



Personnel Risk Management

SME Risk Management Toolkit

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The Key to a Safer Tomorrow

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Personnel risk management is important

A company's success rests in many different areas. Each area has to be effective for the whole company to function in the optimum way.

Personnel are a key resource in a company's operations. The **anticipation and management of personnel-related risks are an essential part of business activity.**

Personnel risks refer to threats that may be directed towards a company's employees. These risks may originate from within the company or from external sources. On the other hand, **personnel, too, cause risks to a company.**

Hazard identification is the first stage of risk management. After hazards have been identified, the magnitude of risk is assessed so that it can be prioritised and managed.

This booklet provides management and employees in SMEs **with basic information concerning personnel risks.** For hazard identification, the SME Risk Management Toolkit contains **simple checklists and other tools to help get a company's entire workforce participating in risk management.**



Personnel risks cover a broad area and their management requires wide knowledge.

Personnel as a resource

Personnel are a company's most important resource. This is not just a phrase – it's a fact. It is particularly true in Small and Medium-sized Enterprises where a company's success is based on the expertise and motivation of its employees. **The absence of one single person** may cause delays in deliveries, faults in quality and other **threats to a company's operation.** In addition, absence immediately increases the workload for other employees. Over the years, experienced employees in particular have gathered expertise that includes a lot of undocumented knowledge concerning the operations of their company. This knowledge and expertise could provide the company's competitive edge, even though its existence might not even be recognised!

Employees are also a company **resource from the point of view of risk management.** A company's workforce has knowledge and experience of many problems, risk situations and their management. Even though hazard identification and risk assessment often require specialist knowledge, the input of employees is invaluable – particularly in issues related to the work environment.

This booklet is about personnel risk management in SMEs and aims to ensure a company's continuity and provide a basis for success. **The operations of a small company are based on a small group of people.** A secretary or a machinist, for example, may be in a key position. Dependence on a few people is a great risk: the loss of a leader or other key employee can endanger a company's entire operations.



Identifying and committing key employees

Retaining key employees is important to any employer – **a key employee is one who is difficult to replace in a company's operation**. A few examples:

- An employee who has thorough knowledge of the technical principles of a company's main production process.
- Relations with the most important customers may be based on a certain employee's personality.
- Those who run a company (such as a managing director/owner) often possess knowledge of the business that no one else has.
- There may be an employee in a company who has a vital effect on its atmosphere, a so-called 'social leader'.

In SMEs, the loss of a key employee's work input can be a significant threat to operations. SMEs have to operate with small numbers of employees, but **sufficient cover** must always be ensured in a company's critical activities. For example, how will you manage during holidays or handle urgent deliveries?

If a key employee goes to **work for a competitor** it may have serious effects on a company. SMEs are rarely able to offer benefits, financial or otherwise, as good as those offered by larger companies. However, it is possible to try and keep key employees in a company by offering them partnerships, for example. Other factors that motivate employees to stay in a company are a good atmosphere, a valued position and a voice in the company.

Who on earth is dealing with my order? Oh, they're on holiday! Surely there must be someone else there who can help me?



The best way to prevent key employee risks is to **share the knowledge and expertise of key employees with other people**. Writing things down – **documentation** – reduces the risks caused by the loss of a key employee. Issues to be written down include: how the person carries out his or her work tasks, what kind of knowledge and tools he or she uses, and a useful list of contacts.

What makes a person a key employee?

- Knowledge and skills, expertise, professional skill or training
- Long-term experience
- Managerial and leadership skills
- Ownership, financing
- Customer, purchasing or subcontracting contacts
- Knowledge and experience of the use of machines, devices, working methods or software
- Negotiation and sales skills
- Language skills
- Co-operation and group work skills
- Social skills

It is vital for small companies to identify their key employees. In a small company they can be identified by assessing the entire workforce individually:

- What tasks does the person perform?
- What areas do they participate in?
- What special expertise or skills are related to this person's work tasks?
- Who else is able, or has the time, to take care of these tasks?
- What other reasons makes the person important to the company?

Adapt the above list to your company's needs!

Write down the results - a word-processed or computerised document is a useful method. After this, plans must be made concerning how different employees' important tasks are to be carried out during holidays or in the event of illness, etc. Plans also have to be made concerning what to do if someone leaves the company.

