IMPACT OF RISK MANAGEMENT ON SMALL SCALE BUSINESS PERFORMANCE IN AN ORGANIZATION.

(A CASE STUDY OF CHICKEN REPUBLIC EATERY ILORIN, KWARA STATE).

By:

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A RESEARCH PROJECT SUBMITTED TO

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CERTIFICATION

This project has been read and approved as meeting the requirements for the award of National Diploma (ND) Business Administration and Management, Institute of Finance and Management Studies, Kwara State Polytechnic Ilorin, Kwara State.

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DEDICATION

This project is specially dedicated to Almighty God who crown all human efforts with success and who spare my life throughout this course I also dedicate this project to my parents

Mr. And Mrs. Popoola

ACKNOWLEDGEMENT

My profound gratitude goes to God almighty, he who makes if possible and realistic for me to attain a height makes me academic pursuit and career. I give thanks to him who makes me to withstand the odds of the academic rigors in the process of the course of my study.

I sincerely acknowledge the parental care, love guide and assistance extended to me by my adorable parents, **Mr. And Mrs. Popoola,** right from my infancy up to this very time and even making it possible for me to get into an higher institution with their unquantifiable financial and moral support to see me through my course period. I pray that they shall live long to eat the fruit of their labour (Amin).

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I also appreciate the love given to me by my good friends and well wishers in school and at home see you all at the top.

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CHAPTER ONE

INTRODUCTION

1.1 Background to the Study.

All human endeavor involve uncertainty and risk is widely agreed that risk is most in the business sector compared to other sectors risk is usually define as an assessment of the possiblility of some adverse event occurring and the likely consequence of this events in the function and activities of any business and it service provide3r. risk can come from uncertainty in all areas such as nature causes, business, failure, attack from adversaries etc. (HILLSON 2002)

Any business has exposure to diverse range of risk. This exposure includes legal risk, competitive risk, risk to beneficiaries and risk associated with competitors. Risk management involve adopting and applying a systematic process to identify, analyze, assess, control and monitor risk not that it is reduced and maintained within an acceptable level. Risk management is a business tools and a part of effective management and effective planning process. (Hillson 2002) risk management is a key part of improving business and services to be a lending business. The aims are to achieve best practice in controlling all risk. To which business is exposed, to achieve this aim, risk management standard should be created, maintained and continually improved. This all involved risk identification and risk evaluation linked to practical and cost effective risk control measure.

1.2 Statement of the Problems

The level of uncertainty is high in small scale business risk propensity in relatively high as small business attempt of expand and dare risk.

Small business firms are facing problem of hazard prevention in relation to their business operation.

The ability of small business to reduce risk of the unpredictable environment are relatively small.

1.3 Research Question

The following are the question; I intended to investigate in the course of carrying out this work.

1. What is the impact of risk management on small business performance?
2. What is the level of uncertainty that related to operation of small scale business?
3. How does small scale business prevent hazard that related to their operation?

1.4 Research Objective

The objective of this study is to examine the impact of risk management in the development of small scale business. Other objectives related of this study are.

1. To determine level of uncertainty in the operation of small scale business.
2. To verify the effect of risk propensity on the expansion of small business
3. To access the level of hazard prevention in small business

1.5 Research Hypothesis

Ho: there is no relationship between and customer satisfaction

Ho: Risk propensity has no effect on profitability

Ho: There is no relationship between hazard prevention and effectiveness.

1.6 significance of the study

This study will enable the management of eateries to significantly evaluate the impact of risk management on the business and the challenges associated with effectively manage risk in the business. Also, the finding of the study would enable eateries to service appropriate risk management methodologies that would be important to ensure business effectiveness.

1.7 Scope of the study

This study has it scope as focusing on the impact of risk management in small scale business. It is focused on fast food eatery, chicken republic eatery Ilorin, because the short period given of the study, the project will limit to the risk small business are facing in eateries in Ilorin.

1.8 Definition of the study

Risk: a probability of threat or damage, liability, loss or any other negative occurrence that is caused by internal or external vulnerability and that may be avoided through preemptive action

Risk management: the identification, analysis, assessment, control and avoidance minimization or elimination of unacceptable risk, an organization may use risk assumption, risk avoidance, risk retention, risk transfer or any other strategy (or combination of strategy) in proper management for future event.

