Risk Assessment Report

Student’s Name

Institution

Date

**Introduction**

Most businesses are sometimes faced with some risks, which might originate from outside the organization or from within the business itself. In fact, this has made several challenges or risk to be difficult to resolve and therefore, it has serious impact, which would be difficult to overcome. Understanding the issues affecting the organization is therefore, essential in addressing the problem for the sake of business performance (Daša, 2014). Therefore, risk exposure calculator measures and evaluate any of the potential risk the business might face, which can negatively affect the organization. It is done using three (3) key contemplations of the culture, information management and growth. These issues are divided into three different levels and also ranked in a scale of one to five, and this is the risk level from low to high. The assessment is done and the organization scored between nine and twenty then the managers can conclude that the organization is safe. And the score of the risk assessment is between 21 and 34, it can be concluded that it is on the caution zone and when the score is thirty five and above, it can mean that the organization is on the danger sector and immediate attention s required. This assessment is therefore, analyses the risk exposure calculator of organization, which include the ranking and classification based on the process.

**Growth pressure**

The organization experienced pressure due to high level of growth it has experienced over the last years. The growth pressures are based on the three indicators the level of expansion being realized by the organization is based on the pressure based on performance and inexperience of the organization’s employees. The analysis indicates that Organization realized steady growth hence the market became more vibrant and therefore, the set revenue of the organization become motivation and the responsibility, which the employees must follow during the working time(Robert, 2013). In this case, the risk based on the performance of the organization is assessed and established to be very high at organization and therefore, this put a lot of stress on its sales force. In the operations, it is indicated that the managers came up with KPIs without any contribution from the senior consultants or the organization’s branch managers. It is also established that the consultants were also paid based on commission of one percent for over (ten thousand ($10,000) course fees for every client, who signed up. However, despite the initiative by Jospe to offer $ 30,000 in fixed income to help in reducing the monetary worries, the Trading, .com pressure still stand at 4/5 points of performance pressure.

The expansion rate of Organization is high. The organization has realized sudden growth in the last years from a medium sized firm with few employees to several offices around the world. This kind of expansion and growth were not expected by the management and therefore, it impacted on the organization (Aces & Mueller, 2018). The growth of the organization is aligned with the level of financial resources but it does not reach the ability to Employ and provide training to employees and therefore, the risk level is set at 5 points. The experience of employees is the third issue, which should be considered when a organization is growing at a higher speed. In order to satisfy the fast expanding, the organization lowered the employees’ standard so that it can supply the need of more consultants who were dealing with a lot of workload. Instead of addressing the issue amicably, the human resource department just tried to fill the vacancy rather than Employing employees with skills and experience (Avshalom & Mark, 2015). It was a major threat to Organization. And because of unskilled and inexperience employees, the organization cannot make sales and generate profit as well. Therefore, it contributed to the organization’s unprofessional image and ending up wasting a good brand and therefore, the risk level is ranked high at the level of 5 points.

**Culture pressure point**

The organization also experience pressure due to culture, which resulted as based on the reward for entrepreneurial risk of the refusal of the executive to accept bad news and the level of internal competition. For the sake of long term development and survival every business must constantly engage in innovation to keep in pace with the market trend. The innovation is essential for business growth because it can leverage a organization to outweigh market competition and it can also sink the business if not properly guided (Watt, 2014). Organization revenue base are from the new courses, which are developed by risk takers. The success or failure of those courses are also not predictable and therefore, lead to business uncertainty. Unfortunately, the risk value certain here is very high. It is established that the Organization head of creators work individually and only meet with the rest of them team when they have something of value to share instead of cooperative and connecting more often. In this case, there is no serious or depth discussion of major decisions being undertaken by the management team. The management team also does not take time to look at the market and understand the trend, they only interested in success rather than taking time to analyze the market and therefore, this is the cause of the failure of the organization. It is also very easy to get past mistake by their colleagues and this affected the performance of the organization. However, the increase in frequency also made their new products to fail and the complaints raised by customers exposed the risk the organization is experiencing.