The lifecycle of employment

The entire period of employment must be carefully managed i.e. the 'lifecycle of employment'. Adjusting to a new workplace and learning the work tasks are an employee's first challenges in a new job. It is the employer's responsibility **to familiarise new employees with safe working methods and tasks**. The **maintenance and development of employee competence** is essential, especially as their career advances. In small companies, a long-term view needs to be taken when considering the direction in which employee expertise should be developed, in order to prepare for future challenges. **Employment must also end in a controlled way**, whether it ends by giving notice, dismissal or retirement. You will want to ensure that employees do not divulge 'trade secrets' or commercially sensitive information gained during their employment with you, especially if they have been involved in specialist tasks. It is important to remember that **former employees can be ambassadors for their previous workplace for the rest of their lives**.

Ignorance about law, agreements and contracts is a common problem related to employment issues and can cause significant damage to employee/public relations, etc. Seek competent advice about these issues before you act.

The beginning of employment – recruitment – is discussed in the next chapter. A **written contract of employment** should always be signed with the selected employee. Without such a contract, it will be difficult to prove the agreed terms of employment in the event of a dispute. The responsibility of an employer is to provide sufficiently comprehensive work **guidance** for new employees so that they are able to do the work safely and know the hazards involved.

A company's success depends on the **competence** of its employees. Knowledge that has been acquired from vocational training can quickly become out of date. To succeed against the competition, a company must make sure that the professional skills and expertise of its employees are kept up to date.

A narrow age distribution in the workforce is a vulnerability! If a large proportion of your employees are the same age, their retirement at the same time may cause a serious crisis for your company. In the same way, a workforce where a large proportion of employees are in the early stages of their careers, is also vulnerable. Employment issues don't cause friction in a company when they are well managed, allowing the workforce to concentrate on productive work.

These factors and related risks are discussed in more detail in the following chapters.

*Welcome to the gang!
Carl will take care of your
induction, but don't hesitate
to ask the rest of us if any-
thing is unclear.*



The right person for the right position

Recruiting a new employee is always a risk for a company. What if the selected person turns out to be unsuitable for the task or doesn't fit in with the work community? **An unsuitable recruitment choice** is particularly problematic for SMEs, which rarely have other tasks to which the newly employed person could be deployed. Dismissal is hard for the company as well as for the employee, and it can also become costly for the company. When recruiting, the most important thing is to carefully consider **what kind of person the company needs** – what are the tasks planned for this person, what kind of knowledge and skills these tasks require, does the person need to have certain characteristics to fit in well with a workgroup, etc. Inappropriate choices when **recruiting** new personnel or **assigning** tasks, can cause harm to the company and to the individual concerned e.g. work is not progressed and friction/stress may occur.

There are many methods for assessing a person's suitability:

- The main tool in the selection of a new employee is the applicant's **interview**. It provides a direct impression of the applicant, supplemented by qualification certificates, references etc. At an interview, the applicant's background is explored in terms of education and work history.
- A call to the previous place of work helps to get a picture of the applicant. When selecting someone for important specialist tasks, their **background must be examined** in detail.
- Additional information can be acquired using psychometric tests, which must be conducted by a qualified psychologist.

In addition to being competent, a new employee is expected to adjust to the work community. Allowing future colleagues participate to some degree in the selection process helps with this. During the probationary period, the whole workforce must welcome the new employee and help them to fit into the workgroup. Direct superiors are in a key position in this process.

What are your plans - do you think you will stay with us long-term?



Expertise is the foundation of success

A lack of competence in employees can be a serious risk to a company's success. **If a company bases its operations on special expertise, it can be totally paralysed if a specialist leaves.** Insufficient expertise reduces the efficiency of work performance and overburdens the employees. However, risks related to expertise can be controlled.

In a small company, the **expertise of the owner or managing director** is vital as it is the starting point for the success of the whole organisation. Insufficient or narrow expertise e.g. focus only on technology, may endanger the company. Investment must be made to ensure appropriate development of expertise.

It is advisable to **chart employee competence levels**: are they sufficient for present and future tasks? Competence must be developed in those who require it, and must be maintained in everyone. Even though new employees may have adequate basic education, they have to be suitably familiarised with conditions and safe practices in the workplace.

Experienced employees, too, require continuous training to keep pace with **changing work methods** and quality standards. It is helpful to review the allocation of work tasks to ensure they match the skills of employees, in order to avoid quality problems or a build-up of work.

