

RISK MANAGEMENT- THE REVEALING HAND

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In the Present world it is necessary to assess risk for strategic human resource management. Risk measurement deals with future uncertainty and its exposure to minimize risk. A skilled HR manager tries to take advantage of their skill to realize risk and uncertainty associated with business. Once velocity of risk and its exposure is determined its outcome can be managed. This methodology can also be applied in case human assets and discussions can be made by experience of different experts' opinion or option which gear HR management capabilities to meet out risk. In this paper will discuss about different kind of risk, their assessment procedures, linkages of such risk involvement to the different personnel in an organization. In addition to this It will picture of Role of a HR manager and staff to carry out risk management strategic goals to identify best HR practices in respect of fulfilling strategic risk management objectives.

Present study is limited with capacity of HR manager, their anticipation towards controllable and uncontrollable risk whereas certain risk may occur and cause irreparable damage despite anticipation and preparation, there are certain substantial cost and effort involved to risk.

IMPLICATION OF RISK IN BUSINESS AND ROLE OF HR MANAGER

In present time technological changes have greater impact over competitive edge. Cut throat completion and rapid change in technology have forced HR managers are hiring multi skilled employees for lowering the cost of production by transferring same employees from non-technical to the technical wing or one unit to another unit as and when required. In this case HR manager has to identify a critical point of production where cost structure will change from low to high and take decision according to anticipate such risk and prepare themselves to create a human resource repository and get benefitted.

Most of the employees are not ready to adapt such change and requires more time to adjust themselves to perform their duty. Sometimes it becomes crucial to maintain labour turnover or change in management. Change in management may also create a dilemma to the employees what to do and how to do? Because appraisal of any employee is done the basis of HR management practices. It becomes a risk to the HR manager if the not communicating employees properly in the changes of management practices. It will affect input output of the business. If company is trying to change in the infrastructure of the company it will also become a crucial

risk. Another risk arises by the competitor organization where they tries to attract employees by proving them attractive perk, perquisite salary, etc. In this case HR manage has to retain their employees by motivating differently. Sometime working pattern, hours, education and knowledge may also induce a risk; these risks can be managed by regular check box, periodic easement of employees, proper timely decision regarding training and development to minimize the risk accordingly. WPM is also a way to maintain relationship between management and employees but as per human phenomenon they try to be always a part and partial of management and take decisions on behalf of management. Sometimes such decision taken by workers may led another type of risk. Potential changes must be perceived in advance otherwise it will create long term risk.

RISK ASSESSMENT AND ITS TOLERANCE:

There may be different type risk tolerance tool depending upon the types of risk and its level like, risk calculator, risk avoider, risk adventure risk daredevil. Stakeholders of any business take a keen interest in respect of preparation of risk profile as their understanding and awareness. Environmental scanning may help to measure degree and level of risk. For such assessment of recent risk profile we may go through different affected people, their consultation, published reports, interest groups, suppliers, etc. before taking any decision challenges of communication, level of risk, extent of risk must be questioned and behave accordingly. After passing time risk tolerance capacity may develop as new information and outcome becomes available, social expectation evolve as a result stakeholders' engagement on trade off. In different organizations different type of risk tolerance may exist and it must be measured in time and managed as per requirement.

RISKS MAY BE

There may be different kind of major business risks like, operational risk, financial risk, Market risk, legal risk and political risk. If we discuss about operational risk it came into the existence in early year 1990. It includes all level of management top to bottom including technology and their activity. If any kind of failure arises due to man or technology we can say that such risk are operational risk. Extent of operational risk depends upon the human and resource available to the organization. Second risk is financial risk is based on return on investment theory where unpredictable movements may a cause of such risk. We can minimize such risk with advanced production technology, cheaper labour supply; best market team etc. market risk is the uncertainty of future value of portfolio of assets. It can be minimized by keeping watch on market forces. Market forces are responsible for the fluctuation in the value of different investments made and may be a reason for decrease in the value of these investments in short and long run. Such type of risk may be expressed as commodity risk, equity risk and currency risk etc. Risk related to the behavior, character, health etc. of different individual are non-predictable and comes under human resource risk. Human resources are key element of an enterprise being as human capital such risks are more dangerous to the organization as without human resource nothing is possible in a business enterprise. Human resource are both a source of

