

**LINA NOVICKYTĖ**

Lithuanian Institute of Agrarian Economics, Lithuania

**A BEHAVIOURISTIC APPROACH IN RISK MANAGEMENT:  
THEORETICAL INSIGHTS FOR SUCCESSFUL STRATEGY  
IMPLEMENTATION**

**Abstract:**

Every organization or company is confronted with various forms of risk from different sources. To adapt an appropriate risk management strategy is the key element for successful business activity and continuity. Noted that not always decision-makers behave in a rational manner and both individual behaviour and especially external factors play an important role in adaption useful risk management strategy. This paper presents how individual risk perception or/and external environment affected all risk management process and strategy. In this regard we argued, how important to have systematic or holistic view in all risk management process. Hence the paper focus on the characteristics, indicators, biases, and frameworks which affect the behaviour in adoption the risk management strategy. Also, present some theoretical insights on behavioural risk mostly focus in agriculture sector, emphasizing that behaviour is often unreasonably ignored in order to form an integral policy. The results of the analysis are useful in assessing the effectiveness of different risk management strategies in agriculture and taking into account the obtained results to draw up strategic guidelines for future Common Agricultural Policy.

**Keywords:**

decision making, risk perception, behavioural, finance, agriculture

**JEL Classification:** D81, E03, Q10