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THE GROUNDED THEORY PERSPECTIVE: HUMAN RESOURCE'S CHARACTERISTICS IN SUPPORTING RISK-BASED MANAGEMENT IMPLEMENTATION

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ABSTRACT

This study aims to develop employee organizations' role in implementing risk management in public sector organizations. This study's character uses several indicators, including values, attitudes, interests, and religion. The research was conducted at public sector organizations in the non-profit category, Infaq Amal Zakat and Shodaqoh Muhammadiyah (LAZISMU) in Malang City. The research method used is grounded theory research with a qualitative approach, in which data research uses structured and open interview techniques. The collected data will be analyzed using grounded theory analysis techniques, including open coding, axial coding, and selective coding. The study results found several factors, as seen from their abilities, values, attitudes, interests, and religiosity, in supporting the implementation of risk management in Malang. These characteristics include working with time, the right placement of human resources, mastery of job descriptions, information, ability, and transfer of knowledge, in terms of values, including cooperation, responsibility, democracy, solidarity, humanity, honesty, order, and discipline. In terms of attitude, including being wise, with integrity, cooperative, open, and selective. In terms of interest, it is shown by being participatory, actualizing, and proactive. Meanwhile, in terms of religiosity, it includes the mandate to carry out duties, desire in preaching, and personal needs to fill charity activities with full volunteerism. Teamwork, coordination, and also good communication to deal with organizational risks are essential in lower management. It can have implications for non-profit organizations in considering the needs of employees.

KEYWORDS: Abilities, Attitudes, Interest, Religiosity, Risk-Based Management, Values .

INTRODUCTION

An organization will make every effort in order to achieve its organizational goals. However, many risks might be faced. The board and the senior management team's occasional behavior and actions, primarily how they communicate to challenge the business, reinforce the importance of risk and encourage a consistent approach to ensuring a business works (Office, 2010). Meanwhile, this is contrary to investors' old perspective, especially shareholders who do not care about risks. Sheehan (2010) said that risk management could become a disaster prevention effort for the organization as long as these risks can be appropriately managed. One of the main lessons that an organization needs to take is that when taking risks without adequate risk replacement, it will experience a performance decline, even become bankrupt (Sheehan, 2010). Therefore, organizations need to adopt a risk-based approach to be able to implement their strategies.

Sheehan (2010) revealed that the main benefit of a risk-based approach to strategy execution is that it allows managers to focus on the opportunities outlined in their organization's strategic plan, thereby minimizing any threat's potential impact. Risk-based management control systems allow managers to quickly and confidently react to opportunities or threats (Berinato, 2004). Likewise, Kersnar (2009) also said that integrating risk systematically into a management control system wants to achieve higher stocks price if its managers effectively show financial analysts that they understand risk and can manage it. Stelzenmüller et al. (2018) researched by proposing a Cumulative Effect Assessment (CEA) to handle marine ecosystems. The proposed CEA is incorporated into the risk management process, which consists of risk identification, risk analysis, and risk evaluation. The research also guides operationalizing a risk-based approach to CEA by describing each step of the guiding principles and desired outcomes, scientific challenges, and practical solutions. These studies show that a risk-based approach to CEA reduces complexity, enabling a transparent treatment of uncertainty. Therefore, its application can help bridge the gap between science and ecosystem-based management decision making.

Similarly, Hosny, Ibrahim, & Fraig (2018) build a specific risk management framework in the construction industry that can potentially affect project success. Learning through proactive or reactive risk response planning for high and moderate risks increases positive risks (opportunities). It reduces adverse risks (threats) so that the project can smoothly achieve the needs it undertakes. The structured framework will be integrated with a previously developed time and cost estimation module to develop an Integrated Management Model (IMM) for pile construction (CFA) to provide more accurate risk, data, and more reliable time and cost estimates. For example, organizations with specific performance to apply to their projects where feedback indicated cost and schedule reductions based on this framework's considerations guide managing risks in their projects (CFA).