Small scale business: is non-subsidiary and independent firm which employ less than a given number of employees.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introductions

This chapter consists of review of relevant literatures that capture the variable one entrepreneurship development and economic development. It entails the conceptual review, empirical review and theoretical review. The conceptual review provide clarification and discussions of concepts related to the subject matter such as entrepreneurship, poverty reduction, development, unemployment, employment, the theoretical review provides insights on relevant theories that are related to the subject matter while the empirical review provided detailed information on previous researched on the subject matter.

2.2 Conceptual Frameworks

There are many definition of risk that vary by different application domains. In economic theory, risk refers to situation where the decision maker can assign probabilities to different possible outcome. Similarly, in decision theory, risk is the fact that the decision is made under the conditions of known probability over the state of nature, in management, there is no consistent definition for risk.

(Ward and Chapman, 2003 perm nova et al, 2008), in the management body of knowledge (project management institute, 2004), risk is considered as " an uncertain event or condition that, if it occur, has a positive (opportunity) or negative (threat) impact on project objective."

However, many practitioners and researcher in management still considered risk to be more related to adverse effects on organization performance (Williams, 1995, Bochum and Demarco, 1997; Smith and Merritt, 2002; ward and Chapman 2003), from this perspective, risk management seems to be about identifying and managing threats to the business.

Furthermore, in the literature of risk management, uncertainty is defines as unpredictability of the environment change, and ability to predict the consequence of a response choice (Milligram, 1987, Scottie and Boucicault, 2008).

Risk is often defined as undesired project outcomes, exposure to uncertainty (Smith, 1999, Browning et al, 2002, smith and merit, 2002; Keizer 2005). This research follow the definition that is mostly used in the literature of risk management and defines the risk as an event having a negative impact on organization outcomes.

Managing uncertainty to enhances organization success rates has been studies for many years (loch el al, 2006)

Risk management is one of the approaches that have been widely applied in practice (Williams, 1995; Smith 1999 , Keizer et al, 2007; O′ connor et al, 2008). Smith (1999) Describe principle and guidelines for effective risk management for emphasize the importance of active risk management for accelerating organization activities an improving their success rates.

Raz et al, (2002) performed and empirical study and reported that risk management practice is more applicable for higher – risk management practices is more applicable for higher – risk project and appears to be related to organization success.

Salomo et al, (2007) investigated that effects of business planning and control of the performance of new product development project and found that project risk planning and goal stability throughout the development process are found to enhance performance significantly.

O′ Connor et al, (2008) defined three learning oriented risk management practice, including option mentally, use of strategy, and found that using the first two practice had a significant positive effect on the success radical innovation project.

Mu et al. (2009) conducted on empirical study and showed that risk management strategies targeting technological, organizational, and marketing risk factor influence the performance of new product development.

Several researchers have developed risk management methodologies to improves success rate in organization activities.

Browning et al. (2002) proposed a risk value methodology that quantifies technical performance risks to identify, asses, monitor, and control the identified risks the identified risk throughout organization.

Keizer et al, (2002) presented a case study of the risk diagnosing methodology (RDM) developed by Philips electronics co to identify and evaluate technological, organizational, and business risks in product innovation.

Keizer et al, (2005) propose a risk reference framework for diagnosing risk in technological breakthrough project and concluded that the success of breakthrough organization goals could be improved through formal risk assessment.

Gidel et al, (2005) developed a decision making framework for risk management from the cognitive scientist view point.

Ogawa and Piller (2006) suggested integrating customers into the innovation process and proposed a new market research concept called " collective customer commitment" to reduce the risk of unmet customer needs. In addition, several studies have been published on determinants of new product success and failure (Cooper et al, 2004). The key success factors identified in theses studies can be used for identifying potential risks.

Some study have developed portfolio / pipeline management approaches to select appropriate projects for increasing success rates of product launch and to capture the business opportunity and keep the constant revenue for the company (Blau et al, 2000, 2004; Ragapaskse et al, 2005)

There is a lack of research on providing an integrated framework that links operational risk management with corporate strategies and provide a systematic approach for risk identification assessment, response planning and control uncertainty.

According to Harland et al (2006), uncertainty ever or condition has negative or positive effect on one or more business or organization objective. The latter means that taking a calculated risk may bring for examples. Competitive advantage for a goods. If here certain degree of risk for organization to be successful.

Customer Satisfaction.

According to Gro' nroos (2001) customer perceived services quality have tow dimension the functional dimension (process) which denotes how the customer seller interacts and the technical dimension (outcome) which relate to what in the actual service provision.

