



Risk Management Assessment and Success Rates of Small and Medium Enterprises

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Abstract— Managing SMEs' risk had become crucial considering the role they play in the economy. Some risk-taking was inevitable in an organization to achieve its objectives. These organizations that were more risk aware appreciated that actively managing not only potential problems but also potential opportunities and provide them with a competitive advantage. Taking and managing risk was the very essence of business survival and growth. SMEs were becoming increasingly aware of the importance of risk and its management, but it still remained a challenge for them. The primary purpose of this research is to assess the level of internal and external risk management and success rates in terms of type of employment, risk perceives, sources of funds, marketing styles and key success factors. The instrument used in the collection of the data was questionnaire which includes ninety (90) SMEs. Data collected was analyzed using descriptive statistics. The results showed that there is “no significant effect of the profile, financial and operational concerns and risk management assessment to the success rate of the small and medium enterprise” at 0.05 level of significance. The null hypothesis stating that “There is no significant effect of the profile, financial and operational concerns and risk management assessment to the success rate of the small and medium enterprise” is accepted, it can infered that there is “no significant” effect between them. Is it recommended that SMEs to consider other determinants like customer loyalty, marketing strategies and sales performance for future growth and keep abreast of latest development.

Keywords— small and medium enterprise, risk management, success rate, internal risk, external risk.

I. INTRODUCTION

The significance of entrepreneurship in the growth of the economy in the Philippines represent a very important economic sector in developing countries. The Small Medium Enterprises (SME) account for a large share of the total number of firms and employment. Now a day, companies must operate in unpredictable environments where the major resources are rare and where great uncertainty in commercial opportunities exists. In such instances, proper optimization of interior resources is essential for each company which wants to uphold a competitive advantage. This has to be supplemented by the constant improvement of core routines and processes. To realize this aim, knowledge supervision and skills improvement processes can show a major role. This is for the reason that SME frequently lack corporate meaning with which to accomplish these processes straight, and more regularly in favor of learning by undertaking process according to Grimaldi et. al. (2012).

In the Philippines, roughly 99.5 per cent of firms are classified as micro, small, or medium and together they contribute around two-thirds of employment and 35 per cent of Gross Value Added (GVA). SME are considered as the backbone of national economies growth; the new job generator; the biggest potential of self-employment; companies greatly influencing regional, local and national development as prevention tool of the movement people from certain passive geographical areas and as companies which obtained international character due to their business in the wider market. SMEs were constrained by limited access to finance, limited education and lacking skills in production, the challenging regulatory environment, and lack of marketing. These constraints all carried certain risks that affected the company's growth performance and sustainability. The capability and capacity for potential to grow and extend the business or will deepen the production process through restructuring, innovation and enhanced owner and staff qualification. The purpose of this research is to assess the risk management practices and success rates of Small and Medium Enterprises and significant effect to the success rates of the small and medium enterprises.

II. METHODOLOGY

The study is descriptive cross sectional in nature since the data is based on the number of SMEs. Self-constructed questionnaire will be used according to the objectives of the study. Quantitative data by use of questionnaire applying percentage, frequency, percentage, mean, standard deviation and regression analysis. The target respondents of the study are the owners of Small and Medium Enterprises in 4th District of Laguna. Weighted mean and standard deviation used to determine profile of the respondents; status of the financial and operational strategies, level of the risk management assessment and the extent of the success rates of the small and medium enterprises

Regression analysis was used to determine if there is a significant effect on respondent's profile, hazard financial operational strategies and risk management assessment on the success rates of the small and medium enterprises.

III. RESULTS AND DISCUSSION

Table 1: Level of the risk management assessment relative to Internal Risk as to Management

Statement	Mean	SD	Remarks
Management turnover or reorganization	3.64	0.66	Strongly Agree
Difficulty meeting matching requirements	3.37	0.84	Strongly Agree
Management fully consider risks in determining the best course of action	3.66	0.60	Strongly Agree
Reviewing the process management system	3.23	0.58	Agree
Implementation of early warning systems	3.63	0.68	Strongly Agree
Overall Mean = 3.51	Standard Deviation = 0.698		Verbal Interpretation = Very High

Based on the respondents' perceptions, the level of the risk management assessment relative to Internal Risk as to Management was generally very high. Management fully considers risks in determining the best course of action (M=3.66, SD=0.60) and management turnover or reorganization (M=3.64, SD=0.66). The respondents are reviewing the process management system (M=3.23, SD=0.58); this item got the lowest rating. All item indicators got a verbal interpretation of high to very high, as disclosed by the overall mean of 3.51 and supported with standard deviation of 0.698.

