

Risk Management for Volunteer Resource Managers: Pre-Event Planning Matrix

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Abstract

Risk has been defined as the exposure to the possibility of loss, injury, or other adverse or unwelcome circumstance. Risks are inherent in most activities and programs delivered by volunteer-based organizations and can take many forms. These forms of risk include the risk to people, property, financial solvency and reputation. Given that risk exists, volunteer-based organizations must manage risk. Risk management involves a process of identification, analysis and either acceptance or mitigation of uncertainty involved in making a decision. Incorporating risk management into a volunteer-based organization involves several processes. These include risk analysis, risk response, and risk review. To protect the safety of participants, sponsors, property, finances, and the goodwill/reputation of the organization's name a systematic approach to risk management is recommended. The pre-event planning guide and matrix has been created to aid volunteer resource managers, volunteer program directors, staff, volunteers, and participants to assess, plan, and minimize the risk involved with the activities of a volunteer-based organization.

Key Words: risk, risk management, volunteers, volunteer-based organizations

Crisis has often been a motivating factor for change. In the fall of 1999, twelve Texas A&M University students were tragically killed while building a bonfire on the campus prior to a fall football game. Consequently, risk management became an important topic at Texas A&M. The Texas A&M Student Affairs Risk Management Team met and developed a risk management report following the incident. Included in the report was a Risk Management Matrix tool (Texas A & M Student Affairs Risk Management Team, 2001). The assessment tool was proven to be effective when used by volunteers, students, and advisors.

Later, a team of University of Florida faculty was asked to develop a risk management plan for a university volunteer program. This plan adapted the Risk Management Matrix developed at Texas A&M. This Pre-Event Planning Guide and Matrix can be found at <http://edis.ifas.ufl.edu/4h299> by selecting the PDF link located at the end of the document. Using the Pre-Event Planning Guide and Matrix will help volunteer resource managers and volunteer program administrators identify and analyze risk and develop risk management strategies to protect the people, finances, and reputation of a volunteer-based organization.

Risk and Risk Management

Daily, there is a chance that something unexpected, unwanted, or dangerous could happen. Risk has been defined as the exposure to the possibility of loss, injury, or other adverse or unwelcome circumstance (Hubbard, 2009). For volunteer-based organizations, risk is the uncertainty about a future event that threatens the organization's ability to accomplish its mission and the many unexpected things that can happen

such as unforeseen: effects on participants; impacts on an organization's reputation; participants' or spectators' reactions; and financial costs to the organization.

Risk management, on the other hand, involves a process of identification, analysis and either acceptance or mitigation of uncertainty involved in making a decision (Alexander & Sheedy, 2005). Risk management is a proactive method, as opposed to a reactive method, in dealing with situations that could put an individual, group, or organization at risk. Practicing risk management means being prepared to deal with any dangers that develop. In volunteer-based organizations, risk management: ensures that program participants are protected from unwanted consequences and safety concerns; helps to evaluate allocation of resources; and centers on prevention in order to focus on achieving the mission and objectives of a volunteer-based organization. Generally by practicing risk management, potential difficulties can be identified and dealt with before they can cause problems. Risks may take a variety of forms for the organization including people, property, financial and goodwill/reputation. The people affected by risks are youth volunteers, employees, clients, donors, board members and the public. Risk to property loss includes buildings, facilities, equipment, materials, copyrights and trademarks. There is a risk to financial assets including sales, grants and contributions. Additionally, a loss of status in the community can impact the goodwill and reputation of a volunteer-based organization.

Incorporating Risk Management into an Organization

Incorporating risk management into a volunteer-based organization involves several processes. These include risk analysis, risk response, and risk review. Each of these is described below.

Risk Analysis

Risk analysis requires identifying and analyzing the potential for harm or negative impact on an event or activity. Volunteer resource managers often search for potential risk from two distinct perspectives: source analysis and problem analysis. Source analysis seeks to look at the potential sources of risk whereas problem analysis looks at specific individual problems that could arise. When planning a program or activity the planners should review the activity to identify potential hazards, clarify the severity and frequency of the risk, and decide if the hazards can be reduced or eliminated, and, if not, the event should not be planned.

Risk Response

Risk response refers to the steps or actions that a volunteer-based organization takes when a risk is identified. There are four risk management approaches: reduction, avoidance, transfer, and acceptance (Vose, 2008). The major focus of risk management is to reduce risk by reviewing the activity and then implementing policies and procedures that minimize the risks. For example, in a camp setting safety, health, and adult readiness are issues that should be evaluated and steps should be taken to avoid or reduce problems. Contingency plans should be formed and the activity or conditions should be altered as

necessary to decrease the likelihood that a loss will occur.

Risk avoidance means entirely avoiding activities if the risks are too severe or the possibility of injury is too great. An example of avoiding risks is placing an age requirement on youth working with large animals (e.g., riding horseback in a competition). Proposing an event, for example, in which 6 year-old children show steers at a fair for auction, presents a severe risk to participants and spectators. The risk identified here is that youth this age may not have the physical strength, emotional maturity or experience needed to manage a large-animal in a safe manner.

Transferring the risk includes involving a third-party participant to share the risks and liability. Dealing with risk management is a big responsibility and one person or organization may not want to deal with it alone. Having adequate insurance for events and activities is an example of transferring risk. Another example of when to transfer risk might be when coordinating transportation for volunteers. Rather than a volunteer-based organization providing transportation for volunteers, a contract with a professional transportation provider would transfer some of the risk from the volunteer-based organization to the transportation provider.

The process of acceptance means recognizing there are risks involved and making the decision as a volunteer-based organization to accept certain risks. Identifying dangers and knowing the potential risks involved can help everyone involved to be more attentive and prepared to deal with these risks. For example, hosting a fundraiser "mud run" for adults to run through a muddy obstacle course is full of risks. Identifying the risks involved and

helping organizational staff and volunteers as well as participants acknowledge the possible dangers can help all involved to be more alert and careful in their activities.

Risk Review

Risk review is the process of monitoring the risk management plan and communicating the information to all members of the volunteer-based organization, including participants to some degree. Part of this process is evaluating the risk management plan and making changes to reduce, avoid, transfer and/or assume risk. The pre-event planning guide and matrix has been created to aid volunteer resource managers, volunteer program directors, staff, volunteers, and participants as they engage in the risk review process.

Responsibility for Risk Management

Whether an activity hosted by an organization is geared towards youth or adults, risks are inherent. Managing risk is an important function for all members of a volunteer-based organization. All volunteer program administrators, volunteer resource managers, staff, volunteers and participants, are responsible for planning, implementing and evaluating good risk management

practices. Risk will never go away; therefore risk management will always be something that should be included in every program plan. When working with volunteers, volunteer resource managers should communicate potential risks and how to manage risk to volunteers and participants. The risk management matrix is an invaluable tool when performing risk analysis and planning a volunteer-based organization's events and activities.

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