INSTITUTIONAL RISK MANAGEMENT AND CULTURAL DEGRADATION: FROM SYSTEMIC FAILURE TO ORGANISATIONAL RESILIENCE

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ABSTRACT: The article explores the concept of institutional risk management in the context of culture and education. From philosophical reflections on the decline of values and the erosion of meaning in higher education, the study reframes these processes as signs of systemic risks. The university institution is treated as a complex adaptive system, with organisational, epistemological, and cultural failures that are similar to structural failures in engineering. The article uses the principles of risk assessment and resistance theory to identify the main sources of institutional vulnerability, bureaucratic rigidity, academic loss of integrity, and substitution of purpose for performance indicators. The proposed framework links management theory to cultural analysis and arguments that sustainable recovery requires not only administrative reform, but also a new definition of institutional meaning. This study will help to understand educational organisations as a living system that can cope with uncertainty through moral, structural, and communicative resilience.

KEY WORDS: risk management, risk assessment, institutional vulnerability, resilience, failure.

1. INTRODUCTION

In recent years, institutional risk management has ceased to be a purely administrative or compliance-based practice (Sarfraz & Ivascu, 2021). The accelerated digitalisation of education, the post-pandemic transformations of teaching, and the diffusion of artificial intelligence (AI) into everyday pedagogical processes have redefined the concept of organisational stability. *The Teaching and Learning International Survey 2024* (OECD, 2025) demonstrates that educational institutions are not merely technical systems under stress, but cultural ecologies that absorb, translate, and sometimes distort the pressures of technological and social change. Teachers' testimonies in 53 countries reveal a dual reality: while 90% remain satisfied with their profession, seven out of ten report increased stress and administrative overload, and a significant proportion fear the ethical consequences of AI in teaching. Such data signal not only systemic tension but also the erosion of symbolic capital that sustains institutional cultures (OECD, 2025).

Within this framework, institutional risk must be understood not as an isolated event or measurable probability, but as a cumulative process of cultural degradation, slow decline in

meaning, trust, and shared interpretive norms within organisations. The *AI Socio-Technical Risk Propagation Model* (introduced in our previous paper about risk management *Artificial intelligence and risk engineering: Transforming educational systems into socio-technical infrastructures*) describes this process as a multilayered interaction between technological infrastructures, human interpretive oversight, and institutional governance (Georgescu et al., 2024). When these layers lose coherence, the risk ceases to be manageable and becomes cultural. Decision fatigue, procedural inflation, and algorithmic mediation standardised gradually undermine professional autonomy and the affective dimension of institutional belonging (Cantino et al., 2016). *The Romanian TALIS data for 2024* illustrate this paradox. Romanian teachers reported the highest interpersonal trust between colleagues (92%) and the strongest professional relationships with school leaders (94%), but their autonomy in teaching remained moderate and their workload was disproportionately high. 46% of teachers use AI tools more than the OECD average, but more than half of teachers who do not report a lack of knowledge or skills to integrate such tools effectively (OECD, 2025). The coexistence of enthusiasm and apprehension indicates a fragile risk culture: adaptation without strategic coherence. At the same time, the strong commitment to emotional and social learning (87% often develops student self-understanding and empathy) suggests that cultural resilience persists at the interpersonal level even when systemic resilience falters (OECD, 2025).

Globally, the TALIS findings reveal that successful teaching environments depend less on technical resources and more on institutional coherence, alignment of values, autonomy, and accountability. Where bureaucratic expansion and technological acceleration displace pedagogical reflection, organisations risk drifting toward systemic failure. This failure is not necessarily visible through performance metrics; it manifests itself as disengagement, mistrust, and loss of institutional narrative. Therefore, the challenge is not only to manage operational risk but also to reconstruct the cultural resilience of institutions: the capacity to sustain meaning, collaboration, and ethical judgment amid continuous transformation (Beckmann & Klein, 2023; Georgescu et al., 2024).

This article situates these findings within a broader theoretical and managerial discussion. By linking systemic risk analysis with cultural theory, it argues that organisational resilience in education depends on the integrity of interpretive and affective structures that hold institutions together (Amin et al., 2019; Khalifeh et al., 2025; Kudina & van de Poel, 2024; Lin et al., 2021; Munstermann et al., 2025; Rosa et al., 2025). Drawing on comparative TALIS data and the Romanian case, we propose that today managing institutional risk requires a shift from compliance frameworks toward cultural governance, a model where risk awareness is embedded in values, trust, and shared professional judgment. In this sense, preventing systemic failure becomes inseparable from preserving the cultural life of the institution (OECD, 2025).