Risk Propensity.

The concept of risk propensity has important implications for the theoretical modeling or risk behavior and for practical insights into the motives underlying individual level choice about engaging in risky behavior. In organizational terms, A better understanding of risk behavior could contribute significantly to risk management programs. In this paper we have three objectives. First we seek to establish the viability of a new measure of risk propensity and to consider whether. It is a construct that can be conceptualized and stable across domains and time. Second by examining demographic and bio graphical correlates we seek support for its validity and practical significance. Third, over principal objective, assuming the measure sufficiently robust is to explore how personality disposition underlie risk propensity. Two developments have influenced this research. The first development is a strong revival of interest in trait psychology, with attention. Converging around the big five factorial model of personality (Mc Crae & Costa 1997). The second development has been a rapid growth of attention and concern in business around the concept of risk (Bernstain, 1996). This is partly due to greater awareness and incidence of high profile accidents in operational area sand in finance, for example the collapse of Barings banks in 1990 (Fay, 1996)

Profit Ability.

Profitability means ability to make profit all the business activities of an organization, company, firm, or an enterprise. It shows how efficiently the management can make profit by using all resource available in the markets.

According to Harward & Upton 1989, " profitability is the ability of a given investment to earn a return from its use" however, the term 'profitability' is not synonym to the term "efficiency"

Profitability is an index of efficiency, and is regarded as a measure of efficiency and management guide to greater efficiency. Though, profitability is an important yard stick for measuring the efficiency, the extent of profitability cannot be taken as a final proof of efficiency. Sometimes satisfaction profits can mark inefficiency and conversely, a proper degree of efficiency can be accomplished by an absence of profit.

Hazard Prevention

A dangerous phenomenon, substance, human activity or condition that may cause loss of life, injury or other health impacts, property damage, loss od livelihoods and services, Social and economic disruption or environmental damage.

Risk Reduction

Describes the concept and practice of reducing disaster risk through systematic efforts to analyze and manage the causal factor of disasters.

Effectiveness

Is the capacity of producing a desired result? When something is deemed effective, it means it has an intended or expected outcome, or produces a deep vivid impression effectiveness means doing the right thing.

2.3 Theoretical Framework

Stakeholder Theory

Developed originally by freeman (1984) as a managerial instrument, has since evolved into a theory of the firms with high explanatory potential, stakeholder theory focuses explicitly on equilibrium of stakeholder interests as the main determinant of corporate policy. The most promising contribution to risk management is the extension of implicit contracts theory form employment to other contracts, including sales and financing (Cornell and Shapiro , 1987). In certain industries, particularly high – tech and services can substantial contribute to company values, however, the values of these implicit claims is highly sensitive to expected costs of financial distress and bankruptcy. Since corporate risk management practices led to a decrease in these expected costs, company values rises (Klimezak, 2005)

Therefore stakeholder theory provides a new insight into possible rationale for risk management. However, it has not yet been tested directly. Invetigations of financial distress hypothesis (Smith and Stulz, 1995) provide only indirect evidence (e.g judge, 2006). Risk management theory 101 have designed the following hypothesis to test for the usefulness of this theory in risk and resulting potentially high cost of financial distress in IT and service sectors. The second hypotheses also looks at financial distress costs, but in a general manner companies with intangible of human assets, and growth options are more sensitive to continuity problems this is essentially the same as hypothesis ly o financial economics. And finally, smaller firms are more prone to financial problems: which should increase their interest in risk management practices.

Agency Theory

Agency theory extends the analysis of the firm to include separation of ownership and control , and managerial motivation. In the field of corporate risk management agency issues have been shown to influence managerial attitudes toward risk taking and lodging (Smith and Stulz, 1985)

Theory also explains a possible mismatch of interest between shareholders management and debt holders due to symmetries in earning distribution, which can result in the firm taking too much risk or not engaging in positive net value projects. Mayer and Smith 1987)

Consequently, agency theory implies that defined ledging policies can have important influence on firm value (Fite and Pflerderer, 1995). The latter hypothesis are associated with financing structure, and give predictions similar to financial theory managerial motivation factors in implementation of corporate risk management have been empirically investigated in a few studies will a negative effect (Faff and Nguyen 2002; Mac Cimon and Wehrogn, 1990; Geezy et al, (1997) Notably, positive evidence was found however by Tufano (1996)in his analysis of the gold mining industry in the US financial policy hypotheses were tested in studies of the financial theory, since both theories give similar predictions in the respect. All in all, the bulk of empirical seems to be against agency theory.

