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THE ROLE AND TASKS OF EMPLOYEES IN DEVELOPING THE RISK MANAGEMENT PROCESS IN THE CONTEXT OF CRISIS MANAGEMENT IN SELF-GOVERNMENT ADMINISTRATION INSTITUTIONS

Abstract. The article discusses the structure and competence of the risk management teams in self-government administration institutions in terms of crisis management. The individual roles and responsibilities of employees responsible for the implementation, execution and control of the risk management process are indicated. The results of investigations carried out in selected self-government administration institutions, including municipalities, districts and provinces, on the preparation of the staff to carry out risk management tasks are discussed. Change directions and recommendations for structuring risk management teams have been proposed. These proposals constitute one of the elements of the overall risk management model in crisis management.

Keywords: risk management process, risk management team, crisis management, self-government administration, personal competence.

ROLA I ZADANIA PRACOWNIKÓW W KSZTAŁTOWANIU PROCESU ZARZĄDZANIA RYZYKIEM W KONTEKŚCIE ZARZĄDZANIA KRYZYSOWEGO W JEDNOSTKACH ADMINISTRACJI SAMORZĄDOWEJ

Streszczenie. W artykule przedstawiono rozważania dotyczące struktury i kompetencji zespołów ds. zarządzania ryzykiem w jednostkach administracji samorządowej w aspekcie zarządzania kryzysowego. Wskazano poszczególne role i zadania pracowników odpowiedzialnych za wdrożenie, realizację i kontrolę procesu zarządzania ryzykiem. Omówiono wyniki badań przeprowadzonych w wybranych jednostkach admini-

stracji samorządowej, w tym: w gminach, powiatach i województwach, dotyczących przygotowania kadry pracowniczej do realizacji zadań z zakresu zarządzania ryzykiem. Zaproponowano kierunki zmian i rekomendacje w zakresie tworzenia struktur zespołów ds. zarządzania ryzykiem. Propozycje te stanowią jeden z elementów ogólnego modelu zarządzania ryzykiem w zarządzaniu kryzysowym.

Słowa kluczowe: proces zarządzania ryzykiem, zespół ds. zarządzania ryzykiem, zarządzanie kryzysowe, administracja samorządowa, kompetencje osobowe.

Introduction

To function and achieve their objectives, self-government administration institutions, as well as other organizations, must make decisions that often carry a risk. Hence, it is essential to properly manage the risk for those objectives to be achieved and bring about not only losses, but a profit as well. This is possible by carrying out a comprehensive process, taking into account its individual components and steps. This process should have an ordered structure and rely on developed standards.

Assumptions for the risk management process are formalized in individual risk management standards that specify its essential elements [7]. Therefore, several applicable standards can be distinguished, which regulate these issues, namely [4]:

- Standard EN ISO 31000:2009;
- COSO II (*The Committee of Sponsoring Organizations of the Treadway Commission*);
- FERMA (*Federation of European Risk Management Associations*);
- AS/NZS 4369:2004; (*Australian Standards*);
- AIRMIC (*Association of Insurance and Risk Managers in Industry and Commerce*), IRM (*The Institute of Risk Management*), ALARM (*Advances in Labour and Risk Management*), 2002.

Risk management is understood as *making decisions and carrying out actions to achieve an acceptable risk level by a given entity* [3].

Another definition points out that this is a *scientific approach to the handling of risk types by forecasting and anticipating possible accidental losses and by designing and implementing procedures that minimize the occurrence of losses or compensate financially for other losses, if they occur* [9].

Moreover, the risk management process should consist of the following stages: context determination, hazard identification, risk analysis, risk assessment, response to the risk, and monitoring and communication. On each of these stages, it is necessary that tasks be carried out by trained personnel.

The current state of knowledge of risk management in crisis management indicates that this is an area which undoubtedly requires many modifications

and additions to be made to some essential elements. Some of the most important problematic issues are noted in this respect, namely: lack of coherent terminology in the field of risk, the need for clarifying the risk management process, developing risk management methodology and plans, lack of the legal regulations and standardization of the process, as well as the deficit of trained staff.

