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Implementation of Operational Risk Management Based on Enterprise Risk Management Approach (Case Study of PT Sejati)

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Abstract: Carrying out operational activities in the company bears the risks that will be accepted, especially in the export-import sector. The variety of possible risks the company will be accepted causes every operational activity to need good risk management. In this case, risk management becomes a facilitator in identifying and controlling risks that will be accepted. One form of risk management that can be applied in the company is the Enterprise Risk Management (ERM) approach. In general, this study focuses on analyzing the risks of operational activities that occur at PT Sejati through an enterprise risk management (ERM) approach. In its implementation, operational risks are managed by identifying risks, controlling risks, responding to risks, and developing control activities for known risks. Using a qualitative descriptive method, this research is packaged with data obtained from interviews, questionnaire, and documentation. The results of the study indicate that the operational activities owned by PT Sejati, it is still risky to risk. In this case, human error, especially errors in document creation, is a risk that must be taken seriously. This is because human error is closely related to the sustainability of the import-export process itself. Furthermore, there is also a risk from the terms of sale, which are closely related to whether or not the goods arrive at their destination. From the various risks available, a risk matrix is then made to determine the urgency of the available risks. In this way, further control activities can be carried out. Sp. ETS

Keywords: risk management, operational risk, enterprise risk management (ERM)

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Introduction

Currently, the export-import sector is showing good development. This is evidenced by the increasing public interest in the use of export and import services. This argument is reinforced by data from the 2018 Indonesia logistics performance index, which states that Indonesia is ranked 46th with a score of 3.15. This position is up 17 places compared to 2016, where Indonesia is ranked 63rd in the world with a score of 2.98 (Firdausy, 2020). Judging from its understanding, exports are sales transaction activities for goods and services from within the country or customs area, and imports are the other way around (Supardi, 2019). One of the companies engaged in export and import in Indonesia is PT Sejati. Working optimally to provide satisfaction for customers, makes PT Sejati often find risks. Risk is defined as a situation that can bring about possible losses for the company (Vikaliana, 2018). The risk that usually occurs within the company, including at PT Sejati is operational risk, namely the risk that occurs due to human error both from inside and outside, or errors in operations will result in risk (Harahap and Siregar, 2020).

Operational risks that arise in the company arise from various lines. First, the use of letters of credit (L/C) in export-import activities often results in errors or incomplete data, mismatches in the application of L/C, especially insurance, declines in foreign exchange, and late payments. This error is in line with the manufacture of supporting documents in export-import which causes no efficiency in working time for employees as well as hampers the shipping process. Documents in the world of export and import are defined as documents that can prove that a transaction has occurred in international trade (Rinaldy and Utama, 2018). Second, the use of international commercial terms (incoterms) in the form of free on board (FOB) and cost, in-

insurance, and freight (CIF) also often creates unexpected risks. Sometimes goods that have been paid for are delayed in receipt. Vice versa, goods that have been received are delayed in payment, causing an increase in the company's receivables. The delivered goods are also at risk of being damaged, so the company must pay compensation on the basis of the CIF incoterm. Third, system disturbances used by the company both in making documents and accounting records as well as packing problems are also often a problem in this company. Reflecting on this, the enterprise risk management (ERM) approach is one of the alternative solutions as a manifestation of the risk management process. Where, risk management is defined as management's efforts to control the risk of the company's operational activities by conducting risk analysis, risk evaluation, and mitigation plans (Erlangga and Susanto, 2017). In its application, risk management is transparent and inclusive so that in general the objective element of risk management is to reduce risk so that the company can continue to exist and develop (Pardjo, 2017).

Enterprise risk management (ERM) is a risk control process by identifying, analyzing, responding, and monitoring risks and opportunities that exist in the company's operational activities. This approach focuses on mitigating the risks owned by the company, so that all types of losses can be overcome and the credibility of the company can be maintained. In its implementation, enterprise risk management is fairly effective in reducing the rate of risk that occurs in the company (Haryani and Risnawati, 2018). Where it is in line with the purpose of this study, namely to analyze the operational risks that occur at PT. Sejati and find ways to mitigate the risks available.

Method

In general, this research uses a qualitative research type with a descriptive approach. The location in this research is PT. Sejati, whose address is at Jalan Beji Ayu, No. 1, Seminyak, Badung Regency with a duration of approximately 4 months from January to April 2022. This study uses primary data with research subjects in the form of company internal elements which include employees at PT. Sejati. From this research also, determined the object of research, namely operational risk contained in PT. Sejati. In practice, this research uses data collection techniques in the form of interviews, documentation, and questionnaires. On this basis, this study summarizes the validity of the data in the form of a credibility test using technical triangulation. That is, different data generated from the results of interviews and questionnaires will be collected to produce the same results. The data analysis method used in this research is descriptive. Thus, researchers in this descriptive study must follow the correct procedures, methods, and techniques in collecting data, analyzing data, and interpreting it. Specifically, the data analysis used is divided into several stages, namely data reduction, data presentation, and drawing conclusions.