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This means that the respondents were able to have a process in planning, decision making, leading, motivation and controlling the human resources of an organization to reach its goals efficiently and effectively.

According to Daft (2021), management is characterized as the fulfillment of organizational goals in an effective and viable way through arranging, organizing, driving, and controlling organizational resources. The year 2020 displayed one of a kind and far-reaching challenges to managers in organizations of all sorts and sizes. The impacts of Covid-19 widespread put a few companies out of commerce for great and constrained managers in all organizations to adjust to other ways of working.

Table 2: Level of the risk management assessment relative to Internal Risk as to Personnel

Statement	Mean	SD	Remarks
Employees absenteeism	3.61	0.60	Strongly Agree
Non-working experience of staff to handle the operations	3.37	0.83	Strongly Agree
High staff turnover	3.70	0.53	Strongly Agree
Changes in key personnel	3.27	0.49	Strongly Agree
Personnel have lawsuit filed against them	3.78	0.56	Strongly Agree
Overall Mean = 3.54	Standard Deviation = 0.650	Verbal Interpretation = Very High	

The respondents observed that the Internal Risk showed a very high level of risk management assessment with regards to personnel having lawsuit filed against them (M=3.78, SD=0.56). And the respondent is high staff turnover (M=3.70, SD=0.53). The respondents are able to change in key personnel (M=3.27, SD=0.49); this item got the lowest rating.

The level of the risk management assessment relative to Internal Risk as to Personnel was generally very high, as evidenced by the overall mean of 3.54 and supported with standard deviation of 0.650. This means that the respondents are employed in an organization or engaged in an organized undertaking.

As mentioned by Prończuk (2018), small-and medium-sized companies do not require any sophisticated and highly complicated methods in order to mitigate their personnel risk. However, they need to find methods of assessing risk that are relevant for their current situation in order to manage one of the most important functions of the company. Personnel management is vital for the success of each company, but it is especially challenging for small and medium-sized companies, with recently developed structures, progressions, work obligations. The majority of well-established, international companies has as of now created profoundly successful staffing systems, however littler, rapidly developing start-ups are still enduring from a different run of HR-related issues. Common issues are being understaffed, workers being overworked, and ventures being not conveyed on time due to issue related to planning, organizing, and controlling included workers.

Table 3: Level of the risk management assessment relative to Internal Risk as to Company Structure

Statement	Mean	SD	Remarks
The risk that come from changing company policies	3.66	0.58	Strongly Agree
The risk of the complexity of company structure	3.49	0.78	Strongly Agree
Maintaining a security program	3.78	0.47	Strongly Agree
Development of a corporate risk profile	3.34	0.48	Strongly Agree
Improve methods of risk management	3.82	0.49	Strongly Agree
Overall Mean = 3.62	Standard Deviation = 0.597	Verbal Interpretation = Very High	

The respondents showed a very high level of risk management assessment with regard to Company Structure. They did this by improving methods of risk management (M=3.82, SD=0.49) and by maintaining a security program (M=3.78, SD=0.47). Although verbally interpreted as very high, the item with the lowest rating pertains to development of a corporate risk profile (M=3.34, SD=0.48).

The level of the risk management assessment relative to Internal Risk as to Company Structure was generally very high, as evidenced by the overall mean of 3.62 and supported with standard deviation of 0.597. This means that the system outlining of the activities are organized and directed to achieve goals.

According to Daft & Marcic (2016), having people work in close proximity to one another does increase collaboration. However, changing the physical environment isn't enough. To build relational coordination into the fabric of the organization, managers invest in training people in the skills needed to interact with one another and resolve cross-departmental conflicts based on shared goals rather than emphasizing goals of their separate departments. People are given freedom from strict work rules so that they have the

flexibility to interact the organization attempts to develop innovative products unique to the market. With a cost leadership strategy, the organization strives for internal efficiency.