In the proposal for the modification of the risk management concept in self-government administration institutions, an important role is also played by crisis management structures. Among provincial, district and commune crisis management teams, the issue of responsibility for the preparation and then management and control of the risk is worth submitting for discussion. A suggestion to properly train the institution's staff to perform these tasks also arises. In crisis management, a leading function on relevant self-government administration levels is performed by, respectively, the Provincial Governor, Starost, or Village Mayor. It is worth noting whose authority will include the leading of the risk management process. Considering the fact that, in the aspect of crisis management, self-government administration is a body established to undertake tasks to assure the safety of specific entities within the resources awarded by the Government, the responsiveness of individual levels of management should be based on viable solutions. The role of decision makers at the level of the Province, District or Commune should, therefore, be reduced to efficient risk management in order to minimize, if only, the losses resulting from the occurrence of the risk.

Both the regulations and the adopted risk management methodology force the need for dividing personal powers in this respect. The scope of responsibilities should be adjusted to the nature, size and activity range of the organization. Therefore, each entity is obliged to identify and staff persons responsible for carrying out tasks associated with a holistic approach to the risk management process.

A literature review shows a practice of creating appropriate teams of employees, who will deal with risk-related issues in the organization.

Given the above assumptions and the diagnosed problematic situation in this field, the main aim of this article is to define the respective roles and responsibilities of employees in the field of risk management, so that this process is carried out efficiently, comprehensively and in a timely manner.

The structure of risk management teams in crisis management and their tasks

The literature on the subject identifies five key roles in risk management, such as the Organizational Unit Manager, Risk Team, Risk Manager, Risk Owner and both internal and external auditors.

The Manager supervises the entire process by setting goals and directions for the improvement of the situation, and also makes decisions on the acceptance of the established level of risk and a subsequent plan to deal with it.

The Risk Team, on the other hand, performs an advisory role by giving opinions and approving risk analysis results and recommends the use of risk handling methods. He also establishes the method of budgeting tasks.

The Risk Manager coordinates the operation of the process in the organization by ensuring efficient communication and information flow between team members and is responsible for maintaining databases. His role encompasses also the verification of the hazard identification and risk assessment made.

The function of the Risk Owner is usually held the manager of a given organizational unit. He performs periodic risk analysis and assessment, monitors occurring crisis events on an ongoing basis, and prepares proposals for risk handling plans. A key role is also played by internal and external auditors, who make tools and techniques available to enable a better hazard analysis and the design of corrective actions. In addition, they assess the effectiveness of using existing risk management methods. Recommendations made by them provide an essential basis for carrying out further actions related to the risk [5].

Within the framework of the organizational structure, individuals should also be appointed, who will strictly carry out hazard identification and risk analysis and assessment tasks, and will implement preventive actions. This is an important factor that should be considered because of the different size of risk teams. Hence, depending on the entity, the role of the individual risk management functional persons is subject to change due to, among other things, a shortage of the required number of skilled and trained people. Moreover, the modification of qualifications may be due to the organization's size and number of employees. In the case of local government institutions, a significant relationship is associated with administrative division (in a district, the number of people making up a risk management team will always be greater than in a commune).

Table 1 shows the scope of responsibility of risk management teams in self-government administration institutions.

When analyzing Table 1 it can be concluded that the responsibility division in respect of risk management in the self-government administration institutions is clearly shown. However, with respect to crisis management, it has not been precisely defined in any manner so far. Hence, it is necessary to regulate this issue so that the risk management process be conducted properly and in a holistic way. Persons responsible for individual risk management tasks should therefore be appointed, while taking into account the administrative level and the size of the crisis management organizational unit concerned.

