

Managing Risk in Information Resources and Services Provision in University Libraries in Nigeria

**By
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Abstract

Risk management forms an integral part of the Library's planning and monitoring process and its internal control framework. It is therefore a vital element of good governance and management. This paper discusses the strategies for managing risks in the provision of information services in University Libraries. The concept of risk and risk management were highlighted. Risk is defined as any impediment to accomplishing university library's goals of providing relevant and timely information services. Strategies for managing risks such as risk avoidance; risk assumption; risk transference; insurance etc were discussed. The study concludes that the focus of risk management is the identification and treatment of risks to organizations. Its objective is to add sustainable value to all the activities and functions of the University library and to increase the probability of success, and reduce both the probability of failure and the uncertainty of achieving the library's overall objectives.

Introduction

Every organization is subjected to risks irrespective of what products or services it delivers. In today's challenging global economy, risks are unavoidable and present in all the library's operations and functions. This is why University libraries need to constantly identify, assess, manage and monitor their business opportunities and risks to decide on the best option to take. Barton, Shenkir, and Walker (2002) cautioned that "mismanagement of risk can bring an enormous price on every organisation". Risk management at all levels of the university library's operations and functions should be a high priority for university library management. Risk has been defined as an event that has a probability of occurring, and could have either a positive or negative impact on the realization of the library's objectives. It can be seen as a possible loss or other adverse consequence that has the potential to interfere with a University Library's ability to achieve its objectives and fulfill its mission. Risk is defined as "any impediment to accomplishing institutional goals" (Association of Governing Boards of Universities and Colleges, 2009). Risk in a university library can be identified by anyone associated with the provision of information resources and services. Some risks will be inherent to the library itself, while others will be the result of external influences that are completely outside the control of the library management.

According to Crouhy et al (2006) every business encounters risks, such as business risks; customer loss; fire outbreaks; employee errors; theft etc some of which are predictable and under management's control and others are unpredictable and uncontrollable. For instance, library databases which are important component of a University Library are subject to serious risk events such as purposeful attacks, environmental disruptions, and human/machine errors, (National Institute of Standards and Technology, 2011). It is therefore

imperative that library managers at all levels understand risks and their management in order to reduce them to the accepted levels. That is, the level at which the library's progress and opportunities will not be obstructed or delayed in such a way that the goals and objectives of the university library cannot be realized. Savage (2007) reported that there are many possible sources of risk and areas of impact in a university library which include: people; product; property; image; environment; finance; and politics. Effective risk management offers a library a means of improving its strategic, operational and financial management. It can also help to minimise financial losses, information service disruption, adverse publicity/negative word of mouth, and threats to reputation of both a library and staff, (Michalko, Constance & Arnold, 2010). The management of risk takes cognizance of the various stakeholders, units and operations of the library.

Concept of Risk

The term risk has proved somewhat problematic in arriving at an agreed definition. Most academic fields and researchers provide variations of the concept of risk, though most would agree that risk relates to two dimensions: the likelihood of a particular event occurring and the consequences should this event occur (Ritchie and Bundley, 2005). Sanusi (2007) sees risk as the probability that outcomes vary from the expectations. In other words, it is the threat or possibility that an action or event will adversely or beneficially affect an organization's ability to achieve its objectives. He further emphasized that generally risk entails two essential components which include exposure and uncertainty. Contrastingly, MacCrimmon and Wehrung (1986) identified three components of risk. They include: the magnitude of loss, the chance of loss and the potential exposure to loss.

In the same vein, Deloitte (2006) as cited by Alouw (2007) viewed risk as an uncertain future events that could influence the achievement of an organization's objectives. These could include strategic, business, operational, process, people, financial and compliance risks among others. From the foregoing definitions, it can be deduced that risks are inherent in University library's operations and functions. It is any events, occurrences and actions that may prevent university libraries from realising their goals and objectives. Risk may have negative impact to the realisation of the university library's objectives. It can be identified from a number of different sources in the library. Some may be quite obvious and will be identified prior to their occurrence; others will be identified during the information service provision, while others after the information resources and services have been provided. In general, risk cannot be eliminated but action can be taken to keep the risk to an acceptable levels. It is important therefore to state that there would be no point for University libraries to take risks unless there were some benefits to compensate for the possible negative outcomes.