Table 4: Level of the risk management assessment relative to Internal Risk as to Purchasing

Statement	Mean	SD	Remarks
The risk of having financial obstacle	3.40	0.80	Strongly Agree
The risk of having a written accounting and financial reporting policy	3.29	0.90	Strongly Agree
The risk of having a written procurement procedures	3.59	0.60	Strongly Agree
Regularly monitoring of budgeted versus actual expenditures	3.20	0.40	Agree
Accounting system track receipts and disbursements	3.64	0.74	Strongly Agree
Overall Mean = 3.42 Standard Deviation = 0.728 Verbal Interpretation = Very High			

The respondents have a very high in accounting system track receipts and disbursements (M=3.64, SD=0.74) and the risk of having a written procurement procedure (M=3.59, SD=0.60). Through the risk of having financial obstacle (M=3.40, SD=0.80), the respondents became very highly aware of the internal risk being used. The item indicator with the lowest rating covered having regularly monitoring of budgeted versus actual expenditures (M=3.20, SD=0.40).

Generally, the purchasing was very highly observed by the respondents as indicated by the overall mean of 3.42 and supported with standard deviation of 0.728. This means that the process of a business or organization uses to acquire goods or services to accomplish its goals, although there are several organizations that attempt to set standards in the process, processes can vary greatly between organizations.

Building strong supplier relationships by obtaining very small quantities as a favour, well short of the minimum order and saving us a great deal of waste or stock. This gives an indication that some aspects of the buyer supplier relationship that are usually associated with large powerful buyers can be achieved by SMEs as well according to Douglas, et. al (2012).

Table 5: Level of the risk management assessment relative to Internal Risk as to Production

Statement	Mean	SD	Remarks
The risk of having effective business operating procedures	3.44	0.74	Strongly Agree
The risk of having a corrective / emergency plan	3.40	0.87	Strongly Agree
The risk of lower quantity or quality of output	3.67	0.56	Strongly Agree
Ensuring that the production process remains in normal operation	3.33	0.47	Strongly Agree

The risk of having new program or services	3.77	0.69	Strongly Agree
Overall Mean = 3.52	Standard Deviation = 0.697	Verbal Interpretation = Very High	

The Internal Risk as to Production was done at a very high extent in the SME's. The risk of having new program or services (M=3.77, SD=0.69) and the risk of lower quantity or quality of output (M=3.67, SD=0.56). However, ensuring that the production process remains in "normal" mood (M=3.33, SD=0.47). This item indicator got the lowest rating but still garnered a verbal interpretation of very high. The respondents were exposed to the thing happenings in the workplace.

Generally, the respondents were very highly empowered in maintaining level of the risk management assessment relative to Internal Risk as to Production as evidenced by the overall mean of 3.52 and supported with standard deviation of 0.697. The respondents know that the process of combining various material inputs and immaterial inputs in order to make something for consumption and the act of creating an output which has value and contributes to the utility of individuals.

According to the study of Singh and Singh (2017), sustainable production is one of the challenges that 21st century is facing because of the environmental problems such as climate change, increasing population, and natural resources degradation.

Table 6: Level of the risk management assessment relative to External Risk as to Technology

Statement	Mean	SD	Remarks
Vulnerability to identify theft	3.48	0.77	Strongly Agree
Loss of important files	3.51	0.78	Strongly Agree
Lack of knowledge and learning about technology.	3.59	0.60	Strongly Agree
Adaptability to technology.	3.22	0.42	Agree
Defenselessness in privacy and security.	3.72	0.58	Strongly Agree
Overall Mean = 3.50	Standard Deviation = 0.662	Verbal Interpretation = Very High	

Based on the respondents' perceptions, the level of the risk management assessment relative to External Risk as to Technology was generally very high. The respondents were defenselessness in privacy and security (M=3.72, SD=0.58) and lack of knowledge and learning about technology (M=3.59, SD=0.60). The respondents' adaptability to technology (M=3.22, SD=0.42); this item got the lowest rating. All item indicators got a verbal interpretation of high to very high, as disclosed by the overall mean of 3.50 and supported with standard deviation of 0.662.

This means that the respondents were able to have different techniques, skills, methods and processes used in the production of goods and services.

As mentioned to the study of Bernard (2017), technology is providing a way for learning models to become increasingly personalized. Technology can not only help an owner better manage their SME but also drive

areas of growth and product development. Knowing what's working well and perhaps not so well in their business is an excellent head start on what's needed to improve the likelihood of future success. Variations and particular preferences of different customers are insights that can help an SME owner better manage their business.