Eric the old master - he can do everything and knows even more.



In order to manage unexpected situations, it is important that employees have sufficiently **varied skills**. It should be possible to find a suitable replacement for any employee in the event of absence.

The main areas of expertise:

- Professional expertise
- Special expertise required to carry out work
- Expertise that supports work (such as computer skills, language skills)
- The so-called 'tacit knowledge' that accumulates with work experience
- Leadership skills
- Social skills
- General knowledge

Ensure you have a competent workforce!

Signs of gaps in expertise can be found by observing how the work progresses. Has the introduction of new work methods, for example, caused problems at work? Before starting any process of change, employee competence in relation to the new situation must be examined in detail. An **expertise chart** listing the necessary competencies and those who have them is a useful tool.

Opportunities should be arranged to **develop employee expertise** appropriately, either by company in-house training or external courses.

Situations may arise where a company has to use **external expertise**, e.g. **a hired workforce** by outsourcing, subcontracting or consulting a specialist. Risks are involved in this - you must ensure the quality, competence and reliability of the external expertise. For example, ask those who have previously employed the subcontractor or specialist about their experience of them. The use of temporary workers is governed by a variety of laws and agreements.

Assistance for assessing these risks can be found in: Expertise work card

A functional work community – a challenge for management and co-operation

People who work together form a work community. Nowadays, a work community is not necessarily limited to one workplace or employer. A work community may consist of employees from several different companies, or the members of the community may work in several workplaces.

At its best, a work community supports and motivates the work of individuals. At its worst, **conflicts in a work community** create obstacles for carrying out work and, due to the 'poisoned' atmosphere, reduce the pleasure of work and the enthusiasm of individuals to give their best.

Risks related to the functioning of a work community are problematic because they are linked to both individual employees and the community they form. **Risks related to the functioning of a work community are usually related to interpersonal relationships.** This can be characterised by poorly organised work, management that is too focused on output, conflicting instructions and priorities, etc. When these hazards occur, the attention of a work community focuses on emotional issues such as quarrelling, gossiping and even harassment, instead of on productive action. In these situations, the basic prerequisite of a functional work community – lively interaction – turns into a negative force that is harmful to the community's operation. This kind of work community may produce poor quality work and may even be at an increased risk of accident.

Dealing with work community conflicts means finding solutions – not apportioning blame or focussing on personalities. The aim is to regain control of risks threatening the company's operations.

When a position has to be taken concerning the operation and actions of a work community, **tact and wisdom are needed from those making the changes.** It is important that a **secure atmosphere** is created for the community so that people aren't afraid for their jobs.

This will mean they can devote themselves to changing and developing their work – as creative individuals and as a work community that strives for success.

When a work community learns to discuss risks, it also learns to discuss other issues in an open manner. This produces good communication channels that can positively impact all areas of the business. Workable procedures can be developed for the company's operations so that everyone can participate in the development of their own work. **This results in an open, productive work community that puts the different skills of its members to good use.** Assistance for assessing these risks can be found in: Work Community work card.

Work flows in a safe workplace

The components of a work environment – physical, mental and social – have an effect on the resources that employees have at their disposal, the work itself and its result. **Occupational safety and health** hazards refer to factors in the workplace, which could endanger employees' health or safety.

Occupational safety and health are best achieved by systematically looking for hazards before accidents/ill health can happen. The aim is that no one gets hurt or ill because of his or her work.

Work-related hazards should be identified as widely as possible according to the previously mentioned risk types. The assessment should cover both the **normal activities** at the workplace and **extraordinary and rare situations** e.g. emergency conditions, maintenance activities, etc.

Risks are involved in all work and vary according to the hazards involved. The assessment of work-related risks should encompass all hazards associated with the company's activities. The experience and professional skills of employees should be widely used in hazard identification and the implementation of control measures.

The assessment and management of work-related risks is not only a **legal duty** for employers – it also makes **good business sense**. The assessment of work-related risks should result in the implementation of suitable control measures for eliminating or reducing occupational risks. Preventing the creation of hazards at the design stage is more cost-effective than rectifying consequential problems later. Where there are existing control measures, these should be reviewed for their efficacy and to ensure they are being properly used. Controlling significant risk is better than dealing with the aftermath of accidents and ill health.

