
Original Paper

Risk Management Practices of Sample Higher Education Institutions Worldwide

James A. Nilo, MA, MBA, DBA¹, Jayson G. Juan, LCB, LPT, MBA², Maria Charise S. Tongol, MBA³
& Lyka Mae L. Fajardo, MBA, LPT⁴

¹ Adjunct Faculty, Division of Business Administration, University of the People, California, USA

² Instructor 1, College of Management, Business, and Technology, Nueva Ecija University of Science and Technology-San Isidro Campus, Nueva Ecija, The Philippines

³ Dean, BSBA Department, St. Nicolas College of Business and Technology, San Fernando City, Pampanga, The Philippines

⁴ Instructor 1, Nueva Ecija University of Science and Technology-Atate Campus, Palayan City, Nueva Ecija, The Philippines

Abstract

Higher education institutions (HEI) play an essential role in shaping the future of generations. With the unexpected devastation caused by COVID-19, many industries were negatively affected, including HEIs. There are many lessons learned in the aftermath of the global pandemic, and the risk management and preparedness of HEIs became an interesting focal point. We surveyed several published scholarly journals, and there appears a gap in recent research on the risk management practices of HEIs. However, a review of nine peer-reviewed articles using thematic analysis found that HEIs use Emergency Planning, Risk Communication, Out-of-the-Box Learning Approaches, Collaboration, and Support as risk management practices of sample HEIs from Japan, China, New Zealand, Netherlands, Ethiopia, Ghana, the United Kingdom, and the United States. The results of this study can be beneficial to HEIs as they review their risk management practices and adopt measures to help mitigate the risks of unforeseen disruptions. This study may also nudge future researchers to supplement and fill the knowledge gap we discovered in this area.

Introduction

Higher education institutions (HEI) are one of the known sectors that significantly contribute to economic development in every country. According to Allias (2012), HEIs contribute to developmental progress by producing a competent workforce that spurs the country's economic activities. As defined by United Nations Educational, Scientific and Cultural Organization (UNESCO, 2018), education changes people's mindsets and perspectives and allows them to have a bright future. Providing high-quality education is the fundamental goal of every academic institution. To offer high-quality education, institutions need to plan and strategize to mitigate the risk that may hinder them from achieving their goals and objectives. Risk management is conducted to mitigate unexpected hazards to a level that can be handled by the organization.

Managing uncertainties beyond unexpected risk create an institution where innovation spawns excellent performance on its services. Quality risk management is a continuous process that involves assessing, mitigating, communicating, and reviewing risk involved in every process throughout the provision of services.

COVID-19 has caused abrupt and profound global challenges over the past recent years. Imposing restrictions and limitations triggered the worst shock to education systems due to the most extended school closures pooled with the economic recession. COVID-19 is just one of the unforeseen threats that challenge the readiness of academic institutions, notably higher education institutions. These uncertainties also include political issues, natural disasters, a pandemic outbreak like COVID-19,

technological advancements, and economic crises. According to Sikat and Chua (2022), though risk management has already been observed in schools, there is a need to consider proactive approaches in planning and managing so that when future crises arise, they are prepared, and the development process may continue. As mentioned in the study of Khaw and Teoh (2022), due to the growing uncertainty around the world, effective risk management has become an essential strategy for HEIs to overcome challenges and uncertainties toward success.

According to the study of Ariff et al. (2014), a risk management framework is acknowledged by academia and industries to help businesses manage potential risks. However, managing risk practices appear less developed in public higher education institutions than in the business world. Thus, we, the researchers, would like to determine the existing risk management practices augmented in higher education institutions worldwide. This study may serve as a basis for benchmarking to enhance the risk management practices of higher institutions in our country, the Philippines. This may also serve as a reference in strategic planning and strategies of administrators and stakeholders.

Literature Review

Risk is defined as the influence of uncertainty on objectives (United Nations Industrial Development Organization [UNIDO], 2021). This might comprise the organization's purpose, vision, and values and the goals and targets communicated at various levels. They can also comprise the variables that are crucial to a specific decision. Every organization faces risks that could impact its objectives. Risk management uses processes, methods, and tools to manage these risks (UNIDO, 2021). According to Hardjomidjojo et al. (2022), risk management is an essential aspect of the management process because it identifies potential hazards that an organization confronts and implements mitigation strategies to reduce the impact of those risks. The organization is dedicated to risk management in a consistent and continuous manner. Risk Management in decision-making can boost an organization's operational performance and competitive value.

ERM (Enterprise Resource Management) is a university-wide risk in the context of higher education, as evident in a study published in a Review of Research Integrative Business and Economics entitled "A Framework for Risk Management Practices and Organizational Performance in Higher Education." Management processes are used in strategic settings across the university to identify potential events that may have a positive or negative impact on the university and to manage the risks so that they are within the university's risk appetite. This, in turn, contributes to achieving the university's mission, key performance indicators, and objectives. Abidin and Mustapha (2017) also posited that the adoption of risk management strategies is primarily motivated by the needs and competitive environment of the education sector, which is undergoing fast changes in financial and operational operations. According to Bubka and Smith (2015), a university is frequently compared to a small city in terms of risk management. University risk managers are faced with the challenging task of identifying and managing complex risks on their campuses. The good news is that university loss rates are lower than in the industrial sector. However, the financial and public image costs of claims against higher education institutions can be enormous.