Table 7: Level of the risk management assessment relative to External Risk as to Government Regulations

Statement	Mean	SD	Remarks
Poor allocation and resources and over regulations.	3.53	0.74	Strongly Agree
Regulations are time consuming and expensive.	3.56	0.72	Strongly Agree
Lack of understanding on the laws that Govern SMME'S.	3.69	0.57	Strongly Agree
Government policy in the country have a low rate in terms of market efficiency.	3.27	0.44	Strongly Agree
Rigid labor laws are conducive to business growth.	3.71	0.55	Strongly Agree
Overall Mean = 3.55 Standard Deviation = 0.632 Verbal Interpretation = Very High			

The respondents observed that the External Risk showed a very high level of risk management assessment with regards to a rigid labor laws are conducive to business growth (M=3.71, SD=0.55). And the respondent is lack of understanding on the laws that Govern SMME'S (M=3.69, SD=0.57). The government policy in the country has a low rate in terms of market efficiency (M=3.27, SD=0.54); this item got the lowest rating.

The level of the risk management assessment relative to External Risk as to Government Regulations was generally very high, as evidenced by the overall mean of 3.55 and supported with standard deviation of 0.632. This means that they can protect consumers and help businesses thrive at the same time, but they can also reduce efficiency and limit.

Research studies have also shown that firms can improve their production capacity and can also perform well if the government policies remain stable because frequent change in tax policies, government policies, improper inspection methods of government regarding final product of SME's. Regulatory issues have made the entrepreneur unhappy regarding their own industries this had affected the SME development. Even though government has provided good policies for SME's development but due to unstable government and frequent changes in the taxation has hampered SME's growth as specified in the study of Raravi (2014).

Table 8: Level of the risk management assessment relative to External Risk as to Competition

Statement	Mean	SD	Remarks
A change in market trends.	3.56	0.72	Strongly Agree
Engaging in an emerging new management.	3.56	0.77	Strongly Agree



Dynamic organizational techniques.	3.74	0.53	Strongly Agree
Resilience to refocus some of the strategies and technologies.	3.34	0.48	Strongly Agree
Handling of competitors	3.72	0.64	Strongly Agree
Overall Mean = 3.58 Standard Deviation = 0.649 Verbal Interpretation = Very High			

The respondents showed a very high level of risk management assessment with regard to Competition. They did this in dynamic organizational techniques (M=3.74, SD=0.53) and by handling of competitors (M=3.72, SD=0.64). Although verbally interpreted as very high, the item with the lowest rating pertains to resilience to refocus some of the strategies and technologies (M=3.34, SD=0.48).

The level of the risk management assessment relative to External Risk as to Competition was generally very high, as evidenced by the overall mean of 3.58 and supported with standard deviation of 0.648. This means that the rivalry is striving for a common goal which cannot be shared where one's gain is the other's loss and can arise between entities such as economics and social groups.

The role of competition in the context of the most natural and distinct sign of market orientation and implemented enterprise activities on the part of managers, contractors and owners of companies is often stressed as part of the concerned issue. As illustrated in the research of Piatkowski (2012), since routine actions, faith in the repeatability of market phenomena or the loyalty of consumers are not accepted in competitive activities of enterprises, the owners and managers are expected to act in an entrepreneurship-like manner to achieve a competitive position. The cooperation between business entities affects the proper growth in the whole branch and particular sectors of the economy.

Table 9: Level of the risk management assessment relative to External Risk as to Culture

Statement	Mean	SD	Remarks
Failing to adapt your business model to the local market.	3.57	0.70	Strongly Agree
Failing to recognize regional differences in cultures.	3.57	0.74	Strongly Agree
Failing to adapt your management practices across different cultures.	3.73	0.54	Strongly Agree
Misunderstanding of local legal and ethical issues.	3.36	0.48	Strongly Agree
Mishandling employee diversity.	3.74	0.57	Strongly Agree
Overall Mean = 3.59 Standard Deviation = 0.627 Verbal Interpretation = Very High			

The respondents have a very high in mishandling employee diversity (M=3.74, SD=0.57) and failing to adapt your management practices across different cultures (M=3.73, SD=0.54). Through failing to adapt your business model to the local market and failing to recognize regional differences in cultures (M=3.57, SD=0.70, 0.74), the respondents became very highly aware of the external risk being used. The item



indicator with the lowest rating covered having misunderstanding of local legal and ethical issues (M=3.36, SD=0.48).

Generally, the Culture was very highly observed by the respondents as indicated by the overall mean of 3.59 and supported with standard deviation of 0.627. This means that the way of life of people, the behaviors, beliefs, values and symbols that they accept generally without thinking about them and that are passed along by communication and imitation from one generation to the next.

