

The Risks of Risk Management

The definition of risk has changed dramatically through the years—and so has risk management.

By Karen Starr, Ph.D.



The risks that school leaders dealt with two decades ago are very different from the risks they confront today. In the past, risk was framed by the usual “mishaps,” such as slips, trips, and falls; few risks kept school leaders or business officials awake at night or required much paperwork—at least until after an incident.

Risk has risen dramatically in stakes and prominence and is now big business. Standard definitions of “risk” cite the chance of injury or loss, exposure to a hazard, bad consequences, or mischance. Risk has multiple meanings and interpretations that are becoming larger

and more complex. Behaviors change as the environment changes, and risk subsequently morphs and roams into new territory.

Risk assessment depends on who you are, what you do, and your alliances and interests, as demonstrated through the divergently dissimilar lists of the top 10 global risks developed annually by major international companies.

The New Risk

The new realm of risk management encompasses strategic, market, reputational, operational, financial, asset,

technological, security, workforce, regulatory, and governance risks, as well as those relating to education and health and safety.

Given the increasing prominence of risk, it is little wonder that risk management now plays a major part in schools where children and their futures are concerned. Educators and district leaders remain responsible for identifying, assessing, monitoring, averting, or “managing” risk in schools. Increasing litigation claims against education authorities impel increasing government interest in, emphasis on, oversight of, and mandatory control of risk.

Principals and school business officials must develop “risk intelligence.”

The school’s risk profile is calculated with the aid of risk assessment tools and, very often (given the complexity of the exercise), risk consultants. Possible risk scenarios or events are identified and weighted with regard to probability; likely causes or contributing factors are canvassed; frequency, consequence, and risk tolerability graphs are developed.

Principals and school business officials must develop “risk intelligence”—the ability to classify, characterize, store, retrieve, and act on relevant information; communicate risk and risk processes effectively; and adjust risk practices to changing circumstances. Without risk intelligence, risk managers become a risk.

A Different Perspective

When I spoke to school leaders in Australia about risk management, the findings were both expected and unexpected. For the most part, they referred to risk in relation to mischance or danger: meeting current and future duty-of-care

obligations, such as alleviating bullying or harassment, removing health or safety hazards, and adequately responding to students’ learning needs. Interviewees also referred to past issues, such as former students blaming schools for learning failure or child abuse.

They had concerns about risk associated with staff underperformance or misjudgement, aggressive parents generating negative media attention, students breaking school rules and the law, the disruption of disloyal key staff members or embittered school boards, “critical incidents,” and failure to follow risk procedures to the letter—a risk in itself.

Interestingly, the educators offered many examples of risk management’s producing undesirable consequences. For example, some schools have abandoned programs like work

experience and school camps because they raise the school’s risk and, subsequently, insurance costs become prohibitive.

Similarly, parental assistance in sports coaching or reading programs requires expensive background checks and assured oversight by registered teachers because it is “risky.” And occupational health and safety legislation places primacy on risk factors being ameliorated, often to the detriment of budgetary expenditure for educational purposes. These instances are downsides to proliferating risk aversion.

Professional, Personal Risks

Interviewees said their role in schools exposes them to professional, personal, and psychological risks. Long working hours, demands, expectations, and accountabilities are increasing. “Function creep” and



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greater compliance, regulation, and auditing are affecting the nature of school leaders' work, with many feeling increasingly stressed. They have insufficient time to reflect, renew, and recharge, raising major risks to health and family life.

Other risks cited involved the role of formal school leaders who are expected to undertake school change for improvement. Leadership is executed with the good of the whole organization in mind, which entails making tough, unpleasant decisions from time to time. Some individuals will inevitably disagree with or feel aggrieved about leadership actions, and leaders can harbor subconscious fears that someone at some time will want to afflict retribution or revenge. School leaders cited examples such as formal complaints, votes of no confidence, vandalism or work sabotage, threats, anonymous letters and hate campaigns, rumors and innuendo, and uninvited media interference. In some cases, these key personnel are tangibly at risk.

The ways in which school leaders are appointed and appraised add to fears of being at risk. Leaders are often employed on limited tenure contracts (usually three or five years), making them vulnerable employees with no guarantee of continuity in the role.

Some school leaders believed their position made voicing independent

thought and alternative ideas a risky business. It may be safer to be compliant, cooperative, and uncomplaining; leaders believe they are unlikely to gain future leadership positions if they do not toe the line.

These “undiscussables” reduce effectiveness and are dehumanizing, but they are easily accommodated, with too few willing to stick their necks out to resist them. Risk management can therefore elide critical risky areas and topics, incurring rather than avoiding further risks.

The most commonly raised undiscussables were the problem of being unable to fire incompetent teachers who remained in schools because of union support and concerns about some school leaders who become a risk because of their poor judgment or personal behaviors. In other words, although leadership work can be risky, leaders themselves can be a risk.

A New Conversation

The ways in which institutions like schools characterize, identify, and respond to risk can unwittingly create further risks and worsen situations. When it comes to the duty of care, school leaders walk a tightrope of requirements. Risk management takes an escalating amount of energy and time. Governments are responding with numerous measures that, paradoxically, intrude heavily on

the core business of teaching and learning, thereby creating negative educational effects. However, school leaders perceive that they are responsible actors who are too far removed from risk decision-making processes, being cast as implementers of policy and procedural decisions—a risky practice, they believe.

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The research indicates that risk management in education is in need of a different kind of conversation. Openness is needed to expose the full range of risks facing schools as a risk aversion strategy. Risk won't disappear, but the involvement of all stakeholders in risk management will heighten awareness and spread ownership and open discussion, debate, and participation in risk management to ensure that it is comprehensive and effective but not a risky business in and of itself.

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Increase in Low-Income Students

Low-income children are a majority of students in the public schools in 17 states, according to “A New Majority: Low Income Students in the South and the Nation,” released by the Southern Education Foundation (SEF). According to the report:

- Thirteen of the 17 states are in the South; the other 4 states are in the West.
- Mississippi, New Mexico, and Louisiana had the largest rates of low-income students.
- America's rural and suburban schools have the lower rates of low-income students.
- The achievement gap between low income and higher income students is larger in private schools over public schools.

The report concludes, “Within the next few years, it is likely that low income students will become a majority of all public school children in the United States. With huge, stubbornly unchanging gaps in learning, schools in the South and across the nation face the real danger of becoming entrenched, inadequately funded educational systems that enlarge the division in America between haves and have-nots and endanger the entire nation's prospects.”

View the full report at www.southerneducation.org.