

# The Implementation of the Risk Register by the Leaders of Preuniversity Educational Organizations

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**Abstract:** Research issue: Risk management, as part of a management educational organization, is an important process which integrates identification of risks, risk assessment, developing strategies to manage it, and mitigation of risk using managerial methods, techniques and tools. The main objective of the iterative risk management process is to reduce the identified risks, associated with the activities carried out by each structure, as part of the educational entity. As an integral part of risk management, identifying risks or analyzing the future of an organization is a dynamic process that is realized by discovering all the feasible sources that can generate risks, in order to eliminate or diminish the effects that they can produce by the impact they have on achievement of the general and specific objectives set by the organization. The implementation of the risk register, at the level of the educational organizations, involves completion of all specific stages of risk management and elaboration of a document confirming the existence of a functional risk monitoring system, but also of a database with the identified risks, by the leaders of the educational organization. Methodology: The main uses for this paper are observation of the economic and educational national and international experience of the authors, questionnaire applied to teacher from pre-school and primary stages of education. The purpose of questionnaire was to identify all risks from educational organization, as well as teachers perception about the impact on the objectives in case of risk materialization, but also the causes that favor the emergence of risks. Originality: The paper is of particular importance because it describes all the stages of the iterative risk management process carried out in the educational organizations, the analysis of the questionnaires applied to the teachers, the elaboration of the risk register as well as approaches of its implementation in the educational organizations. 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 identify the risk, and it provides some examples for risk in educational area. Conclusion: The implementation of the risk register contributes to ensuring the quality of education, efficient use of resources, to attract new resources and to encourage teachers to gain a responsible attitude towards achieving the general and specific objectives of the educational organization by improving the complex risk management process.

**Keywords:** *Risk management; educational risk; risk register; risk in educational organizations, leaders.*

**How to cite:** Dumitrache (Torciă), G., & Georgescu, D.N. (2019). The Implementation of the Risk Register by the Leaders of Preuniversity Educational Organizations. *Logos Universality Mentality Education Novelty: Economics and Administrative Sciences*, 4(1), 10-20. doi: 10.18662/lumeneas/09



## 1. Introduction

The swift changes in the modern society, the expansion and development of the phenomenon of globalization, the unprecedented technological advance and the significant possibilities of quick and unlimited access to the informational flux transmitted by a great diversity of sources are the general causes that lead to the idea that, the current educational processes are increasingly complex, more sophisticated and complicated, and the results of these processes have to be not only in accordance with the requirements of the current challenges but also with those that are outlined in the future.

Starting from these challenges, it becomes obvious that the entire activity of the educational organizational entities must be directed towards increasing their competitiveness, at both national and international level through the quality of their offers and the results of their activity, a performant management of quality and adequate financial policy, in order to use resources efficiently and attract new resources, strengthen the international dimension of activities, encourage the responsible attitude of the staff towards achieving the general and specific objectives of the organization by improving the risk management process.

## 2. Theoretical Background

As component part of modern management, risk management has become a priority concern of the contemporary world and one of the successful mechanisms of the economic and social evolution, representing a continuous and complex process carried out by organizations, which includes a series of activities designed to mitigate the impact risk action, both on the activities of the organizational entities and on the planned or planned results.

The exceptional results and the successes obtained by the state and private companies, through implementing the risk management system in the economic activities have led to the legitimate question: *The methods, models, instruments, techniques, procedures or benchmarks used in the dynamic and complex risk management process (successfully applied over several decades in business environment) can be also used in the educational environment?*

The risk represents a situation, an event, that has not yet appeared, but it may occur in the future, in which case obtaining the results, previously fixed, is a potential threat, so the risk may represent either a threat or an

opportunity and it must be approached as a combination between probability and impact (Risk management methodology, 2018)

Starting from the effects produced, risk is defined as a measure of the mismatch between different possible outcomes, more or less favorable or unfavorable in a future action (Ceașu, 2000).

The risk, as an inherent challenge of any activity or process, has become one of the areas of interest of the studies carried out by specialists in the field of organizational management. In this context, no matter social, economic, industrial, educational, business or other activity, the risk itself is related to crisis situations, to limit situations that involve making decisions or measures to control them and to achieve, finally, an optimal framework for meeting the objectives, obtaining the performance and maintaining the required quality standards.