Awalianti & Isgiyarta (2014) researched the application and function of risk management on coal price fluctuations in a massive equipment distributor company. The results of his research show that by implementing a series of processes for identifying risks, analyzing risk, controlling risk, such as obtaining assurance of strategy implementation, providing information for decision-making processes and determining strategies, and instilling risk awareness at the managerial level of the massive equipment distributor company in obtaining several benefits. It means that the application of risk management is also strongly influenced by the ability and understanding of human resources in dealing with these risks. As described by Mulyati (2018) whereas one of the obstacles in the application of banking

risk management is due to the relative lack of human resources involved in monitoring risk implementation and unclear qualifications of human resources for each related level of the position.

In terms of the public sector, leadership and ownership of risk were inconsistent. Even current risk management activities are carried out in the public sector for the sole purpose of compliance. Meanwhile, the dimensions of risk faced by the public sector are currently increasingly diverse. Besides, demands for improvement in the quality of public services are increasing in the face of globalization challenges and the current uncertainty. Public sector organizations need to be able to implement risk-based management effectively. The success in public sector organizations is shown by the success in achieving goals, which means successfully carrying out the government's mission for participating to become the nation's economic driver. However, the effort to achieve this is indeed inseparable from the risks that hinder it. Risk needs to be understood as something that can happen and have an adverse impact and interfere with achieving goals.

Cahyadi (2015) also evaluated the implementation of risk management policies at the Ministry of Finance to improve performance management. The results of his research show that there is still a need for extensive risk management dissemination to all employees. The forms of socialization include more detailed training for employees who manage risk management, determining key performance indicators related to risk management that are more detailed and measurable, which bind to the organization's leadership, managers, and employees. It shows that risk management requires top management and all employees in the organization. Research on risk-based management was also carried out by Lestari (2013) to see the effect on organizational performance in the Employer Pension Fund in the West Java-Banten Region. This research reinforces risk management's importance in improving organizational performance by showing the significant test results between risk management and organizational performance.

Haryono et al. (2018) analyzed the influence of organizational characteristics, job characteristics, and individual characteristics on employee job satisfaction in private banks in South Sulawesi. This study's results are organizational characteristics, organizational characteristics, and individual characteristics that have a significant and positive effect on job satisfaction. Also, it was found that employees who have high job satisfaction will have high loyalty to their company to minimize company risk.

The role of employees in risk management can take individual and environmental factors (Stringer & Didham, 2011). The attribution theory states that the source of individual behavior can be internal factors such as individual characteristics and external factors (environment). So far, research on risk management has only considered the financial aspects. This research focuses on individual characteristic factors that consist of abilities, values, interests, attitudes, and religiosity in supporting risk management implementation. This Individual characteristic is defined by Robbins (2016) as the overall behavior and abilities that exist in individuals due to their natural environment. Attitudes, interests, and needs can measure individual characteristics. It makes the difference between one person with other individuals. Resource the essential thing in the organization is human resources, people that give strength, talent, creativity, and effort to remain in existence.

In order to manage risk, we need human resources with characteristics that match what the company needs. To manage risk, of course, we need human resources with characteristics that match what the company needs. (Arif, Zainudin, & Hamid, 2019; Carnazza, Korman, Ference, & Stoner, 1981). Similar research was conducted by Donnelly et al. (2003), which

states that individual characteristic factors can affect employee performance to minimize company risk. Some prior studies (Curtis & Payne, 2008; Nieboer, 2015) found a relationship between risk-taking by company leaders and these leaders' characteristics. More than 500 top-level business executives were asked who took risks and who avoided risks. The results were surprisingly clear-cut. The most successful executives are the most significant risk-takers; the most mature executives are risk-averse.

Researches on risk have been mostly conducted using financial and performance approaches. Meanwhile, the implementation of risk management needs to involve all parts of the organization. Human resources made the goals achievable and can face various risks during the competition for the organization's existence. Muhammadiyah Zakat Institute (LAZIZMU) Malang, as one of the NGOs engaged in the socio-religious sector under the Muhammadiyah organization, is also inseparable from its problems risks it faces. Among them are in terms of raising donations and also seeking donors. To maintain its existence among similar institutions, LAZIZMU must face the risks that existed during its operation. Human resources' ability to meet company goals is essential, considering that the activities carried out are related to social and religious affairs strongly influenced by the loyalty and trust of donors to the institution. Researchers are interested in this object because LAZIZMU is a non-profit organization and needs to pay attention to risks for the organization's sustainability.

