

# Implementation and role of risk management in an organization

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**Abstract-** The present review present the process of risk management as one of the important tool in an organization. The management strategies implemented are based on the type and structuring of organization. The risk management strategies can influence the organization to identify the risk components which can benefit in order to manage the economic standards. The present review provides insight on the risk assessment to shape the priorities based on the structuring and functioning of the organization.

**Index terms-** Risk management, Risk factor, Organization, Management

## I. INTRODUCTION

The whole risk management in an organization which are illustrated into three phases such as identifying the risk, facilitating it and assorting with the priorities to shape and minimize the identified risk factor [1]. The risk factor is channelized in an organization process by managing the available resources in the system and compiling the different strategies to suppress or minimize the risk associated. In order to keep the growth of any organization, defining and assessing the problems becomes the priority factor to ease the functioning. In current scenario, every organization needs to come up with the risk management plans well before they could encounter it [1-3]. Once the management strategies are defined, there will be lot of scope for growing the organization. This assortment of risk factors greatly influences the economy of any organization. Hence, the present mini review focuses on the planning, implementation and execution of risk factors in organization.

## II. PLANNING

The planning becomes one of the crucial components to forecast the upcoming risk and hence, complete guide and measures are defined. In order to come up

with the plan, every department needs to actively participate. The planning is defined with placing the budgeting activities which influences the profit and loss ratio [4]. These planned strategies are assorted based on the inter division or section in an organization to come up with the sequential risk assessment protocols. The planned results need to be tested and validated in accordance with the practical experimental proceduresm [5]. The outcome of these experiments needs to be compared with the available reports and the benefit ratio is drafted. The planning must be differentiated based on human mismanagements or errors, technological errors, natural disasters and so on. Every year, there must be review meeting to updated the risk management strategies based on the advanced scientific tools. Individual departments needs to participate and come up with the annual report on the risk management planning [6].

## III. ALIGNMENT

In organization, strategic alignment has always influenced the structuring of the organization and determine the risk factors. The alignment in any organization is associated with the most powerful components which forms the driving forces in organization. These components includes strategic planning, functional infrastructure, and the work culture. If the organization is not aligned then there will be great impact on the customer and marketing profile. The ongoing technological developments and the upcoming revolution in industries are well equipped with the alignment protocols to reach the market threshold value. Hence every company must design their own alignment tools based on their work ethics and structural component to reach the maximum efficacy to compete in the global market [7]. The alignment of the organization reflects the degree of company's profile and its servicing, if there

is tempering in any alignment components then the functioning becomes endangered. The advantage of alignment in organization is also implemented to cyber protection cluster and aids in shaping the temporal order of a project, so as to align the danger assessment method with the organization [1,3].

#### IV. SCOPE AND DEFINING THE RISK FACTORS

To minimize or nullify the risk in any organization relies greatly on the identifying the components or functioning associated with risk [3]. In organization, defining the scope of risk becomes fundamental factor for management of risk. In order to cope with this parameter, a complete understanding of organization and its background relatively based on the indoor and outdoor environments along with the forecasting the risk [8]. The definition of the risk and scope in any organization work together to categorize the factors and elements associated with risk along with the level of risk, type of risk, influence of risk and the methods available to cope with these risk [1,9]. Until you come up with these planning, conquering the risk becomes more difficult. In order to reach all these parameters, the implementation recent IT technologies are being used to manage the complete structuring in current scenario along with the technologies of Big data science, data curation etc. [10].

#### V. FACILITATED INFORMATION ASSORTMENT

The increasing online platform has influenced the company to associate with global clients and collaborations. At the same time, there is high risk of danger associated with it, as there is increasing number of hacking reports, the company should be equipped with latest trends of IT technologies. Hence it becomes the prime responsibility of management leaders to work with security tools and protect the upcoming risk warnings. There should be set of rules analysis the existing risk score and combat with the available tools. In such cases, the use of artificial intelligence can play important role wherein there is sensing of breaching from outside giving a warning signals. In recent years, the role of artificial intelligence has rapidly expanded with large number of applications are being introduced. Especially in the

financial sector which is at highest risk and needs to have core and strong security services [11,12]. The cyber security professionals should work collaboratively to develop key security setting working 24 x7 which can translate the tracking information at individual department if there is sign of any breaching and classify it based on the department and develop second layer of security score.

Overall, the process of risk assessment cycle is critical factor in a company. The only thing to be considered is the allocation of risk scores and channelize the management strategies with facilitating knowledge assortment and prioritizing [13,14]. The assessment part is not just implemented to spot the risks and outline their priorities however to hold out these operations effectively and promptly. The protection risk management method of Microsoft uses a mixed approach that includes the chemical analysis, rapid establishment of risk and classification based on the degree and importance of risk factors associated along with a measure within which monetary attributes are accustomed with additional outlining the existing risks [13-15]. The advanced technologies of computing, big data science, mobile based apps, establishment of resource planning, governance of risk compliance play very crucial role in risk management functioning. These tools not only have different level of in store security, but also offers the capacity to enhance the risk management protocols. The conventional tools such as basic threat modeling which includes programs like CORAS threat modeling is used which is an analytical and engineering tool which defines, identify, mitigate and validate the vulnerabilities and try to counter the risk [13-15].

Further, outsourcing part of functioning in an organization can also benefit to avoid breaches wherein a specialized and professional team is working for your as risk management cell team which defines the risk, scope and develop strategies to counter the risk warning [16-19]. Also use of advance hybrid technologies such as nanotechnology can also develop chip based sensors to curb the human activities, these associated risk can be controlled with the principle of nano informatics. Nanoinformatics is field of science, which work with the principle of nanotechnology coupled with information science [20]. Based on these facts and

consideration, the present mini review presents the importance of the risk management in the organization along with the role of individual components and departments to develop the security levels and identify the risk scores.

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