2. SYSTEMIC FAILURE AND CULTURAL DEGRADATION

Institutional failure rarely appears singularly as a catastrophic event (ANGHEL-DRUGARIN et al., 2024). As far as education systems are concerned, it often manifests itself as a gradual degradation of cultural and interpretive cohesion, a condition that can be described as *systemic fatigue*. To clarify the conceptual vocabulary used throughout this paper, Table 1 summarises the key constructs used in the analysis of institutional risk and cultural degradation.

Table 1. Key conceptual clarifications related to institutional risk and cultural degradation

Concept	Explanation	Reference
Systemic Fatigue	A cumulative state of organisational exhaustion emerging when continuous	Fogstrup L., Lockwood N., & Saunders K. (2023). *The*

	change, administrative overload, or conflicting demands erode the adaptive and interpretive capacity of the system as a whole. It results in decreased innovation, disengagement, and defensive resilience.	*Business and Psychological Impact of Change Fatigue.* IMD Business School.
Cultural Degradation	The gradual erosion of shared meanings, values, and interpretive norms within an institution, often caused by excessive proceduralism or technological acceleration that displaces human judgment and ethical coherence.	Mingaleva Z. et al. (2022). *Management of organisational culture as an element of Innovative and Sustainable Development of enterprises. Sustainability, 14*(10), 6289.
Institutional Resilience	The ability of an institution to maintain its purpose, ethical orientation, and operational coherence under conditions of uncertainty or stress by integrating structural stability with moral adaptability.	Toro-Gallego et al. (2025). *The Science of Organisational Resilience. Administrative Sciences, 15*(10), 404.
Cultural Governance	A governance model that integrates administrative control with interpretive and ethical dimensions, ensuring that institutional decisions remain aligned with shared values and professional autonomy.	Beckmann L. (2023). *Resilience in the context of Multiple Adverse Circumstances. European Journal of International Management.*
Interpretive Layer	The human dimension of decision-making within sociotechnical systems, where meaning, context, and ethical reasoning are applied to data-driven processes.	Weber M. M. (2024). *Resilience-Orientated Management Control Systems. Management Accounting Research.*
Algorithmic Mediation	The process by which algorithms or AI-based systems intervene in or shape institutional decisions, potentially creating epistemic asymmetries between data output and human interpretation.	UNESCO. (2023). *Guidelines for the Ethics of Artificial Intelligence in Education.* Paris: UNESCO.
Resilient Inertia	A paradoxical condition where institutions survive through persistence and adaptation to stress but fail to transform creatively, resulting in stability without renewal.	Georgescu et al. (2024). *Enhancing organisational resilience. Sustainability, 16*(10), 4315.
Symbolic Coherence	The internal consistency of institutional narratives, rituals, and values that sustain trust and collective meaning; its loss indicates cultural disintegration.	Gherghina S. (2022). *The effects of institutional resilience in Society During COVID-19. Public Administration Review.*

The TALIS 2024 survey (OECD, 2025) shows that the increasingly dense administrative demands faced by teachers around the world are ambiguous structures of responsibility and diminishing opportunities for reflective professional learning. The pressures they endure not only diminish individual well-being, but erode the cultural foundations of institutions by the very normalisation of procedural action to the detriment of a meaning-orientated one. Since the organisational culture is performative rather than substantial, conformity replaces conviction, and bureaucratic adaptation replaces pedagogical judgment.

The phenomenon of cultural degradation cannot be separated from the broader transformations in the epistemic architecture of institutions (ANGHEL-DRUGĂRIN et al., 2024). Thus, data-driven management is proliferating and AI-assisted decisions have created new epistemic asymmetries: an abundance of information that coexists with interpretive scarcity. While digital

technologies increase efficiency, they increase surveillance and blur the boundaries between autonomy and control (Mirea et al., 2024). The institutional narrative shifts towards maintaining performance indicators, to the detriment of the cultivation of knowledge. It can easily be said that it is not the operational capacity of the institution that fails, but *its symbolic coherence*, the sense of purpose, that binds people to a common educational mission (Anghel-Drugarin & Mirea, 2023).

