

Kill the Risk Manager

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A recent article called “Ten Top Tips for Effective Risk Management” included an interesting idea. Tip number 4 was “Kill the Risk Manager”! But the author was not suggesting that we should go out to commit murder. Instead he was recommending that the job title of Risk Manager should be killed off. Why?

What would you expect a Risk Manager to do? A Risk Manager manages risk of course. But this is both wrong and unhelpful. Everyone should take responsibility for managing their own risks, and not leave it to one person to deal with them all. This fact arises from the way that risk is defined.

All definitions of risk make a clear link between risk and objectives. For example the international risk standard ISO31000:2009 Risk Management – Principles and Guidelines says risk is “effect of uncertainty on objectives”, and the Project Management Institute Practice Standard for Project Risk Management defines risk as “an uncertain event or condition that, if it occurs, has a positive or negative effect on a project’s objectives.”

Wherever objectives exist there are also risks that might affect them. This is why managing risk is so important, because it focuses attention on the uncertainties that matter. Linking risks to objectives helps us to identify uncertain events or conditions that could influence our chances of success. Then we can prioritise these risks and respond proactively, preventing bad things from happening or protecting ourselves in advance from threats, as well as promoting good things and positioning ourselves to take advantage of opportunities.

As a result of this linkage, the right person to manage a particular risk is the person who owns the objective that could be affected. If risk is “uncertainty that matters”, then a specific risk only matters to someone whose objective is at risk. And that person naturally should take responsibility for managing risks to their objectives (although they might involve other people to help them). So we are all “Risk Managers” for the set of risks that matter to us, based on the objectives that we own.

Does this mean there should be no specific risk-related role in a project or business? No, it would still be useful to nominate someone to run the risk process, to make sure that it happens smoothly and effectively, to ensure adherence to standards, to encourage and inspire people to be involved and committed to managing risk, and to coordinate data management and risk reporting. But it is misleading to call this person “the Risk Manager”. Instead we should use a job title that reflects what they actually do. Good alternatives include Risk Coordinator, Risk Facilitator, Risk Champion or Risk

Process Manager. These names explain what the role actually does. They will also prevent people from expecting someone else to manage their risks for them.

So if your project or business has a Risk Manager, you might like to warn them that their job could be in danger unless they change its name. Suggest that they change to a job title that matches what they are expected to do. And make sure that everyone understands that we are all Risk Managers, from senior executives to frontline workers.

If I have to meet an objective, then I need to know what risks could affect my ability to achieve it, and I should take responsibility for managing those risks. No-one else can or should do that for me. You are the only "Risk Manager" who can manage the risks that matter to your objectives.

Editor's note: David Hillson summarises this article in a 90-second video, which you can view at <http://www.risk-doctor.com/presentations/videos>.

To provide feedback on this Briefing Note, or for more details on how to develop effective risk management, [contact the Risk Doctor \(info@risk-doctor.com\)](mailto:info@risk-doctor.com), or [visit the Risk Doctor website \(www.risk-doctor.com\)](http://www.risk-doctor.com).

About the Author



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Dr David Hillson CMgr FRSA FIRM FCMI HonFAPM PMI-Fellow is The Risk Doctor (www.risk-doctor.com). As an international risk consultant, David is recognised as a leading thinker and expert practitioner in risk management. He consults, writes and speaks widely on the topic and he has made several innovative contributions to the field. David's motto is "Understand profoundly so you can explain simply", ensuring that his work represents both sound thinking and practical application. David has over 25 years' experience in risk consulting and he has worked in more than 40 countries, providing support to clients in every major industry sector, including construction, mining, telecommunications, pharmaceutical, financial services, transport, fast-moving consumer goods, energy, IT, defence and government. David's input includes strategic direction to organisations facing major risk challenges, as well as tactical advice on achieving value and competitive advantage from effectively managing risk. David's contributions to the risk discipline over many years have been recognised by a range of awards, including "Risk Personality of the Year" in 2010-11. He received both the PMI Fellow award and the PMI Distinguished Contribution Award from the Project Management Institute (PMI®) for his work in developing risk management. He is also an Honorary Fellow of the UK Association for Project Management (APM), where he has contributed to the risk discipline over many years. David Hillson is an active Fellow of the Institute of Risk Management (IRM), and he was elected a Fellow of the Royal Society of Arts (RSA) to contribute to its Risk Commission. He is also a Chartered Fellow of the Chartered Management Institute (CMI) and a Member of the Institute of Directors (IOD). David can be contacted at david@risk-doctor.com.