (SMEs) are defined differently in different nations and sectors. There is no specific definition of an SME that applies globally. Each country proposes a definition based on their situation and their level of development. Most of the definitions are based on criteria such as the number of staff, annual turnover, and annual balance sheet (European Commission, 2004). Small and medium enterprises (SMEs) generally are defined as those enterprises whose employees are less than a certain number of employees. This number varies across the national statistical systems of each country. As this definition suggests, the number of employees is a common denominator in most classifications of SMEs, so it is widely used in SME research (OECD, 2010). For example, a firm with less than 250 workers is designated a SME in the European Union (EU) and Turkey, the source (Eurostat, 2020) (Turkish Statistical Institute Business Statistics, 2019), but in the United States, a SME may have up to 1,200 employees. Source (U. S. Small Business Administration, 2019). In South Africa, an SME in the business and finance services sector has ≤200 employees (Edinburg Group, 2012). The European Commission defines SMEs as companies with less than 250 employees. Additionally, they should have yearly revenues of up to EUR 50 million or a balance sheet total of up to EUR 43 million (Eurostat, Structural business statistics, Small and medium sized companies, 2020). The term "SME" is now used globally for Small and Medium Enterprises.

Small and medium sized enterprises are defined under the regulation, which went into effect in 2006 with the Council of Ministers decision dated 19/10/2005 and numbered 2005/9617, and was last updated with the Council of Ministers decision dated 30/04/2018 and numbered 2018/11828. Enterprises with less than 250 workers and yearly net sales revenue or financial balance of less than 125 million Turkish Liras are described as small and medium sized businesses (SMEs) and are categorized as micro-enterprises, small firms, and medium enterprises, with each class having its own set of threshold values. The limit values used in establishing the sorts of small and medium sized businesses for the 2018-2019 fiscal year were categorized according to Table 2.1 after the law was amended in 2018.

Table 1. Classification of SMEs in Turkey

Company categories	Number of employees	Annual Net Sales Income
Micro enterprise	< 10	≤ TRY 3000,000
Small enterprise	< 50	≤ TRY 50,000,000
Medium sized enterprise	< 50	≤ TRY 125,000,000

Source: (Turkish Statistical Institute Business Statistics, 2020).

According to some academics, the standard of a number of employees is comparable to EU norms and may be linked to the adjustment method for pre-admission to the EU (Yurttadur and Kaya, 2012). In the industrial and service sectors, Turkey has 3 million and 221 thousand small and medium firms, respectively. In 2019, SMEs made up 99.8% of all firms. They accounted for 72.4 percent of employment, 51.8 percent of human expenditures, 50.4 percent of turnover, 44.1 percent of production value, and 44 percent of added value at factor costs, on the other hand source: (Turkish Statistical Institute Business Statistics, Small and Medium Enterprise Statistics, 2019). Those percentages highlight the key role of SMEs in the Turkish economy through creating jobs, boost productivity, growth and competitiveness and balanced income distribution. Although definitions and classifications of SMEs vary across different economic contexts, the importance of the SME sector is recognized globally (OECD, 2014) as it plays an important role in economic development (Soininen et al., 2012).

2.3.2. The Importance of SMEs

Small and medium sized businesses play a variety of important roles in a country's economy, including providing a major source of business skills, innovative thinking, and work opportunities (European Commissions, 2004), the development of new jobs and the alleviation of poverty are acknowledged on a global scale (Muller, et.al, 2014; OECD, 2014), providing the necessary products and training human forces for industries (Kanani M et al., 2003). An estimated 90 percent of the corporate population, 60 to 70 percent of the workforce, and 55 percent of GDP in developed economies are SMEs, according to the World Trade Organization (WTO, 2016).

As stated by Turkoglu (2002), the first awareness of the significance of SMEs on economic growth of countries was in the course of the 1930 crisis, yet, after the 1970 petroleum crisis there was a vast increase in the amount of SMEs, which had a favorable impact particularly on regional development. Another study that demonstrates the increasing significance of SMEs after the 1970s is authored by Ilhan (2006), which aims towards the socio economic and political modified process which started in the 1970s as the leading cause of this increase.

The role of SMEs in an economy is massive. The following are some contributions of SMEs to economic growth:

According to Steinhoff and Burgess (1993), the growing ratio of unemployment, the closure of large enterprises, which results in job losses and a lower quality of life, is a major concern for developing countries. Entrepreneurship is the answer to all of these problems. The formation of new industries and the actions of SMEs contribute to economic growth, innovation, and job creation, as well as to social cohesion, by accelerating improvement and promoting the full utilization of economic, human, and other resources, which leads to higher living standards. There is a positive relationship between small and medium enterprises and the reduction of unemployment through job creation.

SMEs help the economic and social development of rural areas by providing employment for unemployed people and opportunity to improve their skills, discouraging rural inhabitants from moving to urban areas in search of work. They are also conveniently placed in rural regions due to their ability to operate on primitive industrial infrastructures, hence minimizing regional imbalances and ensuring a more fair distribution of national revenue and wealth (Turkoglu, 2002).

Julien (1998) indicates that small enterprises are important in providing a training ground for entrepreneurs and employees at later stages in development, when larger indigenous organisations have emerged. Therefore SMEs are, one pillars of training and human capital development and potential entrepreneurs who are well qualified to successfully establish and manage business organizations regardless of their size.

The capacity of SMEs to innovate and successfully generate new goods is critical for the improvement and ongoing growth of European economies. Even in the current global economic situation, opportunities remain for the establishment of new businesses, the introduction of innovative new goods, and the reinforcement of consumer loyalty (Razeghi, 2008).

2.3.3. Differences between SMES & Large

The European Commission definition of small and medium sized enterprises was presented in section 2.3.1. It concentrates on differences in size - of headcount, turnover, and balance sheet sum - to distinguish between small, medium sized , and large companies. According to Welsh and White (1981), a small business cannot be considered a tiny counterpart of a huge corporation. SMEs differ from larger corporations not only in size but also in several aspects including structure, policies and management (Ghobadian and Gallear, 1997), the decision-making process in SMEs is quicker owing to fewer levels of management and higher functional integration (Tidd et al., 2005). SMEs have more confidence in their capacity to be flexible and make changes than bigger organizations (Voss et al., 1998).

Table 2.2 summarize the fundamental distinctions between large corporations and small businesses. These qualities may not apply to every major business and SME, but they do serve as a general guide to how SMEs and large organizations function. Small and medium enterprises have a variety of major advantages over huge corporations when it comes to generating new goods as a consequence of these characteristics.

Table 2. Shows The Differences Between Smes and Large Corporations

Large organization	SMEs
Hierarchical with several layers of management	Flat with few layers of management
Rigid structure and information flows	Flexible structure and information flow
Top management visibility limited	Top management very visible
Top management far from point of delivery	Top management close to point of delivery
Low incidence of innovativeness	High incidence of innovativeness
Slow response to environmental change	Rapid response to environmental change
High degree of formalization	Low degree of formalization
Personnel authority low	Personnel authority high
Good access to human and financial resources	Limited access to human and financial resources
High degree of resistance to change	Negligible resistance to change
Individual creativity stifled	Individual creativity encouraged

Source: (Ghobadian and Gallear, 1997).

2.3.4. Risk in SMEs

The list of risks that SMEs confront is infinite since they face a broader variety of business risks that are anchored in both the enterprise's internal and external environments (ALARM and IRM, 2002). SMEs are further hampered by a high variability and the difficulties of separating between business and owner/management (St- Pierre and Bahri, 2006). When compared to big businesses, SMEs are lacking in terms of managerial structure, a business strategy, and decision-making (Kelkar, 2008). SMEs are often quite vulnerable, according to (Oboh, 2002), and only a small percentage of them manage to survive owing to a variety of economic, market, and financial variables furthermore, the SME sector is the one that is most influenced by the economy and is the first to be damaged by any external shock (Suh ,2010). The first step in good risk management is to identify the risks (Azende, 2011). Furthermore, Afolabi (2018) pointed out that risk identification and risk management have a high positive relationship.

There are many studies and literature research that have discussed the types of risks that SMEs face. To better understand these risks, it is important to take a systematic approach and take into account the perspectives of different authors, which are often complementary, as we can see in what follows:

In a study of the banking sector, Wynant and Hatch (1991) found that the entire SME risk, as assessed by the borrower's total credit risk, is separated into two categories: business risks such as environmental threats, and a lack of necessary skills and resources at home. The company, etc., which is affected by market conditions, industry, size of SMEs, history of SMEs, and management efficiency; financial risk such as debt versus revenue structure.

According to Carlton (1999), in defining the full classification of the overall risk of SMEs, components of risk are divided into the following categories: strategic risks; financial risks such as liquidity and cash flow problems; operational risks, such as design errors and vandalism. Business risks, for example, supplier problems, failure to respect the law; technical risks such as equipment problems.

SMEs face risks from a variety of sources, including risks caused by suppliers, risks caused by consumers, and risks caused by staff, etc., (CPA Australia, 2009).

Financial and strategic risks are the most significant threats to SMEs, according to Napp (2011). According to St-Pierre and Bahri (2006), information produced from financial statement analysis cannot provide all elements of an organization's success. While strategic data like quality, innovation, and satisfaction indicate the organization's competitiveness and success. Non-financial elements like customer loyalty, staff happiness, and internal procedures, as underlined by Cumby and Conrod (2001), are responsible for the organization's long-term financial success. Ittner and Larcker (1998) agree, claiming that the investment in intangible assets, such as client satisfaction, is not taken into account in accounting data. As a result, a systematic approach and evaluation of both financial and non-financial information relating to the business may help SMEs better identify their risks.