Based on some of the problems described above, it shows that risk management is vital for organizations in achieving their goals, especially in public sector organizations such as LAZIZMU, which have not fully implemented this. In achieving organizational goals, all parts of the organization's participation are needed, not only a task for top management. So, to achieve common goals, the organization's risk management also needs to involve all parts of the organization, especially all employees involved by looking at individual characteristics such as abilities, values, attitudes, and interests. (interest). So that through this research, it is hoped that it can provide an overview of the characteristics of employees needed in non-profit organizations such as LAZIZMU in implementing risk-based management. Therefore, this research needs to be carried out to answer the research question: How the employee characteristics influence the application of risk-based management at LAZIZMU Malang.

METHOD

The type of research used in this research is grounded theory research with a qualitative approach. The research procedure carried out allows researchers to form constructs and build theories from data that has been collected (Creswell, 2015). Researchers will make observations or direct participation in social behavior in order to understand these behaviors. Researchers can derive a theory from the data that is systematically collected and analyzed (Strauss & Corbin, 1990).

Data Type and Source

The type of data used in this study is primary data obtained from informants' results through interviews. The rest is secondary data in additions such as documents and others that support the research data. To obtain data and information, the informants in this study were determined purposively or deliberately where the informants had been previously determined. Several informants from the lower, middle, and top management are lines at the research location to meet the measurement of decision making in implementing risk-based management. The informants used in this study are the lower, middle, and top

management of the Muhammadiyah Zakat Institute (LAZIZMU) in Malang. Respondents involved in the research included the lower level to top management because risk management was involved in all parts of the organization.

Unit of Analysis (category) and Indicators

The units of analysis used in this study are as follows:

No.	Unit of Analysis (Category)	Definition	Indicator
1	Ability (<i>Ability</i>)	The capacity of an individual to do various tasks in a job. (Robbins & Judge, 2014)	1. <i>Knowledge</i> 2. <i>Skills</i> (Robbins & Judge, 2014)
2	Value (<i>Value</i>)	A person's worth is based on satisfying, enjoyable work. (Robbins & Judge, 2014)	1. Innovation 2. Cooperative 3. <i>Trust</i> (Graham & Nafukho, 2007)
3	Attitude (<i>attitude</i>)	Attitudes are evaluative statements, whether favorable or unfavorable, about objects, people, or events. (Robbins & Judge, 2014)	1. Satisfaction 2. Commitment (Robbins & Judge, 2014)
4	Interests (<i>interest</i>)	Attitudes that make people happy about particular situation objects or ideas. (Stark & Glock, 1965)	1. Active involvement 2. Suitability of work (Stark & Glock, 1965)
5	Religiosity	The rules governing the human condition and about the invisible, concerning behavior and social life. (Stark & Glock, 1965)	1. Ritual (shari'ah) 2. Ideological (aqidah) 3. Intellectual (science) 4. Experiential (appreciation/experience) 5. Consequences (Stark & Glock, 1965)
6	Risk-Based Management	A process designed to identify events that affect the entity, and manage risks to provide reasonable assurance regarding the achievement of the entity's objectives (Coso, 2004)	COSO's ERM Framework, namely : 1. Internal environment 2. Goal Setting 3. Event Identification 4. Risk Assessment 5. Response to Risk 6. Supervision Activities 7. Information and Communication 8. Monitoring

Table 1.
Unit of Analysis and Variable Measurement

JRAK Data Collection Technique

10.3

The data collection procedure in this grounded theory research uses interviews and documentation methods. The interview method is conducted through structured interviews and is open to exchange information through question and answer. The interview process

begins with preparing a research instrument in the form of a case study related to the research problem's topic to be submitted and recording or recording what the informants say. The case study is based on eight indicators of risk management according to COSO (Schmidt, 2020) and is seen from the perspective of top management, middle management, and lower management and is used to see the characteristics of employees in responding to problems in the case study. Meanwhile, the documentation method used is collecting documents in writings, pictures, or someone's works. The results of the interview will be more credible if they are supported by documents related to research.

