

Manager/Supervisor Risk Management
#5– 11/15/11

TOPIC: RISK IDENTIFICATION

The first step to managing risk is to identify what risks in your operation could possibly cause losses. It should be very easy for a manager or supervisor to recognize the great majority of threats that their particular operation faces. You have probably already done it without ever even thinking about it. Listing what has gone wrong in the past is one way to start, but it must be remembered that we are looking for threats – risks of future losses. We want to anticipate what “could” go wrong, and then take steps to keep it from ever happening.

We can classify some of the more common exposures:

- Property Risks: including damages to your buildings, contents, equipment and vehicles;
- Liability Risks: including claims for auto accidents, and injuries to the public;
- Errors and Omissions risks: including mistakes that you make while doing your work;
- Employment risks: including harassment, discrimination claims by your workers;
- Fidelity risks: including dishonest acts by your employees;
- Workers’ Compensation risks: including specific injuries, cumulative injuries, psyche claims made by your employees and volunteers.

And then there are the uncommon exposures: including risks that are unique to the specific type of work that your unit does, the specific type of equipment or facilities that your unit uses, or the unique clientele with whom you interact.

Risk identification is not a one-time formal process; it is a daily, never-ending task that is part of every manager/supervisor’s duties. It needs to become an automatic process to take in information, analyze and address it without consciously thinking about the process of identifying risk. If you become aware that something is a threat, you need to take action on behalf of your employer to mitigate or manage that threat. You never want to be put in the position of thinking in hindsight, “I never saw that coming.” You owe that to the people under your authority, and to the people above you that have vested that authority in you.

To illustrate the point: One of the very first workers’ compensation investigations done by YCPARMIA included the statement of an injured worker’s supervisor. We were surprised when she said that she had no safety or loss prevention responsibilities; in essence her people were responsible for their own safety. In hindsight we should not have been surprised that people were getting injured in her unit. The entity’s HR department became involved, and the supervisor was given additional training on what was expected of her.

Next Topic: Risk Tolerance