

## THE DIFFERENCES IN ORGANIZATION OF RISK MANAGEMENT BETWEEN SLOVAK AND POLISH SMEs

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### Abstract

*Nowadays SMEs are facing number of factors that undermine their business and financial results. These factors are the source of risks and due this fact, the organization of risk management becomes more and more significant. The main aim of the paper is to compare two basic characteristics of risk management between Slovak and Polish SMEs. Within the comparison, we focused on responsibilities of risk management and the level of the risk perception. To achieve the main aim, the questionnaire surveys in both countries were carried out. We found out, that in both countries, the responsibility for risk management in SMEs lies on owners and SMEs perceive the risks. The results of the paper contribute to the wide spreading of risk management context in SMEs.*

### Key words

*Small and medium enterprises, risk management, responsibility, risk perception, risk identification.*

**JEL Classification:** L25, L26, G32

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### Introduction

The actual situation in each economy is affected by factors and changes in social and economic environment as well as political situation. Also small and medium enterprises (SMEs) face many problems and critical situations. While the consecutive metamorphoses in the world economy changes the paradigm of doing business, the sources of success of almost every type of business transfer from tangible to intangible assets, and the information and its value becomes more and more significant, especially in the segment of small and medium sized enterprises (Kraľova, 2018; Ključnikov et al., 2019; Pakosta et al., 2017). Development of entrepreneurship is influenced by a broad range of issues of various nature and changes in many of them will require a long time to implement. The constantly changing legislation may be considered as the most substantial issue, whereas many legislative changes are adopted without thorough consideration of their impact on the business environment, which, besides application issues, causes chaos and eventually leads to further amendments. Even an entrepreneur with legal background is facing huge problems when trying to navigate in these changes. (Peráček et al., 2017) SMEs are a sector particularly sensitive to all changes occurring in the environment and at

the same time showing huge capabilities of adapting to such changes. According to Krajnakova et al. (2015), the majority of SMEs cannot compete directly with large enterprises, and therefore they adjust their management to operate in niche markets. They are too small to be of interest of mass-producers, which tend to offer more products and services to a wider variety of consumers. A small company with low level of current costs (low employment) might be able to earn enough money to survive by selling a single product/service in a very specific market. Additionally, a small firm may be able to charge a premium price for product or services and there is the reason why they can survive in competition with corporations. The significance of these enterprises' segment is rising especially in transition economies (Belas et al., 2018). These facts require from executives of SMEs to be prepared for the changing environment in each area of their daily activities. An integral part of this preparation is the adaptation of managerial practice in the risk and uncertainty conditions. That is why, the organization of risk management becomes more and more significant.

The principles of risk management are common to all types of enterprises. Risk management is a rational approach to the work with risk and uncertainty with the use of instruments and methods of risk steering. Risk

management provides data for proactive decision that is also based on systematic assessment of possible threats for an organization. It defines which risks are important (assign risk priorities) and implements strategy for dealing with them. Assessment of risks is linked with quantification of impacts and with definition of an approach to evaluate amount of risk. Enterprise risk management is a new trend in security and growth of stakeholders' wealth. It is a new integrated approach to management of enterprises risks. The risk management can be implementing in enterprise as for whole entity, or it can be applied in selected areas of business. One of the factors of successful risk management in enterprise is its integration into the framework for risk managing. This framework consists of several activities, by which it provides the basic organizational configuration of risk management: understanding of internal and external factors of enterprise's environment, the policy of risk management creation, the determination of responsibilities for risk management in the entity, the integration of risk management into internal processes in the entity, the creation of risk management plan, the allocation of personal, material, technological, systematical and other resources necessary for all stages of risk management process, the creation of information system for internal communication between all stages of management and external communication with subjects and entities that are necessary for achieving of business plans.

The core principle of risk management in case of SMEs is that the focus of entrepreneurs should be oriented at recognizing of the future uncertainty, deliberating risks, possible effects and formulation of plans to address these risks and reduce its impact on enterprise.

In SMEs, the main responsibility for risk management is bearing mainly by the owners, whose risk perception and their attitude towards risk management influence the adequacy of the achieving of stated goals. Although the owners and managers of SMEs in Slovakia are intuitively aware of the risks in their business, they have considerable reserves in applying risk management in comparison with more developed countries (Hudáková et al., 2019). Risk perception is the subjective assessment of the probability of a specified type of accident happening. Individual and social characteristic of

person who is responsible for risk management in the organization forms their risk perception and influences the way he reacts towards the risks. As Rohrmann (2008) stated, the risk perception refers to people's judgments and evaluations of hazards they (or their facilities, or environments) are or might be exposed to. Such perceptions steer decisions about the acceptability of risks and are a core influence on behaviors before, during and after a disaster.