Agency theory provides strong support for ledging as a response to mismatch between managerial incentive and shareholder interests. The following hypothesis are designed to test the basic implications of this theory. The first hypotheses test if firms ledge.

CHAPTER THREE
METHODOLOGY

3.0 Introduction

This study was to examines the impact of risk management on small business. This chapter therefore focused on the research methodology which comprise of the research method, research design, population of study, collection of data, research instrument, validity of research instrument, reliability of research instrument and ethical consideration.

3.1 Research Design

This study was made use of cross sectional in order to administer questionnaire and the reference period will be retro-prospective where the researcher will looked at the past occurrence to predict the future.

3.2 Population Of The Study

The population of this study was(20). And this reason this research employed 20 questionnaires and distributed them to 20 people, where 3 questionnaire was given to 3 top management and the remaining 17 was given to lower level workers making a total of 20 people. While the result of the findings shall be generalized on the entire population of the study.

3.3 Sample Size/Sampling Technique

Data for the study were obtained from the published financial statement of ten out of twenty one eatery operating in Nigeria as at December 2013. In order to ensure uniformity in presentation, some eatery were excluded because of the following factors. Banks that merged or acquired during the period covered in the study were excluded. Also excluded are banks that had course to change their financial accounting year- end from those selected. The selected eatery were rated the topmost ten Nigerian banks based on the credit score rating by Fitch rating and Bankers' magazine as at January 2013. In all, ten eatery with complete data for the period 2005-2012 were used for the study.

3.4 Method of Data Collection

To understand the studied case deeply, i used several sources of data. Yin (2003) enumerates six sources of evidence that can be used for a case study. These sources are: documentation, interview, participant observation, direct observation, archival records, and physical artifacts. The use of the multiple sources of evidence, according to windstorm et al (2010), allows a researcher to cover a wider range of historical, attitudinal, and behavioral issues.

Primary Data

Primary data was adopted through questionnaire. Yin (2003) describe interview as the most important source of case study information. In this opinion, they can provide exact answer to the research question. Again the use of the questionnaire was the main key in the primary data gathering process. In case studies, interview most commonly have open-ended nature, as far as most of the case studies are about human affairs,the interview become essentials sources of case study evidence.

Secondary Data

The use of secondary data is expected to raise the validity and reliability of a project. So secondary source used in this research includes journals, magazines, books, documentation, and the internet. Lindstrom et al (2010), describe secondary data as information collected previously for other purpose and is not case-specific, however, it can be relevant to the studied problem.

3.5 Research Instrument

The questionnaire was designed into two parts A and B. the part A contain the personal information of the respondents including their nationality. State of origin, local government, age, marital status, education qualifications, and the respondent assigned duties. Where Part B on the other hand contain a set of question, items, personnel, structured by the researcher to elicit information on the research topic.

3.6 Methods of Data Analysis

Data were sourced from the Audited Financial Reports of Chciken Republic, Tantalizer, Item 7, Be Happy, Edinwo, Clearpot, Hishow, , for the year 2005 to 2012 were used.

Tables and chart were used to present the data this shows the extent at which small scale business affect eatery in Nigeria in the period between 2005-2012.

Panel data estimation technique is adopted because "it takes care of heterogeneity associated with individual eatery by allowing for individual specific variables. Also, by combining time series of cross sectional observations, panel data give more informative data, more variability, less co-linearity among variables, more degrees of freedom and more efficiency".

3.7 Historical Background of The Case Study

Chicken Republic is a Nigerian fast-food chain and franchise that specializes in chicken recipes, especially fried chicken. It was founded by Deji Akinyanju, and the first restaurant was established in Apapa, Lagos in 2004. Chicken Republic Restaurant in Abuja. Chicken Republic is headquartered in Lagos, Nigeria. The company is a subsidiary of Food Concepts Plc, a Nigerian food based company. The company is arguably Nigeria's largest chicken restaurant chain with over 40 outlets in Lagos and over 70 outlets nationwide. Chicken Republic has also expanded services to other West African countries including Ghana. It is a private company. The industry deals with food and beverage. It is founded in 2004 and in lagos state. The product consit of freid chicken, chicken wrap, chief burger, amma jamma spaghetti, chickwizz. There is close to 1300.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, INTERPRETATION AND DISCUSSION OF FINDINGS

4.0 Introduction

This section focus on the presentation, analysis and interpretation of the data gathered. The data obtained for the study is presented in tables, analyzed and interpreted using frequencies and percentages. The Statistical Package for Social Science (SPSS) package was used to analyze frequencies and testing the hypotheses.

