

SMEs and Contract Management: An Empirical Study on Turkish Companies

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ABSTRACT

Contract has historically been seen as a legal instrument for regulating exchanges between two parties. Recent researches on contract management, however, have been specified other functions for contract such as controlling, coordination, communication, interpretation and risk reducing function. The relationship between risk and contract has been recognized in contract management literature for many years. In fact it has been assumed that the main function of contract is to control the consequences of risks that are associated with losses. The aim of current study is to measure enterprises' attitudes towards the importance and effectiveness of contract in dealing with risks in Turkish SMEs. Moreover this study seeks to reveal how contract management is currently being practiced by SMEs of different sectors in Turkey. In another word, the study endeavors to determine the interdependency of industrial sector of SMEs and their contractual management approach. The sample has been developed from 2000 SMEs working in different industrial sector and zone in Turkey and data has been collected by using survey. From 200 total responses 192 of them has been found qualified for statistical analysis.

Since data have been gathered by using categorical and multiple response questions with nominal and ordinal scales, Chi square test has been run for analyzing data. The results of Chi- square test have revealed evidence of relationship and association between variables in many cases.

Key words: Contract, Contractual Risk Management, Contract Knowledge Management (CKM) Model, Small and Medium Sized Enterprises (SMEs)

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