

The reluctance of Human Resources professionals to get themselves on the 'risk and business agenda'.

تردد/إحجام متخصصي الموارد البشرية عن وضع أنفسهم على "جدول المخاطر والأعمال"

It may be either because of a concern that they may not be able to take a detached (/di'tætfi/=not joined to) and independent view if they become too identified as part of the 'commercial' aspects of the organisation, within which it is perceived people's risks are disregarded, or because they do not have the necessary competencies.

قد يكون هذا إما بسبب القلق من أنهم قد لا يكونون قادرين على اتخاذ وجهة نظر منفصلة ومستقلة إذا تم تحديدهم بشكل كبير كجزء من الجوانب "التجارية" للمؤسسة، والتي يتم فيها تجاهل مخاطر الأشخاص، أو بسبب أن ليس لديهم الكفاءات اللازمة.

If Human Resources professionals can 'get on the business and risk agenda' within their organisations, then the risks of not managing organisation's Human Resources risks come into sharper focus and the added value of the Human Resources function is much easier to demonstrate, understood and welcomed.(Reamer & Frederic G, 2015)

The secret is for Human Resources professionals to think 'risk' when evaluating their contribution and to use *a cost-benefit approach that compares the cost of an intervention with the cost of inaction*, i.e., leaving the risk uncontrolled. Using such an approach enables them to demonstrate how they can add value, rather than be perceived as a *risk-averse* legislative-focused function that only adds cost to the business. Changing the focus and perception of the Human Resources function can lead to new management approaches **that identify different priorities and solutions, and thereby enhance the management of business and commercial opportunities.**(Frederic G. Reamer, 2015)

## 5. Role of Human Resources

**1.15** Before we start to discuss risk management in general terms and how Human Resources professionals can become more involved, let us consider the role of the Human Resources function. Future chapters will deal with these matters in detail, but for the moment let us consider some key points.

- **Broader business agenda** – The management of risk is an essential part of corporate governance and corporate social responsibility, both concepts that are increasingly becoming the sign of a well-run and responsible organisation. The protection of all stakeholders' 'capital' is a vital aspect of good business management, and the key method is to use risk management techniques throughout the business process.(Frederic G. Reamer, 2015)

Human Resources professionals should be ideally placed to influence appropriate management system developments, and create a proactive internal environment for risk identification and resolution. Human Resources professionals must seek to ensure that the organisation includes the concept of risk management within its normal management of the business. It is vital that the identification and management of risk is not a reactive process when something goes wrong, but something that is considered at all stages of a business. Human Resources professionals need to proactively lead the

creation of an organisation that has the management of risk at the heart of its culture and business processes.

- **opportunities and risks** – The organisation must ensure that its **Balancing** development of business opportunities within its strategic objectives must not be constrained by risk-averse approaches, nor continued without due regard to the risks. The management of risk must be effectively balanced with the identification and management of opportunities. In addition, the culture of the organisation must not include human factors that cause people to adopt risk-creating behaviours rather than intelligent risk taking. Human Resources professionals must support the identification of negative hidden belief systems. For example, the organisation may say, ‘Our people are our most important asset’ – but in reality, all the organisation’s focus is on the achievement of financial targets. This leads to the hidden belief that the organisation’s real value is ‘Our people are an unimportant asset’. Human Resources professionals must assist the organisation to identify with the concept that risk exists in not recognising or not implementing an opportunity, rather than the traditional view that risk management is only about minimising losses before or after they occur. One example of where the Human Resources function can add value is in the discussion of outsourcing. Some activities are often outsourced, e.g., payroll, car fleet management, site cleaning, where the activity is regarded as not core to the main organisational function and where the expertise required is very specialist or where the economies of scale make it cost effective to outsource. Whilst there can be significant benefits in outsourcing, the main organisation must be challenged to think very carefully about the risk of outsourcing activities that are strategic or linked directly to the product/service that the main organisation is providing.(Frederic G. Reamer, 2015)  
The assumed cost-benefit of outsourcing may well be outweighed by a loss of control and a reduction in internal support and external customer service, and an inability to effectively manage the people risk management aspects, that can be core to effective performance.(Frederic G. Reamer, 2015)