

## **Routine Risk Management Strategies in TVET Institutions’ Operations. A Case of Coast Institute of Technology**

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### **Abstract**

*Educational institutions continue to operate in a volatile environment characterized by a myriad of challenges. Furthermore, the institutions are confronted with a future that is marked with uncertainty. The concealed risks are threatening to derail the attainment of the anticipated vision and objectives. Therefore, this demands for a change of strategy in order for the institutions to maintain their focus. Given the limited information on the risk position of educational institutions, this study sought to find out how TVET institutions manage risk in their routine operations. The study used a mixed methods approach to explore the risk management strategies adopted in the implementation of programmes. Data was collected through one-on-one interview with the principal, deputy principal, dean of students, head of department and analysis of relevant documents. This was complimented with a survey administered to the lecturers at the institution. Findings from this study reveal that there was lack of an elaborate risk management framework that could be used to address potential and emerging risks in the institution. Moreover, there was minimal indication of the knowledge of risk management though there were activities that seemed to focus on the identification of risks. The findings from the study were that 72% of the lecturers rated the institution’s approach to management of major risks as poor. The unfamiliarity with risk management strategies made the managing of risks to become a reactive and inconsistent activity. The study recommends that risk management be incorporated in the strategic processes of educational institutions. For this to materialize there is need for continuous professional development of the administrators and the lecturers to upgrade their skills on risk management. The Ministry of Education should also develop a policy framework to support the institutionalization of risk management in the operations of the institutions.*

**Keywords:** *Risk Management, TVET Strategic Management, Routine Operations*

## **Introduction**

In today's world TVET Institutions (TIs) are operating in an increasingly dynamic environment. Demographic shifts posing enrolment challenges, advancement in technology requiring significant investment of both financial and human resources capital, increased external scrutiny from the government and public, and fierce competition for students from competing institutions such as polytechnics and universities are exposing TIs to new levels of uncertainty never encountered before (URMIA, 2007).

Understanding what is known and unknown about the future is critical for the survival of TIs. The operations of TIs are marked by a plethora of high risks including: competition from similar institutions, inadequate finances, unfavourable policies and operational accidents. Risk implies both insecurity or uncertainty and undesirability in the institutions and managing it is a tool for optimizing performance (Aven & Kristensen, 2005; Helsloot & Jong, 2006). Cognizant of this uncertainty, TIs are beginning to pay attention to the possible risks they may encounter and establishing ways of managing them as part of their planning. Risk management is therefore becoming an area of interest as the institutions spend more resources in the process of identifying, quantifying and managing risks that they face. For risk management to be effective the process has to be iterative and dynamic and re-examines the organization's goals to determine if new plans are needed (Kallman & Maric, 2004). Thus, with the wide array of risk management models at their disposal, TIs can be able to overcome the obstacles that might restrain the achievement of their goals. However, lack of explicit management of risks still plagues many TIs which in turn deprives them the chance for improvement and effectiveness in the achievement of their vision and goals.

Risk management has received little attention in TIs. Despite the directive by the Ministry of Education that instructed educational institutions to adopt strategic planning (Ministry of Education, 2005), risk management has not been given due functional consideration yet in the TIs. The result is that TIs are replete with stalled projects, insufficient learning resources, obsolete equipment, outdated courses and dwindling student enrolment. This scenario suggests that it is important for TIs to manage their risk position conscientiously and innovatively if they are to survive the turbulent times. Furthermore, it demands for the integration of risk management and strategic planning into a systematic and all-encompassing process (Achampong, 2010).

A comparison of educational institutions with the corporate world reveals that risk management practices in educational institutions are less developed probably because risk management has traditionally been equated with crisis management or part of regulatory compliance (Cassidy, Goldstein, Johnson, Mattie, & Morley, 2001). Moreover, thinking of risk has generally been viewed as lack of confidence in institutional plans and has therefore been discouraged. Further, in the wake of limited resources the need for prioritizing resources for risk management just never features in the TIs budgets. As a result, risk management has not been given due attention in the strategic process of TIs contrary to the fact that improving the management of organizational risks is a priority agenda for all firms and their managers (Smallman, 1999).

