

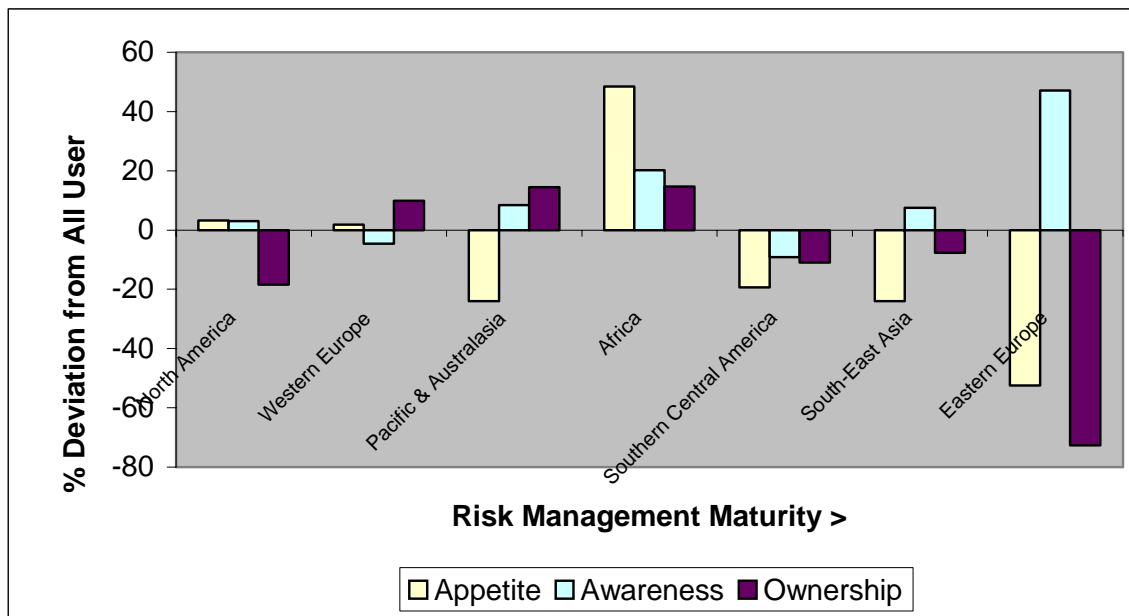
The INONI Report - Attitudes To Risk – Part Two

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In December 2003 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 the first in a series of linked sections based on the resulting INONI Report. Further sections will become available over the coming weeks. You can view other currently available sections via the links at the bottom of the article.

Part two : Does continuity culture vary by region?



This graph shows group average parameter scores according to participant regional location, sequenced (arguably) on the x-axis according to risk and continuity management maturity. To help you interpret the graph, recall that the bars represent the following parameters:

- 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)

It may also help to remember that the x-axis represents the All Users average score and that bar height represents a deviation from that average.

The graph suggests that a slightly above-average risk appetite differentiates western and other economies. This may be a function of competitive or economic maturity where a balance has

evolved in favour of acceptable operational risk-taking to maximise profit or value. 22 and 55 participants represent North America and Western Europe respectively; other groups in this assessment each had less than 5 participants.

Africa, represented by 4 participants, has a distinctive profile with a strongly developed risk appetite. This is the only group response (for all graphs in the entire survey) where each of the three parameters is well above average, suggesting a specialised risk climate. This may be rooted in past social unrest and the security regimes operated by organisations to protect historically well-developed commercial interests.

Southern Central America mirrors Africa's profile insofar as all three parameters are below average. Similarly, South-East Asia and Eastern Europe share a defensive but risk-aware profile with below-average risk ownership. This appears indicative of vulnerable and/or new economies where organisations manage operational risk by instinct in place of formality.

Risk ownership appears strongest amongst recent adopters of risk management into historical trading economies (although the author recognises that the regions identified encompass both advanced and less advanced cultures and that greater granularity is desirable if definitive statements are to be made).

North America's perception of risk ownership is below average possibly reflecting historical reliance on IT disaster recovery, but more likely illustrating the realised need for increased adoption of risk management by people in the wake of 9/11.

The outcome suggests a possible life-cycle effect as regions' attitudes to operational risk are borne of economic opportunity and then mature over decades or centuries. This slow pace may disadvantage developing economies unless organisations intervene and kick-start risk culture.

The results may also indicate that severe events can re-awaken a risk culture, dispelling its sense of security and causing it to downgrade belief in its own preparedness. This is significant, possibly confirming that a lack of disruption experience dulls the senses and makes us rest easy in the belief that the measures we have taken have been 100% effective.

Organisations might wish to interpret the results of this analysis as follows:

- 1 Those operating or planning to operate in regions where attitudes are at odds with traditional markets should be mindful of local risk cultural factors, making risk behavioural training and alignment a strong priority. Internal surveys should be carried out at each location to confirm and then align employee attitudes with best practice. This may be particularly relevant to organisations planning to outsource critical operations to low-wage economies that may be represented by this survey. Attitudes may be incompatible, potentially resulting in misinterpretation of standards and increased exposure.
- 2 The results suggest that developing economies might accelerate their development by devolving (at least a part of) their perceived need for awareness, reactivity and defensiveness to trained individuals, thereby reducing distraction from the core business. This inevitably begs the question whether their continuity culture will support such a change.

- 3 Ingrain the understanding that however slight, however bullet-proof we may appear, there is always a chance that normality will be disturbed by a severe event. This needs to take place across all stakeholders in the organisation, including customers and suppliers

If you have comments, insights or questions relating to this analysis, please email to jr@jrcpl.com. Please note that all assertions in this article represent the author's views and interpretation of the available information.

You can access other sections of the report as they become available via the Introduction ([click here](#)).