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[This is the first in a two-part series on changing perspectives for better risk management.]

“The Four R’s:” A Positive Paradigm Shift for Risk Management

Part 1. Concepts

In the public’s or employee’s mind, there are no shades of gray in the term “bad.” It is an all-or-nothing term that polarizes those who are harmed against those who are supposed to prevent harm: an industry or business, a government and its agencies and departments, a school administration, a transportation company, etc. Insurance companies can be among those on either side. This paradigm inherently leads to a loss-loss situation, which is not good for anyone.

Risk management is traditionally based on a negative paradigm. Risk management connotes bad things happening, bad public relations, and bad outcomes like personal injury to well-intentioned people and lawsuits quickly mounted. It doesn’t have to be this way.

Risk management is best served by a positive paradigm: one where it is a win-win situation, and there are inherent shades of gray. This paradigm is good for the community and for the business of risk management; it recasts the latter in a better light. It is practical, easily do-able, and applies to all situations. It embraces the “four R’s:” positive Reconsideration; shared Responsibilities; Right enough strategies; and Reciprocal communication.

Positive Reconsideration

Try reconsidering risk in a positive light. This is a challenge because risk points to the likelihood of a bad problem happening: the risk of a citywide electrical blackout, the risk of a sewage treatment plant failing in a hurricane, or the risk of a biological or chemical terrorism attack on a major producer or supplier of fresh or processed foods, etc.

What about “chance?” This is a more neutral term, as the event that occurs is positive or negative, depending upon perspective: the chance of rain during an outdoor wedding, the chance of catching a fish from a pier, or the chance of going to a party and meeting one’s future spouse.

“Potential” also casts risk in a positive light, something good happening from a situation: the value of one’s new home and land in a developing technology

corridor, a young physician buying a medical office building, or employees suggestions on emergency preparedness for a company.

In the shift to a positive paradigm, consider that the Chinese word for crisis is comprised of the symbols for danger and opportunity. Lecturers in the risk management and emergency preparedness and response fields often point to this fact. And experience shows that lessons are learned during and from bad situations. However, while the “lessons learned” phrase is in vogue, it is subtly negative in meaning: it commonly lists negative actions and outcomes that can be difficult to fix because of adversarial interpersonal and inter-agency conflicts.

“Lessons retained” is a subtly positive phrase; though much less commonly used, it indicates either positive actions taken during or after the situation or actually corrected “lessons learned. The point is that even in this one area of lecturing and planning, risk assessment and management is still cast in a negative paradigm.

Risk should be thought of as meaning danger plus opportunity. For example, one way is a shift in thinking about and actually describing risk, chance, and potential in psychological ways that connote action and change—not in the emotionally neutral statistics of comparison like 1:10 or 1:10,000. When risk management becomes reframed into mining the rich veins of potential from opportunities found in the remaining three “R’s,” the outcome is an extremely valuable and collaborative partnership of risk managers and their leaders, with everyone else.

This partnership explores existing corporate and public views, acknowledges weaknesses and differences but works to overcome them, enhances existing resilience, innovation, and creativity, and as a result, jointly constructs risk management strategies based upon potential and contributions from everyone.

Shared Responsibility

A complicating negative aspect of risk is that it uniformly assigns blame for a bad outcome. Bad outcomes in one’s life have always been expected and accepted without blame. In the past few decades, attribution of blame is almost a new rewritten part of the human experience, when something bad happens or could happen. There is an immediate demand for accountability (negative term) which overshadows or prevents an admission of responsibility (positive term). Ideally, human nature hopes for someone to step forward and say, “This incident happened while I was in charge.” This rarely happens.

In truth, witnesses of history and calamity all too often see reluctance and evasion when the public asks a city, a company, an agency, or governmental leader, “Why did this happen? Who caused this?” Risk management becomes blame management and the situation can remain like this for months or years; nothing constructive comes from this.

The problem is that responsibility and accountability are traditionally hoisted by the public opinion onto the shoulders of government, corporate, or business leaders (and risk managers). One-hundred percent of the power has a flip side—100 percent of the blame. That’s why it’s important for employees, the public, the community, and leaders to share power 50-50 in areas of mutual interest and accomplishment regarding any emergency or disaster that affects both.

Creating risk management and risk communication strategies, civic and community physical and environmental improvements in planning and rebuilding

after an event, rebuilding or strengthening efforts in public and corporate economic morale—can all be turned into a positive experience through a shift in perspective. In other words, a 100-0 relationship pivots unsteadily on risk, while a 50-50 partnership builds from potential.

Right Enough Strategies

Risk management and risk protection in public and corporate minds is traditionally all or nothing. We expect that any risk management strategies created by others will be effective in protecting us. If something—anything at all—happens, there must be blame and punishment.

However, this reasoning is flawed. Bad things do happen to good people. We know that our risk protection is really not 100 percent in daily life at work and outside work. So we must live with compromise here and, as well, with compromise with what we expect from others.

This goes for risk managers and their leaders, too. Positive Reconsideration and Shared Responsibility set the stage for employees, the public, and the community, along with the risk managers and their leaders, to agree that such strategies and plans are “right enough”—the third “R”—in pragmatic, emotional, and rational terms.

Reciprocal Communication

It all comes to a confluence with communication. This is not just risk communication. It is basic human communication that is appropriately responsive to what another person or group says on any matter and in any situation. First, a top-down endorsement of this whole initiative communicated by key leaders from all sides—risk managers and their leaders, employees, public, and the community—can lead to bottom-up support from everyone else. Next, with the positive reconsideration of potential in future planning, the 50-50 shared responsibility of all planning, and the goal of creating strategies and plans that are agreed upon by all to be right enough, all put into place, the basis is set for optimal, effective, and altruistic communication.

We are not solitary individuals by nature; we are social. From the earliest ages, we seek contact and reciprocal communication. It is no different now. This new shift in perspective and in risk assessment is firmly based on Reciprocal Communication—the fourth “R.” Whatever is asked is answered as best as possible. Whoever is asked replies as best as possible. Whatever is written is done with clarity and purpose. Whatever is created is made by joint effort.

[Part 2 will describe strategies for risk management and their leaders to consider to make each of the Four R's work successfully.]

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