Corporate Value, Risk and Crisis Management: Issues, Challenges and Prospects

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1.1 Introduction

All organisations are established for the purpose of achieving of defined objectives. Successful organisations established for the purpose of delivering on a mandate (example government institutions/agencies) or for profit making (example private firms) adopt the principles of corporate governance. Corporate governance is the system of rules, practices, and processes by which organisations are directed and controlled. Corporate governance essentially involves balancing the interests of organisation's many stakeholders, such as the government/shareholders, financiers, the people and the employees. Organisations across the globe have what is generally referred to as Corporate Governance Code that includes the following fundamental principles: integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

All organisations must have in place values that derived the quest for fulfilling their mandate/objectives. Mandate of every organisation is divided into specific and measurable targets which are referred to as goals. Such organisational goals otherwise referred to as objectives are derived from the functions which the organisation is set up to perform. In the course of working towards achieving these goals, organisations must take into account factors that can hinder the attainment of these goals, put in place frameworks to contain, mitigate and address them so as to achieve the overall objectives why such organisations are established in the first place. This paper seeks to dissect corporate values, the risks and crises common to all organisation whether they be government or private and how these are best tackled.

1.2 Corporate Value in a Nutshell

Value denotes the degree of importance of something or action, with the aim of determining which actions are best to do or what way is best to live, or to describe the significance of different actions. It is principles or standards of behaviour. It is one's judgement of what is important in life. Value is the regard that something is held as deserving importance, worth or usefulness. It is the relative worth, merit, or importance accorded something. Corporate value in management, is the value in an informal term that includes all forms of value that determine the health and well-being of the firm in the long run. All organisation have strategic goals they want to achieve, these must be pursued within the framework of some expected behaviour. Organisations have to defined those conducts that are expected of all staff. Corporate value help to build the expected behaviour which all and sundry in the organisation must imbibe, inculcate and display. The following are universally acclaimed corporate values: Loyalty; Honesty; Trust; Ingenuity; Accountability; Simplicity; Respect; Compliance to rules and regulations; Disclosure and Value-centricity.

1.3 Risk Management

The dictionary defines risk as "a situation involving exposure to danger." Risk is the chance or probability that a person will be harmed or experience an adverse health effect if exposed to a hazard. It also applies to property or equipment loss, or harmful effects on the environment. Risk is the possibility of something bad happening. Risk involves uncertainty about the effects/implications of an activity with respect to something that human beings value, often focusing on negative and undesirable consequences.

Risk management is the identification, evaluation, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability or impact of unfortunate events or to maximize the realization of opportunities. It is all about identifying potential problems before they occur. Risk-handling activities are necessary throughout the life of every organisation. According to experts there are three broadly categorised types of risks and these are: Business Risk, Non-Business Risk, and Financial Risk.

1.3.1 Risk Management Process

The following are the steps in conducting an effective risk management in any organisation:

Step 1: Risk Identification;

Step 2: Analysis of Identified Risks;

Step 3: Evaluation and Prioritisation of the Identified Risks;

Step 4: Response to the Identified Risks; and

Step 5: Monitor the Response to the Risks.