Assistance for assessing these risks can be found in: Occupational Safety and Health Risks and Work Ability and Well-being work cards.

Physical hazards. Refers to the effects of different forms of energy on employees and their health. The most significant physical hazards are noise, vibration, cold and hot conditions, radiation and insufficient lighting.

Accident hazards. Typical accidents types are injuries from falling objects, falls from heights, slips, trips and falls and getting hit by moving objects. Most accidents are due to management failures leading to unsafe acts (e.g. horseplay) and unsafe conditions (e.g. poor housekeeping and maintenance, unguarded machinery, etc.)

Physical strain hazards. Strain injuries can be caused by poor 'ergonomics' i.e. work, work methods and tools that are unsuitable for people. Good ergonomics and manual handling training are used to prevent physical injury caused by heavy-work phases, difficult working positions, inadequate work-stations and tools, and the use of machines and equipment.

Hazardous substances. Refers to substances in solid, liquid or gaseous states that can be hazardous to health. The health risks associated with substances depend on their properties, the volumes used, the way they are used and the potential routes of entry into the body. There may be chemical, biological, flammable/explosive or radiation effects from some substances.

Work-related stress (WRS). Uncontrolled WRS can cause psychological and physical harm. However, when stress is under control, work feels meaningful, the work atmosphere is good and productive.

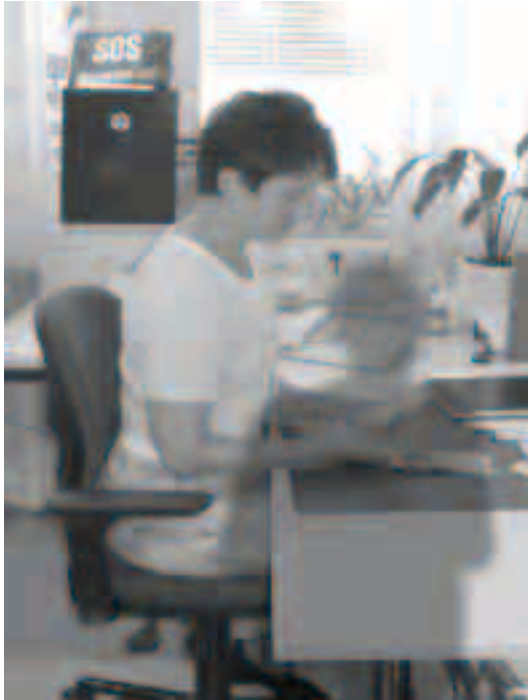
People's actions. Unsafe acts and risk-taking by employees can cause accidents, leading to serious injuries and ill health.

See also: *Acts of Damage work card; OSH info card; OSH Risks work card; Stress Management info card; and Violence at Work info and work cards.*

Violence at work

Work-related physical violence or the threat of it are alarmingly common. Violence can lead to physical injuries or even loss of life and the threat of violence can cause constant fear and anxiety. However, you can prepare for the possibility of violence, prevent its occurrence and keep better control of violent situations.

The **groups at risk** are employees who deal with the public and may be exposed to violence from external sources, especially if they are involved in: giving a service; caring; education; cash handling; delivery and collection or representing authority. Working alone or in a place where there are few people, working late at night or early in the morning, or meeting intoxicated or mentally unstable people at work also increases the risk. Violence can also come from internal sources through conflicts, harassment and bullying.



Forms of violence at work

- Insults, shouting, verbal threatening
- Pushing, hitting, kicking, wounding
- Theft, money snatching, mugging
- Robbery or attempted robbery

Are these things familiar? How often do they occur and to whom? Even rarely is too often. It is time to start prevention!

The threat of violence at work can be reduced with planning:

- **Work tasks are planned** so that they don't attract acts of violence.
- The **work environment** is designed so that potentially violent or threatening situations are noticed as early as possible and prevented.
- **Surveillance and alarm equipment** is used.
- **Safe practices** are applied regarding money handling, security of doors, lone working, etc.
- All employees are **trained** to avoid and manage violent/threatening situations.

When dealing with incidents of violence at work, it is important to remember to arrange high-quality **aftercare** for the victim. These situations are often traumatic to those exposed to them, even if the physical consequences weren't serious. Serious incidents of violence at work should always be notified to the police and, depending on the situation, to other authorities.

