

The Empirical Investigation of the Firm's Resource Risk Management Fundamental Competencies

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ABSTRACT

The Coronavirus pandemic's existence exposed several flaws in how corporations work. It just so happens, managers are not prepared to deal with the resources of the organization in a high-risk situation. Going after hypothetical and viable data with respect to competences created in unsure circumstances is necessary while thinking about risk managers' problems. This study aims to ascertain the administrative staff's perceptions on the significance of the organization's resource management risk. A questionnaire, a meeting, and writing reviews were undeniably utilized in the 2019-2020 research. 200 managers from the Northern India were the ideal interest group for the questionnaire. Establishing the essential elements of the organization's resource management ability got special consideration. Additionally, depending on the kind of job held, the frequent self-assessment of risk competence allowed for the presentation of preferences in managing strategic resources.

Keywords: Empirical, Firm's, Resource, Risk, Management, Competencies.

1. INTRODUCTION

Complex management issues have been reported in current companies that are undergoing dynamic and complicated transformations. These changes are worsened by situations like COVID-19 pandemic. Increasing operational risk results in deterioration in quality firm management, both directly and indirectly (Acharyya, 2013). To properly manage an enterprise's resources, managers must be competent, as judged by the impact of risk and, increasingly, uncertainty.

The ensuing pandemic crisis and its effects on corporate management are characterized by a few disruptive elements. Two categories of crisis elements overlap in this kind of circumstance. First, as part of continual improvements to the internal competence system, managers are always exposed to modifications. Second, managers must take into account dynamic adaptation behaviour within their competence potential as a component of the external crisis effect system (Afzali, 2011). Also, there is a possibility for change in the competency profiles of managers. There have been noticeable changes in attitudes, actions, abilities, personality traits, values, and other competence-related characteristics. On one hand, the demand for quicker deployment of crisis adjustment mechanisms might be understood as a result of the rising amount of risk in managers' job. On the other hand, it results in a number of phenomena that lessen the likelihood of successful resource utilization. Aside from that, the managerial staff finds it challenging to utilize its resource management risk competency due to the high volatility of the company's fundamental internal and external settings.

Internationally, COVID-19 has become a top priority owing to its widespread effects, and all nations have made every effort to contain the dreadful situation to the best of their abilities (Ai, 2018). The use of vaccines is a crucial tactic that may help avoid the disease's horrifying effects and lower mortality rates. The planning, obtaining, distributing, and pricing of the vaccinations were major responsibilities of the government, while the state governments concentrated on carrying out the program. The central government's monopoly on vaccine procurement led to large purchases at discounted prices. Vaccine makers, however, quoted higher costs for the state governments and private health units while keeping relatively cheap rates for the central government as a result of the implementation of liberalized policies, which also resulted in differential pricing. The initiative was hastened by the following adjustment to the vaccine strategy, which increased the central government's engagement in procurement (Alipour, 2012). Dependence on the private sector for vaccination distribution did not considerably help the program go through more quickly. Previous research on "core competence" has focused on either the theoretical idea of core competence or the utility of core competence as a strategic tool for businesses (Al-Tamimi, 2007). Despite the fact that there have been many studies on

the subject, to the creator's information there hasn't been one that outlines a functional system for using centre capability to give firms an upper hand. The really main thrust behind this study is the clear void in the strategy writing. The author sees centre capability as a "powerful educated resource" that is consistently transformed by changes in the inside and outer climate. (Amini, 2015) The suggested "basic capability" structure incorporates the findings from the numerous researches on centre skill and presents a comprehensive, functional method that businesses might use to make long haul progress. (Arena, 2010). The limit of an organization to appropriately distinguish, support, create, update, and send its progressive system of abilities to accomplish sustained upper hand is known as basic capability.

2. REVIEW OF LITREATURE

Developing contention throughout recent decades has sparked a significant measure of strategic study on understanding the factors and mechanisms impacting organizations' upper hand. At first, this reasoning was all based on regular financial hypothesis. Execution was believed still up in the air by the item market and industry structure (Chandler, 1990; Caves and Doorman, 1977; Watchman, 1985; Kogut, 1988; Rumelt, 1982, 1984; Williamson, 1985). The numerous scholars suggested diverse explanations for business strategy, such as accomplishing economies of size and scope or limiting transaction costs (Baradaran, 2015). As indicated by this school of reasoning, these corporate strategies were focused on the outside climate, and the businesses who had the option to adjust their strengths to outer opportunities had the option to acquire an upper hand (Watchman, 1985; Barney, 1991).

