



Assessment of Risk Management Practices in Public Higher Learning Institutions: A Case of Muhimbili University of Health and Allied Sciences

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Abstract

This study explores the risk management practices at Muhimbili University of Health and Allied Sciences (MUHAS) in Tanzania. It examines employees' perceptions, the challenges faced by management during the implementation of risk management programs, and the efforts made to address these challenges. Findings indicate a significant gap in awareness regarding risk management policies, substantial resistance to change, and financial constraints. The study underscores the need for enhanced communication, continuous training, and strategic resource allocation to improve risk management practices at MUHAS.

Keywords: *Mapalus; Gotong Royong; Ceremony; Party*

Introduction

Background

Risk management, defined as the process of identifying, assessing, and mitigating potential risks, is crucial for the sustainability and resilience of organizations, including higher learning institutions. The recent global events such as pandemics, political instability, and cyber threats have heightened the importance of effective risk management. This study investigates the risk management practices at MUHAS, aiming to provide insights into the implementation challenges and opportunities for improvement.

Objectives

- To determine employees' perceptions of risk management practices at MUHAS.
- To identify the challenges faced by management during the implementation of risk management programs.
- To assess the extent to which management has addressed these challenges.

Background of the Problem

Organizations encounter a broad variety of hazards that might have an influence on the result of their operations. A mission or a set of corporate objectives can be used to express the desired overall goal. Events that can have an influence on an organization either stymie its goals (hazard risks), boost them (opportunity risks), or generate ambiguity about the results (control risks). A fourth type of risk is associated with required responsibilities imposed on organizations, and these risks are known as compliance risks (Pritchard C., 2015).

Recent global events have raised the profile of risk. Terrorism, major weather disasters, and the global financial crisis are examples of the high risks that society and trade face. These high dangers occur in addition to the more usual concerns outlined above. At the heart of risk, management is evaluating the variety of risk responses available and determining the most appropriate one in each circumstance. Responding to risks should benefit both us as people and the organizations where we work and/or are hired (Pritchard C., 2015).

Many of our responses to danger in our personal and domestic life are instinctive. Our methods for preventing fires and traffic accidents are based on well-established and automated reactions. Fire and accidents are examples of risks that may only lead to bad consequences, and they are sometimes referred to as hazard risks. Many organizations regard compliance obligations as hazard risks, with failure to comply having solely negative consequences. Other organizations, on the other hand, believe that completing compliance might provide additional advantages or provide a "upside of risk." (Pritchard C., 2015). Other dangers have defined or mandated remedies that are placed as necessary duties on us as persons and/or on organizations. In our own life, for example, getting auto insurance is frequently a legal obligation, although buying house insurance is often not, but it is smart risk management and quite reasonable (Pritchard C., 2015).

Keeping your automobile in good, mechanical condition helps lessen the likelihood of a breakdown. Even thoroughly repaired and maintained automobiles can occasionally break down. Maintaining your automobile in good, mechanical condition can lessen the likelihood of breakdowns, but will not fully eliminate them. Control risks are risk types that have a high degree of uncertainty connected with them. The hazards involved with having a car are discussed in significant length throughout the book, as this is a realistic example that most people are familiar with (Pritchard C., 2015).

In addition to hazard and control concerns, we take risks because we want (and presumably anticipate) a favourable return. For example, you may put money into an investment with the expectation of profit. Similarly, betting or gambling on the outcome of a sporting event is done in the hope of obtaining good return (Pritchard C., 2015).

People choose to participate in motor sports and other potentially harmful leisure activities. In some cases, the reward may not be monetary, but it can be quantified in terms of pride, self-esteem, or peer group respect. Taking opportunity risks refers to engaging in activities with such hazards when a favorable return is envisaged (Pritchard C., 2015).