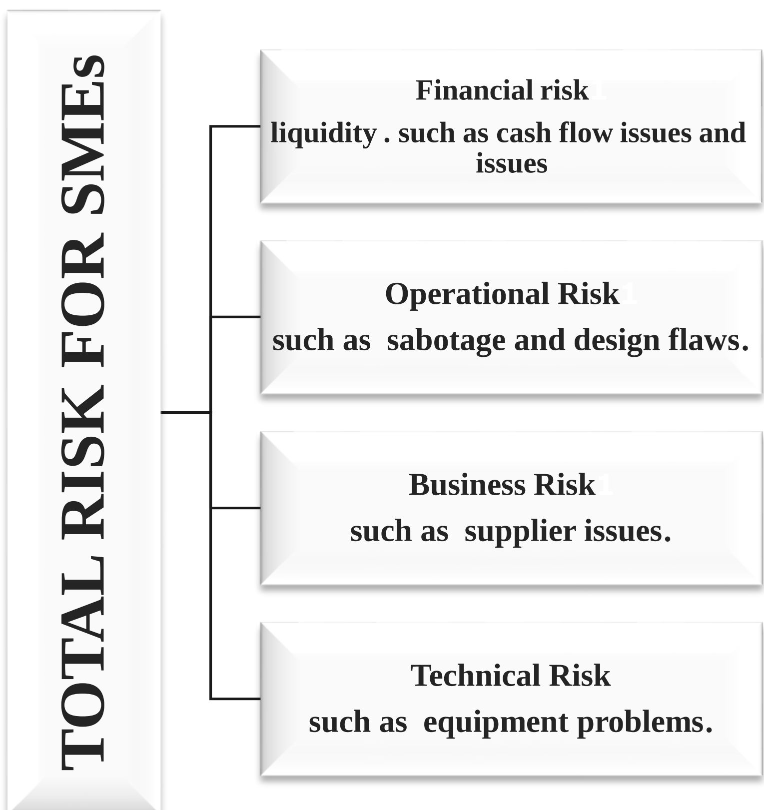

Figure 7. Components of SMEs' total risk as per Carlton (1999)

Source: (Adapted from St-Pierre & Bahri, 2006)

2.3.5. Risk Management in SMEs

Many experts have emphasized the relevance of small and medium sized firms (SMEs) and considering their effective role as a catalyst for economic growth in both developing and established economies (Odah, 2005). However, SMEs confront risks in their operations all over the world (Azende, 2012). All businesses, particularly small and medium sized businesses, are concerned about risk and risk management since they are more vulnerable to business risk and competition (Blanc Alquier & Lagasse Tignol, 2006). As a result, SMEs' risk attitudes and risk management differ significantly from those of large corporations, because risk management is a challenge for small and medium sized businesses, unlike large corporations, since they often lack the required resources, such as human capital, databases, and domain expertise, to perform a standard and structured risk management (Henschel, 2008). Moreover, SMEs firms lack the financial and human resources to specifically handle risks (Henschel, 2006). In addition, Gendron (2016) asserted that risk identification, communication, and control activities are less formal in SMEs relative to large organizations because the owners are more involved in the day-to-day activities of the firm. And also other factors such as globalization, intensive competitions, deregulations, which led to the heightened instability of small and medium enterprises (Shecterle, 2010). As such, their failure to be proactive in managing risks led to poor performance of the company. Therefore, according to all of the above, the effort to deal with risk exposures has become crucial to SMEs' (Boniface & Ibe, 2012). In order to add additional value to their business and secure its continuity by avoiding or reducing transaction costs (Dickinson, 2001).

Every business act and business decision is associated with uncertainty and risk. Uncertainty creates the chance that future events, both good and bad, may result in a reality with unexpected or undesirable qualities (Renn, 1998). Therefor firms should strive to reduce the uncertainty in their management by adopting an effective risk management methodology to ensure the continuity of production and trading in the market, to promote the enterprise's internal and external image, to decrease the risk of failure. Risk management adds value to a company by boosting earnings while lowering expenses (Urciuoli and Crenca, 1989). Risk management is the procedure for discovering, evaluating, and prioritizing possible risks defined in ISO 31000 as the effect of uncertainty on objectives). Startup SMEs, according to Frese et al. (2000), suffer a high degree of uncertainty and the need to make swift decisions. Therefore, SMEs should focus on recognizing future uncertainty, deliberating risks, identifying possible manifestations and effects, and formulating plans to address such risks and reduce or eliminate their impact on the enterprise (Ntlhane, 1995), via risk management, since the fundamental purpose of risk management is to ensure that uncertainty does not detract the effort of achieving the company's aims.

According to the literature, most SMEs do not have a clear image of business risk, and their management of risk is frequently not well regulated or structured (Matthews and Scott, 1995). Likewise, risk management in SMEs in its initial stages of development, according to Trobmann and Baumeister (2004), and no standard for SMEs has yet emerged that describes how complete management of risk management should look. As a result, many SMEs leave risks unchecked until they become apparent, only then taking action to address them. As a result, risk management procedures are ineffective since they are reactive and non-automated. (Ntlhane, 1995). In order to have a complete risk management evaluation, a necessary condition is that a risk management strategy and methodology must be adopted early on by the SMEs by understanding the basic activities of organizations and knowing how to integrate risk management into the fabric of the organization, and this strategy must fit within the context of the SMEs. Risk management could enhance the ability of SMEs to control business-related risks and successfully manage all stages of the innovative projects.

As previously stated, the risk management approaches used by SMEs are generally focused on risk avoidance and, to a lesser risk, risk transfer through insurance operations. But according to Ntlhane (1995), avoiding risk impedes economic advancement in a firm since every business may thrive and expand if it is able to grab commercial opportunities, which typically come with bigger risks. Also, Smit and Watkins (2012), stressed that most risk operations are built in a reactive manner, limiting company resources available to address risks. A source of debate is the relationship between risk management and strategy. On the one hand, according to study (ICAEW, 2005), 70% of SMEs actively consider risks in their business plans. On the other hand, SME risk management is not well developed in terms of integrating recognized risks into business planning. Without this integration, businesses are unable to identify the company's full-risk position.(Henschel, 2006) Many SMEs, according to Peel and Bridge (1998), only apply strategic thinking and planning strategies when they are in a crisis. As a consequence, small businesses are less likely to have a strategic business plan that is communicated to all personnel. Risk management methods are insufficiently defined and are insufficiently tied to strategic planning (ICAEW, 2005; Henschel, 2006). Another prerequisite is to understand how managers view and a fully conscious of the risk internal and external environment in which they operate and the associated uncertainty.

2.3.6. The Role of Managers' Leadership Practices of SMEs in Risk Management

Unlike larger corporations, Dickinson (2001) noted that one of the owners is frequently a member of the management team in SMEs. His vision and knowledge are critical to the company's success. Furthermore, Matthews and Scott (1995) pointed out that most SMEs lack the requisite resources to hire specialists at every level of the organization. They concentrate on their main business and have management expertise. As a result, in many SMEs, there is no risk management. Therefore, risk management tends strongly to be concentrated in the hands of the owners - managers that supervise and review. risk management as well as dominate the decision-making process (Henschel, 2006). Similarly, Watt (2007) opines that in SMEs, the risk management function usually resides at the prerogative of the owner in the assessment of threats and opportunities pertaining to the enterprise. Sparrow (1999) underlined that risk management practices in SMEs are related to the views and beliefs of founding entrepreneurs. Therefore, the owner manager in SMEs is often more responsible for many different important tasks and decisions. Looking at risk management, many research has confirmed the role that owner/ manager play in managing risks of SMEs. By conducting interviews, Ntlhane (1995) asserted that owners and managers of small and medium sized enterprises are not aware of the availability and use of risk reduction techniques (eliminating/avoiding, reducing, transferring or acceptance) to reduce the adverse effects of risks on the enterprise. Watt (2007) says in supporting that owners and managers may be able to perceive evident risks, their depth of risk knowledge may prevent them from identifying or perceiving indirect risks or comprehending risk linkages. As a result, one of the issues with risk management is that most risk assessments are related to a certain discipline that owner-managers may not be familiar with. Panigrahi (2012) recognized a lack of risk knowledge and understanding of the subject matter of risk management as the explanation for the poor practice of risk management within the small and medium sized business sector. Additionally, the author notes that firm owner-managers attitudes and awareness of risks have a critical impact in how risks are managed systemically.

Figure 8. Impact of SME Managers' leadership Practices

According to the above, concluded that risk management for SMEs is greatly influenced by the owner's perception of risk and his attitude towards risk (Smit and Watkins, 2012). As a result, it is the owner-managers job to identify, analyze, and manage the risks that exist in their organization, as well as to make attempts to implement excellent risk management practices that allow owners to avoid or reduce these risks. In this regard, Schultz (2001) emphasized the need of SMEs' owners and managers to be knowledgeable about risk identification and analysis in order to manage risks from various sources. Risk identification involves identifying potential risks that may affect the business objective either positively or negatively. And because managers' perceptions form the basis on which their strategies are built (Tymon et al., 1998). and because they rely on their own personal experience and expertise and rely on advice from people within their networks as a component of the decision-making process.

As a result, while contemplating establishing risk management or analyzing current risk processes, entrepreneurs should acquire the following abilities (Bradford, 2009):

Have the most significant risks to the business been identified?

Is there a risk management plan in place to handle these risks?

Is the organization prepared to deal with losses that occur despite precautionary measures?

Is there an organized strategy to turning risks into opportunities?

Similarly, Watt (2007) said that SME owners and managers should consider the following phases in their management of risk processes:

Create a risk management strategy for SMEs.

Determine the risk tolerance of the SME.

Risk identification and evaluation.

Risk prioritization and management.

Figure 9. The Integration Wheel

Source: (GRA & NSW, 2005)

Ultimately, without this integration, the company will not be able to identify, understand and manage well the risks it faces. As a result, SMEs must implement an effective risk management strategy, which is defined as a process that use internal controls as a means of mitigating and controlling risks associated with their operations. On the one hand, this strategy provides comprehensive loss protection. This strategy, on the other hand, does not deprive SMEs of benefit from gained chances. Also, risk management in a small business should not be used as a stand-alone program, as the latter is integrated with other management processes and techniques employed to ensure effective business operations (GRA & NSW, 2005). Risk management is interwoven with other management processes such as financial management, human resources management, customer relationship management, and company strategy planning, as shown in Figure 2.9. This strategy also helps SMEs to evaluate their activities objectively.

