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## **Part I: Fundamentals**



# 1 The dynamics of global risks: Socio-political risks in strategic management and policy decisions

## 1.1 Introduction

The development of the risk landscape has shifted significantly in recent years. The magnitude and consequence of more varied risks than ever previously experienced create new hazards, and exacerbate existing ones. Global risks such as climate change, environmental pollution, globalised economies that are increasing the polarization of wealth and income, public health hazards disrupting socio-economic and political stability, and cyber-terrorism are just some examples of the sources of uncertainty in deterministic dynamics of shocks in risk. The aforementioned risks that arise from political (governmental and other) behavior and events, and adverse social conditions associated with poor health, such as food insecurity and housing instability are rooted into the challenges of the 21<sup>st</sup> century, and they create social, political and economic shocks that shape a particular environment and how these affect organizations, nations, and the lives of its inhabitants. This chapter addresses the research question: *“How can world leaders integrate the social and political risks into strategic management and policy decisions?”*

Due to the uncertainty of these events in the near and long-term future, a proactive approach is necessary to minimize detrimental impacts affecting the socio-political spectrum. Recognizing all of these factors, and the risk to the public and private sector as well as the stability of society's balance, a risk management strategy for effecting change, and measurement of social and political risks for improving organizational performance serves to identify potential opportunities, and then manage and take action to prevent adverse effects. The risk strategic approach also emphasizes the probability of events and their consequences, which are measurable both qualitatively and quantitatively (Jones and Preston, 2010; Marolla, C., 2018). A risk management framework addresses the full spectrum of challenges in areas such as planning, strategy, operations, finance, and governance. It also recognizes the specific needs of the entity's different departments and functions as well as the potential impacts of parallel threats and events. The systematic analysis and management of risks through a well-planned strategic approach to integrating recovery measures, preventing and mitigating risks, and identifying vulnerabilities are a priority to lessen and/or deter socio-political issues in order to build global resilience and reduce risk.

## 1.2 Defining the acceptable level of risk

In the context of socio-political risks and decision-making the process of identifying the level of risk, expressed in terms of the likelihood of an event and its consequence is part of the strategic management framework (Marolla, 2016). A description of the likelihoods and consequences to define the level of risk is fundamental to developing a risk management strategy to minimize and deter stressors or shocks that compromise the stability of the strategy (Rollason et al., 2011; Marolla, 2016)., ISO 31000 classifies risk evaluation as a framework to compare the results of the risk analysis with risk criteria and to determine if the level of risk is acceptable, allowable, or intolerable. The priority is given to intolerable risks. It is impossible to treat every risk, and there is a possibility that high implementation costs might offset the benefits or risk reduction achieved. The methods of reducing risks are evaluated and the actions to investigate new management measures are put in place. The integration of the likelihood and consequence in the previous step presents the “unmitigated risk”: risks that are not diminished or moderated in intensity or severity. After implementing existing management measures in the assessment, identifying risk priorities that need immediate attention take place (Rollason et al., 2011). The appreciation of the sociopolitical context embedded in risk resilience practice in conflict and post-conflict settings become crucial to develop and implement an efficient decision-making process to mitigate global risks considering all factors of impacts and potential risks, in addition to adaptive resilience and mitigation strategies that are not mere recommendations in reports but instead direct tangible actions toward the problem, which is vital for the success of any risk assessments framework.

The assessment of the potential socio-political risks entails the developing of an evaluation of potential future effects of stressors – in this context, stressors are any impact or event that affect the present situation and requires adjustment or coping strategies on the part of the affected individual or organization (APA, 2021).

