

# Critical Success Factor of Risk Management in Public Sector Organizations (Case Study at the Ministry of Health of the Republic of Indonesia)

Adhitya Andy Widyatmono<sup>1</sup>, Siti Jahroh<sup>2</sup>, Widodo Ramadyanto<sup>3</sup>

<sup>1,2,3</sup>Management and Business, School of Business, IPB University, Bogor, Indonesia

Corresponding Author: Adhitya Andy Widyatmono

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## ABSTRACT

Public sector organizations, especially the Ministry of Health of the Republic of Indonesia, face various risks that can affect the achievement of organizational goals and performance. The implementation of effective risk management is very important to anticipate and handle the risks in a systematic and integrated manner. The Minister of Health Regulation Number 25 of 2019 became the formal basis for the implementation of risk management within the Ministry of Health when this research was conducted. This study aims to identify the key success factors (Critical Success Factors (CSF)) in the implementation of risk management at the Ministry of Health and evaluate the effectiveness of risk management implementation in terms of organizational performance achievement. This research used a qualitative approach with Strauss & Corbin's Grounded Theory method to developed theories from field data and analyzed using the Miles & Huberman method. Data were collected through in-depth interviews, observation, and documentation, and analyzed iteratively using open coding, axial coding, and selective coding techniques. The research identified six critical success factors in the successful implementation of risk management in the Ministry of Health. The leader commitment and policies are CSFs with high influence on the

effectiveness of risk management implementation. Risk knowledge and risk culture have a moderate influence. The critical success factors with low influence are organizational structure and monitoring and evaluation.

The structured and sustainable implementation of risk management at the Ministry of Health can improve the organization's ability to anticipate and manage risks, thereby supporting the achievement of strategic goals and performance improvement. The Grounded Theory approach and Miles & Huberman qualitative analysis provide a comprehensive understanding of the dynamics and factors that influence the implementation of risk management in the public sector.

**Keywords:** Critical Success Factor, Grounded Theory, Public Sector Organizations, Risk Management

## INTRODUCTION

The dynamics of public sector organizations are constantly undergoing transformation in line with changes that occur both inside and outside the organizational environment. Each organization will face external and internal factors that affect the possibility of achieving the organization's goals (ISO 2018). Transformations in the internal environment, such as improving operational methods in the form of migration from

manual processes to automation, can generally manage by organizational management. External environmental changes, such as those related to the democratic climate and regulatory frameworks are beyond the organization's direct sphere of control (Subrata 2019). The changes and improvements in organizational capabilities can bring risks, as well as offer new opportunities for organizations. Emerging risks associated with potential failures and losses that could affect the organization's performance and objectives. That can adverse consequences for all parties involved. In this context, risk management needs to be carried out proactively through preventive measures while predicting risks that may arise in the future (Jahroh et al. 2022). A deep understanding of the risks that may arise is crucial to managing change and improving the capabilities of public sector organizations in a sustainable manner.

The demand to make changes and improve organizational capabilities is become a source of risk and opportunities simultaneously. The risks are related to potential failures and losses that may be experienced by the organization. Low-level risks may not become a serious threat to the organization, but large-scale risks can have a significant impact on the achievement of organizational goals and missions. Failure to achieve goals and missions, especially in the context of public organizations, can trigger distrust from the public towards the services provided. In the worst-case scenario, a lack of trust can result in a loss of public support, even causing the organization to regress or even dissolve. Therefore, effective risk management is key to manage the challenges and opportunities that arise as the change of the organizations and improve their capabilities (Abdurrahman et al. 2019). Risk management is a systematic process to identify, assess, and mitigate threats or uncertainties that can affect an organization (Gibson 2023). The purpose of risk management is to contribute to the

achievement of organizational goals (Florio dan Leoni 2017; Kikwasi 2018).

The implementation of risk management at the Ministry of Health began with the issuance of Minister of Health Regulation Number 25 of 2019 that concern about the Implementation of Integrated Risk Management within the Ministry of Health. The purpose of implementing risk management is to anticipate and handle all forms of risk effectively and efficiently; improve the regulation compliance; provide decision making and planning basis; and improve the achievement of goals and performances (Kemenkes RI 2019a).

