

The everyday life of risk management

Mike Power explores how *riskwork* is being conducted within organizations

When thinking about risk management it is easy and understandable to focus extensively on disasters and accidents. These events are often spectacular and headline grabbing, and there seems to be no shortage of them. They generate public enquiries, diagnoses, blame and post-disaster introspection about what went wrong and how it might have been prevented. These disasters and near disasters are also a ready source of case studies and teaching materials, from Bhopal to BP, and from the collapse of the Maxwell empire to the failure of Lehman Brothers.

In 1978 Barry Turner highlighted the common patterns of what he called 'man-made disasters' in a book with that name. He drew attention to the warning signs about impending disaster and the missed opportunities to avert them. Many years later, but in a similar fashion, Diane Vaughan traced the Challenger disaster in 1986 to a culture of 'normalized deviance' fostered from the top to the bottom of NASA. And more recently in the United Kingdom a report entitled *Roads to Ruin* documented the common causes of a number of corporate failures and accidents. Beyond the proximate causes of technical failure, all these studies identify defects in the management practice and values of the organizations studied.

In all these analyses, the origins of disaster are located at the more mundane level of organizational life, in routine operational errors, in failed legal compliance, in misdirected monitoring and control practices over traders. Yet the benefit of hindsight may exaggerate the imperfections of risk management practice, the study of which has tended to be in the shadow of disaster or other kinds of failure. Is it possible to study risk management practice without this implicit bias towards failure?

In May 2014 **carr** held a workshop to discuss risk management away from

the heat of accidents and disasters, away from 'incubation periods' and 'deviant normalities' which precede them. The intention was to focus more neutrally on what people in organizations actually do when they seek to manage risk. What are the routines, values and instruments which get mobilized in risk management? In short, what kind of *work* do organizational actors do in the name of risk? The motif for this focus is a newly created compound word – *Riskwork* – and this will be the title of an edited collection of the proceedings.

The various contributions to the workshop all dealt with the work of risk management operatives and other organizational actors in producing the facts of organizational risk via spreadsheets and related documents. Away from the ideal designs for risk management we find considerable variation and contingency. For example, devices like 'risk maps' can on the one hand enhance commitments from different groups to projects by generating cross-organization assurance. On the other hand they can be a distraction and generate a compliance orientation to risk. Much depends on a whole series of other factors. More generally, this *riskwork* is characterized by a mix of ideas, people and material elements

which enable organizational actors to make sense of risks and build the internal facts of risk management.

This micro-sociological focus of *riskwork* reinforces the view that 'risk management' is a practice which overlaps with many other functional areas. Indeed, the papers demonstrate how the management of risk is produced from many moving parts, involving inevitably many organizational actors who do not formally work in risk management. From this point of view, representations of risk management practice are an *outcome* of other processes rather than a starting point or presumption. Overall the volume will contribute both to the field of what might be called 'back-office studies' and to the analysis of institutional work. It will provide several rich cases showing the situated human effort, in combination with infrastructure, through which rational accounts of risk management and governance come to be assembled and inform action.

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Riskwork: the everyday life of risk management will be published in 2015.