## **Literature Review**

### **Definition of Risk**

In literature, risk has many and varied definitions. Turner (1994) defines risk as the translation or conceptualization of uncertainty. Other scholars have defined risk in terms knowledge and argued that risk is linked to the lack of knowledge or information about some phenomenon. It is therefore viewed as the lack of information about a hazard (Smallman, 1999). Risk is also defined as the “effect of uncertainty on objectives”, that is, risk is anything that puts the achievement of objectives in uncertainty (AIRMIC, 2010 p. 4). These definitions are in tandem with the view that risk is an event or issue that has adverse impacts on an institution’s ability to achieve its objectives and goals (NACUBO, 2007; Zapalac, 2006). For organizations including educational institutions, risks can be conceptualized as affecting strategic goals, compliance to policy, operational activities, technological compliance, financial and reputational aims (NACUBO, 2007). In short risk is present in every aspect that defines an organization.

### **The Concept of Risk Management**

Risk management has a myriad of different meanings to different organizations. Susanto & Meiryani (2018) assert that risk management is a process of identifying, measuring risk, and forming strategies to manage it through available resources. Risk management is thus concerned with the management of uncertainty or lack of information (Smallman, 1999). Risk management therefore enhances the understanding of the potential benefits and threats of the factors that affect the organization. Thus, it is necessary to integrate risk management into the culture of the organization so as to make it part and parcel of everyday activities in the organization. Integration of risk should be reflected in the mandate of the organization, which is its goals and objectives, leadership and commitment from administration (AIRMIC, 2010).

### **Risk Management in Educational Institutions**

In today’s volatile environment that is marked by economic challenges, intense competition, incessant technological innovations and an uncertain future, risk management has become more important than ever before for educational institutions (Razook, 2008). Risk management has therefore been recognized as a core competence for every educational leader and institution (Ong, 2006). As risks experienced by educational organizations increase it is only logical that educational institutions learn from enterprises where risk management has been part and parcel of planning. Currently, the phenomenon of risk management has not received enough attention in educational institutions because most colleges and universities are not endowed with strategic planning capacity thereby hampering the explicit practice of risk management.

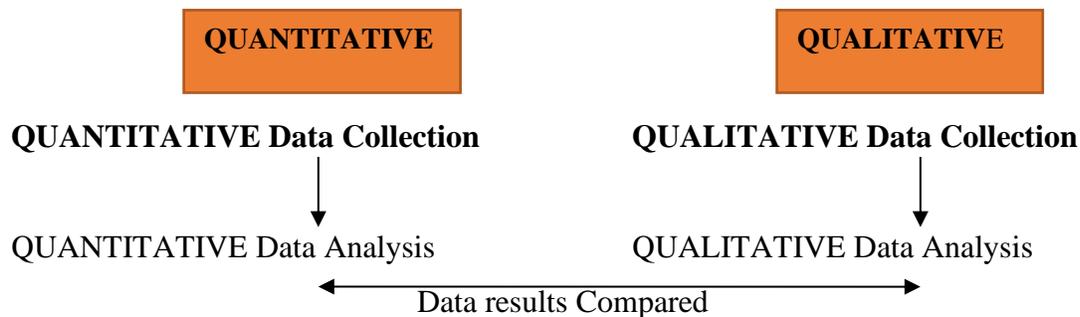
In a study that investigated risk in higher education in the Netherlands it was found out that institutions of higher education lacked an integrated policy on safety, security and risk management (Helsloot & Jong, 2006). A survey by the Association of Governing Boards and United Educators revealed that contrary to the corporate world where risk is a routine undertaking, educational institutions have not yet fully embraced risk management in their affairs (AGBUCUE, 2009).

Studies show that a large number of institutions are still not engaged in comprehensive strategic assessment as a routine undertaking to identify risks that would hinder the achievement of their objectives. The consequences of lack of routine risk management strategies in the operations of TVET institutions are dire and include: failure to achieve set goals and objectives, compliance with laws and regulations, lack of efficiency and effectiveness, and negative effects on the reputation and public perception. In any organization including educational institutions, risk management is an essential part of the strategic management. For a risk management initiative to be successful, it requires to meet the criteria of being: proportionate to the level of risk in the organization, aligned with other organizational activities, comprehensive in scope, entrenched in regular activities and dynamic and responsive to change (IRM, 2010). Notably, risk management enhances the probability of success thereby reducing both the prospects of failure and the level of uncertainty linked to achieving the objectives of the organization (Alarm, 2010).

### Methodology

The study sought to explore the phenomenon of routine risk management strategies in the operations of a TVET institution in a natural setting. It therefore adopted a mixed method approach where the researcher used both the qualitative and quantitative methods with a view of capturing the breadth and depth of risk management practices of an Institute of Technology (IT). The use of different methods to investigate the same subject improves the accuracy of findings (Denscombe, 2010). According to Gay (2006), this provides an understanding that is not possible using either quantitative or qualitative design by itself.