- The framework for the assessment has to highlight issues presented by socio-political factors affecting decisions and exacerbating existing risks. The challenges and limitations faced by developing a comprehensive evaluation include the following issues (Confalonieri et al., 2007): Limited region-specific projections of changes in exposure of importance to hazards
- The consideration of multiple, interacting, and multi-causal outcomes
- The difficulty of attributing socio-political outcomes to political instability, legal and regulatory constraints, local product safety and environmental laws, tax regulations, local labor laws, trade policies, and currency regulations, in addition to economic disruptions, environmental issues and climate change.
- The difficulty of generalizing socio-political outcomes from one setting to another, when many risks have important local dynamics that cannot easily be

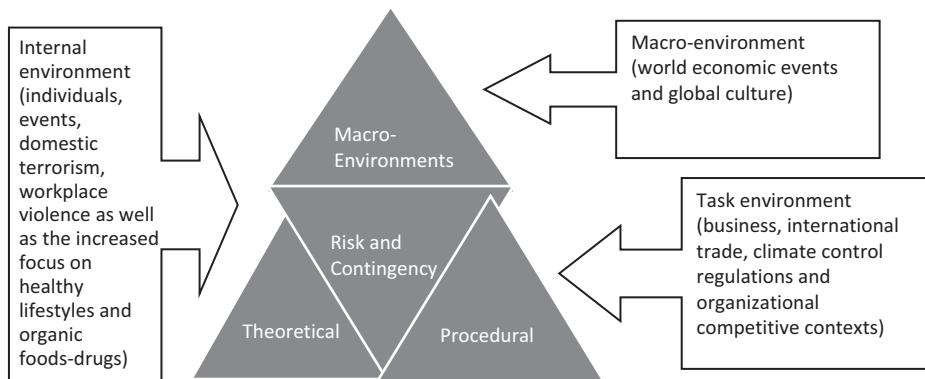
represented in simple relationships; limited inclusion of different developmental scenarios in risk projections

- The difficulty in identifying risk-related thresholds for social equity and political stability.
- Limited understanding of the extent, rate, limiting forces, and major drivers of severe events including socio-political factors affecting decision-making (Marolla, 2018; Confalonieri, et al., 2007).

## 1.3 Socio-political contingency management

Risk management strategies present a semi-structure framework for action that allows simple and complex structures to operate without constraining. International standards are ideal to address risk because they require no reservations regarding the reuse of the standard and provide multiple implementations according to specific conditions, likelihoods, consequences, and level of risks. Henceforth, assessing socio-political impacts with a risk management strategy presents multiple scenarios; planning for different outcomes and provides the basis to foresee alternative views of the future impacts addressing different patterns of the key variations of such risks (Marolla, 2016). The dynamics of global risks that affect society functioning and balance are diverse and requires a comprehensive macro and micro-strategic approach considering the local forces effects (supply chain disruptions, political instability, etc.), and the emerging global risks such as cyber-attacks, climate change and pandemics, to identify uncertainty (or undesirable certainty, unreliability) as a potential event that could occur. The process of observing and gathering quantitative and qualitative data such as indicators of status, estimates of probability, or frequencies of past occurrence and expert opinions is an integral part of the contingency management plan for socio-political risks (Strang, 2018). Developing a plan and sticking to it is not viable because the impact of climate events, and the complexity of our physical and social systems, requires a comprehensive strategic thinking and planning. Leaders of megacities need to integrate synergies into existing institutional mechanisms, creating incentives for sustaining innovation. A strategic planning involves priority cross-cutting initiatives into rapid adaptive and flexible actions. Leaders must learn quickly about what actually works and what needs to be done to improve risk processes and practices (Marolla, 2016). The strategic frameworks can assist policy-makers to prevent the far-reaching effects of global risks, as we have the resources, determination, and leadership to address the severity of the imperilment. The success of deterring the aforementioned risks and its impact on the well-being of the population depend on how rapidly and efficiently global adaptation and mitigation strategies are implemented. World leaders need to find a common ground of understanding this critical issue,

as our survival depends upon the immediate actions of all parties involved. The fundamental approach to the adverse risks posed by local and global risks to the world's welfare is management, which requires a comprehensive and all-inclusive sustainable management and strategic planning approach. The analysis, projections, processes for improvement, and objectives for leadership change will enable the organizations' leaders to take bold and innovative approach to the uncertainties they face. These actions should prioritize protecting the ecosystem and natural resources, and promoting social and economic opportunities. This integral relationship provides the tools to critical planning closely related to a sustainable organization development focus on value creation. The following framework provides a forward-thinking approach, confronts and tackles those issues, and sits at the core of setting up a concrete method and direction to achieve specific goals.