The Government of the United Republic of Tanzania modified the Public Finance Act, CAP 348, in 2010 to create the Internal Auditor General's Division (IAGD). One of the IAGD's primary tasks is to conduct a continual audit of risk management. In addition, Section 6 (2) of the Public Finance Act, CAP 348, allows the Permanent Secretary-Treasury the authority to make directives and/or instructions on a regular basis to guarantee the safety and effective use of public resources. As a result, the necessity for Public Sector Entities (PSEs) to create and apply their own risk management frameworks as part of their governance procedures has increased (Tanzania Ministry of Finance, 2023)

The Ministry of Finance and Planning issued Guidelines for Developing and Implementing Institutional Risk Management Frameworks in the Public Sector in 2012, which were followed by implementing circular No. 12 in May 2013. The guidelines' purpose was to provide practical guidance to PSEs in developing, implementing, and improving risk management frameworks, thereby improving performance by proactively anticipating and managing risk, setting and achieving strategic objectives, improving decision-making, and assisting in the effective allocation and utilization of resources. The standards have been implemented well, with 331 PSEs having Risk Management Frameworks and basic Risk Registers in place. Adopt their own risk management frameworks as part of their governance procedures (Tanzania Ministry of Finance, 2023)

Tanzanian Government recognizes that risk is inherent in each objective and operations of all Public Sector Enterprises. The Government considers the management of risks as an integral part of sound public sector governance because it provides assurance to the achievement of government's objectives across different sectors, which in turn leads to the effectiveness and efficiency in government performance towards providing services to the citizens and increased stakeholders' confidence. The Government is committed to ensuring that risk management is adopted, implemented, and enhanced across the public sector

Statement of the Problem

Organizations encounter a broad variety of hazards that might have an influence on the result of their operations. A mission or a set of corporate objectives can be used to express the desired overall goal. Events that can have an influence on an organization either stymie its goals (hazard risks), boost them (opportunity risks), or generate ambiguity about the results (control risks). A fourth type of risk is associated with required responsibilities imposed on organizations, and these risks are known as compliance risks (Iyer N., 2017).

The risk management process cannot be carried out in isolation. It must be backed up by a structure within the organization. Once again, the risk management framework is presented and discussed in a variety of ways in the various standards, manuals, and other publications. In all cases, the communications and reporting structure (architecture), the overall risk management strategy established by the organization (strategy), and the set of guidelines and procedures (protocols) that have been established are the key components of a successful risk management framework (Samociuk, M., 2016).

Today, it is hard to conceive business management without considering risk management, or the hazards to which the organization is exposed. Successful risk management enables safer corporate operations in terms of asset, activity, and money protection, as well as improved service offerings. As a result, a company's reputation and client trust improve (Ljiljana R., 2014)

The study therefore aims to explain the risk management practices in MUHAS to represent a large number of higher learning institutions in Tanzania. Apart from being written in different documents, the researcher aims to vividly explore the risk management practices planned, monitored and finally evaluated. By vividly showing these practices, it will give a vivid picture on the proper practices of risk management in our organizations.

Research Questions

- What are employees' perceptions of risk management practices at MUHAS?
- What challenges are faced by management during the implementation of risk management programs?
- How has management addressed these challenges?

Literature Review

Theoretical Framework

Risk management theory encompasses various strategies such as risk identification, assessment, mitigation, and monitoring. The theory emphasizes the balance between risk and reward, proactive management, and the integration of risk management into organizational strategic planning.

Empirical Studies

Previous studies have highlighted the importance of risk management in higher education, focusing on compliance, operational, financial, and reputational risks. The literature suggests that effective risk management requires strong leadership, clear communication, and continuous training.

