**Topic:** Enterprise Risk Management

**Question:**

Chapter 9 presented the approach Lessons from the academy. Please explain how ERM adoption and implementation in the higher education (HE) environment differs from the public company sector environment. Cite specific examples from this week’s readings.

At least three points or aspects in which the implementing ERM in the two environments differ.

**Instructions:**

* Need 3 Responses for other student posts with APA references
* Minimum 150 words for each response (use uploaded document to see other student posts)
* Textbook attached
* No plagiarism please.

**Initial Post 1:**

Enterprise risk management is the process of developing a plan organizing and leading the activities that are being carried out at an organization for reducing the effect of any risk on the capital and earnings. Enterprise risk management he's a framework that is developed for the process of risk management and the process typically involves finding the circumstances or risk for the opportunities to an organization and conducting a deeper analysis on them for understanding the impact of those risks on the organization. Based on the analysis response strategy and monitoring process is being developed by the organization and management. An Enterprise risk management plan at some organization or industry deals with the risk that is associated with the company or to the company operations. When the same enterprise risk management is associated or to be implemented in the higher education environment the types of risks are not related to the financial operations or transactions. And higher education environment and raise risk management deals with their methodologies that are to be adopted for the process of delivering education and knowledge, enrollment of students, behavior and organizational culture implemented it the organization etc. Higher educational institutions are often a target for reputational risk. Institutions with reputation awareness will need to implement enterprise risk management in such a way that any kind of behavior problem or teaching methodologies do not damage the reputation of the organization. Anne E. Lundquist (2013) states that, “Firms face several challenges in measuring reputational risk. Identifying the drivers of reputational risk in the context of the ﬁrm tends to be problematic.”

**Initial Post 2:**

Implementation and adoption of Enterprise Risk Management are different in the public sector and higher education environment which is a representation of a private sector. In higher education environment, adoption of ERM is easier because there is no much changes of leadership as compared to public sector where leadership changes prioritization in ERM which can cause difficulties in establishing a an efficient ERM framework in the initial stages. Private sector focus more on short-term monetary part of risk while the public sector focus on long-term aspects and manage risk more to the shareholders expectations. This makes planning and implementation of ERM more complex for public sector and easier for private sector because the plan is for only a short period of time (Grimsey, & Lewis, 2002).

Another difference in implementation of ERM come in because both the private and the public sector have different objectives with the private main objective is to expand or maintain its market share while for the public sector is to protect and serve the members of public. They may be affected by the same crisis but again they will have different worries, the private sector will worry of how to survive and remain competitive while the public sector will worry about maintaining the cost of serving the public since its operates as a monopoly and does not experience competition. For this reason, the adaptation of ERM differ to cater for the interest of the both parties (Subramaniam, Carey,  Zwaan, & Stewart, 2011).

**Initial Post 3:**

The organizations these days are facing multiple kinds of risk and especially the educational sector. It is essential to manage properly the risks and minimize the cost and related consequences as much as possible. This purpose can be achieved with the Enterprise Risk Management (ERM) which is having positive affect on many organizations across the world. There are multiple factors that drive the adoption of the ERM in the organizations as they have huge impact. The ERM implementation in the educational institutions is based on the set of questionnaire and the data that is used in analyzing the impact. Studies show that the ERM implementation is based on various factors that include the conceptual model and the board of directors in the institution.

            The basic approach, focus, and the goals of ERM will be the same and so it will be developed effectively in every field. The ability to involve the risk categories separately will develop the extended and integrated approach in the areas of risk. The new focus will be applied with a successful and established approach with broader and vital scale compared to the previous one. As the ERM is not implemented in most of the educational institutions, some authors are finding way to investigate about the factors which will influence the adoption of the system and also in terms of managing the uncertainties that might arise in the institution. The driving force behind the adoption of the ERM in the institution forms the workforce with the features of the organization. the personal ability will provide the strength needed for the risk mitigating team in recognizing, analysing, and treating these uncertainties along with the encouragement and influence needed from the educational institutions. The characteristics will induce the ERM development needed in the organization. There are many external factors the include the auditors and compliance in bringing about the sense in the organizations and also in the implementation of the ERM program effectively in achieving the success.