In business managers refer to be given good sales report instead of listening to problems for internal problems. The managers are ready to approach ongoing dangers, impediments and therefore, automatically assume that all causations are unnecessary. Off course, a lot of confidence in the performance of an organization makes managers not able to identify the potential risks, which may occur (Bawden, D., Holtham, C., & Courtney, 2016). According to Bawden, Holtham, and Courtney (2016), the lower the level of employees in an organization setup, the high the rate of contact between the customer and the employee. It gives an employee an overview of what is happening in the business environment and what may happen and therefore, the constant are the most knowledgeable employees of what may happen to the organization in the business process, which include threats from professional ethics and office culture. At the Organization the branch managers are regarded as “ye” bosses, who only interested in the best profit and not ready for any objective views and therefore, they did not listen well to the subordinates. It is therefore, evidence that the level of culture risk is level and it is ranked at 5/5, which is high among the risk the organization is exposed to.

It is therefore, advisable for the management to create a competitive work environment, which can encourage employees to harder in order to achieve better results (Charles, 2016). It is a legitimate reason for any employee to take a good initiative to develop their sense of responsibility and the desire to improve themselves (Celine, 2018), but can be a potential risk to the organization. However, when the tension is over, employees usually accept low credit rate and it is expected to turn to major problem such as bad debt. However, for financial goals employees will be willing give unrealistic promise to customers to make sales of the products. But if the deal succeeds, it can cause major issues to the organization and employees. And in any case the deal fails the employees are more likely to lose their jobs. In addition, employees who cannot manage to achieve the goals set would have to resign as well.

**Information management pressure point**

The pressure point related to information management originated from transaction complexity and velocity, degree of decentralized decision making and gaps in diagnostic performance measures. As the organization opens several branches, the work overload increases and therefore, the information overload is also possible. This can obviously lead to a lot of difficulties in getting information, limiting the control of the administrator and also disrupting the transaction process. However, the problem of Organization is a result of complexity of transactions instead of volume and velocity of information. With the quality of belonging, the consultants of Organization must combine a variety of services so that they can meet and satisfy the needs of customers, which can cause complexity in the process of management. And therefore, this kind of pressure, is ranked at Organization high and therefore, the average level of the pressure is 3 points. However, if the pressure is diagnosed based on the performance, Organization still being rated in high degree of risk and it is estimated at 4/5. And therefore, as a result of ineffective mode of diagnostic control measures and inaccessible of the regional manager makes reporting to be impossible and the useful information regarding the organization performance could not be possible. The employees have forgotten the responsibility to essential issues such as indicators to the senior manager and therefore, these are some of the inefficient or no information supplied and therefore, it contributes to difficulties in decision making in the organization. Surprisingly, the senior managers have not made any attempt to over the problem. Senior managers accept the delay from employees without giving a serious warming setting a bad precedent. It is very bad because one day, the managers will realize the sales of the organization are plummeting or the trust of customer is gone and it would be extremely late for the organization to fix it and achieve remarkable performance.

It is also evidence that the a single decision making is importance in some final points in the Organization risk exposure results. It is normal practice that when a business started grows faster, the branch managers are given some power to make mere decisions. This leaves the Senior Managers with only matters related to strategy of the organization. Such kind of allocation ensures that performance is reviewed to realign the organization’s operations. Actually, there are several disadvantages and advantages of decentralization of the decision making process. It allows the branch to be more sensitive to the issues affecting the market such as fluctuation and therefore, help in pushing innovation for new products. It could help in raising the acceptable level of Junior managers and this could help in enhancing their loyalty to the organization and therefore, it is critical to the general performance of the organization. Without clear overview of the strategy of the organization, Organization‘s branch managers usually recognize the level of high risk with the decision they make. And therefore, as vertical and horizontal mode of sharing information is not well defined in the organization, it makes it difficult for the executive to approach sensitive issues and solve the problem as required and this lead to late recognition of the organizational problems hence affecting the performance of the organization. It is therefore, important to state that Organization risk level under information and management is at category 5 points.

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