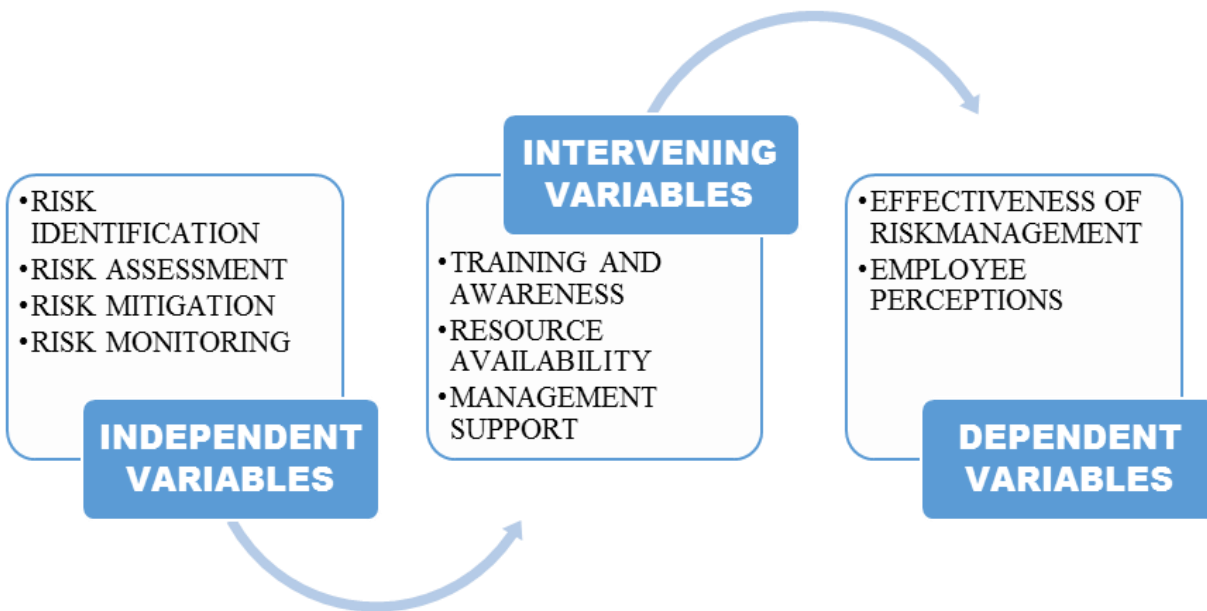


Figure 1. Risk Management Practices in Public Higher Learning Institution

Methodology

Research Design

A qualitative research design was employed to explore the perceptions and experiences of MUHAS employees regarding risk management practices. Data was collected through structured interviews, observations, and documentary review.

Sample

The study sampled 50 participants, including university council members, management team, deans, directors, and risk champions. The purposive sampling technique was used to select participants with relevant knowledge and experience in risk management.

Data Collection

Data was collected using structured interview guides, observation checklists, and documentary review schedules. The interviews were conducted with key stakeholders, and observations were made to capture real-time risk management practices.

Data Analysis

Content analysis was used to analyze the qualitative data. Themes and patterns were identified to provide insights into the perceptions and experiences of the participants.

Findings and Analysis

Employees' Perceptions of Risk Management Practices

The majority of respondents demonstrated a solid understanding of risk management principles. However, there was a significant lack of awareness regarding the MUHAS risk management policy. Specific risks identified included compliance issues, workforce management challenges, data security threats, and operational risks in teaching and research activities.

Challenges Faced by Management

The main challenges identified were:

- **Lack of Understanding:** Low participation in risk management initiatives due to limited understanding.
- **Resistance to Change:** Significant resistance from staff to adopt new risk management practices.
- **Financial Constraints:** High costs associated with implementing risk management tools and training.
- **Complexity of Risks:** Challenges in managing evolving risks such as cybersecurity threats.
- **Communication:** Fragmented communication channels hindering effective risk management.