It can be said that such a failure has its origin in the disarticulation between the human interpretative layer and the technological layer of governance. When algorithmic tools are those that mediate the evaluation, prediction, or implementation of policies without sufficient human oversight, institutions risk externalising judgment, the very act that constitutes their cultural identity (Mirea et al., 2023). Over time, it is this replacement of algorithmic certainty with ethical ambiguity that transforms educational culture into administrative *rationality*. Risk avoidance is favoured at the expense of intellectual curiosity, and standardisation is favoured at the expense of moral reasoning. We believe that, in this sense, the systemic failure of institutions is not the collapse of the structure, but the triumph of the structure over meaning (Mirea et al., 2025).

Data from the TALIS 2024 report illustrate, in the case of Romania, how cultural degradation coexists with institutional stability. Although teachers report high trust and cooperation, their professional agency remains limited. Both policy-based mandates and a large administrative workload are to blame. And the duality of cohesion without autonomy is the characteristic symptom of institutional fatigue that reveals a form of resilience that is defensive rather than creative. Institutions continue to function, but at the cost of cultural depth. The risk, in such contexts, is that the reform will become reactive rather than visionary, reproducing existing hierarchies instead of renewing the institutional meaning. To address systemic failure, we believe that educational governance needs to be reconceptualised as *cultural governance*. Institutional resilience depends both on procedural compliance and financial

sustainability, and on the regeneration of common narratives, ethical reflexivity, and trust in dialogue (Mirea et al., 2021). Risks in complex education systems involve managing and cultivating a culture of interpretation, which allows institutions to remain self-critical, but without becoming self-destructive. If meaning is preserved, risk can be transformed into renewal, but if meaning decomposes, management becomes only survival.

3. INSTITUTIONAL RISK MANAGEMENT: BETWEEN GOVERNANCE AND RESILIENCE

Risk management in education is often conceived as a technical or administrative process, a sequence of procedures designed to identify, mitigate, and report potential disruptions (ANGHEL-DRUGĂRIN et al., 2024). However, in complex socioeducational systems, this reductionist view conceals the cultural and cognitive dimensions of institutional risk (Cantino et al., 2016; May-Boroda et al., 2025; Sarfraz & Ivascu, 2021; *TALIS 2024 Database | OECD*, n.d.). According to the OECD TALIS 2024 framework, teacher well-being, autonomy, and professional growth are shaped not only by policy design but by the *interpretive climate* within institutions, the extent to which individuals perceive their organisation as coherent, trustworthy, and responsive. Where governance mechanisms prioritise compliance over interpretation, institutions can achieve procedural stability while silently accumulating cultural vulnerability.

The distinction between governance and resilience is key here (see Figure 1). Governance refers to formal structures of authority and control, rules, protocols, and accountability systems that define institutional behaviour. Resilience, on the other hand, is the ability to maintain purpose and ethical coherence under uncertain conditions. In the educational context, resilience manifests itself when schools maintain moral and educational orientation despite external shocks, such as technological disruptions, demographic

changes, or political instability. TALIS data show that systems that combine structured governance and teacher autonomy achieve greater satisfaction, lower unemployment, and greater adaptability. In other words, resilience is not the absence of risks, but the ability to metabolise them culturally.

According to the Romanian report on TALIS 2024, 46% of teachers already use AI tools in their professional activities, but more than half of nonusers consider insufficient training to be the main obstacle, resulting in a discrepancy between rapid adoption of technologies and slow integration of teaching and learning. The

