Rauf Abiyev
The Academy of Public Administration under the
President of the Republic of Azerbaijan
master student
rafsters99999@gmail.com

MAIN TRENDS IN RISK MANAGEMENT IN PUBLIC ADMINISTRATION

Abstract

The article analyzes the main trends in risk management in public administration, which currently have significant importance in the formation of a quality system capable of increasing the overall performance and efficiency of government agencies. In all of the trends mentioned below, methods and approaches aimed at improving them are indicated. In addition, international practices applied in these trends are shown, as well as analogies and tools of risk management practice in the public administration of the Republic of Azerbaijan, such as the Law of the Republic of Azerbaijan "On Combating Corruption," the National Strategy for Increasing Transparency and Combating Corruption, the "National Action Plan for 2022-2026 to Strengthen the Fight Against Corruption in Azerbaijan," Open Government, as well as the "Development Strategies of the Public Service in the Republic of Azerbaijan for 2019-2025."

Keywords: *risk management, legislation, accountability, transparency, HRM, Azerbaijan, public administration*

Rauf Abıyev
Azərbaycan Respublikasının Prezidenti yanında
Dövlət İdarəçilik Akademiyası
magistrant
rafsters99999@gmail.com

Dövlət idarəçiliyində risklərin idarə edilməsində əsas tendensiyalar

Xülasə

Məqalədə hal-hazırda dövlət orqanlarının ümumi məhsuldarlığını və səmərəliliyini artıra biləcək keyfiyyət sisteminin formalaşmasında mühüm əhəmiyyət kəsb edən dövlət idarəçiliyində risklərin idarə edilməsinin əsas tendensiyaları təhlil edilir. Aşağıdakı tendensiyaların hamısı onları təkmilləşdirməyə yönəlmiş yolları, metodları və yanaşmaları göstərir. Bununla yanaşı, bu tendensiyalarda tətbiq olunan beynəlxalq təcrübə, habelə Azərbaycan Respublikasının dövlət idarəçiliyində risklərin idarə edilməsi təcrübəsinin "Korrupsiyaya qarşı mübarizə haqqında" Azərbaycan Respublikasının Qanunu, Şəffaflığın artırılması və korrupsiyaya qarşı mübarizə üzrə Milli Strategiya, "Korrupsiyaya qarşı mübarizənin gücləndirilməsinə dair 2022−2026-cı illər üçün Milli Fəaliyyət Planı", açıq hökumət, o cümlədən "Azərbaycan Respublikasında dövlət qulluğunun inkişafına dair 2019−2025-ci illər üçün Strategiya" kimi analoqları və alətləri göstərilir.

Açar sözlər: *risklərin idarə edilməsi, qanunvericilik, hesabatlılıq, şəffaflıq, HRM, Azərbaycan, dövlət idarəçiliyi*

Introduction

Risk management is becoming increasingly important in public administration around the world. It represents a systematic approach to identifying, assessing, and managing risks that may affect the tasks, goals, and missions of government organizations. The goal of risk management practice is to reduce uncertainty and variability in decision-making, as well as to prepare

government organizations to deal with potential risks that could harm their activities, reputation, or the safety of the population.

Modern risk management in public administration is characterized by several common trends that have emerged in recent years. One of the key trends is the *improvement of legislation*. In many countries, the legal framework for risk management in the public sector is outdated, fragmented, and lacks sufficient coherence. In this regard, there is an increasing recognition of the need to improve legislation in order to create a stronger foundation for effective risk management in public administration. These measures aim to enhance the uniqueness and quality of risk management in the public sector and contribute to strengthening the reputation of organizations, ensuring the safety of the population, and achieving set goals and missions.

One important method for improving *legislation* for risk management in public administration is to create a comprehensive legal framework that covers all aspects of risk management, including identification, assessment, and mitigation of risks. Such a structure can ensure that all risks are identified and managed properly, and decision-making is based on a clear understanding of potential risks. Thus, creating a comprehensive legal framework is an important approach to improving legislation and enhancing the effectiveness of risk management in the public sector (United Nations, 2012: 25).

Another important approach to improving legislation for risk management in the public sector is the creation of special laws and regulations aimed at addressing specific risks or industries. For example, many countries have adopted environmental protection laws that require government organizations to assess and manage risks associated with their activities. Similarly, there is increasing attention being paid to managing cyber risks, and many countries have developed special legislation to address this emerging threat.

The Health and Safety at Work Act (1974) enacted in the UK is an example of legislation aimed at improving risk management in the workplace. This act provides the framework for managing risks associated with health and safety in the workplace. It requires employers to identify and assess risks associated with their activities and take appropriate measures to reduce those risks. It also establishes a system of enforcement and penalties to ensure compliance with the law (2).

Another example of a legislative initiative related to risk management is the European Union's General Data Protection Regulation (GDPR), which came into force in 2016. It is designed to minimize risks associated with the processing of personal data and requires government organizations to take specific measures to ensure the confidentiality and security of personal information (3).