4.1 Data Presentation

A total number of 20 questionnaires were distributed. The total copies distributed was returned and analyzed

Questionnaire	Respondents	Percentage (%)
Returned and useful	20	100
Not Returned	0	0
Total	20	100

4.2 Data Analysis and Interpretation

4.2.1 Analysis of Demographic Data

Table 4.1 Age range

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-30	19	95.0	95.0	95.0
	31-40	1	5.0	5.0	100.0
	Total	20	100.0	100.0	

Source: Field Survey, 2025

The table above shows the age distribution of the respondents. from the table above 95% of the respondents are between the age of 21 to 30 years old and 5% are between 31 to 40 years in age. This implies that most of the respondents are between the age of 21 to 30 years

Table 4.2 Sex

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	11	55.0	55.0	55.0
	Male	9	45.0	45.0	100.0
	Total	20	100.0	100.0	

Source: Field Survey, 2025

The table above shows that 55% are females and 45% are male. This implies that most of the respondents are females.

Table 4.3 Marital status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	13	65.0	65.0	65.0
	Engaged	4	20.0	20.0	85.0
	Married	3	15.0	15.0	100.0
	Total	20	100.0	100.0	

Source: Field Survey, 2025

The table above shows the marital status of the respondents. from the table above 65% are single, 20% are engages and 15% are married. This implies that most of the respondents are single.

Table 4.4 Educational status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	OND	5	25.0	25.0	25.0
	HND	4	20.0	20.0	45.0
	BSC	10	50.0	50.0	95.0
	MSC/MBA/PHD	1	5.0	5.0	100.0
	Total	20	100.0	100.0	

Source: Field Survey, 2025

The table above shows that 25% are OND certificate holders, 20% are HND certificate holders, 50% are B.Sc certificate holders and 5% are either MSc/MBa/PhD certificate holders. This implies that most of the respondents are B.Sc certificate holders.

4.3.2 Test of Questionnaire

Table 4.5 Level of risk and uncertainty affect customer satisfaction

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	6	30.0	30.0	30.0
	Agree	7	35.0	35.0	65.0
	Undecided	6	30.0	30.0	95.0
	Disagree	1	5.0	5.0	100.0
	Total	20	100.0	100.0	

Source: Field Survey, 2025

The table above shows that 30% strongly agree and 35% agree that the level of risk and uncertainty affect customer satisfaction. 30% were unable to decide and 5% disagree that the level of risk and uncertainty affect customer satisfaction

Table 4.6 There is a relationship between uncertainty and customer complain

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	6	30.0	30.0	30.0
	Agree	6	30.0	30.0	60.0
	Undecided	5	25.0	25.0	85.0
	Disagree	3	15.0	15.0	100.0
	Total	20	100.0	100.0	

Source: Field Survey, 2025

The table above shows that 30% strongly agree and 30% agree that there is a relationship between uncertainty and customer complain. 25% were unable to decide while 15% disagree that there is a relationship between uncertainty and customer complain

Table 4.7 Customer satisfaction is high when business environment is predictable

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	4	20.0	20.0	20.0
	Agree	13	65.0	65.0	85.0
	Disagree	1	5.0	5.0	90.0
	Strongly Disagree	2	10.0	10.0	100.0
	Total	20	100.0	100.0	

Source: Field Survey, 2025

The table above shows that 20% strongly agree and 65% agree that customer satisfaction is high when business environment is predictable. 5% were unable to decide while 10% strongly disagree that customer satisfaction is high when business environment is predictable.