The strategy should be simple, uncomplicated, and easy to understand as defined by Kliem et.al (1997) a four-step process: identification of risk, risk assessment, risk mitigation, and risk follow-up. It should be sufficient for all the activities of SMEs because understanding of the risk management strategy is useless if inadequate risk management initiatives are applied. Leadership is one of the variables that impact business culture at the level of SMEs' owner-managers. A suitable business structure offers an essential foundation for the SME owner's administration and control of the firm, and so functions virtually as a risk management tool (De, 2005). The culture and knowledge of owner-managers should be developed in risk management principles, risk control programs that can be used, and methods for dealing with available risks. And they should take into account that every risk action undertaken by them has an effect on the risk pattern. And they should strive to improve the quality of the information used to identify and assess risks (Foster, 2009). They must evaluate risks on an ongoing basis and properly (de Bakker, Bonestra, and Wortman, 2010). Because if the risks were evaluated incorrectly, risk management itself becomes the biggest risk of such firm. And they should be careful in making decisions when planning and implementing a business strategy because according to Berkeley, Humphreys & Thomas (1991) managerial risks might occur as a direct or indirect effect of management activity, according to the authors. Because of the size and management structure of SMEs, as well as the strong relationship between managers, owners, and operators, developing and implementing strategic risk management will be relatively simple (Watt, 2007).

3. RESEARCH METHODOLOGY

This chapter presents a detailed description of research methodology. The purpose of a research methodology is to assist the researcher in defining and developing a logical process to achieve the aims and objectives of the research (Kumar, 2005). According to Yuko Oso and Onen (2009), methodology is the specific approach utilized to answer the study's research questions. The methodology was employed in acquiring data, evaluating and interpreting the data, and finally presenting the study findings. The findings are compared with those of the literature and the last section presents conclusions and some recommendations.

3.1. Conceptual Framework

Eisenhart (1991) defined conceptual framework as an argument that incorporates several points of view and culminates in a set of justifications for embracing some points, i.e. certain ideas or concepts, but not others. The conceptual framework of this research was created by a comprehensive literature of the literature obtained from previous studies. By considering significant indicators of related studies in the literature, and in order to facilitate risk management implementation in SMEs in Gaziantep, the present study examined the framework of the SME managers' leadership practices of SMEs manager's practices to establish their impact on risk management the context of SMEs in Gaziantep. This framework is depicted by Figure 2.10 that presents lucidity in relation with the concept of the thesis.

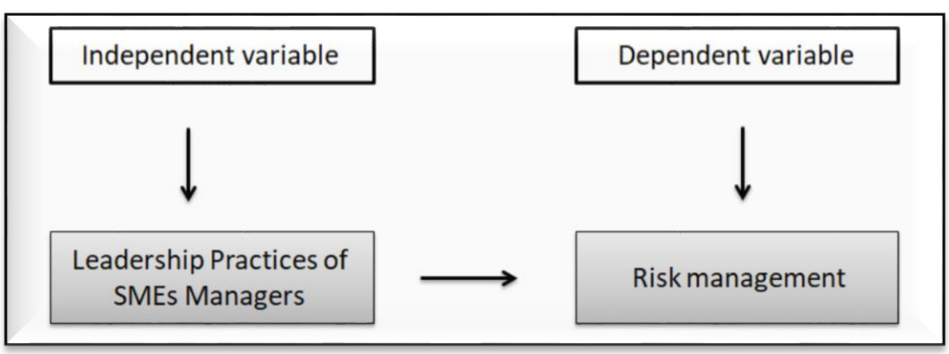

Figure 10. Study Framework

3.2. Research Approach

The scientific method, as applied to social sciences, the scientific inquiry may take one of two possible forms: inductive (qualitative) research or deductive (quantitative) research, according to the reasons for their adoption (Saunders, 2011). Deductive (quantitative) approach is guided by positivist philosophy and employs survey and experimental strategies of inquiry (Creswell and Creswell, 2017). From the general and working towards the particular, this is how deductive approaches begin. Its origins lie in natural science. Furthermore, it has been argued that the deductive method progresses from theory to data, which indicates that the issue is first presented theoretically, and then data is analyzed to confirm the theory. In deductive research, the researcher's goal is to test theoretically known concepts and patterns using new empirical data. While in inductive (qualitative) approach; more emphasis is on words rather than quantification in the collection and analysis of data. Bryman and Bell (2003) explained a qualitative method as an inductive approach which presents the relationship between theory and research by emphasizing the generation of theories. Therefore, inductive approaches to research are those that move from the particular towards the general. Table 3.1 shows some of the main differences between quantitative and qualitative research methods. This study uses a deductive (quantitative) research approach in which questionnaires are used to gather and evaluate data from small and medium companies in Gaziantep, moving the study from the general to the specific. To put it another way, it implies applying broad theory to a particular region to see whether it fits (Burney, 2008).

Table 3. Distinctions Between Quantitative & Qualitative Research

Research aspect	Qualitative research	Quantitative research
Research aim	Understand and interpret phenomena	Answers a research question or tests hypotheses
Research usage	Exploratory research	
Data collection approach and methods	Unstructured questions. Usage of observation, individual or group interviews	Well-structured with categorized responses. Uses surveys, experiments and or quasi-experiments to collect data
Research approach and data analysis	Data is observed, reported and interpreted. Analysis' focus is on the contextual framework of the phenomena under study	Data is coded, categorized and analyzed. Analysis is computer assisted
Research nature	Subjectively inclined	Objectively inclined
Sample size	Relies on small samples	Large samples to provide generalization of results
Sample design	Non-probability sampling techniques	Probability sampling techniques
Researcher involvement	Active participation through direct observation or conducting interviews or focus groups	Rarely has direct contact with participant

Source: (Wilks and Moore, 2016)

3.3. Research Design

This research used surveys (questionnaires) to investigate the impact of the leadership practices of SMEs managers, on risk management in Gaziantep. According to Churchill (1998), that questionnaire is a pamphlet of prearranged consistent process, pre-coded and having different questions used as a tool for the collection of information from the respondents who record their answers. Formally the different question is asked from the respondents to achieve the information which is required. The questionnaire method was chosen for its versatility, cost, and speed benefit. Surveys enable researchers to gather a vast quantity of data about a big number of individuals. The questionnaire was designed along the lines of the research framework in Figure 12. Random sampling was adopted in this research. The data collected are coded, tabulated, and analyzed into logical statements using mean and percentage analysis, and the data collected was analyzed using Statistical Package for Social Sciences (SPSS) to examine the relationships as well as to derive to the conclusion of the findings. This design was preferred because it is the most cost-effective, time-efficient, and reliable.

3.4. Research Population

The term "target population" refers to the whole collection of individuals, objects, topics, or aspects that the researcher wants to investigate (Yuko Oso and Onen, 2009). A sampling frame is then drawn from this target population. The target population in the statistic is the population about whom data is desired. The study's target demographic is small and medium sized enterprises in Gaziantep drawn from all sectors of the economy.

3.5. Sample Population

For this study, the sample population consists of 287 respondents from SMEs (SMEs firms were defined as firms that has less than 250 employees). Operating in various sectors in Gaziantep, selected through simple random sampling. Cooper & Schindler (2003) explains that simple unplanned sampling is one in which an individual element of the population is renowned and have the same chances of selection. As a result, this study's sample selection was managed using simple random sampling (SRS). This sampling technique was selected in order to eliminate bias and to ensure that all individuals of the targeted population have an equal and independent chance of being included in the sample, as well as to get accurate, real, and trustworthy data.

3.6. Collection of Data

To achieve this core research goal, the questionnaire technique was utilized as a data gathering instrument. Structured self-administered questionnaires using an online questionnaire using Google Forms were developed to gain information from SMEs. The study community consisted of SMEs in Gaziantep. The research objectives were presented on the introduction page of the questionnaire. The questionnaire consisted of 27 closed-ended questions, where four questions were about demographic characteristics of the respondents /company, ten questions were related to managers' leadership practices of SMEs (independent variable), and fourteen questions were related to risk management (dependent variable). Respondents were asked to indicate the degree of acceptance of each of the questions on a five-point Likert scale, where 1 – Strongly disagree, 2 - Disagree, 3 - Undecided, 4 – Agree, 5 - Strongly agree. With the possibility of choosing a single answer.

Respondents of these questionnaires were managers of SMEs. The total number of distributed questionnaires was 453; it took 36 days to distribute (January 30, 2022, to March 6, 2022). Final responses were received from 287 companies, yielding a satisfactory effective response, as a result of 166 questionnaires not being returned by the competent authorities within the time limit specified. When a respondent fulfilled the online questionnaire, the collected questionnaires were checked and coded against SPSS. Then the statistical package of social Science (SPSS) has been used to measure and analyze respondents' responses. SPSS is a set of packages or computational data to conduct these data and this program is used in scientific researches which include statistical data. Data analysis process has been conducted in the next chapter "Data Analysis and Research Findings".

4. FINDINGS

4.1. Introduction

This chapter analyzes the obtained data and summarizes the study's conclusions. The software utilized for analyzing the data and obtaining the outcomes was statistic software which is SPSS. This study's analysis is divided into two sections. The first section investigates the respondents' demographic characteristics, while the second section concentrates on the study questions. By analyzing the respondents' demographic characteristics in the first section, the researcher may learn their origins, the number of respondents, the sort of respondents, and their backgrounds, all of which contribute to the study's dependability and impact on the research aim.

The second section has 24 questions (ten of which belong to the independent variable and fourteen of which pertain to the dependent variable), following the demographic analysis, the study performs a reliability test to verify the data's dependability, for which the researcher employed Cronbach's alpha. Finally, the data was carefully selected to ensure their reliability. The descriptive analysis of the 24 questions is next conducted to see how the research goals were met, and lastly, to test the hypothesis, simple regression was performed in this chapter.

4.2. Respondent Demographic Characteristics

This section analyses the demographic characteristics of the respondents, from which we can determine how many persons took part in this study, as shown below:

Business Sector

Table 4. In which sector does your business mainly operate?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Trade/Logistic	61	21.3	21.3	21.3
	Manufacture	54	18.8	18.8	40.1
	Construction	61	21.3	21.3	61.3
	Service	48	16.7	16.7	78.0
	Other sector	63	22.0	22.0	100.0
	Total	287	100.0	100.0	

Table 4.1 displays descriptive statistics of business sector variables: Questionnaires were completed by (287) respondents, while 21.3% (n =61) are trade and logistic companies, 18.8% (n =54) are manufacturing companies, 21.3% (n =61) are construction companies, 16.7% (n =48) are service companies, 22% (n =63) are other sector companies (22%).

