iirsm

IIRSM's Risk Management and
Leadership Competence Framework

Risk management protects people, reputation and profits

Every day, we face diverse and evolving strategic, financial and operational challenges. With customers seeking to transfer risk, employees wanting more flexibility, society demanding action on protecting our planet, and regulators expecting greater assurances than ever before.

We now live in a complex world where likelihood and severity of risk are no longer the only measures that matter. The speed at which a risk happens, as with Covid-19 or cyber-attacks, is increasingly a key factor as are interconnections between different risks.

Very few of us have all the skills, knowledge and capacity to manage the threats and opportunities these challenges bring.

Failures are too often down to management's inability to identify the risks and to properly evaluate, communicate, and address them. Too often, projects and organisations can be disrupted by several small events that impact on one another in unexpected ways and create risks that do not reach the Boardroom.

Therefore, organisations need cultures where risks are openly discussed, challenged and escalated and this process forms an integral part of strategy development, project planning and operational implementation at every level.

Everyone is responsible for managing and taking risks and should have the skills to be able to do so. The benefits of being competent in risk management equally applies to those working in health and safety, other risk-disciplines such as business continuity, crisis management, emergency planning, environmental management, quality, security, and more importantly, all decision-makers across an organisation.

Effective risk management requires a combination of specialised risk expertise, timely and empowered decentralised management decision-making and a central risk management system that co-ordinates and underpins organisational policies, processes, cultures and leadership at all levels.

Risk management matters in all sectors

Arts & Media   Construction   Education   Emergency Services   Energy   Government   Healthcare   Manufacturing   Transport   Utilities
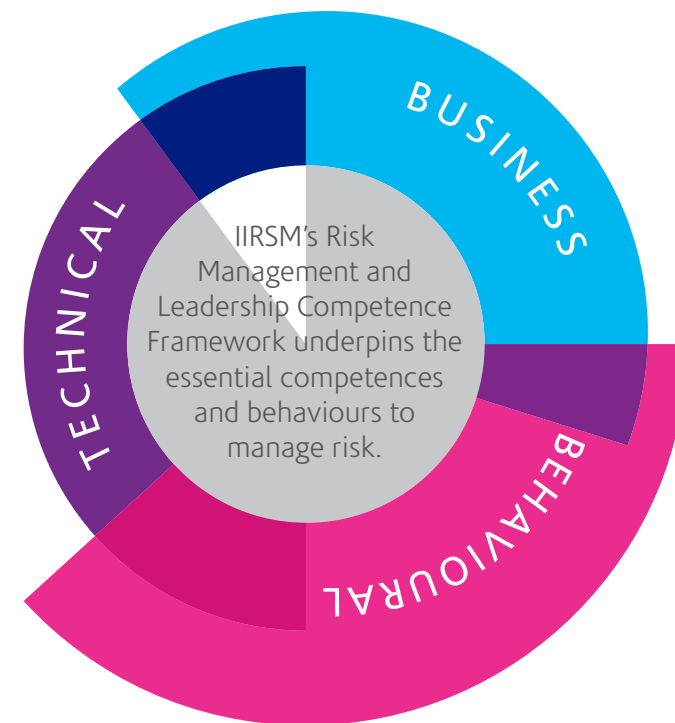
About the framework

IIRSM's framework is a flexible tool which has been developed by extensive consultation with industry. It can help people and organisations judge the level of risk competence required to build personal or organisational capability and resilience, giving them a benchmark in which to recruit, retain and develop staff or themselves. Effective risk management can provide both the individual and organisation with a real advantage.

The competences are presented in a generic way so they can be interpreted and applied to different areas of practice, specialism and geographical locations. It is important that you understand and apply them within the context of your own area of work.

The required level of competence will depend on an individual's role, seniority, experience and area of practice. However, **as a guide**, competences and behaviours are set at three levels of attainment linked to career progression and IIRSM membership grades.

1. **Operational** – (knowledge and understanding, with some application)

2. **Managerial** – (clear application of knowledge)

3. **Strategic** – (reasoned advice and depth of complexity)

The framework does not dictate how the outcome is achieved, which provides flexibility to users and ensures the framework remains futureproof.
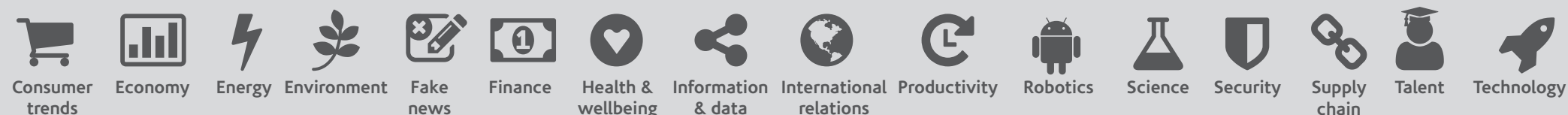
IIRSM's Risk Management and Leadership Competence Framework underpins the essential competences and behaviours to manage risk.