Researchers started to see businesses as an assortment of assets and skills and started to consider inside assets the source of upper hand. The resource-based perspective on the firm proposed that the heterogeneity of the firm's resources — substantial or immaterial — is the source of upper hand. This view was supported by Barney (1991), Dierickx and Cool (1989), Dosi (1988), Itami (1987), Mahoney and Pandian (1992), Nelson and Winter (1982), Wernerfelt (1984), and Winter (1987). This distinctive assortment of assets, capacities, and competencies, which develops through time, is urgent in deciding the heading of the organization's future initiatives. Thus, this distinctive expertise serves as a firm's upper hand (Spender, 1993).

This heterogeneous "extraordinary information" is supreme because of its causal uncertainty, and keeping up with its heterogeneity is pivotal for keeping an upper hand after some time (Peteraf, 1993). According to Barney (1991), the scope of organization resources encompassed every one of the assets, capacities, hierarchical processes, firm qualities, data, information, and so on.

Physical capital, human resources, and hierarchical capital are further categories into which these business resources can be partitioned (Bogaert, Martens, and Cauwenbergh, 1994). Some academics stand out to the way that not these organization resources are strategic. The distinction between resources (holding assets) and skills or competencies (using resources) was made by Corridor in 1992 (Beasley et al., 2005). Amit and Schoemaker (1993) alluded to these skills as data based capabilities. As per Itami (1987), invisible assets are data based resources like customer trust, brand picture, and so on that are essential for the organization's drawn out success. Most of academics on the point have reaffirmed the significance of invisible or immaterial (doing) resources to the success of businesses.

2.1 Core Competencies as the Most Important Resource

Creating dispute all through late decades has sparked a significant measure of strategic study on understanding the factors and mechanisms influencing organizations' high ground. At first, this reasoning was totally based on customary monetary hypothesis. Execution was accepted still hanging out there by the thing business sector and industry structure (Beasley et al., 2008). The numerous scholars suggested diverse explanations for business strategy, such as accomplishing economies of size and scope or restricting transaction costs. As demonstrated by this school of reasoning, these corporate strategies were focused on the outside environment, and the businesses who had the choice to adjust their strengths to external opportunities had the choice to obtain a high ground (Gatekeeper, 1985; Barney, 1991).

Researchers started to see businesses as an assortment of assets and skills and started to consider inside assets the source of advantage. The resource-based perspective on the firm proposed that the heterogeneity of the firm's resources — substantial or insignificant — is the source of advantage. This view was supported by Barney (1991), Dierickx and Cool (1989), Dosi (1988), Itami (1987), Mahoney and Pandian (1992), Nelson and Winter (1982), Wernerfelt (1984), and Winter (1987). This distinctive assortment of assets, capacities, and competencies, which develops through time, is critical in choosing the heading of the association's future initiatives. Thus, this distinctive expertise serves as a firm's high ground (Spender, 1993).

This heterogeneous "remarkable data" is supreme because of its causal vulnerability, and staying aware of its heterogeneity is crucial for keeping an advantage after some time (Peteraf, 1993). According to Barney (1991), the scope of association resources encompassed all of the assets, capacities, various leveled processes, firm qualities, information, data, etc.

Physical capital, HR, and various leveled capital are further categories into which these business resources can be apportioned (Bogaert, Martens, and Cauwenbergh, 1994). Some academics stand out to the way that not these association resources are strategic. The distinction between resources (holding assets) and skills or competencies (using resources) was made by Passage in 1992. Amit and Schoemaker (1993) implied these skills as information based capabilities. According to Itami (1987), invisible assets are information based resources like customer trust, brand picture, etc that are essential for the association's long success. Most of academics on the point have reaffirmed the significance of invisible or irrelevant (doing) resources to the success of businesses.

Core competences are suggested as a company attribute in traditional literature on diversification strategy.

An indication of the core competency as a corporate asset is the "related constrained strategy," in which each of the firm's businesses "draws on the same common core skill, strength, or resource" (Rumelt, 1972). Competition makes it exceedingly difficult to imitate these fundamental talents since the imitator must take the same "learning path" and make the same "irreversible" investments, as was already mentioned (Barney, 1991). The skills are also made unique by temporal compression diseconomies (Dierickx and Cool, 1989).