Sample Technique

The sampling technique in grounded theory is based on the representation of the concept, not on population. The relatively long data collection activities can impact the continuous sampling process when data collection is carried out. The sample respondents' criteria include management, top management, middle management, and lower management in LAZIZMU Malang.

Research Analysis Techniques

The analysis technique in grounded theory research consists of detailed analytical procedures consisting of three coding phases, according to Strauss & Corbin (1990) in Creswell (2015) explained as follows:

1. Open coding

Open coding is an interpretive process of breaking down data analytically. Its purpose is to provide new insightful analysis by breaking through standard ways of thinking about or interpreting the phenomena reflected in the data. In this phase, the researcher will study the texts (transcripts, field notes, documents) for the main categories of information supported by the text. In open coding, events/actions/interactions are compared with others to see similarities and differences. They are also labeled conceptual. So that events/actions/interactions that are conceptually similar are grouped to form categories and subcategories. The category formation is carried out following the unit of analysis / operational definition of the research variables determined previously.

2. Axial coding

In this phase, a process to find the relationship between concepts and categories so that the relationship is tested against the data. A substantive theory will emerge by testing similarities and differences in the relationship between categories or subcategories. To find relationships, researchers will use the coding paradigm in further identifying each concept and category that appears in its role towards the phenomenon that is the research objective.

3. Selective coding

Selective coding is the process by which all categories are unified and limit research around these core categories. In this phase, the researcher looks selectively for cases that illustrate the previous coding results' themes and makes comparisons after almost all of the data are entirely collected. These core categories represent the main phenomena of this research. Core categories may arise from among already identified categories or more abstract terms to describe the primary phenomenon. The less-developed categories are likely to be identified during selective coding. An undeveloped category has some properties already found in the data or contains only a few subcategories of explanatory concepts. For a theory to have explanatory power, each of the categories and subcategories must have conceptual density. If there is a shortage, the researcher can return to the field or the field

notes to obtain data gaps with the theory. In this phase, it can be described systematically in the following work stages:

- a. reproduce the storyline back into the frame of mind
- b. identify data by writing a few short sentences containing the main story or data
- c. conclude and code a sentence or two as a core category
- d. choose the core category

RESULTS AND DISCUSSION

Public sector organizations in Indonesia are of many kinds. One organization that is no less important to pay attention to is organizations that are non-profit and work for the benefit of many people. NGOs are one of the most non-profit organizations found in Indonesia. NGOs are engaged in various fields, for example, social or religious. Even though NGOs are public sector organizations in the non-profit category, it does not mean that they are separated from facing risks in carrying out activities to achieve their organizational goals. It can be seen in this study that seeks to find out the risk management that exists in a social NGO, namely the Muhammadiyah Zakat Institute (LAZISMU) Malang. Persyarikatan Muhammadiyah is one of the largest Islamic organizations in Indonesia. As the largest Islamic organization, Muhammadiyah is engaged in various fields, one of which is in the social sector, such as LAZISMU. LAZISMU is a non-profit organization engaged in community empowerment through the productive utilization of zakat, infaq sadaqah, waqf, and other generous funds from individuals, institutions, or agencies.

The establishment of LAZISMU in 2002 was confirmed by the Minister of Religion of the Republic of Indonesia as the National Amil Zakat Institution through Decree Number: 457 dated November 21, 2002. The purpose of establishing LAZISMU is as a zakat management institution with modern management that can deliver zakat into solving Indonesia's problems at that time. From the State of Indonesia, a majority of the population is Muslim, making Indonesia also has the potential for zakat, which is relatively high.

Apart from the goal, currently in Indonesia itself, there are already many zakat charities of the same kind which have the same goal. Even though LAZISMU is a non-profit organization, it also faces competition between similar institutions as business companies face its competitors. Risks cannot be avoided when activities or activities are carried out to achieve their goals. So it is also essential to know what forms of risk management or management are faced by non-profit organizations or organizations such as LAZISMU. In terms of this organization engaged in the social sector, the institution's management should be inseparable from the intention or sense of volunteerism to build or maintain its existence.