This study adopted a case study methodology intended to explore how risk is managed in a bounded environment of an IT. Case study research entails the study of an issue through one or several cases within a bounded system Creswell (2007). Case study enabled the researcher to get deeper understanding of realities of risk management through interaction with the key participants in the formulation and implementation of programmes and access to different information relevant to risk management from the study context.



**Figure 1.** Concurrent Triangulation Design

Source: Adopted from Creswell (2009)

In the study the researcher adapted a concurrent triangulation design (Figure 1 above). According to Creswell (2009) the use of both quantitative and qualitative methods is a means of offsetting the weaknesses that might be in one approach with the strengths of the other.

The research took place at Coast Institute of Technology (CIT) in Kenya. CIT is located in Voi district of Taita Taveta County. The institute was established in 1982. CIT is a government sponsored public institution that offers TVET courses.

The researcher purposely selected the Principal, Deputy Principal, Dean of Students, and a Heads of Departments as participants as the administrators who could offer adequate and useful information that would best add to the understanding of the phenomenon under study (Gay, 2009; Sarantakos, 2005).

Further, the researcher sampled all the lecturers of the institution to be the respondents in the census as this would help to generalize results to whole institution. The views of the lecturers would assist to triangulate the findings from the other data collection methods of face to face interviews and document analysis (Biesta, 2012).

**Table 1**  
*Sample and Sampling Procedures*

<b>Sample Category</b>	<b>Data collection method</b>	<b>Number of participants/ respondents</b>
<b>Principal</b>	Face to face interview	1
<b>Deputy Principal</b>	Face to face interview	1
<b>Dean of students</b>	Face to face interview	1
<b>Head of department</b>	Face to face interview	1
<b>Lecturers</b>	Questionnaire	50
<b>Total</b>		<b>54</b>

Data collection included qualitative and quantitative methods of face-to-face interviews, document analysis and survey. The researcher collected the data concurrently at one time at the research site so as to shorten the data collection period considering the limitations of time (Creswell, 2009).

The researcher analysed documents related to the strategic planning process using a document analysis protocol. The documents analysed included the college's Strategic Plan and the minutes of Planning and Development Committee, Departmental and Staff meetings. These documents provided a deeper understanding of the documented risk management activities of the college. The

information obtained from the documents helped to triangulate data from interviews and questionnaires (Henn, 2009).

## **Findings**

### **Strategic Planning as a Tool for Risk Management**

The study reveals that strategic planning necessitated the anticipation of future risks through scanning of the environment for weaknesses and threats. To do this SWOT analysis was used as a tool for identifying the weaknesses and threats that posed risks to Coast Institute of Technology (CIT). SWOT analysis is an investigation of the organization's strengths and weaknesses alongside the opportunities and threats present in the external environment. SWOT analysis is used to reveal the alignment of the institution's resources and programmes vis-a-vis the external environment (Sammut-Bonnici & Galea, 2015). Some of the threats identified by CIT included: competition from similar institutions, inadequate finances, unfavourable policies and operational accidents. The identification of these threats allowed the management of CIT to plan how they would reduce, eradicate and manage them.

The finding above is similar to literature on SWOT analysis as a tool for understanding an institution's internal and external competitive environment in anticipation for future issues (Keough & Shanahan, 2008; Sammut-Bonnici & Galea, 2015). Anderson (2000) observes that all organizations need sophisticated planning processes to optimize the attainment of organizational goals due to the changing environment conditions. This is because the present education context is characterized by high competition and fast-changing technological developments thus forcing institutions to embrace sophisticated planning tools (Wilson, 1994).

### **Managing Risk through Intelligence Gathering**

The study indicates that in CIT information about current and potential risks was identified through benchmarking against the best practices in model institutions and survey of potential competitors in order to understand the nature of potential risks. This was effectively done where CIT sponsored lecturers for benchmarking at selected institutions for comparison purposes as well as learning from their practice. The information gathered from the benchmarking exercise was shared with the rest of the CIT staff during appropriate forums like staff briefs and meetings. Additionally, reports of the findings were prepared for prosperity. This reflects literature which argues that intelligence gathering examines the utilization of the available information in the institution and points out the moment when additional information is required (Tucker & Codding, 2003).

According to Bassey & Dokubo (2011), intelligence gathering ensures that threats to the institution are effectively monitored. Wieriks (2013) adds that as a result, the organization is able to foresee potential consequences from future events and make necessary changes to minimize risk.

