

RISK AVOIDANCE OFTEN A POOR OPTION

Remember when ... we said skate board parks were too risky to build? And mountain bike parks were a crazy idea? And bouncy castles should be banned? Risk avoidance is usually the first option in the risk managers' tool kit. But as easy as it sounds, it can be an impractical choice.

Keeping the Outdoors In

Pennsylvania State University administrators recently decided that staying indoors is the best (only?) alternative to avoid high risk recreation activities. As a result, they ordered the student-lead "Outing Club" to no longer host outdoor events. Administrators had conducted a two-month risk assessment and concluded that some recreational clubs' activities were too high risk to continue. The official announcement stated that "The types of activities in which [Penn State Outing Club] engages are above the university's threshold of acceptable risk for recognized student organizations."

Two other outdoor recreation clubs - the Nittany Grotto Caving Club and the Nittany Divers SCUBA Club - were also ordered to stop offering off-campus trips. The review committee did not consult with student leaders from any of the clubs whose activities and locations were deemed too risky, according to students. The administrators' main concern was that the Outing Club, and other affected clubs, visit locations with poor cell phone coverage and participants may not be able to quickly access emergency services.

"Student safety in any activity is our primary focus," Lisa Powers, a Penn State spokeswoman. Yet, Penn State students are still permitted to play field hockey, rugby, and football.

According to Richard Waltz, President of the Outing Club, said that the Outing Club has enjoyed backpacking, kayaking, and hiking in state parks for its entire 98-year-existence. The Outing Club treasurer said that he hadn't heard of any injuries sustained on club outings in recent years.

The decision received attention from a five-page-long list of local, regional and national media outlets. Weeks after the announcement students were continuing to advocating for student-run outdoor recreation. Alumni, current members and their supporters across multiple countries even compiled an ongoing petition to save the club, now with over 900 signatures.



“Yes, risk-taking is inherently failure-prone. Otherwise, it would be called ‘sure-thing-taking.’”

Jim McMahon

Spokeswoman Powers said meetings between the Outing Club's student leaders and the university are continuing to determine what the club's future role on campus may be. Talks were focusing on the possibility of "forming a different kind of club," Richard Waltz said, one that still holds film festivals and hosts speakers, but can no longer lead students on walks in the woods.

What is Acceptable Risk?

Three types of risk commonly considered are:

- *Perceived risk* – a person's subjective evaluation of a specific risk. Perceptions vary by individual. One person may see hot air balloon riding, or motorcycle racing as perfectly reasonable while another may see those activities as lunacy.
- *Absolute risk* typically refers to the odds of something actually occurring. We can change the odds by implementing risk prevention or control methods. E.g. by installing intrusion alarms in buildings to reduce the likelihood someone will attempt, or continue an attempt, of break and enter.
- *Residual (real) risk* is the *absolute* risk after treatment by the risk prevention and control methods chosen.

Often perceived risk is viewed from an emotional perspective while actual and residual risk require an element of subjective analysis. A major undertaking for risk managers is to support colleagues in reaching a realistic view of each risk.

Conclusion

When assessing risk, keep in mind the perception of individual analysts when the risk rating framework set. In the example above, Penn State administrators conducted what they thought was sound risk analysis. However, by failing to consult all stakeholders, they attracted extensive media attention – which resulted in unplanned use of time, money and reputation damage for weeks after. It is always important to consider all possible outcomes before making a final decision.

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