IDENTIFYING RISKS IN EDUCATIONAL ORGANIZATIONS

Ph.D. Student Gheorghiţa DUMITRACHE (TORCICĂ)
"Valahia" University of Târgovişte, Romania
E-mail: gheorghita_torcica@yahoo.com

Abstract: Risk management within educational organization is an important activity which must integrates recognition of risk, risk assessment, developing strategies to manage it, and mitigation of risk using managerial tools. Objective of risk management is to reduce different risks related to a pre-selected domain to an acceptable. It may refer to numerous types of threats caused by environment, technology, humans, organizations and politics. The process of risk identification within educational organizations is the most important în the process of risk management. If a risk is not identified correctly, then the risk manager will not be able to cuantify it and find the proper method of counteracting the significant results of risk exposures. The paper describes the different risk identification tools and techniques in the risk management process, which methods are used in the different steps in order to risk identification, and provides some examples for risk in educational area.
Keywords: Risk management, educational, risk identification, identification tools and techniques, risk in educational organizations.
JEL Classification: I21, I28.

1. Introduction

Risk management is a proactive, continuous and systematic process of identifying, evaluating and managing the risks incurred by organizations in order to ensure a reasonable level of assurance of increasing the probability of achieving the objectives in an efficient and effective manner.

In school organizations, the risk management process is, at the same time, a component of an internal control system, with which the directors or responsible officers in this field manage the significant risks identified within the organization, the ultimate goal of the process maintaining these risks to an acceptable level. From this point of view, the risk management system needs to be integrated into the management organization of the school organization and use techniques, methods and working tools, communication channels and specific procedures adapted and correlated with the other elements of the management system.

2. Conceptual delimitation of risk within an organization

"Risk is defined as an uncertain, but possibly permanent, occurrence in the process of technical, human, social, political events, reflecting variations in the distribution of possible outcomes, probability of occurrence with subjective and objective values, potentially damaging and irreversible effects" (Oprean and Paraipan, 2008, p.8).

The process of identifying risks or analyzing the future of an organization is the first step in risk management activity that is achieved by discovering all achievable sources that can generate risks in order to eliminate or mitigate the effects they can produce through the impact that have on the achievement of the general and specific objectives set by the organization. Regardless of the mission, vision, goals, general or specific objectives, values or standards of systems or organizations, the risk can be identified in each process.

"The organization is a structured ensemble of human resources and articulated and mobilized materials converged by their capitalization in structured and systematic social activities, consciously directed towards reaching some previously established, rigorously scientific goals" (Taciu and Bocoş, 2015, p.37).

The risk-generating events occur as a result of the influence of internal factors (the nature of the institution's activity, the organizational structure, the human factor, changes in the organization, the inadequate performance of internal activities, etc.) and external

factors (economic conditions, technological progress, the legislation, the use of techniques and advanced equipment, changes in the financial environment) that may affect the achievement of the objectives of the educational institution.

The primary objective of risk identification is to avoid the circumstances in which the director of the institution may be surprised by an unexpected event, which generally adversely affects the projects or activities in progress of the educational establishment.

Risk in general can be considered as any threat, vulnerability, action, event, inside or outside an organization that can be assessed for the likelihood of occurrence and its effects, which is likely to bring about positive or negative deviations, or even results against objectives set by the organization.

3. The risk within the educational organization

Within educational organizations, risks are identified and defined in relation to the general and specific objectives set, the realization of which is affected by their materialization. The existence of a system of clearly defined objectives within the educational structure is the key prerequisite for identifying and defining risks, and if the situation so requires, certain activities/tasks that play a decisive role in achieving the objectives can be further detailed to the required limit a sufficiently distinctive identification and evaluation of the risks. The number of risks increases in proportion to the complexity of the educational organization and the number of activities carried out within the structure compartments to achieve the established objectives.

In the context of the risk management process in the school identification organization the events that generate risks involve, on the one hand, highlighting opportunities (circumstances that benefit the organization) as well as some threats with dangerous effects from which it results the possibility of suffering losses in the activities that will take place.

The process of identifying risks within educational organizations begins with formulating objectives and setting out the activities necessary to meet them (Figure no. 1).