risk and an important part of the strategy dealing with this. Thus risk related to the human resources is serious risk and should be handled softly. To put the workers in legal jeopardy legal standing of the companies are responsible sometimes it becomes threats or risk as legal risks. Different rules or programmes imposed by government may create some legal risk and change the attitude and behavior of employee or society. These may include trade practices and ethics, socio-economic responsibility, restrictions imposed by government on foreign policy regarding ownership and management etc. these are basic problems of control. Another major risk is Political risk. It arises due to political instability no longer policies framed by one government becomes viable to another government and the successive government laid downs policies of the last government so management not finds themselves to meet contractual obligations. Sovereign risk may be resulting from uncertainty of the political party. In such cases there is risk to manage their reputation and goodwill of the company in global scenario. These are WTO, foreign policy, international affairs, unionism etc. Such global risks may be subdivided in different categories and arises in different fields like, social economical, geopolitical, environmental and technological.

STEPS OF RISK MANAGEMENT

There are certain steps should be taken by management while handling risks:

1. Identification of risk: Firstly management has to identify what type of risk is prevailing and their linkages like, likely hood, severity, overtime, timing etc.
2. Measurement of risk: Once risk is identified then there is need to measure its intensity and dependency. Therefore, it is required to develop a parameter on the basis of which risk can be measured and institution has to follow such benchmark to minimise that risk if it arises. If a development benchmark is being followed it would be easy to maintain out output level.
3. Capacity Development of Management: Capacity of the management plays an important role in minimizing risk. Risk bearing capacity differs from one organisation to another organization, one manager to another manager, one person to another person, one place to another place etc. So there is need to prepare themselves and develop their capacity to manage such risk as and when required and play an important role towards organization. It depends totally on the willingness of manager and as it varies from one to another and cause of risk of willingness to handle.
4. Goal Setting: It must be done in advance to restrict risk and well planned decisions should taken after analyzing different aspects, different types of risk, plant to overcome or handle etc.
5. Identification, Selection and application of different tools: In order to minimize risk there are different types of tools available in the market. After exploration of these different alternatives there is need to select specific tool as per requirement should be applied.
6. Appointment of Professionals: In the present world it required to appoint specialist risk managers to assist in the management of risks. These professionals work as watch dog of the organisation and differentiate personalities while managing, for example, complainer, bully, skilled, non-skilled, sensitive, manipulator, etc.

In the current scenario in human resource management employees are treated as human capital. As a result it is expected to maintain and human capital in the organization. There are several aspect are to be taken care of; like, how much investment or expenditure to be made in the context of managing human capital. Roles and responsibility of every team or team manager from top to bottom should be defined in clear cut way.

CONCLUSION, FINDINGS AND SUGGESTIONS

Present study focuses over variety of risks and how these risks can be managed through development of a well organized human resource planning for alignment and change, job analysis and competency modeling, standardized performance appraisal method with feedback system, use of productivity liked and performance based pay structure, strategic partnership, understanding internal-external environment of the organization, developing an overall approach to compensation, providing benefits and services, ensuring equitable pay, fair treatment and legal compliance, different types of recruitment, selection and training methods must be incorporated to meet out oraganisational demand, preparation of special task for to face future challenges, understanding unionization, collective bargaining and promoting workplace health & safety etc. These are certain points must be taken care of while managing risks.

To figure out risk there are some steps which are required:

- Goal Setting and implementation of mission and vision
- Development of openness in culture and climate in the oraganisation through proper communication, conflict resolution, discipline etc.
- Motivating long term employees
- Identification of a diverse workforce
- Establishment and management of teams
- Providing training
- Building a high performance taskforce

Therefore, we can say that management has to play different roles to minimize risk and maximize profit like, negotiator, developer, manager, manipulator etc. with the help of expertise professionals different kind of risks can be easily identified, measured and minimized. It would help to prepare a pool of talent and reap strategic rewards in terms of profit. Stretegic management and human capital may reduce risk through different steps of risk management. Risk tolerance capacity of the management, regular talk of management, annual plans are helpful in risk management.

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