Critical Success Factors (CSF) are defined as a number of variables, characteristics or conditions that have a direct impact on the effectivity, efficiency and sustainability of an organization, program or project. CSF identification is fundamental for all organizations (Hosseini et al. 2016). This is because CSFs serve as focal points through which organizations can determine where resources should be optimized (Bullen dan Rockart 1981). (Kikwasi 2018) states that CSFs are key factors that facilitate the achievement of organizational objectives, including those related to risk management. There are no researches that has been conducted on the implementation and critical success factors of risk management at the Ministry of Health until now. The Ministry of Health has the role of organizing government affairs in the health sector and in the health development in order to realize the highest degree of public health (Pemerintah RI 2021; Kemenkes RI 2022). Therefore, it is expected that the implementation of good risk management and the identification of critical factors/Critical Success Factors (CSF) will support the realization of the health development goals. This study evaluates the effectiveness of risk management implementation at the Ministry of Health of the Republic of Indonesia in terms of organizational performance achievement and identifies Critical Success Factors that influence the successful development of risk

management implementation. This study aims to fill the empirical void on the effectiveness of CSF in influencing the performance achievements of the Indonesian Ministry of Health.

## **LITERATURE REVIEW**

### **Risk**

The ISO Guide document states that risk is the effect of uncertainty on objectives (ISO 2009). Unlike in for-profit organizations, where risk is primarily associated with uncertainties in financial gains, in the context of non-profit or governmental organizations, risk pertains to uncertainties in achieving organizational objectives (Atkinson dan Webb 2005). Furthermore, Bhatta (2008) states that the common risks faced by governments are include everything that endangers the fulfilment of the mandate and any factors that could influence their reputation. In the context of the Government of Indonesia, article 3 paragraph (1) letter b of Government Regulation Number 60 of 2008 concerning the Government Internal Control System (SPIP) stipulates that risk assessment is an activity to evaluate the likelihood of events that may threaten the achievement of governmental objectives and targets (Pemerintah RI 2008).

### **Risk Management**

Risk management is an integral part of governance and leadership, and it constitutes a fundamental element in organizational management (ISO 2018). Risk management is defined as a set of coordinated activities and methods used to direct and control an organization with regard to the risks that may affect the achievement of its objectives (ISO 2009). A risk management policy is a statement of an organization's objectives related to risk management. Ginting et al. (2023) provide a comprehensive definition, that describe risk management as an approach or methodology for managing threats posed by human activities and designing strategies to mitigate such risks by empowering or managing resources. The Committee of

Sponsoring Organizations of the Treadway Commission (COSO) defines Enterprise Risk Management (ERM) as a process carried out by an entity's board of directors, management, and other personnel, applied in a strategic and enterprise-wide context, designed to identify potential events that may affect the entity and manage risks within its risk appetite, in order to provide reasonable assurance regarding the achievement of the entity's objectives (COSO 2004). Thus, risk management can be concluded as a process to eliminate, reduce, and control risks to achieve organizational goals.

### **Critical Success Factors (CSF)**

Critical Success Factors (CSFs) are defined as areas in which satisfactory results will ensure successful competitive performance for the organization (Rockart 1979). Furthermore Bullen dan Rockart (1981), states that CSFs are the areas that should be given focused attention where resources must be optimized. Therefore, CSFs are areas of activity that must be closely monitored and managed to ensure that a program functions as expected (Dadashzadeh 2011). CSFs are define as variables, characteristics, or conditions that directly impact the effectiveness, efficiency, and sustainability of an organization, program, or project. The CSF concept can be applied to organizations or enterprises across various sectors (Rockart 1979). Several studies have identified CSFs that influence the success of risk management. Various literatures reveal CSFs that influence the successful implementation of risk management. These factors are knowledge of risk management (Fernández-Muñiz et al. 2014; Hosseini et al. 2016; Kikwasi 2018; Alijoyo dan Munawar 2021; Jauhari et al. 2021; Wiguna dan Siswantoro 2023); Organizational structure and governance (Banham 2004; Kikwasi 2018; Gani et al. 2020; Alijoyo dan Munawar 2021; Jauhari et al. 2021); Management Commitment and leadership (Borgelt dan Falk 2007; Qing-gui et al. 2012; Fernández-