The dynamic character of the sector of SMEs in Poland, Slovakia and across the world makes it necessary to constantly observe such entities and analyze individual and common areas of their economic activity, each of which is undoubtedly reflected in an enterprise risk management. The studies of the subject literature and empirical research show that there is a need for constant systematization and improvement of the knowledge on this subject.

The structure of paper is as follows. Literature overview provides short introduction into risk management context with focusing on its application in SMEs. There is characterization of realized research procedures and hypotheses statement in the part of goal and methodology. The part of findings and discussion bring results of realized questionnaire survey in Slovakia and Poland. There are also the statistical verification of stated scientific hypotheses in this part. The paper is finished by conclusions.

## Literature overview

The risk management is an integral part of strategic management of each organization. It is an integrated and holistic process. Within the risk management, an organization methodically solves risks elements. The risk that accompanies business activities is a specific form of uncertainty that reflects a complex phenomenon. Risk refers to the uncertainty that may affect future results and events of each organization. Risk and uncertainty are an important attribute of the most human activities, especially in business activities, the SMEs not excluding. Among the many assumptions about taking-risk widely embraced but rarely tested is the notion that large companies risk culture are less averse to risk than risk culture in the SMEs sector (Gorzen-Mitka, 2018). Business and financial relationships

between companies (regardless of their industrial taxonomy) are characterized by the presence of risks (Kramarova, 2016). The core of risk in business activities creates the decision making process that is realized currently, but the results will affect the future.

For effective and efficient risk management a formal approach is required. The risk management process is divided into individual stages that follow and influence each other. The process of implementing and finishing of these stages is a prerequisite for effective risk management. The stages of risk management are: (1) communication and consultation, (2) establishing of the context, (3) the identification of risks, (4) the risk analysis, (5) the risk assessment and risk treatment (6) monitoring and review. Organizations that better understand the nature of risk can better and more efficiently handle the risk management and they can avoid unforeseen disasters (Ward and Chapman, 2003). Risk management application and specific risk management procedures create a spectrum of specific managerial activities that determine decision making, strategy and operational activities of an organization (Klučka, 2010).

Specific category of risk management is the risk management in SMEs. SMEs sector play a decisive role in economic development and economic condition of countries (Sipa., 2017). They are considered as an important pillar and stabilization factor of country economy and its regions (Mynarzova, 2018). The existence and development of SMEs depend on enterprise understood as an approach characterized by taking initiative, dynamism in acting, creativity, innovativeness, and even propensity to take risky decisions and flexibility in adaptation to market requirements. The owner of a small company manages it in a different way than a professional manager does: he/she sets the rules of an enterprise's operation on his/her own, strives to achieve own plans and visions and takes the economic risk himself/herself (Borowiecki and Siuta-Tokarska, 2008; Lemańska-Majdzik, 2018). Because the owner's personality is usually dominant, then if he's a competent leader with sufficient charisma and the ability to concentrate people around his ideas, it brings the enterprise positive effect. When the owner is incompetent, unprofessional and lacks dynamism, than various problems arise (Filip et al., 2010). By combining

the functions of the owner and manager, the owner of an enterprise takes the full risk of the decisions made, which may cause the loss of not only the capital invested but often also the private property of the owner not used to conduct the business activity. The fact that the owner fulfils top managerial functions is often perceived as the basic advantage of an enterprise of this type. Passing the management of the company to third parties would significantly change, in the traditional perspective, the character of the enterprise, excluding it from the sector of small and medium-sized enterprises.

The management of SMEs has to make decisions under uncertainty and insecurity, and has to take into account the risks that are associated with the business (Myšková&Doupalova, 2015). The application of risk management in SMEs has its institutional, process and communication part. It is necessary to state following solutions: the establishment of new organizational units and working positions responsible for risk management, the application of risk management principles within the framework of organizational units and description of working positions (differentiating of tasks, competencies) (Klučka, 2006).

Risk perception can influence behavior of entrepreneurs and vice versa, risky behavior may cause results of entrepreneurial activities. For example, an entrepreneur who takes a chance to go into the risk entrepreneurial activity, knows the risk is enhanced but when there is no problem, learns not to be worried or feel unsafe.