Universities must safeguard students, teachers, administration, support staff, contracted workers, the public, and the reputation of their institutions. Media coverage may impact the university's reputation if a catastrophic loss happens, threatening future admissions, endowments, and financial strength. In Malaysia, the University Good Governance Index (UGGI) was introduced in 2011, mandating public institutions to implement organized risk management to gain autonomy. Since 2012, five public institutions in Malaysia have been granted autonomy: Universiti Teknologi Malaysia, Universiti Kebangsaan Malaysia, Universiti Sains Malaysia, Universiti Malaya, and Universiti Putra Malaysia. Operating in a new environment after being granted autonomous status, these universities actively compete in the higher education market, resulting in increased exposure to multi-dimensional hazards (Ariff et al., 2014).

In a Web Disclosure of Risk Management Practices in Malaysian Public Universities journal by Ahmad et al. (2016), a preliminary investigation of the condition of enterprise risk management implementation in Malaysian public universities utilizing websites as indicators. Ahmad et al. (2016) employed the following proxies to demonstrate risk management implementation: a risk management

policy or framework and a formal structure to manage risks, such as a risk management committee or risk manager. The researchers examined the universities' websites for evidence of either proxy. Based on data collected from 20 public colleges, this study discovered that most of them indeed have an established risk management system in place, and some have even designated a specialized individual (risk officer) to handle the university' ERM efforts.

According to the literature review, most universities have formally implemented risk management. Having a formal structure in risk management at universities is a significant step toward formalizing risk management activities, and regulations imposed by authorities play an essential role in risk management implementation at universities.

Methodology

Thematic analysis (TA) is frequently utilized to locate, investigate, and report on recurring themes within the data. A search is being conducted for themes significant to the description of the phenomena and its connection to societal challenges as part of this process. To begin, one of the most essential aspects of the research was locating the pertinent previous work in the field. Because the standards for academic journals and books are different, entire books and book chapters were omitted from the review process. It was necessary to reject specific sources from the search to arrive at standardized criteria and scope for the relevant body of literature. Even if some of the papers relied extensively on books as sources, the books and book chapters in question were nonetheless read to round out the study and ensure complete comprehension of the topic. At first, the search was limited to including only review studies published in academic publications that had been ranked and peer-reviewed. Although these rankings are based on the author's opinion, they present criteria that authors might utilize when choosing which research to critique (Webster & Watson, 2002).

This study will only address concerns that pertain to risk management techniques in higher education institutions, and it will only concentrate on peer-reviewed articles. Multidisciplinary content host ProQuest provides access to scholarly journals, books, video and audio, dissertations and theses, newspapers, and other sorts of information. EBSCOhost was also used to search for materials related to this study. In the study published in these publications, the phrases "risk management practices" and "higher education" were frequently used as titles, keywords, or abstracts. We did not consider any publications that referred to "risk management practices" but did not discuss the subject.

Academic works that extensively relied on previously published papers or books were also researched to gain a deeper comprehension of the specific research or theory. Those that provided additional information to the studies published in leading journals were also used and cited. All selected articles and the reference list were examined at the outset of the research to incorporate all essential publications. With the short amount of time spent on this study, the ultimate result of applying the criteria, analyzing the scope of the journals, and conducting keyword research resulted in nine carefully selected articles.

All articles used in this study were from peer-reviewed, scholarly journals published within the last 10 years. Mainly, articles were published in 2013 (1), 2016 (1), 2020 (3), 2021 (2), and 2022 (2). The authors of these articles delved into risk management studies in the following countries: Japan, China, New Zealand, Netherlands, Ethiopia, Ghana, the United Kingdom, and the United States. Risk management topics included Covid, pandemic, occupational health, safety risk, student safety, environment, climate, disaster, government policies/regulations, and trauma. These journals publish the best and highest-quality papers identified by the academic community; hence, the concepts and theories covered in these publications serve as a foundation for future research. Considering these studies, the Risk Management Practices analysis summarizes the current understanding of the subject. This paper can also serve as a foundation for future research and a first step toward a deeper understanding of Risk Management Practices and additional publications based on or linked to Risk Management Practices.

Results and Discussion

The analysis of nine scholarly articles resulted in five themes, namely 1) Emergency Planning, 2) Risk Communication, 3) Out-of-the-Box Learning Approaches, 4) Collaboration, and 5) Support.

