



Professional Standards in Risk Management

- Setting standards
- Building capability
- Championing learning and development
- Raising the profile of the risk profession
- Supporting organisational performance



About IRM

IRM is the leading professional body for risk management. We are an independent, not-for-profit organisation that champions excellence in managing risk to improve organisational performance.

We do this by providing internationally recognised qualifications and training, publishing research and guidance and setting professional standards across the world. Our members work in all industries, in all risk disciplines and across the public, private and not-for-profit sectors.

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Building excellence in risk management

As the professional body for risk management, IRM sits at the heart of the risk profession. We lead on developing standards, building skills, cultivating talent and championing learning. We support individuals and organisations to improve their performance through building their risk management capability.



High standards of competence and integrity are vital to the success of the risk profession. IRM’s professional standards underpin our qualifications and membership structure. They support our continuing professional development activities, such as training and events, which provide individuals with a valuable way of keeping their knowledge and skills up to date and building a successful career in risk management. The standards also help employers build their organisational risk capability, giving them a benchmark against which to recruit and retain appropriately trained and qualified people.

An Enterprise Risk Management (ERM) approach

All organisations need to take risks at strategic, tactical and operational levels to deliver their objectives. Anything that makes achieving these objectives uncertain is a risk and needs to be managed.

Enterprise Risk Management (ERM) is an integrated approach to managing risks across an organisation. It provides clear frameworks, processes, context and a structure for managing and communicating risk and reward to internal and external stakeholders.

Risk management should be embedded in the general management of an organisation. It should not be practised in isolation, but integrated fully with other functions such as finance, strategy, internal control, procurement, continuity planning, HR and compliance. The degree of this integration will vary depending on an organisation's size, risk maturity, culture, implementation processes, operating models and external environment.

Organisations have to cope with greater uncertainty in an increasingly volatile and unpredictable world. How well developed an organisation's approach to ERM is can affect significantly its capability to take robust and informed strategic risk decisions and the achievement of its objectives.

Organisations may have risk specialist functions like insurance, health and safety and business continuity. An ERM approach to risk management brings all these aspects together to create an integrated approach that is clearly aligned with an organisation's governance and objectives.

Professional Standards Framework

These professional standards reflect an ERM approach to risk management. They have been developed by researching over 30 risk management and associated risk management competency frameworks. IRM has also consulted practitioners, academics and employers extensively. The framework reflects professional expectations of the knowledge, skills and behaviours that are required from those working in risk management.

The professional standards framework is made up of:

Professional standards – these describe the 'what' – the knowledge and skills needed to do the job.

Behavioural competencies – these describe the 'how' – the personal qualities and behaviours needed to do the job well.

The standards and competencies are interlinked, developing relevant behaviours to equip the risk professional to better meet the professional standards.

So, for example, if you have to **Advocate risk management** as a central part of an organisation's strategic management (a professional standard) then developing skills in **Influence and impact** (a behavioural competency) would help you to achieve this.

Together, the standards and competencies provide benchmarks for the skills, experience, qualifications, continuous professional development and behaviours that IRM believes those working in risk should achieve at different stages in their career.

Who are the standards for?

The standards set out what good risk management looks like. They have been designed to be used by risk professionals, but also to be a valuable tool for employers, HR and training professionals, recruiters and regulators. They can be used by individual risk management professionals as a career planning tool and they can also be used by non-risk specialists to improve both their personal and their organisation’s capability in risk management.

Risk management professionals may or may not have responsibility for managing teams. Where they do not directly manage staff, their positions will focus more on influence, rather than management. The professional standards take this variety of roles into account and so can be used by different organisations for different purposes.

The professional standards do not relate to grades or authority levels, but to the achievement of competence.

Every individual and organisation using the standards will make their own judgment about the level at which staff need to be operating. For example, in small or medium-sized organisations, staff responsible for risk management may need to fulfil responsibilities at a higher (and/or lower) level in addition to their main role. For example, a Director of a small or medium-sized organisation will probably need to manage a risk register as well as define risk strategy and policy. On the other hand, large organisations with a dedicated risk management function will have a more structured hierarchy with specified accountabilities at different levels. Organisations will need to decide for themselves how to make best use of the professional standards framework.

