

Editorial

Risk management and its articulation with cooperative management

La gestión de riesgos y su articulación con la gestión cooperativa

Gestão de riscos e sua articulação com a gestão de cooperativas

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Risk management constitutes a current topic that is placed as an important element to be taken into account in the development of business activity, precisely, at the center of concern of the administration (Bericiarto Pérez et al., 2017).

It has been approached by various specialists from different points of view, generally related to financial and operational risks, as well as those associated with compliance with organizational strategy, the latter gaining strength in the current context.

Theoretically, risk is understood as the possibility of the occurrence of an undesired situation. As the probability that the company cannot face some situation inherent to its activity, capable of producing positive or negative deviations, generally to the detriment of organizational performance, constituting obstacles to the achievement of objectives (Bolaño Rodríguez et al., 2014; Celaya Figueroa & López Parra, 2004).

Risks are present in any type of activity, no matter how simple it may be. To this end, control mechanisms must be established for their proper management (Guerrero Aguiar et al., 2020). Hence, risk management is incorporated as a good practice in strategic planning, becoming one of the stages of the planning cycle.

Risk management is the set of control elements that allow channeling the objectives of the institutions through the identification of opportunities for a better fulfillment of their function. It can be considered as the application of strategies and policies to be followed to reduce the adverse consequences that may be caused by risks, which allows adding value to goods, products or services (Guerrero Aguiar et al., 2020).

It basically consists of timely detecting the various risks that may affect the company in order to generate strategies that anticipate them, with the aim of turning them into profitable opportunities for the company (ISO, 2015).

It implies a holistic, global, management of risks at all levels of the organization, in order to facilitate the achievement of the strategic direction and decision making, taking into account the interaction of the company with its environment, the relationship with stakeholders, the interrelation between processes, as well as the implementation of mechanisms that guarantee the continuity of the business and the protection of resources and interests (Guerra Parada, 2021).

Hence, it is one of the most innovative elements to be considered in the strategic direction and strengthening of internal control, where the human resource, as the most important asset, is responsible for its identification, treatment, review and permanent monitoring.

The above references made it possible to deduce that risk management is a process closely related to business management, as it combines planning, organization and control functions, and uses human, material and financial resources, consisting of stages or steps that are carried out logically and sequentially, in order to reduce losses and take advantage of the organization's opportunities and capabilities.

It is a branch of knowledge that uses the various techniques of other branches of science, through the integration articulated by the principles, concepts and tools of process management; in order to manage the risks that may occur in the internal and external context where an organization or entity develops, whether industrial, commercial or public service. It is analyzed as a logical and systematic process that combines financial, material and human resources to evaluate the potential risks that influence an activity, function or organization and make decisions regarding their optimal management (Tamayo Saborit et al., 2020).

The above ideas make it necessary to analyze its links with business management in general and other branches of knowledge. The relationship between business management and risk management is close, the latter being a specialty within the broad field of activity of the former; its relationship is from one part to the whole, from the specific to the generic.

When considering risk management, as one of the specialized branches of business management, it is assumed that it shares certain characteristics, since it is a management tool that follows logical and systematic methods to identify, analyze, estimate, evaluate and manage risks, allowing those who use it to take advantage of opportunities and minimize losses, with a favorable balance between costs and benefits (Tamayo Saborit et al., 2020).

Among the shared characteristics is the fact that their object of study is organizations, which implies that it is applicable to private or public companies, public institutions and state agencies, private institutions, as well as cooperative companies.

The cooperative enterprise is a voluntary association of people to satisfy economic and social needs of members, employees, community and society, through an enterprise of common ownership and democratic administration (Rivera Rodríguez & Labrador Machín, 2013).

The definition of a cooperative discussed above underlies its essence, as it is constituted as a voluntary association of persons who join together to establish a collectively owned enterprise, with democratic administration and its own legal personality, to meet their economic and social needs, thus contributing to their development and that of society as a whole, which determines a distinctive form of management. The definition itself conditions the particularities of cooperative management, especially its duality as an economic enterprise with a marked social purpose.

Cooperative management is developed according to the evolution of the cooperative, and is integrated by a set of elements that interact to plan, organize, direct and control the enterprise according to the business objectives, which, for the cooperative, have a dual character (economic and social), in addition to the regularities that impose on the functions of the administration the fulfillment of the cooperative principles and values (Fernández Lorenzo & Galarza Torres, 2023).