**Figure 1.1:** Socio-political risk-contingency models (Adapted from Strang, 2018).

Three levels of analysis are shown on the outside, namely: macro-environment (world economic events and global culture), task environment (business, international trade, climate control regulations and organizational competitive contexts), and internal environment (individuals, events, domestic terrorism, workplace violence as well as the increased focus on healthy lifestyles and organic foods-drugs) (Strang, 2018). As the complexity of the global economic environment, social tension and environmental issues exacerbate the existing risks and create new ones, the elements of the strategic planning highlight risk, contingency, uncertainty, probability, and crises with culture and socio-political ideology considerations and effective political risk analysis to identify the implications of social, political conditions for each particular event.

Functional socio-political changes occur in all functions of all the structural components of society (Gafiatulina, et al., 2018). Socio-political changes are a complex multi-level process of socio-political and socio-cultural dynamics covering all spheres of society and present an environment of social and political stability.

Consequently, the private and public sector facing uncertainties must recognize the importance of:

- a) Integrating a broader set of risks into management decisions, and
- b) Developing expertise in measuring the impact of social and political issues performance (Bekedi & Epstein, 2006).

Making effective decisions to limit exposure to risks and its effects can be informed by a wide range of analytical approaches for evaluating expected risks and benefits, recognizing the importance of governance, ethical dimensions, equity, value judgments, economic assessments, and diverse perceptions and responses to risk and uncertainty.

## **1.4 Addressing the full spectrum of the socio-political risks**

Risk management serves to identify potential opportunities, and then manage and take action to prevent adverse effects. It also emphasizes the probability of events and their consequences, which are measurable both qualitatively and quantitatively (Pojasek, 2010' Marolla, 2018). These characterizations also apply to global shocks such as climate change and health hazards (pandemics) and planning evaluations (Jones and Preston, 2010; Sommer & Marolla, 2020). A risk management framework addresses the full spectrum of challenges in areas such as planning, strategy, operations, finance, and governance and addressing social inequality, environmental issues. It also recognizes the specific needs of the organization's different departments and functions as well as the potential impacts of parallel threats and events. The systematic analysis and management of risks through a well-planned strategic approach to integrating recovery measures, preventing and mitigating risks, and identifying vulnerabilities are a priority to lessen risks impacts.

Organizations building a comprehensive strategic management plan must apply specific context addressing its activities.

- Identify critical objectives and targets (stemming from the organization's vision and mission) that must be achieved.
- Remove impediments or interruptions that could deter the achievement of organizational objectives and targets.
- Allow the organization to understand the probable outcome of controls and other mitigation strategies for dealing with impediments or interruptions.
- Allow the organization to understand how it can continue to achieve its critical objectives and targets should interruptions occur.
- Create criteria and/or triggers for implementing crisis and emergency response, continuity response, and recovery response procedures.

