STAKEHOLDERS’ PERCEPTION ABOUT RISK MANAGEMENT IN THE PROCESS OF CHANGE FOR ORGANIZATIONAL SUCCESS

Jalil-Ur-Rehman Baloch  
Institute of Education & Research, Gomal University, DI Khan, PAKISTAN.

Dr. Asif Jamil  
Institute of Education & Research, Gomal University DI Khan, PAKISTAN.
asifjamil72@hotmail.com

Muhammad Younis  
Govt. Degree College #2 DI Khan PAKISTAN.

ABSTRACT

This study was conducted to assess percept of stakeholders about risk management in the process of change for organizational success. The stakeholders encompassed Administrators, Teachers and Parents. Stratified sampling technique was applied for selection of sample population. The respondents were supposed to respond to predetermined queries about application and decision making processes to address the risk(s) before its materialization in the educational institutions. It was learnt that percept of the stakeholders is quite clear about risk management and a strong relationship prevails among risk management, proper planning, taking mitigation and contingency actions, reviewing the plans, goals and decisions from time to time to achieve the objectives skillfully and keeping a record of the past activities and events. However, responses of teachers and parents revealed that the administrators were ruthless to claim that they remain alert to advantages and disadvantages of proper use of financial resources, believe in the crises management, follow well defined procedures and properly direct the team on daily tasks to control the risk.

Key words: Change, Risk Management, Perception, Organizational Success

INTRODUCTION

According to an international definition, risk stands for the degree to which inconsistency is spread around the expected best value projected to continue for in question economic variable that may be a quantifying the upper and lower limits, which are considered to be realistic, logical and sensible for the estimation of that very factor.

Harding, R (1998) says that risk is a mixture of occurrence of distinct danger and the degree or scale or number of penalties for potential harmful occurrence of the event(s), and how these events will affect the system. (Slovic 1999) declares that the risk may be based on assumptions which are very much subjective in nature and it may be well judged through experimentation or experiences. (Blomkvist 1987), defines risk as “the possible loss of something of value”. Risk is presumed to be a serious hazard in the accomplishment of goals and success whether these are individual or organizational. Fortunately or unfortunately almost every aspect of life involves some risks but beauty of life is veiled in the risks and their management. Looking for change is also an uphill task and among those risky phenomena which are never easy to infuse as it is always difficult to digest some new idea, some adventure or innovation in the beginning while it also involves risk. Imparting education is a traditional reflexive process and the knowledge gained in the change process may not necessarily reflex positively as risks like extreme specialization and knowledge explosion within this global village are writing on the wall (Egneus et al 2000) and therefore, risk management is of paramount importance. The process of risk assessment is always helpful in the comprehension and tackling of a wide variety of threats and proves to be instrumental especially for the academic community and sports orientation. Risk management involves information processing and dissemination, taking regulatory and technological decisions, setting priorities and developing looms for the benefit of innovative and regulatory policies, however risk assessment is a little too tricky and
therefore its reliability remains disputed but teaching is a profession of talented people and it competes against many important professions (McCampbell & Stewart, 1992) and therefore demands more visionary attitudes from its prospective in their perception especially to risk management. Creative change initiators have inspirational approach and its thoughtful incorporation in the operational agenda can stimulate theory building and improve career growth through performance (Chen, 2003).

Everyone has to deal with some risk at many junctures of life but it depends mainly on how well that was understood. In this context, properly integrated and effective risk analysis can play a very vital role in identifying, recognizing and understanding the risk and its management through consolidated efforts. A number of steps like proper planning, liaison among the different segments, establishment of regular operational progress goals, then reviewing all of the above from time to time can prove helpful in the development of some positive means to manage or at least mitigate the risk. Strategically, putting the educational enterprise on the path of success and uplift contingency actions can prove helpful in controlling the threshold of risk but to suggest contingencies past records are of key nature. Positive and effective change is only possible through well focused pursuit of values for all key stakeholders like teachers, parents of the subjects and administrators themselves which can make the institution or organization more dynamic and well equipped for future responsibilities. On this occasion the researchers would like to quote John Browne (2001),

“We can't ignore mounting scientific evidence on important issues such as change. The science may be provisional. All science is provisional. But if you see a risk you have to take precautionary action just as you would in any other aspect of business”