This study highlights the characteristics of employees as seen from the abilities, values, interests, attitudes, and religiosity of employees in supporting the implementation of risk management at LAZISMU Malang, which is in support of the existence of the institution so that it remains and lives amid competition with other similar institutions. The characteristics studied include abilities, values, attitudes, interests, and religiosity. Through the characteristics of human resources, the hope is that the implementation of risk management within the institution can be carried out optimally so that organizational goals can also be achieved. Human capital (HR), if managed properly and appropriately, can be a source of strength and excellence for the organization.

This study's results classify human resources' characteristics (abilities, values, attitudes, interests, and religiosity) by measuring indicators as previously determined, then categorized based on these indicators. Efforts made in obtaining the characteristics of human resources needed to support sound risk management creation, researchers conducted interviews by providing cases. The cases given as interviews used eight indicators of COSO risk management, namely the internal environment, goal setting, event identification, risk assessment, risk response, monitoring activities, information and communication, and monitoring. From eight cases derived from eight COSO risk management indicators, the researchers conducted data mining to obtain various forms of characteristics that can be used to support the implementation of risk management in the institution. The results obtained from the interviews and coding carried out will be described below.

Characteristics	Category	Subcategory	Item
Ability	Internal Environment	The ability that matches the job desc	The right placement of human resources
		Ability "Team Work"	Cooperative Ability Work flexible understand muzaki needs
	Goal Setting	ability in understanding the organization's vision and mission	mastery of branding the same perception in improving performance
		Event Identification	Ability to understand job desc
	Risk Assessment		Soft Skills
		Response to Risk	Transparent
	Supervision Activities		Ability to respond to risk through the transfer of knowledge and trust
		Information and Communication	Ability to develop strategies in conducting supervision
	Monitoring		Ability to master rules and tasks

Table 2.
Axial and Selective Coding Results of Capability Characteristics

Ability is the capacity of an individual to perform various tasks in his job (Robins & Judge, 2014). One way to see a person's performance in the organization is from his ability as needed by the company. Gibson et al. (1996) in Sinuhaji (2014) states that ability is an innate/learned trait that allows a person to do something mentally or physically. Skills can also be developed from experience, feedback, and practice, such as communication skills and abilities and interpersonal and mental abilities. Based on these definitions, the analysis results found several characteristics of HR capabilities that can be used to support the implementation of risk management at LAZISMU Malang. The ability to work with teams, the right placement of human resources, mastery of job desc, informative, the ability to transfer knowledge, and ability to run a supervisory system or reasonable control. In line with the explanation of Calvard & Jeske (2018) that such cooperation and coordination will undoubtedly require a closer interaction between the internal and external stakeholders involved, including HR and their relationship with employee data and information.

LAZISMU can use these characteristics to support the implementation of risk management. In line with Sinuhaji (2014)'s research, good communication and coordination can be implemented in companies to minimize the risk of conflict. These characteristics are commonly used in business companies in selecting HR recruitment through psychotic. However, it is an important note in this matter, even though LAZISMU is a non-profit organization where the organization's managers or administrators are sometimes based on volunteerism. Basically, it still requires HR criteria by looking at its capabilities based on the characteristics previously disclosed. Although, in general, the learning culture will vary from one type of business to another (Graham & Nafukho, 2007), however, the human resource capabilities needed to support the implementation of risk management in non-profit organizations are not found to be different from business organizations in general Haryono et al. (2018). It will provide its challenges for the existing administrators, maintain a sense of volunteerism, and the intention of worship while maintaining professionalism in carrying out existing social activities

Value

A person's value is based on satisfying, enjoyable work (Robins & Judge, 2014). Employee personal values will usually be reflected in employees' behavior and attitudes in the workplace, and these values are influenced by the cultural background of the employee's nation. Based on this understanding, from the research and analysis results, several personal values of individuals can support the implementation of risk management at LAZISMU, namely cooperative, responsible, democratic, solidarity, *humanity*, honest, orderly, and discipline.

