

An approach for modeling the risk transformation processes

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Abstract

One of the most critical issues that every decision maker needs to face is the risk in association with the decisions to be finalized and the actions to be taken. It is not only due to the future uncertainties involved, but also the decision maker's inability of adapting himself to the changing environments. Formulating better plan and finding best personnel to execute the plan may potentially reduce the possibility of risk occurrence. However, it is still not possible for the decision maker to eliminate all risks that will potentially affect the outcome of the decision, because an exhaustive list of risk events is difficult to obtain. Previous researches seldom focused on the risk transformation phenomenon, and therefore cannot provide a complete and overall exploration of risk management. The objective of this study is to develop a model that can predict the transformation of the risk that may be exhibited during the execution of a decision and an operation.

Keyword : Risk, risk transformation.