

Abstract

Due to the rising volatility in the financial markets as well as political and operational risks affecting the business sector in general the field of risk management has certainly become more prominent in recent years. In addition to these developments a large number of national and international regulations and frameworks were published. The rules and standards should obligate as well as endorse companies to set up a risk management system. However, the legislator does not specify risk or risk management much further within the regulation. This leads to different risk management approaches and development stages of risk management systems. The implementation of the shortly formulated requirements can be managed individually by the company. Following the management has the difficult task of taking into account the changing requirements in the area of risk management.

The goal of this study is to investigate the current state of risk management practices in Austrian business companies. The essay addresses how firms can cope with the actual situation of risk. Subsequently, the present study examines the implications of the financial crisis for the integration and implementation of risk management systems with a focus on national industrial enterprises. For this purpose, the essay covers a theoretical basis for risk management and report on the results of several surveys of corporate risk management practices. In order to gain insights into the actual risk management practices in Austrian enterprises, a qualitative empirical approach in the form of personal interviews was chosen.

In comparison with the academic literature it has been shown that the corporate practice of risk management is quite different. In general, as the present study has revealed, legal requirements that relates to risk management have severely affected the business activities. But it should be noticed that in addition to such laws and regulations the majority of the firms have developed an enterprise risk management because of individual motives. Concerning the financial crisis the survey has shown that 80 % of the interviewed firms have not changed the management practices since the financial crisis has started. The obtained results prove that corporate risk management is set up independent of the financial crisis. The present investigation has further revealed that even unlisted companies have worked to improve their risk management practices over the last two to five years. However, there are still a few weaknesses identified within the corporate risk management process.