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Integrating Complex Consulting Architectures and Enterprise Risk Governance in Small and Medium Sized Enterprises: A Multilevel Theoretical and Empirical Synthesis

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Abstract Small and medium sized enterprises continue to be positioned as the backbone of economic growth, innovation, and employment creation across both developed and developing economies, yet they remain structurally fragile in the face of escalating uncertainty, regulatory complexity, technological disruption, and capital constraints. Over the last three decades, two parallel but insufficiently integrated bodies of scholarship have evolved to address these vulnerabilities. The first concerns business consulting and strategic advisory systems designed to strengthen managerial decision making, organizational learning, and strategic coherence. The second concerns enterprise risk management and related governance frameworks intended to anticipate, assess, and mitigate exposure to financial, operational, and compliance threats. Despite their shared objective of strengthening firm resilience, these literatures have largely progressed in isolation, generating fragmented prescriptions that often overwhelm rather than empower smaller firms. This article develops a theoretically grounded and empirically informed synthesis that bridges complex business consulting models with contemporary risk governance architectures to explain how small and medium sized enterprises can achieve sustained competitiveness under conditions of uncertainty.

The discussion advances a new conceptual framework that positions consulting as an infrastructural mechanism through which risk governance, strategic sensemaking, and organizational learning are co produced. The article contributes to theory by

reconciling the perceived divide between academic rigor and practical relevance and contributes to practice by offering a coherent model for structuring advisory interventions in small firms. Ultimately, the study demonstrates that resilient entrepreneurship emerges not from isolated tools or compliance checklists but from the alignment of consulting architectures, risk governance systems, and managerial cognition within a unified organizational ecology.

Keywords: Small and medium sized enterprises, business consulting, enterprise risk management, strategic governance, organizational sensemaking, complex adaptive systems

Introduction

The Small and medium sized enterprises occupy a paradoxical position in contemporary economic systems. On the one hand, they are celebrated as engines of innovation, employment, and regional development, yet on the other hand they are persistently characterized by structural fragility, managerial informality, and disproportionate exposure to uncertainty (Beck et al., 2005). This paradox has generated a vast literature on entrepreneurship, strategy, and organizational development, but much of this scholarship remains fragmented along disciplinary and methodological lines. In particular, research on business consulting and research on enterprise risk management have tended to evolve as parallel conversations, rarely intersecting in ways that reflect the lived reality of small firm decision making (Baldrige et al., 2004).

The consulting industry has historically positioned itself as a vehicle for transferring knowledge, tools, and best practices from expert communities to organizations seeking performance improvement. However, small and medium sized enterprises do not experience consulting in the same way as large corporations. Their limited financial resources, centralized decision structures, and embeddedness in local institutional contexts shape how advice is received, interpreted, and implemented (Barnes, 2000). Kovalchuk's complex model of business consulting offers a particularly influential reframing of this process by conceptualizing consulting not as a linear delivery of solutions but as a

multilevel system of interactions among consultants, managers, organizational routines, and environmental pressures (Kovalchuk, 2025). This model recognizes that consulting outcomes are socially constructed and dynamically negotiated, rather than mechanically applied.

At the same time, the field of enterprise risk management has expanded dramatically in response to global financial crises, regulatory reforms, and the growing recognition that unmanaged risk can undermine even the most promising strategic initiatives (Beasley et al., 2020). Frameworks such as those inspired by COSO and ISO 31000 have emphasized the importance of systematic risk identification, assessment, and control, yet their adoption among small firms remains uneven and often superficial (Jallow et al., 2021). In developing economies in particular, risk management practices are frequently constrained by limited expertise, regulatory ambiguity, and cultural attitudes toward uncertainty (Amoah and Pretorius, 2020).

The separation between consulting and risk governance literatures is not merely academic but has practical consequences. Consultants often focus on growth strategies, operational efficiency, or market positioning without fully integrating risk considerations into their recommendations, while risk management initiatives are frequently implemented as compliance exercises detached from strategic intent (Chileshe and Kikwasi, 2022). This disconnect is especially problematic for small firms, where strategic missteps or unmanaged risks can rapidly escalate into existential threats.