BUSINESS
BEHAVIOURAL
TECHNICAL

Design principles

The principles underpinning IIRSM's framework are:

> Risk management is a core skill that should be embedded into all job roles and responsibilities.

> Everyone is a manager of risk.

> Risks are either threats or opportunities that can impact on achieving objectives.

> Good leadership behaviours are central to managing risk well and should be developed early on in careers.

> Risk management is an enabler, and supports innovation, increases performance, and builds individual and organisational resilience.

> The competences and behaviours are purposefully presented

in a generic way so they can be applied to different areas of responsibility, work and locations.

> No one person, or function can manage all the risks. It's a collaborative approach across the organisation.

> The competences and behaviours are accumulated as individuals progress.

Risks come in all shapes and sizes

| Consumer trends | Economy | Energy | Environment | Fake news | Finance | Health & wellbeing | Information & data | International relations | Productivity | Robotics | Science | Security | Supply chain | Talent | Technology |

Users of the framework

The table shows examples of users and how they can benefit from the framework.

Types of users	Applying the framework
Risk, safety and business professionals	• Self-assessment of development needs • Career planning • Continuing Professional Development • Attaining IIRSM membership
Employers and HR professionals	• Risk management and leadership competence building • Recruitment • Job description and specification development • Professional development • Succession planning • Demonstrating the importance of risk management as a key skill
Regulators	• Confirmation of compliance • Setting risk management requirements for regulatory development and execution
Universities	• Feeding into curriculum design • Collaborating with IIRSM to enable their students to achieve IIRSM membership
Recruitment agencies	• Tool to help short-list candidates for specific jobs • Confidence in recommending IIRSM members for potential jobs
IIRSM	• Underpins membership structure, learning and development solutions and supports members' continuing professional development

Technical competences

Area of competence	Associate (Operational)	Member (Managerial)	Fellow (Strategic)
Organisational context Understands the evolving relationship between the organisation and external forces that shapes the way it responds to risk.	• Demonstrates how their role contributes to the organisation's strategy and objectives. • Supports the delivery of personal, team and function objectives. • Understands the organisation and its external environment to identify and manage risk in day-to-day activities. • Understands the relationship between the organisation's culture and the way risks are managed.	• Collaborates with others and shares knowledge to deliver strategy. • Leads the development and implementation of objectives for an area of responsibility aligned to the organisation's strategy. • Uses business acumen and understanding of the organisation's internal and external environment to develop solutions to manage risk. • Influences the organisation's culture in relation to risk.	• Establishes a clear strategy to shape direction and behaviours related to risk and risk taking. • Defines the organisation or function level strategy and objectives in relation to risk. • Evaluates the organisation's internal and external environment to determine the risk strategy. • Drives the organisation's culture in relation to risk.
The role of risk management Applies risk management across the organisation and educates stakeholders to identify and act on risk.	• Promotes risk management principles and the organisation's strategy for risk to relevant stakeholders. • Identifies, assesses and controls risks in day-to-day activities and within projects.	• Ensures good risk management practice across an area of responsibility. • Applies techniques to identify, assess and control risks within an area of responsibility and within projects. • Understands the interconnectedness of risks within an area of responsibility and other parts of the organisation.	• Influences the board or senior executive on an organisation's risk appetite. • Works collaboratively to establish the organisation's framework and approach to risk. • Adapts techniques to identify, assess and control complex and aggregated risks.
Strategy, objectives, policy and procedures Develops and implements an organisation's approach and attitude to the way it manages risk.	• Supports others to work using established risk policies and procedures in day-to-day activities and within projects. • Contributes to the development of risk-related procedures. • Identifies and escalates opportunities to improve risk policies and procedures.	• Contributes to policy improvements and produces procedures to support the achievement of objectives. • Drives a proportionate approach to risk through policy development and application of procedures.	• Collaborates with stakeholders to develop risk policies aligned to the organisation's strategy and objectives. • Evaluates current and emerging risks to determine changes to strategy. • Evaluates the effectiveness of the risk policy against the organisation's strategy and objectives to determine changes.