The risk management unit has a leading position at the top level of business management. The head of this unit is the manager responsible for risk management. For managers, the risk management process is one of the most important things, which they do in frame of managing the risks. For them it is necessary to know how to apply a systematic risk management process through the putting into action the six core risk management process steps.

## Goal and Methodology

The focus of the paper is oriented on the comparison and evaluation of the main differences in risk management organization in case of Slovak and Polish SMEs.

In this paper we assessed following issues: responsibility of risk management, risk perception and ways of risk identification. Within the stated objective, we compared the selected issues of risk management organization of Slovak and Polish SMEs according their size category.

The surveys were carried out among selected sample of respondents. In our case, we have a relatively small number of respondents, but according to Borrego, Douglas and Amelink (2009), the aim of qualitative research that focuses on smaller groups is to examine in detail the specific context. The aim is not to provide a

broad, generalizable description that is representative of most situations, but rather to describe a particular situation in sufficient depth to make the full meaning of what is happening clear. In this context survey took part 123 Slovak and 150 Polish respondents. Respondents came from seven economic branches: agriculture (5.49%), industry (18.32%), construction (19.05%), transportation (9.16%), tourism (2.93%), trade and catering (32.60%) and others (12.45%). The structure of respondents according economic branches presents Table 1.

**Table 1. The number of respondents by branch's classification**

| Economic branch         | Slovakia   | Poland     | Total      |
|-------------------------|------------|------------|------------|
| agriculture             | 11         | 4          | 15         |
| industry                | 13         | 37         | 50         |
| construction            | 33         | 19         | 52         |
| transportation          | 14         | 11         | 25         |
| tourism                 | 6          | 2          | 8          |
| trade and food services | 29         | 60         | 89         |
| others                  | 17         | 17         | 34         |
| <b>Total</b>            | <b>123</b> | <b>150</b> | <b>273</b> |

*Source: own research*

Table 2 presents the structure of respondents according size category. Respondents belong to one of the category with less than 10 employees

(57.88%), from 10-49 employees (31.14%) and from 50 to 249 employees (10.99%).

**Table 2. The number of employees**

| Number of employees               | Poland     | Slovakia   | Total      |
|-----------------------------------|------------|------------|------------|
| less than 10 employees (micro)    | 74         | 84         | 158        |
| from 10 to 49 employees (small)   | 58         | 27         | 85         |
| from 50 to 249 employees (medium) | 18         | 12         | 30         |
| <b>Total</b>                      | <b>150</b> | <b>123</b> | <b>273</b> |

*Source: own research*

In this paper, we set out six scientific hypotheses:

H1: There are not significant differences in the case of responsibility for risk management between Slovak and Polish SMEs.

H2: There are not significant differences in the case of responsibility for risk management

according size category of respondents in case of Slovak and Polish SMEs.

H3: There are not significant differences in the case of responsibility for risk management according economic branch to which respondents belonged in case of Slovak and Polish SMEs.

H4: There are not significant differences in ways of risk perception between Slovak and Polish SMEs.

H5: There are not significant differences in ways of risk perception according size category of Slovak and Polish SMEs.

H6: There are not significant differences in ways of risk perception according economic branch to which respondents belonged in case of Slovak and Polish SMEs.

We verified the statistical significant differences by using the Chi-square test at significance level of 5%. If the calculated p - value was lower than 5% we reject the hypothesis about nonexistence of statistical significant differences and adopted the alternative one. The

calculations were realized in statistical program STATISTICA.

### Findings and Discussion

The results related to responsibility of risk management are presented in table 3. The results of our research showed that responsibility of risk management between Slovak and Polish SMEs is concentrated at the level of owners or managing directors. The result of p-value, calculated for Chi-square test, between the respondents from Slovakia and Poland showed, that the hypothesis H1 was confirmed. We can conclude that there is not the statistical relationship between categorical variables.

*Table 3. The responsibility for risk management between Slovak and Polish SMEs according categories of respondents (%)*

| Categories                   | Slovakia | Poland | Total  |
|------------------------------|----------|--------|--------|
| 1. owner / managing director | 81.30    | 86.67  | 84.25  |
| 2. risk manager              | 8.94     | 2.00   | 5.13   |
| 3. board members             | 2.44     | 5.33   | 4.03   |
| 4. supervisory board members | 2.44     | 0.67   | 1.47   |
| 5. external staff            | 4.07     | 0.67   | 2.20   |
| 6. nobody                    | 0.00     | 3.33   | 1.83   |
| 7. others                    | 0.81     | 1.33   | 1.10   |
| <b>Total</b>                 | 100.00   | 100.00 | 100.00 |
| <b>Chi-Sq. p = 0.188</b>     |          |        |        |