result also demonstrates a governance gap. Even schools are encouraged to innovate, but there is a lack of systemic strategies focused on digital transformation in accordance with the ethics and autonomy of educators. As a result, risk management becomes reactive, addressing symptoms (e.g., digital stress or ethical ambiguity) rather than underlying structural causes. To overcome this gap, a policy environment should consider technical and ethical literacy as part of the professional development of interdependence.
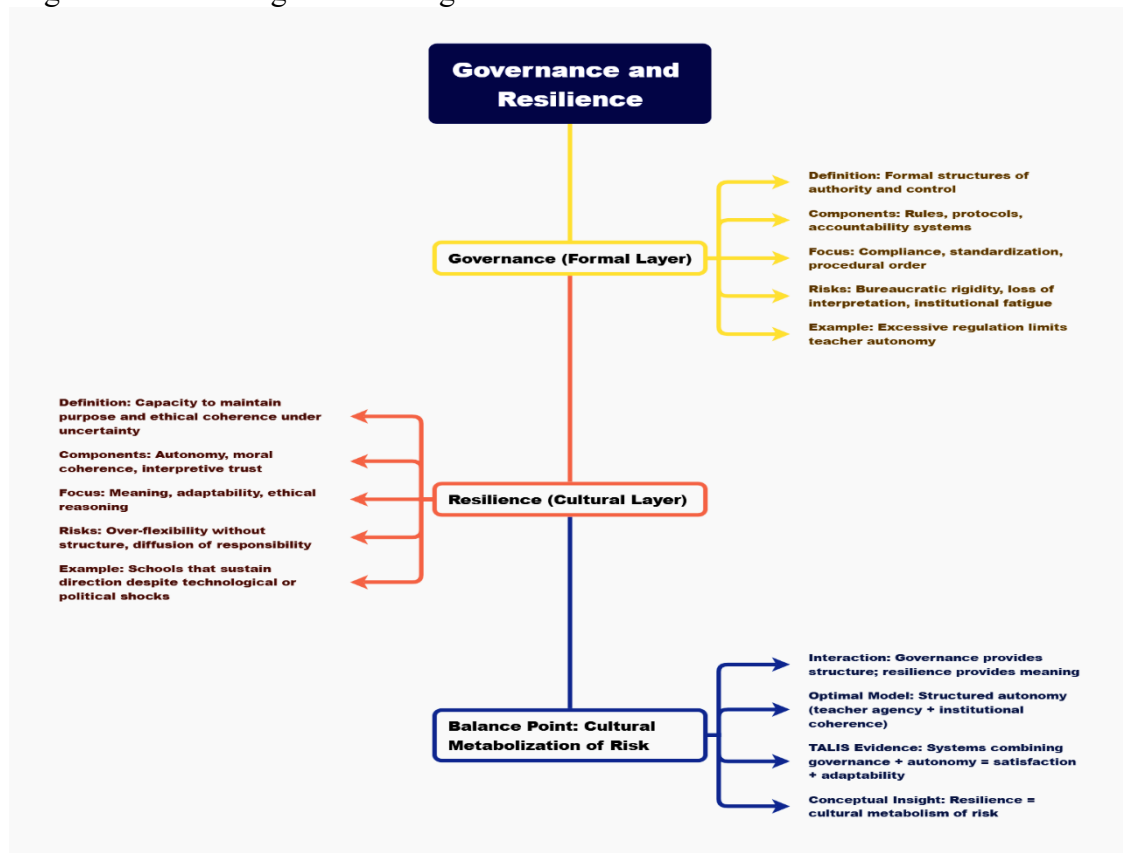

Figure 1. Governance and resilience distinction

Ultimately, institutional risk management in education must evolve from a control-orientated framework to one grounded in *cultural resilience*. This shift implies three strategic reorientations:

1) **From procedure to meaning**: ensuring that every risk protocol reinforces, rather than replaces, the institution's educational mission;
2) **From compliance to trust**: building governance systems that empower

professional judgment instead of constraining it;
3) **From isolation to interdependence:** Recognising that institutional resilience emerges through networks of collaboration between teachers, leaders, and communities.

Such an approach transforms risk into a learning process, a collective exercise in reinterpreting uncertainty as a source of renewal. In this sense, governance and resilience are not opposites but complementary

expressions of institutional maturity: governance provides structure, resilience provides soul.

4. ROMANIA CASE STUDY: RISK CULTURE IN TRANSITION

Romania's education system offers particularly revealing examples of understanding the intersection of institutional governance, professional culture, and organisational risk. Based on the results of TALIS 2024, Romania has a paradoxical pattern: a high level of interpersonal trust and collegial cooperation is associated with moderate professional autonomy and a disproportionately high level of workload and perception of stress. This combination produces what can be described as a transitional risk culture, a cultural condition in which institutions remain coherent and internal tensions, functioning effectively, silently reducing their adaptive reserves. According to the National Statistics of Romania 2020, 92% of Romanian teachers have positive relations with colleagues and 94% of Romanian teachers have supportive and trusting relationships with school leaders (David & Amey, 2020; Hatos et al., 2022; *Reforma Învăţământului Preuniversitar În România*, n.d.). These indicators exceed the OECD average and reflect a deeply relationship-orientated professional culture. However, this cohesion is counterbalanced by structural limitations: only 62% of teachers believe they have a significant influence on school policy or teaching decisions, compared to 65% in OECD countries. Furthermore, 78% of the respondents consider the workload and administrative workload to be the most important source of stress, one of the highest in Europe. The distinction between social cohesion and institutional autonomy indicates systemic vulnerability: solidarity mitigates, but does not compensate for governance imbalances (see Figure 2).