- Ensure that staff and management understand their roles and responsibilities both during normal operations and when a major disruption may occur.
- Ensure that there is a clear understanding throughout the organization of what accountabilities and responsibilities are in place when there is an emergency or a major stakeholder issue, and ensure that this understanding remains current.
- Build consensus and commitment to the requirements, implementation, and deployment of business sustainability and continuity, which are integrated as part of the routine way the organization conducts its business (Pojasek, 2007). Currently, the COVID19 pandemic, climate change, and cyber-terrorism, just to mention a few, pose a threat to the stability of the institutions and the well-being of population. The absence of risk management and continuity management systems to cope with socio-political threats is leading to hazard-induced disasters and instability. A methodology for developing and implementing the Australian/ New Zealand Risk Management Standard – AS/NZS ISO 31000 on the effects of socio-political threats would enhance the local and national capacity for effective actions. ISO 31000 supports a unique management approach to initiating steps that manage risk more effectively and developing a cohesive method to presenting adaptive strategies across cities around the world. International guidelines can help cities plan how to recover from sudden external risks (e.g., severe weather events) and the more gradual external risks (e.g., sea-level rise, pandemics, and shifting disease patterns). This then becomes a fundamental component of frameworks for strategic management and evaluating adaptation and mitigation programs to address risks (Marolla, 2016). While organizations have been conducting risk assessments for years, many still find it challenging to obtain their real value. A strong business case that applies Risk Management ISO 31000 and the business continuity management system standard (ISO 22301) and recommends a systems view of risk assessment and proactive approach to risk management through a shared response at local and international levels would become increasingly important to measuring vulnerabilities of the system. The resilience of communities and disaster risk management are addressed utilizing British Standard 65000 (Organizational Resilience) and the ISO 37101 Sustainable Development of Communities frameworks. They establish a common practice for using, creating, interpreting, and analyzing the city's operations while confronting its vulnerabilities and disaster-risk management strategies and presenting a solid foundation for continuous improvement. This enhances crisis management and business continuity management practices by integrating these into a wider resilience plan. Indeed, such an approach aims at taking into consideration all potential risks, from a terrorist attack, other intentional releases, accidents or naturally occurring diseases, so as to be prepared to handle all crisis situations in relation to social and political risks.

## 1.5 Political risk management

Political risks can be determined by local or international threats impacting many areas of the business such as business license, the ability to operate, move funds, compete on work, or result in disrupting stress and tension being placed upon the organization. While operating internationally, it is important for leadership teams, at all levels, to understand the risks presented by hostile governments, the implications of social instability, chaos, and how to best prepare for and prevent, respond to, manage, and then transition and recover from such threats. When embedded to the strategic management planning of the organization, continuity management systems can provide an important tool to cope with political instability.

Continuity management plans apply the 'Plan-Do-Check-Act' (PDCA) cycle. This involves planning, establishing, implementing, operating, monitoring, reviewing, maintaining and continually improving the effectiveness of operation.

The following are considerations for assessing a business continuity management plan:

- Historical: What types of drastic political events have occurred within its jurisdictions?
- Geographic: What could happen in your organization considering its geographical location and the organization's vulnerabilities?
- Structural: What could affect the functional ability of the organization's operations that are core to the stability and sustain growth?
- Human Factors: How the event is triggering detrimental impacts on people's abilities to function? (Adapted from Security and Resilience, 2019; Marolla, 2016).

Strategic management aims to prevent operations from grinding to a halt; while business continuity management planning ensures that local and national leaders will respond judiciously to the circumstances. A continuity management approach contributes to a more resilient society. The following key components are considered when developing and implementing a continuity management system plan:

- I. Policy
- II. People with defined responsibilities

Management processes relating to:

- policy
- planning
- implementation and operation
- supply chain
- performance assessment
- management review
- continual improvement process

- documentation providing auditable evidence
- Any business continuity management processes relevant to the organization (Societal security, 2011; Marolla, 2018).

**Table 1.1:** Principal Component Analysis (Nesset, et al., 2019).

Political Risk Components	Principal Components				
	Legal	Tension	Conflict	Policy	Uniqueness
Bureaucracy quality	<b>0.859</b>	0.133	0.094	0.218	0.118
Corruption	<b>0.829</b>	0.133	0.186	0.200	0.221
Democratic accountability	<b>0.723</b>	0.063	0.040	-0.305	0.378
Ethnic tension	0.113	<b>0.805</b>	-0.104	0.009	0.328
External conflict	0.005	-0.162	<b>0.860</b>	0.015	0.233
Government stability	-0.037	-0.042	0.004	<b>0.870</b>	0.239
Internal conflict	0.328	0.384	<b>0.606</b>	0.414	0.206
Investment profile	0.404	0.303	0.237	<b>0.539</b>	0.399
Law and order	<b>0.789</b>	0.322	0.205	0.096	0.223
Military in politics	0.426	0.353	<b>0.665</b>	0.006	0.252
Religious tensions	0.249	<b>0.785</b>	0.203	0.111	0.268
Socioeconomic conditions	<b>0.568</b>	0.326	0.062	0.471	0.345

Notes: Loadings and uniqueness. The rotated component matrix, using varimax with Kaiser Normalization, is estimated out of the disaggregated political risk index (International Country Risk Guide). Loadings in boldface are referred to as 'heavy loadings' in the text, using 0.5 as cut-off.