Table 4.8 Uncertainty improve customer patronage in small business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	3	15.0	15.0	15.0
	Agree	3	15.0	15.0	30.0
	Undecided	5	25.0	25.0	55.0
	Disagree	6	30.0	30.0	85.0
	Strongly Disagree	3	15.0	15.0	100.0
	Total	20	100.0	100.0	

Source: Field Survey, 2025

The table above shows that 15% strongly agree and 15% agree that uncertanity improve customer patronage in small business. 25% were unable to decide while 30% disagree and 15% strongly disagree that uncertanity improve customer patronage in small business

Table 4.9 High risk propensity has positive effect on profitability

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	6	30.0	30.0	30.0
	Agree	5	25.0	25.0	55.0
	Undecided	3	15.0	15.0	70.0
	Disagree	4	20.0	20.0	90.0
	Strongly Disagree	2	10.0	10.0	100.0
	Total	20	100.0	100.0	

Source: Field Survey, 2025

The table above shows that 30% strongly agree and 25% agree that high risk propensity has positive effect on profitability. 15% were unable to decide while 20% disagree and 10% strongly disagree that high risk propensity has positive effect on profitability

Table 4.10 High risk propensity has negative impact on profitability

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	4	20.0	20.0	20.0
	Agree	6	30.0	30.0	50.0
	Undecided	5	25.0	25.0	75.0
	Disagree	3	15.0	15.0	90.0
	Strongly Disagree	2	10.0	10.0	100.0
	Total	20	100.0	100.0	

Source: Field Survey, 2025

The table above shows that 20% strongly agree and 30% agree that high risk propensity has negative impact on profitability. 25% were unable to decide while 15% disagree and 10% strongly disagree that high risk propensity has negative impact on profitability.

Table 4.11 Moderate risk contribute to profitability

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	9	45.0	45.0	45.0
	Undecided	8	40.0	40.0	85.0
	Disagree	2	10.0	10.0	95.0
	Strongly Disagree	1	5.0	5.0	100.0
	Total	20	100.0	100.0	

Source: Field Survey, 2025

The table above shows that 45% agree that moderate risk contribute to profitability. 40% were unable to decide while 10% disagree and 5% strongly disagree that moderate risk contribute to profitability

Table 4.12 No relationship between risk propensity and profitability

	Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Strongly Agree	2	10.0	10.0	10.0
	Agree	6	30.0	30.0	40.0
	Undecided	8	40.0	40.0	80.0
	Disagree	2	10.0	10.0	90.0
	Strongly Disagree	2	10.0	10.0	100.0
	Total	20	100.0	100.0	

Source: Field Survey, 2025

The table above shows that 10% strongly agree and 30% agree that there is no relationship between risk propensity and profitability. 40% were unable to decide while 10% disagree and 10% strongly disagree that there is no relationship between risk propensity and profitability

Table 4.13 Hazard prevention enhance effectiveness

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	7	35.0	35.0	35.0
	Agree	4	20.0	20.0	55.0
	Undecided	4	20.0	20.0	75.0
	Disagree	4	20.0	20.0	95.0
	Strongly Disagree	1	5.0	5.0	100.0
	Total	20	100.0	100.0	

Source: Field Survey, 2025

The table above shows that 35% strongly agree and 20% agree that Hazard prevention enhance effectiveness. 20% were unable to decide while 20% disagree and 5% strongly agree that Hazard prevention enhance effectiveness

Table 4.14 No relationship between hazard prevention and effectiveness

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	1	5.0	5.0	5.0
	Agree	7	35.0	35.0	40.0
	Undecided	5	25.0	25.0	65.0
	Disagree	3	15.0	15.0	80.0
	Strongly Disagree	4	20.0	20.0	100.0
	Total	20	100.0	100.0	

Source: Field Survey, 2025

The table above shows that 5% strongly agree and 35% agree that there no relationship between hazard prevention and effectiveness. 25% were unable to decide while 15% disagree and 20% strongly disagree that there is no relationship between hazard prevention and effectiveness.

Table 4.15 There is relationship between effectiveness and hazard prevention in small business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	4	20.0	20.0	20.0
	Agree	9	45.0	45.0	65.0
	Undecided	7	35.0	35.0	100.0
	Total	20	100.0	100.0	

Source: Field Survey, 2025

The table above shows that 20% strongly agree and 45% agree that that there is relationship between effectiveness and hazard prevention in small business while 35% were unable to decide.

