

DEVELOPMENT OF STRATEGIC ACTION PLAN (SAP) RISK MANAGEMENT FRAMEWORK

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ABSTRACT

UiTM2025, a five-year strategic plan, was developed to achieve the targeted goal of becoming a globally renowned university by 2025. To achieve the mission and vision of the university, the framework of a strategic action plan (SAP) was initiated for three strategic thrusts and nine strategic themes. Planning and monitoring all nine lead directors, 24 faculties, and 13 state campuses will be difficult without proper implementation of project management. Therefore, the University Electronic Programme Management Office (UePMO) system was developed in 2021 to facilitate project monitoring. Recent input from all university stakeholders resulted in a total of 1299 SAP projects being established in the system. However, a proper risk management framework is also needed to ensure these SAP projects can be carried out efficiently. Risk Management is an enabling function that adds value to the activities of the university and increases the probability of success in achieving our strategic objectives. It is about managing uncertainty and creating an environment where surprises are minimised. This research mainly focuses on aligning SAP projects to deliver impactful strategies to support performance indicators (PI) and is also aligned to risk categories, assessment through risk level, and mitigation plans by the project owners. The determination of risk level will assist the owner of the SAP project in developing a mitigation plan according to the severity of the risk and accelerate the achievement of the UiTM 2025 Strategic Plan.

Keywords: Strategic, Strategic Action Plan (SAP) Transformation, UiTM2025.

1. INTRODUCTION

In organizations, strategic planning is used to determine how the organisation is driven from the current state to the desired direction, with the status being reported periodically and strategically. The initiatives carried out in achieving the goals and targets set in the UiTM2025 strategic plan are translated into the Strategic Action Plan (SAP). The implementation of SAP is monitored by the Lead Director of UiTM and the University Transformation Division to ensure that the initiatives implemented are able to achieve the KPI and PI targets determined. A total of 1189 SAP projects have been registered for 2022 via the UePMO system. Overall, the number of projects that have been completed (80–100%) is 802 (67.5%). Meanwhile, 24 projects (1.3%) were not carried out in 2022. In conducting the projects, the total allocated budget was RM 71.6 million, with RM 55.9 million for the lead directors, RM 4.4 million for the faculties, RM 3.9 million for the campuses, and RM 7.3 million for the centre of excellence. Only 50.6% of the original budget was used to carry out SAP projects as actual expenses. This shows that more careful planning needs to be implemented at the beginning of the year so that the project can be implemented according to the original plan.

In managing the SAP projects, risk management was implemented to enhance activities and improve the chances of attaining strategic goals by managing uncertainty and minimizing shocks. This research aligns SAP projects to give optimal strategies to support performance indicators (PI) and risk categories, assessment (risk level), and mitigation strategies by project owners. Financial unsustainability, less preferred university of choice, weak value proposition, lack of research prominence, unemployable graduates, ineffective talent development and succession planning, inadequacy of delivery system, business disruption due to unexpected event, and unimpactful partnerships and alliances are the key strategic risks of UiTM. The determination of risk level will help the SAP project owner design mitigation strategies based on risk severity and expedite the UiTM 2025 Strategic Plan. The University Electronic Programme Management Office (UePMO) SAP Online system was created to simplify the process of registering and tracking the development of the risk level of SAP projects at UiTM. This research reports on the risk management of SAP projects conducted in 2022 and the mitigation actions taken.

2. METHOD

This research focused on risk assessment of SAP projects mapped to performance indicators and UiTM2025 key initiatives as shown in Figure 1. The project identification was conducted and matched to the Performance Indicator (PI) and UiTM2025 Key Initiatives (KI). From the data, risk assessments were conducted. Fundamentals of risk management consist of project planning, risk identification, risk assessment, risk monitoring and lastly conclusion and data keeping as shown in Table 1.

