

# **Managing risks and achieving competitive environment in the Saudi banks**

## **Introduction**

Risk management is critical to achieving success in the markets. This study aims at analysing risks and mitigating their effects, determining the likelihood of risks occurring and their effects, developing risk management policies ,preparing risk assessment reports and their great influence in achieving a competitive environment in the Saudi banks. Decision-makers at organizations in any field heavily depend on risk management and analysis methods presumably to improve critical decisions that they may face at their business. However, commonly used methods that show little evidence of improving decisions and taking the best choice. Instead, they could actually make decisions worse if they don't follow the right path or criteria.

This is because many of the most popular risk management tactics aren't rooted in sound quantitative analysis. In the Second Edition of The Failure of Risk Management, Douglas W. Hubbard, inventor of Applied Information Economics (AIE), addresses how organizations and governments can perform risk analysis properly.

## **The Research Problem**

What are the risks and challenges that must be managed and explored to develop the competitive environment in the Saudi banks. This study aims to explore the risks and challenges faced by foreign banks in the Kingdom of Saudi Arabia (KSA). It is important to explore the risks and challenges as extant literature provides limited guidelines about this pressing issue.

## **The importance of the study:**

This study will help manage the rising risks in Saudi banks . This study could also help regulators, policymakers and bankers to better understand managing risks and how to create a valid and sound banking environment that sustain foreign banks' entry into emerging and developing markets.

## **Research Hypothesis:**

It is hypothesized that, over the past two decades, Managing risks has become increasingly accepted and pressing as a justification for capital protection and creating a valid and respectable competitive environment in the Saudi banks :

### **Disciplines:**

Risk management, achieving competitive environment in Saudi Banks

Hypothesis as Question: Should Saudi banks have competitive environment ruled and protected by managing risks more accepted as a justification for creating this kind of balance ?

### **Literature review**

Part of doing research is to dive deeper into a problem by identifying key areas in the topic being examined. To do this involves selecting key words from the information provided and doing a search of the literature using these key words. During a literature review, one creates an annotated bibliography of the list of documents found. First an APA reference list of documents is created that provides valuable information in support of the research. Then for each reference a brief discussion on what the reference is about and how it supports the research topic.

Risk management regarding Saudi banks requires hard work, create an annotated bibliography on the case study above. Review the case study

and develop a set of key words to search for. Then search for peer reviewed journals and sources that support your research topic. Do not use any references from the case study. Using MS Word or other word processor, create a reference list of each document found. Use Times New Roman 12 font throughout and single-spaced font. Make sure the reference list is in APA style format. Review each source and create a minimum 4-5 sentence paragraph describing what the paper is about and how it relates to the subject of the case study. Put this under the source reference. Repeat this process for a minimum of 20: 30 sources.

## **Research Methodology**

Methodology for measuring satisfaction with managing risks at Saudi banks

The survey was first conducted as online survey to test the feasibility of the questionnaire from 1 February 2023 to 1 March 2023. The survey covered 20 respondents who were mailed the evaluation questionnaire. The results of the survey showed that all the respondents understood all the questions.

The baseline survey was conducted through a questionnaire and included a sample of 115 respondents, who were required to have experience in

managing risk processes. The survey was conducted from 15 January 2023 to 15 March 2023. A total of 105 questionnaires were collected, of which 100 were valid (5 of the questionnaires were not completed correctly and some of the questions had more than one answer), with a response rate of 95%. The survey was conducted directly through a telephone interview , meetings or internet communication relying on the suitability of the respondents. The valid questionnaires were collected from 9 banking staff at Saudi Arabia .

## **Research Structure**

The structure of the risk management process in the implementation of the project aim to create a challenging and competitive environment in the Saudi Banks according to this study . This achieves the implementation of the information support system in banks.

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