*Source: own research*

The assessment of hypothesis H2, individually for Slovak as well as Polish SMEs presents table 4. The results of Chi-square statistic in Slovakia as well as in Poland did not confirm hypothesis H2. The calculated p-values were less than 0.05. We can conclude that in this case, there is an association between enterprise size by number

of employees and categories of respondents due to the responsibility for risk management. Questionnaire results presented in the respect to enterprise size measured by number of employees also showed that, there is an increase the responsibility of owners (managing directors) with decreasing numbers of employees.

*Table 4. Responsibility for risk management versus enterprise size by number of employees (%)*

| Category*                 | Slovakia       |              |             | Poland         |              |              |
|---------------------------|----------------|--------------|-------------|----------------|--------------|--------------|
|                           | micro          | small        | medium      | micro          | small        | medium       |
| 1.                        | 63.41          | 13.82        | 4.07        | 46.00          | 32.00        | 8.67         |
| 2.                        | 2.44           | 3.25         | 3.25        | 0.00           | 1.33         | 0.67         |
| 3.                        | 0.00           | 1.63         | 0.81        | 0.67           | 3.33         | 1.33         |
| 4.                        | 0.81           | 0.81         | 0.81        | 0.00           | 0.67         | 0.00         |
| 5.                        | 1.63           | 1.63         | 0.81        | 0.00           | 0.00         | 0.67         |
| 6.                        | 0.00           | 0.00         | 0.00        | 2.67           | 0.67         | 0.00         |
| 7.                        | 0.00           | 0.81         | 0.00        | 0.00           | 0.67         | 0.67         |
| <b>Total</b>              | <b>68.29</b>   | <b>21.95</b> | <b>9.76</b> | <b>49.33</b>   | <b>38.67</b> | <b>12.00</b> |
| <b>Results of Chi-Sq.</b> | <b>p=0.001</b> |              |             | <b>p=0.028</b> |              |              |

\* 1. owner / managing director, 2. risk manager, 3. board members, 4. supervisory board members, 5. external staff, 6. nobody, 7. others

Source: own research

If we compare the responsibility for risk management in dependence of economic branch in which SMEs carry out their activity, we can see similar situation than was in previous cases. For Slovakia the H3 was adopted. There is not

significant difference among respondents according economic branch in case or responsibility for risk management. The results of p-value is higher than confidence level  $p=0.05$ . (Table 5)

*Table 5. Responsibility for risk management versus economic branch - Slovakia (%)*

| Economic Branch             | Responsibility for risk management* |             |             |             |             |             |               |               |
|-----------------------------|-------------------------------------|-------------|-------------|-------------|-------------|-------------|---------------|---------------|
|                             | 1.                                  | 2.          | 3.          | 4.          | 5.          | 6.          | 7.            | Total         |
| agriculture                 | 5.69                                | 0.81        | 0.81        | 1.63        | 0.00        | 0.00        | 8.94          | <b>8.94</b>   |
| industry                    | 8.13                                | 1.63        | 0.00        | 0.00        | 0.81        | 0.00        | 10.57         | <b>10.57</b>  |
| construction                | 23.58                               | 2.44        | 0.81        | 0.00        | 0.00        | 0.00        | 26.83         | <b>26.83</b>  |
| transportation              | 9.76                                | 0.81        | 0.00        | 0.00        | 0.00        | 0.81        | 11.38         | <b>11.38</b>  |
| tourism                     | 2.44                                | 1.63        | 0.00        | 0.00        | 0.81        | 0.00        | 4.88          | <b>4.88</b>   |
| trade and food services     | 18.70                               | 1.63        | 0.00        | 0.81        | 2.44        | 0.00        | 23.58         | <b>23.58</b>  |
| others                      | 13.01                               | 0.00        | 0.81        | 0.00        | 0.00        | 0.00        | 13.82         | <b>13.82</b>  |
| <b>Total</b>                | <b>81.30</b>                        | <b>8.94</b> | <b>2.44</b> | <b>2.44</b> | <b>4.07</b> | <b>0.81</b> | <b>100.00</b> | <b>100.00</b> |
| <b>Results of Chi – sq.</b> | <b>p=0.069</b>                      |             |             |             |             |             |               |               |

\* 1. owner / managing director, 2. risk manager, 3. board members, 4. supervisory board members, 5. external staff, 6. nobody, 7. others

Source: own research

In Poland risk management is focused in the person of the owner even stronger than in Slovakia. However, some exceptions are visible according to SMEs from industry, and trade and food service branch, where in about 6% entities risk

management is run by members of the board. The results of Chi square test for Polish case was also higher than confidence level and that is why the H3 is also adopted (table 6).