The table below summarises how the professional standards can be used.

| USER TYPE | APPLICATION |
|---|---|
| Individuals | Self-assessment Personal training needs analysis Performance development Career planning |
| Employers, HR and training professionals | Recruitment and selection Performance management Performance development Training needs analysis Design of in-house training and development interventions Technical capacity building Career management Succession planning |
| Recruiters | Recruitment (e.g. job adverts, person specifications) Selection (e.g. interview aide memoires) |
| Regulators | Specification of criteria for a “fit and proper person” Audit standards Confirmation of compliance |
| Universities | Qualification design Informing curriculum design |
| IRM | Informing the development of products and services Qualification design Informing curriculum design Assessment of membership applications |

Design principles

The professional standards have been developed to reflect:

- An enterprise risk management approach, recognising the principles of the global risk management standard, ISO 31000 and other influential and relevant standards.
- The need for risk professionals to have both technical risk management and general business knowledge and skills.
- Different levels of risk maturity within organisations, depending on size, sector and geographical region.
- Aspirations of organisations that wish to raise their risk management standards and capabilities and, where appropriate, develop a risk management function.
- The wide range of variations in job roles between sectors and organisations.
- The need for individuals and employers to adapt standards to roles and responsibilities as organisational strategy and priorities evolve.

The structure of the standards

The standards are structured into four functional areas. Each of these is broken down into risk functional area components:

- **Insights and context**
 - Risk management principles and practice
 - Organisational environment
 - External operating environment
- **Strategy and performance**
 - Risk management strategy and architecture
 - Risk management policy and procedures
 - Risk culture and appetite
 - Risk performance and reporting
- **Risk management process**
 - Risk assessment
 - Risk treatment
- **Organisational capability**
 - Communication and consultation
 - Change management
 - People management

We then define the required professional standards for each component. See page 10.



Career levels



The framework is based around four career levels, rather than specific job roles or titles.

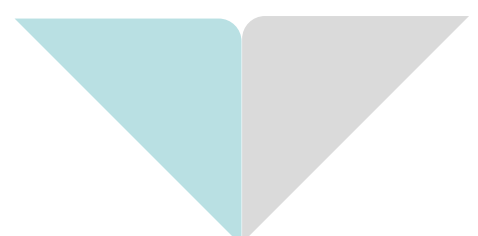
- Leadership level
- Senior level
- Management level
- Support level

Different organisations give different seniority to risk roles depending on their size, reach and levels of risk maturity. For example, the person who is responsible for the overall direction of risk management in an organisation may be operating at the Senior level in an SME or local authority, but, in a multinational, they are more likely to be working at Leadership level.

Each level encompasses a number of different roles. The table below provides a summary of job roles and expectations at each career level. Knowledge in the standards is accumulated as individuals progress from the Support to the Leadership level.

| CAREER LEVELS | DESCRIPTION | * EXAMPLES OF JOB TITLES |
|---|---|---|
| Leadership level Highest level of knowledge and application | Creates an organisation’s risk strategy and provides oversight of risk matters. Influences and informs the governing body and decision makers on risk management strategies. Influences the direction and profile of risk management and the profession. | <ul style="list-style-type: none"> • Chief Risk Officer • Director of Risk Management • Head of Risk Management • Director/Consultant • Partner/Consultant |
| Senior level Advanced level of knowledge and application | Develops risk management policies and procedures. Contributes to organisational risk management strategies and oversees their implementation. Manages and advises on improvements to risk management practices and associated changes; liaises with internal and external stakeholders. | <ul style="list-style-type: none"> • Risk Manager • Senior Risk Consultant • Senior Risk Analyst • Head of Risk Management |
| Management level Full knowledge of the concepts and application | Manages and advises on the implementation of risk management processes and procedures and champions its importance. | <ul style="list-style-type: none"> • Risk Management Executive • Risk Management Officer • Risk Management Adviser • Risk Analyst • Risk Consultant |
| Support level Basic or no knowledge or experience | Communicates the importance and benefits of risk management; supports the implementation of risk management processes and procedures. | <ul style="list-style-type: none"> • Risk Management Assistant • Risk Management Officer • Risk Analyst |

*The list of job titles are just examples and not exhaustive.



How to use the standards

The professional standards have been designed so that they can be used by anyone involved in risk management. They are flexible and can be adapted and used in all types of organisation, sector and geographical region.

The standards recognise that different organisations will have reached different levels of risk maturity, so they are written to reflect the profession's aspirations rather than existing practice.

These standards are measurable because they reflect the outcomes of activities. However, because outcomes can be achieved in different ways, the standards do not dictate *how* they must be met. This flexibility ensures the standards will remain adaptable to most future changes in individual and organisational objectives and the operating environment.

While the standards are written as outcomes of competent performance, the need for the relevant knowledge to achieve them is implied within the standards.