Table 4.16 Hazard prevention has effect on effectiveness

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	5	25.0	25.0	25.0

	Agree	6	30.0	30.0	55.0
	Undecided	5	25.0	25.0	80.0
	Disagree	3	15.0	15.0	95.0
	Strongly Disagree	1	5.0	5.0	100.0
	Total	20	100.0	100.0	

Source: Field Survey, 2025

The table above shows that 25% strongly agree and 30% agree that hazard prevention has effect on effectiveness. 25% were unable to decide while 15% disagree and 5% strongly disagree that hazard prevention has effect on effectiveness

Table 4.17 Risk reduction does not affect efficiency

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	4	20.0	20.0	20.0
	Agree	4	20.0	20.0	40.0
	Undecided	6	30.0	30.0	70.0
	Disagree	4	20.0	20.0	90.0
	Strongly Disagree	2	10.0	10.0	100.0
	Total	20	100.0	100.0	

Source: Field Survey, 2025

The table above shows that 20% strongly agree and 20% agree that risk reduction does not affect efficiency. 30% were unable to decide while 20% disagree and 10% strongly disagree that risk reduction does not affect efficiency

Table 4.18 There is relationship between risk reduction and efficiency

	Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Strongly Agree	4	20.0	20.0	20.0
	Agree	7	35.0	35.0	55.0
	Undecided	8	40.0	40.0	95.0
	Disagree	1	5.0	5.0	100.0
	Total	20	100.0	100.0	

Source: Field Survey, 2025

The table above shows that 20% strongly agree and 35% agree that there is relationship between risk reduction and efficiency. 40% were unable to decide while 5% disagree that there is relationship between risk reduction and efficiency

Table 4.19 Risk reduction affect efficiency

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	2	10.0	10.0	10.0
	Agree	5	25.0	25.0	35.0
	Undecided	8	40.0	40.0	75.0
	Disagree	2	10.0	10.0	85.0
	Strongly Disagree	3	15.0	15.0	100.0
	Total	20	100.0	100.0	

Source: Field Survey, 2025

The table above shows that 10% strongly agree and 25% agree that risk reduction affect efficiency. 40% were unable to decide while 10% disagree and 15% strongly disagree that risk reduction affect efficiency.

Table 4.20 Efficiency has no impact on risk reduction

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	2	10.0	10.0	10.0
	Agree	4	20.0	20.0	30.0
	Undecided	8	40.0	40.0	70.0
	Disagree	5	25.0	25.0	95.0
	Strongly Disagree	1	5.0	5.0	100.0
	Total	20	100.0	100.0	

Source: Field Survey, 2025

The table above shows that 10% strongly agree and 20% agree that efficiency has no impact on risk reduction. 40% were unable to decide while 25% disagree and 5% strongly disagree that efficiency has no impact on risk reduction

4.4 Test of Hypotheses

Restatement of Hypotheses

Ho There is no relationship between uncertainty and customer satisfaction

Ho Risk propensity has no effect on profitability

Ho There is no relationship between hazard prevention and effectiveness

Ho Risk reduction does not affect efficiency

Hypotheses 1 – There is no significant relationship between uncertainty and customer satisfaction

Correlations

		Customer satisfaction	uncertainty
Customer satisfaction	Pearson Correlation	1	.814**
	Sig. (2-tailed)		.000
	N	20	20
Uncertainty	Pearson Correlation	.814**	1
	Sig. (2-tailed)	.000	
	N	20	20

**. Correlation is significant at the 0.01 level (2-tailed).

Interpretation of Results and Decision

The table shows the Pearson correlation for customer satisfaction and uncertainty to be 0.814(81.4%). This implies that there is a high level of relationship between customer satisfaction and uncertainty. The above correlation table shows that at a 0.01 level of significance, r = 0.0001(2-tailed test). This implies that there is significant relationship between customer satisfaction and uncertainty. Therefore we reject the null hypotheses and embrace the alternate.

Hypotheses 2 – Risk propensity has no effect on profitability

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.664[a]	.441	.410	1.84112

a. Predictors: (Constant), risk propensity

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	48.185	1	48.185	14.215	.001[b]

	Residual	61.015	18	3.390		
	Total	109.200	19			

a. Dependent Variable: profitability

b. Predictors: (Constant), risk propensity

Interpretation of Results and Decision

The result from the model summary table above shows the extent to which risk propensity affects profitability to be 44.1% (R square 0.441). This implies that risk propensity has weak effect on profitability. The Anova table shows the Fcal as 14.215 at 0.001level of significance. This implies that risk propensity has significant effect on profitability. Therefore we reject the null hypotheses and embrace the alternate hypotheses.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.413	1.589		1.519	.146
	Risk propensity	.728	.193	.664	3.770	.001

a. Dependent Variable: profitability

The coefficient table above shows a simple model that expresses how risk propensity affects profitability. The model shows the constant and B which is the value of coefficient. Values from the table above for every 100% increase in profitability, risk propensity 72.8%.