Some of the personal values found are mostly by including religious law teachings in bringing out existing personal values. Based on the LAZISMU organizational field that is involved in the socio-religious field. Bringing up personal values by bringing the teachings of Islamic religious law to spread goodness to many people and conducting da'wah to participate in spreading the teachings of Islamic law in carrying out activities are existing social. It is in line with the definition of *personal value* by Woodcock, Mike, & Dave (1990), namely “*Beliefs about what is good or bad, important or not important.*” It means that personal value is an employee's attitude, behavior, and belief in something good or bad. Thus, some of the characteristics of values that emerge are values that uphold humanity, such as solidarity and *humanity*. Personal values are fundamental to support risk management implementation because personal values also affect employee performance (Gustomo et al. 1, 2015).

Characteristics	Category	Subcategory	Item
Values	Internal Environment	Cooperation	Wise
			Team cooperative Work Culture cooperative in teams
	Goal Setting	Cooperation	a common vision to improve performance, team cohesiveness
	Event Identification	Sincerity and responsibility	Sincere
			to be responsible not pushy, but still educational active
	Risk Assessment	Self-branding	friendly branding someone to create fun believe in subordinates
	Response to Risk	Cooperative and Communicative	communication well orderly in administration and discipline
	Supervision Activities	Wise	Wise guided by religion
Information and Communication	tolerance	do not impose an opinion	
Monitoring	Professional	honest, commitment Trying to be professional but sincere	

Table 3.
Results of Axial
Coding and
Selective
Characteristics
of Value

Attitudes

Whether favorable or unfavorable, attitudes are evaluative statements about objects, people, or events (Robins & Judge, 2014). Based on (Kotler, 2012) attitude is defined as a form of evaluation maintained by a person regarding the likes or dislikes, emotions, and propensity for action on several objects or ideas. Attitude is one of the essential aspects that can influence individuals' mindsets in making decisions in their daily lives. The categorization and analysis results found that several characteristics of attitudes that can support risk management implementation in LAZSIMU Malang are wise, integrity, cooperative, open, and selective.

The attitude characteristics of this study's analysis results are closely related to the LAZISMU organizational field's socio-religious activities. The forms of attitude raised are a characteristic that is important or needed by institutions such as LAZISMU. For example, although every organization wants employees who work for the company to have high integrity, it is slightly different in this context. The returns provided by the company

generally follows employee integrity in profit organizations (business). Meanwhile, in social institutions such as LAZISMU Malang, integrity will be seen from volunteerism offered to participate in carrying out organizational activities in achieving its goals.

Characteristics	Category	Subcategory	Item
Attitude	Internal Environment	Thoughtful and cooperative	Wise
			Team cooperative
	Goal Setting	Coordinative and strategy-oriented	Understand the work culture
			Able to coordinate together
	Event Identification	integrity	focuses on strategy
			placing the right HR
	Risk Assessment	Transparency in maintaining institutional credibility	Judging something based on evidence
			Increase trust
			Transparent
	Response to Risk	Responsible according to job desc	Being able to instill trust
Maintaining the Institution's Credibility			
Supervision Activities	Joint coordination and evaluation	Give authority to those who are responsible.	
		Establish good communication between leaders and subordinates	
Information and Communication	Able to provide and receive input well	Providing education to HR according to job desc	
		Coordinating with the goals and objectives of the institution	
Monitoring	Joint coordination and evaluation	Evaluating joint activities	
		able to accept joint decisions	
			Routine coordination
			Team evaluation

Table 4. Results of Coding of Axial and Selective Attitude Characteristics

In general, integrity is related to the morals and ethics that underlie public trust and is a benchmark for organizations to test their decisions (Yulianti & Wuryanti, 2015). An employee who has integrity can be honest, transparent, wise, and responsible in carrying out his duties. Moreover, LAZISMU, which manages public funds to be channeled back to people who are more in need is very important to build trust or brand themselves to the community.

Interest

Attitudes that make people happy about particular situation objects or ideas (Robins & Judge, 2014). Schiffman & Kanuk (2004) also defines interest as a motivational quality, which is a process of encouragement that causes behavior even though it does not give the exact direction of the behavior. However, interest in a product is not always consistent with behavior depending on other situations. Based on the definitions and indicators used to measure the characteristics of interest in the human resources of LAZSIMU Malang in implementing risk management, it was found that several types of characteristics were participatory, actualization, and proactive. Respondents showed these characteristics in responding to risk management problems at the time the interviews were conducted.