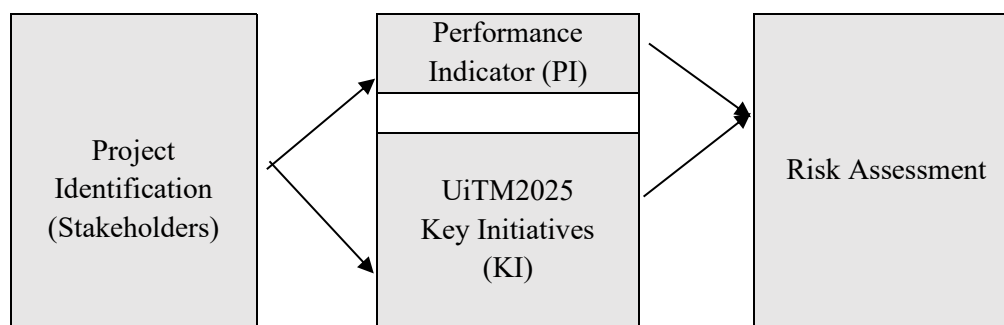


Figure 1 Project Mapping

Table 1 Fundamental of Risk Management

INITIATION	PLANNING	EXECUTION	MONITORING & CONTROL	CLOSING
Project planning	Risk identification	Risk assessment	Risk monitoring	Conclusion and data keeping
Effective communication, quality data presentation & documentation				

In project planning, all lead directors, faculties, and campuses designed and registered the strategic action plan (SAP) for the year 2022 that will assist in achieving the cascaded performance indicators (PI). These projects were also aligned with the UiTM2025 Key Initiatives (KI). The progress of these SAP projects was monitored quarterly, and key and subcategory risks were identified based on mapped risks in the UePMO system, which were further analysed by using the Power BI tool to visualise risk according to the strategic theme of UiTM2025. For risk assessment, risk levels were determined and

visualised through the Power BI tool to highlight high and extreme risk levels according to lead directors, faculties, campuses, and centres of excellence. A mitigation plan for all projects with high and extreme risk levels was documented and monitored quarterly to ensure the plan was able to reduce the risk level and eventually assist in the accomplishment of the set target for 2022.

3. RESULTS AND DISCUSSION

3.1. Key Strategic Risks

Figure 2(a)–(d) represents the key strategic risks of SAP projects for lead directors, faculties, campuses, and centres of excellence. Among lead directors, TNC ICAN shows the highest extreme risk level under unimpactive partnerships and alliances and the subcategory of R00901 (Ineffective national and international partnerships), with 39.5% of extreme risk as shown in Figure 2(a). Figure 2(b) shows the key strategic risk for faculties, where the highest risk level under the lack of research prominent and subcategory of R00404 (Low impactful research to the community and industry) was reported by KPK at 45.7% of extreme risk. The key strategic risks for campuses are shown in Figure 2(c). The highest values of extreme risk were given by Sabah, with 33.3% of extreme risk under lack of research prominence and the subcategories R00402 (Low staff indexed publication ratio) and R00403 (Low staff citation ratio). Another 33.3% were under business disruption due to unexpected events and subcategory R00807 (Pandemic). Among centres of excellence, MITRANS shows the highest level of extreme risk under the lack of research prominence category and subcategories of R00401 (Low number of high impact research grants, 28.6% of extreme risks), R00402 (Low staff indexed publication ratio, 28.6% of extreme risks), and R00403 (Low staff citation ratio, 28.6% of extreme risks), as shown in Figure 2(d).



Figure 2 Key Strategic Risks of SAP Projects for (a) Lead Directors, (b) Faculties, (c) Campuses, and (d) Centres of Excellence

3.2. Risk Level

The determination of key strategic risks leads to the finding on risk level (extreme, high, moderate or low) using the equation.

$$\text{Risk Level} = \text{Likelihood of Occurrence (L)} \times \text{Magnitude of Impact (I)}$$

The values for the likelihood of occurrence varies between very low (1), low (2), medium (3) high (4) and very high (5) while magnitude of impacts are between insignificant (1), minor (2), moderate (3), major (4) or extreme (5).