To meet an outcome, each standard will require activities to be completed. For example, for the standard ***Analyses the suitability of the use of risk management tools and techniques and makes recommendations***, a user would probably need to:

- Identify and characterise the nature and materiality of risks or a risk category (risk professionals are unlikely to do a risk study on one single risk)
- Identify possible tools and techniques to be used to identify and assess risks of this type
- Analyse the advantages, disadvantages and requirements of each shortlisted tool and/or technique
- Identify whether staff have the necessary skills and expertise to use the tools and techniques
- Identify who should be consulted, and how, on the proposed use of the selected tools and techniques
- Decide whether the use of the chosen tools and/or techniques is practical, feasible, affordable and valuable
- Identify whether a business case for investment is required
- Develop an implementation plan with milestones

- Present proposals to senior management / budget holders
- Define the project team and the implementation / roll out plan tracked to completion
- Train people on the use of tools and techniques
- Pilot the exercise
- Implement process and learning reviews
- Roll out embedding strategies

In addition to these actions, users of this standard will also need the supporting knowledge and understanding which is likely to include:

- Understanding the characteristics of the specific risks or risk category (eg whether it is a strategic, credit or a regulatory risk)
- The availability, constraints and limitations of tools and techniques
- Project governance and change management processes
- Business case development
- Stakeholder management and presentation skills
- Continuous improvement techniques

Terminology

The professional standards are expressed as outcomes, using verbs such as:

- Evaluates
- Develops
- Establishes
- Defines

The Leader may be carrying out the work to achieve the standard. However, the work may also be carried out by others. As the Leader is accountable, they are responsible for checking that the final work is fit for purpose. They may or may not be responsible for completing the whole piece of work in its entirety e.g. ***Develops risk management policy*** will involve reviewing the work of others, coordinating separate contributions and ensuring that the overall policy is comprehensive, has been developed to the required standard and is fit for purpose.

Functional area:

▶ INSIGHTS AND CONTEXT

Uses knowledge of internal and external influences to ensure robust risk management in responsive and agile organisations.

Functional area components

- Risk management principles and practice
- Organisational environment
- External operating environment

Risk management principles and practice

Definition: Understanding the principles and practice of risk management and the relevance and use of theories, processes and tools.

| | LEADERSHIP LEVEL | SENIOR LEVEL | MANAGEMENT LEVEL | SUPPORT LEVEL |
|--------------------------------------|---|--|--|--|
| Relevance of risk management | Advocates risk management as a central part of an organisation’s strategic management. | Educates an organisation on the probability, nature and scope of risks and opportunities and their likely impact on an organisation. | Advises on the selection and implementation of appropriate concepts and processes. | Explains different types of risks and possible responses to their treatment. |
| Tools and techniques | Ensures resilience is incorporated into organisational strategy. | Builds resilience across an organisation to manage current and future risks, opportunities and uncertainties. | Analyses the suitability of the use of risk management tools and techniques and makes recommendations. | Explains risk management standards, concepts, theories, processes and approaches to risk management. |
| Principles of risk management | Anticipates and influences risk management thinking at a national and/or international level. | Advises on the appropriateness of different approaches to managing risks. | Champions the benefits of risk management to stakeholders. | Explains the value of risk management. |

Organisational environment

Definition: Understanding the internal environment of an organisation and its implications for risk management practices.

| | LEADERSHIP LEVEL | SENIOR LEVEL | MANAGEMENT LEVEL | SUPPORT LEVEL |
|---|--|--|---|--|
| Internal ethos | Advises on the interface between an organisation's overall vision, mission, objectives, culture and strategy and the risk management strategy. | Assesses the influence of an organisation's strategic intent, internal context and governance practice on risk management. | Promotes the link between an organisation's vision, mission, objectives, culture, strategy and organisational risk practices. | Explains the link between an organisation's vision, mission and its operational objectives and risk practices. |
| Internal influence through risk management | Influences an organisation to adopt a comprehensive, consistent and collaborative approach to risk. | Influences management decision-making to achieve the right balance of risk and opportunity. | Explains how to use organisational structures and processes to meet resilience requirements. | Explains an organisation's structures, systems and processes and their links to risk practices. |
| Organisational ownership | Establishes an organisational structure that leads to the desired culture to facilitate an organisation's long term interests and viability. | Embeds risk management into organisational strategies and policies. | Embeds risk management practices into operational processes. | Describes the factors involved in embedding risk management practices into operational processes. |

External business environment

Definition: Understanding how the external environment influences an organisation and its implications for risk management practices.