Muñiz et al. 2014; Ashby et al. 2018; Alijoyo dan Munawar 2021; Jauhari et al. 2021; Lisdiono et al. 2022); Culture (Fernández-Muñiz et al. 2014; Kikwasi 2018; Wardhaningrum dan Kartika 2020; Jauhari et al. 2021); monitoring and evaluation (Fernández-Muñiz et al. 2014; Kikwasi 2018; Jauhari et al. 2021); documentation and report (Fernández-Muñiz et al. 2014; Jauhari et al. 2021); and external environment (Wardhaningrum dan Kartika 2020). In the Regulation of the Minister of Health Number 25 of 2019, CSFs are implicitly described as factors determining the success of risk management implementation, namely leader (top management) commitment, organizational structure, culture, and governance in the form of policies outlining the roles and responsibilities of relevant parties, training, and continuous monitoring (Kemenkes RI 2019a).

**MATERIALS & METHODS**

The object of this research is risk management in public sector organizations of the Ministry of Health of the Republic of Indonesia. The research was conducted from July to August 2024. The selection of the research location was carried out purposively in the public sector organization of the Ministry of Health of the Republic of Indonesia, based on the period of publication of the Minister of Health Regulation Number 25 of 2019 concerning the Implementation of Integrated Risk Management within the Ministry of Health and it has been going on for 5 (five) years. So, it is necessary to evaluate the implementation of risk management within

the Ministry of Health of the Republic of Indonesia.

This research aims to explore the critical success factors in the implementation of risk management within public sector organizations, specifically at the Ministry of Health of the Republic of Indonesia, as well as to evaluate the effectiveness of risk management implementation in relation to organizational performance. In line with the research problem, a qualitative research method using a case study approach is employed. The qualitative case study approach enables the researcher to investigate and gain an in-depth understanding of complex phenomena, particularly by capturing the perspectives of individuals within the organization (Flick 2019).

The data used in this research consists of both primary and secondary data. Primary data were obtained through observations and structured interviews with respondents, while secondary data were collected from laws, regulations, and relevant policy documents. Additionally, secondary data include reports and evaluation results, which are presented descriptively as supporting data for the research. Data collection was conducted through direct observation, semi-structured interviews, and document review. The selection of respondents employed purposive sampling, whereby respondents were chosen based on their ability to provide the necessary information. A total of eleven (11) respondents were selected, based on the consideration that these individuals hold positions or possess expertise and competence in the area under study.

**Table 1 Respondents Data**

No	Position	Total of Respondent
<b>Internal</b>		
1.	Lead Auditor	2
2.	Senior Auditor	5
3.	Task Force SPIP-MRI Team Leader of Ministry of Health	1
4.	Risk Management Team Leader - Ministry of Health	1
<b>External</b>		
1.	Internal Compliance Directorate – Ministry of Public Works	1
2.	Auditor – Financial and Development Supervisory Board (FDSB)	1

The data analysis technique in this research was conducted through qualitative analysis. The qualitative approach was used to understand the dynamics of risk management implementation based on the narratives and perspectives of the respondents. The qualitative analysis followed the Miles and Huberman method (Miles dan Huberman 1994) and Strauss & Corbin's Grounded Theory approach (Corbin dan Straus 2008) which involves three main stages of open coding, axial coding, and selective coding. A combination of source triangulation and member checking was applied to strengthen the validity of research findings and enhance the credibility of the analysis in identifying the Critical Success Factors (CSFs) in the implementation of risk management in the public sector.

## **RESULT**

### **Critical Success Factors (CSF) in Risk Management Implementation at the Ministry of Health**

Critical Success Factors (CSF) are variables or conditions that have a direct impact on the effectiveness, efficiency, and sustainability of an organization, program, or project. CSFs become the primary focus in resource allocation to ensure the optimal achievement of organizational goals. In the context of risk management, CSFs refer to areas of activity that must be continuously monitored to ensure that risk management implementation proceeds as expected (Dadashzadeh, 2011). Bullen and Rockart (1981) emphasized that CSFs are focal points for organizations in determining resource management priorities. The research findings presented in Table 1 identify six critical success factors in the implementation of risk management at the Ministry of Health, each with varying degrees of influence.