Table 1. Examples of the areas of responsibility of teams in the risk management process in self-government administration institutions

Entity	Scope of responsibility
Unit Manager	<ul style="list-style-type: none"> – coordinating the work to determine the unacceptable property states (the "risk appetite" level) and protecting people, the environment and the critical infrastructure; – determining, approving and adopting a risk management strategy and policy with respect to catastrophic risks, as well as determining the risk management structures with assigning the roles and responsibilities of individual employees; – motivating for the use of adopted risk management rules; – closely monitoring key hazards (based on the defined phenomena that cause the realization of catastrophic risks projects – the effect of identification in the risk management process); – drawing up periodical reports and making them public; – ensuring the proper communication and information system, monitoring the risk management; – identifying the areas of new hazards; – conducting activities related to the protection of people, property and the environment
Operation level managers (managers of organizational units)	<ul style="list-style-type: none"> – participation in the development and implementation of a risk management system in the self-government administration institution within the protection of people, property and the environment; – monitoring the implemented system and motivating for adherence to adopted catastrophic risk management principles by subordinate employees; – preparing reports on existing catastrophic hazards; – providing information about key issues concerning existing hazards for the risk management team; – preparing contingency plans for the most likely hazards or those with the greatest environmental impact, which may arise, in spite of the measures taken to mitigate them; – drawing up reports on the effectiveness of activities undertaken; – identifying new hazards.

Entity	Scope of responsibility
Risk Manager – Risk Management Delegate	<ul style="list-style-type: none"> – supervising the development, implementation and monitoring of the risk management system in respect of the protection of people, property and the environment; – establishing the work schedule and supervising the work of the risk management team; – preparing reports on the compliance of actions to the established procedures; – providing information about key issues related to existing hazards for the risk management team, as well as communicating such information to the employees; – collecting information from individual risk owners and other levels of the organization's structures, where the risk is analyzed; – identifying new hazards.
Risk Coordinators	<ul style="list-style-type: none"> – supporting operational level managers in carrying out their tasks, including the protection of people, property and the environment; – coordinating activities in risk identification and assessment and risk response determination within departments and units reporting to the manager, etc.; – reporting on the performance of the risk management process on the risk owners' level – identifying new hazards.
Risk Owner	<ul style="list-style-type: none"> – risk monitoring and review; – preparing risk reports (reporting on the risk); – communicating information to the managers of individual areas; – identification of new threats and determining the risk level; – putting forward proposals for actions of appropriate remedial measures for identified or changing hazards; performing tasks in the protection of property, people and the environment.

Source: [4]

It is proposed to set up risk management teams, which will distinguish the following roles:

- Province: Risk Owner, Risk Coordinator, Risk Manager, Organization Unit Manager.
- District: Risk Owner, Risk Manager, Organization Unit Manager.
- Commune: Risk Owner, Risk Manager.

The above division should be adapted to the organization's needs and the number of employees dealing with the issues of crisis management and safety. In the case of a larger number of employees, several people can be risk owners and risk coordinators.

Investigation results

Currently, in crisis management, the problem of creating risk management positions stems primarily from the lack of legal and organizational regulations. Moreover, this is undoubtedly influenced by a poor training system in this field and too large a dispersion of tasks carried out by employees in terms of responsibility. It often happens that one or more persons are responsible for the matters of crisis management, defence and risk management at the same time (especially at the lowest administrative level).

Within the studies, whose results are published in the Monograph *Risk management in the activity of local self-government institutions with particular focus on catastrophic risk* [4], it has been verified who participates in risk identification activities at the commune level. The results are shown in Figure 1.

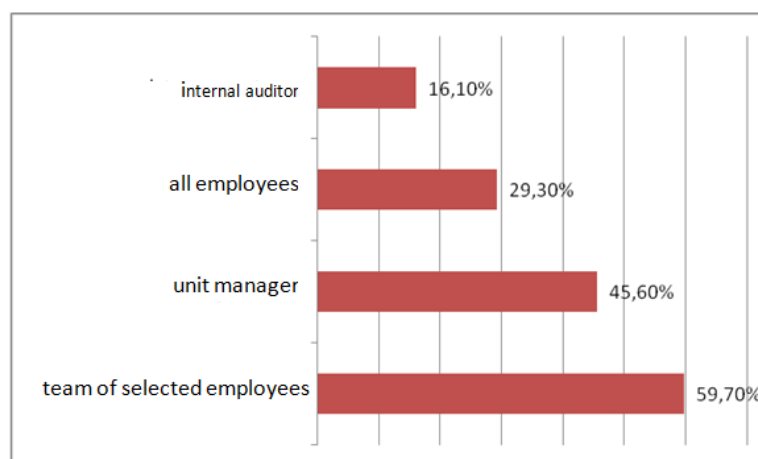


Figure 1. Persons participating in the identification of risk in the Commune (% of indications, n = 355)
Source: [4]