Area of competence	Associate (Operational)	Member (Managerial)	Fellow (Strategic)
Project/ change management Enables organisations to create significant opportunities and recognises associated risks.	• Contributes to projects of up to 12 months and supports longer-term function and organisation-wide projects. • Supports the review of risks within projects.	• Manages operational projects of around 1-3 years and contributes to organisation-wide projects. • Ensures risks are proactively managed in projects.	• Achieves leadership buy-in to lead projects of 3 or more years that deliver strategy. • Promotes risk management as integral to project success.
Stakeholder engagement Ensures risks are efficiently addressed through understanding stakeholders and their motivations.	• Provides technical advice to support collaborative working across different functions. • Encourages stakeholders to adopt risk principles.	• Works with stakeholders to establish collaborative ways of managing risks to increase productivity. • Educates stakeholders on the importance of risk management and its impact on achieving objectives.	• Creates a culture of collaboration where stakeholders work together to manage risks. • Promotes risk management best practice to internal and external stakeholders.
Data management Ensures data is appropriately managed and decisions are founded on reliable information.	• Collects and sorts data in accordance with company standards and legislation. • Carries out preliminary analysis assessing the reliability of data. • Presents their insights to relevant stakeholders.	• Analyses data and information in accordance with company standards, legislation and benchmarking. • Analyses data to identify trends and anomalies and finds operational solutions. • Feeds insights from data analysis into strategic decisions.	• Analyses trends and anomalies to find and recommend solutions to deliver change or challenge the strategy.
Risk and organisation reporting Defines performance measures and provides the right information in required formats in a timely manner to decision makers.	• Contributes to the review of KPIs and KRIs for their function. • Supports the distribution of relevant risk data to stakeholders within agreed levels of disclosure and sensitivity.	• Develops KPIs and KRIs for function and/or organisation level. • Supports other stakeholders to achieve their function and organisation KPIs and KRIs. • Defines and produces risk reports within agreed levels of disclosure and sensitivity.	• Establishes a coherent reporting framework aligned to strategy. • Reports on issues impacting strategy to senior leadership within appropriate levels of disclosure and sensitivity.

Leadership behaviours

Area of behaviour	Associate (Operational)	Member (Managerial)	Fellow (Strategic)
Influencing Works with stakeholders in a manner that encourages and persuades others to contribute effectively.	• Demonstrates organisational and professional values. • Identifies stakeholders and knows when to approach them and how. • Motivates stakeholders to reduce or mitigate risk or achieve opportunities.	• Encourages others to demonstrate organisational and professional values across parts of the organisation. • Engages with stakeholders amongst senior decision makers as well as operational staff to produce positive outcomes. • Provides solutions to address conflicting interests to motivate stakeholders to compromise to reduce or mitigate risk or achieve opportunities.	• Defines values that promote professional behaviours to support the organisation's objectives and demonstrates expected behaviours. • Consults with stakeholders from a broad audience, including senior executives inside and outside the organisation to achieve organisational objectives. • Persuades stakeholders to negotiate outcomes that meet objectives.
Emotional intelligence Demonstrates an open attitude to all, irrespective of background and circumstances, recognising and valuing different stakeholders' perspectives and input.	• Understands diversity and its value within a team. • Understands other's strengths and weaknesses and works in a way that is mutually supportive. • Admits to errors and seeks to learn from them and encourages others to do the same.	• Contributes to an environment where others can identify diversity and its value. • Provides opportunities for everyone to contribute based on their knowledge, skills and experience. • Promotes an environment where errors can be admitted, and lessons can be learned, setting an example by recognising personal failings and taking actions to address them.	• Values different cultures, backgrounds and circumstances in decision making and takes actions. • Creates an environment where others can identify diversity and its value, allowing stakeholders to ask questions, challenge, share ideas and concerns. • Engages with others to understand different perspectives. • Creates an environment where errors are investigated openly, and lessons are learned, setting an example by sharing successes, admitting to failings, rewarding openness and taking decisive action.