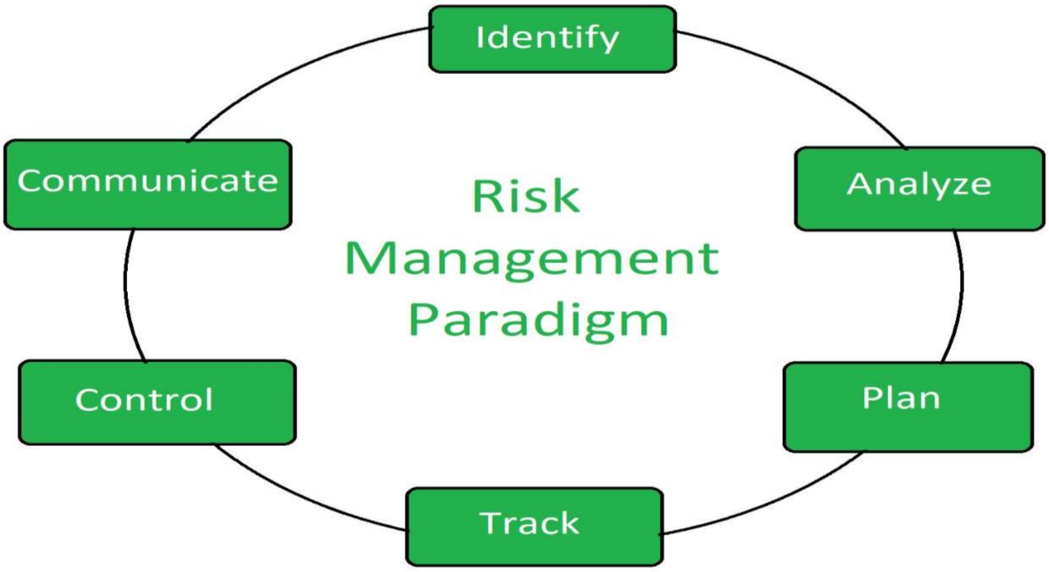

Figure 1: Risk Management Paradigm

1.3.2 Risk Analysis Approaches

Risk analysis is an important component of risk management. It involves examining how outcomes and objectives might change due to the impact of the risk event. It is the process of identifying and assessing factors that can jeopardise the achieving of organisational goals. As soon as the risks are identified, they are analysed to identify the qualitative and quantitative impact of the risk on an organisation so that appropriate steps can be taken to mitigate them. There are several methods of risk analysis, some of the popular ones are:

a. **SWOT Analysis**: SWOT analysis is also referred to as situational assessment or situational analysis. This is a strategic planning and strategic management technique used to help organisations identify strengths, weaknesses, opportunities, and threats related to business competition or project planning.

b. **PESTLE Analysis**: this is a technique that is deployed in risk analysis that studies the key external factors of the Political, Economic, Sociological, Technological, Legal and Environmental (PESTEL) that influence an organisation. It can be used in a range of different scenarios, and can guide people professionals and senior managers in strategic decision-making.

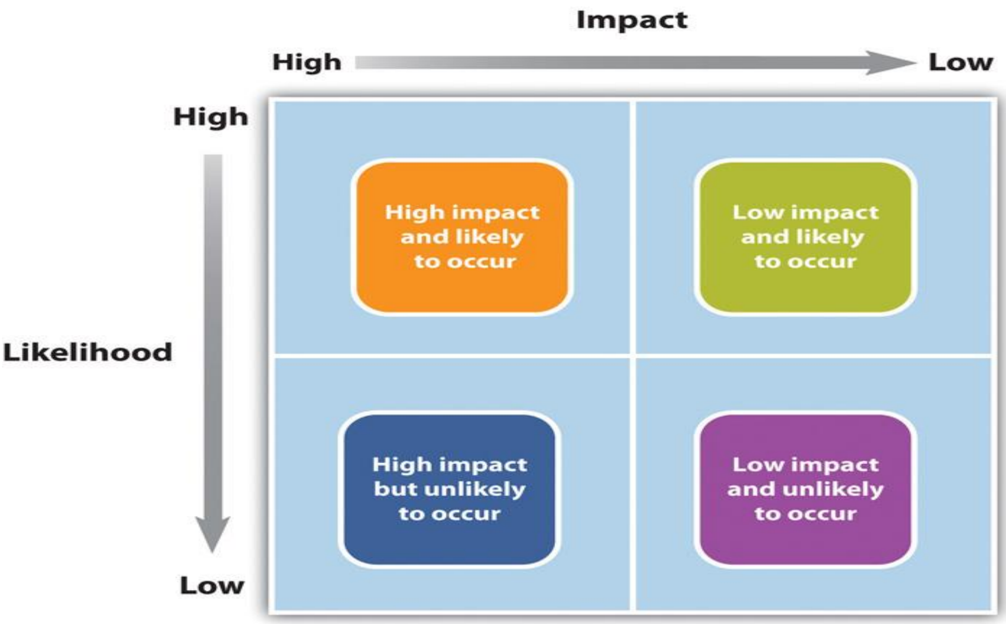

Figure 2: Risk and Impact

1.3.3 Principles of Risk Management

It is important to say that every organisation is affected to varying degrees by various factors in its environment (Political, Social, Legal, and Technological, Societal etc.) and its internal dynamics. There are also marked differences in communication channels, internal culture and risk management procedures. Risk management therefore should add value and be an integral part of the organizational process. The overall importance of this is to ensure that the factors that can negative impact on the achievement of organisational goals are contained.

1.4 Crisis Management

Crisis is the degeneration of conflict. Conflict is a disagreement between and among persons or groups. It is a struggle and a clash of interest, opinion, or even principles. Conflict will always be found in society; as the basis of conflict may vary to be personal, racial, class, caste, political and international. Crisis management is the application of strategies designed to help an organisation deal with a sudden and significant negative event. A crisis can occur as a result of an unpredictable event or an unforeseeable consequence of some event that had been considered as a potential risk. Crisis management is the strategy of anticipating crises at the corporate level and planning how to deal with them effectively. Crisis management begins with risk analysis.

Accordingly there are five states of crisis management: i. Crisis Prevention, ii. Crisis Mitigation, iii. Crisis Preparedness, iv. Crisis Response and v. Crisis recovery. According to Mitroff and Pearson, (1993) there are a five-stage model for crisis management:

a. **Signal Detection**: this is the phase of identifying warning signs and take preventative measures;

b. **Probing and Prevention**: This is the phase to active crisis search and reduction of risk factors;

c. **Damage Containment**: In this phase the crisis has occurred, actions should be taken to limit its spread;

d. **Recovery**: In this stage efforts are deployed to return the situation to normal; and

e. **Learning**: in this phase, there is a review the crisis to learn why it occurred in the first place and what to do in order to forestall a future occurrence.