Risk is always there where there is some uncertainty, but it does not mean that the world and especially the education world cannot make arrangement to manage the wide variety of probable effects or safeguard against possible expensive prospective outcomes (Robert Watson, 2000) and if teaching or managing education were such a straightforward tasks, the teachers may have approached the heaven in the professional culture and technology, but there are a lot of indeterminate risks involved which may affect the clarity of even goals as they may be of diverse and sometimes complex nature, dispersed and disputed among various stakeholders. (Terence & Wiske, 1983). It is said that fear of risk materialization in the complex problems leads to interdisciplinary efforts. The complexity requires immediate solutions for simplicity whether through direct implementation or taking policy decision to curb upon the risks involved. Practical involvement of the stakeholders to tackle the problem and to solve it is an integrated work that has become well-known component of interdisciplinary activities associated with the application of knowledge when looking for change (Egneus, et al. 2000).

These phenomena are apparent around us in the shape of confusion over intellectual plans. The advocates of intellectual designs will never accept that the educational institution may teach Satanism despite the fact that we do see evil plans at the hand of intellectuals (Rozycki, 2003) but it doesn’t mean that we may not take initiative for some innovative work and manage the risk involved as spirited viability is always conditional with ground-breaking new ideas and paying attention to these ideas like in sports (Sharkie 2003).

It has been observed that a number of issues are arising on daily rather on hourly basis in the institutions and these are proving to be the serious threats to the organizations and their basic ideology especially in the field of education, like international evaluation has made it obvious that worth of knowledge is at risk because of very low performance and it needs to be addressed on priority basis (Mullis et al, 2003). We must remember that when working on molding or polishing the behaviour of an individual or an organization we need to manage the risk of globalization as just passing on some understood or plain words would not be sufficient and knowledge management issue is of decisive nature in the present pattern of education (Santos & Williamson 2001; Thurow 2000).

Research and teaching is another standard where the teacher needs to excel as the globalization of learning has deepened the race for quality everywhere especially in education if we are looking for change and uplift of our educational system (Latham, M. 2001). Another important aspect in the risk
management is to remain acquainted with the innate autonomy of human race that alters into dependency and makes the outcomes vague, which limits the upshot of all institutional perspective to a great extent. (Pérez-Díaz, V. & Rodríguez, 2001). This freedom of thought always creates the environment for conflict and competition rather than shared vision and closer association as the educational institutions looking for change are more vulnerable to a crowd of influential and authoritative external and internal forces (Haag, S. & Smith, M.L 2002). It is also worth mentioning that proper selection and effective training also optimize the success and minimize the risk for the administrators looking for organizational success, but mostly the good deeds like skill developments, enhancement or improvement of knowledge and attitude development are ignored (Vance & Paik 2006; Suutari 2002). As the global market is becoming highly competitive so, inflexible schedules for learning may also be risky in the innovative ideas transformation and this risk may be addressed through flexible scheduling. (Smith and Oliver, 2000; Bok, 2003; Attwood and Gill, 2008). Risk is sometime so much threatening that people who are reluctant to face the risk, do like to scarify some of their most important and valuable assets to avoid the uncertainty of the risk (Ghadim & Pannell 2003; Marra et al 2003; Ghadim & Pannell 1999; Cary et al 2002; Dalgleish & White 2001). Perception of risk and its management is mainly dependent upon the trust in personal capabilities and their utilization (Petts & Leach 2000; Finucane 2000; Siegrist & Cvetovich 2000).

METHOD AND MATERIAL

The study was conducted to gather information regarding percept of the heads of the institutions, teachers and parents regarding risk management processes to consider viable change in the present educational system in the southern districts of NWFP. To collect necessary data survey method was considered to be helpful as the human populace was being studied (Bulmer and Warwick), a total of 800 respondents equally representing all the three categories of the population were taken as sample population, selected through disproportionate stratified sampling methods (Birchall, 2010) and 587 (both genders male and female in all categories with a ratio of 399:188 respectively) responded to the questionnaire, which is 73.38 percent of the total sample. A five point Likert scale in a structured questionnaire was served to all of the respondents (strongly agree, agree, uncertain, disagree and strongly disagree) (Likert, 1931) suited the collection of ordinal data for the above said purpose. The data collected was treated statistically using SPSS (Statistical Package for Social Scientists) version 12, whereas independent sample t-test and different parametric and non parametric correlation coefficients were applied. Reliability of the scale based on standardized items on Cronbach’s Alpha proved to be 0.969.