3. MATERIALS AND METHODS

We reasoned that it would be useful to evaluate the risk management skills of corporate resource managers in a particular circumstance. The environment that a corporation operates in frequently undergoes arbitrary changes. When forecasting the results of their decisions, managers should take the level of risk that goes along with them into account. Another instance is when a company's distinctive resources are managed under unpredictable circumstances. Precarious circumstances in terms of firm resource management are ones whose results depend on a person and uncontrollable occurrences, but the uncontrollable events cannot be foreseen or assessed (Bergeron et al., 2004). The ability of managers to manage the strategic resources of the organization effectively depends on their willingness to participate personally in the risk assessment process.

In addition, the issue of risk being connected to how the firm forms its resources should, in a significant way, also involve management notions. From the perspective of research currents, we may make the following distinctions:

The idea comes from three sources: (a) Knight's (2013) work, which places a strong emphasis on the manager's capacity for taking risks; (b) Schumpeter's (2003) research, which highlights the manager's capacity for entrepreneurship; and (c) Fiedler's (1981) theory, which holds that the manager's personality traits are influenced by the circumstances.

The advancement of management theory has been significantly influenced by each of the study ideas that were presented. At the same time, it is important to recognize the alignment between the risk propensity method and the collection of human personality qualities that influence a manager's conduct in particular circumstances

The major goal of the research is to demonstrate how managers behave while applying their risk management resource management skills. On the basis of this, we made an effort to respond to the following:

What basic skill sets are expected for managers working in an exceptionally unstable climate to deal with enterprise resource management risks? To do this, it was vital to tentatively ascertain the analyzed power's prevail areas of capability for dealing with the organization's strategic resources. Deciding resource management risk capability considering the accessible control factors (such as age, sex, administrative seniority, absolute seniority, and position) was one more trouble associated with the research purpose. The empirical setting of the point serves as an establishment for assessing how managers view the need to foster their risk management skills even with rising levels of vulnerability.

What fundamental competencies are required of managers operating in a highly volatile environment to manage enterprise resource management risks? It was crucial to determine the examined power's dominant areas of capacity for managing the organization's strategic resources in order to accomplish this (Bertinetti et al., 2013) Another issue related to the research goal was determining resource management risk capacity while taking into account the available control factors (such as age, sex, administrative seniority, absolute seniority, and position). The empirical context of the point

provides a framework for evaluating how managers perceive the necessity of developing their risk management capabilities despite increased levels of vulnerability.

3.1 Hypothesis

(H1) Among managers, risk management skills for technology resources predominate.

(H2) The value of technology risk expertise declines as the organization's hierarchical position rises, but organizational resource management risk competency rises.

(H3) In the six chosen categories of business resource management risk, managers women and men possess the same competencies.

(H4) The age of the respondents to the survey and the enterprise resource management risk competencies are unrelated.

(H5) The sort of competencies held in specific risky areas are correlated with the overall length of service.

(H6) Managers with short managerial tenure are characterized by risk competence in organizational resource management.

200 people who held management roles at three different levels of their companies' organizational systems made up the sample group. 42 persons were at the top of the hierarchical system. There were 100 persons at the average managerial level. 50 managers made up the third group of respondents (the lowest level). A questionnaire, interviews, and literature reviews were all employed in the study. The research was carried out in 2019–2020. A sum of 200 managers from Northern India took part in the study. The study's focus was on how managers dealt with the strategic resources of their organizations. Then again, the capability of the business resource management risk affected by changes happening in the professional workplace was the research object. We used a rate distribution to test the hypotheses and approve them.

The subjects of the investigations had a terrible disposition toward the investigation of the peculiarities being studied. In this way, the accompanying steps were finished all through the test methodology:

Information on the employees' skill was gathered using various methods, interviews with respondents supplemented the questionnaire test results, personal supervision of the test technique was ensured, and the rule of informed consent was maintained.