Area of behaviour	Associate (Operational)	Member (Managerial)	Fellow (Strategic)
Collaborative Builds consensus, trust and respect by sharing information, ideas and resources in a manner that increases contribution from others.	• Supports the organisation by working effectively with others to achieve their objectives and those of the team. • Works with colleagues across an organisation to identify their priorities. Provides relevant information and support in confidence when required. • Works as a willing team member and encourages others to work together to improve the management of risk.	• Recognises the priorities of others and responds by seeking outcomes that provide mutual gains. • Establishes processes for sharing information and engagement, considering the management of sensitive data. • Fosters relationships to improve personal and operational performance.	• Builds trust by understanding the priorities of others. • Shares information in a way which promotes engagement without compromising sensitive data. • Builds relationships to support organisation and personal growth.
Communicative Communicates clearly and concisely, recognising audience capabilities, and listens to stakeholders in an open and courteous way.	• Listens to instructions and asks questions if in doubt. • Captures and presents information on operational performance in a way which is understood by others. • Communicates with the team and other stakeholders across the organisation to improve productivity and promotes corrective actions.	• Listens to stakeholders and asks questions to clarify or to challenge. • Analyses information and communicates expectations and whether KPIs are being met in a way that meets the needs of stakeholders. • Establishes mechanisms for communication between stakeholders to capture and review opinions regularly and promotes ways for improvement.	• Adopts a questioning and challenging approach, then listens and considers evidence rationally. • Presents information on strategic performance in a way which meets the needs of stakeholders. • Promotes communication between stakeholders to inspire others to resolve conflict in a way that best meets objectives.
Innovative Identifies uncertainties as potential opportunities and challenges the status quo. Takes calculated risks whilst respecting objectives and values.	• Contributes to discussions on new ways of working to resolve challenges and suggests opportunities. • Open to learning from others.	• Encourages others to overcome challenges and identify opportunities by challenging the status quo. • Seeks to learn from others and motivates others to do the same.	• Creates an environment where ideas to overcome challenges and exploit opportunities are encouraged and acted on. • Seeks opportunities to improve as an individual and as an organisation.

Area of behaviour	Associate (Operational)	Member (Managerial)	Fellow (Strategic)
Ethical Demonstrates trust, fairness and openness and remains true to values irrespective of pressures.	• Demonstrates positive behaviours. • Encourages positive behaviours in others. • Recognises inappropriate behaviours and raises concerns appropriately.	• Demonstrates professional and organisational values through behaviours. • Encourages behaviours in others that matches professional and organisational values, providing information and guidance as necessary. • Acts to address inappropriate behaviours.	• Demonstrates the values that reflect the nature of the organisation and profession. • Encourages a culture in which appropriate behaviours are reinforced, and where performance at the expense of values is not tolerated.
Determined Pursues objectives through to the end, demonstrating resilience, courage, adaptability and energy to achieve goals.	• Focuses on the delivery of work objectives without compromising values or behaviours • Delivers consistently and professionally and overcomes challenges, applying alternative methods when needed.	• Establishes personal and organisational objectives and systems to measure performance. • Supports others through challenges, recognising barriers to performance and identifies solutions, including resources and training.	• Demonstrates steadfastness in the achievement of objectives. • Develops a framework and reinforces a culture in which identifying and overcoming challenges is encouraged.
Systematic Works logically, considers options and sets clear measurable targets which balance competing priorities.	• Plans work, selecting appropriate methods to meet objectives and KPIs. • Communicates to others how objectives and KPIs will be met. • Undertakes work in accordance with agreed work methods and procedures. • Reviews activities regularly, communicating progress as appropriate.	• Plans work, setting out clear KPIs based on organisation objectives. • Communicates objectives to stakeholders, providing regular feedback on progress. • Provides resources so that work can be carried out efficiently. • Establishes systems and processes for measuring performance and routinely reports on progress to relevant stakeholders.	• Provides clear organisation objectives to enable activities to be planned. • Communicates objectives so that stakeholders are engaged in the success of the project and/or organisation. • Reviews progress regularly and reconsiders objectives, KPIs, budgets and resources if needed.