When a business opportunity presents itself in another country, you need to be ready. Part of that preparedness is knowing and understanding cultural differences. Organizational cultures had a significant impact on every aspect of their working lives and this specifically coaching and mentoring according to Peel (2012).

According to Badawi (2018) the role of innovation can mediate the influence of cultural adaptability which consists of creating dimensions of change and customer focus on business performance. But cultural adaptability to the dimensions of organizational learning cannot create innovation and improve business performance. Furthermore, the role of innovation does not mediate the influence of cultural adaptability on the dimensions of organizational learning on business performance.

Table 10: Level of the risk management assessment relative to External Risk as to Disasters

Statement	Mean	SD	Remarks
Occurrence of natural phenomena.	3.48	0.74	Strongly Agree
Lack of knowledge on process on how to prevent theft and fraud.	3.43	0.81	Strongly Agree
Natural disaster such as floods, storms, bushfires and drought.	3.54	0.62	Strongly Agree
Durability of infrastructure.	3.13	0.34	Agree
Threat posed by a pandemic such as covid, human influenza, swine or bird flu	3.79	0.49	Strongly Agree
Overall Mean = 3.48 Standard Deviation = 0.654 Verbal Interpretation = Very High			

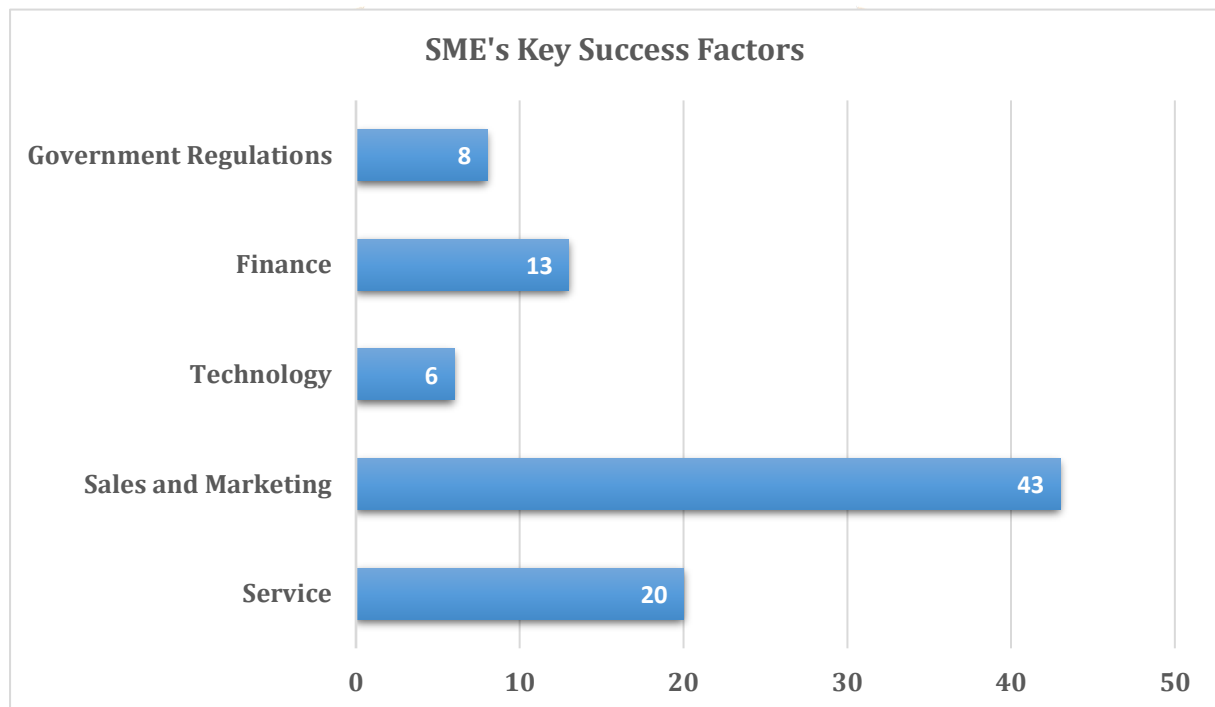
The External Risk as to Disasters was done at a very high extent in the SME's. The threat posed by a pandemic such as COVID, human influenza, swine or bird flu (M=3.79, SD=0.49) and natural disaster such as floods, storms, bushfires and drought (M=3.54, SD=0.62). However, durability of infrastructure (M=3.13, SD=0.34). This item indicator got the lowest rating and garnered a verbal interpretation of high. The respondents were exposed to the thing happenings in the workplace.