Types of Risks in the University library

Several authors and professionals have provided different approaches on the types of risks that affect organizations' ability to achieve their goals and objectives. Alouw (2007) posited that every organization or company is vulnerable to all types of risk. However, regardless of the fact that some of these risk concepts are alien in library and information profession, University Libraries have been directly or indirectly exposed to the following risk types: Reputational Risk; Operational Risks; Financial Risk (Credit Risk, Market Risk, Interest Rate Risk, Liquidity Risk, and Foreign Exchange Risk); Information Technology Risk; Compliance and Regulatory Risk and Political Risk. It has been noted that there are several cases of security breaches and occurrence of threatening events and incidences in University libraries in Nigeria and elsewhere. Ewing (1994); Lorenzen (1996) and Holt (2007) identified several such incidents which include theft, alteration of data, theft of money, non-return of items by borrowers, verbal and physical abuse against staff and users and vandalism against library buildings and properties. Similarly, Jato (2005) found that scandalous behaviours such as theft and mutilation, hiding library materials, refusal to return overdue borrowed materials, drinking and eating in the library, among others have become a common occurrence in academic library. He cautioned that if this is not checked, it will lead to serious drought of information resources in the library. Uma,

Victor, and Babu (2010) reported that Pilferage, mutilation and theft in libraries and information centres are on the increase.

In conclusion, it is important to state that University Libraries are exposed to all these categories of risks in form of fire outbreak, arson, loss of properties, flood, job related accidents which eventually affect their ability to deliver superior value to their customers. According to Peterson (2008):

Libraries in general are very fragile. The buildings, collections, and data that make up libraries around the world have suffered tremendous damage in many catastrophic events throughout the centuries, though especially in the last hundred years. National libraries, ancient depositories, research universities, and many other important collections have been lost instantly because of sudden disasters. As we move forward into the coming years, we can expect that this pattern will continue; the world will lose treasured libraries and their books because of war and catastrophe. There may even be new dangers on the horizon as there could be more intense, more frequent natural disasters ahead as the climate continues to change.

He further added that modern libraries have responded in many different ways to these damages. A survey of the literature reveals that while there have been some great triumphs in rebuilding; there have also been many instances when library services were never restored to their previous condition. More often, libraries do not recover their former services after disastrous losses because they suffer from a lack of available funds to pay for needed recovery efforts. Therefore, it becomes necessary to develop and implement dynamic rich control strategies in order to minimize their occurrence and their adverse impact on the activities of University Library.

Information Services in University Libraries

University Libraries all over the world are confronted with a myriad of challenges in their bid to provide information resources and services to their teaming customers. This challenges include the ever-changing needs of their customers; the ever-growing demand for information; the competitiveness of the information business and the emerging technologies. Consequently, Librarians are realizing that the complex situations they face cannot be approached in a routine manner. It calls

for “creative and innovative solutions to meet the needs of all customers” Zaid and Oyelude (2012). Thus, University libraries need to focus their attention to managing risks in order to maintain their place, trust and confidence in the minds of their customers. University libraries have been developing various products and services in order to cultivate, build and maintain their reputation with their numerous customers. Among such efforts are the introduction of services and products such as current awareness service; selective dissemination of information; bulletin boards; complaints/suggestion boxes; exhibitions, user education, etc. Also, many University libraries have embraced the Internet technology by establishing their presence on the web. This has tremendously created another opportunity for University libraries through their websites to reach thousands of customers. Today, librarians have begun to use social networking sites to reach their customers.

Risk Management

According to Valsamakis, Vivian and Du Toit (2005) risk management is a managerial function aimed at protecting an organisation, its people, assets and profits against the physical and financial consequences of risk. It therefore involves planning, coordinating and directing the risk control and the risk financing activities in an organisation. It involves identifying and taking steps to reduce or eliminate the exposures to loss faced by the library. The practice of risk management utilizes many tools and techniques, including insurance to manage a wide variety of risks. It depends on risk management planning, early identification and analysis of risks, continuous risk tracking and reassessment, early implementation of corrective actions, communication, documentation and coordination, (Berg, 2010). This explains why Sesel (2000) stated that risk management is accepted as a means of protecting the bottom line and assuring long-term performance. It has become a universal management process involving quality of thought, quality of process and quality of action.