**Table 1 The Result of CSFs Identification in Risk Management Implementation**

No	Critical Success Factor (CSF)	Implementation Activity Findings	Influence
1	Leader (Top Management) Commitment	<ul style="list-style-type: none"> <li>The Minister of Health is concerned about risk management governance as well as the main risk owner.</li> <li>Awareness of Echelon I as the program risk owners in each work unit.</li> <li>Integrity Pact and Risk Management Charter</li> <li>Provide formal and informal direction related to risk management</li> </ul>	High
2	Policies	<ul style="list-style-type: none"> <li>Issuance of Minister of Health Regulation No. 25 of 2019 on Risk Management of the Ministry of Health</li> <li>Guidelines for implementing integrated risk management at the Ministry of Health</li> </ul>	High
3	Knowledge	<ul style="list-style-type: none"> <li>Implementation of risk management training for midlevel leaders (Echelon II).</li> <li>Socialization to all elements of the Ministry of Health head office through webinars</li> </ul>	Moderate
4	Risk Culture	<ul style="list-style-type: none"> <li>Campaign/dissemination of risk-related information through pamphlets, banners, newsletters, or social media</li> </ul>	Moderate
5	Organization Structure	<ul style="list-style-type: none"> <li>Establishment of a risk management structure</li> <li>Strengthening the role of the Internal Supervisory Unit (ISU) and Internal Compliance Unit (ICU)</li> </ul>	Low
6	Monitoring and Evaluation	<ul style="list-style-type: none"> <li>Work unit risk management report per year</li> <li>Assistance and evaluation from the Inspectorate General in the preparation of risk registers.</li> </ul>	Low

**Table 2 Critical Success Factor (CSF) Influence Criteria**

<b>Influence Criteria</b>
<b>High:</b>
<ul style="list-style-type: none"> <li>• Explicitly and predominantly mentioned by many respondents</li> <li>• Proven to influence widespread implementation</li> <li>• Reinforced by national regulations/policies (e.g. Minister of Health Regulation Number 25 of 2019)</li> <li>• If absent, risk management implementation fails</li> </ul>
<b>Moderate:</b>
<ul style="list-style-type: none"> <li>• Mentioned by some respondents</li> <li>• The influence is real but not comprehensive yet in all units of work</li> <li>• Indirectly linked to successful implementation</li> <li>• If not present, can be supported by other factors</li> </ul>
<b>Low:</b>
<ul style="list-style-type: none"> <li>• Rarely mentioned by respondents or mentioned reactively.</li> <li>• Indirect impact on MRI achievement</li> <li>• Only a small number of work units are significantly affected</li> <li>• Can be replaced by other mechanisms or is administrative in nature</li> </ul>

The most influential Critical Success Factor in the implementation of risk management at the Ministry of Health based on the results of this study is the policy and commitment of the leader (top management). Without strong support and commitment from the leader, the implementation of risk management in an organization may face obstacles or even fail. Leader (top management) commitment enables the creation of a conducive environment for a clear and structured risk management system and promotes its implementation across all organizational levels. This is in line with research at the Ministry of Finance, that leader (top management) commitment is the most important thing in risk management culture. In the study, the results of interviews showed that Management Commitment and Leadership are the most important critical success factors (Jauhari *et al.* 2021). A study on risk management in State-Owned Enterprises (SOEs) by Lisdiono *et al.* (2022) found that leadership capability had a significant effect on risk management practices. Leader (top management) commitment is considered fundamental to establishing the risk management culture, without the commitment of the leader, the system cannot work effectively. In addition, if it is related to risk management maturity, the aspect of leader (top management) commitment shows a strong relationship with the maturity level of the organization

(Alijoyo dan Munawar 2021). The form of commitment is mentioned, among others, the stated vision of risk management as outlined in the work plan. From the results of this study, risk management maturity has increased, this can be related to the high commitment of leaders in the Ministry of Health.

### **Effectiveness of Risk Management Implementation on Ministry of Health Performance Achievement**

After the stipulation of the Minister of Health Regulation Number 25 of 2019, the obligation to implement risk management has been enforced in all work units of the Ministry of Health. The implementation varies, but in general, the results of the Ministry of Health's risk management implementation are at a good level of maturity. During the implementation period the Ministry of Health's also experienced improvements in its performance outcomes. The Ministry of Health Performance Report represents accountability for achieving its vision and mission, as articulated in strategic goals and objectives. The strategic goals and objectives refer to the 2020-2024 Medium-Term National Development Plan (RPJMN) and the Ministry of Health's Strategic Plan 2020-2024. The Ministry of Health's performance achievements consist of 35 Key Performance Indicators across 17 Strategic Objectives.

