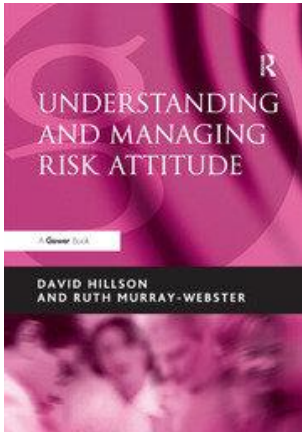


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## PM WORLD BOOK REVIEW



Book Title: ***Understanding and Managing Risk Attitude, 2nd Ed***<sup>1</sup>

Author: **David Hillson and Ruth Murray-Webster**

Publisher: Gower Publishing (Routledge)

List Price: \$56.95      Format: softcover, 208 pages

Publication Date: 2007      ISBN: 978-0-566-08798-1

Reviewer: **Alicia Morgan, PMP**

Review Date: 5/4/2023

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### Introduction

Research has identified four basic risk attitudes that people may possess: risk-averse, risk-tolerant, risk-neutral, and risk-taking. Risk-averse individuals are cautious and prefer to avoid risks altogether. In contrast, risk-tolerant individuals are willing to take on risks and have a higher tolerance for uncertainty. Risk-neutral individuals are neither risk-averse nor risk-tolerant and are likely to take a balanced approach when making decisions. Risk-taking individuals seek out risks and are willing to take on high levels of uncertainty in pursuit of potential rewards.

Understanding these attitudes is essential in today's business culture, where risk management is critical to project success. The book "Understanding and Managing Risk Attitudes" provides valuable insights into the complex human factors that can impact the effectiveness of risk management. By recognizing the role of emotions, biases, and individual differences, individuals and organizations can adopt a more mature risk culture that supports effective risk management practices.

This book is a must-read for anyone involved in risk management or project management. It provides a practical guide to understanding and managing risk attitudes, with real-world examples and case studies that illustrate the importance of this critical success factor. The insights provided in this book can help **individuals** and organizations to improve their risk management practices to achieve their objectives and deliver promised benefits.

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<sup>1</sup> How to cite this review: Morgan, A. (2023). Understanding and Managing Risk Attitude, book review, *PM World Journal*, Vol. XII, Issue VI, June.

## Overview of Book's Structure

The book includes four parts with an appendix on emotional intelligence/literacy tools.

The book aims to fill the gap between risk management and attitudes. The first part provides an overview of the current state of risk management. It further explains the importance of human factors. The second part focuses on defining and explaining the range of possible risk attitudes at the individual and group levels. Part three reviews recent advancements in emotional intelligence and emotional literacy. It can help to promote and manage attitudinal change for individuals and organizations. In part four, the authors apply the insights of emotional literacy to the field of risk attitudes, providing a practical and applied framework based on their shared experiences and expertise. Rather than a theoretical or academic work, the book presents a combination of two leading-edge areas that allow for a unique approach to understanding and managing risk attitudes. These areas address the most common shortfall in risk management - the failure to manage the human aspects of the risk process.

## Highlights

- The success factor for effective risk management is often lacking an appropriate mature risk culture.
- The attitude of individuals and organizations has a significant influence on whether risk management delivers what it promises.
- The difficulty in predicting the future is due to the existence of uncertainty.
- The two aspects of uncertainty are variability and ambiguity.
- Risk is not the same as uncertainty.
- Defining the link between risk and objectives is essential to the process of risk management.
- Risk management success should be determined in terms of effectiveness, rather than efficiency.
- Risk management can improve the ability of individuals and organizations to predict and manage future uncertainty.
- Lack of risk management effectiveness cannot be solely blamed on the concept, theory, and training techniques.

## Highlights: What I liked!

The book offers valuable insight into how people's past experiences and willingness to take risks affect projects and risk management. What sets this book apart is its unique approach to handling uncertainty from both a variability and ambiguity standpoint, with actionable tips for effectively managing both. Additionally, the authors stress the significance of aligning risk management with organizational goals, making it a must-read for anyone involved in risk management at any level.

## **Who might benefit from the Book?**

This book is a must-read for anyone who wants to improve their ability to predict and manage uncertainty. The author provides a fresh perspective on risk culture and human attitudes in effective risk management. The book is rich with examples, case studies, and practical tools that can help individuals and organizations understand and manage their risk attitudes more effectively.

This book is an excellent resource for anyone who wants to improve their risk management skills. It provides practical insights and tools that can help individuals and organizations manage their risk attitudes more effectively. The author's writing style is engaging and accessible, making it an enjoyable read for anyone interested in the topic. This book is highly recommended to anyone who wants to gain a deeper understanding of risk attitudes and how to manage them effectively.

## **Conclusion**

In today's business culture, understanding the risk attitudes of risk-averse, risk-tolerant, risk-neutral, and risk-taking is integral to any project's success. "Understanding and Managing Risk Attitudes" provides valuable insights and tools to help individuals and organizations manage their risk attitudes more effectively.

As the book highlights, the attitude of individuals and organizations affects whether risk management delivers what it promises. Failure to manage the human aspects of the risk process is one of the most common shortfalls in risk management. Recognizing the human element in the risk process can impact risk attitudes, which is why the book provides a unique approach to understanding and managing risk attitudes.

By defining and explaining the range of possible risk attitudes at the individual and group levels, the book helps readers understand how people's previous experiences and appetite for taking risks can help to predict the effectiveness of projects and risk management. The book explores recent advancements in emotional intelligence and literacy to promote and manage attitudinal change for individuals and organizations.

Moreover, the book emphasizes the importance of aligning risk management with organizational objectives and focusing on effectiveness over efficiency, which can benefit anyone involved in risk management, from project managers to C-suite executives. By providing practical advice on managing the two aspects of uncertainty - variability, and ambiguity, the book enables readers to improve their ability to predict and manage future uncertainty.

Overall, "Understanding and Managing Risk Attitudes" is an excellent resource for anyone interested in risk management. The book's insights, examples, case studies, and practical tools can help individuals and organizations understand and manage their risk attitudes more effectively, making it a must-read for anyone looking to

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improve their risk management skills and achieve their objectives with greater confidence.

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For more about this book, go to: [https://www.routledge.com/Understanding-and-Managing-Risk-Attitude/Hillson/p/book/9781138465664?qclid=EA1aIQobChMI2umc9\\_KQ\\_wIVqjfUAR1nBQPKEAAYAiAAEgleyPD\\_BwE](https://www.routledge.com/Understanding-and-Managing-Risk-Attitude/Hillson/p/book/9781138465664?qclid=EA1aIQobChMI2umc9_KQ_wIVqjfUAR1nBQPKEAAYAiAAEgleyPD_BwE)

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## About the Reviewer



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**Alicia Morgan** is an accomplished executive leader with expertise in project and program management, change management, and agile leadership. She holds a Bachelor of Science Degree in Aerospace Engineering from Tuskegee University and a Master of Science Degree in Industrial Engineering from New Mexico State University. She has managed high-performing teams across various sectors, including Fortune 500 companies, nonprofits, and college/workforce readiness initiatives. As a PMP-certified consultant, she is recognized as an industry expert and thought leader in project and program management. Alicia is also an award-winning professional, Women in Technology Awards Advocate Honoree, and a TEDx speaker. Her work is in several publications, such as Dallas Morning News, Dallas Business Journal, Crain's Chicago Business, and The Hill. Alicia excels in executive and people leadership, stakeholder engagement, and strategic planning. With excellent communication and organizational skills, she builds trusted relationships and identifies new strategic partnerships.

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