

When

Wednesday,
February 28, 2024 12h00-13h00 EST

Where

Hybrid
Nicol Building
and Zoom

<https://carleton-ca.zoom.us/j/94693718126>
(contact: parg@sprott.carleton.ca)

Does risk management build organizational resilience? The case of Canadian manufacturing SMEs

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ABSTRACT

Drawing on the dynamic capabilities literature, this research investigates the association between risk management practices and organizational resilience in Small and Medium Enterprises (SMEs). Both formal risk management (formal risk analysis of new projects and activities) and informal risk management practices (adoption of a risk-open culture) are considered. A survey was conducted to collect data on the research constructs from 500 Canadian manufacturing SMEs. The results show that 30% of the sampled SMEs did not have any formal risk management of their activities. Partial Least Squares (PLS) analyses of the data show that informal risk management is positively and significantly related to the resilience of the sampled SMEs, however formal risk management practices do not have a significant association with resilience. These results remain the same regardless of the level of environmental turbulence and product complexity. When focusing only on the sampled SMEs that have some level of formal risk management of their activities, PLS results show that both formal and informal risk management practices enhance resilience in these firms. In addition, these results are found to be sensitive to the level of environmental turbulence and of product complexity.

ABOUT THE PRESENTER

Ouafa Sakka, Ph.D. is an Associate Professor of Accounting at the Sprott School of Business, Carleton University. Her research focusses on studying internal controls in different settings such as projects, Small and Medium Enterprises and public sector organizations.

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