4. RESULTS

Table 1: Distribution of respondents in the six basic competency areas of corporate resource management

Variable Tested	Risk Management Competence (%)						Total
	ORMR	MRMR	TRMR	LMRM	FRMR	HRMR	
Assessment of Competence	30	10	20	20	10	10	100

ORMR: organizational resource management risk, MRMR: marketing resource management risk, TRMR: technological resource management risk, LMRM: legal resource management risk, FRMR: financial resource management risk, and HRMR: human resource management risk

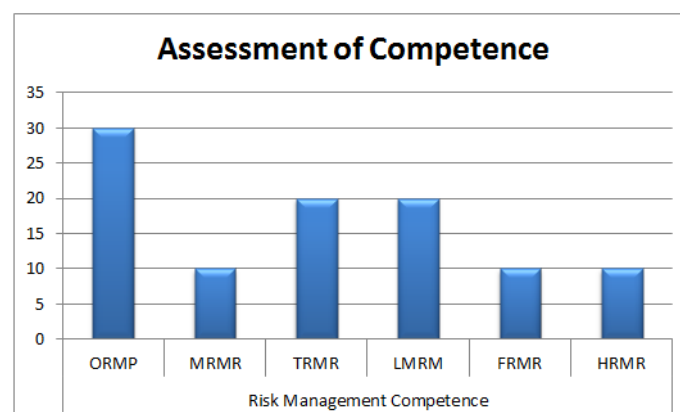


Figure 1: Distribution of the six major skill areas of corporate resource management risk, in percentage terms

As per the analysis of the research findings, managers had higher percentage of organizational management resource risk (30%) (Blackmon, 2008). The management group's standing, which is to a great extent portrayed by expertise in information resources and assembling innovation, was demonstrated by the staggering number of the questioned individuals with understanding of specialized risk. Specialized resource management risk-specific competences allude to the basic understanding of value and creation techniques custom-made to an organization's serious position on the lookout. Coming up next are the extra risk ability dimensions:

Competencies in technological resource management risk (20%);

Competencies in managing financial resource risk (10%); -

Competencies in managing human resource risk (10%);

Competencies in managing marketing resource risk (10%);

Competencies in managing legal resource risk (20%).

The analysis of the research findings uncovered an association (h2) between the managers' risk skills in hierarchical resource management and mechanical resource management and the sort of occupation held. Different risk skill preferences were found in the sample, based on the leader structure level (Table 2).

Table 2: Percentage distribution of the six core risk competence areas by management position

Management Position	Risk Management Competence						Total
	ORMP	MRMR	TRMP	LRMR	FRMP	HRMR	
Highest	10	30	20	20	10	10	100
Average	25	25	15	15	10	10	100
Lowest	10	20	10	20	20	20	100
Overall assessment	15	15	20	10	20	20	100

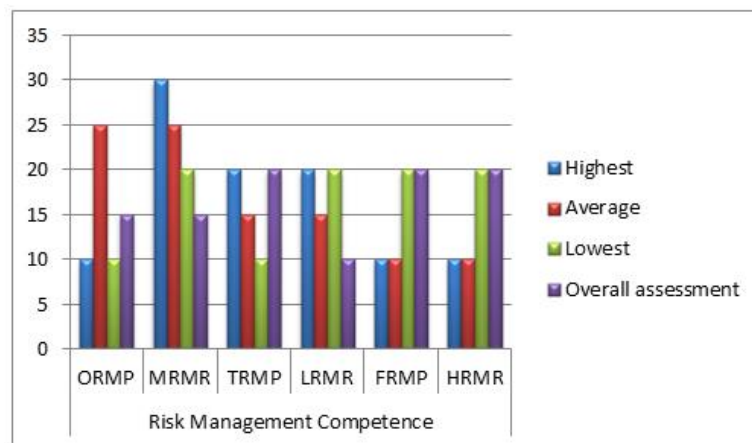


Figure 2: Percentage distribution of the six core risk competence areas by management position

A statistical investigation of the connection between a chief's area in the hierarchical structure and their capacity to run the firm provides verification of this. 30% of the top managers surveyed said administrative resource management risk abilities were of the utmost significance. For this set of managers, corporate resource management risk capability entails an elevated degree of risk in terms of hierarchical structure, stakeholder interactions, interpersonal relationships, decision-production processes, and business culture. The lowest (20%) and average (25%) levels in an enterprise's organizational structure produced somewhat similar research findings. In the area of managing the risk associated with technology resources, studies have revealed the opposite tendency. Risk managers at the lowest level believed that their legal resource management risk was most crucial (20%), whereas only 10% managers at the intermediate level of the organization as well as highest level thought so.

