

**ENTERPRISE RISK MANAGEMENT (ERM) AND
ORGANIZATIONAL PERFORMANCE IN SMALL AND
MEDIUM SCALE ENTERPRISES SECTOR IN MONARAGALA
DISTRICT**



By

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ABSTRACT

This study investigates the enterprise risk management (ERM) and organizational performance in small and medium enterprises in Monaragala district. Main objective of the study is to evaluate the impact of enterprise risk management (ERM) on organizational performance in small and medium scale enterprises sector in Monaragala district. Data were collected from hundred (100) small and medium enterprises managers in Monaragala. A questionnaire was the main instrument of data collection and descriptive statistics was used for analysis. The study focuses through eight dimensions namely: internal environment, objective setting, event identification, risk assessment, risk response, control activities, information communication, monitoring. Structured questionnaire was used to collect the data and bivariate analysis (correlation and regression) were used. This study found that there is a strong positive relationship between enterprise risk management (ERM) and organizational performance and its dimensions: internal environment, event identification, risk assessment, risk response, information communication and monitoring have positively and significantly impact on organizational performance and also objective setting and control activities have no positively and significantly impact on organizational performance. The findings of this study are useful in further enlarging and enriching applications of these concepts in practice.

Key words: Enterprise Risk Management (ERM), Internal Environment, Objective Setting, Event Identification, Risk Assessment, Risk Response, Control Activities, Information Communication, Monitoring, Organizational Performance

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