HYPOTHESES

H₀: There is no significant difference in the perception of risk management in Change activities for the uplift of education and educational institutions among the respondents on the basis of gender
H₀: There is no significant difference in the approach of the teachers and administrators upon risk management
H₀: There is no significant difference in the approach of the administrators and parents upon risk management
H₀: There is no significant difference in the approach of the teachers and parents upon risk management.
H₀: Risk management has no significant correlation with planning, liaison, contingency and mitigation actions, review and record while looking for some positive change in the present educational scenario.

RESULTS AND DISCUSSION

The research was pinpointed to consider the perception of the stakeholders about management of risk in the processes of change that may prove worthwhile in the present educational system and for organizational success. The results depicts that a major portion of the stakeholders (48.6%) including
administrators have shown disagreement for being notified or informed about the advantages and disadvantages of different events taking place in the institution while (14.5%) remained uncertain. The data reveals that (40.4%) of respondents (majority from the teachers and parents) don’t consider the use of financial resources in accordance with the need, therefore the adjustments are also not justified and risks are not covered by judicious use of resources whereas (23.3%) showed uncertainty. The results disclose that (45.5%) of the stakeholders illustrate dissatisfaction on the crises management when they start to happen, and (14.8%) stay uncertain. The stakeholders’ major segment (42.6%) mainly teachers and parents) believes that the administrators neither direct the daily tasks nor they follow well defined procedures while (17%) were doubtful.

INFERENCES

The histogram below figure 1 elucidates that majority of parents and teachers don’t show goodwill to the administrator in management of risk for the uplift and bearing good name to their respective institutions. Most significantly round about 50% showed concern over the present situation of risk management in bringing change for the uplift and bearing good name to their institutions and a major fraction of the population was distrustful about the administrators’ role, however there were many who favored them above indecision as the histogram indicates in the right hand side area. Favoring the analysis Curran (1988) tells that it is important to take into account the effect of change and the risk involved. He adds that risk analysis at proper time pays a lot in return as one can control a possible overrun, which may be financial, moral or ethical in its nature and in addition opportunities can be capitalized. From the above results it is evident that proper management of risk has a very significant role in bringing meaningful change for the uplift of the education and educational institutions and it is evident from the stakeholders’ response irrespective of their categories and gender. They believe that proper risk management can curb upon many superfluous, void and simulated problems rising from communication gap.

Figure 1. Good of administrator by parents and teachers for risk management

No significant difference of perception between female and male about risk management in change activities was observed as the t-test results revealed reveal that $\bar{x} = 3.91 > 3.01$, S.D = .951 > .880. C.V = 24.32 < 29.23, $\alpha = 0.05$; respectively for female and male with n=587 affirm the hypothetical stance of the researchers that there is no significant difference in the perception of risk management in Change activities for the uplift of education and educational institutions among the respondents on the basis of gender as both packs lacks the fundamental knowledge of change. According to (Paté-Cornell 2002) indecision is the resultant of absence of the basic information about the point of concern in addition to accidental happenings within the sample for which the prospects of happening are known. In addition to the above it is also said that gender based analysis of events is often influenced by society, culture and history and it is never permanent rather rapidly changing with the society. It has
also been observed that most of the societies either western or eastern are patriarchal in nature and it may portray a pigeonholed picture of gender differences (De Beauvoir, 1953; Harding, 1986; Riley, 1988; Scott, 1988; Hill-Collins, 1990). A difference in approach upon risk management in change activities as perceived by the administrators and teachers was identifies by applying t-test the mean values of which point toward the difference of 1.42(4.29-2.87) with standard deviation 0.477 and 0.767 for administrators and teachers respectively, which is very much significant. Calculated t-value 15.183 is greater than tabulated t-value 1.96, hence null hypothesis is rejected, which narrates that there is no significant difference in the approach of the teachers and administrators upon risk management; rather it is evident that teachers have shown a lot of disagreement in risk management with the administrators in the prevailing scenario. In this regard Ross and Anderson 1982: 149 and Siegrist and Cvetovich 2000: 714 are of the opinion that people do accept the risky situation and manage it where they find benefits from the activity being carried out, but they are careful in collecting the data for substantial benefits. (Ross and Anderson 1982:149; Siegrist and Cvetovich 2000: 714).