As per the understanding of the research findings, the administrative position held affected the capability in resource management and risk management. The risks associated with overseeing hierarchical resources increased yet those

associated with overseeing innovation resources decline as the level rises. The senior management group showed less risk expertise in the management of organisational (10%), human (10%), and financial (10%) resources. The serious level of seen legitimate instability and absence of effect on lawmaking that the surveyed managers' risk skill demonstrated the insufficient qualifications for risk computation of old standards. At other management levels, similar outcomes were also accomplished. Especially in the areas of regulation and showcasing (advancement, statistical surveying, and cost strategy), the administrative group was not exceptionally skillful in dealing with the organization's resources. (Bontis, 1998) Aside from that, the managers who responded to the study recognized the medium degree of risk capability in both the management of human and monetary resources (liabilities, capital, and liquidity).

The association between gender direction and the capacity of the organization's resource management risk was established by the third hypothesis (H3) confirmation. The ability of business resource management risk was based on the respondents' orientation (Table 3). Understanding the risk of overseeing management resources among ladies in leader roles was only 10%, whereas for males it was 20%. The third assumption (H3) was confirmed.

Table 3: Percentage distribution of risk competence according to sex

Sex	Risk Management Competence						Total
	ORMP	MRMR	TRMP	LRMR	FRMP	HRMR	
Women	10	20	30	10	30	10	100
Men	20	10	20	10	20	20	100

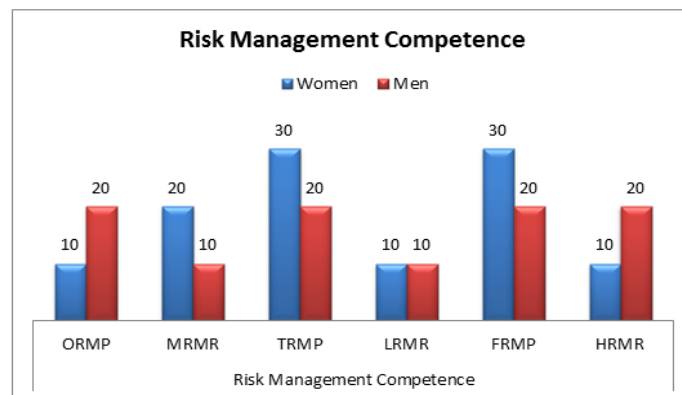


Figure 3: Percentage distribution of risk competence according to sex

The analysis of the research's findings reveals that the risk competence of the examined managers varied by sex. These are the relationships that were discovered. The ability to handle organizational resource risk was at its highest level among women in technological and financial roles. Knowledge of technological dangers was another competency that was not entirely essential. Men showed the opposite tendency from women. They placed the highest emphasis on the capability of managing risk using technology resources. Next, they included understanding organizational risk in the evaluation of their skills.

The fourth hypothesis (H4), as indicated by which there was no connection among's age and the organization's resource management risk, was not supported by the information. It was discovered that understanding of authoritative resource management's risks prevailed among respondents younger than 50. The distribution's extent was 34%. In any case, 15% of managers of age more than 50 were capable in dealing with the risk associated with innovation resources (Table 4).

Table 4: Distribution of risk competencies by management staff age, in percentages

The Age Range (Years)	Risk Management Competence						Total
	ORMP	MRMR	TRMP	LRMR	FRMP	HRMR	
Up to 50	10	20	10	30	20	10	100
Over 50	25	25	15	15	10	10	100

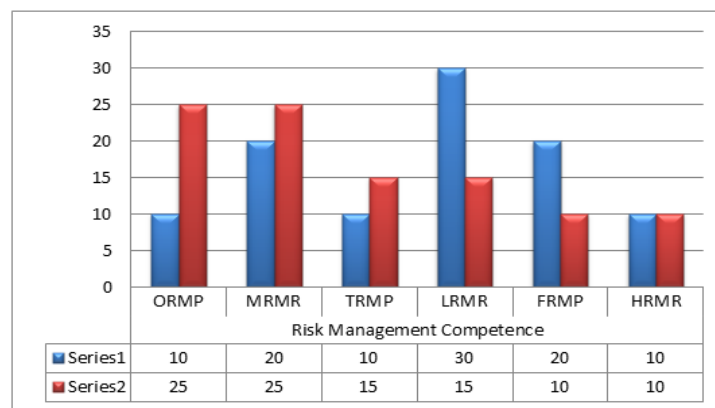


Figure 4: Risk capabilities by age of management staff, as a percentage distribution

The interpretation of the study findings does not address the association between the age of the respondents and the resource risk management skills that define their competence. The study revealed that junior managers made up the majority of those who identified with having difficulty managing organizational resources. In addition, managers above the age of fifty shown predominance in understanding of the risks associated with managing technical resources.

