

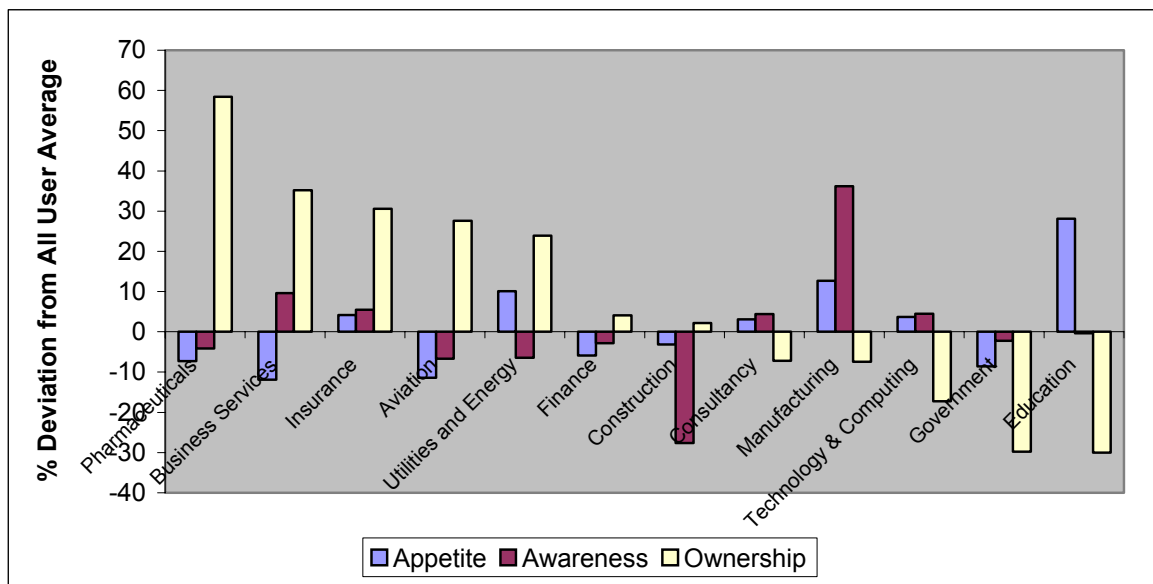
The INONI Report – Attitudes To Risk – Part Five

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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 fourth 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.

Which sectors exhibit the best (and worst) continuity culture profiles?



This graph illustrates group average scores according to participant organisation business sector. 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.

None of the assumed trend drivers (such as sector level of threat, competition, time criticality, continuity maturity, legislation or regulation) appears to offer a consistent basis for correlation. Sectors are consequently ranked in order of reducing risk ownership, from left to right along the x-

axis. This is perhaps the most telling parameter, reflecting what risk management activity participants see taking place around them. Sectors are discussed on an individual or cluster basis, with the number of participants in each case shown bracketed after the sector name.

Only the Business Services sector (3) has an apparently optimal profile, with below average risk appetite, high awareness and high ownership. Insurance (3) comes a close second, although exhibiting a higher operational risk appetite.

The low-low-high profile is shared by Aviation (3), Finance (14), Construction (3) and Pharmaceuticals (1), suggesting that in these sectors, low personal involvement is offset by a beneficial risk ownership framework, a characteristic of large corporations.

Finance shows the least overall deviation from the overall mean, followed by Consultancy (32). They may be said to have typical risk cultures and may be appropriate benchmark candidates.

Risk ownership in Pharmaceuticals is perceived to be 60% above average. Data is from just one user, reducing reliability. The score is probably a reflection of the long, expensive and stringent approvals processes for products, the need for procedural rigour and information security.

Manufacturing (2) has the highest risk awareness, possibly because of the physical processes that necessarily take place and the health and safety legislation that surrounds it. This apparent cultural advantage appears offset somewhat by a slightly above-average willingness to take risks and sub-average ownership of risk responsibility.

Construction (3) has the lowest risk awareness, suggesting a belief that operational failure is rare in the industry and that all construction works will complete on time (sic). Alternatively, it may imply a high degree of tolerance to lateness or failure, although above average ownership and below average risk appetite seem to mitigate against this. This low score in a physical industry appears to contradict the rationale offered for the Manufacturing score to some extent.

Technology and Computing (8) risk ownership is surprisingly low. There are at least two ways of viewing this; either IT is fast changing, leaving managers little time for systematic risk management; or (optimistically) because the sector is the historical origin of risk management, continuity capability is ingrained in all staff and so is less apparent.

Risk is disturbingly disowned in the Public Sector (2) compared to other sectors. Education (4) has a particularly adverse risk profile, with well-above average appetite and below average awareness of risk. These scores would be better if reversed and perhaps reflect belief in a generally benign but highly vulnerable environment.

Organisations may wish to consider the following:

- 1 Each organisation will come to rely to some extent on some or all of the industries represented in this section of the survey. The level of assurance sought from each should perhaps reflect in some way the manner in which that industry can be expected to look after its interests. By relying on them, you inherit their risk. All suppliers should be thoroughly vetted; scores against risk benchmarks should be taken into account
- 2 It seems that each sector has its own drivers and characteristic risk mores, built on historical patterns but reflecting the specialised nature of its circumstance and economic

position. It seems probable that each sector would benefit by establishing its own appropriate risk culture norms, to allow effective benchmarking and to provide a focus for improvement and understanding

- 3 The public sector (if accurately represented here) appears to be relatively unconcerned with the protection of the public asset and as such should be relied upon by organisations only where no alternative is available

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](#)).