Mahmoudi, et al. (2021), stated that principal component analysis (PCA, in abbreviation) is a “multivariate approach that converts several correlated variables into several linearly uncorrelated variables named principal components”. PCA aims to find the directions of maximum variance in high-dimensional data and projects it onto a new subspace with equal or fewer dimensions than the original data in a lower-dimensional subspace (Kherif, & Latypova, 2020). As shown in Table 1.1, a principal component analysis method is used with emphasis in bureaucracy quality, corruption, democratic accountability, law and order and socioeconomic conditions, all of which measure the quality of a country's legal system and its consequences (Howell, 2011; Nesset, et al., 2019).

## 1.6 Social risk management

Social Risk Management (SRM) instruments contribute to the efficient assessment of social risks in its various forms and are highlighted as follows:

- i. enhance individual and social welfare in a static setting;
- ii. contribute to economic development and growth from a dynamic perspective; and
- iii. serve as crucial ingredients for effective and lasting poverty reduction. All three dimensions are interrelated (Holzmann & Jorgensen, 2001).

The main elements of the social risk management framework consist of:

- Risk management strategies (risk reduction, mitigation and coping);
- Risk management arrangements by level of formality (informal, market-based, and publicly provided or mandated), and
- Actors in risk management (from individuals, households, communities, NGOs, market institutions, government, to international organizations and the world community at large). (Holzmann & Jorgensen, 2001).

When facing social and political risks we need to understand that they cannot be avoided but are manageable. Risk is constantly evolving. Understanding risk and vulnerabilities and proactively planning to minimize these risks is crucial to business continuity and employee and community safety.

## 1.7 Resuming “Normal Operations” during and after a crisis and being proactive for the next emerging risk

There are ten important points of action that determine how the organization’s system will preserve or restore critical functions. The system’s quick resumption of normal operations after a severe disruptive event will affect the entire system’s recovery.

1. Establish an emergency planning team: Workers from all levels and departments must be included in the team, focusing on those with expertise vital to the daily system’s operation. Is this done proactively, and is in place on a standing basis not awaiting a crisis before beginning operation?
2. Identify who is in charge: It is important to identify who is in charge during a risk event and ensure that all employees know who that person or position is. Establish a procedure for succession of management if that position or leaders are not available at the time of the impact.

3. Examine the system's operation and activities: Identify internal and external operations that are important for the recovery and continuation of the organization's system and different departments.
4. Identify an alternate location: Important consideration is necessary to identify a different location to run the operations and/or different jurisdictions within the system's operations.
5. Develop collaboration and viable assistance between "like" departments or location where the organization's unites operates to share facilities.
6. Plan for citizens with special needs: Always include in your plan a set of specifications to treat and meet the needs of residents with special needs or disabilities.
7. Evacuation plan: Develop an evacuation plan for every location that houses your system's operations. It is important to identify how notice will be given: an alarm, intercom, phone call, siren, etc. All employees and staff must be aware of where to assemble in the event of an evacuation or emergency occurrence.
8. Shelter in place-plan: Develop a shelter in place-plan for every location of your system's operations, to be used in dealing with a crisis. All staff members should know where the shelter is located and have access-plan to reach the location.
9. Communication plan: Identify how the organization's employees and staff will be advised of the emergency plan and the mechanisms by which these will be communicated in the event of a crisis. List the communication tools in order of preference, emphasizing the most effective way for communication to the least effective according to the situation.
10. Emergency contact list: The emergency contact list identifies how to contact relevant staff in the event of a service interruption or an uncontrollable event affecting the entity and/or population. This will include the technical means whereby relevant staff will receive communications in order to respond in the most effective manner.
11. Write a plan: Document and update your organization's continuity management system plans at least once a year

(Adapted from Security and Resilience, 2019; Marolla, 2016).

