

NEWS YOU CAN USE FOR STUDENT ORGS



RISK MANAGEMENT

Categories of Risk

Physical Risks

Physical risks refer to bodily injuries that occur as the result of participating in an event or an activity, whether it is directly or indirectly. Certain activities such as a rope climbing activity are obvious in the bodily injuries that it can cause because of the physical nature of the activity, but seemingly non-risky activities can also lead to injury. For example, a picnic seems non-risky on the surface but it can lead to bodily injuries if the food isn't prepared properly and causes food poisoning or if someone has a violent reaction to an ingredient due to a severe food allergy.

Reputational Risks

Reputational risks refer to incidents that can lead to negative publicity for the student organization, the organization's advisor, for students attending the event and/or the institution. This category of risk also includes defamation that can result from an article published in a student newspaper or a comment made on a radio show. An example of an event that might cause reputational injury is bringing a speaker to campus who has sparked controversy. When inviting a high-profile person to campus, it is important to consider how their potential remarks might affect the reputation of the student organization, the organization's advisors and the institution.

Emotional Risks

Emotional risks refer to incidents that can lead a participant attending the event to feel alienated or that negatively impact the feelings of members of the school community. To address this category of risk, it's important to ask if this event or if any of the activities could potentially offend someone attending the event or hearing about it later on. One example is selecting a theme for your event that members of particular social groups might find offensive. In its party theme guide, the fraternity Sigma Phi Epsilon recommends that its fraternity organizations stay away from the following themes: Black face, men dressing like women, using the word "Ho" in the title, themes with a binge drinking connotation and culturally insensitive themes.

Financial Risks

Financial risks refer to occurrences that can negatively impact the fiscal stability of the student organization and other organizations that are supporting the event. It can range from paying for damages incurred by a band performing at an event, a breach of contract, the cancellation of an event for which tickets have already been sold or poor accounting.

Facilities Risks

Facility risks include incidents that may cause property damage or prevent an event from taking place such as inclement weather, the illness of a headlining performer, not enough space for the number of participants, or a lack of sufficient equipment or materials. Anyone and everyone at the event can cause property damage, from participants to vendors, so it is important to consider all the foreseeable scenarios and have a plan of action in place.

Based on Kim-Senior, T. (2013). *Risk management for student organizations*. J. Phillips (Ed.). Little Falls, NJ: PaperClip Communications.

Risk Management Checklist

Identify the Risks. Develop a complete list of all the activities taking place at an event and determine the risks involved with each activity. Some things to keep in mind are to develop a good method to identify these potential risks, examine all sources of the risks, list all risks whether they are probable or not, and consider each risk from various stakeholder perspectives. This might entail looking at what has happened at past events if it's an annual event, researching the activities taking place online or speaking to other organizations that have done similar events. For example, if you are planning a snorkeling activity, you need to know everything there is to know about snorkeling and water sports.

Assess the Risks. Determine the relationship between the *likelihood* and the *consequences* of the risks you identified in step 1. Things to consider in this phase are how important the risky activity is, the level of control you have over the risk, the potential and actual losses that might come from the risk, and the benefits and opportunities that come with the risk.

For the snorkeling activity example, there is a chance that you might get bad weather that may include lightning so it's important to look up the weather and determine how likely it is that you may face dangerous conditions. You also need to consider the equipment being used, the qualifications of the person or company leading the activity, etc. Plus, you need to ask yourself how important this activity is to the success of your organization and what you stand to gain from it by moving forward with the activity versus what you might lose if something should go wrong.

Address the Risk. The next step is to determine what your options are for managing the risk and all its pieces. The main question being asked here is what measures can be put in place to reduce the likelihood that an incident will occur and therefore reduce your risks. For the snorkeling example, it would be wise to reschedule the activity if bad weather is expected on the day you have it scheduled. It can also mean making sure that you are using a certified snorkeling instructor who comes with appropriate liability insurance; identifying a risk manager for the activity to ensure that the risk management plan is implemented; or identifying an emergency contact person who is not participating in the activity to respond in the event of an incident.

Implement the Plan. After determining that you can proceed with your activity, the next step is to put your risk management measures in place. During this step, it's important to document how the measures are working and what the outcomes are so that you can have a log to refer back to for later assessment.

Evaluate the Plan. After the activity is completed and the event is over, it is time to sit down and consider the strengths and weaknesses of the plan. If an incident took place, it's important to examine what led to the incident and if there was anything that could have been done to prevent it. Finally, it's important to note what worked and what didn't work for the next time around.

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RISK MANAGEMENT REMINDERS:

- ✓ Consult your advisor and include him/her in the planning process
- ✓ Use waivers, when appropriate
- ✓ Follow all related policies and procedures
- ✓ Use reputable companies
- ✓ Consult Student Activities and Student Community Government if you have any questions or concerns