| | LEADERSHIP LEVEL | SENIOR LEVEL | MANAGEMENT LEVEL | SUPPORT LEVEL |
|-----------------------------------|--|---|--|--|
| External relevance | Influences the impact of risk management across an industry sector and beyond. | Assesses the potential impact of the external environment. | Identifies the factors in the external environment that may affect an organisation. | Describes the kind of factors in the external environment that may affect an organisation. |
| External operating context | Evaluates the strategic alignment of an organisation's risk management and its external operating environment. | Aligns an organisation's risk management with its external operating environment. | Identifies opportunities within the external environment to maximise reward and minimise risk. | Explains the likely impact that external factors may have on an organisation. |
| Regulatory impact | Evaluates the implications and limitations of the regulatory environment on an organisation. | Analyses the impact of developments within the regulatory framework. | Implements risk management activities to meet regulatory requirements. | Describes the regulatory framework within which an organisation operates. |



Functional area:

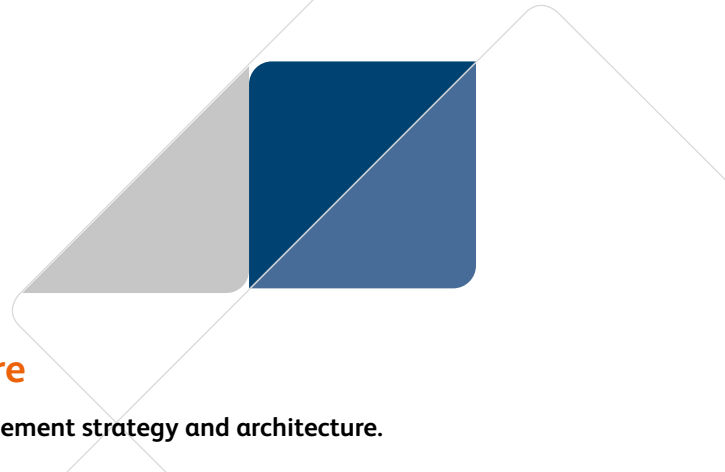
► STRATEGY AND PERFORMANCE



Develops a risk management strategy to meet organisational needs.

Functional area components

- Risk management strategy and architecture
- Risk management policy and procedures
- Risk culture and appetite
- Risk performance and reporting



Risk management strategy and architecture

Definition: The development and implementation of risk management strategy and architecture.

| | LEADERSHIP LEVEL | SENIOR LEVEL | MANAGEMENT LEVEL | SUPPORT LEVEL |
|------------------|---|---|--|--|
| Mandate | Achieves commitment and ownership from decision makers to a proportionate risk strategy and architecture. | Evaluates the extent to which individual risk strategies are consistent with the overall risk strategy. | Explains the purpose and role of a risk management framework, strategy and architecture. | Explains the components of a risk management framework, strategy and architecture. |
| Strategy | Develops the risk management strategy and approach that optimises risk appetite. | Assigns ownership and levels of authority that comply with the requirements of the strategy. | Makes recommendations for improvements to the risk management strategy. | Provides management information to support risk strategy development. |
| Structure | Establishes a coherent, transparent and rigorous risk governance structure that supports an organisation's risk strategy. | Ensures consistency between an organisation's risk management strategy, organisational strategies and its governance structure. | Communicates the requirements of the risk governance structure. | Describes the features of an effective risk governance structure. |



Risk management policy and procedures

Definition: The development and implementation of proportionate risk management policy, guidelines, procedures and action plans.

| | LEADERSHIP LEVEL | SENIOR LEVEL | MANAGEMENT LEVEL | SUPPORT LEVEL |
|-----------------------------------|--|--|---|---|
| Policy | Develops a risk management policy that is consistent with the risk management strategy. | Implements plans and priorities to deliver risk management policy within agreed timescales and budgets. | Explains the purpose, role and benefits of embedding risk management policy and procedures into organisational policies and procedures. | Explains the purpose of risk management policy and procedures, and its components. |
| Roles and responsibilities | Defines risk management accountabilities and methodologies that meet strategic requirements. | Implements risk management policy ensuring that ownership and responsibilities are fulfilled within authority limits. | Advises on the appropriate use of methodologies, tools and techniques within the context of the risk policy. | Explains the features of methodologies, tools and techniques and their uses. |
| Resources | Secures commitment and resources that will enable the implementation of the risk strategy. | Reviews the effectiveness of risk management policy and processes and the use of resources, and makes recommendations. | Uses a range of resources to analyse management information to support recommendations for improvements to risk management policies and procedures. | Provides management information to support improvements to risk management policies and procedures. |

Risk culture and appetite

Definition: The creation of a risk culture that is intrinsic to an organisation's culture.