Risk management is a core area of business practice, driven by top management but embedded at every level of organisation. The aim is no longer simply to avoid losses, but to enhance organisation’s reputation and yield competitive advantage, (The Economist Intelligence Unit: 2007). Trammel (2004) as cited by Abkowitz and Camp (2010) posited that the goal of risk management is to protect workers, the community, the environment, customers and the organisation’s physical assets. The implication is that

implementing risk management in a University library will provide protection to the library customers, staff, systems and facilities including the library building, resources and services. Risk management is very vital for libraries and information centers due to the fact that some common types of risks such as theft, fire, flood, legal liability and IT risks can affect negatively the university library management. Also, the inability of library managers to manage risk can cause financial hardship severe enough to bankrupt a library institution. Sanusi (2007) asserted that only those organisations that manage risks as a means to create value will excel in today’s risky yet opportunity rich business environment. From the foregoing definitions, it becomes clear that risk management is a prerequisite for success of any University Library. This is because risk management implies a philosophy, culture and strategy for recognizing and confronting any events, situations and incidences that may cause harm or injury in any form thereby affecting the University library from realizing its goals and objectives. It therefore follows that University Libraries should make risk management central component of their strategic management activity.

The Need for Risk Management

On the relevance of risk management to Libraries, Breighner and Payton (2005) argued that risk management when implemented has greater impact on library operations and can add value to the library by helping it avoid or minimize major financial losses and by making it a safer place to learn and work. Trammel (2004) as cited by Abkowitz and Camp (nd) posits that the goal of risk management is to protect workers, the community, the environment, customers and the organization’s physical assets. The implication is that implementing risk management in a University library will provide protection to the library customers, staff, systems and facilities including the library building, resources and services.

However, International Organization for Standardization (2008) asserted that risk management enables an organization to: encourage proactive rather than reactive management; be aware of the need to identify and treat risk throughout the organization; improve identification of opportunities and threats; comply with relevant legal and regulatory requirements and international norms; improve financial reporting; improve corporate governance; improve stakeholder confidence and trust; establish a reliable basis for decision making and planning; improve controls; effectively allocate and use resources for risk treatment; improve operational effectiveness and efficiency; enhance health and safety; improve

incident management and prevention; minimize loss; and Improve organizational resilience.

Risk Management Strategies and Options

Several methods, strategies and techniques have been identified in order to handle risks in organizations. These include risk avoidance; risk assumption or retention; self-insurance; loss prevention; loss reduction; risk transfer and risk modification, (Dorfman, 1994; Rejda, 1999; Harrington and Niehaus, 2004; and Breighner and Payton, 2005).

Risk Avoidance

Avoidance is the practice of removing the vulnerable aspect of the system or even the system itself, (SANS Institute, 2007). It simply means that the chance of loss event occurring in the organization has been eliminated. It is important to stress that risk avoidance can be the most effective risk control strategy but for many risks inherent in the library operations, it may not be practical or even possible in the context of the library as community service provider to avoid them. However, some risks in the library can be avoided without causing any disruption to the library operations while others cannot be avoided. So therefore, it is recommended that university library in particular should eliminate risks wherever possible and feasible. For instance, the Kashim Ibrahim Library in recent times had discontinued the system/practice of allowing library users and staff to enter the library with their hand bags. The system was found too risky in such a way that both the users and staff constitute a threat to the information resources and services. The implication here is that the risk of stealing information resources via the hand bags is avoided and without disrupting the library operation. To this end, university library management should note that “when the chance of loss is high and loss severity is also high, avoidance is often the best, and sometimes the only practical alternative”, (Dorfman, 1994).

Risk Assumption/Acceptance

Acceptance or Assumption is the practice of allowing the business to operate with a known risk. It is a deliberate risk management decision which implies that the risk is assumed with the full understanding of the consequences of a potential loss. Business firm generally assume risks when the consequences of a loss would not be costly enough to justify any other risk management decision. For instance, University libraries assume or accept the risk that their information resources may be stolen, mutilated, defaced or wrongly shelved. If such a loss occurs, the library bears the

cost of buying another copy, mending the information product or re-shelving it in a right place. However, sometimes risks are assumed or accepted because the potential loss was not identified before it occurred. This perhaps may be due to ignorance, indifference or laziness on the part of stakeholders in the organization. This practice in the opinion of the researcher could be very injurious particularly if the risk accepted has the potential for destroying the financial and reputational stand of the organization. In general, library managers should note that risk assumption or acceptance is a desirable alternative only when the severity of loss is relatively low and the frequency of loss occurrence is also low.