Generally, the respondents were very highly empowered in maintaining level of the risk management assessment relative to External Risk as to Disaster as evidenced by the overall mean of 3.48 and supported with standard deviation of 0.654. The respondents know that there is serious problem occurring over a

short long period of time that causes widespread human, material, economic or environmental loss which exceeds the ability of the affected community or society to cope using its own resources.

SME should aware that disaster is part of business risk. This awareness should be followed by a development of business procedure that considered disaster as a constraint in their business. There should be formal institution initiated by SME that arrange and maintain risk sharing for disaster. According to Isa et al., (2017) the impact of disaster to SME business consists of production tool and machinery loss, plant damage, loss of capital access and product damage. Those impacts are crucial in the sustainability of SME business. Based on SME's previous experience when disaster risk appeared in a form of those damage then they found it hard to recover their business. SME that experienced disasters and their business has interrupted usually rely on government assistance to retrieve their business.

Figure 1: Extent of the success rates of the small and medium enterprises as to Key Success Factors



Graph shows that the factor "Sales and Marketing" has the highest frequency of forty-three (43) or 47.78% of the total respondent. And there are twenty (20) or 22.22% of the respondent are in "Service". While the factor "Technology" has the lowest frequency of six (6) or 6.67% of the total respondent

This means that the extent of the success rates of the small and medium enterprises as to Key Success Factors are majority in Sales and Marketing during the time of the study.

SME's must continually adopt pricing strategy as this will have a positive impact on sales performance according to Kasiso (2017). Careful planning is essential to minimize the risk of costly mistakes and continually embrace promotion strategies.

Table 11: Significant effect of the profile to the success rate of the small and medium enterprise

Years in the Service	Beta	t-value	p-value	Analysis
Type of Employment	-0.202	-4.669	0.0000	Significant
Risk Perceives	0.1055	0.6809	0.4978	Not Significant
Sources of Funds	0.0894	0.8869	0.3777	Not Significant
Marketing Style	0.0906	0.848	0.3989	Not Significant
Key Success Factors	-0.202	-4.669	0.0000	Significant
Registration Status				
Type of Employment	0.0067	0.2602	0.7953	Not Significant
Risk Perceives	-0.035	-0.385	0.7011	Not Significant
Sources of Funds	0.2283	3.8369	0.0002	Significant
Marketing Style	0.0661	1.048	0.2976	Not Significant
Key Success Factors	0.0067	0.2602	0.7953	Not Significant
Type of Company				
Type of Employment	-0.459	-2.902	0.0047	Significant
Risk Perceives	-0.065	-1.819	0.0724	Not Significant
Sources of Funds	0.383	3.0109	0.0034	Significant
Marketing Style	0.5415	6.5447	0.0000	Significant
Key Success Factors	-0.099	-1.133	0.2606	Not Significant
Type of Industry				
Type of Employment	1.496	4.1249	0.0000	Significant
Risk Perceives	-0.612	-7.507	0.0000	Significant
Sources of Funds	0.4229	1.4494	0.1509	Not Significant
Marketing Style	-0.4	-2.11	0.0378	Significant
Key Success Factors	-0.054	-0.27	0.7878	Not Significant
Number of Employees				
Type of Employment	-0.838	-3.497	0.0008	Significant
Risk Perceives	-0.092	-1.712	0.0905	Not Significant
Sources of Funds	0.917	4.755	0.0000	Significant
Marketing Style	0.6302	5.0243	0.0000	Significant
Key Success Factors	-0.186	-1.398	0.1658	Not Significant

Adjusted R-Square: 0.9424

F-value: 292.28

Sig.: 0.0000

Results revealed that the profile had an effect on the success rate of the small and medium enterprise. The beta coefficient indicates that for every standard deviation unit increase in Years in the Service, Registration Status, Type of Company, Type of Industry and Number of Employees, there is a corresponding



unit increase in the success rate of the small and medium enterprise's Type of Employment, Risk Perceives, Sources of Funds, Marketing Style and Key Success Factors. The t-value of Type of Employment, Sources of Funds, and Marketing Style is significant having a p-value of less than 0.05 level of significance.

The adjusted R-square indicates that 94.24% of the variation in the profile on the success rate of the small and medium enterprise is explained by their Type of Employment, Sources of Funds, and Marketing Style. The F-value of 292.28 is partially significant having a p-value of 0.0000. This means that the success rate of the small and medium enterprise was partially influenced by profile.