With educational organizational entities the risk may be perceived as a useful tool in the planning process, available to the manager, extremely useful in prioritizing the areas of interest of the institution and in establishing strategies and activities that lead to reducing the negative impact on the general and operational objectives of the organization.

In a general approach, risk management involves the identification, analysis and permanent evaluation of the risks that may arise during the course of the activities, as well as the planning of effective actions to be carried out in risk situations (Andersen, Schroder, 2010:12). At a more specific level, risk management involves planning resources to minimize and monitor the likelihood of risk occurrence and its consequences, as well as recognizing the opportunities involved in these situations (Hubbard, 2009:10).

Risk management, in line with national legislation, is a complex process of identifying, analyzing and responding to possible risks of a public entity, through a scientific approach, which uses material, financial and human resources to reach the objectives, aimed at reducing exposure to losses (Risk management methodology, 2018)

At the level of educational organizational entities, risk management is a cyclical, proactive, continuous and systematic process of identification, evaluation and risk management performed at the level of entities, with the purpose of giving reasonable assurances regarding the increase of the probability of achieving the objectives in an efficient and effective way.

The complex and continuous process of risk management in educational organizational entities is also a component part of the internal management control system, with the help of which the directors or the managers with attributions in this field manage the significant risks,

identified within the organization, the final purpose of this process being to keep these risks at an acceptable level. From this perspective, the risk management system has to be integrated into the management system of the educational organizational entity and use techniques, methods and working tools, communication channels as well as specific procedures adapted and correlated with the other elements of the management system.

In short, risk management is the process carried out at the level of educational organizational entities and involves: *identifying and assessing risks, identifying and establishing risk responses in order to reduce the possibility of occurrence of risks, and to reduce the consequences produced, as a result of the materialization of risks.*

With the implementation of the risk management process, in higher education institutions in the United Kingdom, the concept of *academic risk* has emerged, covering all areas of activity approached by the organization and having as a result: financial and material losses, negative impact on the quality of education, weak results in evaluating the activity of university scientific research and also affecting institutional reputation (Huber, 2011: 8).

Starting from the academic risk and from the risk registers elaboration at the level of the educational organizational entities in the university environment, the British specialists identified a classification of risks according to the structure of the universities and their fields of activity, as follows: *the specific risks of teaching- learning - evaluation , the risks specific to the university scientific research, the operational risks and the reputational risks.*

***The specific risks of teaching-learning-evaluation*** are those determined in particular by the professional training and the experience of the teaching staff in the educational organizational entities, and the triggering factors may be considered: the lack of experience of the teachers, the excessive use of the teachers in the part-time system, the technique of calculation dedicated to teaching activity is insufficient, the number of teachers in the institution does not cover the need for teaching staff due to the inactivity of the teaching career. All these risks have a negative impact on the teaching-learning-evaluation process and implicitly on the quality of education, at all levels.

***The risks specific to the university scientific research*** are those arising from the use of inefficient methods of estimating and allocating the resources (material, financial, informational) necessary for the research projects or not implementing the results of the academic research in the socio-economic development projects at regional, national level. or European. These risks may also be determined by the inability of educational organizational entities to adapt quickly to a constantly changing environment.

**Operational risks** are encountered in all areas, regardless of the size of the organizational entity or the specificity of its activity, and represent the category of risks that affect the ability of the organizational entity to achieve its general and specific objectives as a result of inefficient management of the organization's resources, the absence of operational procedures or system or their deficient elaboration, the lack of vision of the managers in establishing the objectives of the organization, the non-implementation of standards regarding the quality and risk management and the delay of the necessary changes to adapt to the new conditions of the activity environment. Operational risks also describe the negative influences on the operational structure of the organizational entity, the processes carried out, as well as on the personnel.

**Reputational risks** refer to the possibility of material, financial, informational or image losses occurring at the level of the organizational entity, as a result of the perception of the beneficiaries and the community regarding the ability of the organizational entity to meet its general and specific objectives. British researchers have launched the idea that reputational risk may be the result of the following challenges: the existence of corruption at the institution level, the transmission by teachers, researchers and students of erroneous signals regarding the teaching-learning-evaluations and academic scientific research activities and obtaining negative results to the evaluations of the teachers and students and their publicity (Huber, 2011).

In the field of activity of the educational organizational entities, at national level, a practical grouping of the main categories of risks (types of risks) may be realized, namely: strategic risks (targeting the strategy of the organization - The project of institutional development), operational risks (specific to the activities of preparation, planning, organization, implementation and evaluation of operational and management plans), risks related to performance (quality), risks related to time and costs (administrative risks) and reputational risks.