Self- insurance

Self-insurance involves a specific decision to absorb the financial consequences of a particular loss, after the risk of loss has been identified and quantified. It is defined according to Goshay in Breighner and Payton (2005) as “ the conscious retention of risk, the level of which has been limited within the financial capacity of the firm, emanating from the distribution of exposures that permit reasonable prediction as to future loss possibilities”. In a more simpler terms, a self insurance plan implies that adequate financial arrangements have been made in advance to provide funds to pay for losses should they occur. For instance, a University Library may have a dedicated funds to pay for losses should they occur. This alternative risk control method may not be feasible and practicable in the University library system due to the fact that they are constantly underfunded to the extent that their continued growth and survival depend mainly on the intervention agencies and corporations/foundations

Risk Transference

This is the process of allowing another party to accept the risk on behalf of the organization or firm. Risk transfer is a feature of all insurance transactions, because the uncertainty of who will pay for the loss is transferred from the organization to the insurance firms. However, some methods of risk transfers do not involve insurance. They are referred to as non-insured transfers. In this kind of arrangement, the risk is transmitted to a party other than an insurance company. These transfers include transfer of risk by contracts, hedging, leasing, hold harmless agreement and indemnity clauses, (Rejda, 1999; Harrington and Niehaus, 2004). This system will provide that a third party contracting with library will accept financial responsibility for losses caused by that third party's negligent operations.

Insurance

Insurance is another method of handling a major risk. It represents a contractual transfer of risk. Dorfman (1994) asserted that insurance is an appropriate risk management tool when the chance of loss is low and the severity of a potential loss is high. He added that both small, medium and large scales firms face circumstances requiring commercial insurance. Similarly, Breighner and Payton (2005) suggested that libraries should at least consider purchasing the following types of insurance: workers' compensation; property; boiler and machinery; general and excess liability; automobile liability... However, after the insurance plan has been arranged, the risk manager must make sure that the organization does not violate any terms of the insurance agreement.

Loss Prevention

This refers to actions and strategies that primarily affect the frequency of losses in the organization. Many risks of loss can be either eliminated or reduced significantly by loss prevention activities. Successful loss prevention activities lower the frequency of losses experience by firms. As long as the benefits of preventing losses exceed the costs, loss prevention should be used to treat all exposures, whether assumed or transferred to commercial insurance. In doing this, large business firms often employ risk experts to identify sources of losses or injury to institute corrective actions. It is important to state that some losses affecting organizations which University Library is one can be attributed to environmental hazards, policy based, while others are more directly to human shortcomings and errors. Examples of loss prevention activities include training of staff and drivers to operate safely; installation of some safety gadget such as smoke detectors; fire alarms and automotive sprinkler systems. Other are employment of security guards; warning messages posted on walls and notice boards. These and many more loss prevention activities have been in place in most University Libraries in Nigeria.

Loss Reduction

These are the activities and strategies that are implemented in order to primarily influence the severity of losses that do occur in the course of doing business in every organization. This is simply as a result of the fact that despite the best efforts at preventing losses from occurring, yet some losses do occur. So therefore, organizations must also put in place some measures to reduce the impact of the losses whenever they occur. Over the years, University Libraries have been developing variety of strategies in order to reduce the impact of losses should they occur. A good example is the

installation of fire extinguishers; fire sprinkler systems; firewalls and doors; emergency exit; labeling instruction on how to use the library resources and services, training and retraining of library staff and of course the popular Amnesty Programme for the non-returned information resources.

The Way Forward

In order to effectively manage risks in University libraries, there has to be concerted efforts among all cadres of library staff towards risk identification, analysis and communication. This will go a long way in facilitating proactively the processes of risk identification, tracking and treatment in the library. The challenges can also be addressed by creating a risk management culture across all units and divisions of the university library. This strategic position will enhance information resources and services provision to customers on one hand and guarantees the continued survival and growth of the University library in particular and the University in general. Above all, it will guarantee high customer satisfaction with the information resources and services provided by the Library.

University libraries should also as a matter of expediency develop a risk management policy that will provide the basic framework for risk management practices. The policy will go a long way to articulate and solidify risk management processes in the library. Also, Library and Information science Schools (LIS) in Nigeria should as a matter of urgency incorporate the teaching of risk management in their undergraduate and postgraduate programmes. This initiative will in no doubt equip the would-be librarians, librarians and information professionals with the requisite skills, abilities and capabilities in management of risks in information resources and services provision in University libraries.

Conclusion

Risk management involves a series of activities seeking to eliminate, reduce and generally control risks and to enhance the benefits and avoid detriment from speculative risks. The focus of good risk management is the identification and treatment of risks to organizations. Its objective is to add maximum sustainable value to all the activities of the organization. It increases the probability of success, and reduces both the probability of failure and the uncertainty of achieving the organization's overall objectives. It is therefore hoped that University Library will strive greatly towards the implementation of risk management objectives in order to meet the needs of its customers.

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