There are at least three basic reasons why disasters are political in nature. First and most important, disasters affect people. The impact it has on people is a determinant of what a disaster entails and its effect on the organization (The U.S. Emergency Management Institute of the United States, 2020). Therefore, it is important to have a communication channel between leaders and employees to safeguard the well-being of the workforce. Getting the right workforce in place and ready to proactively adapt to new situations is an investment, and provides an effective way to diagnose and treat emerging risks.

## 1.8 The continuity of the organization

As business continuity management strategies place a core function on the preparation for a disaster, and post disaster recovery of operations, a network of coordinated services must be ready to take action to operate during and following the disaster. Organizations are as effective and resilient as the communities and regions where they are located and the plans in place to coordinate functions. The organization's network needs to be available to provide services for the community, which is the safety-net of the entire system. Therefore, individuals and communities need to have the aforementioned services available. The foundation for increasing resilience is risk management. Increasing resilience involves a series of steps to understand, identify and reduce risk to adapt in the face of adversity (Marolla, 2016; Pojasek, 2017).

## 1.9 Establishing the context and setting objectives

To set the objectives of a risk management assessment, the location and scope of the study and the operating processes in the area under threat have to be established. An assessment seeks to identify and investigate risks to describe the actions that are required to attain the following objectives:

1. The potential impact on (i.e., damage to)
2. A particular value (e.g., infrastructure) from
3. A threatening process (e.g., social chaos, political revolution) (Marolla, 2016; Rollason et al., 2011)

As a consequence of impacts, the economic, social, and environmental elements where the strategic framework applies must also be included in the assessment. Risk criteria are also important considerations for the framework. Likelihoods and consequences scales and their combination in the current conditions must be included when defining the acceptable risk level. The organization's leaders should determine what that level is and then identify tolerable and intolerable risks (giving priority to the latter) that need to be addressed according to local and global conditions (Rollason et al., 2011). Risk modeling techniques are increasingly used by many governmental and private entities to evaluate exposure to crises. Assessing and comparing different types of risks from adverse impacts becomes fundamental in understanding and minimizing their impacts and recovering quickly after the event's occurrence on the balance of probabilities. Socio-politics has recently emerged as a dimension which moderates the culture or risk. The unknown global threats present a fear culture and uncertainties of place and time. 'Fear culture' has emerged primarily as the anxiety of an unknown global terrorist attack coupled with a reduction of human rights (Korstanje & Strang, 2018).

There are three central risk modeling technique inputs:

- Hazards – Severe events impacting a territory can present uncertainties about its hazard occurrences and the affecting area exposure. Existing knowledge of past events on a local or global context afford a tangible concept of the intensity and frequency of what is expected.
- Exposure – Location and geographical distribution of the territory that will be affected by a potential event need to be mapped. An account of human occupation and physical assets has to be performed. Particular components (e.g., geometric shape of exposed elements, economic value, human occupation and location) must be identified to differentiate the exposure.
- Vulnerability – Exposed elements susceptibility or probable conduct is directly linked to the level of hazard. Risks can be differentiated and analyzed by the intensity and the frequency of the impacts. Hazard parameters can be established by analyzing and understanding past records of events and risk modeling probabilities. The nature, magnitude, frequency, and intensity can help determine the level of the hazard (World Bank, 2012). Consequently, hazard models, which are based on a set of assumptions that should be conveyed to the model user, may present a reasonable account of complex dynamics and evolution addressing many factors such as social inequity, taxation, government inefficiencies, and climate change. Socioeconomic trends assist populations and can also show their exposure to vulnerabilities and provide a clearer picture of the risks. Social and political factors affect hazard characteristics. Therefore, analysis of the long-term unequal influence over decisions made by political bodies, and the unequal outcomes of those decisions, in addition to social injustice is essential for an understanding of the probabilities under a risk assessment of vulnerabilities, while considering important factors such as urbanization and economic growth, lifestyle changes, income inequality, and demographics (Bapuji, H., & Neville, L., 2015; Marolla, 2016). The effective response to and recovery from global risks involves taking prior actions before the event strikes. A proactive approach must be established along with planning for the likelihood of an event that has the capacity to interrupt the organization's operations and impinge on the well-being of the population and financial institutions. It is necessary to emphasize the personal commitment of the leaders to dismiss the thought that "it won't happen here." Therefore, preparedness means being proactive and planning. That is the essence of efficient business continuity planning (Marolla, 2018).

