

Chapter 9

The Role of Risk Management in Modern Business and Technology

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ABSTRACT

Risk management is an important aspect in contemporary business and technology whereby an organization is able to minimize risks on financial, operational, cyber-security and regulatory aspects. Current sophisticated risk management solutions are networking traditional solutions with information technology themes, AI, big data analytics, and automation. Risk assessment based on artificial intelligence assists in monitoring the risks and preventing them as they occur and supporting

DOI: 10.4018/979-8-3373-3246-8.ch009

decision-making processes. However, there are challenges including data privacy and protection, the abuse of algorithms and bias, and the adherence to regulatory measures that must be addressed to come up with ethical and clear measure of risk taking. This poll focuses on risk management strategies, Artificial Intelligence in risk management, cybersecurity, and newer threats in digital transformation. Continued research should be directed toward the characteristics of adaptive risk intelligence, sustainable risk governance, and advanced risk idealization for fortifying the business resilience.

1. INTRODUCTION

1.1 Background and Motivation

Risk management is an essential aspect of business and technology that helps organizations to evaluate, control and monitor potential risks that may affect them in the short and long run [Rodríguez et al 2022]. Globalization has brought with it several risks such as financial risks, cyber risks, regulatory risks, operational risks, supply chain risks, and reputational risks for businesses in the current and future operating environment [VenkateswaraRao et al 2023]. The effectiveness in managing such risks plays a critical role in defining business sustainably, competitiveness and ability in the long-term performance favorable. Earlier, risk management was mainly concerned with financial and operational risks but with the advanced technologies, globalization and complex legal structure have brought new dimensions to the concept of risk assessment. The traditional risk management of new age threats such as cyber threats, and the increasing automation by an artificial intelligence have made it compulsory for modern business organizations to develop complex risk management models that include advanced analytics, real time monitoring of advanced AI. Further, the use of cloud computing, blockchain, and IoT (Internet of Things) brings in new threats that require preventive measures to be taken [Boopathi, S et al 2024]. Risk management in the business context is not just about minimizing/eliminating risks associated with the company's assets but also about maximizing its gains and improving on its decisions. This means that if organizations champion for risk management culture then that put them in an advantage when it comes to uncertainties within their business environment as well as gaining the trust of their stakeholders and shareholders to deliver long term results. In the same way, in the technologies, which are characterized by a high rate of innovation and constant disruptions, managing risks enables technology organizations to balance between the risks and business innovation while meeting legal requirements. With such changes in risk profile, it is imperative that organizations no longer practice a

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