

# Analysis of Operational Risk Management Measures of Securities Companies

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**Abstract:** Under the background that the comprehensive management ability of domestic and foreign securities companies is constantly strengthened, the securities companies attach great importance to the control effect of operational risk, and put a lot of energy into the research and optimization of operational risk management. The ultimate purpose of strict management of operational risk is to ensure that the possible disadvantages and loopholes of the securities companies are gradually reduced in the process of implementing various business processes, so as to prevent the securities companies from having problems such as reputation damage and economic loss. Therefore, this paper makes a detailed analysis of the effective management measures for the operational risk of securities companies, and lays a solid foundation for further improving the comprehensive management efficiency of securities companies in China.

## 1. Introduction

As for the operational risk of securities companies, it mainly refers to the financial risks faced by securities companies due to the influence of relevant factors in the process of implementing self-operation, investment and asset operation business. If the management and control measures adopted by the securities companies at this time are not reasonable and effective, it will seriously affect the use and scheduling of funds, thus causing great damage to the benign operation of the securities companies. Therefore, securities companies should attach great importance to the scope of influence, degree of harm and effectiveness of management measures of operational risks. Both international and domestic securities companies should take operational risk as an important content of operational risk, conduct detailed analysis of various problems in the management process, clearly understand the causes of relevant problems, take scientific and effective management measures, effectively control various risk factors, so as to create a good environment for further improving the operation effect of securities companies.

## 2. Pay More Attention to Operational Risk Management Measures

Only by correctly recognizing and attaching great importance to the significance of operational risk management at the ideological level can securities companies ensure that all risk operational management measures can be truly implemented in the actual work. Therefore, securities companies should raise the operational risk management to the height of enterprise strategic development, and promote the full integration of enterprise business development planning and operational risk management measures.

In the process of scientific formulation of operational risk management strategies and measures, securities companies should always follow the ideological principle of “highlighting the key points and seeking truth from facts”, and make clear the operational risks with high incidence and serious impact in the process of carrying out relevant business, so as to ensure that the comprehensiveness of operational risk management strategies and measures is highlighted. In the process of formulating the countermeasures, the model, method, procedure, scope, culture, system and other elements should be involved, and a department or group should be established to take full responsibility for the strategic management of operational risks, so that the importance of operational risk management can be highly valued by all staff of the securities companies.

In the process of managing operational risks, securities companies should attach great importance to five main development stages, four important development levels and three important development tools, namely, traditional management stage, summary and induction stage, regulatory control stage, index quantification stage and data integration stage; improve the internal organizational structure, implement the personal evaluation system of operational risk, establish the collection and evaluation mechanism, and use the third party to carry out risk audit; collect loss data, self-assessment of risk and control, and key risk indicators<sup>[1]</sup>.

### **3. Strengthen the Scientific Construction of Operational Risk Management System**

First, securities companies should strengthen the establishment and improvement of operational risk management organization system to ensure that the efficiency of management measures is fully presented. In order to effectively achieve this goal, securities companies should set up professional departments to be fully responsible for the establishment and implementation of relevant systems of operational risk management organization system. In the established system, operational risk management shall be carried out for the development process of various businesses, and the business chain and main departments involved in operational risk management shall be clearly defined to ensure that the operational risk management measures can achieve the objectives of top-down implementation and bottom-up feedback within the securities companies, and maintain the efficiency of relevant measures with the help of the closed-loop organization mode. On this basis, the vertical management mode shall be combined to make the operational risk management measures always have high fluency in the transfer of layers<sup>[2]</sup>.

Second, securities companies should strengthen the establishment and improvement of operational risk management system to ensure that the perfection of management measures is fully reflected. Through the continuous improvement of the relevant rules and regulations and the perfection of the operation process, it is ensured that the contents of the formulated systems can effectively avoid the operational risks and give full play to the efficiency of the management work. In the process of practical application of the operational risk management system, it is mainly used to effectively manage the internal operational risks of the securities companies, which is often referred to as “error management”. In the process of establishing the operational risk management system, securities companies shall clarify the relevant contents of the reward and punishment mechanism, so as to effectively improve the executive ability of the staff, ensure that the functions of various systems can be truly implemented in the corresponding management work, and gradually improve the operational risk management system while strictly managing the internal risks of the securities companies<sup>[3]</sup>.