| | LEADERSHIP LEVEL | SENIOR LEVEL | MANAGEMENT LEVEL | SUPPORT LEVEL |
|------------------------------|---|---|--|---|
| Risk culture design | Influences an organisation's leadership in determining the desired risk culture. | Fosters an organisation's culture through the design of organisational systems, processes and behaviours. | Acts as a role model of the culture expected through personal behaviours and actions. | Explains an organisation's risk culture and acts accordingly. |
| Risk appetite | Influences decision makers' understanding of risk appetite and its implications. | Nurtures the balance between risk taking, risk management and rewards in line with an organisation's risk appetite. | Explains how an organisation establishes its risk appetite and tolerance. | Explains the factors that influence people's perceptions of risk and opportunities and their impact on risk appetite. |
| Behaviours and values | Ensures an organisation's approach to risk management is aligned with its risk maturity and values. | Embeds risk management approaches into organisational values. | Carries out reviews of the extent to which risk culture is demonstrated through individual behaviour and operational activities. | Identifies the level of risk maturity and its implications for risk culture and appetite. |

Risk performance and reporting

Definition: The development and implementation of a risk measurement performance and reporting framework.

| | LEADERSHIP LEVEL | SENIOR LEVEL | MANAGEMENT LEVEL | SUPPORT LEVEL |
|------------------------------------|---|---|---|--|
| Risk reporting systems | Establishes a comprehensive risk reporting system that is aligned with other organisational performance management structures and processes. | Reports on the strategic and financial impact of risks. | Ensures that risk reporting systems operate efficiently. | Explains the purpose of measuring and reporting risk performance and the use of technology to support effective risk management. |
| Risk performance indicators | Defines organisational Key Risk / Performance Indicators (KRIs/ KPIs) for evaluating risk management performance, strategy, processes and controls. | Specifies the design requirements of risk performance reporting systems. | Uses analytical tools and techniques to monitor changes to an organisation's risks and opportunities; updates risk information. | Complies with legal, ethical and regulatory requirements in the gathering and recording of risk information. |
| Risk reporting protocols | Ensures that risk reporting systems enable effective decision making and are capable of identifying actual and emerging risks. | Reports recommendations for improvements based on systematic analyses of information at agreed intervals. | Produces risk management reports, highlighting areas of concern, change, emerging threats and opportunities. | Explains the uses of risk information; reports the potential consequences of poor risk reporting. |



Functional area:

► RISK MANAGEMENT PROCESS

Manages the risk management process.

Functional area components and descriptions

- Risk assessment
- Risk treatment



Risk assessment

Definition: The identification, analysis and evaluation of the nature and impact of risks and opportunities.

| | LEADERSHIP LEVEL | SENIOR LEVEL | MANAGEMENT LEVEL | SUPPORT LEVEL |
|--|---|--|--|---|
| Risk assessment process | Defines the approaches to risk identification, analysis and evaluation; establishes the level of investment to be deployed. | Interprets facts, patterns and trends to reach evidence-based decisions on the nature of risks and opportunities. | Uses a range of information sources and assessment tools and techniques to identify, analyse and evaluate risks and opportunities. | Contributes to the risk assessment process. |
| Analysis of risk impact | Scopes the potential impact of aggregated risks and worst case scenarios quantitatively and qualitatively. | Prioritises risks and opportunities in terms of probability, scale, significance, impact and distribution. | Explains the range of factors that can influence the perception of risk. | Explains how and why to use different risk assessment tools and techniques. |
| Evaluation of risk consequences | Evaluates the impact and value of potential strategic risks and opportunities. | Evaluates interdependencies between risks, uncertainties and opportunities, critical failure points and resource implications. | Advises on the use of risk assessment tools and techniques. | Explains how to display the results of risk assessments. |

Risk treatment

Definition: The development, selection and implementation of risk treatment strategies and controls.

| | LEADERSHIP LEVEL | SENIOR LEVEL | MANAGEMENT LEVEL | SUPPORT LEVEL |
|--|--|---|---|--|
| Risk treatment and risk appetite | Ensures an organisation's approach to the treatment of risk is aligned with its risk appetite and strategy. | Monitors the effectiveness of an organisation's approaches to risk treatment and makes recommendations. | Implements controls to manage identified risks in accordance with risk treatment strategies and budgets. | Explains the suitability of different risk response options and control types. |
| Cost-effective risk treatment | Determines risk treatment strategies and investment that align with an organisation's approach to risk management. | Develops, prioritises and resources suitable controls to treat identified risks and manage opportunities. | Supervises the quality of risk monitoring and mitigation actions taken, challenging and making interventions when issues arise. | Explains the costs and benefits of risk treatment activities. |
| Business continuity and crisis management | Integrates business continuity strategies and crisis management within an organisation's risk management strategies and plans. | Ensures the continuing coordination of business continuity and crisis management strategies and plans with risk management. | Collates and analyses management information to support crisis management and business continuity plans and activities. | Explains the principles and features of crisis management and business continuity. |

Functional area:

► ORGANISATIONAL CAPABILITY

Develops and manages a skilled, agile and responsive risk organisation.