Emergency Planning

Most articles surveyed indicated Emergency Planning as a risk management practice essential for higher education institutions. It is vital for HEI leaders and stakeholders to familiarize themselves with different tools and methods for delivering education. This may serve as a backup plan in the event of disruptions. Emergency plans should include a document that addresses “a variety of emerging hazards and that provides strategies and practical approaches to tackling different types of disasters” (Izumi et al., 2021, p. 63). Emergency planning should also include people’s ability to evaluate their own response mechanisms (Bosschaart et al., 2016). Plans need to be feasible (Bao et al., 2022), “clear-eyed,” and “realistic” for mitigating risks (Odlin et al., 2022, p. 1425). Tamrat and Teferra (2020) added that HEIs should focus on a future that is both “well-planned” and “well-informed” where they could “plan about it in tranquility” (p. 683). Eldebour et al. (2020) discussed school crisis management planning (CMP) with procedures for counteracting several risk scenarios. The articles also mentioned instituting business continuity plans (BCP), planning for the prevention of catastrophic events, and preplanning that ensures lessons are up to date.

Risk Communication

Almost all articles surveyed agreed that communication is key in risk management. HEIs should develop regular communication on various risks and the institution’s preparedness and response mechanisms (Izumi et al., 2021). This includes establishing a communications center. Bosschaart et al. (2016) discussed that “the purpose of hazard communications is to prompt people to redefine the situation from one in which the environment is primarily positive to one in which the environment is threatening” (p. 272). This allows people to assess their situation and is tied into the self-assessment portion of emergency planning, as discussed above. According to Odlin et al. (2022), risk mitigation involves better information and ongoing communication (p. 1421). Eldebour et al. (2020) highlighted the communication piece of CMP that includes appraising all stakeholders of a plan for a course of action, limiting damage, ensuring safety, and managing any long-term consequences of disasters (p. 209). Moreover, communication allows for informed decisions (Park, 2020) and ownership of risk management strategies (Oddo et al., 2021).

Out-of-the-Box Learning Approaches

The articles provided several insights on business continuity involving out-of-the-box learning approaches that can help HEIs continually operate despite any disruption. According to Izumi et al. (2021), “HEIs are urgently required to upskill in using online platforms/modes alongside classroom/fieldwork teaching. To regularize the blended approach, a fair share of lectures/classes every year/semester can be conducted online” (p. 61). Bosschaart et al. (2016) used serious games and simulations so that students learn more about flood risks. Bao et al. (2022) recommended that safety experts be invited to provide risk training where teachers and students can rehearse together. On the other hand, Tamrat and Teferra (2020) warned that risk management teaching and learning could be negatively affected by staff turnover and poor staff-mix with a shortage of in-house advanced degrees. Park (2020), in explaining the integration between science education and disaster education, also proposed the integration of these into the classroom and practice. Park underscored cross-disciplinary integrations wherein students gain a deeper understanding of disaster and science and enjoy a collaborative engagement with their teachers. Ogawa (2013) discussed student integration with their communities, with communities playing a crucial role in enhancing education experiences as volunteers.

Collaboration

One of the pitfalls of many universities in the onslaught of the COVID-19 pandemic was the lack of collaboration. Izumi et al. (2021) proposed an integrated collaboration among HEIs to share knowledge and better cope with the pandemic. Park (2020) explained that cross-disciplinary collaboration could help transform disaster knowledge into valuable practices. Collaboration between schools and their communities (businesses, non-profit organizations, and governments) can help harness problem-solving capabilities (Ogawa, 2013).

Support

Supporting the employees, students, and stakeholders are also part of the risk management proposals of the articles surveyed. Addo et al. (2021) discussed that “HEIs need to protect students, faculty, administration, support workers, contracted workers, the public and their school’s reputation” (p. 150). Governments must support their schools, students, citizens, and learning in general (Ogawa, 2013). HEIs need to support and prepare their teachers (Park, 2020). Elbedour et al. (2020) called for the re-establishment of a support system in the aftermath of a disaster, allowing teachers and students to reconnect and have a sense of normalcy. HEIs must be supported as a government policy to inculcate public importance (Tamrat & Teferra, 2020). Student interns and international students also need host support to help sustain HEI success (Odlin et al., 2022). And HEIs can also support their local communities during a pandemic, such as offering their facilities as quarantine centers or hosting stranded students (Izumi et al., 2021).

Recommendations for Future Research

We recommend that future research expand the scope of this study by surveying more peer-reviewed articles. Researchers may also study certain demographic areas, such as a specific continent, region, or country. Lastly, we recommend that future researchers supplement the surveyed articles with more recent studies to help fill the gap in knowledge.

Conclusion

Risk management is a vital endeavor for any business or community. Higher education institutions are pivotal in helping communities prepare for any eventuality. This study surveyed various scholarly articles on strategies and practices HEIs in different parts of the world to see their commonality. These practices can be implemented regardless of the local context. We discovered that HEIs implement Emergency Planning, Risk Communication, Out-of-the-Box Learning Approaches, Collaboration, and Support as risk management practices helpful in managing risks in their schools and communities.

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