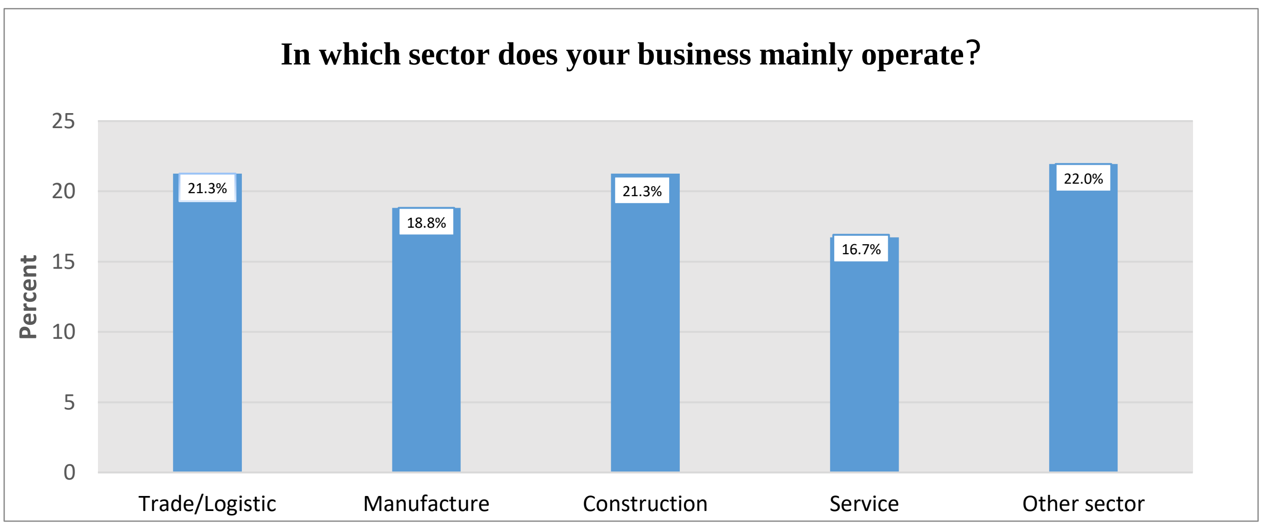

Figure 11. Frequencies and Percentages of Business Sector

The Length of Doing Business:

Table 5. How long has your company been operating?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 2 years	72	25.1	25.1	25.1
	2-4 years	68	23.7	23.7	48.8
	5-10 years	71	24.7	24.7	73.5
	More than 10 years	76	26.5	26.5	100.0
	Total	287	100.0	100.0	

Table 4.2 displays descriptive statistics of business sector variables: Questionnaires were completed by (287) respondents, while 25.1% (n =72) of them were doing business less than 2 years, while 23.7% (n =71) of them were doing business between 5 and 10 years, while 26.5 % (n =76) of them were doing business more than 10 years. It can be said that the owners of the companies were quite experienced entrepreneurs.

Figure 12. Frequencies and Percentages of The Length of Time Doing Business

The Business's Size and Number Of Employees :

Table 6. The total number of employees and the business's size?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Micro firm (up to 9 employees)	105	36.6	36.6	36.6
	Small firm (10–49 employees)	131	45.6	45.6	82.2
	Medium sized firm (50–250 employees)	51	17.8	17.8	100.0
	Total	287	100.0	100.0	

Table 4.3 displays descriptive facts of the number of employees and the size of the business variables: Questionnaires were completed by (287) respondents, while 36.6% (n =105) of them were micro firms (up to 9 employees), while 45.6% (n =131) of them were small firms (10–49 employees), while 17.8 % (n =51) of them were medium sized enterprises (50–250 employees).

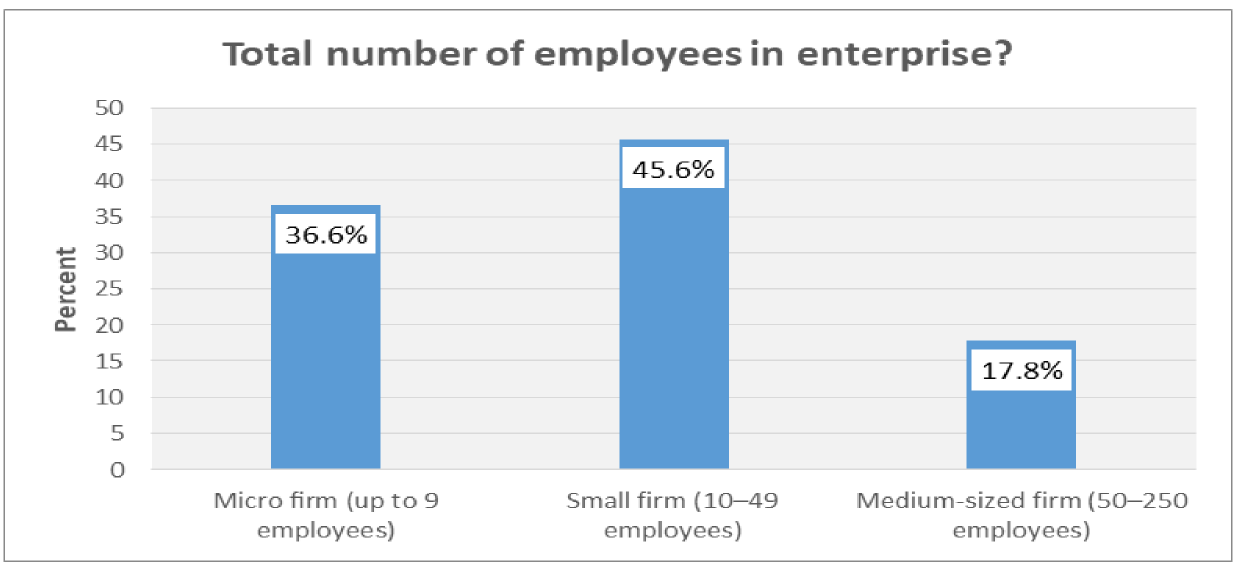

Figure 13. Frequencies and Percentages of The Number of Employees and The Business's Size

Risk Categories:

Table 7. In which risk categories do you evaluate risks?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strategic risks	65	22.6	22.6	22.6
	Operational risks	51	17.8	17.8	40.4
	Financial risks	73	25.4	25.4	65.8
	Information technology	34	11.8	11.8	77.6
	Compliance risks	39	13.6	13.6	91.2
	Other kinds of risks	25	8.7	8.7	100.0
	Total	287	100.00	100.00	

Table 4.4 displays descriptive statistics of risk categories variables: Questionnaires were completed by (287) respondents, while 25.4% (n =73) of them were financial risks, while 22.6% (n =65) of them were operational risks, while 17.8 % (n =51) of them were strategic risks, while 13.6% (n =39) of them were compliance risks, while 11.8% (n =34) of them were information .technology risks, while 8.7. % (n =25) of them were other kinds of risks.

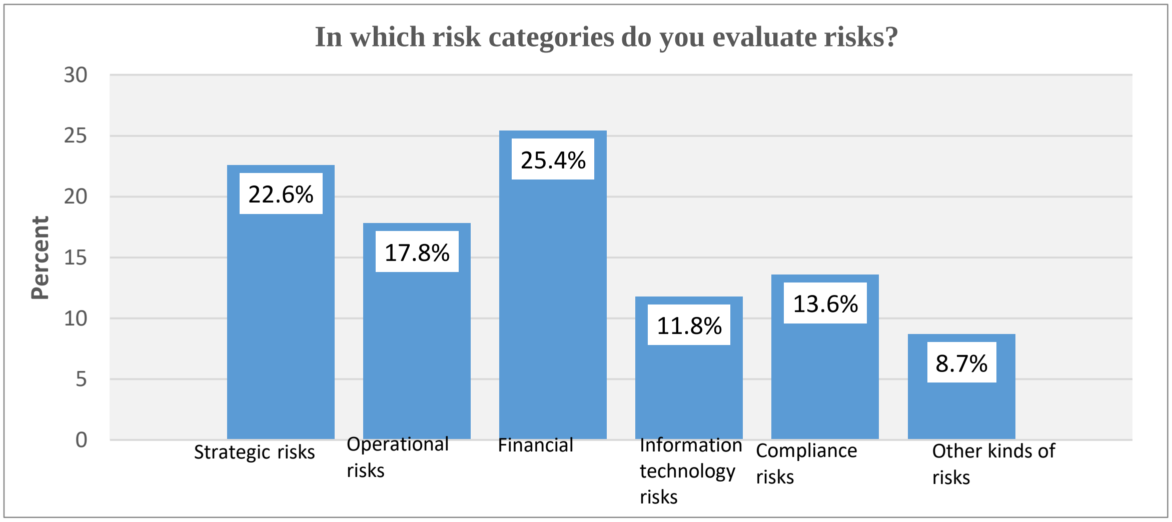

Figure 14. Frequencies and Percentages of The Risk Categories Variable of The Business

4.3. Findings and Discussion

4.3.1. Reliability Test

4.3.1.1. Cronbach’s Alpha Test

The reliability test is implemented to guarantee reliability effectiveness of the mechanism used as a data collection tool. To test inner reliability, most of researchers utilize Cronbach's alpha that correlates an individual item of a questionnaire with other items in the questionnaire (Saunders et al., 2009). Cronbach's alpha coefficient is among the evaluation instruments for 56 of the reliability tests which is the most ineffective method for confirming the data's trustworthiness. This form of dependability test is often used in social sciences and organizational studies (Bonett and Wrigh, 2015)

If the Cronbach's alpha value is near to (1) and more than 0.7, the data is extremely consistent with reality or the questions are very consistent. Most studies consider 0.70 as the threshold value of Cronbach’s alpha for the reliability because in his own study, Cronbach (1951) reveals the generally accepted value of reliability as 0.70.

Table 8. Cronbach’s Alpha Test All Variables

Demographic	Cronbach's Alpha	N of Items	Interpretation
LEADERSHIP PRACTICES OF SMEs MANAGERS	0.789	10	Good
RISK MANAGEMENT	0.830	14	Good
Total Score	**0.865**	**24**	**Good**

Table 4.5 shows the test results of reliability. Based on the summary of the data results, it can be seen that Cronbach's alpha coefficient is 0.865 for all questions or items contained in variables combined, which is higher than the permissible standard of 0.70. (Nunnally and Bernstein, 1967), this indicates that dependability has been acknowledged and that the data or items (questions) are largely consistent across all variables.