Sample population response declares that more than 40% have shown disagreement while almost 10% strong disagreement with the statement that the administrators remain alert to the changing scenario, which is alarming on part of administrators as agreement is 20% and strong agreement about 18% including administrators’ own standpoint with 15% remained uncertain about the situation. This phenomenon has been explained by Adams 1995 in a very interesting manner, he says, “It appears that people have a level of risk with which they feel comfortable and will adjust the riskiness of their behaviour in the presence of safety measures”. Adams names this tendency as individual’s “thermostat” against the risk and its management. (Adams 1995). Application of t-test identified difference of approach in risk management for change initiation activities as perceived by the administrators and parents. Mean values shown in the table indicate the difference of 1.50(4.29-2.79) with standard deviation 0.477 and 0.770 for administrators and parents respectively, which is highly significant. Calculated t-value 16.100 is greater than tabulated t-value 1.96, hence null hypothesis is rejected, as there is significant difference in the approach of the parents and administrators upon risk management and parents have shown a lot of uncertainty and disagreement with the administrators upon risk management in the present situation. Spangler 1984; 7 and Garvin 2001: 450 explains that risk perception and its management is socially constructed and the difference of approach in risk perception and its management might be resultant of personal experiences, memory abstraction and likewise many other factors like ignoring the probability of the happenings etc. (Spangler 1984:7; Garvin 2001:450).

Results of the t-test show difference of approach in risk management for change initiation activities as perceived by teachers and parents. Mean values of the table specify the difference of 0.08(2.87-2.79) with standard deviation 0.767 and 0.770 for teachers and parents respectively, which is highly significant. Calculated t-value -1.284 is smaller than tabulated t-value 1.96, hence null hypothesis is accepted, and it shows logical coherence in the approach of the teachers and parents upon risk management and they have shown a complete unity and agreement with the each other upon risk management by the administrators in the present situation.

Table 2. correlation between Risk management and change initiation activities

<table>
<thead>
<tr>
<th>Risk management</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
<th>change initiation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk management</td>
<td>1</td>
<td>.872(**)</td>
<td>587</td>
<td>.000</td>
</tr>
<tr>
<td>change initiation</td>
<td>.872(**)</td>
<td>1</td>
<td>587</td>
<td>.000</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.000</td>
<td>.</td>
<td>587</td>
<td>.000</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>.</td>
<td>587</td>
<td>.000</td>
</tr>
</tbody>
</table>
Table 2 reveals that the administrators initiating some positive change in the education or educational scenario need to manage risks so that it may not materialize. Change initiation has a very strong relationship with risk management by the administrators of the educational enterprise. The table 6 shows that stakeholders’ perception regarding this correlation which is rejecting null hypothesis \( H_0 \) that correlation between risk management and change initiation is insignificant at 0.01 level on parametric and non-parametric measures.

According to Twig, J (2007) defining risk reduction or its management is technically a difficult task but generally the administrators perceive the importance of change initiation and risk management and administer it through the development of wide ranging policies, strategies and practices which in turn minimize risk(s) through society. (Twigg. 2007)

The table 3 divulges that liaison among different units operating for change proves to be a strong force in risk management for the administrators looking for some good in the education. It has a very strong relationship with risk management as every administrator has to utilize the services of different people and units to take ease up the risk involved in change initiation. In the table 7 it has been demonstrated that stakeholders’ perception regarding this correlation is quite clear hence null hypothesis \( H_0 \) is rejected that correlation between risk management and liaison activities is insignificant at 0.01 level of significance(Table 7).