Figure 1 shows that a team of selected employees (approx. 60%) and the Unit Manager (46%) primarily participate in risk identification in the Commune. In addition, also other employees of the organization take part in these tasks to a small extent (29%). Just over 16% of the respondents have indicated the function of internal auditor. In the author's opinion, this is not the right approach, because the role of the auditor is primarily to assess the effectiveness of risk management, rather than to identify the risk.

By contrast, with respect to crisis management, personal competences in hazard risk assessment were verified with a survey conducted in 2014, which was addressed to 101 units dealing with crisis management at the commune, district and province levels. The results are shown in Figure 2.

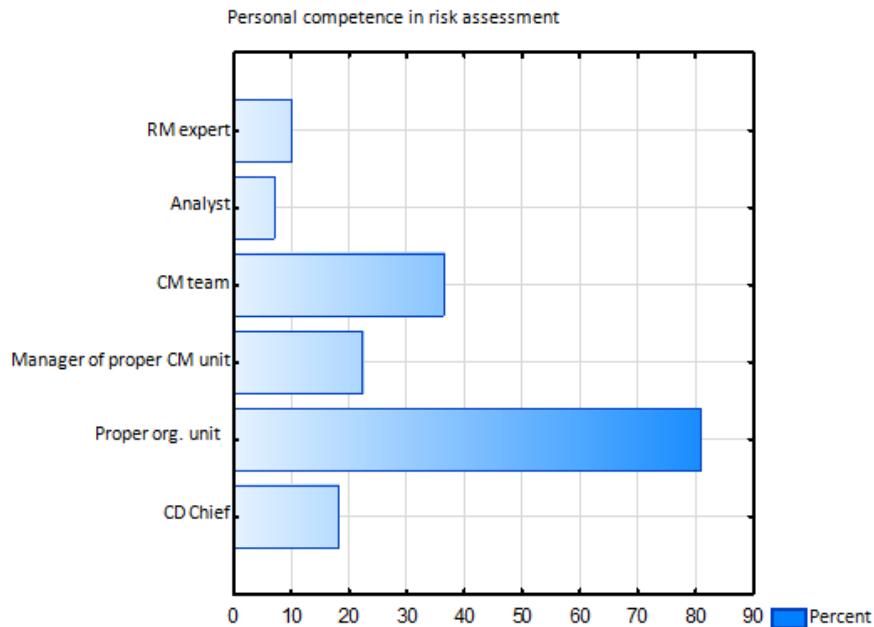


Figure 2. Personal competences in risk assessment in crisis management in communes, districts and provinces

Source: the author's compilation based on the survey carried out on individual self-government administration levels

By analyzing Figure 2 it can be concluded that at all administrative levels both hazard risk assessment and the overall risk management process is mostly conducted by an organizational unit concerned with crisis management issues (over 80%). These issues are also resolved by a crisis management team (approx. 35%). To a lesser extent, this responsibility applies to the organizatio-

nal unit manager (22%) and the chief of Civil Defence (over 18%). The indications included also the analyst (7%).

This implies that the majority of surveyed organizational units do not have a team of employees of the proper crisis management unit that will deal with risk issues on an ongoing basis. Responsibility for these issues is distributed among various functions, which results in a lack of coherence and large disparities in the respective risk assessment of hazards and subsequent control. Hence, it seems justifiable to state that it is necessary to set up a trained risk management team for the purposes of crisis management, who will perform relevant tasks in a holistic way. An advantage of this type of solution would be relieving functional people of risk-related activities and filling thus freed functions with professionals ("the right people in the right place"). It is worth noting that only an efficient training system can provide qualified staff, who will carry out the risk management process effectively.

Figure 3 shows respondents' responses to the question concerning the preparation of the staff dealing with crisis management issues for activities associated with the analysis and assessment of possible hazards and the overall management risk process.