Regarding the Republic of Azerbaijan, the following fundamental regulatory acts can be cited that regulate risks in public administration:

− The Law of the Republic of Azerbaijan "On Combating Corruption. This law aims to identify, prevent and eliminate the consequences of offenses related to corruption, protect social justice, human and citizen rights and freedoms, create favorable conditions for the development of the economy, ensure legality, transparency and efficiency of the activities of state bodies and local self-government bodies, officials. This law also aims to strengthen public trust in state bodies, stimulate the entry of professional personnel into the service of state bodies and local self-government bodies, create conditions that exclude the commission of offenses related to corruption by these persons (4).

− National Strategy on Increasing Transparency and Anti-Corruption. The National Strategy for Combating Corruption and Increasing Transparency in the Republic of Azerbaijan, which was a continuation of the State Program on Combating Corruption (2004-2006), provides a comprehensive set of consistent and phased measures, both short-term and long-term, aimed at combating corruption and strengthening democratic principles in the country (5).

− 2022-2026 National Action Plan to Strengthen the Fight Against Corruption is a multifaceted plan that involves the consolidation of efforts of all state structures and civil society institutions in the fight against corruption. This action plan aims to eliminate corrupt practices in various

fields of activity and ensure systematic and coordinated efforts to combat corruption throughout the country (6).

Another important trend in public governance is the *increasing accountability* and transparency. In recent years, more and more citizens and stakeholders expect greater transparency and accountability from government institutions in risk management issues. This trend is driven by the development of technology and the wide access to information, which raises the standards of openness and accountability in all areas of public governance.

One way to promote accountability and transparency is through the use of open data initiatives. Open data initiatives aim to make government data more accessible to the public and stimulate the development of new applications and services that can use this data to provide value to citizens. By providing wider access to government data, open data initiatives can help expand public participation and involvement in government decision-making processes, as well as promote greater accountability and transparency in government activities (OECD, 2019: 8).

The federal government of Canada is an example of a government organization that pays great attention to enhancing accountability and transparency in risk management. In 2004, the Canadian Treasury Board Secretariat implemented a Risk Management Policy that emphasizes the importance of accountability, transparency, and engagement in risk management. In accordance with this policy, departments and agencies are required to develop and apply risk management plans that are approved by senior management and made available to the public on departmental websites (8).

The Australian government has also taken measures to increase transparency and accountability in risk management. In 2007, a new risk management standard was introduced that places special emphasis on these aspects. According to the standard, government organizations must develop risk management plans that are widely accessible to the public and contain a comprehensive analysis of risks and ways to manage them (9).

Open Government is a global initiative that was introduced on September 20, 2011 and quickly gained support from Azerbaijan. The aim of joining this organization is to combat corruption and improve governance in the Azerbaijani government through enhancing transparency and exchanging experience with other participating countries. The main three components of open government in the Republic of Azerbaijan are the "One-Stop Shop" principle, e-government, a project that is part of the "Electronic Azerbaijan" program, and the "ASAN Xidmət" service.

On February 27, 2020, the President of the Republic of Azerbaijan issued a decree approving the "National Action Plan on Promotion of Open Government for 2020-2022". This plan includes sections devoted to measures to prevent corruption and increase transparency in the activities of government agencies, financial transparency, combating money laundering and the financing of terrorism, improving public services, access to information, as well as accountability, transparency, and public participation in local self-government. As part of this plan, measures are also envisaged to increase transparency, accountability, and consumer satisfaction with communal services provided to the population (10).

The public interest in increasing transparency and accountability in risk management is likely to persist and grow, as citizens and stakeholders seek greater openness and honesty from governments.

Integrating Human Resource Management (HRM) into risk management is another key trend in public administration. HRM plays an essential role in risk management by ensuring that personnel are properly trained, have the necessary skills, and are held accountable for their actions. HRM can help in identifying, assessing, and mitigating risks associated with personnel, including recruitment, performance evaluation, and staff training (Edyta Bombiak, 2017: 124).

One way to integrate HRM with risk management is to use performance indicators to assess the effectiveness of personnel in risk management. Such indicators help identify areas where additional training is needed and also encourage personnel accountability for their actions.

Due to the constantly changing risks faced by government organizations, the integration of HRM into risk management is becoming increasingly important. HRM should be seen as an important element of risk management strategy, and the risk management culture should reflect this

by emphasizing the importance of the role of HRM in identifying and managing risks. To support HRM initiatives, appropriate resources must be allocated (Triant Flouris, Ayse Kucuk Yilmaz, 2010: 27).

The integration of HRM into risk management can contribute to the formation of a risk management culture based on responsibility and a proactive approach. Involving employees in the risk management process can help them understand their role in risk management and create conditions for identifying and reporting potential risks. As a result, employees become more responsible and interested in preventing possible risks, which can lead to improved risk management effectiveness in the organization.

In recent years, in the Republic of Azerbaijan, one of the largest breakthroughs in this trend is considered to be the Presidential Decree on the approval of the "Strategy for the Development of the Civil Service in the Republic of Azerbaijan for 2019-2025" (13). The main goal of the strategy is to improve the management of the state service system, develop the personnel potential of state agencies, and increase the efficiency of their activities through the formation of a corps of civil servants with knowledge, skills, and positive personal qualities based on high moral and ethical values.