More detailed information about violence at work: Violence at Work info card and Crime Risks info card

Assistance for assessing these risks: Violence Control Measures Checklist

Maintenance of work ability

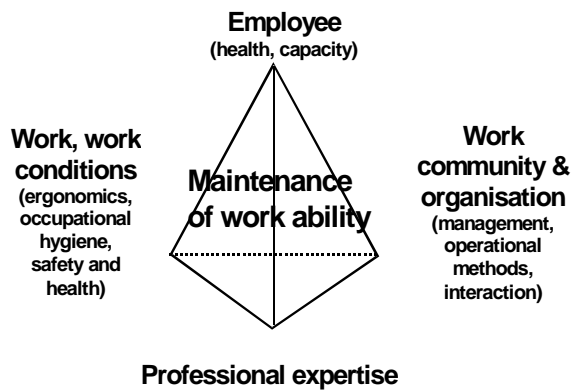
Work ability refers to an employee's resources for meeting the requirements of his or her work. In addition to personal characteristics (such as the employee's physical and mental condition) other factors affecting work ability include the functioning of the work community (e.g. the management) the conditions of work and competence.

The purpose of maintaining and developing work ability is **to support the well being of employees, and the quality of their activities**, and in this way, **improve productivity**. The maintenance of work ability helps both employees and the workplace as a whole to better respond to changes in work life. The promotion of well-being and work ability means co-operation in the workplace: in addition to a common desire to work towards improvement, the knowledge and experience of all employees helps determine what is needed.

The following factors have a decisive influence on well-being and results achieved in a workplace.

- How well the work and working conditions have been planned
- How healthy and safe the work community is
- How much expertise is available and whether there is the will to share it
- How well the work community supports employee development

The maintenance of work ability is a process. There is more than one right way to do it, and the targeted areas and the extent may vary. At its best, the maintenance of work ability is a part of day-to-day life in the workplace.



Work ability is a product of many factors that maintain and develop it.
(Source: Tyky-Step, Finnish Institute of Occupational Health)

A person's work ability can be maintained and improved **by regular exercise and a healthy lifestyle**. Healthy nutrition, sufficient exercise and rest and close human relationships are important factors in the maintenance of work ability. Work ability is also affected by issues related to the management of our own lives, such as **self-realization, motivation, resources and coping skills**. Mental ability is improved by work tasks that contain **opportunities for growth and development**. **Praise for good work and a pleasant working atmosphere** support the ability to cope at work.

Assistance for assessing these risks: Work Ability and Well-being work card, OSH Risks work card, Work Community work card, Expertise work card, Stress Management info card.

Entrepreneurship is risk taking

Entrepreneurship always includes **risk taking**. An entrepreneur invests a significant amount of his or her own time and often property, too, in a company. Unfortunately, everything doesn't always go as anticipated.



A sensible entrepreneur also prepares for failures. Many problem situations can be avoided altogether, or being prepared can at least lessen their consequences. Key methods to achieve this include good time management, ensuring your insurance and pension cover, and negotiating appropriate agreements.

An entrepreneur often has to guarantee the activities of his or her business with **personal property**. In this case, business problems also threaten an entrepreneur's financial well being as well as that of his or her family. Investing all your resources in this way should probably be avoided!

An entrepreneur is tied to his or her work almost around the clock. The time left for family, relationships and hobbies is compromised. In this situation, an entrepreneur's **ability to work and cope** are at risk in the long term. Time spent relaxing can prove beneficial to an entrepreneur's ability to cope.

The **relation between a company's ownership and decision-making** is often a source of problems. It is generally recommended that a company has only one principal owner who can be the voice of the company when needed. The **partnership agreement** plays an essential role: it precisely defines the share of ownership and liability of each party in the company. The partnership agreement should always be made in writing.

Handing down a business to the next generation is a critical phase for the business. The generation that takes over the company's management must gain the trust of both the customers and the employees. This can be achieved with sufficiently comprehensive training and familiarisation with the company's operations. Open communication about the handover prevents rumours.

I wish I had two heads, four legs and a 48-hour day!