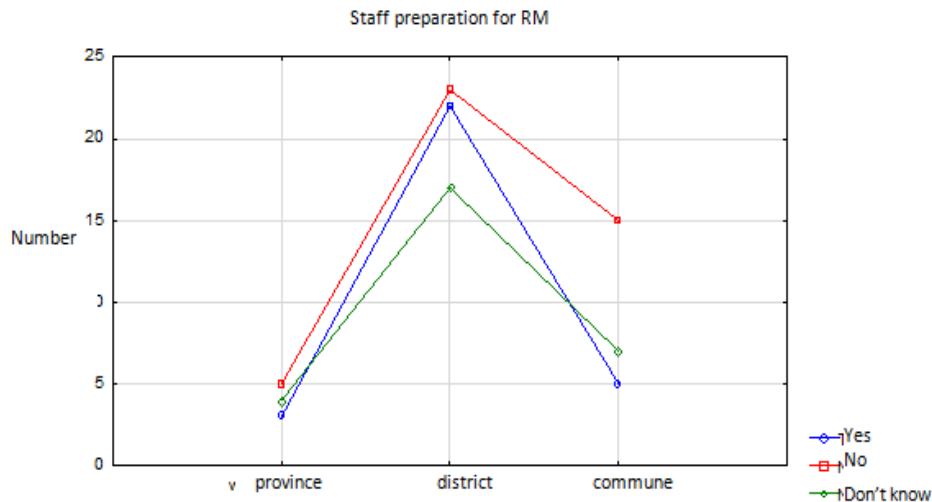


Figure 3. Preparation of staff for risk management

Source: the author's compilation based on the survey carried out in individual self-government administration units

In the course of research, another diagnosed risk management problem that arises is the lack of properly prepared and trained personnel to carry out tasks in the field concerned. This phenomenon occurs at all administrative

levels, but most severely in communes. Part of the surveyed units are not able to determine whether they would know how to plan, organize, control and monitor such a process, or not. This is adverse to the effectiveness of actions taken in crisis management. The problem with having qualified personnel is due to the fact that people who deal with these issues in the district, or province, and especially in the commune, are few and they have to share their responsibilities with other employees. Undoubtedly, the introduction of changes and the conceptualization of the risk management process should be started by raising the competences of employees in this respect.

The lack of staff preparation is often due to a poorly developed training system. Figure 4 shows the respondents' responses to the question concerning the participation in risk management and crisis management training courses.

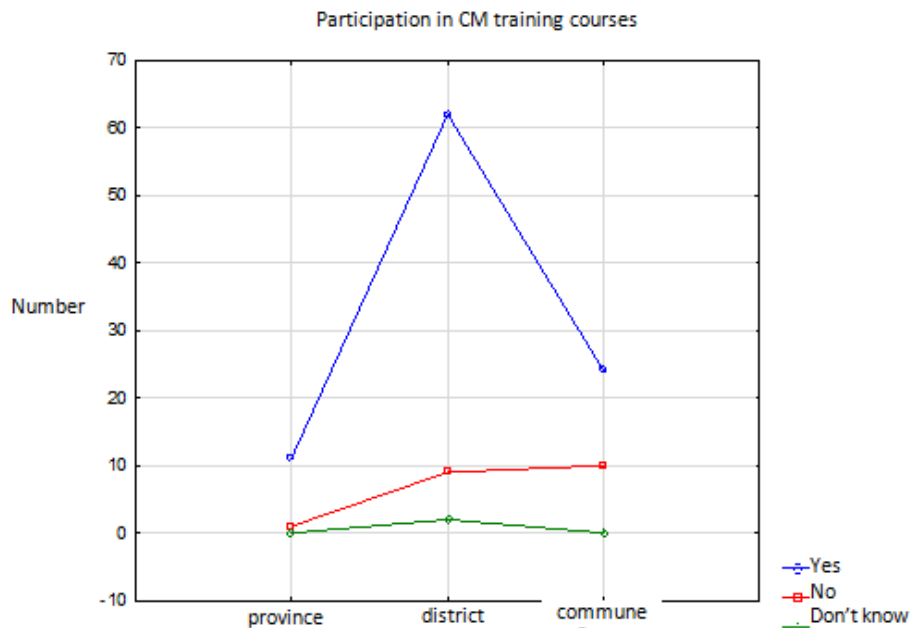


Figure 4. Participation in crisis management (CM) training courses

Source: the author's compilation based on the survey carried out in self-government administration institutions