According to the study (Table 5), the seniority of the complete management personnel was correlated with their skill in overseeing corporate resources. The study revealed that managers with 15 years of experience frequently exhibited organizational resource management risk competencies. The distribution's proportion was 35%. On the other side, technological expertise was the predominate risk competency for managers with more than 15 years of experience. The distribution's proportion was 37%. Based on the findings, the fifth hypothesis (H5) was found to be correct.

Table 5: Percentage distribution of risk competencies according to the total seniority of managers

Total Seniority (Years)	Risk Management Competence						Total
	ORMP	MRMR	TRMP	LRMR	FRMP	HRMR	
Up to 15	15	15	10	10	20	30	100
Over 15	20	10	20	20	10	20	100

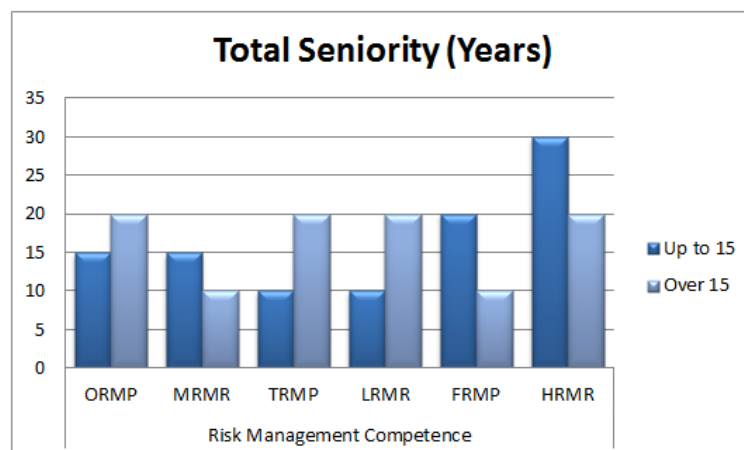


Figure 5: Percentage distribution of risk competencies according to the total seniority of managers

The analysis of the research's findings revealed that overall seniority also supported the level of risk competence when it came to business resource management. The lengthy tenure of managers in the studied organizations was found to be analytical, which led to the dominance of human resource management risk (30%). The competence of organizational resource management risk was assessed greatest for financial and human resource (20% and 30%, resp.), however, for managers with less overall seniority.

The association between short management experience and risk competence in organizational knowledge was shown by analysis of the sixth hypothesis (H6) (Table 6). The survey findings showed a tendency (the respondents' percentage distribution was 32%) describing corporate resource management risk among managers with up to 10 years of experience. The sixth supposition (H6) was verified.

Table 6: Percentage distribution of risk competencies according to managers' seniority

Management Traineeship (Years)	Risk Management Competence						Total
	ORMP	MRMR	TRMP	LRMR	FRMP	HRMR	
Up to 10	15	15	20	20	20	10	100
Over 10	10	10	10	20	25	25	100



Figure 6: Percentage distribution of risk competencies according to managers' seniority

We were able to establish a connection between the managers of the examined organizations' dominating organizational resource management risk management abilities and their lack of managing experience by interpreting the study findings. On the other hand, managers with more extensive administrative experience (45%) tended to have risk competences that were classified at the technical knowledge level.

5. CONCLUSION

A starting point for more study is the creation of a competency structure for the enterprise resource management risk discussed in the article. The study that is being given offers opportunities for the generated model's future evolution through application verification. Two routes should be taken when conducting research. First off, the research may meld human capital in accordance with the competency areas that its resource management has recognized. Second, the research should offer useful suggestions for creating and putting into practice managers' risk management plans (Bontis et al., 2000). In order to do this, management practitioners and scholars need produce research for establishing risk management models given the managerial competency in generating corporate value. Employees' strategic capital consists of their ability to manage risk in a highly variable environment. Businesses that unite talented individuals ought to support the development of fresh competency models. When evaluating the risk of managing the company's resources, managers' competency models should take people's capabilities into account.

The findings of this study confirmed the contentions made by Smith and Morse (2005) that management abilities are multifaceted phenomena. The multidimensionality of the study that was done relates to enterprise resource management's risk competencies. The study supported Andrews' (1997) conclusions that managerial competence, a crucial step in the management process, should take into account the risk of managing a firm's resources. This study demonstrates that the risk assessment of the company's resource management was significant to the managers who were polled. Six degrees of risk were defined for enterprise resource management.

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