Functional area components and descriptions

- Communication and consultation
- Change management
- People management

Communication and consultation

Definition: The development and implementation of communication structures and plans.

| | LEADERSHIP LEVEL | SENIOR LEVEL | MANAGEMENT LEVEL | SUPPORT LEVEL |
|--------------------------------------|--|---|---|---|
| Risk communication procedures | Establishes an organisation's approach and infrastructure for communication about risk management. | Identifies media and methods for communicating the risk strategy that align with target groups. | Uses agreed media and methods to communicate risk matters. | Communicates risk matters to agreed stakeholders, adhering to organisational values and standards. |
| Risk communication contents | Promotes the view that risk management is a universal responsibility and acts as a risk champion across an organisation. | Develops risk communication interventions that further relationships with stakeholders and are consistent with organisational values and standards. | Provides stakeholders' feedback on the effectiveness of the risk communication infrastructure and strategy. | Ensures that information communicated is accurate and complete, and complies with relevant regulations. |
| Stakeholder engagement | Develops an organisational stakeholder engagement strategy that is consistent with the risk strategy. | Manages stakeholders' expectations in a way that is consistent with organisational values and standards. | Builds productive relationships with stakeholders through effective communication and consultation. | Supports risk communication and consultation processes within agreed guidelines. |

Change management

Definition: The management of risk within strategic and operational change.

| | LEADERSHIP LEVEL | SENIOR LEVEL | MANAGEMENT LEVEL | SUPPORT LEVEL |
|--------------------------------------|---|---|--|---|
| Embedding risk responsiveness | Ensures that risk management is embedded throughout change programmes. | Advises on how to embed risk management throughout an organisation's change activities. | Supports the embedding of risk management throughout an organisation's change activities. | Explains the relationship of change management and risk management. |
| Developing change plans | Achieves strategic and cultural change that optimises opportunities and mitigates risk through change programmes. | Develops change plans that support agreed changes to strategies and policies. | Implements change plans in a way that minimises disruption to operations. | Supports others in managing risks in accordance with their role. |
| Implementing change | Promotes the vision for strategic change in line with the risk culture and strategy. | Ensures change-related risks and opportunities are managed proportionately. | Assesses the impact of the delivery of change plans, reporting any adverse effect or unexpected opportunities. | Contributes positively to tasks relating to implementing change. |

People management

Definition: Systematic performance management and skills development to meet strategic needs.

| | LEADERSHIP LEVEL | SENIOR LEVEL | MANAGEMENT LEVEL | SUPPORT LEVEL |
|---------------------------------------|--|--|---|--|
| Fulfilling personal objectives | Provides inspirational leadership that motivates and empowers people to fulfil their objectives. | Provides support that incentivises people to take responsibility for managing risks and opportunities within the limits of their role. | Influences the behaviour of others to ensure that risk management objectives and standards are met. | Explains the requirements of their own role. |
| Risk management capability | Establishes an appropriately resourced structure that is capable of delivering the risk strategy. | Deploys the right mix of competence and expertise to meet strategic and operational imperatives. | Supports operational teams and individuals on the practice of risk management. | Takes active responsibility for their own personal and professional development. |
| Risk management competence | Plans the development of the knowledge and competence of the workforce to meet anticipated risk management requirements. | Develops the knowledge and competence of the workforce for the management of risks and opportunities. | Provides risk management support to individuals that enables them to achieve their objectives. | Contributes constructively to the achievement of agreed goals and objectives. |



Behavioural Competency Framework

The behavioural competency framework represents the behaviours that the profession considers essential to risk management. The framework sets out those personal behaviours (sometimes also known as *personal qualities*) that are specific to risk management professionals. It excludes reference to other generic frameworks, such as management, which are described elsewhere. This framework can therefore be used in conjunction with other national frameworks and organisation-specific frameworks.

The behavioural competency framework supports the achievement of the professional standards. For example, developing **Collaboration and partnering** (a behavioural competency), will contribute to the achievement of **Builds productive relationships with stakeholders through effective communication and consultation** (a professional standard).

