

Attitudes To Risk

The INONI Report

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In January 2004 JRCPL launched an INONI survey called 'Attitudes to Risk' in partnership with www.continuitycentral.com. The survey set out to investigate the attitudes to risk and continuity that exist within and across organisations, the so-called 'continuity culture' or 'risk culture'. This article is based on the resulting INONI Report and will become available as a series of linked sections over the coming month.

Rationale

Even in high-risk activities, people make mistakes and statistically, some make more than others. In organisations, accident prone-ness is rarely tolerated, yet human-related failures continue to arise from a combination of ignorance and attitudinal factors, ranging from carelessness to malice.

There are three broad categories to consider:

- Internal self-inflicted disruptions of purely human origin, including procedural error, omission, sabotage, theft and so on
- External disruptions of non-human, external or natural origin, such as power cuts, computer viruses, floods or supply contamination, where the causes lie outside the direct control of the organisation. These are generally foreseeable and in most cases, the effects are reducible or avoidable through human intervention
- Composite disruptions where humans interact with fallible assets such as computers, machinery or buildings, often acting as 'gatekeepers' against external threats to operations. Examples include the installation of anti-virus software, physical security guarding, and the effective contracting of staff

Together these categories cover the range of operational risks facing the organisation. In each, people are pivotal to determining resulting exposure, making human risk behaviour a critical organisational trait and its management an important discipline.

By measuring continuity culture we are gauging how people respond to the operational risks they believe are confronting them. A weak continuity culture might be said to exist where awareness of the risks is poor, appetite for risk taking is strong and where there is little perceived control (this applies even if the threat profile is dilute or if appropriate physical measures are in place).

Under these circumstances organisations are exposed to the human elements of the risks described above and measures need to be taken to counteract this.

Objectives

The objectives of this initial INONI Report include providing organisations with new information upon which to make basic continuity or risk culture decisions. Specifically, it aims to:

- 1 Help determine if they lagging behind others in their sector and prompt questions
 - Are we compliant with regulation?
 - Which groups have poor risk-awareness?
 - Which groups have strong risk appetites?
 - Which groups perceive poor risk ownership?
- 2 Identify other important variables that influence continuity culture
- 3 Establish a continuity culture benchmark
- 4 Provide immediate access to personalised reports to all who complete the survey
- 5 Provide a tool for measuring and helping manage continuity culture
- 6 Illustrate findings graphically
- 7 Provide the basis for a more detailed and comprehensive survey
- 8 Offer INONI as a means to monitor and manage internal risk culture

Scope

This is a limited survey, based on a small initial population and covers just three of the many dimensions that can be said to make up organisational risk culture. It is designed predominantly to illustrate INONI's capability but also give a limited insight into the potential benefits arising from an understanding of risk culture.

The survey was designed for use within individual organisations and has, in this case, been applied across multiple organisations, worldwide. This has the effect of skewing the parameters since there is no consistent benchmark for actual risk. Thus, in some responses where the actual risk is low, an individual's perception of 'low risk' is indicative of acceptable or good awareness, whereas the same cannot be said for a 'low' response in an organisation where actual exposure is high. The resulting interpretive bias has been factored into each of the analyses, results and conclusions contained in this report.

Parameters

For the purposes of this survey, risk culture is measured via users' perception of:

- Self-appetite for general and specific operational risk-taking (Appetite)
- Appreciation of the operational risks facing the organisation (Awareness)
- Adoption and management of risks by staff in the organisation (Ownership)

Whilst not formally substantiated, these parameters have been adopted by the survey team as a basis for expression of risk culture. For example, it is reasonable to assert that an individual, who seeks risk-taking situations, has no awareness of the risks facing the organisation and (consequently) perceives no active risk management to be taking place, may be judged to be representative of a weak risk culture.

Critically, the survey is designed to measure individuals' perceptions, beliefs and opinions, seeking to correlate them with harder underlying factual material.

Benchmarks

There are no formal benchmarks identified for this survey, since none currently exist as industry standards. However, the following informal benchmarks have been adopted:

The All Users group average score; this allows individuals and groups to see where they stand relative to the entire survey population mean score

The Risk Specialists' group average score; this benchmarks all participants against the scores recorded for individuals whose perception of risk is most likely to represent actuality, on the basis that they have participated in or have conducted formal risk assessments

The Finance group average score, on the basis that they are the most stringently regulated group and that risk culture traits are embedded into such organisations as a matter of commercial and operational necessity

Links to Report Sections

You can access other sections of the report as they become available by clicking on the links below.

- [Introduction](#)
- [Does continuity culture vary by region?](#)
- [How does experience of disruption affect attitudes to risk?](#)
- [Are larger organisations more exposed?](#)
- [Which sectors exhibit the best \(and worst\) continuity culture profiles?](#)
- [How much does continuity culture affect site proximity?](#)
- [Do people in different roles perceive risk and continuity differently?](#)
- [Does familiarity breed contempt for risk?](#)

- About INONI
- Summary and Conclusions

More information can be obtained by emailing inoni@jrcpl.com.