Characteristics	Category	Subcategory	Item
Interest	Internal Environment	Participative	Trying to find solutions together when a problem occurs
	Goal Setting	Have the same vision and mission as the institution	Have the same motivation as the institution Aligning vision with institutions provide excellent service
	Event Identification	actualization	responsibility in truth happy with the challenges at work
	Risk Assessment	Care about the existence of an organization	Trying to create institutional branding Increase the existence of the institution
	Response to Risk	Cooperative	Maintain trust Establish good communication with superiors Emotionally approach muzaqi
	Supervision Activities	proactive	joint evaluation of team performance joint evaluation related to activity objectives
	Information and Communication		confirm a problem
	Monitoring	responsible for the problem	evaluating the effectiveness of the program complete responsibility

Table 5.
Results of Axial
and Selective
Coding of
Interest
Characteristics

HR interest was shown by participatory, actualization, and proactive attitudes is a form of strong support to implement risk management in the LAZISMU Malang organization. It shows that all respondents have a high sense of concern for the organization and have the same vision in achieving organizational goals. The respondents showed interest and show

that HR's top management involvement, middle and lower management positions are significant to implement risk management in the organization. In line with Cahyadi (2015), the evaluation of risk management implementation is at the Ministry of Finance. The importance of employees' involvement from various levels in implementing risk management starts with its determination to evaluate.

Religiosity

Religiosity is the rule that governs the human condition and about something that is not seen, regarding behavior and social life (Glock & Stark, 1965) . Meanwhile, according to the Indonesian Dictionary, Religiosity is devotion to religion: piety: healthy people may not be too strong, but they are very aware. So, religiosity can be interpreted as a religious urge that works as an impetus for humans to work, such as eating, drinking, and so on, demanding to be fulfilled to get satisfaction and serenity.

Table 6. Results of Axial and Selective Coding of Interest Characteristics

Characteristics	Category	Subcategory	Item
Religiosity	Internal Environment		Running a job based on da'wah
	Goal Setting		Prioritizing mandate in duty
	Event Identification		Carry out duties by religious law
	Risk Assessment	Trustworthy, honest, committed, wise and trustworthy	Honest in carrying out duties
	Response to Risk		Commitment to work
	Supervision Activities		Able to be tolerant when faced with problems
	Information and Communication		Intend to be worship for every task that is carried out
	Monitoring		togetherness in achieving the vision, by spreading da'wah in branding

Table 5. Results of Axial and Selective Coding of Interest Characteristics

In line with these definitions, the religiosity of human resources in LAZISMU Malang is high. It is motivated by da'wah's mission, which is one of the goals of establishing the organization. Moving in the social sector is also one of the triggers for respondents to raise their religiosity in carrying out their duties. The keywords of religiosity raised by respondents in responding to risk management problems are mandated in carrying out duties, the desire to spread Islamic religious law (da'wah), and the personal need for worship through voluntary charity activities.

Alfisyah dan Anwar (2018) also researched employee religiosity on the performance of Muslim employees at PT Nusantara Perkebunan XI. The results of his research indicate that there is a significant effect on employee religiosity on employee performance. Since there are religious activities carried out between employees' working hours, they can encourage religious factors in employees' psychological atmosphere to support their performance. This research certainly also supports that employee religiosity is undoubtedly

very supportive in the application of risk management in the organization due to a sense of desire. Having an organization based on religious law is believed to impact its performance in implementing risk management.

Application of Risk Management LAZISMU Malang: Top Management VS Lower Management

In general, large companies have practiced risk management, which we often call *Enterprise Risk Management* (ERM). One form of risk management commonly carried out by companies is to treat risks through insurance (Nocco & Stulz, 2006). Moreover, the current development of risk management is not only limited to transferring risk through insurance. Currently, risk management has been directed separately by a senior executive commonly referred to as the *Chief Risk Officer* (CRO). The CRO even reports directly to the board of directors.

The primary purpose of ERM in large companies is to increase shareholder value. For example, by increasing capital efficiency by providing an objective basis for allocating firm resources. By implementing risk management, it is hoped that it can also show all stakeholders that the organization has practiced good risk management. Pagach & Warr (2011) examined companies adopting ERM's characteristics, finding that companies adopting ERM could obtain direct economic benefits, not just to comply with regulatory pressures.

