

iirsm

IIRSM's risk management and leadership competence framework

Risk management protects people, reputation and profits

Every day, we all face a wide range of diverse and evolving strategic, financial, operational and technological challenges. Whether it's customers seeking to eliminate risk, employees wanting more flexibility, society expecting higher standards and regulators expecting increased assurances than ever before, very few of us, have all the skills, knowledge and capacity to manage the risks involved, whether they be threats or opportunities.

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 leading to failures that only reach the Boardroom once it's too late to address them. Therefore, organisations need cultures where risks are openly discussed, challenged and escalated. This should be an integral part of strategy development, project delivery and operational implementation at every level.

Everyone is responsible for managing risks and should have the skills to be able to do so. The benefits of being competent in risk management equally apply to those working in health and safety, and other risk-disciplines such as business continuity, crisis management, emergency planning, environmental management, quality and security. More importantly, they apply also to 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

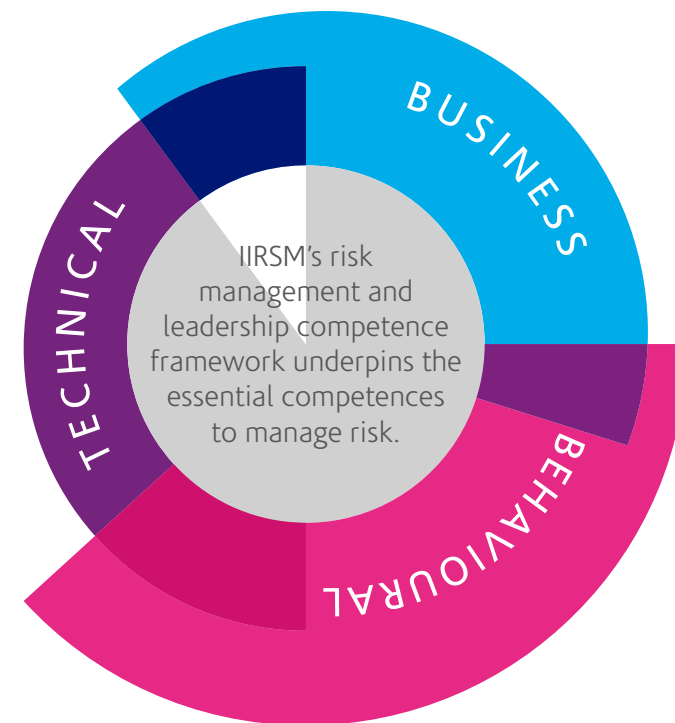
IIRSM's framework is a flexible tool which has been developed through extensive consultation with industry. It can help people and organisations judge the level of risk competence required to build personal or organisational capability, giving them a benchmark against which to recruit, retain and develop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

The competences are presented in a generic way so they can be interpreted and applied to different areas of practice, specialism and to different 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**, the competences and behaviours are set at three levels of attainment linked to career progression and the IIRSM membership structure.

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, providing flexibility to users and ensuring the framework remains futureproof.

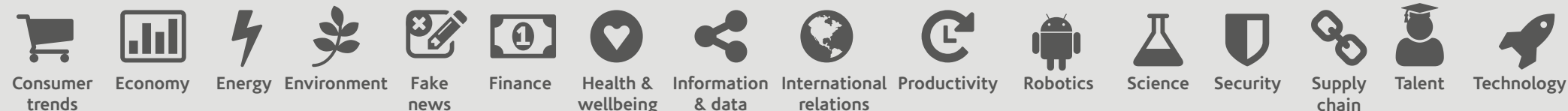


Design principles

The principles underpinning IIRSM's framework are:

- Risk management is a core business discipline and skill and should be embedded into all job roles.
- Everyone is a manager of risks and opportunities.
- Everyone needs good leadership skills.
- Risk management is an enabler, and supports innovation, increased performance and builds individual and organisational resilience.
- The competences are purposefully presented in a generic way so they can be applied to different areas of responsibilities and locations.
- No one person, or function can manage all the risks.
- Competences and leadership behaviours are accumulated as individuals progress.