Since the enactment of Minister of Health Regulation Number 25 of 2019, there has been an increase in the proportion of indicator target achievement. This is in line with one of the objectives of its implementation, namely increasing goal

achievement and improving performance. Table 3 shows that in 2020 there were 21 indicators achieved on track, and increased to 26 indicators in 2023. Additionally, the number of underperforming indicators declined from 1 in 2020 to 0 in 2023.

**Tabel 3 Target and achievement of Ministry of Health Performance Indicator**

Performance Indicators	2020		2021		2022		2023	
	31 Indicators		33 Indicators		35 Indicators		35 Indicators	
Strategic Goal Performance Indicators whose achievements reached targets $\geq 95\%$ (category that has been achieved on track/on trend)	21	68%	23	70%	30	86%	26	74%
Strategic Goal Performance Indicators that reached targets $< 95\%$ and $\geq 75\%$ (category that needs hard work)	5	16%	5	15%	2	6%	6	17%
Strategic Goal Performance Indicators that reached targets $< 75\%$ (category that difficult to achieve)	4	13%	4	12%	3	9%	3	9%
Indicators that do not yet have performance achievements	1	3%	1	3%	0	0%	0	0%

The indicator achievement data above show the connection between the results of the risk management maturity assessment which also shows an increase in 2023. The results of this analysis are in line with the research of Jauhari *et al.* (2021) which states that the

implementation of risk management will improve the organization performance. Table 4 explains the relative connection between critical success factors and the effectiveness of risk management implementation at the Ministry of Health.

**Table 4 CSF Analysis - Effectiveness of Risk Management Implementation**

No	Critical Success Factor (CSF)	Influence Criteria	Affected Effectiveness	Details/Findings
1	Leader (Top Management) Commitment	High	<ul style="list-style-type: none"> <li>The seriousness of implementation;</li> <li>Policy direction;</li> <li>Effect on all work units</li> </ul>	Leaders become the main risk owners and role models, strongly supporting the risk implementation and awareness. <i>Leader (top management) commitment is the most important thing in risk management culture; the system will not work without the commitment of the leader (Lisdiono et al. 2022).</i>
2	Policies	High	<ul style="list-style-type: none"> <li>Regulatory compliance;</li> <li>Strengthening legitimacy</li> </ul>	Minister of Health Regulation Number 25 of 2019 serves as a strong foundation, but its implementation remains incomplete. <i>Written policies must be in place for risk management practices to be implemented in the government sector. The policy must be followed by further guidance as a reference for the improvement of risk management implementation (Shukri Abdul Gani et al. 2020)</i>
3	Knowledge	Moderate	<ul style="list-style-type: none"> <li>Quality of risk register drafting;</li> <li>Understanding the concept of risk</li> </ul>	The understanding of some staff members is still fragmented, although training and technical assistance have been provided by Inspectorate General of the Ministry of Health. <i>Knowledge of risk management is a very significant factor, because s a good</i>

				<i>understanding can help the organization to identify, analyze, evaluate, and respond the risks (Jauhari et al., 2021).</i>
4	Risk Culture	Moderate	<ul style="list-style-type: none"> <li>• Risk Awareness;</li> <li>• Transparency in Risk Reporting</li> </ul>	<p>Culture has not been established; it is still considered as a workload and becomes reluctant to report.</p> <p><i>Culture is an ongoing habit within the organization, and open communication is essential for good risk management Kikwasi (2018)</i></p>
5	Organization Structure	Low	<ul style="list-style-type: none"> <li>• Coordination between units;</li> <li>• The role of ISU/ICU;</li> <li>• Effectiveness of implementation</li> </ul>	<p>The structure has not been optimally established; there is no special unit; implementers who are also as evaluators.</p> <p><i>The clarity of organizational structure facilitates an effective risk management implementation, includes the establishment of clear roles and responsibilities within each work unit Alijoyo dan Munawar (2021)</i></p>
6	Monitoring and Evaluation	Low	<ul style="list-style-type: none"> <li>• Follow-up on risks;</li> <li>• Risk management maturity</li> </ul>	<p>Monitoring has not been effective; still document-based; minimal evaluation.</p> <p><i>To be effective, the risk management process must be carried out on an ongoing basis. This is realized through the implementation of risk management monitoring and evaluation on a regular basis (Jauhari et al. 2021).</i></p>

To be affective, the risk management process must be carried out on an ongoing basis. This is implemented through regular risk management monitoring and evaluation (Jauhari *et al.* 2021).

