

Communication, Training and Risk

Organisations with a risk aware culture are characterised by communication, learning, involvement, accountability and a shared commitment to risk management (Hopkin, 2014, p. 110). This brief article will discuss the necessity for organisations to establish effective internal communication and training in relation to risk to assist in developing a risk aware culture.

Communication and Training

In addition to formalised risk architecture, strategy and protocols, the communication and understanding of risk within an organisation are important factors in effective risk management.

Workplace learning assists both individuals and organisations in responding to changes in job responsibilities, work processes and the risks that can affect the attainment of business objectives (Park & Jacobs 2011, p. 437).

A formalised risk training framework provides learnings to all staff across the organisation in areas such as, risk management policies and reporting, group specific risk terminology, compliance requirements, organisational values, code of conduct and expectations, escalation protocols and the organisation's risk attitude to name but a few.

No two organisations are alike making the need for staff to understand risk within their organisation and in their role and responsibilities essential. For example, an organisation's risk attitude being the group's approach to assess then pursue, retain, take or turn away from risk (ISO 31000:2009 Risk Management Principles and Guidelines) is unique and due to internal and external environmental factors is ever-changing. In the absence of risk training and communication staff may act based on their own individual perception of risk and their beliefs and values rather than the organisation's risk attitude which may lead to a lack of alignment and consistency with those of the organisation.

Risk based training within the organisation provides the ability to change misaligned risk behaviours. The review, assessment and feedback of incidents allows a culture of learning and continual improvement to develop. Training also enables the sharing of information and experience in relation to risk and increases the likelihood that procedures will be understood and followed. The understanding of risk by all staff within all levels of the organisation coupled with open, transparent communication empowers staff to promptly raise and escalate concerns or deviations from expected outcomes.

Management should be careful to avoid establishing a culture underpinned by blame as this can be detrimental to encouraging open communication and the raising of concerns and issues. Tools such as risk maturity models can provide an effective means of measuring the risk culture of the organisation and identifying areas for improvement.

Through effective risk training, staff can see the relationship between checks and balances that they perform daily as risk treatments or mitigation and understand how this fits within the wider organisation. Staff equipped with an understanding of risk within the context of their organisation are empowered to make operational decisions and deal with daily business challenges whilst adhering to the values, culture and risk attitude of the organisation.

References

- Hopkin, P 2014, *Fundamentals of Risk Management: Evaluating and Implementing Effective Risk Management*, 3rd edn, Kogan Page, UK.
- Joint Technical Committee OB-007 2009, Australia/New Zealand Standard ISO 31000:2009 Risk Management Principles and Guidelines, Australia/New Zealand Standards.
- Park, Y & Jacobs, R 2011, 'The influence of Investment in Workplace learning on Learning Outcomes and Organisational Performance', *Human Resources Development Quarterly*, Vol. 22, No. 4, pp. 437-458.

For more information:
Contact us at riskengineering@vero.com.au