Figure no. 1. Structure of the risk management procces at the level of the school organization
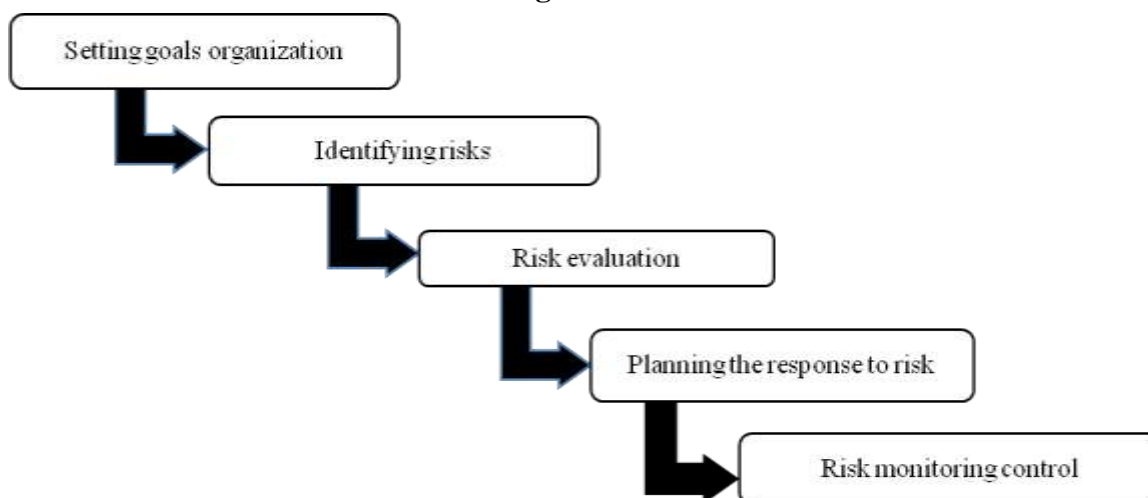
Source: Risk Management Methodology, Selected Project within the Program Operational Capacity Administrative co-funded by the European Union.

Objectives can be expressed in general terms but, at operational level, objectives are precisely defined through measurable results indicators. That is why objectives are the results to be achieved at the level of the organization and at the level of each structural component within it. The general objectives of the educational institution are found in manger plans, are the major intentions that the organization wishes to achieve in the future and are formulated in close coordination with the vision and mission of the organization and whose achievement is carried out in terms of efficiency, effectiveness and economy. In turn, the general objectives of the organizational structure are translated into specific objectives that associate the allocated resources, delivery deadlines, expected results and performance indicators, which are then communicated to field managers and to all teaching staff. The organization's specific objectives must be defined to meet the SMART (S-specific, M-measurement, A-achievable R-relevant, T-timely) requirements package, the objectives must be:

a) specific - are directly related to the conditions that the organization seeks to achieve, transform or change;
b) measurable - be quantifiable as they are more accurate and allow statistical analysis of the data;
c) achievable/applicable - the objective can be achieved under the given conditions by the organization or the person responsible for its realization at reasonable costs;
d) relevant/significant - the achievement of the objective must directly contribute to achieving a more important, more general objective, it must aim at a certain impact and address important and relevant issues;
e) timely accessibility - timely achievement of objectives and usually use questions such as: During what period? When? Until?

After developing the specific objectives and activities, the director of the institution will proceed to the next step, identifying the vulnerabilities (internal weaknesses that can generate the risks) and threats (coming from outside the organization). Vulnerabilities are state of affairs, phenomena or processes inside the organization that diminish the ability to react to existing or potential risks or favor their appearance and evolution. Vulnerabilities usually play a dual role in diminishing the organization's ability to react to existing or potential risks and act as if it were a catalyst for the active manifestation of risks and threats.

Threats to the interests of meeting the general and specific objectives are the negative aspects of overburdening the organization's resources, or because of the limitations imposed on it by a changing external environment.

In a generic vision, the main general institutional objectives concern the following:

a) the formation and preservation of a positive image of the educational unit by valorizing the components of the organizational culture;
b) continuous improvement of educational management at the institutional level;
c) centering the didactic activities on the beneficiaries;
d) empowerment of teachers in order to fulfill certain managerial roles at the level of the institution and its structures;
e) establishing a culture of education in the competitive context of the education system.

The risk management proctor at the level of the school organization is a continuous one that allows the public entity to be connected to the process of change and adaptation, and its effectiveness is mainly achieved by:

a) identifying the threats / vulnerabilities present in the current activities of the public entity that could lead to the commission of corruption and fraud;

b) risk assessment by measuring the likelihood of occurrence and the impact on the objectives if they materialize;

c) risk hierarchy and prioritization based on risk tolerance set by entity management;

d) establishing the most appropriate risk management modalities so that they fall within the limits of established risk tolerance and delegating risk management accountability to the most appropriate decision-making levels;

e) monitoring the implementation of control measures as well as their effectiveness;

f) periodic review and reporting of the risk situation.

Generally, regardless of the organization's specificity, risk identification can be made by formulating the answer to the following question: What would be the consequences of inappropriate implementation or misallocation of this activity or task?

The identified risk is expressed in a comprehensible and concise form with the help of a formula that has to capture the essential elements.