*Table 6. Responsibility for risk management versus economic branch - Poland (%)*

| Economic Branch             | Responsibility for risk management* |             |             |             |             |             |             |               |
|-----------------------------|-------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------|
|                             | 1.                                  | 2.          | 3.          | 4.          | 5.          | 6.          | 7.          | Total         |
| agriculture                 | 2.67                                | 0.00        | 0.00        | 0.00        | 0.00        | 0.00        | 0.00        | 2.67          |
| industry                    | 21.33                               | 0.67        | 1.33        | 0.67        | 0.00        | 0.00        | 0.67        | 24.67         |
| construction                | 11.33                               | 0.00        | 0.67        | 0.00        | 0.00        | 0.67        | 0.00        | 12.67         |
| transportation              | 5.33                                | 0.67        | 0.00        | 0.00        | 0.00        | 1.33        | 0.00        | 7.33          |
| tourism                     | 1.33                                | 0.00        | 0.00        | 0.00        | 0.00        | 0.00        | 0.00        | 1.33          |
| trade and food services     | 34.00                               | 0.67        | 2.67        | 0.00        | 0.67        | 1.33        | 0.67        | 40.00         |
| others                      | 10.67                               | 0.00        | 0.67        | 0.00        | 0.00        | 0.00        | 0.00        | 11.33         |
| <b>Total</b>                | <b>86.67</b>                        | <b>2.00</b> | <b>5.33</b> | <b>0.67</b> | <b>0.67</b> | <b>3.33</b> | <b>1.33</b> | <b>100.00</b> |
| <b>Results of Chi – sq.</b> | <b>p=0.981</b>                      |             |             |             |             |             |             |               |

\* 1. owner / managing director, 2. risk manager, 3. board members, 4. supervisory board members, 5. external staff, 6. nobody, 7. others

Source: own research

Hypothesis H4 was related to risk perception in Slovak and Polish SMEs (table 7). To assess risk perception, the question how the business entity perceive the risk, which could have impact on activities of its business was used. Respondents were asked to rate the level of risk perception in a 3 point scale: I perceive the risk, I

perceive the risk partially and I'm not perceiving the risk. Results of Chi-Square statistic for H4 showed that between answers of respondents from Poland and Slovakia due to the level of risk's perception there is not statistical dependence. We confirmed H4.

*Table 7. The level of respondents' risk perception*

| The risk perception                | Poland     | Slovakia   | Total      |
|------------------------------------|------------|------------|------------|
| Perceive                           | 91         | 91         | 182        |
| Perceive partial                   | 51         | 29         | 80         |
| Without risk's perception          | 8          | 3          | 11         |
| <b>Total</b>                       | <b>150</b> | <b>123</b> | <b>273</b> |
| <b>Result of Chi-Sq. p = 0.336</b> |            |            |            |

Source: own research

The hypothesis H5 was focused on assessment of the level of risk perception according size category individually in both countries. The calculated p-values for both countries is higher

than 0.05. It means that between category of SMEs due to the number of employees and level of risk's perception is not dependence. We confirmed the H4.

*Table 8. The level of respondents' risk perception according sized category (%)*

| Category |              | Perceive     | Perceive partial | Without perception | Total         | Results of Chi-Sq. |
|----------|--------------|--------------|------------------|--------------------|---------------|--------------------|
| Slovakia | micro        | 47.97        | 17.89            | 2.44               | <b>68.29</b>  | <b>p=0.613</b>     |
|          | small        | 17.89        | 4.07             | 0.00               | <b>21.95</b>  |                    |
|          | medium       | 8.13         | 1.63             | 0.00               | <b>9.76</b>   |                    |
|          | <b>Total</b> | <b>73.98</b> | <b>23.58</b>     | <b>2.44</b>        | <b>100</b>    |                    |
| Poland   | micro        | 30.00        | 18.00            | 1.33               | <b>49.33</b>  | <b>p=0.580</b>     |
|          | small        | 24.00        | 11.33            | 3.33               | <b>38.67</b>  |                    |
|          | medium       | 6.67         | 4.67             | 0.67               | <b>12.00</b>  |                    |
|          | <b>Total</b> | <b>60.67</b> | <b>34.00</b>     | <b>5.33</b>        | <b>100.00</b> |                    |