Risks come in all shapes and sizes



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 | <ul style="list-style-type: none"> • Self-assessment of development needs • Career planning • Continuing professional development • Attaining IIRSM professional membership |
| Employers and HR professionals | <ul style="list-style-type: none"> • 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 business discipline |
| Regulators | <ul style="list-style-type: none"> • Confirmation of compliance • Setting risk management competencies and behaviours in regulatory development and execution |
| Universities | <ul style="list-style-type: none"> • Feeding into curriculum design • Collaborating with IIRSM to enable their students to achieve professional membership of IIRSM |
| Recruitment agencies | <ul style="list-style-type: none"> • Tool to help short-list candidates for specific jobs • Confidence in recommending IIRSM members for potential jobs |
| IIRSM | <ul style="list-style-type: none"> • Underpins our membership structure, learning & development solutions and supports members' continuing professional development |

Technical competences

| Area of competence | Associate (Operational) | Member (Managerial) | Fellow (Strategic) |
|--|--|---|--|
| <p>Organisational context Understands the evolving relationship between the organisation and external forces that shapes the way in which it responds to risks.</p> | <ul style="list-style-type: none"> • Demonstrates an understanding of 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. | <ul style="list-style-type: none"> • 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 organisation's culture in relation to risk. | <ul style="list-style-type: none"> • Establishes a clear strategy to shape direction and behaviours related to risk. • Defines the organisation or function level strategy and objectives in relation to risk. • Evaluates the organisation's internal and external environment to determine risk strategy. • Drives the organisation's culture in relation to risk. |
| <p>The role of risk management Applies risk management across the organisation and educates stakeholders to identify and act on risk.</p> | <ul style="list-style-type: none"> • Promotes risk management principles and the organisation's strategy for risk to relevant stakeholders. • Identifies, assesses and controls risks in day-to-day activities or within projects. | <ul style="list-style-type: none"> • Ensures good risk management practice across an area of responsibility. • Applies techniques to identify, assess and control risks within an area of responsibility. | <ul style="list-style-type: none"> • 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. |
| <p>Strategy, objectives, policy and procedures Develops and implements an organisation's approach and attitude to the way in which it manages risk.</p> | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • Contributes to policy improvements and produces procedures to support the achievement of objectives. • Drives a proportionate approach to risk in the formulation of policy and in the development and application of procedures. | <ul style="list-style-type: none"> • Collaborates with stakeholders to develop risk policies aligned to the organisation's strategy and objectives. • Embeds the organisation's policy on risk. • Evaluates the effectiveness of the risk policy against the organisation's objectives to determine changes. |

| Area of competence | Associate (Operational) | Member (Managerial) | Fellow (Strategic) |
|--|---|---|---|
| <p>Project/ change management Enables organisations to create significant opportunities and recognises associated risks.</p> | <ul style="list-style-type: none"> Contributes to projects of up to 12 months and supports wider function and organisation projects. | <ul style="list-style-type: none"> Manages operational projects of around 1-3 years and contributes to organisation projects. | <ul style="list-style-type: none"> Evaluates current and emerging risks for changing strategy. Achieves leadership buy-in to lead projects of 3 or more years that deliver strategy. |
| <p>Stakeholder engagement Ensures risks are efficiently addressed through understanding stakeholders and their motivations.</p> | <ul style="list-style-type: none"> Provides technical advice to support collaborative working across different functions. Encourages stakeholders to adopt risk principles. | <ul style="list-style-type: none"> Works with stakeholders to establish collaborative ways of managing risks in order to increase productivity. Educates stakeholders on the importance of risk management and its impact on achieving operational and organisation objectives. | <ul style="list-style-type: none"> Creates a culture of collaboration where stakeholders work together to manage risks. Promotes risk management best practice to stakeholders. |
| <p>Data management Ensures data is appropriately managed and decisions are founded on reliable information.</p> | <ul style="list-style-type: none"> Collects and sorts data in accordance with professional standards and legislation. Carries out preliminary analysis assessing the reliability of data. Presents their insights to relevant stakeholders. | <ul style="list-style-type: none"> Analyses data and information in accordance with professional standards and legislation. Analyses data to identify trends and anomalies to find operational solutions. Feeds insights from data analysis into decisions about strategy. | <ul style="list-style-type: none"> Analyses trends and anomalies to find solutions to deliver or challenge the strategy. |
| <p>Risk and organisation reporting Defines performance measures and provides the right information in required formats in a timely manner to the appropriate decision-makers.</p> | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> Develops KPIs and KRIs for function and organisation level. Supports other stakeholders to achieve their function and organisation KPIs and KRIs. Produces risk reports within agreed levels of disclosure and sensitivity. | <ul style="list-style-type: none"> Establishes a coherent reporting framework aligned to strategy. Reports on issues impacting strategy to the senior leadership within appropriate levels of disclosure and sensitivity. |