Business competences

Area of competence	Associate (Operational)	Member (Managerial)	Fellow (Strategic)
Governance and culture Works with relevant stakeholders to implement effective governance.	• Understands their role and responsibilities in supporting effective governance. • Acts as a role model for others and behaves ethically and with integrity. • Aware of procedures for information sharing to ensure that the organisation has accurate data to make informed decisions.	• Contributes to and maintains the integrity of information provided to senior leaders and related activities and committee meetings. • Implements an appropriate system of risk oversight and internal controls. • Challenges if weak governance is observed in the organisation. • Behaves ethically and leads by example and is a role model for peers.	• Drives the adoption of an appropriate blend of skills, experience and diversity to support effective governance. • Ensures leadership can remain accountable to internal and external stakeholders. • Persuades all leaders to be transparent with all stakeholders.
Financial integrity Ensures any risks to financial integrity are understood by stakeholders.	• Contributes to budget management within projects of up to 12 months and supports wider function and organisation-wide projects and activities.	• Contributes to financial management of department and/or organisation-wide budgets for 1-3 years. • Supports others to protect the integrity of financial statements and other key information. • Identifies and explains consequences of incorrect financial reporting.	• Contributes to the organisation's strategic financial plan. • Creates a culture of openness and honesty for financial reporting. • Promotes a zero-tolerance culture for bribery or favouritism. • Champions the process for transparency in supplier financial engagement.
Supports society Fosters relationships with the local community and wider society.	• Collaborates with other employees and partners on projects and initiatives to highlight social responsibilities.	• Encourages the organisation to adopt sustainable policies. • Inspires employees to consider their personal impact on the community and wider society.	• Articulates the benefits of embracing sustainability goals for the organisation. • Rewards actions that demonstrates improvements in sustainability and other socially responsible causes.

Area of competence	Associate (Operational)	Member (Managerial)	Fellow (Strategic)
Compliance and legal responsibility Appreciates the legal and regulatory obligations of the organisation to stakeholders.	• Demonstrates an awareness of the key aspects of internal and external rules, regulations, and obligations that the organisation must comply with. • Understands sources of change to legal, regulatory and contractual obligations. • Understands policies and procedures for whistleblowing both within and external to the organisation.	• Ensures compliance with the organisations legal, regulatory, and contractual obligations with employees, customers, regulators and suppliers. • Identifies and communicates any incorrect situations and areas of non-compliance to relevant stakeholders.	• Drives the organisations compliance of legal, regulatory, and contractual obligations with all key stakeholders. • Communicates the risks and opportunities of future changes to legal, regulatory and contractual obligations to stakeholders.
Supplier and partner management Considers the impact of others on the organisation and communicates it effectively.	• Supports supplier selection and management within function and organisation-wide projects. • Understands potential impact of supplier failure within projects and operations and can identify mitigating actions.	• Leads supplier selection and management of function or organisation agreements for 1 -3 years. • Identifies potential impact of supplier failure to function and/or organisation and defines and takes mitigating actions. • Articulates consequences of poor performance and provides feedback to suppliers and other key stakeholders.	• Ensures the process and selection of suppliers matches the values and ethos of the organisation. • Provides feedback to failing suppliers and the organisation and determines suitable alternative suppliers.

Glossary

Term	Definition
Challenge	A challenge is a test of ability and attitude. It can be a personal challenge, such as influencing others to carry out an activity, or a corporate challenge such as responding to a threat or opportunity.
Culture	An organisation's culture is based on the shared attitudes, expectations, experiences and beliefs of those in the organisation. It includes both written and unwritten rules that have developed over time and are accepted by those in the workforce. It is shown in the way business is conducted, and the way people treat each other.
Data management	Data management is an administrative process that includes collecting, checking and analysing data in a secure way to inform more accurate and timely decision making in order to achieve **objectives**. See *Objective*.
Diversity	Diversity reflects different types of people and opinions. In an organisation, this includes considering **perspectives** of people from different functions and positions in a hierarchy, as well as gender, ethnicity, age and ways of thinking. Recognising diversity means inviting and responding to views from different groups. See *Perspective*.
Engagement	Engagement is the process by which **stakeholders** are involved in decision-making See *Stakeholder*.
Error	An error is "a deviation of human performance from an intended, desired or ideal standard" (James Reason, 2013). An error can be made in planning an action (a mistake) or in carrying out an action.
External environment	In this context, the external environment refers to the political, economic, social and technological circumstances that influence the organisation. This might include the natural environment (climate, air quality, water quality and so on) where this influences the achievement of organisation strategy and **objectives**. See *Objectives* and *Strategy*.
Governance	The internal system of practices, controls, procedures and culture the organisation implements to effectively function. This includes decision making, communications and legal compliance etc.
Inspire	See *Motivate*.
Key Performance Indicator (KPI)	A quantifiable measure used to evaluate success in meeting an objective. KPIs can be set at organisational, functional or individual level. See *Key Risk Indicator* (KRI), *Objective and Risk and organisation reporting*.