You should also prepare for acts of damage

Intentional damages must be prevented

A work community is a miniature version of the society around it. Most employees are honest and decent people. Unfortunately there may be a small minority who do deliberate damage to the company. In a small company the damage can be very severe. The following are typical forms of intentional acts of damage:

- **Theft.** If the target of theft is a device or a spare part that is important to the company, the loss can be significant. Such theft can be the cause of delayed deliveries to key customers, which can jeopardise business relationships.
- **Embezzlement.** Refers to unauthorised use of a company's money for one's own purposes. It is a typical act of damage that occurs in money handling occupations. In SMEs operating with only small amounts of capital, the loss of available funds can cause serious problems.
- **Misuse of information.** The selling of design information or a customer register, for example, may harm a company in both the short and long term.
- **Sabotage.** A discontented employee – a person who may have been fired or is deeply hurt for some reason – can sabotage production equipment, information systems, etc.
- **Violation.** A person knowingly acts against the company's rules in pursuit of his or her own benefit.

These risks must be minimised. It can be done, for example, by controlling people's use and access rights. It is important to prevent a 'disappearance' of critical supplies and spare parts. But perhaps the most important issue is to keep the **employees genuinely contented and motivated**. When everyone is working for a common cause, no one will deliberately harm it. **Employees must be trusted in a small company** - this trust should not be ruined by treating employees as if they are probable thieves.

What if something happens?

Employees can also cause damage through unintentional actions. Often, the starting point for these situations can be found in **undefined or incorrect work methods, authorisation and instructions**. A person can, for example, inadvertently leak information to outsiders if no instructions or training have been given regarding which issues are confidential. Or a conscientious employee may wrongly set a machine in an attempt to produce better quality for a customer. **Instruction** and **training** concerning correct actions are a part of normal, quality work. A blind eye should not be turned to incorrect work methods – action should be taken at an early stage.

User interfaces for computer software or machines, for example, may be designed in such a way that it is possible to misuse them, either accidentally or due to ignorance. This can result in the deletion of information, etc. Such problems can be avoided by paying attention to **ergonomics and user-friendliness** when procuring equipment and software, and by **training employees**.

Attention to the possibility of human error improves reliability, occupational safety & health and quality of production.

The same basic principle applies to **all acts of damage**: the **important issues** to a company's operation must be **identified**, and **threats** to them must be **examined**. After this, the company can **plan and implement** effective **control measures**.

Assistance for assessing these risks: Acts of Damage work card and Crime Risks info card

Travel and traffic risk

Travel is an everyday part of work. Employees are exposed to traffic risks during short work-related **trips** and longer **business trips**. **Internal traffic** refers to traffic that operates within the boundaries of a workplace – most often in a yard or warehouse. **Journeys abroad** also have their own specific risks e.g. from political unrest, endemic disease, unfamiliar laws and customs; natural disasters; climate extremes; poisonous snakes/insects; animals, etc. Trips abroad should be well researched and the risks assessed – employees should be given adequate information about the hazards and how to stay safe e.g. vaccination advice, etc.

Travel is a significant hazard in many occupations. It is estimated that twice as many deaths are due to work-related road accidents as are due to all other work-related accidents. There is a common misconception that companies can do nothing about travel risks. However, there are control measures that companies can take to improve the safety of their employees in traffic and the process begins with hazard identification and risk assessment. Control measures could include avoiding or rationalising journeys; improved driver training; setting realistic journey times; improved vehicle selection and maintenance; and improved incident reporting and investigation, so that lessons will be learned. Occupational drivers should receive advanced driving or defensive driving training as well as the appropriate vehicle-specific training required for the class of vehicle being driven. Some companies have reduced the risks their employees face during journeys to and from work by adjusting or 'staggering' the start and finish times, thereby reducing road congestion at peak times.

Drivers themselves must behave responsibly, which includes not smoking, eating, drinking, grooming, reading, using a mobile phone, etc. whilst driving and also not driving if over-tired. Drivers/riders should be familiar with their vehicles and routes before setting off.

When procuring company cars, employers can avoid 'performance' cars, as these may encourage speeding; ensure there is a minimum of on-board distraction, such as computers, faxes, mobile phones, etc; consider the ergonomics, as back-pain may adversely affect driving performance; and finally, include the vehicle's ability to withstand a collision and other safety features, as key factors in selection criteria.

Internal traffic is easier to control as you can impose your own speed limits, parking restrictions and one-way traffic routes. You should try to establish separate routes for pedestrians and traffic and ensure these are appropriately signed. You should also ensure that all drivers are fit to drive, appropriately trained and licenced for the class of vehicle they drive. All vehicles should be in good condition and well maintained.