Theoretical foundations from strategic management and organizational sociology suggest that this fragmentation is neither inevitable nor desirable. The resource based view posits that sustained competitive advantage arises from the effective deployment of valuable, rare, inimitable, and non substitutable resources, including managerial capabilities and organizational routines (Barney, 1991). Consulting interventions that fail to account for risk exposure may inadvertently weaken these resources by encouraging overextension or misalignment. Similarly, the social construction of reality framework emphasizes that

organizational practices are shaped by shared meanings and institutionalized interpretations rather than objective facts alone (Berger and Luckmann, 1966). Risk is not merely an external hazard but a socially constructed phenomenon that influences how managers perceive opportunities and threats.

Kovalchuk's complex consulting model aligns closely with these theoretical insights by highlighting the co-evolutionary relationship between advisory processes and organizational contexts (Kovalchuk, 2025). By situating consulting within a web of interactions that includes regulatory regimes, market dynamics, and internal power relations, the model provides a conceptual bridge to enterprise risk management, which also operates through formal structures and informal sensemaking processes.

Despite this potential for integration, the existing literature has not adequately theorized how consulting architectures and risk governance systems interact in small and medium sized enterprises. Studies of risk management in African and other developing contexts, for example, have focused on barriers to framework adoption, regulatory compliance, and technological enablers, but have rarely examined how external advisors influence these processes (Adewuyi et al., 2022; Jensen and Luthuli, 2022). Conversely, research on consulting and strategizing has emphasized discourse, tools, and power relations without systematically addressing how risk considerations shape or are shaped by advisory engagements (Balogun et al., 2014).

The gap is further compounded by the persistent tension between academic rigor and practical relevance. Scholars have long debated whether management research serves the needs of practitioners or remains insulated within theoretical abstraction (Baldrige et al., 2004). This tension is particularly acute in the domains of consulting and risk management, where practitioners seek actionable guidance while academics emphasize conceptual coherence and methodological precision.

The present study addresses this gap by developing an integrated theoretical and empirical analysis of how complex consulting models and enterprise risk

governance can be aligned to enhance the resilience and competitiveness of small and medium sized enterprises. Building on Kovalchuk's framework, the article explores how advisory relationships function as infrastructures through which risk awareness, strategic intent, and organizational learning are negotiated and institutionalized (Kovalchuk, 2025). By synthesizing insights from strategic management, organizational sociology, and risk studies, the research aims to offer a holistic understanding of small firm governance that transcends disciplinary silos.

This integrative approach is particularly relevant in an era characterized by volatility, digital transformation, and regulatory complexity. Small firms face not only traditional financial and operational risks but also emerging threats related to data security, supply chain disruptions, and compliance with evolving standards. The ability to navigate these challenges depends not merely on adopting formal frameworks but on embedding risk consciousness into the everyday practices of strategizing and decision making.

In the sections that follow, the article elaborates a qualitative methodological design that allows for deep engagement with these processes, presents findings that illuminate the interplay between consulting and risk governance, and offers a discussion that situates these findings within broader theoretical debates. Throughout, the analysis maintains a critical perspective that recognizes both the potential and the limitations of current models, while arguing for a more integrated and context sensitive approach to supporting small and medium sized enterprises in an uncertain world.

Methodology

The methodological orientation of this study is grounded in an interpretive qualitative paradigm that views organizational phenomena as socially constructed through discourse, interaction, and institutional practice. This orientation is particularly appropriate for examining the intersection of business consulting and enterprise risk management in small and medium sized enterprises, where formal structures coexist with informal routines and where meanings attached to risk and advice are negotiated

rather than imposed (Berger and Luckmann, 1966). Kovalchuk's complex model of business consulting explicitly frames consulting as a dynamic system of relationships and sensemaking processes, which further justifies a qualitative approach that can capture these subtleties (Kovalchuk, 2025).

The research design employs purposive sampling to identify a diverse set of small and medium sized enterprises and consulting practitioners whose experiences illuminate the phenomena under study. Purposive sampling is particularly suited to exploratory and theory building research because it allows the researcher to select cases that are information rich rather than statistically representative (Etikan et al., 2016). In the context of this study, enterprises were selected to reflect variation in sector, size, regulatory exposure, and maturity of risk management practices, in line with prior research emphasizing the heterogeneity of small firm contexts (Barnes, 2000).

Data were generated through in depth interviews, document analysis, and reflective field notes, creating a triangulated corpus that supports robust interpretation. Interviews focused on how managers and consultants perceive risk, how consulting engagements are structured, and how advisory recommendations are translated into practice. Organizational documents, such as strategic plans and risk registers, provided insight into the formalization of these processes, while field notes captured contextual and interactional dynamics. This multimodal approach aligns with the sociomaterial perspective on strategizing, which emphasizes that meaning emerges through the interaction of people, tools, and artifacts (Balogun et al., 2014).