### **3. Argument of the paper**

The risk register is the document elaborated at educational organizational entity level and implies the integration of all the risks identified by the existing structures and the specialized commissions that, after establishing the specific objectives and activities, analyzed the significant risks, establishing strategies for their treatment.

In educational organizations where risk management is considered to be an integral part of the organization's management, the risk register or risk log, as it is also called by some authors, is a management tool that records all identified risks, their severity or better said the impact they have on the failure to achieve the objectives, as well as the actions taken by the institution to diminish the negative effects of the analyzed risks. The risk register can be developed in the form of a simple document, a spreadsheet for example, or depending on the size of the organization and the experience of the managers, the registry can be set up in a database.

The main objective of the implementation of the risk register is the conduct of a complex repetitive process, by the director of the institution together with the heads of the specialized committees and the heads of the departments of the organization of the educational organizational entity in order to create a functional and efficient system for efficient monitoring of the identified risks.

#### **4. Argument to support the thesis**

As an integral part of risk management, identifying risks or analyzing the future of an organization is a dynamic process that is realized by discovering all the feasible sources that can generate risks, in order to eliminate or diminish the effects that they can produce through the impact they have on achievement of the general and specific objectives set by the leaders of the organization. Within educational organizations the risks are identified and defined in relation to the general and specific objectives set, whose achievement is affected by their materialization.

The existence of a clearly defined system of objectives within the educational structure is the essential condition for identifying and defining the risks, and if the situation requires it, precise planned activities (tasks), which have a decisive role in achieving the objectives, can in turn be detailed to the limit. maximum required for proper identification and evaluation.

The objectives of the organization are not limited to those derived from the purposes it was created. To achieve the goals, the organization uses resources, a necessary fact to define objectives related to their efficient use and the security of assets. The organization also generates and uses information, a series of objectives concerning the reliability of internal and external information, a central place being occupied by the reliability of the accounting information, in order to reflect the financial and patrimonial situation. The organization carries out its activities in a regulated environment and, therefore,

it is natural to set objectives related to compliance with laws, subsequent normative acts, regulations and internal policies.

After the elaboration of the specific objectives and activities, the director of the institution will proceed to the next stage, to identify the vulnerabilities (weaknesses inside the organization, that may generate risks) and threats (coming from outside the organization).

In educational organizational entities the risk identification stage is a complex participatory process, approached by the director of the systematic institution to ensure that all significant activities have been identified and all risks arising from these activities defined, and involves:

- drawing up a list of possible risks and a risk profile;
- determining the risks based on the lessons learned;
- comparative analysis between the established risks and those of the activities carried out by the previous organization;
- determining the risks that may arise during the development of the objectives, affecting the human, material, financial and information resources of the organization.

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

After identifying the risks using specific methods, techniques and tools, the next step is to describe the risks and causes that favor their occurrence using the following table form:

**Table 1.** Description of the risk (The International Standard 31000, 2018)

The name of the risk	x
1. The purpose of the risk	Qualitative description of events, size, type, size, number and factors they are depending on
2. Nature of risk	Strategically, operationally, tactically
3. Direct and indirect beneficiaries	Direct and indirect beneficiaries and their expectations
5. Risk quantification	Significance and probability of occurrence of risk
6. Risk tolerance / risk appetite	Impact of risk materialization, probability and size of losses / gains, objective for controlling risk and the desired level of performance
7. Risk management and control mechanisms	Primary means to currently manage risk, the level of trust existing at the the organization level, the identification and review of the monitoring procedures



The name of the risk	x
8. Potential actions to improve the activity	Recommendations for risk reduction
9. Strategies applied	Identifying the person in charge of the organization in order to realize the strategy of counteracting the risk

With the introduction of the Risk Management Methodology through the Capacitive Administrative Operational Programme *The Competence Makes The Difference - Structural Instruments* 2014-2020, risk assessment is perceived as an analyzing phase after identifying the risks and comprises three distinct activities: estimating the probabilities of risk materialization, the estimated impact upon objectives and activities in the event of risk materialization and risk exposure assessment, the tools being probability scales, with values that are generated by learning acknowledgement or by the experience of the directors of organizational entities.