Source: own research

There are the data and results of scientific hypothesis H6 testing in table 9 and table 10. The SMEs in Slovakia as well as in Poland perceive risks. The results of Chi-square for Slovakia

showed that H6 was confirmed. There are not significant differences in ways of risk perception according economic branch to which respondents belonged

*Table 9. The level of respondents' risk perception according economic branch - Slovakia (%)*

| Risk perception           | Economic branch* |              |              |              |             |              |              |               |
|---------------------------|------------------|--------------|--------------|--------------|-------------|--------------|--------------|---------------|
|                           | A                | I            | C            | T            | TO          | TFS          | others       | Total         |
| Perceive                  | 8.94             | 7.32         | 18.70        | 8.94         | 2.44        | 17.89        | 9.76         | <b>73.98</b>  |
| Perceive partial          | 0.00             | 3.25         | 6.50         | 1.63         | 2.44        | 5.69         | 4.07         | <b>23.58</b>  |
| Without risk's perception | 0.00             | 0.00         | 1.63         | 0.81         | 0.00        | 0.00         | 0.00         | <b>2.44</b>   |
| <b>Total</b>              | <b>8.94</b>      | <b>10.57</b> | <b>26.83</b> | <b>11.38</b> | <b>4.88</b> | <b>23.58</b> | <b>13.82</b> | <b>100.00</b> |
| <b>Chi – sq.</b>          | <b>p=0.446</b>   |              |              |              |             |              |              |               |

\* A agriculture, I industry, C construction, T transportation, TO tourism, TFS trade and food services

Source: own research

In case of Poland, the H6: There are not significant differences in ways of risk perception

according economic branch to which respondents belonged was not confirmed (table 10).

*Table 10. The level of respondents' risk perception according economic branch - Poland (%)*

| Risk perception           | Economic branch* |              |              |             |             |              |              |               |
|---------------------------|------------------|--------------|--------------|-------------|-------------|--------------|--------------|---------------|
|                           | A                | I            | C            | T           | TO          | TFS          | others       | Total         |
| Perceive                  | 1.33             | 17.33        | 10.67        | 3.33        | 0.67        | 20.67        | 6.67         | <b>60.67</b>  |
| Perceive partial          | 1.33             | 6.00         | 2.00         | 2.67        | 0.00        | 17.33        | 4.67         | <b>34.00</b>  |
| Without risk's perception | 0.00             | 1.33         | 0.00         | 1.33        | 0.67        | 2.00         | 0.00         | <b>5.33</b>   |
| <b>Total</b>              | <b>2.67</b>      | <b>24.67</b> | <b>12.67</b> | <b>7.33</b> | <b>1.33</b> | <b>40.00</b> | <b>11.33</b> | <b>100.00</b> |
| <b>Chi – sq.</b>          | <b>p=0.034</b>   |              |              |             |             |              |              |               |

\* A agriculture, I industry, C construction, T transportation, TO tourism, TFS trade and food services

Source: own research



## Conclusion

Risk management is the part of managerial activities and it is the philosophy of how to improve competitiveness of an enterprise via application in its business culture. As the risk can not be permanently eliminated from the business activity, enterprises should implement risk management to identify, manage and respond to threats in the most efficient way (Korombel, 2012). The main objective of enterprise risk management is to increase value to owners via managing risk within an enterprise. SMEs need the implementation of a risk management strategy even more than large enterprises, because they have the limited resources to respond to threats from internal and external environment. The results of scientific research showed, that Slovak as well as Polish small and medium-sized entrepreneurs recognize risk in their realized activities. The responsibility of risk management is carried mainly by owners of enterprise. Only in few cases (in Poland by 3 and in Slovak by 11),

the responsibility of risk management is carried by risk managers. Entrepreneurs of both countries perceive the risks, but the principles of risk management are transferred into intuitive approach to risk management.

The novelty of the paper is visible by exploring and comparing the risk preception and responsibility for risk management in two populations of enterprises from different countries. After the analysis, it was clearly verified that the research results vary, sometimes significantly, from country to country. This study contributes to the management knowledge and could be the basis for preparing the recommendation for risk management improvements in SMEs in the future.

This article manifests some limitations. The strongest limitation of present research is the unrepresentative research sample, so the challenge for next research could be the realization of the fully representative research in the area of the risk preception and responsibility for risk management in SMEs.

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