



# Research on the Problems and Countermeasures of Risk Management for Small and Medium sized Enterprises under the Supervision of District and County Governments: A Case Study of Zhangqiu District

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**Abstract.** The supervision of small and medium-sized enterprise risk management by county-level governments is a new form of development for the Party. Currently, while achieving significant results, there are still many shortcomings in the risk management of small and medium-sized enterprises under the supervision of county-level governments. The article conducts research on risk management of small and medium-sized enterprises under the supervision of the Zhangqiu District government. Firstly, collect and organize information on government regulation of risk management for small and medium-sized enterprises both domestically and internationally. Secondly, an analysis was conducted on the current situation of risk management in small and medium-sized enterprises under government supervision, and a survey questionnaire was used to investigate the current situation of enterprise risk management. Through research, it has been found that there are problems in enterprise risk management, such as inadequate implementation of corporate main responsibilities. Specific analysis was conducted on the existing problems, and specific reasons such as weak corporate responsibility awareness were identified. Targeted measures were proposed to promote the implementation of the main responsibility of risk management

**Keywords:** Supervision; Small and medium-sized enterprises; risk management

## 1 Introduction

### 1.1 Research Background

Accidents in small and medium-sized enterprises are also constantly showing a trend of frequent, easy to occur, and frequent occurrence. A large number of accident cases show that the cause of emergencies is the weak risk management awareness and insufficient ability of enterprises to handle risk emergencies. Therefore, in the context of development in the new era, it is particularly important and urgent for district and county governments to strengthen risk management for small and medium-sized en-

terprises. The Central Committee of the Communist Party of China and the State Council attach great importance to the risk management of small and medium-sized enterprises. Clearly stating the concept of "putting people first and life first" as the fundamental value of risk management. [1]

## **1.2 Research Significance**

Provide practical theoretical guidance for district and county-level governments to strengthen risk management of small and medium-sized enterprises in the new era of socio-economic development. This article focuses on the level of district and county-level governments, providing a theoretical analysis for them to strengthen the risk management of small and medium-sized enterprises. the shortcomings and weaknesses of small and medium-sized enterprises in the risk management process. [2]

## **1.3 Current Research Status of Enterprise Risk Management at Home and Abroad**

### **1.3.1 Current Research Status Abroad**

Foreign countries study the risk management of enterprises by dividing the process of economic activity management into stages, and the main method for dividing the stages of enterprise risk management is the four stage method. [3]It is to divide the enterprise management process into four stages based on the development status of similar physical diseases: symptoms, onset, continuation, and recovery. The phased division method of enterprise risk management can better grasp the risk disposal and risk management in process management. [4]

### **1.3.2 Current Research Status in China**

Compared to foreign countries, scholars in China started relatively late in researching strategies for strengthening risk management in small and medium-sized enterprises by the government. [5]Currently, research on risk management in China starts from responding to sudden public health emergencies, so there is relatively more research on the above two aspects at the government level. Originally, there was not much research on enterprises, and there is even less research on risk management in small and medium-sized enterprises. [6]

## **1.4 Research Ideas of the Paper**

This article takes the construction of government risk management in the context of the development of the new era as the background, and Zhangqiu District as the research object. This article first elaborates and analyzes the research status of risk management for small and medium-sized enterprises at home and abroad, clarifying the research direction and focus of this article. The theoretical basis for risk management and production safety accidents in small and medium-sized enterprises has been clarified, and

the necessity and urgency of strengthening risk management in small and medium-sized enterprises have been elaborated. [7]

## **1.5 Research Methods and Innovation Points of Thesis**

### **1.5.1 Research Methods for Papers**

1.theoretical research: Based on relevant laws and regulations on risk management and risk related theories, grasp the relevant theories and work foundations that district and county-level governments need to follow to strengthen risk management in small and medium-sized enterprises.

2. methods.literature research method.: By reading a large number of relevant materials about SME risk management at home and abroad, we can define the relevant concepts and theories of SME risk management, and obtain a lot of data and resources through the Internet.