The risk level of SAP projects for lead directors, faculties, campuses and centre of excellence for 2022 were:

- i. Lead directors – High risk (30.8% of risk for SAP among lead directors and 2.4% of risk for overall SAP projects)
- ii. Faculties - Moderate risk (35.2% of risk for SAP among faculties and 18.3% of risk for overall SAP projects)
- iii. Campuses - Moderate risk (49.1% of risk for SAP among campuses and 17.7% of risk for overall SAP projects)
- iv. Centre of excellence - Moderate risk (54% of risk for SAP among centre of excellence and 2.2% of risk for overall SAP projects)

The determination of risk level enables risk management to be conducted accordingly throughout the year. Proper risk management leads to the achievement of KPI/PI of SAP projects for lead directors, faculties, campuses, and centres of excellence, as shown in Figure 3(a)–(d). Among lead directors, 100% PI was achieved by PNC MASMED and TNC HEP through proper risk management throughout the year. 96.8% of PI was achieved by the Faculty of Accountancy, 95.4% by the UiTM Cawangan Perak, and 100% of PI was achieved by the IBDAAI and SMRI for faculties, campuses, and centres of excellence, respectively.

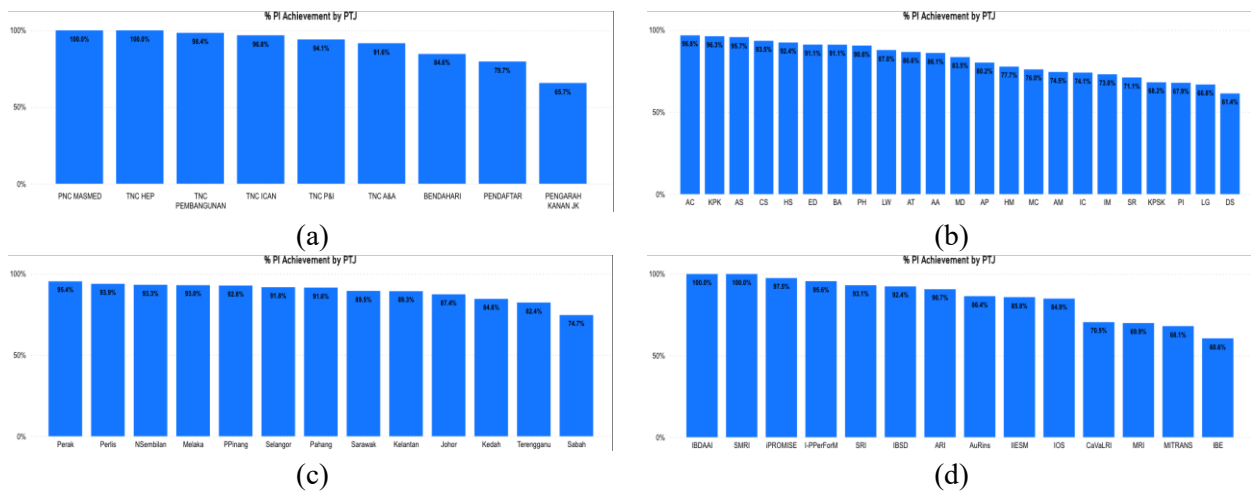


Figure 3 Percentage of PI Achievement for (a) Lead Directors, (b) Faculties, (c) Campuses, and (d) Centres of Excellence

3.3. Comparison of Risk Level in Q2 and Q4 of 2022

In general, the risk management throughout the year between quarters two and four has resulted in a decrease in the risk level, as shown in Figures 4(a)–(d). The implementation of impactful mitigation plans contributed to the reduction. For lead directors, a reduction in risk level was shown by TNC Pembangunan, Bendahari, TNC HEP, and PNC MASMED. For faculties, MC, BA, AT, AP, LW, PI, HM, AS, IC, and AA show reductions in their risk levels. Among campuses, only UiTM Cawangan Perlis shows a reduction, while for centres of excellence, a reduction in risk level was shown by IIESM, ARI, MRI, and CaVaLRI.