Challenges Faced by Management in Implementing Risk Management Programs at MUHAS

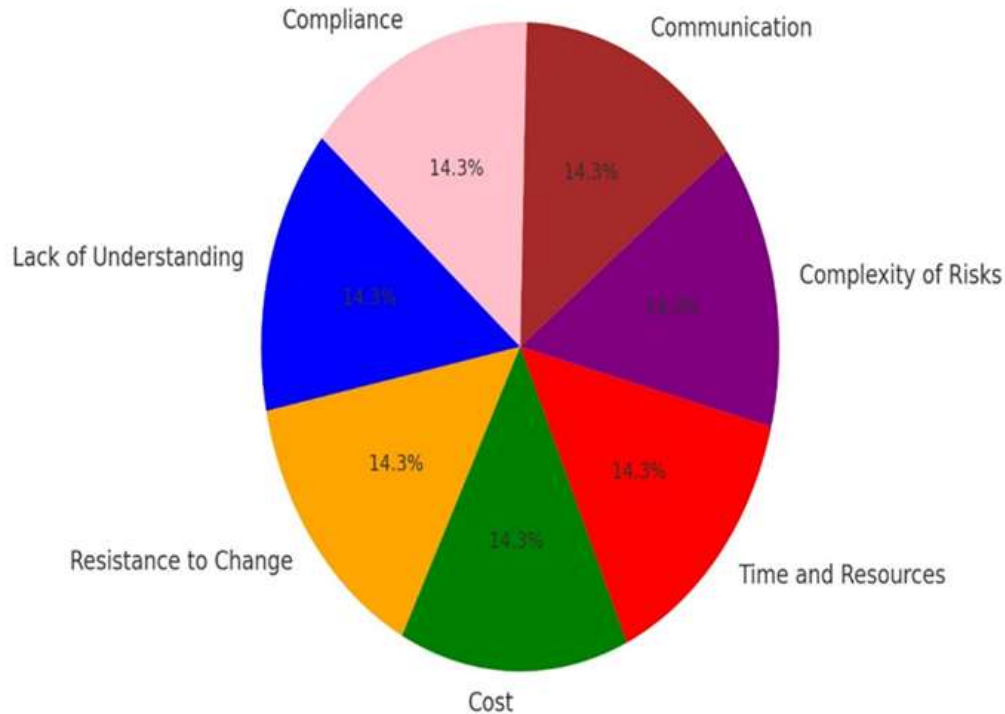


Figure 2: Challenges Faced by Management
Source: Field Data,2024

Efforts to Address Challenges

MUHAS management has implemented several strategies to address these challenges:

- **Cost Management:** Leveraging existing resources and seeking external funding.
- **Time and Resources:** Streamlining processes, establishing dedicated teams, and providing incentives for participation.
- **Complexity of Risks:** Investing in specialized training, expertise, and technology solutions.
- **Communication:** Implementing comprehensive communication strategies and establishing cross-functional teams.
- **Compliance:** Establishing dedicated compliance teams and investing in ongoing training and automation.

Management's Efforts to Solve Problems in Implementing Risk Management Programs at MUHAS

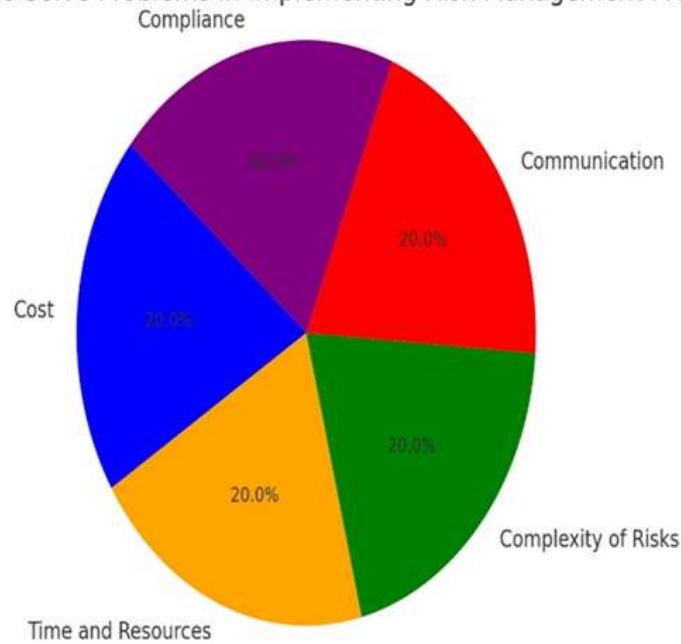


Figure 3: Management Effort to Solve Problem
Source: Field data,2023

Discussion

Relationship Between Demographic Factors and Risk Management Practices

Age, gender, education level, and departmental roles influence risk management practices at MUHAS. Older employees tend to be more risk-averse, while younger employees are more open to innovative practices. Higher education levels correlate with greater engagement in risk management activities.

Importance of Awareness and Training

Enhanced awareness and training are crucial for effective risk management. Employees' understanding of risk management principles and practices can significantly improve identification, mitigation, and overall organizational resilience.

Strategic Resource Allocation

Balancing the costs of risk management with potential benefits is essential. Strategic resource allocation, including leveraging technology and external partnerships, can enhance the institution's ability to manage complex risks.

Conclusion

The study highlights the critical need for improved communication, continuous training, and strategic resource allocation to enhance risk management practices at MUHAS. Addressing the identified challenges can significantly improve the institution's resilience and ability to achieve its strategic objectives.

Recommendations

1. **Enhance Communication:** Improve awareness of the risk management policy through regular communication and training sessions.
2. **Continuous Training:** Invest in ongoing training programs to equip employees with the necessary skills and knowledge.
3. **Resource Allocation:** Allocate sufficient resources for risk management initiatives, including leveraging technology and external partnerships.
4. **Stakeholder Engagement:** Foster a culture of risk awareness and proactive engagement among all stakeholders.
5. **Regular Review:** Continuously review and update the risk management policy to adapt to changing risks and organizational needs.

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