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THE RELATIONSHIP BETWEEN FINANCIAL RISK MANAGEMENT AND CORPORATE RESILIENCE DURING A CRISIS: A COMPREHENSIVE LITERATURE REVIEW

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Abstract

This article aims to analyse the relationship between financial risk management and corporate resilience during times of crisis through a comprehensive literature review. The findings indicate that financial risk management plays a strategic role in strengthening corporate resilience, particularly through the stabilisation of cash flows, the protection of liquidity, the control of loss exposure, the improvement of decision-making quality, and the strengthening of risk governance. The literature also indicates that companies which implement integrated risk management tend to be more resilient in the face of a crisis than those which adopt a reactive or piecemeal approach to risk management. Thus, financial risk management can be understood as a vital foundation for corporate resilience, both in the short term to mitigate the impact of a crisis and in the long term to build business sustainability amidst an increasingly uncertain business environment.

Keywords: financial risk management, corporate resilience, crisis, enterprise risk management, liquidity, literature review.

Introduction

Companies face far more complex pressures during times of crisis, particularly when economic turmoil, market uncertainty, supply chain disruptions and a fall in demand occur simultaneously. In such situations, a company's resilience is determined not only by its operational strength, but also by management's ability to control financial risk in a swift and structured manner. The literature emphasises that financial risk management functions as a process that helps organisations identify, assess and manage risks at an enterprise-wide level (Zheng et al.., 2025). Consequently, the