The ERM concept is often known as the COSO ERM concept, which is generally intended for various organizations. Meanwhile, in the public sector, it is better known as Integrated Risk Management (IRM). The concept of risk management in Indonesia's public entities has been conceptually discussed in the Governance, Risk Management, and Internal Control Module (TKMRPI) published by Pudiklatwas BPKP in 2014. This module has discussed that the risk management framework (see Figure 2) traces the standard concept from Australia / New Zealand (AS / NZS) 4360: 2004. Various countries widely adopt it in developing risk management constructions, such as the Ministry of Finance of the Republic of Indonesia, which has been doing. The Ministry of the Finance Republic of Indonesia has issued Permenkeu No.191 of 2008 for risk management within the Ministry of Finance.

Indonesia already has a national risk management standard known as SNI: ISO 31000 - Principles and Guidelines for Risk Management issued by the Indonesian National Standardization Agency (BSN). This standard adopts ISO 31000: 2009, Risk Management _principles and Guidelines, issued by ISO (International Organization For Standardization) domiciled in Geneva, Switzerland. Indonesia disseminates SNI: ISO 31000 to various public sectors at the government level (central and regional), BUMN, and state institutions and community organizations, hoping that it can be applied effectively as has been applied to developed countries.

Risk management is one of the main objectives of companies operating internationally (Ghosal, 1987). However, not all managers in a particular country have the same perception of risk management (Miller, 2013). Managerial perceptions of risk management vary widely with individual and company characteristics (Yasai-Ardekani, 1986). The uncertainties or risks faced in each organization depend on their exposure to the organization's strategic and financial decisions (Robock, 1971; Simon, 1982). It is in line with what happened to LAZISMU Malang. In particular, the perception between *Top Management* and *Lower Management* turns out to have different points of view when dealing with risk issues that exist in the organization.

One of the salient things in interviews and data analysis is when faced with risk management indicators of risk response. The sample of respondents who are at different management levels also has different responses. When faced with an organizational risk problem, top management respondents prefer to give their subordinates full authority in solving problems. On the other hand, the *lower management* level responses do not dare to solve the risks faced even though these risks are part of their *job description*. The organization needs to be further addressed in equalizing the organization's vision and mission to establish performance indicators related to risk management so that problems do not occur and are appropriately managed.

Regardless of the differences, the results show that all parts of the organization's involvement are significant to implement risk management. It is indicated by the results of categorizing the data on the internal environment, setting organizational goals and information and communication, most of the respondents show the same response, namely teamwork, coordination and good communication which will significantly support the resolution of risk problems faced by the organization. Therefore (Cahyadi, 2015) stated in his research that the evaluation of risk management implementation in the Ministry of Finance was the importance of socialization to all parts of the company. The form of outreach that can be done is, for example, by providing risk management training and also setting performance indicators related to organizational risk management.

CONCLUSION

Based on the results of the analysis conducted, several things can be concluded in this study that the characteristics of employees needed to be able to implement risk-based management at LAZIMU Malang. They include abilities, values, attitudes, interests, and religious employees, which are important enough to be identified. It is shows that even though LAZIZMU is a non-profit organization, in implementing risk-based management, the employee characteristics needed to implement it requires the characteristics of employees who are also professional. Of course, this presents a challenge for non-profit organizations like LAZIZMU, considering that this organization is engaged in social and religious fields. Even so, the characteristics of employees who have high integrity and enthusiasm in spreading Islamic religious law (da'wah) still occupy a vital need as motivation in organizing. Also, communication and shared perceptions about managing risk from top management to lower management are significant obstacles in implementing risk-based management at LAZIZMU Malang so that effective communication and coordination are needed to implement risk management correctly.

This research takes the object of a non-profit organization engaged in the social and religious fields. In practice, it is still mostly based on a sense of volunteerism and driven by a desire to spread the strong Islamic religious law. Therefore, for further research, the object of non-profit organizations (LSM) engaged in other fields can be used to see other essential characteristics needed in implementing risk management.

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