

Enterprise Risk Management (ERM) in Small- and Medium-Sized Enterprises (SMEs) in Ukraine: Utilising High Reliability Theory (HRT) to Improve Resilience to Crises

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RESEARCH
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1. RESEARCH MOTIVATION

- Lack of the risk-informed development and preparedness action of SMEs in crises environment as well as the low level of SMEs' crises resilience.
- Promotion of the “Transforming our World: The 2030 Agenda for Sustainable Development” strategy implementation in Ukraine.
- Shortage of research concerning the current state of Enterprise Risk Management (ERM) implementation in SMEs in developing countries and crises environment.
- Shortage of research concerning the implementation of High Reliability Principles in High Reliability Organizations (HROs).
- The gap in the knowledge of the High Reliability Theory (HRT) in scope of the “Resilience Engineering / High Reliability” debate.
- No risk-oriented “roadmap” for SMEs, that would account for the operations in highly hazardous crises environment, i.e. war environment.

2. OBJECTIVES AND QUESTIONS (1/2)

Research Rationale:

- To contribute to the development of the SMEs' crises resilience in crises environment.
- To contribute to the Sustainable Development Goals (SDGs) achievement by means of SMEs' financial performance improvement in crises environment.

Research Objectives:

- To investigate HRT principles applicability in HROs.
- To explore the degree of ERM aspects utilisation by SMEs in Ukraine.
- To develop, from this research, an adapted HRT-ERM framework.
- To conduct the resilience modelling of HRT-ERM framework, compared to ERM framework.

2. OBJECTIVES AND QUESTIONS (2/2)

Research Questions:

- How are HRT principles applied in HROs daily operations?
- To which extent are ERM aspects applied by SMEs in Ukraine?
- How could HRT principles be implemented in ERM practices?
- Does the HRT-ERM framework improve crisis resilience of SMEs in crises environment, compared to ERM framework?

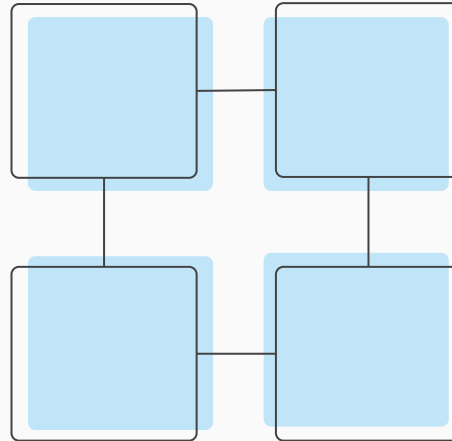
3. LITERATURE OVERVIEW

1 – CRISES ENVIRONMENT

- 1.1. Crises Environment and Organisational Crises Definition
- 1.2. Organisational Resilience Overview
- 1.3. Organisational Risk Management Overview

3 – ORGANISATIONAL RESILIENCE

- 3.1. Resilience Engineering Overview
- 3.2. High Reliability Overview
- 3.3. High Reliability Theory Systematization (Frameworks and Models)



2 – ORGANISATIONS

- 2.1. High Reliability Organisations Definition
- 2.2. Overview of Small- and Medium-Sized Enterprises in Ukraine

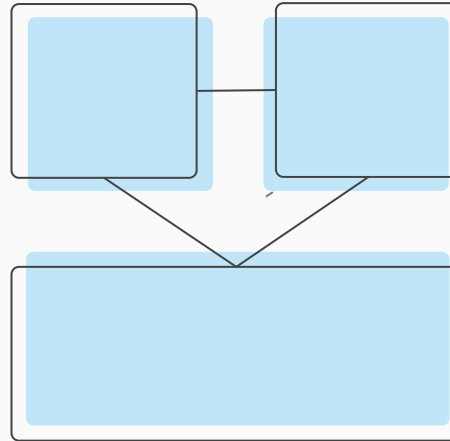
4 – ORGANISATIONAL RISK MANAGEMENT

- 4.1. Organisational Risk Management Classification
- 4.2. Enterprise Risk Management in SMEs Overview

4. CONCEPTUAL MODEL

HIGH RELIABILITY THEORY

Accounts for the operation of organisations in hazardous, dynamic, and safety-oriented circumstances. Based on the following principles: preoccupation with failure, reluctance to simplify, sensitivity to operations, commitment to resilience and deference to expertise.



HRT-ERM FRAMEWORK

ENTERPRISE RISK MANAGEMENT

A common tool for business organisations to mitigate possible risks, that negatively affect the process of reaching the corporate objectives. Not only conceptualizes the process of operational risk management monitoring, assessment, and reporting, but also addresses specifics of crisis management, establishing a framework of crisis resilience.

HRT principles and ERM practices should arguably be considered as complementary components of the crisis resilience improvement process in Small- and Medium-Sized Enterprises operating in war and crises environment.

QUESTIONS

THANK YOU FOR THE ATTENTION