



AmTrust North America
An AmTrust Financial Company

Safety Zone

Developing a Risk Management Culture

Risk Management should be a key value held at the same level as other organization processes.

The organization should treat risk management as an integral part of program or service delivery similar to how the values of productivity, quality and timeliness are treated. Executive management should demonstrate sustained interest and attention to risk management to the same degree as with other key values of the organization.

The commitment to risk management should be translated into tangible processes.

Risk management values should be expressed in policies and procedures that are aligned with the organization's mission and values. This allows managers and employees to know specifically what is expected. Organizational risk and exposure should be a tangible consideration of all management decisions, introduction of new programs or processes, and identification and correction of unexpected events within existing programs or processes.

Reinforce the commitment.

Respond quickly and uniformly to control and correct unexpected events that threaten the future of the organization. Identify and correct informal risk-taking practices. Make sure risk-averse behavior is compatible with other job performance factors, correcting situations in which employees believe they can only get work done by ignoring or circumventing risk management practices. Ensure risk-taking is not built into a covert culture of the organization such that it becomes the norm. These steps confirm the commitment to risk management to the work force.

Ensure risk-adverse behavior is measured along with other personnel performance factors.

Job descriptions should identify key risk management activities that are a part of that position. Risk adverse behavior should be recognized through the performance evaluation systems. Risk-taking behavior should be corrected immediately within existing performance correction systems. Do not reward any level of personnel for circumventing risk management processes that are built into the fabric of the organization.

Employees should be involved in the risk management process.

No one knows better than the person who performs the task. Employees develop invaluable risk management knowledge through experience. Involve them in the risk management decision-making processes in ways that allow this knowledge to be shared. It allows risk-adverse behaviors to be incorporated into operating practices. It also demonstrates management commitment to risk-adverse, as opposed to risk-taking, behavior.

For additional information and resources on this topic and other safety and risk management subjects be sure to visit the Loss Control section on our website:

<https://www.amtrustgroup.com/small-business-insurance/claims/prevention>

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