Result and Discussion

Broadly speaking, this study will analyze various kinds of operational risks that occur at PT. Sejati. This analysis certainly aims to uncover operational risks that occur in the company and prepare anticipatory steps as a form of future control. Of course, this is based on the existence of risks that often appear suddenly and lead to the creation of new challenges for the company. In finding and mitigating risk, in this case the author applies an enterprise risk management (ERM) approach, here are the steps:

- Risk Identification

The risk identification stage is carried out by conducting interviews, questionnaires, and documentation. Risk identification is the phase of finding and recognizing risks using certain techniques that have been determined at the scope, context, and criteria stages (Susilo, 2018). In this case, the authors examine the risks that occur in the company by interviewing and distributing questionnaires to employees in accordance with their fields, such as the head of accounting, marketing manager, document staff, and customer service.

- Risk Assessment

After completing the risk identification stage, the next step is the risk assessment process available through a questionnaire. The risk assessment is analyzed by taking into account the probability of occurrence and the basic impact as a determination of how the risk should be managed (Jatiningrum and Marantika, 2021). The research questionnaire is divided into two parts, namely 9

questions to assess the level of risk (occurrence) and 9 questions to assess how big the impact is. Risk to the continuity of the company's operational activities (severity). Risk assessment is carried out by multiplying the average occurrence value and the average severity value for each operational risk that occurs.

Based on the results of interviews and questionnaires obtained from informants, the risk that must be the main focus is human error in the form of errors in inputting supporting documents for goods to be exported or imported. With this error, it will be more difficult for the goods to arrive at their original destination, even though the arrival of the goods has been written in the export-import agreement. Mistakes that occur can also cause damage to the company's image in the eyes of customers and also the government. The risk of implementing L/C, late payments, and the arrival of goods are also things that must be the main focus. Errors in the application of L/C will result in imperfect payments for export-import services. In addition, late payments can make it difficult for companies to carry out further export-import activities, considering that shipments must continue to run. In addition, delays in the arrival of goods and a decrease in foreign exchange rates are also things that must be considered. More fully, the risk assessment obtained is described in the following table :

Table 1. Risk Effect

Risk Type	No	Risk	Occurance	Severity	Risk Scoring
	A1	Error in applying L/C	4	4	16
Process Risk	A2	Error in inputting and using incoterm	3.6	4	14.4
	A3	Item damage	3.2	3.4	10.88
	A4	Delay in delivery or goods not arriving	4	3.6	14.4
	A5	Packing problem	3.4	3.2	10.88
HR Risk	B1	Human error in the form of an error in inputting documents	4	4	16
Technology Risk	C1	System crash	3	3	9
External Risk	D1	Late payment	3.2	3.2	10.24
	D2	Foreign exchange decline	3.4	3	10.2

Source: Data processed (2022)

- Risk Response

Responding to risk means preventing the company's failure rate in carrying out its operational activities. In PT Sejati, the risks that occur are classified as moderate risk and high risk. Regarding risk with moderate status, at PT Sejati itself there are 6 operational risks that occur. The risk response from this moderate level shows the severity of the risk is quite high, the company must pay special attention to the impact that will occur in the future. Furthermore, with a high risk status, there are 3 operational risks that occur. The risk response from a high level indicates a high level of risk severity, so good control activities must be prepared and able to overcome the available risks.

- Risk Control

The next stage of risk management is to carry out risk control. Risk control is intended so that the company can avoid possible risks or can minimize the impact of these risks for the continuity of the company's operational activities. The risk control carried out at PT Sejati are:

Table 2. Control Risk

Level	Code	Name Risk	Control Risk
Moderate	A3	Item damage	Apply the precautionary principle in shipping
	A5	Packing problem	Sorting goods according to the place of packing, carrying out the packing process optimally
	C1	System crash	Reporting to the party in charge of the system
	D1	Late payment	Contacting customers by attaching bill payments
	D2	Foreign exchange decline	Implement financial futures
High	A1	Error in applying L/C	Providing training on Letter of Credit clarifying the understanding of L/C applied to customers
	A2	Error in inputting and using incoterm	Provide training on the application of Incoterms
	A4	Delay in delivery or goods not arriving	Checking with the authorities on a regular basis
	B1	Human error in the form of an error in putting export-import documents	Provide training on export and import and apply the precautionary principle when working

Source: Data processed (2022)

Conclusion

Based on the results of the discussion, there are several conclusions that can be drawn after conducting an operational risk analysis based on the enterprise risk management (ERM) approach. In general, the operational risks that occur at PT Sejati are present in the export and import transactions that occur. The application of a letter of credit poses a wide range of risks considering that it is related to a payment agreement between the two parties. Furthermore, the application of incoterms using two methods, namely freight on board (FOB) and cost, insurance, and freight (CIF) also raises risk-taking errors in shipping. In FOB, the transition of the risk point of the goods being shipped occurs on the ship to be dispatched. While in CIF, the exporter delivers the goods until they are loaded on the ship with insurance coverage in it. Then, the export-import process is prone to damage to goods, packing problems, human errors, delivery delays, and system disturbances so that the role of human resources becomes an important aspect. Against this background, the operational risk that occurs in the company is made a risk matrix so that the response and control of the available risks can be appropriate and on target.

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