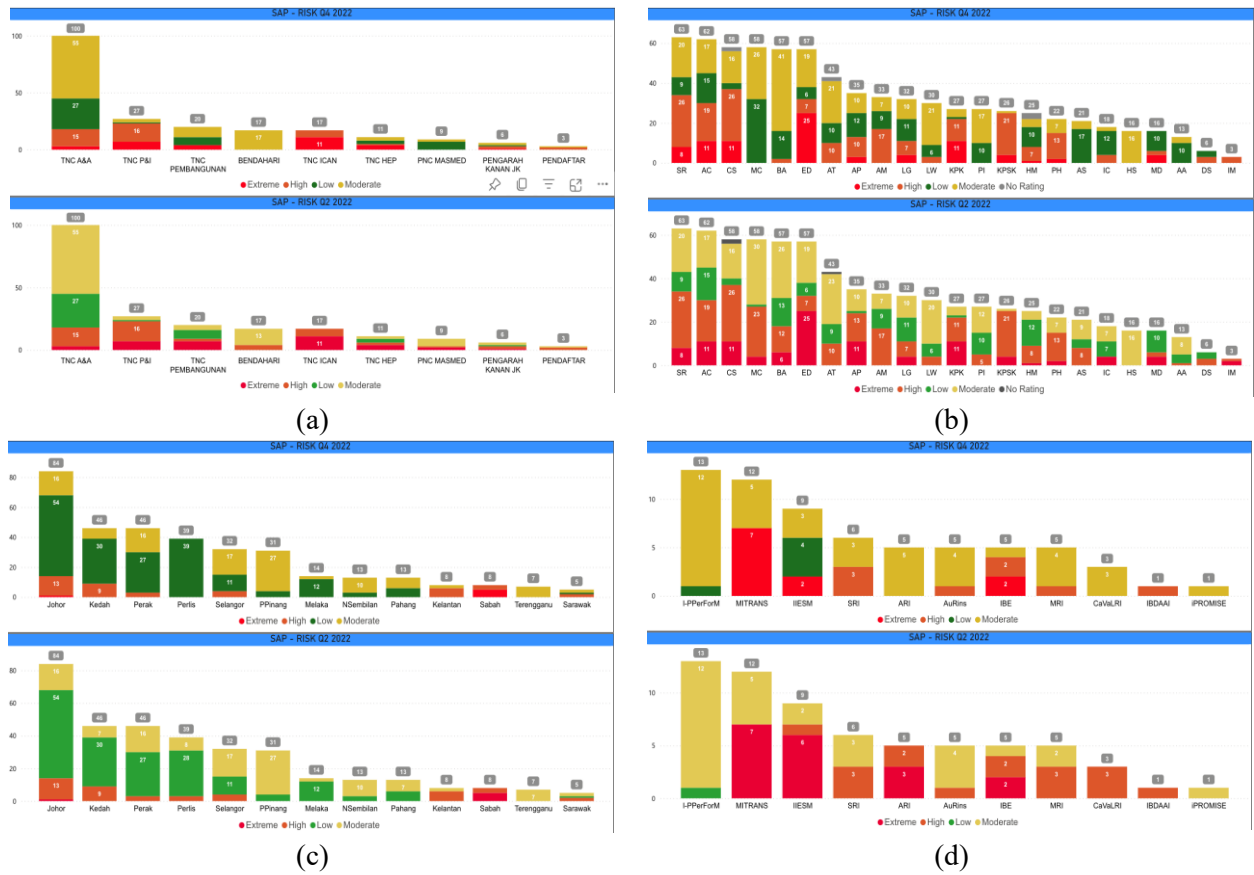


Figure 4 Comparison of Risk Level between Q2 and Q4 of 2022 for (a) Lead Directors, (b) Faculties, (c) Campuses, and (d) Centres of Excellence

4. CONCLUSION

The key strategic risk for lead directors is unimpactful partnerships and alliances, whereas the key strategic risk for faculties, campuses, and centres of excellence is lack of research prominence. The overall risk level for lead directors is high, but the overall risk level for faculties, campuses, and centres of excellence is moderate. PNC MASMED, TNC HEP (lead directors), IBDAAI, and SMRI (centre of excellence) achieved 100% PI through proper risk management. The risk level was also lower in the fourth quarter of 2022 compared to the registered risk level in the second quarter. According to the research, the determination of risk level and its management contribute to the PI achievement, that supports in the achievement of the UiTM2025 strategic plan.

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