The adopted strategy for the development of the system of public service includes large-scale and fundamental changes in such key areas as institutional development, personnel policies, rotation of civil servants, increasing their professionalism and effectiveness, introducing competency models and progressive motivation in public service, improving the information support of public service, and other related areas.

All these measures are aimed at a unique improvement of the work of the public service system as a whole. This strategy proposes the following directions for the qualitative development of human resources in the civil service, which can directly influence the regulation of risks in public administration:

1. Implementation of institutional reforms in the civil service. The civil service system in the Republic of Azerbaijan currently combines elements of both career and position-based models. However, the implemented reforms aim to strengthen the civil service system based on the position-based model and have shown positive results.
2. Development of personnel policy in the civil service. To implement effective personnel policy in government agencies, it is necessary for their leaders to prioritize working with human resources and take measures to educate and develop their subordinates in this area.
3. Rotation in the civil service. For the effective implementation of rotation of civil servants, it is also necessary to conduct systematic monitoring and analysis of its results in order to identify problems and adjust the process. An important aspect is ensuring transparency and openness of the rotation process in order to exclude the possibility of unlawful influence on decisions regarding the transfer of civil servants to new positions.
4. The application of competency models in public service. In order to effectively implement a competency model in public service, it is also necessary to provide training for civil servants in accordance with the required competencies and develop a system for assessing and developing their professional skills. Additionally, it is important to consider changes in the requirements for the competencies of civil servants and periodically update the competency model in accordance with new challenges and needs.
5. Ensuring the continuous professional development of civil servants. To achieve the goal of improving the professional level of civil servants, it is important not only to improve the activities of the Academy of Public Administration, but also to develop other forms of education and support for civil servants.
6. Information support for public service and development of e-government. The achievements of information technology should be widely applied in public service management, as well as in all areas of management.

7. Creating a progressive motivation system for the civil service. To increase the effectiveness of civil servants, strengthen competition among them, improve the competitiveness of the civil service compared to the private sector, attract professionals from other fields to the civil service, and increase the attractiveness of the civil service as a whole, it is necessary to improve the system of remuneration for civil servants.

8. Improvement and control of the implementation of legislation on the civil service. To ensure the effectiveness of the civil service, it is necessary to regularly study the implementation of the legislation on the civil service in government agencies. In addition, it is important to develop mechanisms for monitoring compliance with this legislation.

9. Assessment of the activities of structural units of government agencies and civil servants. To improve the performance of government agencies, it is necessary to develop a system for evaluating the effectiveness of their structural units.

10. Improving the implementation of ethical conduct rules for public servants. Adherence to ethical principles is a necessary condition for building trust between public servants and citizens, as well as for improving the efficiency of government agencies.

Conclusion

In conclusion, the improvement of legislation is a crucial trend in risk management in public administration. It ensures that public institutions operate within a legally defined framework, with clear accountability and responsibility for managing risks. Effective risk management requires a robust legal framework that provides guidance on how risks should be identified, assessed, and managed.

The trend towards increased accountability and transparency is an important development in risk management in public administration. By promoting greater openness and transparency in government operations, this trend can help to build trust with stakeholders, reduce the likelihood and severity of risks, and improve the overall effectiveness of risk management practices in the public sector. It can be said that the integration of human resource management into risk management is an important trend in public administration. This approach recognizes that effective risk management requires competent employees and a culture in which risk management is a priority.

References

1. United Nations Economic Commission for Europe. (2012). Risk Management in Regulatory Frameworks: Towards a Better Management of Risks, United Nations New York and Geneva, 108 p.
2. Health and Safety at Work etc. Act 1974.
   https://www.legislation.gov.uk/ukpga/1974/37/contents
3. General Data Protection Regulation. (2016). Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC. Official Journal of the European Union, L 119/1.
4. The Law of the Republic of Azerbaijan "On Combating Corruption. (2004). Baku city, No. 580. https://www.e-qanun.az/framework/5809
5. National Strategy on Increasing Transparency and Anti-Corruption. (2007). Baku city, No. 2292. https://e-qanun.az/framework/13657
6. 2022-2026 National Action Plan to Strengthen the Fight Against Corruption. (2022). Baku city, No. 2292. https://e-qanun.az/framework/49349
7. THE OECD. (2019). Open, Useful and Re-usable data (OURdata), 49 p.
8. Treasury Board Secretariat Risk Management Policy. (2017).

9. Standards Australia/Standards New Zealand. (2009). AS/NZS ISO 31000:2009 Risk Management - Principles and Guidelines. https://www.iso.org/obp/ui/#iso:std:iso:31000:ed-1:v1:en

10. National Action Plan on Promotion of Open Government for 2020-2022. (2020). Baku city, No. 1859. https://e-qanun.az/framework/44619

11. Edyta Bombiak. (2017). Human resources risk as an aspect of human resources management in turbulent environments.

12. Triant Flouris, Ayse Kucuk Yilmaz. (2010). The Risk Management Framework to Strategic Human Resource Management.

13. "The Strategy for Civil Service Development in the Republic of Azerbaijan for 2019-2025". (2018). https://president.az/az/articles/view/30841