Cooperatives have their own or external managerial faculties, which allow them to create favorable conditions and thus reach an optimum level of efficiency and effectiveness. This is largely due to the fact that the management of these companies is based on the very essence of this type of

organization, the development of its economic, productive and social activity, which are in correspondence with the dimensions that are developed in them, which makes the difference with the rest of the business forms.

These entities are not unaffected by the threats and vulnerabilities inherent to the environment in which they are located, hence, adequate risk management is essential for their development and, at the same time, for local endogenous development and for the natural, environmental, technological, socioeconomic and legal environment in which they operate.

Risk management in a cooperative is configured as a fundamental element for the achievement of strategies, policies and guidelines that promote the participation of members in the identification, analysis, measurement and monitoring of the different types of risk, with the purpose of guaranteeing a level of security regarding compliance with them and the achievement of the organization's objectives.

It is considered as a systematic and systemic process in the decision making process of this type of organizations, so it becomes a transversal axis of the management and strategic planning and management control process, to effectively manage the risks that may affect the normal development of the cooperative; therefore, it constitutes a strategic challenge if a better performance is to be achieved, so it becomes a basic component of the cooperative management.

Managing risks correctly can have a positive effect on cooperatives, a source of opportunities that favors the improvement of the processes carried out therein. Therefore, its achievement from a process management approach and from the dimensions of cooperative management, will allow planning, organizing, directing and controlling the integral management of risks in cooperatives, which contributes to a better identification and treatment of these, to have greater precision of the activities to be carried out and to the achievement of the objectives.

In this sense, investigating the events that affect or may affect the socioeconomic work of cooperatives, the causes that provoke them and the possible consequences, in order to eliminate or reduce the threats and vulnerabilities that impact the efficiency and effectiveness of cooperative management, should have as a starting point the particularities of the dimensions of cooperative management, as well as the identification of the strategic, key and support processes of the cooperative.

The identification of risk factors that can increase the probability of a negative event occurring that affects the strategic objectives of the cooperative, by dimensions, is essential and should be a systematic process to identify, locate and assess those elements, hazards, that have a significant influence on the generation of risks, in order to contribute to their effective management and achieve greater comprehensive safety.

Evaluating the effectiveness of the risk management process and its impact on the cooperative's economic, social, financial and environmental management, warning preventively about any insufficiency, deficiency and current and potential risks throughout the process, allows actually achieving the planned impacts from the social, economic, ethical and environmental dimensions, within the established deadlines, with the lowest possible economic-financial, social and environmental cost.

Monitoring is a mandatory part of the conditions for a well-functioning risk management. But in order to do so, it is necessary to design and implement a system of mechanisms for measuring and monitoring the activities exposed to risks. The control system has the task of systematizing the monitoring data, especially the results of the observation of risk factors, and if they deviate from the expected norms, corrective measures must be taken.

Risk management is a dynamic, proactive process and therefore each of the steps must be systematically updated to comply with one of the principles of risk management: risk management must be systematic, structured and timely, so that it contributes to efficiency and consistent, comparable and reliable results.

Cooperative enterprises acquire greater independence and protagonism in making decisions on how to manage the current and future risks to which they are exposed, which makes it possible to break with traditional cooperative management schemes, since risk management becomes one of its most important transversal axes.

It would therefore be important to incorporate risk management into the strategic planning process, not only at the initial stage, when risks must be identified, but it should become a transversal axis of the entire planning and strategic management process, since failure to recognize and evaluate risks can lead to failure or non-compliance with objectives, especially strategic ones (Meralla Cruz et al., 2023).

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Risk management as part of cooperative management is not conceived as an independent activity separated from the main activities and processes of the organization, and will therefore be approached from the four dimensions of cooperative management and as an integral part of decision making.

For risk management to be effective, it must be aligned with the key functions of the organization; it is the responsibility of management to define the policies, strategic objectives and guidelines for risk management, while continuously reviewing the process.

Risk management improves operational processes, as it allows for a continuous review of problems or events that occur and potential risks, in order to act proactively and make corrections and adjustments to all types of processes, products and services provided by the cooperative.

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