

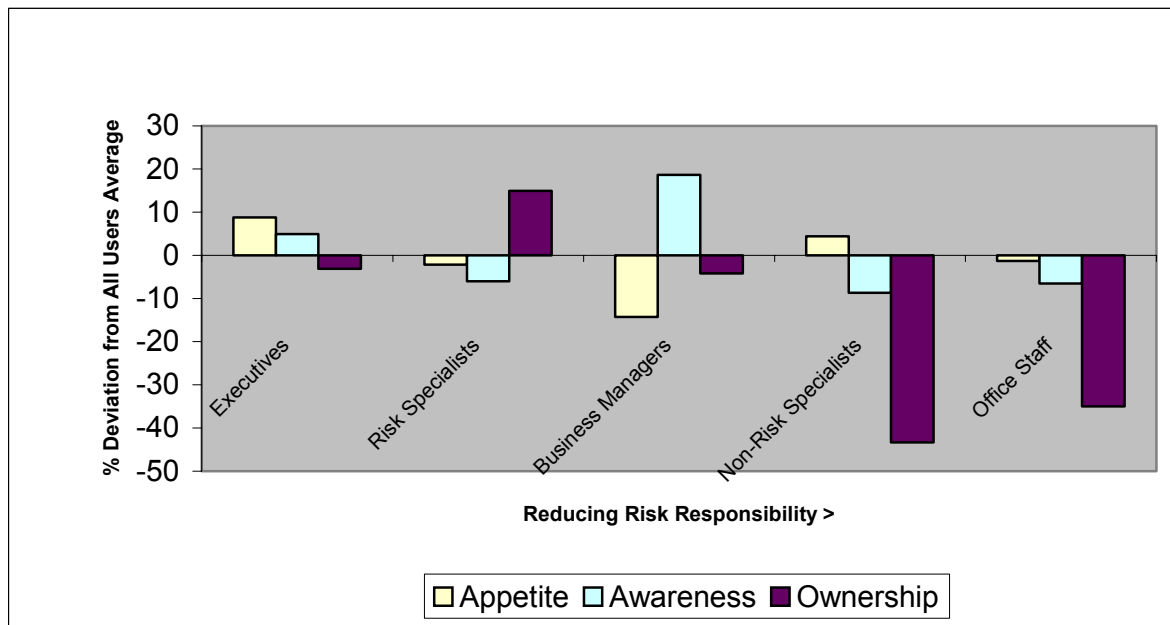
The INONI Report – Attitudes To Risk – Part Seven

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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 sixth 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 in the Introduction.

Do people in different roles perceive risk and continuity differently?



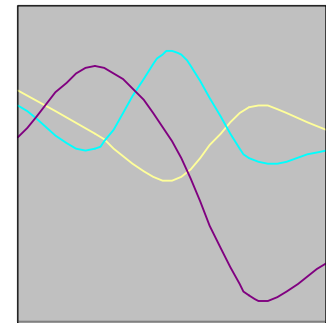
The graph shows group average scores grouped left to right according to the operational risk responsibility that accompanies each broadly defined role. To help you interpret the graph, recall that the bars represent the following parameters:

- 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.

In this analysis the only group that perceives an above-average ownership of risk in the organisation is the risk specialist group (35 participants), confirming in this context that they are a majority group.

The risk specialists' high score could be either because they are better equipped to recognise what others have achieved or because they are predominantly in-touch with those who manage operational risk in the organisation. It may also suggest in some cases that members of this group believe they are succeeding in their work, a view not necessarily shared by other roles in this survey.



Non-risk specialists (4) and other office staff (14) represent the majority headcount groups in most organisations. The survey indicates that these groups have strongly negative ownership scores, suggesting that most are oblivious to the work done to manage risk and see little evidence of it around them. This is reinforced by their sub-average awareness ratings and contradicts the upbeat views held by the risk specialists.

The survey suggests that business managers' (17) and executives' (20) risk culture profiles differ markedly. Executives appear to have a moderate risk appetite, where managers are solidly defensive. This may reflect a possible division in responsibility and attitude between the commercial or progressive executive representing the organisation as a whole, and the operational manager who is responsible for specific, usually internal processes operating properly.

Correspondingly, managers appear to be more operationally risk-aware than executives. This is possibly because they are closer to the action and are also moderately well placed to understand the probable impact arising from failures in their areas. Managers' risk profiles reflect a moderate continuity culture with high awareness, low appetite but slightly below-average risk ownership.

Neither Executives nor Business Managers appear to transmit appropriate risk culture to staff, suggesting that operational risk information and responsibility may be being withheld from the operation - the 'sharp end' - where the operational risk is in fact manifested.

Overall, the graphs appear to show that appropriate attitudes to operational risk are the preserve of specialists and that business managers seem to shoulder most of the responsibility, with limited belief in the risk management framework. The majority of staff appear oblivious and perceive a weak risk culture, potentially exposing organisations to people-related risks.

- 1 Risk specialists need to monitor the opinions of the entire organisation to accurately gauge the success of their risk awareness and ownership campaigns. They risk the embarrassment of 'wearing the King's new clothes' where they, and only they, believe in the strength of the continuity culture they have built. Perception is reality
- 2 Few executive teams stay fully focused on encouraging a robust continuity culture since the apparent nil return erodes performance and diverts resource away from achieving stakeholders' stated core objectives. Stakeholders may wish to modify this stance by a) being made openly aware of the operational risks the organisation faces and b) comparably rewarding good governance and strong culture

- 3 Executives need to provide emphatic continuity and risk leadership, cascading this positive message via the management hierarchy to all staff. If they fail in this, then managers and staff will follow their lead, weakening the organisation accordingly
- 4 Managers need to communicate strong risk culture effectively to staff, using whatever support or framework is in place but not by abdicating their responsibility to it. This implies they should provide leadership and actively participate in the building of awareness
- 5 Organisations should build strong risk culture from the top, down, reaching all staff

If you have comments, insights or questions relating to this analysis, please email 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](#)).