## DISCUSSION

### Leader (Top Management) Commitment

The commitment of leader factor is the main CSF that raised from the interview results. The highest leader (top management), in this case the Minister of Health, strongly supports the implementation of risk management. The other leader on top management in the Ministry of Health also have a high commitment to the implementation of the similar risk management. The role of leader in encouraging the involved team to further explore the substance of risk management contributes to the optimization of its implementation. Leadership support is a key factor influencing the execution of risk management. Borgelt dan Falk (2007) shows that innovation in an institution can occur if the leader allows the team to take risks that have been planned, executed and managed by qualified staff. The leaders of

an organization have an important role in helping their organization to identify the opportunities that can optimize sustainable organizational performance, monitor and mitigate the threats (Ashby *et al.* 2018). It is also stated that leaders can also provide a guidance in identifying the risks that faced by each organization, directing mitigation efforts and turning the risks into opportunities that can support to improve organizational performance (Ashby *et al.* 2018). It is also mentioned that effective leadership will trigger a proactive risk management (Fernández-Muñiz *et al.* 2014). Therefore, good leadership can inspire organizations to respond to uncertainty in a proactive and structured manner, facilitating recovery to a stable or improved position (Qing-gui *et al.* 2012).

### Policies

The availability of supportive policies is one of the key CSFs in implementing risk management. A number of policies support the implementation of risk management. These policies are policies that regulate or policies that encourage the implementation of risk management. In the regulation of the

organization and work procedure of the Ministry of Health, it is stated that the implementation of risk management is one of the Secretariat of the Directorate General functions on each main unit in the Ministry of Health. In addition, Article 274 states that all elements within the Ministry of Health have to implement a government internal control system in their respective environments in accordance with the provisions of laws and regulations. Article 5 paragraph (1) of the Minister of Health Regulation Number 25 of 2019 states that every leader and employee within the Ministry of Health have to implement Risk Management in every implementation of activities to achieve goals. Paragraph (2) states that risk management implementation is a mandatory requirement for budget submissions and performance evaluation. By establishing this requirement, it is expected to encourage the adoption of risk management practices throughout all organizational units.

### **Knowledge**

Knowledge is become the third factor to analyzed in this study. As stated in the Minister of Health Regulation No. 25/2019, training on Risk Management for the purpose of risk awareness for all officials and/or employees is a factor that determines the success of risk management implementation. The urgency of knowledge as an important factor was stated in the interview results. Efforts to increase knowledge have been carried out, among others, starting in the form of socialization. It is expected that this large-scale enhancement of competencies will further support the optimal implementation of risk management at the Ministry of Health.

Research by Fernández-Muñiz *et al.* (2014) shows that employee training and competency development is a leveraging dimension of proactive risk management. Knowledge of risk management is a highly significant factor, as a strong understanding of risk management can assist an organization in identify, analyze, evaluate

and respond to existing risks more effectively, thereby supporting the achievement of its objectives and to anticipate the risks. In a study in the construction sector in Iran, it was stated that the inclusion of risk management substance in technical training, as well as understanding in the risk management process in general is a critical factor that affects the implementation of risk management (Hosseini *et al.* 2016). Limited understanding of risk management guidelines and policies, as well as the absence of training for new managers/employees will result in low implementation of risk management (Kikwasi 2018).

### **Risk Culture**

The culture factor described as the awareness of every official and/or employee within the Ministry of Risk Management principles to create the right culture and understand the benefits that can be obtained from effective Risk Management. Leaders serve as key figures, as they can act as role models in policy implementation, including in fostering a risk management culture. However, risk management is still not cultured in the Ministry of Health. There is still a stigma that risk management only creates additional workload. The risk management culture in the Ministry of Health has not been optimally established. Therefore, the implementation of risk management is still seen as a compliance-driven effort to meet targets, rather than a strategic organizational practice.

According to Kikwasi (2018) risk culture is a habit that continues to be done repeatedly in the organization so as to produce an idea, knowledge, or solution to a problem. One important culture is communication and information transfer as expressed by (Fernández-Muñiz *et al.* 2014). Open communication is important for a good risk management. A good flow of information will be beneficial for cooperation.

