THE POSITIVE COLLISION ABOVE THE LONG TERM PERFORMANCE OFFERED BY RISK MANAGEMENT

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Abstract

According to the classical theory of decision, the risks are also defined phenomena of possible occurrences, but still uncertain socio-human processes. Its effects are harmful, deficient with an actual irreversible character. Signifies the chance or probability of loss or separation of predictive of results to be obtained. In parallel, the uncertainty includes both positive aspects as well as negative and for this reason cannot be confused with the risk. An uncertain event, which if they do rise can generate positive or negative effects on the project's objectives. The uncertainty is permanent and cannot be removed. At the same time we are aware that during the execution of a project there are both risks and positive elements. In defining the concept of risk uncertainty is persistently and constantly removing the emergence of two possible values. Risk management comprises a range of different methods or means through which uncertainty can be managed. He is mostly known as the essential element of risk factors in order to achieve the objectives set. Risk management refers to the knowledge of the factors that could prejudice a company. We recognize that uncertainty is a fact of life, and thus the reaction to uncertainty should be an ongoing concern. It will focus on limiting or preventing permanent problems that could instigate unnecessary damage to the company. We must not forget the fact that risk management is a very important element of any draft because risk can develop problem indolence in carrying out the projects.

Keywords: risk, uncertainty, risk management, performance, proactive management.

JEL Codes: D29, D81, P49, P47.

1. Introduction

Risk can be defined as departures from both positive and negative from the objectives set by the organization or work on projects. Such deviations may result in poorer performance than expected or even the delay of results. In this context it can be perceived as threats with a probability greater than or less than, their materialization having consequences, sometimes hard to measure organizational activities. So people, tasks, resources, or performance objectives can be easily affected [2].

The risks are analyzed and interpreted as a correlation between the probability and impact. Be identified at any level where it is found that the results are available on the fulfilment of the objectives and specific measures will be adapted to the problems found by the risks in question.

Risk management is part of the organisation's management system and through secure toolkit helps us to achieve the objectives. Basically gives us the solution leverages on the causes which crystallized efforts to achieve the objectives. Represents an element of the system of internal control, which can be identified reliably and quickly to significant risks [3].

Operation and implementation of risk management can be presented easily through the following successive stages: assess, manage, measure, decide, in accordance with Figure No. 1.

Figure No. 1: The operation of risk management
Source: Data processed by author

2. Proactive risk management

Limiting reagent management is insufficient for control of a high performance management. We cannot lead an organization solely on the principle of "seeing and doing". It is important to identify potential threats, always before they can materialize and to affect adversely the objectives set. This means to adopt a proactive management style.

Proactive management works based on the principle of “it is better to prevent than to note a fact" [5].

Risk management is a proactive process, applied with the aim of eliminating any problems still before the occurrence, thus increasing the chances of a successful outcome of any organizations. This process involves the identification, analysis, reaction and management of risks within each department involved [4].

Proactive management is a way to force certain people to head off problems or inconvenience that may seriously affect the company's ability to carry out the transactions.

Organizations can help reduce the occurrence of risks through the adoption of such a system. Hypothetically, it could comprise the following steps [6]:

a. *Development of a driving tactics*: so employees can be gradually sight with incentives to think about actions carried out.

b. *Definition of the specific risks faced by a company* (the primary objective of risk management).

c. *Creating a standard response system for managing business risk*: even if there is a possibility that these standard replies may not fit perfectly to each situation, they can be a start for improvement or business risk mitigation.

d. *Retention for further risk analysis*: a proactive risk management requires that any organization to archive all information present in a previous situation of risk management at your fingertips. Thus we can anticipate future risks and limit their impact them.

e. *Identification of alternative risk mitigation operations*: finding less risky activities in support of company managers to be more proactive in implementing risk management.

3. Favourable aspects of risk management [8], [10].

a. Raising the achievement of objectives

Risk management is an important component of any project, because by neglecting risk carrying out the projects is questioned.

b. Assuming a proactive management

Works on the principle "it is better to prevent than to note a fact".

c. Prioritize resource allocation;

d. Rapid identification of opportunities and threats;

e. Compliance with national and international regulations and standards

In accordance with national and international regulations and standards finding optimal solutions to eliminate or at least mitigation is achieved more quickly, easily and effectively.

f. Risk management requires change management style

Typically, managers must adopt a reactive management style, which means that it is necessary to design and implement measures to mitigate likely risks manifestation. Forecast analysis enables organizations to master, within acceptable limits, the risks listed, which is the same as increasing the chances to achieve its objectives.

According to literature proactive management becomes easily a prospective management; the management tries to define those risks that may arise from strategic or environmental changes. Organizations must be prepared to adapt and cope with the inherent changes.

g. Risk management facilitates the efficient and effective organizational objectives

We are aware that when we know what threats do we class them according to the event of an embodiment according to the impact on the objectives and the costs imposed by the solutions used to reduce the chances of developing or limit undesirable effects. It is very important that the organization "to focus all our energy" on what is really important avoiding a possible waste of resources with destinations irrelevant.

Regular review of risk in accordance with law, result in the reallocation of resources proportional to the change of priorities.