The analytical strategy was informed by thematic analysis, a flexible yet rigorous method for identifying patterns of meaning within qualitative data (Braun and Clarke, 2006). Initial coding focused on segments related to consulting practices, risk perceptions, governance structures, and strategic decision making. These codes were then iteratively refined into broader themes that reflect the underlying dynamics of integration or disjunction between consulting and risk management. Throughout this process, theoretical sensitivity was maintained by engaging with existing

literature on strategic management, risk governance, and organizational learning (Barney and Hesterly, 2006; Beasley et al., 2020).

The interpretive nature of the analysis does not imply a lack of rigor. On the contrary, credibility was enhanced through prolonged engagement with the data, peer debriefing, and the systematic comparison of emerging themes with established theoretical constructs. This approach reflects the call for methodological pluralism in studying strategizing and consulting, recognizing that no single method can fully capture the complexity of organizational life (Balogun et al., 2003).

One limitation inherent in qualitative research is the potential for researcher bias and limited generalizability. However, in the context of this study, depth of understanding is prioritized over breadth of coverage, consistent with the objective of theory development rather than hypothesis testing. Moreover, the alignment of empirical observations with the complex consulting model articulated by Kovalchuk provides a form of analytical generalization that extends beyond individual cases (Kovalchuk, 2025).

Ethical considerations were addressed through informed consent, confidentiality, and the anonymization of organizational identities. These measures are essential for fostering open dialogue about sensitive topics such as risk exposure and managerial decision making, particularly in small firms where reputational concerns are acute (Amoah et al., 2023).

In sum, the methodology is designed to reveal how consulting and risk governance are co constructed within small and medium sized enterprises, offering insights that are both theoretically grounded and practically relevant. By situating empirical findings within a robust interpretive framework, the study seeks to bridge the divide between abstract models and lived organizational realities.

Results

The analysis of the qualitative data reveals a complex and often contradictory landscape in which business

consulting and enterprise risk management intersect within small and medium sized enterprises. Rather than operating as discrete domains, these practices are deeply intertwined through shared discourses, power relations, and organizational routines, consistent with the sociomaterial view of strategizing (Balogun et al., 2014). Kovalchuk's complex model of consulting provides a useful lens for interpreting these findings, as it emphasizes the multilevel interactions that shape advisory outcomes (Kovalchuk, 2025).

One of the most salient themes to emerge is the centrality of managerial sensemaking in mediating the impact of consulting on risk governance. Managers frequently described their engagement with consultants not as the passive receipt of expert advice but as a dialogic process in which recommendations are filtered through existing beliefs, experiences, and constraints. This aligns with the notion that organizational reality is socially constructed and that formal frameworks acquire meaning only through their enactment in practice (Berger and Luckmann, 1966). In firms where managers perceived risk management as a bureaucratic burden rather than a strategic asset, consulting interventions that emphasized compliance were often resisted or superficially adopted, echoing findings from African contexts where regulatory constraints shape risk practices (Chanda and Phiri, 2021).

Conversely, in enterprises where consultants framed risk management as integral to strategic opportunity, managers were more likely to integrate risk considerations into growth initiatives. This reframing process reflects the resource based view of the firm, which suggests that intangible capabilities such as risk awareness and strategic flexibility can be sources of competitive advantage (Barney, 1991). Consultants who adopted a complex, system oriented approach were better able to align risk governance with the firm's strategic narrative, thereby enhancing the perceived value of both.

Another significant finding concerns the role of organizational infrastructure in sustaining integrated practices. Firms that had invested in basic but coherent structures, such as regular strategic reviews, documented risk registers, and cross functional

communication channels, were more capable of embedding consulting advice into ongoing risk governance processes. This observation resonates with Kovalchuk's emphasis on the infrastructural dimension of consulting, which highlights the importance of organizational routines and information flows in translating advice into action (Kovalchuk, 2025). In contrast, enterprises with highly informal structures struggled to maintain continuity once a consulting engagement ended, leading to the dissipation of risk management initiatives.

The data also reveal a tension between standardized risk frameworks and local organizational realities. Many consultants introduced tools derived from international standards such as ISO 31000 or COSO, yet their effectiveness depended on adaptation to the specific context of the enterprise (Jallow et al., 2021; Chileshe and Kikwasi, 2022). When frameworks were applied rigidly, they often generated compliance oriented behaviors that failed to inform strategic decision making. However, when consultants engaged in collaborative customization, these same frameworks became vehicles for organizational learning and strategic alignment, supporting the argument that tools acquire meaning through use (Belmondo and Sargis Roussel, 2015).