Term	Definition
Key Risk Indicator (KRI)	A risk indicator provides an early signal of increasing risk exposure in a significant area of business (e.g. relating to an important resource). While a KPI is a measure of how well something is being done, a KRI is an indicator of the possibility of something going wrong. See *Key Performance Indicator* (KPI), *Resource and Risk and organisation reporting*.
Motivate	To motivate is to provide an incentive to others to behave in a way, or to direct others towards a goal. Inspiration is generally seen as a higher level of motivation, where external motives are no longer required, and people are instead self-driven to achieve goals. See also *Promote*.
Objective	An objective is the defined end-result towards which activities are directed. Mid-point **objectives** can be set as part of a journey towards something. It is not an objective if it was a coincidental achievement. **Objectives** can be personal (achieve success, complete a personal project), organisational (meet KPIs, KRIs), or professional (post a blog, write an article, present at an event). **Objectives** can be set at organisational, team and functional levels, and for individual projects or activities. See *Strategy*.
Organisational context	The organisational context defines the relationship between the organisation, and the external and internal forces that shape the way in which it responds to risk.
Performance	Performance is about the deliberate efforts and steps taken to achieve, and the actual outcomes achieved against **objectives**. Performance should have a measurable result. See *Objective*.
Perspective	A perspective is a way of viewing things that depends on the experience, background and personality of the viewer. Diversity appreciates different perspectives, not just one. See *Diversity*.
Policy	A set of ideas or a plan of what to do in situations that have been agreed by an organisation. Although policies should be reviewed regularly, there is often no fixed time scale for a policy. Compare with *Project* and *Strategy*.
Priority	A priority is a condition, event or fact that is regarded or treated as more important than something else. Priorities can be organisational, professional or personal.
Procedure	A procedure is a specified way to carry out an activity or a process. See *Process*.
Process	A process is a set of interrelated or interacting activities which transforms inputs into outputs.

Term	Definition
Project	A project is an activity that is planned to achieve an objective (or set of objectives) over a specified period. Compare with *Policy* and *Strategy*.
Promote	To promote an activity or performance is to encourage and reinforce it. While the person who motivates provides or defines the incentive for performance, the person who promotes refers to the pre-defined incentive to reinforce the activity or behaviour. See *Motivate*.
Regulation	A rule of order having the force of law, prescribed by a superior or competent authority, relating to the actions of those under the authority's control.
Resource	Resources include people, equipment, materials, finance, infrastructure, the natural environment and development opportunities.
Risk and organisation reporting	Risk and organisation reporting provide the right information in the right format at the right time to the right people to help make the right decisions. See *Key Performance Indicator* (KPI) and *Key Risk Indicator* (KRI)
Risk management	Risk management is a process of identifying and acting on risk and opportunity. It is shared across an organisation, facilitated by the risk function.
Social	Addresses the relationships and reputation the organisation has with the people and communities where it operates. Includes employee relations, diversity and inclusion and supporting important causes.
Stakeholder	Stakeholders are people and organisations inside and outside of an organisation that can affect or can be affected by the achievement of an objective. Examples below: Board Management Shareholders or owners Group companies Colleagues Volunteers Trade unions and other employee representatives Investors Regulators Governments Customers Society/public Suppliers Sub-contractors Employees' families Lobby / pressure groups Local community
Strategy	A strategy is the way in which an organisation plans its actions over a period to meet **objectives**. Strategy can be set at organisational and functional levels. Although strategies should be reviewed, there is often no fixed time scale for a strategy. Compare with *Project*.
Supplier	A supplier is a person or organisation that provides a product or service to another entity.
Value	A value indicates the importance given by an individual or an organisation to a behaviour or characteristic, such as honesty, professionalism or the ability to admit errors. Value is also used as a verb to reflect the idea of appreciating or recognising the value of something or someone, for example recognising and respecting different viewpoints.

About IIRSM

IIRSM is a professional membership organisation for those responsible for managing risks in all their forms. Our vision is a future where people live and work in a safer, healthier and more sustainable world.

We're independent and speak freely, championing risk management to drive positive change for both employee and organisational wellbeing. We do this through setting standards, connecting people and organisations, and providing practical education, training, advice and resources.

Our community of members, in more than 90 countries is united around a common desire to use risk management to make better decisions in business, both in operations but also strategically too.

Our members work in all areas of risk, at every level, playing a vital role in keeping people and organisations safe, healthy and resilient.

We support their development through the IIRSM Risk Management and Leadership Competence Framework which underpins our membership and training and development activities.

IIRSM strongly believes that everyone is responsible for managing risks and should have the skills to be able to do so. Organisations need cultures where risks are openly discussed, challenged, and escalated. And the benefits of being competent to manage risk equally applies to big business and small organisations in all industries.

iirsm

#IIRSMmember

E: membership@iirsm.org

T: +44 (0)20 8741 9100

www.iirsm.org