### **4. Strengthen the Active Improvement of the Early Warning Mechanism of Operational Risk Management**

In the process of operating risk management, securities companies should focus on “early detection and early treatment” of risks. Therefore, securities companies should establish and improve relevant early warning mechanisms for specific risks. At present, the level of modern science and technology in China is constantly improving, and the establishment and application of various platform technologies tend to be mature. Through the scientific construction of the early warning platform, the timely early warning and scientific management of operational risks can be effectively realized.

In the process of establishing the operational risk management early warning mechanism, securities companies should combine the actual situation, carefully divide the risk levels, and establish countermeasures in the early warning mechanism for different operational risk levels. It is not only necessary to clarify the person in charge of relevant work, but also to ensure that the developed countermeasures are highly effective and feasible, so that in case of operational risk, the operation mechanism can respond quickly, formulate corresponding measures in the first time, and effectively deal with relevant risks<sup>[4]</sup>.

## **5. Strengthen the Application of Operational Risk Management Science and Technology**

The unified management objective of operational risk formulated by securities companies can be effectively realized with the continuous improvement of China's modern scientific and technological level to a great extent. Through the comprehensive establishment of the operational risk database, securities companies can make scientific analysis and objective research and judgment on operational risks based on this, and systematically sort out the regularity of operational risks. Through the rational use of these regular contents, the operational risks are standardized and managed with the help of science and technology. Not only can the automation level of the operational risk management of securities companies be effectively improved, but also can ensure that the operational risk management carried out by securities companies based on the application of science and technology has the characteristics of stabilization, high efficiency and refinement, so that the management work finally formed can achieve the goal of modularization and science and technology<sup>[5]</sup>.

## **6. Strengthen the Positive Optimization of Operational Risk Management Atmosphere**

Securities companies should strengthen the positive establishment of internal risk control awareness and atmosphere, and carry out relevant work on this basis, whether establishing operational risk management system or applying scientific and technological means. Only by ensuring that all departments within the securities company can highly recognize the effectiveness of operational risk management measures from top to bottom and reach a consensus, can guarantee the effective implementation of operational risk management measures. Therefore, securities companies should improve the active training and scientific publicity of operational risk management in combination with the actual situation, infiltrate the concept of all-staff participation and all-staff management into all staff, fully integrate the concept of zero risk into the enterprise culture, and make operational risk management a basic job responsibility and professional quality of the securities companies through continuous optimization and dissemination of relevant concepts<sup>[6]</sup>.

## **7. Ensure That the Established Operational Risk Management Indicators Have High Consistency**

In the process of implementing various operational risk management measures, to make the objectives of various measures highly consistent, securities companies should ensure that the efficiency of risk operation management is comprehensively improved, and ensure that the relevant indicators have high consistency characteristics in the process of formulating risk operation management indicators. In the process of selecting operational risk management indicators, securities companies should establish a special database and take it as a reference.

In general, the operational risk management indicators of securities companies should be relatively comprehensive, including diversified indicators such as control and management, technical support and environmental detection. The corresponding business processes should involve the management of margin, control of trading procedures, evaluation and approval of projects, and dispatching of funds. Decomposing the above management indicators one by one can provide warnings and guidance for securities companies to manage the operational risks of each process. Fully integrating these management indicators can form a scientific and comprehensive database, which is an important basis for securities companies to avoid operational risks<sup>[7]</sup>.

## **8. Conclusion**

China's financial market has a high degree of openness, and the links between different types of financial enterprises have a high degree of closeness. While there are many development opportunities, the corresponding risks have also increased synchronously, and the harm of related risks is also increasing. Securities companies should strengthen the strict management of various operational risks, improve the management level of securities companies and strengthen the market

competitiveness. Therefore, securities companies must strengthen the strict management of operational risk, make the business process more standardized, strengthen the ability to deal with external factors, ensure that the fault tolerance rate is effectively improved and the development goal is smoothly realized through the continuous strengthening of the internal management ability.

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