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Session on Human Factors: The Relevance of »Estimation« in Risk Management

NO »INFORMATION« WITHOUT »ESTIMATION« IN ISO 31000

Addressing Human Factors is at the Core of Risk Management

There are only a few quotes or references to human factors in ISO 31000. What does it mean that there is only one direct reference? It is made in section 3 which is on the principles of risk management in subsection (h) with the following wording: **Risk management takes human and cultural factors into account.** Other than this there are only indirect references where someone (who must by nature be human) is doing something.

Worse, even in section 5 which is giving guidance on the risk management process reference is solely made in the subsections on establishing the context to process related human factors. Within the subsections on the core process no reference is made and risk related human factors are not taken into account. Nevertheless since addressing human factors is at the core of management, one should never ever forget the human factor in risk management: Leadership is guidance of employees! Interfaces (human-machine and human-human) need to be standardized with steps for confirmation, cultural difference has to be kept in mind and understanding the ETTO-Principle will be most helpful.

Perception and Information

Risk as defined by ISO 31000 has to do with the unknown and is therefore related to perception. Reality is out of reach to any of us and we only have our perception to work with (Peter Blokland, The quality of perception, Paris 2012). On the other hand ISO 31000 in the context of the definition of risk uses the following vocabulary: »information«, »understanding«, and »knowledge« all of which have a more or less objective connotation. Perception is mentioned solely in section 5.2. which by the dictionary is defined as a process by which we become aware of changes. This while being close to a technical action does have a subjective side with the reference to awareness.

Information and Estimation

With estimation added to the wording of Note 5 to Section 2.1 of ISO 31000 (deficiency of information or estimation) a subjective factor would be made visible, a human factor introduced. Estimation is defined in the dictionary as judgment or consideration, forming an opinion. On the other hand information which seems to be such a singularly objective item can also be understood as data which have been processed. This inherently includes some element of estimation, judgment, consideration or forming of an opinion.

It can be said that in the context of ISO 31000 there is no information without some form of estimation (Frank Ashe on LinkedIn). In other words, only by estimation »objective« data become information. This is underscored by the express spirit of the standard which in its section on the Principles of Risk Management puts emphasis on the fact that **risk management takes human and cultural factors into account.**

Conclusion

Risk therefore has to be understood in ISO 31000 as any deviation from the expected with regard to the objectives of an organization due to a deficiency of information or estimation. The lesson to be learned is to be prepared to be flexible (active early response). Risk management is not a predictive exercise.

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