Based on the data, it is shown that there is "a partial significant effect of the profile to the success rate of the small and medium enterprise" at 0.05 level of significance. It shows that the null hypothesis stating that "There is no significant effect of the profile to the success rate of the small and medium enterprise" is partially rejected, it can have inferred that there is "a partial significant" effect between them.

Table 12: Significant effect of the financial and operational concerns to the success rate of the small and medium enterprise

Total Investment	Beta	t-value	p-value	Analysis
<i>Type of Employment</i>	-0.097	-0.413	0.6806	<i>Not Significant</i>
<i>Risk Perceives</i>	-0.169	-3.205	0.0019	Significant
<i>Sources of Funds</i>	-0.003	-0.016	0.9872	<i>Not Significant</i>
<i>Marketing Style</i>	-0.174	-1.42	0.1594	<i>Not Significant</i>
<i>Key Success Factors</i>	0.6019	4.6193	0.0000	Significant
Total Liabilities				
<i>Type of Employment</i>	1.2709	7.1979	0.0000	Significant
<i>Risk Perceives</i>	-0.416	-10.48	0.0000	Significant
<i>Sources of Funds</i>	-0.157	-1.107	0.2713	<i>Not Significant</i>
<i>Marketing Style</i>	-0.444	-4.808	0.0000	Significant
<i>Key Success Factors</i>	0.1	1.0208	0.3103	<i>Not Significant</i>
Operations				
<i>Type of Employment</i>	-1.451	-4.322	0.0000	Significant
<i>Risk Perceives</i>	0.6389	8.4627	0.0000	Significant
<i>Sources of Funds</i>	0.303	1.1219	0.2651	<i>Not Significant</i>
<i>Marketing Style</i>	-0.058	-0.329	0.7426	<i>Not Significant</i>
<i>Key Success Factors</i>	-0.568	-3.048	0.0031	Significant

Adjusted R-Square: 0.3317

F-value: 9.8333

Sig.: 0.0000

Results revealed that the *financial and operational concerns* had an effect on the success rate of the small and medium enterprise. The beta coefficient indicates that for every standard deviation unit increase in



Total Investments, Total Liabilities and Operations, there is a corresponding unit increase in the success rate of the small and medium enterprise's *Type of Employment, Risk Perceives, Sources of Funds, Marketing Style and Key Success Factors*. The t-value of *Type of Employment, Risk Perceives, and Key Success* is significant having a p-value of less than 0.05 level of significance.

The adjusted R-square indicates that 33.17% of the variation in the *financial and operational concerns* on the success rate of the small and medium enterprise is explained by their *Type of Employment, Sources of Funds, and Marketing Style*. The F-value of 9.8333 is significant having a p-value of 0.0000.

This means that the success rate of the small and medium enterprise was partially influenced by *financial and operational concerns*.

Based on the data, it is shown that there is "a partial significant effect of the financial and operational concerns to the success rate of the small and medium enterprise" at 0.05 level of significance. It shows that the null hypothesis stating that "*There is no significant effect of the financial and operational concerns to the success rate of the small and medium enterprise*" is partially rejected, it can have inferred that there is "a partial significant" effect between them.

Table 13: Significant effect of the risk management assessment to the success rate of the small and medium enterprise

Internal Risk	Beta	t-value	p-value	Analysis
Type of Employment	0.0268	0.2269	0.8211	Not Significant
Risk Perceives	-0.061	-2.304	0.0237	Significant
Sources of Funds	-0.009	-0.095	0.9243	Not Significant
Marketing Style	0.0169	0.2736	0.7851	Not Significant
Key Success Factors	-0.045	-0.682	0.4969	Not Significant
External Risk				
Type of Employment	0.2381	2.0556	0.0429	Significant
Risk Perceives	-0.033	-1.285	0.2024	Not Significant
Sources of Funds	-0.002	-0.016	0.9871	Not Significant
Marketing Style	-0.026	-0.434	0.6652	Not Significant
Key Success Factors	-0.072	-1.127	0.263	Not Significant

Adjusted R-Square: 0.1129

F-value: 3.2654

Sig.: 0.0096

Results revealed that the *risk management assessment* had an effect on the success rate of the small and medium enterprise. The beta coefficient indicates that for every standard deviation unit increase in *Internal Risk and External Risk*, there is a corresponding unit increase in the success rate of the small and medium enterprise's *Type of Employment, Risk Perceives, Sources of Funds, Marketing Style and Key Success Factors*.