### **The Organization Structure**

As stated in the Minister of Health Regulation, the Risk Management structure consists of a Risk Management organizing team, Echelon I unit Risk Management committee, Risk Owner Unit and inspectorate general. The establishment of the structure is still become an obstacle where the organizing team has not been formed and the echelon I unit Risk Management Committee has only been effectively formed in one main unit; the other main unit will only be formed in 2023. In each unit, there is a risk owner unit that consists of work unit head, coordinator, administrator and members. This unit will develop and establish the risk profile and its corresponding mitigation plan. In its implementation, the team at the work unit level will consist of individuals from each risk-owning team. These individuals will be assigned additional duties for risk management implementation and will be active at certain times. However, these additional duties are not included in the employee performance targets.

Furthermore, the Internal Compliance Unit (ICU) functions as a designated organizational component tasked with supporting management in overseeing governance, risk management, and internal control processes. ICU has the responsibility to ensure the implementation of risk management in the work unit, including monitoring and evaluation (Kemenkes RI 2019b). However, it is still necessary to actively strengthen the role of ISU and ICU from each work unit and main unit. The appointment of a team related to risk management that also doubles as an implementer has the potential to cause problems. The results of learning (benchmark) to other Ministries, namely the Ministry of Public Works and Public Housing, indicate the need for a special entity or separate unit for implementing risk management, as well as integrated SPIP. This is to ensure that SPIP implementation becomes the main task of the unit, not as an additional task.

Organizational structure is one of the leverage factors in implementing risk management. Research by Alijoyo dan Munawar (2021) states that clear organizational structure and governance framework are strongly correlated with the maturity level of risk management. The study reveals that organizations with higher maturity levels typically possess well-established governance structures, while those without formalized structures tend to exhibit lower levels of maturity. This is in line with Banham (2004) that it is very important to have people responsible for managing and overseeing risk. According to (Jauhari *et al.* (2021) the establishment of a specialized unit within the organizational structure is essential for addressing risk management effectively. This is important because risk management requires an individual or team that able to focus on carrying out tasks related to risk management without any other responsibilities.

### **Monitoring and Evaluation**

Continuous monitoring of risk control activities was the last factor to analyze. A number of efforts have been made to ensure that risk management is implemented according to established guidelines. One of the obstacles that occurs is that the implementation assessment is still carried out based on the availability of documents. Meanwhile, the implementation of these documents is still not evaluated. The current monitoring practices remain suboptimal and do not fully align with the standards set forth in the guidelines. Monitoring is carried out through two approaches, namely ongoing monitoring by work implementers and separate monitoring by Government Internal Supervisory Apparatus (APIP). The role of APIP in conducting new reviews began in 2023.

Documentation and reporting is one of the supporting factors of risk management implementation. Reporting on performance either in the short term or long term to assess whether risk management has been

running properly (Jauhari et al. 2021). Fernández-Muñiz et al. (2014) preventive planning aims to develop an organized method for implementing policies and actions designed to avoid unexpected events. Effective planning in the prevention aspect is carried out through the identification, elimination and control of hazards and risks.

## CONCLUSION

Through CSF analysis, six key factors for successful risk management implementation were obtained, there are leader (top management) commitment, binding policies, supportive organizational structure, increased employee knowledge, risk acculturation, and continuous monitoring and evaluation. By using the CSF matrix, showed that leader (top management) commitment occupies the most strategic and dominant position in influencing successful implementation. This commitment drives the the development of strong policies and the establishment of a supportive organizational structure, and increase employee capacity in understanding and carry out risk management. Structures such as ISU/ICU have been established, but still face effectiveness challenges due to the absence of a dedicated unit. Employees knowledge has increased through socialization and mentoring, but has not been fully distributed across all work units. A risk-aware culture has begun to emerge, however, there is still a prevailing perception that risk management is an additional burden rather than an integral part of routine activities. Monitoring is carried out through Annual Supervisory Work Program (PKPT) and SPIP-T reports, but the implementation still not systematic and sustainable in all sectors.

The results of the analysis about the effectiveness of risk management implementation on performance achievement showed an increase in the proportion of performance indicator targets achievement. For example, indicators that achieved targets above 95% increased from

68% in 2020 to 74% in 2023, and even reached 86% in 2022.

### **Declaration by Authors**

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