To ensure the correctness of the data for each variable separately and their compatibility, we also calculated the dependability of individual variables to ensure the accuracy of particular findings.

Table 9. Cronbach's Alpha Test Leadership Practices Of SMEs Managers

Demographic	Cronbach's Alpha	N of Items	Interpretation
LEADERSHIP PRACTICES OF SMEs MANAGERS	0.789	10	Good

Using SPSS, the researcher calculated reliability scores for each of the variables individually. The dependent variable of 10 questions. The scale had a high level of internal consistency, as indicated by a Cronbach's alpha of .789. Table 4.6 shows the scores for this dependent variable. Coefficient of 0.789. This presented a level of validity and reliability to presume the sufficiency of the second-order composite model for the purposes of this study.

Table 10. Cronbach's Alpha Test Risk Management

Demographic	Cronbach's Alpha	N of Items	Interpretation
RISK MANAGEMENT	0.830	14	Good

The reliability of the survey was tested based on the consistency of the number of participants' responses to the survey questions comprising each construct. Represented reliability of the survey instrument using Cronbach's alpha reliability coefficients. Independent variables were tested resulting in Cronbach's alpha reliability constituting 0.830, which indicates accepted reliability Because the Cronbach's Alpha is near to one, these findings are quite dependable (Pietersen & Maree, 2007).

4.3.3. Correlation Results

In this section, we continue our analysis to learn more about the impact of the independent variable on the dependent variable, the inter-related correlation between the dependent and independent variables, and the goal of our study, which is to learn more about the impact and significance of managers' leadership practices on risk management in SMEs in Gaziantep. We used the Pearson Correlation Test for these objectives.

Table 11. Correlations

		LEADERSHIP PRACTICES OF SMEs MANAGERS	**RISK MANAGEMENT**
LEADERSHIP PRACTICES OF SMEs MANAGERS	Pearson Correlation**1**	1	0.818**
	Sig. (2-tailed) **1**		0.000
	N**1**	287	287
RISK MANAGEMENT	Pearson Correlation**1**	0.818**	1
	Sig. (2-tailed) **1**	0.000	
	N**1**	287	287
**. Correlation1 is significant at the 0.01 level (2-tailed).			

The previously mentioned Pearson's Contingency Coefficient was used for making conclusions about the statistical importance of the respondents in relation to the criterion chosen. The bounds between accepting and refusing the statistical hypothesis was expressed by the amount of importance a p-value of 0.05 (Godfrey, 2005). Additionally, when the 'r' value is near to 1, it indicates a tight relationship between two variables, while positive (+) and negative (-) values indicate that variables are favorably or negatively associated. With the research variables, we conducted a correlation analysis. The means, standard deviations, and bivariate Pearson correlations of the constructs are reported in the correlation matrix in **Table 4.8.** We found positive correlations between managers' leadership practices and risk management (r=.818**; p<0, 01), we also note that managers' leadership practices have a strong positive correlation with risk management practices a value of 0.000 of 81%. These results did support our research hypotheses.

4.3.4. Normality Tests

To determine if the data was normally distributed, normality tests were performed. However, there are other types of normality tests that assess the normality of the data from a number of perspectives. Throughout the study, the researcher will perform the following two normality tests:

Skewness and Kurtosis:

When data is normally distributed, it resembles a bell, with all three metrics dispersed proportionately: mean, mode, and median (Das & Imon, 2016). Because all three measures are affected, the distribution is considered to be symmetric, but in the case of inequality of mean, mode, and median, the distribution is asymmetric, and data is skewed to one side. In most cases, skewness may be either positive or negative. According to Joseph F., Black, Babin, and Anderson (2009), skewness between -1.96 and 1.96 indicates that the data is normally distributed; skewness more than or equal to 1.96 shows that the data is not normally distributed. Kurtosis is determined using the same -1.96 and 1.96 criteria.

Table 12. Descriptive

			Statistic	Std. Error
RISK MANAGEMENT	Mean		52.2892	.49827
	95% Confidence Interval for Mean	Lower Bound	51.3085	
		Upper Bound	53.2699	
	5% Trimmed Mean		52.4543	
	Median1		52.0000	
	Variance1		71.255	
	Std. Deviation		8.44128	
	Minimum1		33.00	
	Maximum		67.00	
	Range1		34.00	
	Interquartile Range1		15.00	
	Skewness1		-.142-	.144
	Kurtosis1		-1.054-	.287

4.3.5. KMO and Bartlett's Test

Table 13. KMO and Bartlett's Test1

Kaiser-Meyer-Olkin Measure of Sampling Adequacy**1**		.500
Bartlett's Test of Sphericity**1**	Approx. Chi-Square	315.268
	df**1**	1
	Sig**1**.	.000

Also, the results of Kaiser-Meyer-Olkin (KMO) test for all matrix questions were above 0.5 **(Table 4.10**) which were acceptable for factor analysis this is consistent with Hair et al (1995) . Recommendation that a KMO of less than 0.5 is undesirable. Additionally, the Bartlett's sphericity test result in this study is p=.OO, which is statistically significant at p <.05 (Bartlett, 1954). The test findings demonstrated that they all fulfilled all of the factor analysis's assumptions.

4.3.6. Linear Regression Statistic (Hypothesis Testing)

Based on the research questions and problem of the study, the hypothesis is developed and tested to show the degree of relationship between managers' leadership practices and risk management in SMEs in Gaziantep. The alternative hypothesis formulated is stated below:

H1: There is a statistically significant effect of managers' leadership practices on management of risk in small and medium sized companies in Gaziantep at $\alpha \leq 0.05$.

This section deals with testing the main hypothesis of the study, as it focuses on acceptance or rejection the hypothesis of the study, through the use of simple regression analysis and based on the associated statistical tests, as follows for the hypothesis of the independent variable's influence on the dependent variable:

H01: There is no statistically significant effect of managers' leadership practices on management of risk in small and medium sized enterprises in Gaziantep at $\alpha \leq 0.05$.

To test the hypothesis simple regression was used to measure whether there was a significant effect of managers' leadership practices on risk management.

Table 14. Model Summary

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.818[a]	.670	.669	4.85890
a. Predictors: (Constant), LEADERSHIP PRACTICES OF SMEs MANAGERS				
b. Dependent Variable: RISK MANAGEMENT1				

Table 4.11 shows that the relationship between managers' leadership practices and risk management is strong, where r equals 0.818, and the variation in managers' leadership practices affects the variation of risk management, where R2=0.670. In other words, 67% of the changes in risk management resulted from the change in the leadership practices of managers of SMEs in Gaziantep.

Table 15. ANOVA[a1]

Model		Sum of Squares	df	Mean Square	F	Sig
1	Regression	13650.469	1	13650.469	578.192	0.000[b]
	Residual	6728.528	285	23.609		
	Total	20378.997	286			
a. Dependent1 Variable: RISK MANAGEMENT						
b. Predictors1: (Constant), LEADERSHIP PRACTICES OF SMEs MANAGERS						

The Analysis of variance (ANOVA) was used to test the statistical significance of the hypothesis. When tested at a 5% level of significance, results have shown that managers' practices play a significant role in risk management in small and medium sized companies in Gaziantep. This can be seen from a p-value = .000.

Table 16. Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12.081	1.697		7.121	.000
	LEADERSHIP PRACTICES OF SMEs MANAGERS	1.081	.045	.818	24.046	.000

a. Dependent Variable: RISK MANAGEMENT

The predictor shown in **Table 4.13** has p<.05. The study results indicate that managers' leadership practices (p= .000), have a positive and significant impact on risk management in small and medium sized companies in Gaziantep (p = .000). In other words, an increase of one unit of the managers' leadership practices will increase the effectiveness of risk management by 81% (If managers' leadership practice, improve by 1 unit the average change in risk management in SMEs in Gaziantep state will increase by 0.81 percent.)

Therefore, the null hypothesis is rejected and the alternative is accepted, which states that managers' leadership practices impact the management of management in small and medium sized companies in Gaziantep, at p ≤0.05.

This implies that the alternative hypothesis which states the following: managers' leadership practices impact the risk management in small and medium sized 1 companies in Gaziantep, is significant at p< .05 and is accepted.

CONCLUSION AND RECOMMENDATIONS

Conclusions

One of the most important prerequisites for a successful economy is the growth of small and medium businesses, because these firms have many important roles in any country's economy such as employment creation, entrepreneurial skills, innovation, promoting the level of economic and social development in any country's economy, which has increased the economic importance of these institutions significantly in recent decades. But these companies are trying to endure and flourish in a world of uncertainty which exposes them in their operations; they are exposed to a wide range of risks, where every business activity and the business decision are associated with uncertainty and risk. It may produce a reality with unexpected or unwanted characteristics. Therefore, firms should strive to reduce the uncertainty in their management by adopting an effective risk management methodology because the fundamental goal of risk management is to ensure that uncertainty does not deter the pursuit of the company's goals and objectives.

This research commenced with a literature review on risk and risk management in SMEs. Which revealed a weak reputation of risk management within SMEs. It indicated that SMEs make less provision for managing risks in their activities compared to those of the large enterprises. Therefore, SMEs' attitudes towards risk and their management of risk vary dramatically from those of big companies because risk management is a challenge for small and medium sized companies, unlike large companies because they often lack the necessary resources, and controled activities are less formal because the owners-managers are more active with the firm's day-to-day operations, and also other factors such as globalization, etc. Which led to the heightened instability of small and medium sized enterprises. So, in order to have a complete risk management evaluation, a necessary condition is that a risk management strategy and methodology must be adopted early on by the SMEs. Small organizations are even less likely to have a strategic planning that is presented to all employees, another prerequisite is to understand how manager's view, practice, and are fully aware of the internal and external environment of the risks in which they operate and the associated uncertainty. Following a thorough assessment of the literature, it was discovered that there have been very few empirical studies in the domain of risk management for SMEs. Specifically (the impact of the leadership practices of managers of small and medium sized enterprises on risk management). As a result, the primary goal of this research was to look into the impact of managers' leadership practices on the risk management of SMEs in Gaziantep. In addition to understanding how the most important risk categories affect these SMEs, and how risk management and business planning are linked in SMEs.