<table>
<thead>
<tr>
<th>Risk management</th>
<th>liaison</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1 .795(**)</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>587 587</td>
</tr>
</tbody>
</table>

Table 3. Showing correlation between Risk management and liaison activities

The table 4 tells that planning before and during change initiation provides a healthy pedestal for risk management to the innovative administrators in the field of education as every ground-breaking idea has certain risks involved. Proper planning may prove of key importance to manage risk prior to its visibility or occurrence as every administrator likes to at least simplify the risk involved in change initiation. In the table 7 it has been established that stakeholders’ perception regarding this correlation is quite clear hence null hypothesis \( H_0 \) is rejected that correlation between planning activities and risk management is insignificant at 0.01 level of significance(Table 8).

<table>
<thead>
<tr>
<th>Risk management</th>
<th>planning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1 .826(**)</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>587 587</td>
</tr>
</tbody>
</table>

Table 4. Showing correlation between Risk management and planning activities

Contingency and alleviation or easing actions are necessarily to be taken into account whenever there is an emergency or risk is involved, and the researcher thought that it be probably the responsibility of the administrators to engage such actions when a change is to be initiated for improvement or uplift in the education or the educational institutions. Stakeholders proved themselves to be focused for their
percept about risk management and easing up action along with incidental happenings. It was found that correlation between risk management and contingency mitigation actions is quite significant rejecting null hypothesis at 0.01 level of significance as shown in the table 5

Table 5. Showing correlation between Risk management and mitigation contingency activities

<table>
<thead>
<tr>
<th></th>
<th>Risk management</th>
<th>Mitigation Contingency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk management</td>
<td>Pearson Correlation 1</td>
<td>.808(**)</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>587</td>
<td>587</td>
</tr>
<tr>
<td>Mitigation Contingency</td>
<td>Pearson Correlation .808(**)</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>587</td>
<td>587</td>
</tr>
</tbody>
</table>

Review is a regular activity in the change process and it becomes of more importance when coping with the risk or risky situation. Good administrators always remain watchful to the evident risks or in emergency and constantly review their strategies to achieve their desired goals. Review activities are equally important to achieve short term goals, long term objectives or an abstract aim. According to the stakeholders responses null hypothesis has been rejected and it proved to be significant at 0.01 level of significance on Pearson correlation, Kendall’s tau_b and Spearman’s rho (please refer to table 10)

Management is considered to be the sole responsible to keep the record intact especially with reference to risk management, abreast not only itself but also the other stakeholders and to use it for future assistance and references and to remain connected and responsive to the past. Consistent and reliable record of risk management helps the administration in this ever changing state of affairs in the educational institutions, and comprehensively tells about what happened in the past near or far. Keeping record is always positive in order to plan better for the present and future in the light of the past experiences and in raising positive and feasible and practical strategies. The responses show close association between risk management and record activities and have a strong correlation at 0.01 level of significance as can be seen in table 6

Table 6. Showing correlation between Risk management activities and record

<table>
<thead>
<tr>
<th></th>
<th>Risk management</th>
<th>record</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk management</td>
<td>Pearson Correlation 1</td>
<td>.761(**)</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>587</td>
<td>587</td>
</tr>
<tr>
<td>record</td>
<td>Pearson Correlation .761(**)</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>587</td>
<td>587</td>
</tr>
</tbody>
</table>

CONCLUSION

It is concluded from the above discussion that though the administrator claim to be well versant with risk and risk management activities like judicious use of financial resources, that they have a strong belief in crises management and remain involved in giving proper directions to the team through well defined processes on daily basis to control the risk before it materializes in the institution but the parents and teachers did not favour them to a large extent.

It means that the administrators, who are the sole responsible for the change activities must work upon risk management keys like keeping closer liaison with their team, proper planning, taking mitigation and contingency actions, reviewing the achievements, goals and ongoing activities on regular basis.
and keeping a detailed record of happenings in the institution to merge the new ideas with positive note for all the stakeholders.

End Note

A famous proverb, “look before you leap and think before you speak” was probably written with the mind to “Manage the risk before it materializes” as those who thought well, processed and planned well, developed the ideas properly, looked for the pros and cons from all sides, discussed them with mindful people and acted accordingly had always registered their names in the history.

REFERENCES


Genderwatch: …still watching. Stoke-On-Trent: Trentham, pp. 82-84.


Robert Watson Chief Scientist, World Bank and Chairman, IPCC Presentation of Robert Watson, Chair IPCC, at the Sixth Conference of Parties to the UNFCCC, November 13 2000.