## 1.10 Global risks and impacts- a risk management approach to decision-making

Global risks have been added to the private and public companies to their possible impacts on their risk management strategy. The strategic decision making process adding these information and different scenarios which identify and classify global risks follow the risk assessment main groups: Economic, Environmental, Geopolitical, Social and Technological. The approach includes chronic societal concerns, such as immigration and border violations, and those that are generally not related to homeland security national preparedness, such as health hazards, and political, economic, environmental, confiscation, expropriation or nationalization of assets, and societal trends that may contribute to an uncertain risk environment (e.g., demographic shifts, economic trends). The six elements to consider while conducting your analysis are:

### **Political risk analysis**

- Political decisions
- Political developments
- Socio-economic inequalities

### **And societal fragilities**

- Economic
- Environmental
- Social

(Makariou, et al., 2020).

The first step is to developing a comprehensive socio-political risk analysis and evaluates it from different perspectives, accordingly to the present and future evaluations of risks. Socio-political risk is a cluster of risks within economic, social, cultural, and environmental dimensions and requires a research analysis in order to overcome the challenges to prevent potential disasters.

## 1.11 Conclusion

While planning for disasters within the social and political dimension in both the public and private sectors is drawing more attention and while the quality of the risk planning processes and the plans themselves is improving, a challenge remains to recognize the interdependencies of the risks and to develop a methodology to effectively manage them. Postmortem analyses of many socio-political disaster risk events have indicated that individual entities often do well within the limited scope of their expertise, but when systemic performance is assessed, more holes exist

(Marolla, 2016). The greater challenge existed when hidden policy and resource allocation and coordination issues surfaced. Perhaps the most important step in recognizing these interdependencies is ongoing communication among all relevant parties. This not only includes normal ongoing communications and meeting at professional gatherings, but more substantively sharing plans and even participating in drills to exercise those plans. Risk management and continuity management systems provide a culture of continual improvement, establishing business continuity policy and objectives that align with the organization's objectives (ISO 22313, Security and resilience. 2020). This may all foster a program aimed at monitoring, predicting, and preventing extreme risk events, with the definition of new objectives of integrated development, involving societal inequalities, and political disruptions affecting the organization's performance, its culture and its people. A new and interesting approach should be taken, combining the development of a set of common adaptive measures, with a focus on socio-political-related disasters, creating the potential for organizations to consider a strategic plan that brings the strategy under a universal framework: Risk management.

A second step, more as part of the planning process itself, is to implement a structured methodology aimed at triggering ideas and identifying issues. Quantifying the effects of socio-political risk is challenging due to a lack of organization-level data on exposure and vulnerabilities to political risks and on the type of political issues firms may be most concerned about (Hassan, et al., 2019). Henceforth, forward-looking organizations create infrastructures resilient enough to eliminate or reduce the impact of disasters. The important point is that moving forward, strategic planners so they can develop and implement solutions that more effectively address future socio-political crisis events. As megatrends are transforming the landscape of socio-political risk, organizations must develop a framework that is broad enough for most companies to apply but suggests specific actions (Rice & Zegart, 2018). As presented in this chapter, understanding, analyzing, and mitigating risks that cannot be eliminated, and putting in place a response capability with a step by step process of continuity management system that enables effective crisis management and continuous learning is a must for the current social and political environment. Risk management strategies present a semi-structure framework for action that allows simple and complex structures to operate without constraining. International standards are ideal to address risk because they require no reservations regarding the reuse of the standard and provide multiple implementations according to specific conditions, likelihoods, consequences, and level of risks.

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