3.questionnaire survey method. Design a survey questionnaire on the current situation of risk management in small and medium-sized enterprises for practitioners, select 100 small and medium-sized enterprises in Zhangqiu District to conduct the survey questionnaire, and analyze the questionnaire to identify the reasons for the problems in risk management of small and medium-sized enterprises under the supervision of the district and county governments.

### **1.5.2 Innovation Points in Research Papers**

This article takes strengthening the risk management of small and medium-sized enterprises under the supervision of districts, counties, and governments as the starting point, selects the relatively representative underdeveloped areas of Siyang County as the research object, and studies the current situation of risk management of small and medium-sized enterprises, the reasons for risk management, and countermeasures and suggestions, which is a refinement of the existing research scope. Combining research perspectives from top to bottom. This article not only elaborates on the theoretical basis of risk management from a macro level, but also conducts in-depth analysis and research from a micro level within the enterprise. Through relevant investigation and research, we aim to identify the current problems in risk management of small and medium-sized enterprises under the supervision of district and county-level governments, as well as the specific reasons for these problems. Based on this, we propose countermeasures and suggestions to address these issues at the level of district and county-level governments. [8]

## **2 Related Concepts and Theoretical Foundations**

### **2.1 Definition of Relevant Concepts**

#### **2.1.1 Minor Enterprises**

Small and medium-sized enterprises, including medium-sized enterprises, small enterprises, and micro enterprises, are established in accordance with the law in China, and are relatively small in terms of employees and business scale. Small and medium-sized enterprises are comprehensively classified based on indicators such as employees, total assets, and operating income, and are jointly researched and formulated by relevant departments of the State Council. [9]

#### **2.1.2 Risk Management**

Risk management is a management method that minimizes certain hazardous situations. Risk management is based on understanding, measuring, and analyzing risks, adopting the most effective methods, proactively, purposefully, and systematically responding to risks, obtaining the maximum security guarantee at the lowest cost.

### **2.2 Related Theoretical Foundations**

#### **2.2.1 Normal Accident Theory**

In this theory, when a small event occurs within a system, it first affects the local system and then extends to the large system, ultimately leading to the failure of the large system. The government should grasp the normal principles of accidents in small and medium-sized enterprises, control the emergency management process of small and medium-sized enterprises in a targeted manner, and effectively reduce the probability of accidents. [10]

#### **2.2.2 Risk Management Theory**

Risk management proactively prioritizes the management and control measures of hidden dangers, and takes proactive actions to avoid accidents. For an enterprise, risk management requires a segmented analysis and consideration. By identifying, analyzing, evaluating, making decisions, handling, and providing feedback on risks, risk events can be handled to ensure the safety and stability of the enterprise and prevent potential accidents. [11]

### 3 Analysis of the Current Situation of Risk Management for Small and Medium-Sized Enterprises Under Government Supervision in Zhangqiu District

#### 3.1 Overview of Zhangqiu District

There are 2260 industrial enterprises in Zhangqiu District, including 529 enterprises above designated size. Some small and medium-sized enterprises have extensive development and low levels, do not have safety management personnel, insufficient safety investment, lack of safety management and professional technical talents, and incomplete hidden danger prevention and control mechanisms. Therefore, strengthening risk management work is particularly important. According to statistics, in 2022, there were over 2000 small and medium-sized enterprises in the entire region, accounting for 80% of the total number of enterprises in the region. Most of the high-risk industry enterprises are small and medium-sized enterprises. In 2022, the number of small and medium-sized enterprises in high-risk industries reached 580, including 2 fireworks and firecracker wholesale enterprises, 121 fireworks and firecracker operations, 44 hazardous chemical operations, 3 hazardous chemical transportation enterprises, 286 dust explosion related enterprises, and 124 construction enterprises. As shown in Table 1.