The findings show that Gaziantep SMEs value many types of risk (not just financial risks, but also strategic and operational risks), which fall into the first categories of the most important and relevant risk categories that they confront. These findings are consistent with the findings of Napp (2011) study, which found that financial and strategic risks are the most significant threats to SMEs.

The most serious issue in all SME size classes is the failure to incorporate identified risk management into company planning. As a result, the majority of literature sources support a direct link between risk management and business planning, the research has shown that SMEs consider risks and risk management in their business plan strategy; it informs all employees of risk and controls. But risk management practices are poorly formalized, and need substantial improvement. On the other hand, in SMEs, the process of incorporating identified risks into business planning is still in its infancy. SMEs' business planning needs to be significantly improved. It is emphasized that sound risk management requires a comprehensive corporate planning framework. Companies will not be able to identify and manage the full organization's risk profile without this integration, and risk management will be nothing more than "empty rhetoric" with no value for the company.

The major goal of this study was to determine the impact of managers' leadership practices on SMEs in Gaziantep's risk management. A positivist research paradigm was applied, and a quantitative research approach was used to collect data from SMEs in Gaziantep using questionnaires. The results of a simple linear regression analysis employed in this study to assess the effect of the independent variable (Managers' Leadership Practices) on the dependent variable (Risk management) reveal a substantial positive link between managers' leadership practices and risk management of SMEs in Gaziantep. That is to say, managers' actions have a favorable impact on risk management in Gaziantep's small and medium sized businesses. According to the findings of the study, the majority of respondents stated that risk management is highly supported by management and is on the agenda of leadership meetings. This indicates that most small business managers are aware of risk management; however, they must learn how to effectively use risk management initiatives to benefit their organizations, as well as become more educated about risk management initiatives that will benefit risk management and, as a result, the company as a whole.

Recommendations

Managers' experience and capabilities have a substantial impact on risk management in SMEs. As a result, the study suggests that:

Managers of SMEs should choose an effective risk management strategy and work to constantly improve it, and integrate it into the organization’s strategic planning so that this strategy allows for protection from losses, and at the same time, this strategy does not deprive SMEs of profit from acquired opportunities, and it should be circulated among employees to ensure they are aware and prepared for risk. Then, every employee in the company will know what to expect whenever they face any risk and act accordingly.

SME operators in Gaziantep state should use cost-effective risk detection and mitigation strategies to ensure that their financial performance is not harmed.

To know the end result and advantage of risk management SMEs managers need to enhance the present planning system and establish risk management based on their organization's demands through effective training and development within SMEs, as well as boosting the owner / manager's awareness and perspective of risk management.

Managers of SMEs need to select appropriate methods of training employees (in-house and on-the-job training programs) in risk management that effectively support understanding the scaling process of risk management. In addition, top management need to encourage employees to participate in the process by sharing and transferring personal knowledge and experience.

The findings emphasize the importance of building a proper network between SMEs and other business firms to assist organizations in improving the experience and access to information sources of owner / managers, on the one hand, and enhance the contribution of risk management on the other hand.

REFERENCES

Altman, E. I., Sabato, G., & Wilson, N. (2010). The value of non-financial information in small and medium sized enterprise risk management. The Journal of Credit Risk, 6(2), 1e33.

Ayyagari, M., Beck, T., and Demirguc-Kunt, A. (2007), “Small and medium enterprises across the globe”, Small Business Economics, Vol. 29 No. 4, pp. 415-434.

Avasilicai (coord.), 2009. “Entrepreneurship: applied research”, Cluj-Napoca: Tedosco.

Altman, E. I., Sabato, G., & Wilson, N. (2010). The value of non-financial information in small and medium sized enterprise risk management. The Journal of Credit Risk, 6(2), 1e33.

Anic, V. and Paus, V.(1998). ‘The Croatian SME study: Best practice in Financing SMEs in SECI and CEI Countries’In: Final Report of UN/ECE Expert Meeting on Best practice in Financing SMEs. Geneva.

Aruwa, S.A.S (2004), ‘Financing options for small and medium-scale enterprises in Nigeria’, The Nigerian Journal of Accounting and Research, Department of Accounting, Ahmadu Bello University, Zaria. Vol.1, No.2, June.

Aernorld, R. (1998), “Round table discussion on recommendations for best practice in financial intermediaries for SMEs”, in: Final Report of Expert Meeting on Best Practice in Financing SMEs. United Nations/ECE, Geneva, Switzerland, May.

Arthur, K. J., John, M. D., and J., P. W. (2011). Foundation of finance : The logic and practice of financial management. Pearson.

Allianz Global Corporate & Speci-alty, 2019. Allianz Risk Barometer Top Business Risks For 2019.

AICPA (2008) Smart risk management: a guide to identifying and reducing everyday business risks, New York: AICPA.

Andy, Osborne. Risk Management made easy, www.bookboon.com, 2012, 60-62.

Australian/New Zealand Standard AS/NZS 4360:2004. 2004. Risk Management. Homebush NSW 2140, Australia: Standards Australia; Wellington 6001, New Zealand: Standards New Zealand.

Airmic, Alarm, IRM A Risk Management Standard, 2002.

Azende, T. (2011a) Corporate Social Responsibilities in Nigeria Banking System: the development of Small and Me-dium Scale Enterprises. World Journal of Social Sciencevol.1; No.5 Pp.12-28.

AZENDE, T. Risk Management and Insurance of Small and Medium Scale Enterprises (SMEs) in Nigeria. International Journal of Finance and Accounting, 2012, 1(1), 8-17.

Afolabi, T.S., (2018). Effect of Claims Payments on Profitability in the Nigerian Insurance Industry. Advances in Social Sciences Research Journal, 5(4), 94-101.

Allan, Neil; Beer, Louise. “Strategic Risk: it is all in your hands”, University of Bath School of management working paper series.2006, 3-12.

BBA (1999). British Bankers’ Association, International Swaps and Derivatives Association, Pricewater house Coopers LLP. (1999). Operational risk: the next frontier. Philadelphia: PA:RMA.

Babou. Why do we Need to Categorise Risks, As per PMBOK, 2008.

Bolak, M. (2004). Risk ve Yönetimi, Birsen Yayınevi, İstanbul, 3-36.

Boehm, B. Soft ware Risk Management, IEEE Computer Society press,Washington, 1989. 82-84.

Branson, B.C. (2010) The role of the Board of Directors and Senior Management in Enterprise Risk Management. In Fraser, J. and Simkins, B.J. (Eds) Enterprise Risk Management. Today’s leading research and best practices for tomorrow’s executives, Hoboken: Wiley.

Beckett RC (2005). Collaboration now a strategic necessity. Handb. Bus. Strategy, 6(1): 327-332.

Blanc Alquier, A. M., & Lagasse Tignol, M. H. (2006). Risk management in small-and medium sized enterprises. Production Planning & Control, 17(3), 273e282.

Boniface, U. and Ibe, I. G. (2012). Enterprise Risk Management and Performance of Nigeria's Brewery Industry. Developing Country Studies, 2(10), 60–67.

Bradford, M. 2009. Sovay turns risk into opportunity. Business Insurance, 43(20):4-28.

Baird, I.S. and Thomas, H. (1985) „Toward a contingency model of strategic risk taking", Academy of Management Review, vol. 10, no. 2: 230-243.

Bryman A. and Bell E. (2003), Business Research Methods, Oxford University Press

Burney, A. (2008). Inductive and deductive research approach. Retrieved, 12, 2013.

Bonett, D. G., & Wright, T. A. (2015). Cronbach's alpha reliability: Interval estimation, hypothesis testing, and sample size planning. Journal of Organizational Behavior, 36(1), 3-15.

Baker S., Ponniah D. and Smith S. (1999), Risk response techniques employed currently for major projects, Construction Management and Economics, London, Vol. 7, No.2, pp. 205-213.

Berkeley, D., Humphreys, P. C. and Thomas, R. D. (1991) 'Project risk action management', Construction Management and Economics 9(1), Harvard University Press, Cambridge, MA

CHAPMAN, C.B., & Cooper, D.F. (1983). Risk engineering: Basic controlled interval and memory models. Journal of the Operational Research Society, 34(1), 51-60.

Campbell, S. (2005). Determining overall risk. Journal of Risk Research, 8, 569-81.

Chauhan, Puneet. Systematic and unsystematic risks of a business, Indian Institute of Planning and Management, New Delhi, 2009, 6-9.

CHATTERJEE, S., Wiseman, R.M., Fiegenbaum, A., Devers, C.E. (2003). Integrating Behavioural and Economic Concepts of Risk into Strategic Management: The Twain Shall Meet. Long Range Planning, 36, 61-79.

COSO (Committee of Sponsoring Organizations of the Treadway Commission) (2004). Enterprise Risk Management- Integrated Framework: Application Technique. 2.

Carlton, T. (1999), “Risk and capital management in non-financial companies”, Risk and Capital Management Conference Proceedings, Australian Prudential Regulation Authority.

CPA Australia, Business and Management Centre of Excellence. (2009). Risk Management Guide for Small and Medium Sized Business.

Cumby, J. & Conrod, J. 2001. Non-financial performance measures in the Canadian biotechnology industry. Journal of Intellectual Capital, 2(3):261- 272.

Churchill, G. A. (1998). Marketing Research. Methodological Foundations. Chicago: Gryden Press.

CRONBACH, L. J. Coefficient alpha and the internal structure of tests. Psychometrika, 1951, 16(3), 297–334. doi:10.1007/bf02310555.

Creswell, J. W. & Creswell, J. D. 2017. Research design: Qualitative, quantitative, and mixed methods approaches, Sage publications.

Cooper, D. R., & Schindler, P. S. (2003). Business Research Methods. Irwin: McGraw-Hill.

M Civelek. (2010). Credit Risk Management in Small and Medium sized Enterprises (SMEs),195.178.95.140

Dionne, G. (2013). Risk management: History, definition, and critique. Risk Management and Insurance Review, 16(2), 147e166.

Dickinson, G., 2001. Enterprise risk management: its origins and conceptual foundation. The Geneva Papers on Risk and Insurance, 26 (3), 360–366.