The integration of artificial intelligence and digital tools into Romanian schools further exacerbated this tension. Nearly half of teachers report using AI in teaching or evaluation, but 52% of non-users claim inadequate training and unclear ethical guidelines as obstacles. This pattern can be described as technical adoption without institutional alignment. Schools adopt innovation reactively, often driven by external policy incentives, without integrating digital transformation into a coherent framework of professional development and ethical reflection. As a result, AI has become both a promise and a pressure, at the same time expanding capacity and destabilising institutional identity. Culturally, this dynamic has a double effect. However, strong interpersonal relationships and a shared sense of vocation preserve teachers' emotional resilience and prevent systemic fragmentation. Furthermore, the continued hierarchy of decision making and bureaucratic overload has undermined collective creativity and moral agency. Thus, the system oscillates between stability and stagnation, which can be regarded as resilient inertia. Institutions survive disruptions not by transformation but by resistance. This endurance reflects excellent professional dedication, but if the renewal mechanism is not activated, it also indicates the risk of cultural exhaustion.

To address this transitional risk culture, it is necessary to shift from management compliance to strategic participatory governance. The political framework must empower schools to interpret reforms rather than simply implement them. Professional autonomy should be seen not as an individual privilege, but as a collective safeguard of institutional meaning. This involves strengthening teacher participation in decision making, investing in ethical and technological education, and incorporating risk management into the reflection of professional communities. As TALIS 2024 points out, resilience cannot be achieved by control but by coherence, a balance between values, structures, and human objectives (OECD, 2025).
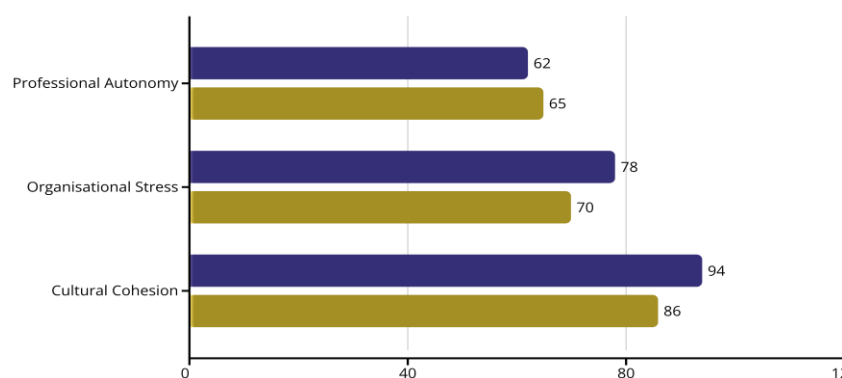
Figure 2. Dimensions of cultural and institutional risk in Romanian education
(TALIS 2024, adapted (OECD, 2025))

Note: *Chart comparing Romania and the OECD average across three axes:1)* **Professional autonomy *(62% RO / 65% OECD); 2)* Organisational stress / workload *(78% RO / 70% OECD); and 3)* Cultural cohesion *(94% RO / 86% OECD).Source: OECD, Results from TALIS 2024: Romania and the state of Teaching (2025), adapted by the authors (OECD, 2025). Interpretation: The figure illustrates Romania's paradoxical profile, high cultural cohesion, moderate autonomy, and elevated stress, indicating a transitional risk culture in which solidarity compensates for systemic imbalance.*

CONCLUSION

The current AI ecosystem is a paradox of institutional risk: organisations integrate advanced systems to manage uncertainty and strengthen resilience, while simultaneously putting cultural degradation at risk due to dependency, transparency, and loss of critical discernment. The widespread normalisation of 'auto mode' intelligence, that is, the model is selected and the decisions are automated, reflects the emergence of institutional satisfaction. Resilience must therefore be redefined as cultural and epistemological adaptability, the ability of institutions to retain critical judgement and ethical reflexivity within the accelerated technological infrastructure, not as stability under automation.

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