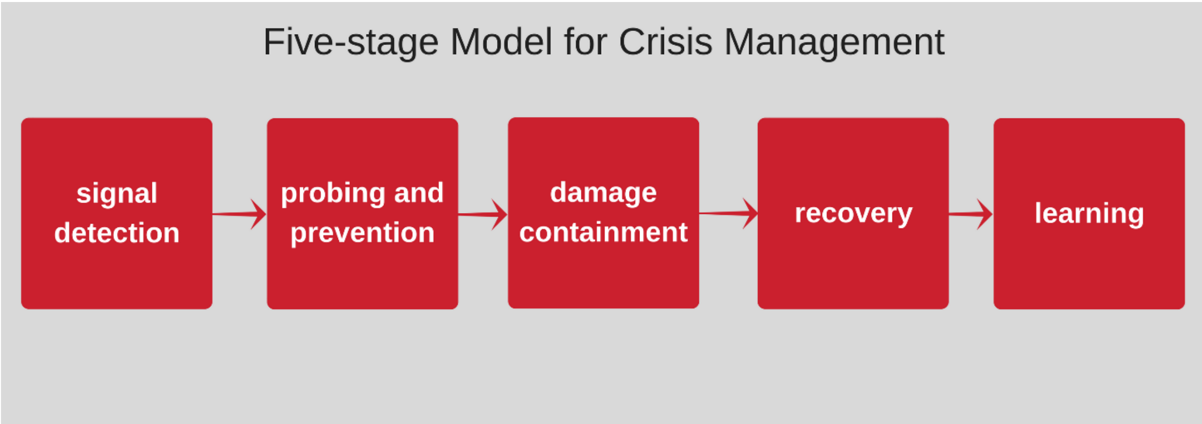

Figure 3: Mitroff and Pearson, (1993) Crisis Management Model

2.1 Issues, Challenges and Prospects in Corporate Value, Risk and Crisis Management for staff of judiciary Administration in Nigeria

There is no doubt that all institutions in Nigeria are confronted with the challenge of risk and crisis. Where must individuals are found and these persons are coming from different background and orientation there is a need for the institutionalization of acceptable standards of behaviour, which are captured in organisation's corporate values. All government agencies depending on the reason for their establishment have corporate values and these are often peculiar to individual agencies. There are risks associated to all institutions as well but these vary depending on the industry. Crisis is an inevitable reality in all human setting; this is the case also with Ministries, Departments and Agencies (MDAs).

All government agencies including the judiciary must through appropriate mechanisms deploy the right tool in order to address these concerns. Issues as it relates to staff disciple, the risk of corruption and other offences against disciple are realities among staff of the judiciary. The propensity for crisis, for example industrial action by staff and other issues is a reality that cannot be ignored. The challenges to judicial administration in Nigeria includes among others:

a. Developing the right values for the fulfilment of the mandate of justice administration in Nigeria
b. Deploying the most appropriate mechanism to dealing with the risk factors in the administration of justice in Nigeria within the extant laws.
c. Mitigating against factors of crisis in justice administration in Nigeria.
d. Effectively dealing with disciplinary issues among staff of the judicial service administration and
e. Need for staff improvement and job satisfaction.

All of these are at the core of the fulfilment of the mandate of the judiciary in Nigeria as such senior management of this arm of government must do the needful.

The administration of justice in Nigeria is crucial to the stability of the country. While it is true that judicial officer are the category saddled with the responsibility of adjudication and interpretation of the law in Nigeria. They cannot do this without the support from the administrative staff. Just like the staff of all government MDAs in Nigeria, staff in the Nigerian judiciary administration are guided by regulations and rules that all other workers abide by. The Code of Conduct as contained in the 1999 Constitution, Public Service Rules (FRN) and the Financial Regulation, the Public Procurement Act and the others seek to further the objectives of the 1999 Constitution. Workers in the judicial arm are not immured from the provisions of the law as it applies to the public service, they must have to abide by all extant laws and procedures in the discharge of their duties. Those break these regulations and rules are subjected to disciplinary procedures and are made to face the wrath.

2.2 Conclusion

The deployment of the appropriate rules and regulations, and the development of the necessary frameworks among staff of the Nigerian judiciary are crucial to achieving the mandate of the administration of justice in Nigeria. It is the duty of management of the administration of justice delivery in Nigeria to ensure that the functions of Planning, Organizing, Staffing, Directing, Coordinating, Reporting and Budgeting (POSDCORB) for the Nigerian judiciary is effective implemented. This paper is indeed directed to the right audience as all of you belong one way or the other to this category.

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