De Bakker, K., Boonstra, A., & Wortmann, H. (2010). Does risk management contribute to IT project success? A meta-analysis of empirical evidence. International Journal of Project Management, 28, 493-50.

Das, K. R., & Imon, A. H. M. R. (2016). A brief review of tests for normality. American Journal of Theoretical and Applied Statistics, 5(1), 5-12.

European Commission. 2004, The new SME definition – User guide and model declaration. Enterprise and industry publications . pp. 3-15. ISBN: 92-894-7909-4. Accessed. 30.3.2013.

Edinburg Group, 2012. Growing the global economy through SMEs. http://www.edinburgh-group.org/media/2776/edinburgh_group_research_-_growing_the_/ global_economy_through_smes.pdf

Eisenhart M. (1991), Conceptual Frameworks for Research Circa 1991: Ideas from a Cultural Anthropologist; Implications for Mathematics Education Researchers. In R. Underhill (Ed.), Proceedings of the Thirteenth Annual Meeting of Psychology of Mathematics Education - North America, Blaksburg, VA: Psychology of Mathematics Education.

Eichhorn, F. J. (2004). Financial risk management in German SME findings of a qualitative market research study. Zeitschrift für das Gesamte Kreditwesen, 57, 828-832

Perry J. G. and Hayes R. W. (1985), Risk and its management in construction projects, Institution of Civil Engineers Proceedings, Vol. 78, No.3, pp. 499- 521.

Peel, M. J., & Bridge, J. 1998. How planning and capital budgeting improve SME performance. Long Range Planning, 31: 848-856

Fetisovova, E. et al. (2012), Aktuálne problémy financií malých a stredných podnikov, Ekonóm, Bratislava.

Frigo, Mark L. and Anderson Richard J. 2009. Strategic Risk Assessment – A first step for improving risk management and governance. Accessed 02.05.2013. Published 12.2009.

Frese, M., van Gelderen, M., Ombach, M. (2000). How to plan as a small scale business owner: Psychological process characteristics of action strategies and success. Journal of Small Business Management, 38(2): 1-18.

Foster, R. and S. Kaplan (2002) Creative Destruction. Harvard University Press, Cambridge.

Foster, M. 2009. Elevating Risk to Its Proper Place. BusinessWeek Online. [Online].http://www.businessweek.com/managing/content/aug2009/ca20090814_1
23416.htm [30/10/2009]

Ghobadian, A., & Gallear, D. (1997). TQM and organisation size. International Journal of Operations and Production Management, 17, 121–163. http://dx.doi.org/10.1108/01443579710158023.

Godfrey, L. G. (2005). Controlling the overall significance level of a battery of least squares diagnostic tests. Oxford Bulletin of Economics and tics, 67(2). doi: 10.1111/j.1468-0084.2004.00119.x Gendron, Y., M. Brivot, and H. Guenin-Paracini. 2016. The construction of risk management credibility within corporate boardrooms. European Accounting Review 25 (3): 549–78.

Hopkin, P., and Institute of Risk Management. (2014). Fundamentals of risk management: understanding, evaluating and implementing effective risk management. Kogan Page

Hopkin, P. (2018). Fundamentals of Risk Management (5th ed.). London: Kogan Page.

Henschel, T. (2006) „Risk management practices in German SMEs: an empirical investigation", International Journal of Entrepreneurship and Small Business, vol. 3, no. 5: 554-571.

Holton G. A. (2004), Defining Risk, Financial Analysts Journal-CFA Institute. Vol. 60, No.6, pp. 19-25

Henschel T. (2007), Risk Management Practices in the Main Industries of German Small to Medium-Sized Enterprises, An Empirical Investigation, PhD thesis, Napier University, Edinburgh, UK

Henschel, T. (2008), "Risk management practice for SMEs; Evaluation and implementation effective risk management system", Berlin Erich Schmidt, 2008.

Horcher, Karen. Essential of Financial risk management, John Willey&Sons, Inc, New Jersey, A 2005.

Hair, JR., J., F., Anderson, R., E. Tatham, R., L. and Black, W., C. (1998) Multivariate data analysis. Upper Saddle River, New Jersey, Prenctice Hall.

International Association of Financial Engineers (2010) http://www.iafe.org/html/cms_orc.php (accessed 8 March 2010).

Ilhan, S. (2006). Kobi’ler: sosyo-ekonomik bir perspektif. Fırat University Journal of Social Science, 16 (2), 269–289.

Ittner, C.D. & Larcker, D.F.1998. Are nonfinancial measures leading indicators of financial performance? An analysis of customer satisfaction. Journal of Accounting Research, 36(3):1-35.

ICAEW (2005) „Risk Management among SMEs”, available on-line at.

ISO 31000 (2009).International Organisation of Standardisation. (2009). Principles and generic guidelines on riskmanagement. Retrieved from http://www.iso.org

Julien P. (1998), The State of the Art in Small Business and Entrepreneurship, Aldershot: Asgate Publishing Ltd., p. 276.

Kanani M, Mousavi SH, Qasemi M (2003) TSMEs; Definitions, strength and weak points, opportunities and threats. The 7th conference in the state’s cooperation, University and Industry for National Development.

Kumar R. (2005), Research Methodology-A Step-by-Step Guide for Beginners,(2nd.ed.), Singapore, Pearson Education.

KA Horcher (2011), Essentials of financial risk management.

Kliem, R. L., Ludin, I. S., & Robertson, K. L. (1997). Project management methodology: A practical guide for the millennium. New York: Marcel Dekker.

Khodeir L.M and Mohamed A.H.M (2015): Identifying the latest risk probabilities affecting construction projects in Egypt according to political and economic variables. From January 2011 to January 2013; Housing and Building National Research Center; Vol. 11; pp. 129-135.

Kızılboğa, R.(2012). Risk Yönetimi Ve Ülke Uygulamalarında Yönetim Modelleri, Akademik Araştırmalar ve Çalışmalar Dergisi, 4 (7), 82-99.

Lam, J. (2014). Enterprise risk Management: from incentives to controls. Wiley. Retrieved from https://books.google.com/books?id=CQGJAgAAQBAJandpgis=1.

Nieto-Morote. and Ruz-Vila F., (2011). “A Fuzzy Approach to Construction Project Risk Assessment”, International Journal of Project Management,

29:220-
231

Maylor, H. 2010, Project Management 4th edition. London: Financial Times Prentice Hall.

Muller, P., Gagliardi, D., Caliandro, C., Bohn, N. U. & Klitou, D. (2014). Final Report- July 2014.

Matthews, C.H., Scott, S.G. (1995), "Uncertainty and planning in small and entrepreneurial firms; an empirical assessment", Journal of Small Business Management, Vol. 33, No.4, pp. 34-52.

M Yurttadur, F Kaya (2012). A research on impact of the capital structure and financing cost of small and medium sized enterprises (SME) on growth.African Journal of Business Management Vol. 6(3), pp. 1076-1088, 25 January, 2012.

Napp, Ann-katrin. Financial risk management in SMEs: The use of financial analysis for
identifying, analyzing and monitoring internal financial risks. Published master thesis, Aarhus university, Aahus, 2011, 4-14.

Ntlhane KE (1995). The application of risk management principles to smaller enterprises. A research report submitted in partial fulfilment of the requirements for the degree of Masters of Business Administration in the Faculty of Management at the University of the Witwatersrand.

Newell,M.w.and Grashina,M.N. ,(2003). "The Project Management Question and Answer". New York: American Management Association:199-203.

Nunnally, J. C., & Bernstein, I. H. (1967). Psychometric Theory. New York: McGraw.

Olson, D.,Desheng, D. Wu., (2008). Financial Engineering and Risk Management – Enterprise Risk Management, Volume 1. Singapore: World Scientific Publishing Co.
Pte. Ltd. pp. 3 -8.

OECD (2010), SMEs, Entrepreneurship and Innovation, OECD Studies on SMEs and Entrepreneurship, OECD Publishing, Paris.

Odah, O. (2005). The impact of federal government reform program on the development of the Smes sector. National seminar on facilitating easy access to the SMIEIS finds by SME operators Lagos.

OECD (2014a). Financing SMEs and Entrepreneurs 2014: An OECD Scoreboard, OECD Publishing, Paris.

Oboh, G. A. T., (2004). “Contemporary Management Practice and Challenges to Banking Business in Nigeria”. Union Di-gest 8, 1-22.

Panigrahi, A.K. (2012). Risk management in Micro, Small and Medium Enterprises (MSMEs) in India: A Critical Appraisal. Asia Pacific Journal of Marketing & Management Review, 1(4).

Pietersen, J., & Maree, K. (2007). Standardisation of a questionnaire. A chapter in First steps in research by Creswell, J. W., Elbersohn, L., Eloff, I., Ferreira, R., Ivankova, N. V., Jansen, J. D., Nieuwenhuis, J., Pietersen, J., Plano Clark, V.L., & Van der Westhuizen, C. Hatfield, Pretoria: Van Schaik.

Razeghi, A. (2008), “Innovating through recession”, available at: www.andrewrazeghi.com (accessed 12 July 2010)

Razeghi, A. (2008), “Innovating through recession”, available at: www.andrewrazeghi.com (accessed 12 July 2010)

Renn, O. (1998) „Three decades of risk research: accomplishments and new challenges”, Journal of Risk Research, vol. 1, no. 1: 49-71.

R. Shecterle. (2010, 29 May). Toyota supply chain lacked risk management oversight. Available: http://atrisk.net/toyota-supply-chainlacked-risk-management-oversight/

Saunders M., Lewis P. and Thornhill A., (2009), Research Methods for Business Students, 5th Edition, London Pitman.

Saunders, M. 2011. Research methods for business students, 5/e, Pearson Education India.

Solvency II (2009) http://www.solvency-2.com/ (accessed 21 May 2010).

Schultz, A.G., (2001). Risk assurance model for the small medium and micro enterprise sector. A dissertation submitted in partial fulfilment of the requirements for the degree
of Master Technologiae in the Faculty of Management at the Cape Technikon.

Sparrow, J. (1999), "Using qualitative research to established SME support needs", Qualitative Market Research, Vol. 2, No. 2, pp. 121-134.

Smit, Y. and Watkins, J.A. (2012). A literature Review of Small and Medium Enterprises (SME) Risk Management Practices in South Africa. Africa Journal of Business Management, 6,6324-6330.