In educational organizational entities, using a three-step scale to estimate the probability of materializing the risk and the impact on the objectives, a matrix of exposure evaluation with nine (9) values results. The scales can be used for the representation of both quantitative and qualitative values.

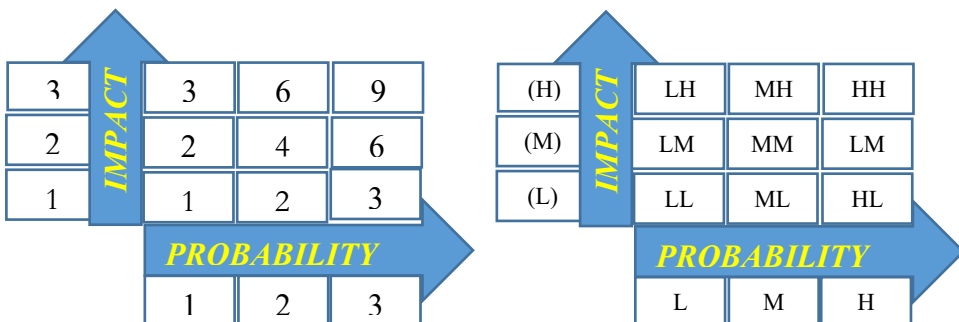
$$R = P \times I$$

Where:

R - Represents the risk score (the result of the evaluation);

P - Estimating the probability of materialization of risks;

I - Estimating the impact on the objectives or activities in case of materialization of risk



Legend:

Impact

L-low  
M-medium  
H-high

Probability

L-low  
M-medium  
H-high

After summing-up the information received from the members of the specialized commissions and the compartments, following the application of the questionnaire aiming to identify and analyze the risks, the director of the institution together with the risk monitoring commission elaborates the risk register in a form that must contain: the objectives of the organization as well as the activities carried out for their fulfillment, the identified risks, the causes that favor the emergence of the risks and the strategy adopted by the organization for the risk response.

## **5. Arguments to the argue the thesis**

In the opinion of the British researchers, the risk register should be regarded as an effective tool that facilitates and improves the decision-making process and not as an object of the development of regulatory policies in the educational field. The risk register, taken over by the university and pre-university educational institutions in the area of state or private companies, represents a managerial, complex tool, adapted to the current demands and challenges in the economic and educational environment.

Analyzing the specialized literature, we can say that the risk registers present the way in which educational institutions identify and analyze the risks using qualitative and quantitative methods, starting from the general and specific objectives, but also from the characteristics of the organization. Depending on the organizational structure, the general and specific objectives or the hierarchical levels, the risks are grouped in registers, according to specific criteria determined by the fields of activity, as follows: the specific risks of teaching-learning-evaluation, the specific risks of the scientific research, the operational risks, the reputational risks and administrative risks.

Some British universities structure risk registers in the form of onion layers. The core of the risks is represented by teaching-learning-evaluation and research, and around this core the specific risks of delivering the results of teaching and research gravitate. The third layer refers to the external risks that are beyond the direct control of the universities (Huber, 2011).

Although some researchers claim that there is no standard on the components of the risk register (Biswar, 2017) at national level, the Risk Management Methodology through the Capacity Administrative Operational Program The Competence Makes The Difference - Structural Instruments 2014-2020 presents a registry model that contains the following elements: objectives / activities, the identified risk, the causes that favor the

occurrence of the risks, the inherent risk (probability, impact, exposure) the adopted strategy, the date of the last revision and the residual risk (probability, impact, exposure)

## 6. Conclusion

The didactic and non-teaching staff of the institution is aware that the elaboration and implementation of the risk register is a dynamic, continuous process, integrated in the management process of the school organization that contributes to achieving the objectives planned by the organization.

Risk management application in educational organizations, although quite difficult to accept by the teaching staff and the auxiliary teaching staff, has determined the managers to reflect on the functional organization of the institution they represent and to establish with more responsibility the general and specific objectives, to elaborate procedures and identify the risks that may affect the achievement of the objectives. Although the impact of the risk management implementation process is limited, we acknowledge that there is an increasing interest of managers and teachers to know the general requirements of meeting the standards provided by the actual legislation.

After the risk register is drawn up, it becomes part of the specific documents of the risk management process including 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.

The risk register implementation contributes to ensuring the quality of education, efficient use of resources, to attract new resources and to encourage teachers to gain a responsible attitude towards achieving the general and specific objectives of the educational organization by improving the complex risk management process.

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