Hypotheses 3 – There is no relationship between hazard prevention and effectiveness

Correlations

		Hazard prevention	effectiveness
Hazard prevention	Pearson Correlation	1	.884**
	Sig. (2-tailed)		.000
	N	20	20
Effectiveness	Pearson Correlation	.884**	1
	Sig. (2-tailed)	.000	

	N	20	20

**. Correlation is significant at the 0.01 level (2-tailed).

Interpretation of Results and Decision

The table shows the Pearson correlation for Hazard prevention and effectiveness to be 0.884(88.4%). This implies that there is a high level of relationship between Hazard prevention and effectiveness. The above correlation table shows that at a 0.01 level of significance, r = 0.0001(2-tailed test). This implies that there is significant relationship between Hazard prevention and effectiveness. Therefore we reject the null hypotheses and embrace the alternate.

Hypotheses 4 – Risk reduction does not affect efficiency

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.285[a]	.081	.030	2.20445

a. Predictors: (Constant), risk reduction

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7.727	1	7.727	1.590	.223[b]
	Residual	87.473	18	4.860		
	Total	95.200	19			

a. Dependent Variable: efficiency

b. Predictors: (Constant), risk reduction

Interpretation of Results and Decision

The result from the model summary table above shows the extent to which risk reduction affects organization efficiency to be 8.1% (R square 0.081). This implies that risk reduction has weak effect on organization efficiency. The Anova table shows the Fcal as 1.590 at 0.223 level of significance. This implies that risk reduction does not have significant effect on profitability. Therefore we embrace the null hypotheses.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.023	1.795		3.355	.004
	Risk reduction	.288	.229	.285	1.261	.223

a. Dependent Variable: efficiency

The coefficient table above shows a simple model that expresses how risk reduction affects organization efficiency. The model shows the constant and B which is the value of coefficient. Values from the table above for every 100% increase in organization efficiency, risk reduction contributed 28.8% (0.288).

4.5 Discussion of Results

This study examines the impact of risk management on small scale business performance. Four hypotheses were postulated and the results derived shows that there is significant relationship between customer satisfaction and uncertainty, risk propensity has significant effect on profitability, there is significant relationship between Hazard prevention and effectiveness and risk reduction does not have significant effect on profitability.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

This research work started with the background of this research topic which was explained to the best of the ability of the researcher. The research problem was stated in which problem were stated in the area of Risk management on small scale business performance in Chicken republic located at Ilorin, kwara state. The objective of the study was drawn from the statement of the research problem and was to ascertain whether Risk management has impact on small scale business performance.

In other for this study to be given full details, it was restricted to some specific variables which are uncertainty, effectiveness, efficiency and risk reduction. The researcher laid emphasis on these variables in literature review and in the questionnaire administered.

5.2 Conclusion

The study has examined the impact of risk management on small scale business performance using Chicken republic Ilorin as a case study. Several and critical observation has been made from findings of the study. It is important to point out that risk management is a business tools and a part of effective management and effective planning process. The aim is to achieve best practice in controlling all risk to which business is exposed.

5.3 Recommendation

It was recommended therefore that every management should invest on risk management in order to enhance customer satisfaction, increase profitability and prevent hazard

Further research on this topic should be channeled into the area of other smaller organization with larger employees from the global world which would be favorable and economically relevant.

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QUESTIONNAIRE

Instruction: please tick (   ) where appropriate

1. Is lack of finance a problem facing your business?

   a. Yes (   ) b. no (   )

2. Did you entries receive any grant form the government?

   a. Yes (   ) b. no (   )

3. Has nonchalant attitude of government has negative effect on the promotion of small scale business in Nigeria

   a. Yes (   ) b. no (   )

4. Did you business contribute to the development and economic growth of Nigeria ?

   a. Yes (   ) b. no (   )

5. Did enterprises recruit skilled personnel in other to achieve business objective?

   a. Yes (   ) b. no (   )

6. Are you willing to enter into partnership in other to promote and develop your business?

   a. Yes (   ) b. no (   )

7. Did you company help to Nigerians development and economic growth?

   a. Yes (   ) b. no (   )

8. Did your business hire competent worker to help of them reach their goals?

   a. Yes ( ) b. no ( )

9. Are you willing to form a partnership in order to promote and develop your business?

a. Yes ( ) b. no ( )

10. Do financial institution play a significant role in increasing he degree of competition in your industry?

a. Yes ( ) b. no ( )