**Table 1.** Distribution of small and medium-sized enterprises in high-risk industries in Zhangqiu District(The data is sourced from the Audit Bureau of Zhangqiu District, Jinan City)

	Building construction	chemical management,	Chemical transportation	Fireworks and firecracker's Selling	Fireworks and firecracker management	Dust explosion	total
quantity	124	44	3	2	121	286	580
percentage	21.3	7.6	0.5	0.3	21	49.3	100

#### 3.2 Current Situation of Risk Management for Small and Medium-Sized Enterprises in Zhangqiu District

In order to better analyze the risk management situation of small and medium-sized enterprises, 100 small and medium-sized enterprises were selected as the survey objects among the many small and medium-sized enterprises in Zhangqiu District. We have created 24 questions related to enterprise risk management and distributed them to the 100 small and medium-sized enterprises mentioned above through the Zhangqiu District Risk Management Bureau, As shown in Table 2.

Small and medium-sized enterprises are requested to cooperate in carrying out the relevant work of the survey questionnaire. The selection principle is to distribute the questionnaire to small and medium-sized enterprises with less than 300 people, with 2 questionnaires distributed to each enterprise. All survey questionnaires sent out will be collected. A total of 200 questionnaires were distributed and 200 were collected. After careful screening, all questionnaires with the same option were considered invalid. After screening, there were a total of 198 valid questionnaires. And classify the employee size of these 100 companies, As shown in Table 3.

**Table 2.** Sample Enterprise Industry Type(The data is sourced from the Audit Bureau of Zhangqiu District, Jinan City)

Industry category	Proportion in survey enterprises
Building construction	20
Chemicals	10
Fireworks and firecrackers	30
Dust explosion	40
total	100

**Table 3.** Number of employees in sample enterprises(The data is sourced from the Audit Bureau of Zhangqiu District, Jinan City)

Number of employees	Proportion in survey enterprises
Less than 50 people	55
50-100 people	40
101-300 people	5
More than 300 people	0
total	100

## 4 Analysis of the Reasons for the Problems in Risk Management of Small and Medium-Sized Enterprises Under the Supervision of the Zhangqiu District Government

### 4.1 Weak Sense of Responsibility In Enterprise Risk Management

Small and medium-sized enterprises, due to their low investment threshold and small business scale, focus most of their energy on the development and return on profits of their own enterprises in the process of production and operation. They believe that safety production risk management has little to do with the enterprise itself, and always believe that accidents will not occur in their own enterprises. Many main leaders of small and medium-sized enterprises do not focus too much energy on the long-term development of their own enterprise risk management, neglect the establishment and implementation of enterprise risk management regulations, and pay more attention to the development and growth of the enterprise's own economic benefits.

### 4.2 Insufficient Government Risk Education and Training for Employees

The government's education and training for numerous employees in small and medium-sized enterprises cannot achieve full coverage. The education and training efforts for internal employees in small and medium-sized enterprises are not sufficient, and they only rely on verbal reminders and reminders in daily work, resulting in a weakened awareness of risk management responsibility among internal employees, insufficient risk response ability, insufficient ideological and practical preparation, and ina-

bility to calmly analyze unexpected events, thus taking timely and effective measures to respond..

### **4.3 Insufficient Strength and Level of Government Risk Supervision**

The grassroots risk management department was reorganized after institutional reform, and relevant management responsibilities have been assigned, but personnel have not kept up, and professional risk management and supervision personnel are scarce. After the establishment of the risk management agency, the personnel naturally transferred to the risk management agency based on the composition of the original safety supervision bureau, resulting in insufficient regulatory power. At the same time, there is a gap in the age structure, and facing the increasing number of small and medium-sized enterprise personnel, the supervision task is slightly inadequate. The frequency of enterprise supervision and inspection will gradually decrease, and the quality and efficiency of inspection will also be greatly reduced.