Leadership behaviours

| Area of behaviour | Associate (Operational) | Member (Managerial) | Fellow (Strategic) |
|---|---|--|---|
| <p>Influencing Works with stakeholders in a manner that encourages and persuades others to contribute effectively.</p> | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • 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 their objectives. |
| <p>Emotional intelligence Demonstrates an open attitude to all, irrespective of circumstances, recognising and valuing different stakeholders' perspectives and input.</p> | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • 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) |
|---|---|--|---|
| <p>Collaborative Builds consensus, trust and respect by sharing information, ideas and resources in a manner that increases contribution from others.</p> | <ul style="list-style-type: none"> • 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 risk management. | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • 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. |
| <p>Communicative Communicates clearly and concisely, recognising audience capabilities, and listening to stakeholders in an open and courteous way.</p> | <ul style="list-style-type: none"> • Listens to instructions and asks questions if in doubt. • Captures 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. | <ul style="list-style-type: none"> • Listens to stakeholders and asks questions to clarify or to challenge. • Analyses information and communicates expectations and whether performance indicators 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. | <ul style="list-style-type: none"> • 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 organisational objectives. |
| <p>Innovative Identifies uncertainties as potential opportunities and challenges the status quo. Takes calculated risks whilst respecting objectives and values.</p> | <ul style="list-style-type: none"> • Contributes to discussions on new ways of working to resolve challenges and suggests opportunities. • Open to learning from others. | <ul style="list-style-type: none"> • Encourages others to overcome challenges and identify opportunities by challenging status quo. • Seeks to learn from others and motivates others to do the same. | <ul style="list-style-type: none"> • 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) |
|--|--|--|---|
| <p>Ethical Demonstrates trust, fairness and openness and remains true to values irrespective of pressures.</p> | <ul style="list-style-type: none"> • Demonstrates positive behaviours. • Encourages positive behaviours in others. • Recognises inappropriate behaviours and raises concerns appropriately. | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • 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. |
| <p>Determined Pursues objectives through to the end, demonstrating resilience, courage, adaptability and energy to achieve goals.</p> | <ul style="list-style-type: none"> • Focuses on the delivery of work objectives without compromising values or behaviours. • Delivers consistently and professionally and overcomes challenges, applying alternative methods when needed. | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • Demonstrates steadfastness in the achievement of objectives. • Develops a framework and reinforces a culture in which identifying and overcoming challenges is encouraged. |
| <p>Systematic Works logically, considers options and sets clear measurable targets which balance competing priorities.</p> | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • Provides clear organisation objectives to enable activities to be planned. • Communicates objectives so that stakeholders are engaged in the success of the organisation. • Reviews progress regularly and reconsiders objectives, KPIs, budgets and resources if needed. |

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 . <i>See Objective.</i> |
| 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. <i>See Perspective.</i> |
| Engagement | Engagement is the process by which stakeholders are involved in decision-making <i>See Stakeholder.</i> |
| 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 . <i>See Objectives and Strategy.</i> |
| 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. <i>See Key Risk Indicator (KRI), Objective and Risk and organisation reporting.</i> |
| 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. <i>See Key Performance Indicator (KPI), Resource and Risk and organisation reporting.</i> |

| Term | Definition |
|-------------------------------|---|
| 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. <i>See also Promote.</i> |
| 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. <i>See Strategy.</i> |
| 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. <i>See Objective.</i> |
| 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. <i>See Diversity.</i> |
| 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. <i>Compare with Project and Strategy.</i> |
| 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 <i>See Process.</i> |
| Process | A process is a set of interrelated or interacting activities which transforms inputs into outputs. |
| Project | A project is an activity that is planned to achieve an objective (or set of objectives) over a specified period. <i>Compare with Policy and Strategy.</i> |

| Term | Definition |
|--|--|
| 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. <i>See Motivate.</i> |
| 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. <i>See Key Performance Indicator (KPI) and Key Risk Indicator (KRI)</i> |
| Risk management | Risk management is a process of identifying and acting on risk and opportunity. It is shared across an organisation, often facilitated by the risk function. |
| 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 |
| 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. <i>Compare with Project.</i> |
| 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 charity supporting those responsible for managing risks in all their forms. We are independent and speak freely, championing risk management best practice 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 global community of over 8,000 work in all sectors and risk disciplines such as business continuity and crisis management, compliance, emergency planning, environmental management, insurance, occupational health and safety, project management, quality management, risk management, security and more.



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