In other words, risk management focuses on concentrating resources on areas of current interest.

h. Risk Management provides the basic conditions for a healthy internal control

Definition of internal control is given by all measures established by management to obtain reasonable assurance that objectives will be achieved. Thus it appears that risk management is one of the important ways in which this is done as follows precisely the management of threats that could have a negative impact on objectives.

Therefore, if we follow the strengthening of internal control, risk management implementation is essential.

Activities to be undertaken to achieve the objectives must relate to measures that mitigate risk and plan manifestation of resolving difficult situations (risks materialize).

4. IBM - The Road Map towards the safe performance

Because he wants to change the pattern of reacting in a predictive model, IBM - The International Business Machines Corporation is considered to be the "most promising company in the world". The foundation that puts a smarter planet, where the solutions provided efficient operation of companies. Moreover, they will transform the information provided in perspective and will connect people.

Managing very well the idea of prevention and mitigation [1] and operation of an efficient and effective risk management, every year, IBM presents its own performance through a Road Map – a Map Direction / a Road / the performance without risk. Is a long-term perspective that provides security company that has a good position to take advantage of the great changes in technology, business and related global economy.

Thus, for 2015, with Road Map's, the Company has established the following five key objectives:

- ✓ To increase profit from software to represent 50% of global profits;
- ✓ To achieve 30% revenue growth geographic market;
- ✓ To generate $ 8 billion "productivity" by transforming the company;
- ✓ To return 70 billion stakeholders;
- ✓ To invest $ 20 billion in acquisitions.

These facts are demonstrated in Figure 2 [9].

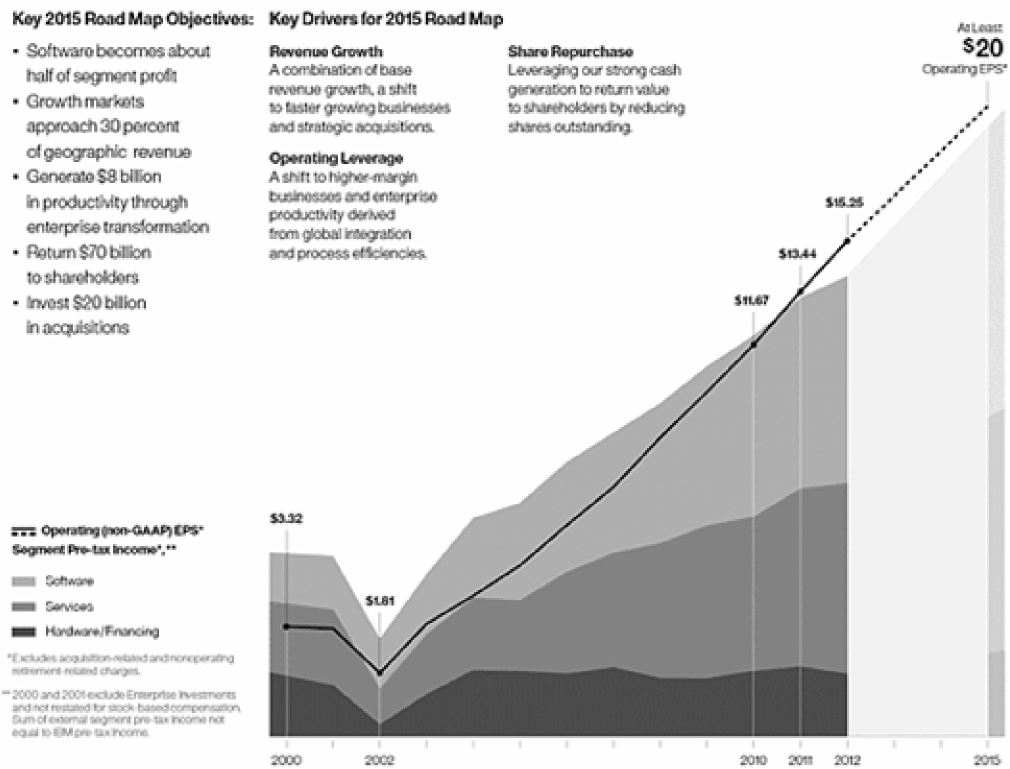

Figure No. 2: Using the Road Map's for setting the direction
Source: www.indicatorideperformanta.ro

IBM states that to "support a model of innovation in our industry, a company must not only adapt to major changes in technology." To maintain a productive enterprise, IBM has to continue learning and development at both making and what tools or means do. The Company shall continue to provide high value products and skills, and operations and management practices. Remember: customer conversion capabilities should not be overlooked again.

5. Conclusions

Within the organization and within the environment in which it operates, there is always the uncertainty of achieving the objectives manifested in the form of threats or opportunities. Therefore, any manager must manage very carefully threats because, otherwise, and defeat its objectives or not to capitalize on opportunities to obtain economic benefits (demonstrating efficacy) for the organization, it was would disqualify.

Risk management refers to the knowledge of the factors that could prejudice a company.

We recognize that uncertainty is a fact of life, and thus the reaction to uncertainty should be an ongoing concern.

Risk management will focus on limiting or preventing permanent problems that could instigate unnecessary damage to the company [7].

That is why it is very important to know and implement in organizations, an effective risk management.

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