### **Managing Risk through Monitoring and Effective Communication**

This study shows that risk was managed through the close monitoring of activities to ensure they were in line with CIT's plans. For example, student attendance was taken on a daily basis, the principal met with departmental heads on a weekly basis, and occasionally there were staff briefings on the status of affairs in the institution. All this was to find out if the curriculum implementation was on course so as to achieve the goal of graduating well skilled students. This finding extends the literature that supports monitoring of curriculum implementation for efficiency by the principals. Glatthorn & Jailall (2009) posit that when teachers are left to their own devices without monitoring, they tend to teach what they are comfortable in and know best without necessarily paying attention to the curriculum. Frase, English & Poston (2000) add that curriculum implementation deficient of monitoring eventually becomes disparate, fragmented and lacks cohesion.

Communication was used as the vehicle for transmitting the data from monitoring to relevant authorities. This finding extends the literature which asserts that evidence based decision making is crucial in the achievement of specific targets. Kusek (2004) maintains that evidence based monitoring and evaluation can assist administrators to identify weaknesses and thus institute remedial action. Moreover, it is possible to collect and analyze information and data at any and all levels of the institution and provide the requisite feedback at many points in time. Literature also emphasizes that monitoring which is a follow up activity ensures that the policies and procedures of the organization are being carried out as intended (NACUBO, 2007). Thus, both aspects of effective control and monitoring activities are key to managing risks. Furthermore, setting up a formal system of communication is a critical function of risk management (Kallman & Maric, 2004).

### **Conclusions**

Findings reveal that the institution employed varied approaches to manage routine risks. For instance, evidence based monitoring and evaluation was used to identify and respond to potential risks to the institution. This was through identifying gaps in service delivery and giving quick responses to pertinent issues that required attention. The M&E was complimented with communication channels that were used as the vehicle for transmitting information to the relevant authorities for action.

The institution applied intelligence gathering as a measure for risk mitigation. Strategies like surveys and benchmarking against the best practices in other

institutions were used to collect information. The intention was to improve practice as a means of limiting risks.

Findings also indicate that the institution adopted other mechanisms such as taking insurance cover for assets like vehicles. The same was applied to cover risks for students during the industrial attachment period. Further, the institution invoked the services of government agencies like the police, fire brigade for risks like riots and fire accidents. Additionally, relevant resource persons were occasionally invited to sensitize staff and students on safety issues. The objective was to mitigate risks by way of awareness creation. There was also burglar proofing of windows and doors to enhance the safety of equipment and machines.

The institution also opened a number of bank accounts for the safe custody of monies like fees, grants, and donations. Additionally, the administration engaged the services of a private security firm for purposes of overseeing security issues in and around the institution.

### **Recommendations**

Findings in this study imply that knowledge about risk management that is necessary for successful planning and implementation of plans is lacking in the institutions. A risk management policy needs to be institutionalized as part of the strategic planning process. Risk management should therefore be a commitment of the leadership and needs to be linked to other key management functions.

Introducing the idea of risk management into TVET institutions is akin to cultural change. Thus, educating the staff and other stakeholders about their role in changing the culture will assist in managing risks in the institutions. The acceptance of risk management requires a common understanding by all stakeholders of the probable risks facing the institutions.

Additionally, there is need to incorporate an appropriate and formal risk management framework or template to guide the institutions in the risk management process. The template should be accessible and known to all stakeholders in order to make risk management part of the institutions routine activities. Strategic thinking and leadership is also vital in the development of strategic plans. This will help to embed risk management in the strategic process. For effective implementation of risk management, the leadership should encourage stakeholder participation for the ownership of the strategic processes in the institution. It is important to have continuous monitoring system and effective communication so as to improve practice.

Furthermore, knowledge about risk management is a prerequisite for all stakeholders of the institution. There is need for the establishment of an effective training, motivation and appraisal system so as to enhance behavioural change. This will inculcate a risk aware culture in the implementation of institutional plans. Thus, professional development of the administration is mandatory to bridge the knowledge gap. Lecturers as the implementers of the institutional programmes also need constant skill upgrading for the risk management process to have an impact in the prevailing volatile environment.

Finally, the aforementioned will not be practically possible in the absence of a policy framework. There is thus need for the enactment of a risk management policy guideline for all educational institutions by the relevant Ministry. However, the policy needs to be anchored in the management of institutions in order to avoid the pitfalls that have befallen other policy directives like strategic planning and performance contracting in terms of implementation.

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