

“Impact of Operational Risk Management on Profitability in Cement Industry of Pakistan.”



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Abstract

The study evaluates the impact and relationship of operational risk management on profitability in cement industries of Pakistan. In this study operational risk is divided into three of its factors including, people, systems and internal processes. In Pakistan there are 24 cement industries with the installed capacity of 44.768 million tons. For this study 3 of them are taken into account for the analysis. This study is comprised of both quantitative as well as qualitative analysis. For quantitative analysis the secondary data of 15 years is used from 2000 to 2014 from the annual reports of the companies. And qualitative research is undertaken by cross sectional survey design. The Data was collected by the self-administrated questionnaires which is analyzed by using SPSS software to generate inferential and descriptive statistics. The results obtained by both of these approaches show that there is positive relationship between operational risk management which includes three factors people, systems and internal processes and organizational performance. The more the risk managed efficiently in the organization, the profitability of the company increases.

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