The t-value of *Type of Employment, Risk Perceives, Sources of Funds, Marketing Style and Key Success Factors* are all not significant having a p-value of greater than 0.05 level of significance.

The adjusted R-square indicates that 11.29% of the variation in the *risk management assessment* on the success rate of the small and medium enterprise is not explained by their *Type of Employment, Risk Perceives, Sources of Funds, Marketing Style and Key Success Factors*. The F-value of 3.2654 is not significant having a p-value of 0.0096. This means that the success rate of the small and medium enterprise was not influenced by *risk management assessment*.

Based on the data, it is shown that there is “no significant effect of the risk management assessment to the success rate of the small and medium enterprise” at 0.05 level of significance. It shows that the null hypothesis stating that “*There is no significant effect of the risk management assessment to the success rate of the small and medium enterprise*” is accepted, it can have inferred that there is “no partial significant” effect between them.

Table 14: Significant effect of the profile, financial and operational concerns and risk management assessment to the success rate of the small and medium enterprise

Profile	Beta	t-value	p-value	Analysis
Type of Employment	0.2236	1.8066	0.0744	Not Significant
Risk Perceives	-0.193	-6.933	0.0000	Significant
Sources of Funds	0.3586	3.6016	0.0005	Significant
Marketing Style	0.2178	3.3627	0.0012	Significant
Key Success Factors	-0.037	-0.533	0.5957	Not Significant
Financial and Operational Concerns				
Type of Employment	-0.092	-0.684	0.4957	Not Significant
Risk Perceives	0.0179	0.5897	0.557	Not Significant
Sources of Funds	0.0476	0.4379	0.6626	Not Significant
Marketing Style	-0.226	-3.192	0.002	Significant
Key Success Factors	0.0447	0.597	0.5521	Not Significant
Risk Management Assessment				
Type of Employment	3.746	25.642	0.0000	Significant
Risk Perceives	0.1324	1.5527	0.1243	Not Significant
Sources of Funds	-0.047	-2.468	0.0156	Significant
Marketing Style	-0.005	-0.077	0.9388	Not Significant
Key Success Factors	-0.005	-0.105	0.9164	Not Significant

Adjusted R-Square: 0.9174

F-value: 198.72

Sig.: 0.0000



Results revealed that the *profile, financial and operational concerns and risk management assessment* had an effect on the success rate of the small and medium enterprise. The beta coefficient indicates that for every standard deviation unit increase in *profile, financial and operational concerns and risk management assessment*, there is a corresponding unit increase in the success rate of the small and medium enterprise's *Type of Employment, Risk Perceives, Sources of Funds, Marketing Style and Key Success Factors*. The t-value of *Sources of Funds* is significant having a p-value of less than 0.05 level of significance.

The adjusted R-square indicates that 91.74% of the variation in the *profile, financial and operational concerns and risk management assessment* on the success rate of the small and medium enterprise is explained by their *Type of Employment, Sources of Funds, and Marketing Style*. The F-value of 198.72 is significant having a p-value of 0.0000. This means that the success rate of the small and medium enterprise was not influenced by *profile, financial and operational concerns and risk management assessment*.

Based on the data, it is shown that there is "no significant effect of the profile, financial and operational concerns and risk management assessment to the success rate of the small and medium enterprise" at 0.05 level of significance. It shows that the null hypothesis stating that "*There is no significant effect of the profile, financial and operational concerns and risk management assessment to the success rate of the small and medium enterprise*" is accepted, it can be inferred that there is "no significant" effect between them.

IV. CONCLUSIONS AND RECOMMENDATIONS

Most of the SMEs operate for three (3) years and with registered business names. Their type of industry is retail and most are single proprietorship. Majority has less than ten (10) employees and with a total investment and liabilities of more than two hundred thousand (php 200,000.00). The SMEs main concern in terms of operations is their profitability. The level of risk management in both for internal and external is very high for the SMEs, they are aware of what these risks are and where they come from which help them better manage their business success and circumstances which can have negative impact on their operations and profitability. The success rate of the small and medium enterprise was not influenced by profile, financial and operational concerns and risk management assessment. Based on the study, the SMEs is continually embracing and managing the internal and external risk as these help them to provide a clear framework on how to manage their stability which contributes to the success of their business. It is recommended that other determinants may consider such as customer loyalty, marketing strategies and sales performance to continually unfold on how to increase their profitability, improve performance, cost, and quality of new products. As this may result to more successful development and delivery of their enterprise and service.

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