It can be noticed from Figure 4 that the vast majority of the surveyed self-government units take an active part in crisis management training courses, which are often devoted also to risk issues. The average frequency of taking this kind of self-training is once a year, at the province level this frequency being much higher.

Cases happened, where, when interviewed, respondents would declare their participation in training courses as often as 6-8 times a year. This shows that self-government units practice taking training on their own, but they also join other communes or districts to conduct exercises together. Needless to emphasize that every self-government institution is legally obliged to participate in training once a year.

Among the surveyed administrative levels, there were instances of organizational units that did not take part in exercises at all due to lack of funds for this purpose (this applies mainly to rural and urban-rural communes).

Moreover the risk management teams can be part of an overall model of risk management in crisis management in self-government units, as shown in Figure 5.

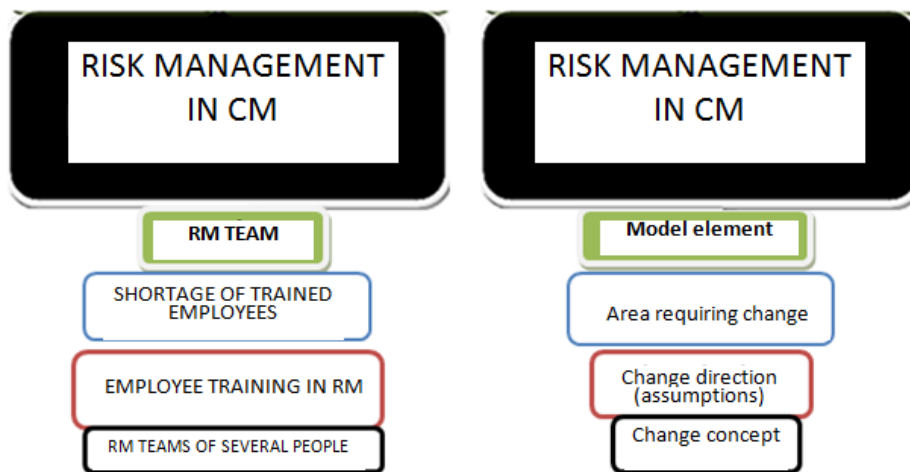


Figure 5. An element of the overall risk management-in-crisis management model "Risk Management Team"

Source: the author's study

The risk management-in-crisis management team is a result of the relationship between the diagnosed area of change and the actions that determine its direction. For a given model element to describe an important risk management aspect, and thus to realize itself, a proposal (concept) for change in the model should be put forward. These proposals show how individual model components can be implemented and realized. So, in this model, the area requiring change is the shortage of trained employees; the direction of change is employee training in risk management; while the change concept is setting up risk management teams of several people.

Conclusions

To sum up the discussion on the role and tasks of employees taking part in developing the risk management process within crisis management in self-government institutions, the following conclusions can be drawn:

- risk management is a relatively new area of crisis management activities, hence many issues arise, which need change. Among them is the problem of having qualified staff;
- a significant shortage of employees dealing with risk management within crisis management is noted at all levels of self-government administration;
- there is no clear division of employees competences, including a lack of risk management structures;
- no holistic risk management process-related tasks carried out by employees, and specifically, no tasks related to hazard identification, risk analysis, risk assessment, risk response, monitoring or communication are carried out;
- a shortage of trained employees to perform risk management tasks, caused by the weakness of the training system and lack of funds for this purpose;
- when conducting discussions on the direction of change in the risk management process, the need for appointing specialized risk management teams is noted, which would be made up of either two or several people, depending the organizational unit;
- appointing risk management teams can be part of an overall model of risk management in crisis management in self-government units.

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