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RISK MANAGEMENT AND DECISION MAKING: A CASE ON BANKING INDUSTRY OF ISLAMABAD

By:

Riwa Fatima01-2221172-051

Supervisor:

OSMAN BIN SAIF

Department of Management Sciences

Bahria University Islamabad

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ABSTRACT

This study is focused on identifying the impact of risk management on decision making. This study has selectedbanking industry of Islamabad and targeted the officials of banking institutions to collect the data to be used within this study.In this study, risk identification & assessment, risk response, and risk review, representing risk management, are considered as independent variables. Whereas, decision making is considered as the dependent variable in this study. Research instrument used within this study for the collection of data from respondents has been the structured questionnaire. Various statistical instruments that are used primarily to analyze the relationship between these variables includes descriptive frequencies, reliability, correlation, regression, ANOVA, coefficient etc. The results interpreted through correlation andregression by the help of SPSS software have shown the significant impact that risk management (risk identification & assessment, risk response, and risk review) has on decision making. The findings have explained that risk management is highly significant in influencing decision making in banking industry of Islamabad. Based on the findings, it has been concluded that risk identification & assessment, risk response, and risk review(independent variables) have significant positive impact on the decision making (dependent variable) in banking industry of Islamabad.

Key Words: Risk Management, Risk Identification and Assessment, Risk Response, Risk Review, Decision Making, etc.

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