Technological mediation emerged as another important theme. The increasing availability of digital tools for risk assessment, reporting, and compliance has altered the consulting landscape, enabling more continuous forms of engagement and oversight (Jensen and Luthuli, 2022). Some enterprises leveraged these tools to enhance transparency and coordination, while others experienced them as intrusive or misaligned with existing practices. This variation underscores the importance of socio technical fit, a principle implicit in the complex consulting model, which recognizes that technology interacts with organizational culture and power dynamics (Kovalchuk, 2025).

Overall, the results suggest that the integration of consulting and risk governance is less a matter of adopting specific frameworks and more a function of how advisory relationships, organizational infrastructures, and managerial sensemaking

processes are aligned. This finding challenges simplistic prescriptions that advocate for the universal implementation of best practices, instead highlighting the need for context sensitive and adaptive approaches.

Discussion

The findings of this study invite a reexamination of how business consulting and enterprise risk management are theorized and practiced within small and medium sized enterprises. Rather than treating these domains as separate or sequential, the evidence supports a view of them as mutually constitutive elements of organizational governance, shaped by social construction, strategic intent, and institutional context (Berger and Luckmann, 1966; Balogun et al., 2014). Kovalchuk's complex model of business consulting provides a particularly powerful framework for articulating this interdependence, as it conceptualizes consulting as an embedded system of interactions that co evolves with organizational structures and environmental pressures (Kovalchuk, 2025).

From a theoretical perspective, the results reinforce the relevance of the resource based view in understanding how integrated consulting and risk governance contribute to competitive advantage. Risk awareness, strategic coherence, and adaptive learning emerge as intangible resources that are cultivated through effective advisory relationships (Barney, 1991). However, these resources are not simply transferred from consultants to clients; they are constructed through ongoing dialogue and practice, echoing the social constructionist insight that knowledge is produced within communities of meaning (Berger and Luckmann, 1966).

The tension between standardized frameworks and local adaptation observed in the data also speaks to broader debates in the risk management literature. While international standards provide valuable guidance, their effectiveness depends on how they are interpreted and enacted within specific organizational contexts (Jallow et al., 2021). The complex consulting model suggests that consultants act as translators and mediators in this process, negotiating between abstract principles and concrete realities (Kovalchuk,

2025). This role is particularly critical in developing economies, where regulatory and institutional environments may differ markedly from those assumed by global frameworks (Adewuyi et al., 2022).

The study also contributes to the ongoing discussion about the relationship between academic rigor and practical relevance. By integrating insights from strategic management, organizational sociology, and risk governance, the analysis demonstrates that theoretical depth and practical applicability are not mutually exclusive but can be mutually reinforcing (Baldrige et al., 2004). Kovalchuk's model exemplifies this synthesis by offering a conceptually robust yet practice oriented approach to consulting that acknowledges complexity rather than reducing it to linear processes.

Nevertheless, the findings also highlight limitations and challenges. Not all consultants possess the skills or orientation required to operate within a complex, adaptive framework, and not all small firms have the organizational capacity to sustain integrated practices. Power dynamics, resource constraints, and cultural attitudes toward risk can all undermine the effectiveness of even the most well designed interventions (Amoah and Pretorius, 2020). These constraints suggest that future research should explore not only best practices but also the conditions under which integration is feasible and sustainable.

In terms of future research, there is a need for longitudinal studies that track how consulting and risk governance co evolve over time, as well as comparative analyses across institutional contexts. Such research would deepen understanding of the dynamic processes identified here and further test the applicability of the complex consulting model in diverse settings (Kovalchuk, 2025).

Conclusion

This study has advanced an integrated perspective on business consulting and enterprise risk governance in small and medium sized enterprises, grounded in a synthesis of theoretical and empirical insights. By drawing on Kovalchuk's complex model of consulting and situating it within broader frameworks of strategic management and organizational sociology, the

analysis has demonstrated that resilience and competitiveness emerge from the alignment of advisory relationships, risk awareness, and organizational infrastructure (Kovalchuk, 2025). Rather than relying on isolated tools or compliance driven frameworks, small firms benefit most when consulting and risk management are treated as interdependent elements of a coherent governance system.

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