Structure

There are six behavioural competencies:

1. Courage and confidence
2. Influence and impact
3. Integrity, ethics and values
4. Innovation and catalyst
5. Building capability
6. Collaboration and partnering

Each behavioural competence comprises three components:

- A brief definition
- Positive descriptors
- Negative descriptors

Users of the competencies will therefore be able to see at a glance the desired behaviours and, at the same time, understand what constitutes unacceptable behaviour.

The behavioural competencies are described in terms of observable behaviours. Users should seek evidence to support their decisions as to whether the competencies have been achieved or not achieved. This includes both individuals who are appraising themselves against the framework and others such as recruiters and managers.

How to use the behavioural competencies

The behavioural competencies apply to all risk management professionals. However, in choosing which competencies to work with, users need to take into account the following considerations:

- The different roles within risk management
- The level at which an individual is operating
- The size and structure of an organisation
- Current demands of the user's role
- Known future changes in an organisation's business, structure and priorities, and those of the role
- The user's personal priorities and preferences (e.g. sectoral or risk discipline)

Depending on the level at which a user is operating, each competence may relate in whole or in part to that individual. For example, in **Influence and impact**, Leaders would be expected to exhibit all the positive descriptors. However, at the Support level, it may be that only some descriptors are relevant. As a minimum, all Support level users would be expected to exhibit the following behaviours:

- Adapts communication and behaviour according to the audience/readership
- Uses knowledge and experience to influence others
- Structures the message and expresses him or herself clearly, concisely and assertively so that others can understand the implications of an issue

Conversely, while Support level users would not be expected to exhibit the other behaviours in this competence (listed below), it will be helpful for them to know that, as they progress their careers, proficiency against the following behaviours would be expected of them at the higher level:

- Builds "behind the scenes" support for ideas
- Captures the attention of the audience/reader by fluent and convincing communication, appealing to stakeholders' needs, perspectives and key wins
- Identifies linkages, relationships and power structures, and plays to decision makers

In considering how well someone has exhibited the desired behaviours you may wish to rate them as:

- Exceeding requirements
- Meeting requirements
- Not meeting requirements

Behavioural competencies

1 COURAGE AND CONFIDENCE

Standing by your convictions despite adversity.

A PERSON WITH THIS QUALITY:

- ▼ Achieves an appropriate balance between determination and stubbornness
- ▼ Has courage and strength to admit mistakes and work on them
- ▼ Stands by decisions and principles even in the face of strong opposition or threats
- ▼ Is comfortable taking tough decisions and delivering difficult messages confidently
- ▼ Backs up conclusions with evidence
- ▼ Accepts responsibility and is accountable for the outcomes of work
- ▼ Pursues a course of action tenaciously to achieve goals and objectives

A PERSON WITHOUT THIS QUALITY:

- ▲ Covers up mistakes and refuses to admit areas for personal development
- ▲ Changes the message when challenged
- ▲ Accepts “no” as an answer too quickly
- ▲ Is inflexible and frequently chooses to ignore advice
- ▲ Bases decisions on emotion, not logic
- ▲ Fails to provide evidence to substantiate views or defend a position



2 INFLUENCE AND IMPACT

Inspiring others to understand the value of risk management.

A PERSON WITH THIS QUALITY:

- ▼ Adapts communication and behaviour according to the audience/readership
- ▼ Uses knowledge and experience to influence others
- ▼ Builds “behind the scenes” support for ideas
- ▼ Structures the message and uses clarity and conciseness of expression so that others can understand the implications of an issue
- ▼ Captures the attention of the audience/readership by fluent and convincing communication, appealing to stakeholders’ needs, perspectives and key wins
- ▼ Identifies linkages, relationships and power structures and plays to decision makers

A PERSON WITHOUT THIS QUALITY:

- ▲ Uses jargon or communicates in a way that stakeholders cannot readily understand
- ▲ Causes confusion by giving too little or too much information
- ▲ Uses a flat delivery and presents information in a rambling or incoherent way
- ▲ Does not read others’ emotions or agenda
- ▲ Fails to identify key influences, relationships, decision makers and implications
- ▲ Plunges in without preparing the ground or structuring the message
- ▲ Uses confrontation unnecessarily

3 INTEGRITY, ETHICS AND VALUES

Upholding and living the values of an organisation and industry.