Suh, J.D., (2010). Risks and Opportunities Facing SMEs in the Post-crisis Era. APEC SMEs Training Workshop, Taipei, Korea May 24th – 28th, May.

St-Pierre, J., & Bahri, M., (2006). The use of the accounting beta as an overall risk indicator for unlisted companies: Journal of Small Business and Enterprise Development, Volume 13(4):546-561.

Snider, H. W. Reaching Professional status: A program for risk management, in Corporate risk management: Current Problems and Perspectives, American Management Association, 1956

Steinhoff, D., & Burgess. (1993). Small Business Management Fundamental. Singapore: McGraw-Hill, Inc.

Soininen, J., Puumalainen, K., Sjogren, H., Syrja, P. (2012), "The impact of global financial crisis on SMEs: Does entrepreneurial orientation matter", Management Research Review, Vol. 35, No. 10, 927-944. doi: /10.1108/01409171211272660.

Sifumba, C.M., Mothibi, K.B., Ezeonwuka, A., Qeke, S. and Matsoso, M.L., 2017. The risk management practices in the manufacturing SMEs in Cape Town. Problems and Perspectives in Management, 15(2- 2), pp.386-403. doi:10.21511/ppm.15(2-2).2017.08.

Troßmann, E. and Baumeister, A. (2004) 'Risikocontrolling in kleinen und mittleren Unternehmungen mit Auftragsfertigung (Risk controlling in small and medium sized enterprises with project character)', Special issue, Zeitschrift für Controlling & Management, Vol. 48, No. 3, pp.74–85.

Tidd, J., Bessant, J. and Pavitt, K. (2005), Managing Innovation: Integrating

Turkoglu, M. (2002). Küçük ve orta büyüklükteki işletmeler (kobi'ler) in bölgesel kalkınmaya etkileri ve bölgesel kalkınmada kobi temelli stratejiler. Süleyman Demirel Üniversitesi İktisadi ve İdari Bilimler Fakültesi Dergisi, 7 (1).

Turkish Statistical Institute Business Statistics, 2020

Urciuoli, V. and Crenca, G. (1989). Risk Management: Strategic eprocessidecisionalinellagestionedeiRischiPurid'impresa, ISBA, Rovereto.

Tekathen, M., & Dechow, N. (2013). Enterprise risk management and continuous re-alignment in the pursuit of accountability: A German case. Management Accounting Research, 24, 100-121.

Tekathen, M., and N. Dechow. 2020. Semantic narrowing in risk talk: The prevalence of communicative path dependency. Management Accounting Research 48: 100692.

Tymond et al. 1998 W.G Tymond Jr., D.E Stout, K.N Shaw Critical analysis and recommendations regarding the role of perceived environmental uncertainty in behavioural accounting research.

Vose, D. (2000). Risk analysis. A quantitative guide. (2nd ed). Chichester (UK): John Wiley & Sons

Voss, C., Blackmon, K.L., Cagliano, R., Hanson, P. and Wilson, F. (1998), "Made in Europe: small companies", Business Strategy Review, Vol. 9 No. 4, pp. 1-19.

Valsamakis, A.C., Vivian, R.W. & Du Toit, G.S. 2000. Risk Management 2nd Edition. Sandton: Heinemann Higher and Further Education.

Vaughan, E., and Vaughan, T. (2001). Essentials of Risk Management and Insurance. USA, New York: John Willey and Sons.

Watt, J. 2007. Strategic risk management for small businesses. [In: Reuvid, J. (ed.). Managing Business Risk 2 nd Edition – a practical guide to protecting your business. London – Philadelphia: Kogan Page]

Wynant, L. & Hatch, J. 1991. Banks and Small Business Borrowers. The Western Business School. London: The University of Western Ontario.

Welsh J. and White J. (1981), A small business is not a little big business, Harvard Business Review, July-August, pp. 18-32.

Willis, H. H. (2007). Guiding resource allocations based on terrorism risk. Risk Analysis, 27, 597-606

Wilks, J. & Moore, S. 2004. Tourism Risk Management for the Asia-Pacific Region. An Authoritative Guide for Managing Crises and Disasters. Gold Coast.

Weber,J., Weißenberger, B. E. andLiekweg, A. (1999) Risk Trackingand Reporting.UnternehmerischesChancen-undRisikomanagement nachdem KonTraG [Risk tracking and reporting. Enterprisewide chanceand risk management according to the GermanControl and Transparencylaw]. Vallendar:WHU Koblenz

Yuko Oso Willis and Onen, David. Writing Research Proposal and Report, The Jomo Kenyatta Foundation press, Nairobi, Kenya, 2009

Z. Sigmund and M. Radujkovic, Procedia-Social and Behavioral Sciences 119, 894-901 (2014).

Belas, J., Kljucnikov, A., Vojtovic, S., & Sobekov a-Majkov a, M. (2015). Approach of the SME entrepreneurs to financial risk management in relation to gender and level of education. Economics & Sociology, 8(4), 32

LIST OF TABLES

LIST OF FIGURES

LIST OF ATTACHMENTS

T.C.
KARABÜK ÜNİVERSİTESİ
SOSYAL ve BEŞERİ BİLİMLER ARAŞTIRMALARI ETİK KURULU
KARARLARI

TOPLANTI TARİHİ : 18.01.2022
TOPLANTI NO : 2022/01

Karabük Üniversitesi Sosyal ve Beşeri Bilimler Araştırmaları Etik Kurulu toplanmış ve aşağıdaki kararı almıştır.

Karar 14:

15/12/2021 tarihli Prof. Dr. Elif ÇEPNİ'nin Etik Kurul form ve ekleri görüşüldü.

Karabük Üniversitesi Öğretim Üyesi Prof. Dr. Elif ÇEPNİ danışmanlığında yürütülen **"Gaziantep'te Küçük ve Orta Ölçekli İşletmelerde Risk Yönetimi"** konulu çalışma kapsamında uygulanmak üzere ekte sunulan çalışmanın etik kurallara uygunluğu oy birliği ile kabul edilmiştir.

ASLI GİBİDİR

Prof. Dr. Elif ÇEPNİ
Sosyal ve Beşeri Bilimler Araştırmaları Etik Kurul Başkanı

APPENDIX

Survey Questionnaire
Karabuk University
Institute of Graduate Programs
Department of Business Administration

The Effect of Small and Medium Size Enterprises Managers' Practice on Risk Management in Gaziantep

Dear Respondent,

I am an MS student at Karabuk University's Business Administration department. I would appreciate it if you could spend a few moments filling out the questionnaire below. Your replies to the questions will be kept with the utmost confidentiality and will be used only for academic purposes. Sincere replies are highly valued since they result in more accurate research and study results for the thesis. If there are questions which you are unwilling or unable to answer, then please continue to answer the other questions. "Our identity and that of the company you work for will remain strictly confidential.

SECTION A: BACKGROUND INFORMATTON

1- In which sector does your business mainly operate? (Civelek, 2010)		2- How long has your company been operating? (Civelek, 2010)	
	Trade/Logistic		less than 2 years
	Manufacture		2-4 years
	Construction		5-10 years
	Service		More than 10 years
	Other sector. Please specify		
3- Total number of employees in enterprise? (Civelek, 2010)		**4- In which risk categories do you evaluate risks? (Henschel, 2007)**	
	Micro firm (up to 9 employees)		Operational risks (OR)
	Small firm (10–49 employees)		Strategic risks (SR)
	Medium sized firm (50–250 employees)		Financial risks (FR)
	Micro firm (up to 9 employees)		IT risks (ITR)
			Compliance risks (CR)
			Other kinds of risks (O)

SECTION B: LEADERSHIP PRACTICES OF SMEs MANAGERS

1=Strongly Disagree 2=Disagree 3= Undecided 4= Agree 5=Strongly Agree

	Phrase Measurement degree	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**
5	There is a Risk Management (RM) strategy in my enterprise.					
6	Risk and controls are communicated to all employees.					
7	Risk Management is useful to my enterprise.					
8	Risk are addressed within a reasonable time after identification.					
9	Risk are managed proactively					
10	Risk Management is linked to business planning in my enterprise.					
11	Risk facing my enterprise are logged and filed.					
12	Risks form part of the agenda in my leadership meetings.					
13	There are effective risk communication channels from the bottom level up for emerging risk.					
14	I have a clear understanding of the risks that have an impact on my business structure and operations and how I manage them. (Henschel, 2007)					

(Henschel, 2007)

SECTION C: RISK MANAGEMENT

1=Strongly Disagree 2=Disagree 3= Undecided 4= Agree 5=Strongly Agree

	Phrase Measurement degree	(1)	(2)	(3)	(4)	(5)
15	Risk management initiatives are considered important in SMEs.					
16	Accountability and responsibility for risk management are clearly defined and understood.					
17	The general principles of risk management are included in our general policy in line with the organization's strategies and objectives.					
18	Risk management is clearly supported by management.					
19	The management personnel identify, analyses and adequately respond to risks affecting the organization on a regular basis.					
20	The identified risks are evaluated and prioritized on a regular basis in line with the goals and objectives of the organization.					
21	The monitoring and control of risks is an integral part of approved risk management.					
22	Responding to risks is monitored via the risk register which include avoiding, accepting, reducing or sharing the risks across divisions.					
23	The level of monitoring and control by the organization is appropriate for the risks that it faces.					
24	The response to risks includes action plans for implementing decisions about identified risks (if the importance of identified risks changes					

25	Adequate knowledge, proper training, and advanced technology are considered in risk management processes.					
26	Employees participate in risk management activities, both inside and outside the scope of their own specific tasks.					
27	Risk management tasks and roles are clearly assigned.					
28	Effectiveness of the current risk management policies, guidelines and practices are always monitored for further improvement plans. (Sifumba et al., 2017).					

(Sifumba et al., 2017).

CURRICULUM VITAE

Ahmad Abdullah Al Halabi, completed his primary and basic education in Raqqa, Syria, and his secondary education at Bassam Al Omar School, after which he completed a bachelor’s program in the Department of Accounting, Faculty of Economics, Aleppo University in 2016, and in 2019 he was accepted as a postgraduate at Karabuk University Department of Business Administration in Turkey.