

Brief Contents

1	Introduction	1
2	Literature Review	21
3	Research Methodology and Research Design.....	69
4	Questionnaire Results.....	95
5	Interview Results	149
6	Types of Risk Management Practices Derived from Questionnaire and Interview Scoring	205
7	Practical Implications	263
8	Conclusion.....	291
	References.....	299
	Appendices.....	315
	Index	433

Contents

Preface	V
Acknowledgements.....	VII
Brief Contents	IX
Contents	X
List of Figures.....	XV
List of Tables	XVI
1 Introduction	1
1.1 Background: Risk Management in Germany	1
1.1.1 Risk Management Deficiencies in Small to Medium-sized Enterprises	1
1.1.2 Legal Regulations Concerning Risk Management, Basel II.....	2
1.2 Classification of Risk and Risk Management	5
1.3 Definition of Small to Medium-sized Enterprises (SMEs).....	10
1.4 Research Aim and Objectives	14
1.5 Outline of the Thesis	16
2 Literature Review	21
2.1 Holistic Risk Management Approach	21
2.2 Management Behaviour	24
2.3 Business Planning	32
2.4 Balanced Scorecard and Similar Instruments	38
2.5 Risk Management.....	48
2.5.1 Risk Management Process	51
2.5.2 Risk Management Organization.....	57
2.5.3 Project Risk Management	59
2.6 Business Strategy Typologies and Risk Behaviour	63
2.7 Conclusion.....	67
3 Research Methodology and Research Design.....	69
3.1 Research Approach.....	69
3.2 Research Questions	71
3.3 Design of Questionnaire.....	74
3.3.1 Development of Questions	74
3.3.2 Testing and Piloting the Questionnaire.....	76

3.3.3	The Sample.....	77
3.3.4	Response and Bias.....	81
3.4	Design of Research Interviews.....	84
3.4.1	Development of Interview Issues.....	84
3.4.2	Testing and Piloting the Interviews.....	87
3.4.3	Selection of Interviewees	87
3.4.4	Methods of Analysis of Interview Results.....	88
3.5	Scoring Approaches and Risk Management Typology.....	89
3.6	Statistical Evaluations	91
4	Questionnaire Results.....	95
4.1	Introduction	95
4.2	Univariate Analysis	95
4.2.1	Basic Enterprise Data	95
4.2.2	Business Planning as a Base for Risk Management.....	98
4.2.3	Early Warning Systems for Risk Identification	99
4.3	Bivariate Analysis	99
4.3.1	Business Planning	100
4.3.2	Balanced Scorecard and Similar Instruments	103
4.3.3	Risk Management.....	106
4.3.3.1	Risk Management Process	106
4.3.3.2	Organization of Risk Management	112
4.3.3.3	Project Risk Management	121
4.4	Scoring of Questionnaire Results.....	126
4.4.1	Construction of Scoring Variables.....	126
4.4.2	Analysis of Scoring Variables.....	132
4.5	Multivariate Analysis	135
4.5.1	Factor Analysis.....	135
4.5.1.1	Factor Analysis 1: General Risk Management (11 risk items)	136
4.5.1.2	Factor Analysis 2: Project Risk Management (17 risk items)	139
4.5.2	Cluster Analysis	141
4.5.2.1	Cluster Analysis 1: General Risk Management (N = 266)	142
4.5.2.2	Cluster Analysis 2: Project Risk Management (N = 201) .	144
4.5.2.3	Cluster Solutions and Risk Management Scoring	146

5	Interview Results.....	149
5.1	Introduction.....	149
5.2	Analysis of Quantitative Results.....	149
5.2.1	Basic Enterprise Data.....	150
5.2.2	Uncertainty in the Business Environment.....	152
5.2.3	Business Planning.....	155
5.2.4	Balanced Scorecard and Similar Instruments.....	158
5.2.5	Risk Management.....	164
	5.2.5.1 Risk Management Process.....	164
	5.2.5.2 Organization of Risk Management.....	172
	5.2.5.3 Project Risk Management.....	179
5.3	Scoring of Interview Results.....	185
5.3.1	Construction of Scoring Variables.....	185
5.3.2	Analysis of Scoring Variables.....	188
5.3.3	Comparison of Questionnaire and Interview Scoring.....	195
5.4	Management Behaviour and Risk Management.....	196
6	Types of Risk Management Practices Derived from Questionnaire and Interview Scoring.....	205
6.1	Types of Risk Management Practices.....	205
6.1.1	Typology Approaches for Organizational Performance.....	206
6.1.2	Reactor.....	208
6.1.3	Defender/Prospector.....	212
6.1.4	Analyser.....	216
6.1.5	Summary of Types Identified by Scoring Patterns.....	220
6.1.6	Types Versus Demographic and Uncertainty Variables.....	231
6.2	Type Description of Questionnaire and Interview Examples.....	244
6.2.1	Reactor.....	244
6.2.2	Defender/Prospector.....	249
6.2.3	Analyser.....	256
7	Practical Implications.....	263
7.1	Special Implications for the Identified Types of Risk Management Practices.....	263
7.1.1	Reactor.....	263
7.1.2	Defender/Prospector.....	267
7.1.3	Analyser.....	269
7.2	General Implications for the Development of Risk Management Systems.....	270

7.2.1	Business Planning and Quality Management as a Base for Risk Management	271
7.2.2	Consolidation of Risks to Estimate the Entire Risk Exposure.....	272
7.2.3	Organizational Aspects of Risk Management.....	273
7.2.4	Software Support for Risk Management.....	274
7.2.5	Business Management Knowledge	276
7.3	Holistic Risk Management Framework.....	277
7.3.1	Components of a Holistic Risk Management Framework	278
7.3.2	Recommendations for the Process of Implementation.....	285
8	Conclusion.....	291
8.1	Summary of Research Findings	291
8.1.1	Questionnaire and Interview Results	291
8.1.2	Scoring and Typology	293
8.2	Limitations and Further Research	295
8.2.1	Holistic Risk Management and Management Behaviour.....	295
8.2.2	Scoring Approach and Risk Management Typology	296
8.2.3	Research Design.....	297
	References.....	299
	Appendices.....	315
A	Studies on Business Planning and Risk Management Practices in Large Companies.....	317
B	Studies on Business Planning and Risk Management Practices in Small to Medium-sized Companies	321
C	Questionnaire Covering Letter.....	323
D	Questionnaire Layout	325
E	Questionnaire Glossary	333
F	Questionnaire Results Versus Company Size	335
G	Questionnaire Results Versus Demographic Variables: Chi-Square Test.....	357
H	Questionnaire Results Versus Data Waves: Chi-Square Test.....	381
I	Researcher's Interview Schedule	389
J	Interviewee's Guideline	397
K	Demographic Data of Interviewed Companies	399
L	Quantitative Interview Issues Versus Company Size	403
	Index	433