Assistance for assessing these risks: Travel and Traffic Risks work card



Management of personnel risks

Risk management is a process that consists of three consecutive stages: **identifying hazards**, **assessing the magnitude of risk** and **implementing control measures**. The Personnel Risk Chart on the next page has been compiled to help identify personnel hazards and covers nine areas. The assessment of personnel risks begins by the examination all nine areas and the consideration of whether they are relevant to your company. If the risks in the area in question are under control, each issue is marked **OK** and the examination advances to the next issue. If a risk doesn't concern the company, it can be crossed out. However, if notable deficiencies are found, the issue is ticked as a sign that more detailed examination is required.

The assessment of personnel risks typically takes place in meetings involving employees from different areas of the company. These employees should be familiar with the hazards in their areas. Workforce participation in the risk management process is vital in controlling personnel risks.

The priority of risk management control measures is based on the magnitude of the risks, which depends on a **combination** of two factors:

- **Probability:** The more often or more likely that a harmful event will occur, the greater the risk.
- **Consequences:** The greater the loss when harmful event occurs, the greater the risk.

These dimensions have been used in the table below to describe the magnitude of a risk. The greatest risk is an **intolerable risk** and it requires immediate action to be taken. A **risk that is classified as substantial** requires rapid measures to be taken to reduce the risk. A **moderate risk** means that control measures should be planned, though not given high priority. For a **tolerable or trivial risk**, monitoring may be sufficient (see also 'Risk control methods' in the Risk management basics booklet).

The primary aim of risk management should be to **prevent unwanted occurrences and/or reduce their consequences**. The key methods of risk management are:

- Avoiding a risk, which is often only possible if the actions in question are avoided altogether.
- Reducing a risk, by decreasing the probability of an event and its consequences.
- Transferring a risk to someone else, through insurance or subcontracting, for example.
- Keeping a risk as your own responsibility. Certain risks are kept and any losses are absorbed by the company.

A part of risk management also concerns making preparations in case an incident occurs despite all the control measures. It is useful to plan in advance the actions to be taken in the event of an accident/emergency, as well as the steps to be taken for recovery.

Probability of event	Severity of harm		
	Slightly harmful	Harmful	Extremely harmful
Highly unlikely	1. Trivial risk	2. Tolerable risk	3. Moderate risk
Unlikely	2. Tolerable risk	3. Moderate risk	4. Substantial risk
Likely	3. Moderate risk	4. Substantial risk	5. Intolerable risk

NB 'Tolerable' here means risk has been reduced to the lowest level reasonably practicable. Based on BS8800

Personnel Risk Chart

Company:	Group/Assessor:
Object of assessment:	Date:



Example of use

Verbal threat – a significant risk Management – issue in order ~~family ties~~ – does not concern us

Occupational safety and health. There are always some factors in the work environment that can endanger the health or safety of employees (and others) and must be properly managed.

Work ability and well-being. Good physical and mental health is the basis of an employees' well-being. A high rate of work-related illnesses or stress is a symptom of badly organised operations.

Employment risks. All stages of employment, from contracts and the induction of new employees to the end of their employment, should be well managed. Do you know the relevant regulations?

Expertise. Employee skills should be maintained and developed to ensure versatility. The availability of critical special expertise should be ensured.

Special risks of entrepreneurship. There are special factors to consider in entrepreneurship e.g finance; continued ability to work; conflicts over ownership; pension provision; 'work-life' balance, etc.

Violence at work. Violence directed at employees is a significant personnel risk particularly in many service occupations.

Travel/traffic. Journeys between home and work, work-related trips and the company's internal traffic all expose employees to the dangers of traffic. Trips abroad can also carry risks from tropical disease, etc.

Acts of damage. Wherever there are people intentional or unintentional acts of damage are possible. Damage-related risks should be identified and protected against.

Work community. Dealing with problems related to the work community as a whole is part of managing risks related to common issues. Good management is the key factor in achieving a functional work community.

Risk Management Control Measures: Planning, Implementation and Review

Company	Object of assessment	Group/Assessor	Date	No. of pages
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Hazard or problem	Causes of hazard	Worst/typical consequences	Magnitude of risk	Control Measures	Shedule and responsible person	Done

Next meeting and convener: _____