Specific to the risk identification process are the following determinations:

a) risk is an uncertainty, contains a possibility and is not a fulfilled fact;

b) the difficult issues identified are treated as lessons learned and in the same circumstances are considered as risks;

c) situations and events with zero probability of occurrence are not considered as risks;

d) the causes, but also the effects of the risks identified on the objectives, are highlighted;

e) the identified risks are ordered by the nature of the consequences and priorities;

f) risks are not defined by their impact on objectives because the impact is not a risk but a consequence of how the materialization of a risk affects those objectives;

g) risks are not defined by denying objectives;

h) no risks that do not affect the objectives are identified.

In school organizations, the risk identification phase is a participatory complex process which implies:

a) drawing up a list of possible risks and a risk profile;

b) risk assessment based on lessons learned;

c) the comparative analysis between the established risks and those from the activities carried out by the previous organization;

d) determining the risks that may arise during the performance of activities to achieve the objectives and which may affect the human, material, financial and informational resources of the school organization.

At the risk identification stage in the school organization, the director together with the field manager aims to discover all possible sources of risk in order to eliminate or mitigate the effects they may produce. Following the risk identification process, the director of the institution can quantify these risks and establish ways to address them in order to avoid situations where the organization is surprised by unknown events.

Methods of collecting data for the risk identification process according to the organization's specificities can be: a) questionnaire b) brainstorming c) the risk register.

➢ **The questionnaire** is a research tool used by executives or managers of institutions to collect the data needed to reach the research goal at the organization level to identify risks. The questionnaire used for risk identification has three important objectives: transforming the data, information and knowledge the director needs in a set of questions to which the subjects respond, encouraging and motivating respondents to engage in communication and cooperating, and minimizing the risk of errors occurring. The elaboration of a questionnaire for the identification of the risks involves the following steps: questioning, question

validation, ordering and grouping the questions, formulating the questionnaire and pretesting the questionnaire.

➢ **Brainstorming.** Using questionnaires helps decision makers identify one or more risks, but cannot tell them precisely what the source of those risks is and cannot indicate how this source affects the conduct of activities or the achievement of goals. These disadvantages can be solved in brainstorming sessions organized by decision-makers at the organization level. Participants, using the brainstorming method, channel their efforts towards all the sources of risk that may affect the performance of the activities, starting from the specific objectives of the organization. In this respect, the participants ask themselves "What do you think can happen during the activities of the managerial plan?" And each comes with the most diverse ideas. During the meeting, nobody should criticize the ideas of others to encourage the continuous flow of contributions. As a risk is identified, it is recorded, and at the end of the storm of ideas the risks will be read, analyzed and used in the preparation of risk alert forms according to internal procedures.

➢ **The Risk Register** is a document developed at the level of the institution which is regularly updated throughout the conduct of the activities included in the managerial plan. It becomes a component part of the risk management process specific documents and includes previous records that will be used to carry out future risk identification activities. The risk register may include: the list of risks, the list of risk responses, the main causes of the occurrence of the risks and the updated risk categories.

4.   Conclusions:

Risk management is a process that involves identifying and assessing risks, identifying and establishing the response to risk to reduce the probability of occurrence of risks as well as mitigating the consequences resulting from their materialization.

Although the risks cannot be entirely eliminated, most can be anticipated and managed effectively and efficiently. For managers and managers of educational organizations the correct and timely identification of the risks associated with the specific objectives is the result of a complex of managerial experience factors, certified and proven skills, and a special ability to successfully combine specific methods, techniques and tools to identify risks, but also lessons learned.

Risk identification must be a dynamic, continuous process integrated into the management process of the school organization that contributes to the achievement of the goals planned by the organization.

The application of the risk identification process in educational organizations, though hardly accepted by the teaching staff and the auxiliary teaching staff, led the managers to reflect on the functional organization of the institution they represent, and establish with greater responsibility the general and specific objectives, develop procedures and identify the risks that may affect the achievement of the objectives. Although the impact of the implementation process of risk management is limited, it can be said that there is an increasing interest of managers and teachers in knowing the general requirements for meeting the standards set by the legislation in force.

References:
1. Ciocoiu, N.C., 2014. *Risk Management. An Integrated Approach*. Bucharest: ASE Publishing House.
2. Gherguţ, A., 2007. *General and Strategic Management in Education*. Iaşi: Polirom Publishing House.

3. Mihai, I. and Velicu, I.A., 2008. *Risk Management within Financial Banking Institutions.* Bucharest: Economica Publishing House.
4. Petrascu, A.G. and Petrescu, M., 2017. *Instruments and mechanisms for the management of classified information.* Târgovişte: Bibliotheca Publishing House.
5. Risk Management Methodology, Selected Project within the Operational Capacity administrative Program co-financed by the European Union, European Social Fund, Structural Instruments 2014-2020.
6. Taciu, B.R., Bocos M.D. and Chiş, O., 2015. *Educational management treaty.* Piteşti: Paralela 45 Publishing House.