A PERSON WITH THIS QUALITY:

- ▼ Adheres to IRM's code of professional conduct
- ▼ Maintains consistently high standards of work, loyalty, honesty and commitment
- ▼ Fulfils responsibilities to the highest professional and ethical standards
- ▼ Never cuts corners or jeopardises appropriate risk management by taking "the easy option"
- ▼ Remains independent and enables others to make informed decisions
- ▼ Is approachable and open with information
- ▼ Does not promise what cannot be delivered

A PERSON WITHOUT THIS QUALITY:

- ▲ Allows personal interests to colour judgments
- ▲ Fails to raise conflicts of interest
- ▲ Refuses to accept errors of judgment or mistakes
- ▲ Compromises easily when rewards are offered
- ▲ Takes on too much with little chance of delivering and fails to deliver on promises
- ▲ Takes unacceptable risks and shortcuts
- ▲ Passes the buck and blames others
- ▲ Fails to be pragmatic



4 INNOVATION AND CATALYST

Striving constantly to lead the development of creative solutions.

A PERSON WITH THIS QUALITY:

- ▼ Identifies innovative and insightful solutions from disparate areas of business that take into account stakeholders' culture and motivations
- ▼ Fosters an environment where change is welcomed and people feel confident about suggesting ideas
- ▼ Maintains a systematic, but flexible, approach to problem solving and decision making, using past lessons to inform future actions
- ▼ Generates practical and commercially/financially viable ideas for improvement that align with business objectives and strategy
- ▼ Is quick to spot and capitalise on emerging trends that may affect an organisation's future growth and alerts others to the implications of decisions, issues and developments
- ▼ Leaves no stone unturned in seeking inspiration for viable ideas for improvement
- ▼ Encourages others to seek opportunities for improvement and adopts others' ideas

A PERSON WITHOUT THIS QUALITY:

- ▲ Is set in their ways
- ▲ Resists change, improvements or new ideas
- ▲ Relies on personal views or experience to indicate solutions
- ▲ Blocks ideas or does not understand the business of an organisation
- ▲ Defends the status quo
- ▲ Procrastinates and does not "think on his or her own feet"
- ▲ Fails to recognise a crisis or the need for urgent intervention

5 BUILDING CAPABILITY

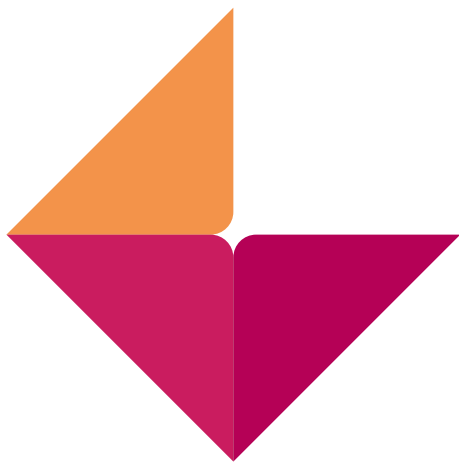
Facilitating others to achieve positive outcomes.

A PERSON WITH THIS QUALITY:

- ▼ Identifies individual and team development needs to meet business requirements and considers the needs of others beyond the team
- ▼ Educates stakeholders on professional knowledge and expertise
- ▼ Provides direction and support to others to achieve or exceed objectives and suggests appropriate development opportunities
- ▼ Builds shared understanding of a business across different teams and encourages contributions from others
- ▼ Strives constantly to improve professional knowledge
- ▼ Seeks and exploits opportunities to develop skills and abilities

A PERSON WITHOUT THIS QUALITY:

- ▲ Does not pick up on personal development needs, or the needs of others
- ▲ Ignores and does not act on suggestions made by others
- ▲ Takes no action to maintain morale, motivate or help others
- ▲ Does not support learning and development
- ▲ Keeps information, knowledge and experience to himself



6 COLLABORATION AND PARTNERING

Engaging with stakeholders to deliver results.

A PERSON WITH THIS QUALITY:

- ▼ Makes every effort to find out stakeholders' needs, expectations and motivations and to discover what can be provided
- ▼ Establishes a rapport with strategic partners by adopting a friendly, open, knowledgeable and helpful attitude
- ▼ Builds strong networks with key stakeholders and promotes resource-sharing
- ▼ Treats stakeholders with equal courtesy, consideration and respect and exemplifies corporate culture and values
- ▼ Appreciates the viewpoints of others, even if they are in contradiction
- ▼ Negotiates diplomatically and seeks to find common ground, compromise and mutually acceptable solutions in disagreements
- ▼ Offers viable and constructive responses in a timely manner

A PERSON WITHOUT THIS QUALITY:

- ▲ Misunderstands or misinterprets stakeholders' needs
- ▲ Is insensitive in communication with stakeholders
- ▲ Follows their own path in isolation and fails to find collaborative solutions
- ▲ Fails to recognise the need to provide ideas and responses
- ▲ Refuses to make compromises for the greater good





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