## **5 Suggestions for Strengthening Risk Management of Small and Medium-Sized Enterprises Under County-Level Government Supervision**

### **5.1 Promoting the Implementation of Risk Management Subject Responsibilities**

One is to urge enterprises to establish a sound responsibility system. Check whether the enterprise has established a sound responsibility system for risk management, and focus on increasing legal education and publicity for business owners in daily life to promote the implementation of the main responsibility for enterprise risk management. The second is to promote the investigation and management of hidden dangers within enterprises themselves. Require small and medium-sized enterprises to implement closed-loop management of safety hazards and urge them to conduct safety inspections on their own production and operation status.

### **5.2 Increase Efforts in Risk Education and Training**

Firstly, carry out diversified education to enhance employees' ability to handle emergencies. The timely response and accurate handling of emergencies by employees play a crucial role in minimizing accident losses for the stable development of the enterprise.

Secondly, strengthen the professional education of our own rescue team. The 3.21 water explosion accident has proven that in the event of an emergency, enterprises need a brave and calm rescue team that dares to step forward and pick up rescue equipment to carry out rescue operations.

Thirdly, conduct risk drills. Promote small and medium-sized enterprises to develop annual risk drill plans that are in line with their own needs, and carry out targeted risk drills of different types according to the plan, such as fire drills, special equipment

drills, personnel emergency evacuation drills, etc., and carry out risk drills in different types and forms.

### 5.3 Enhancing Risk Supervision Capability and Level

carry out daily supervision and inspection. During normal working hours, the department schedules law enforcement inspections and organizes relevant personnel to conduct regular inspections of enterprises within the jurisdiction. The frequency of daily inspections should be increased, and supervision and inspection of enterprises should not be hasty. Safety hazards and problems of enterprises should be promptly addressed during the inspection process, and after rectification, they should be reviewed in a timely manner to eliminate daily and unnoticed hazards and problems within the enterprise. Through daily inspections, enterprises should be urged to do a good job in identifying and addressing safety hazards.

## 6 Conclusion

This article analyzes the current situation and existing problems of small and medium-sized enterprises under the supervision of the district and county governments from the perspective of control. Unlike other risk management papers, this paper focuses more on exploring and studying the unique production risks that may occur in enterprises engaged in high-risk industries, and draws the following conclusions:

(1) Domestic and foreign experts and scholars have focused more on macro level research on risk management, with little emphasis on micro level research using a particular enterprise as an example, resulting in relatively one-sided research on enterprise risk management. Therefore, the current research on risk management for small and medium-sized enterprises is relatively one-sided, and it is difficult to implement it specifically in the actual production process of enterprises.

(2) This article conducted a survey on the current situation of risk management in small and medium-sized enterprises in the area by analyzing survey questionnaires, consulting experts, and enterprise personnel. Identify the problems in risk management of small and medium-sized enterprises under government supervision, such as weak sense of responsibility in enterprise risk management, insufficient risk education and training for employees, and weak and inadequate government regulatory power, and analyze the reasons for these problems.

(3) From the perspective of business objects, production characteristics, and profit models, there is a significant gap between high-risk enterprises and non high-risk enterprises. This article clearly points out that enterprises should promote the implementation of emergency management responsibilities, and the government should increase risk education and training efforts and improve risk supervision and capacity levels.

The development of small and medium-sized enterprises in China is becoming increasingly mature both in terms of technology and management, and their level of risk management is also increasing. Based on the current risk management theory and the



actual situation of some enterprises engaged in high-risk industries in Zhangqiu District, this article analyzes the risks of these enterprises through a combination of qualitative and quantitative methods, and proposes corresponding improvement measures for the existing problems. However, it must be pointed out that there are inevitably differences between high-risk industries and other industries in actual situations. Therefore, the conclusion of this paper only has a certain universality for enterprises with similar situations in small and medium-sized enterprises. Although the conclusions of this paper may not be applicable to all small and medium-sized enterprises, the research ideas and logical structure provided in the paper are still applicable to small and medium-sized enterprises similar to the case, and have certain reference value for similar enterprises or governments. This can provide effective reference for future experts and scholars to further improve the theoretical system of enterprise risk management under government supervision, and provide a solid theoretical basis for more and more governments or enterprises to carry out risk management, effectively promoting the success of enterprise risk management.

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