

THE AIRMIC COMPETENCY
FRAMEWORK FOR
RISK MANAGEMENT PROFESSIONALS



Disruption is the new normal and no industry is exempt from change. Life is more complex, connected, challenging, faster – and exciting! Although technology will facilitate change, people will take the decisions that drive change. This context creates new risks and new opportunities and demands a shift in emphasis for the risk professional, who must closely engage with the purpose of their organisation to support and contribute to the organisation’s direction.

1. Risk professionals must be better aligned with business priorities. They must demonstrate strong business and commercial acumen and engage more intensely with the organisation’s purpose, strategy, major objectives and investments. This will sharpen their ability to develop valuable insights into emerging risk concerns and help them develop innovative risk mitigation solutions.

2. Risk professionals must be professionally fit for the future. They must develop analytical skills and methodologies using new data science and automation techniques. Coupled with a good grasp of emerging technologies, this should free risk professionals up for higher level (as opposed to routine) risk work and enable them to engage and act as trusted advisors to business leaders and functional peers.

3. Risk professionals must be more dynamic in stakeholder engagement. A more creative and collaborative approach to managing risks and opportunities will enable them to recognise and address institutional and individual biases, discover blind spots, and surface emerging risks and opportunities for which evidence may be limited or conflicting.

Risk professionals must consider and synchronise to the extent possible the different speeds at which strategic, tactical and operational risks develop. The job of the risk professional is to challenge the status quo and to make sure the typically faster pace of external developments is synchronised with those internal to the organisation, and that these move smoothly in the same direction.

When consulted in August 2020, Airmic members rated different knowledge and skills, coupled with an increase in authority and more flexible working, as the greatest changes to their jobs over the last four years. Digital literacy, a creative mindset and negotiating and influencing were considered the most important skills for the future. The technical aspects of the risk professional’s role are being stretched into areas requiring influencing skills, business awareness and technology fluency. Those who can combine these will be best positioned to support their organisation in today’s dynamic environment and achieve personal professional success. In the words of Airmic CEO John Ludlow, “the risk professional who understands the risk context and business will become a business partner”.

The purpose of this Competency Framework is to provide risk professionals with a [tool/process] to help them navigate their career and to demonstrate they are not travelling this journey alone – Airmic is there to provide support. We hope you find the Competency Framework helpful.

Julia Graham
Deputy CEO and Technical Director, Airmic





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INTRODUCTION

1. Profession explained

The word profession means different things to different people, but in summary, it is an indicator of trust and expertise.

A profession is more than a job. A profession is an occupation which adheres to ethical standards and specialised education and training at a high level, provided by a recognised body of learning. The purpose of a profession is to enable the provision of objective advice and service to clients and the public. Education and training are maintained through continuous professional development (CPD).

A professional is a member of a profession. Professionals are governed by a code of ethics and are committed to competence, integrity, morality and altruism. A professional

is typically certified by a professional body and belongs to a profession by virtue of having completed studies and practised according to an established set of standards.

A career is the process and actions taken by a person throughout their lifetime and is often composed of a portfolio of jobs rather than a single position. The well-established pathway of education, work and retirement is being challenged by increases in longevity and the application of technology. In future, people are likely to have several phases of education and training, perhaps in different professions, with lifelong learning being the norm.

Professionalism describes the qualities, skills, competence, mindset and behaviours expected of a professional. It is often linked to the upholding of the principles, laws, ethics and conventions of a profession as a way of practice. Professionalisation is the pattern of how a profession develops, as well as the process of becoming a professional.



Competencies are the knowledge, skill and behaviours that lead to successful professional performance. Knowledge and skill describe a person's competence and while they may seem synonymous, they are very different. **Knowledge** refers to learning concepts, principles and information regarding a subject. **Skill** refers to the ability to use that information and apply it in context. In other words, knowledge refers to theory and skill refers to applying theory in practice. **Behaviour** refers to how someone performs their job role using the knowledge and skills they have obtained'

Roads to Revolution <https://www.airmic.com/technical/library/roads-revolution> – a 2018 report published by Airmic – highlights some of the issues that leaders and managers will have to grapple with in the digital revolution and the implications for risk, risk management and governance. The report makes the point that while some definitions and practices for risk management might

seem unaffected, the underlying business dynamics are so different from the past ones that they trigger the need for a major rethinking of the competencies necessary for a risk management professional. Risk professionals will have to reskill and introduce new knowledge and mechanisms to ensure effective and efficient oversight, strategic leadership and, ultimately, legitimacy for their organisation.

Risk professionals will have to reskill, introduce new knowledge and adopt new behaviours to ensure effective oversight, strategic leadership and, ultimately, legitimacy for their organisation.



RISK PROFESSIONALS CAN BECOME STRATEGICALLY ALIGNED ENABLERS IN THEIR ORGANISATION. TO ACHIEVE THIS, THEY MUST DEVELOP NEW MINDSETS AND ENSURE THEIR COMPETENCIES MOVE AT THE PACE NECESSARY FOR THEM TO OPERATE AS PART OF AN INTEGRATED AND COLLABORATIVE TEAM

THE AGILE PROFESSIONAL

Risk professionals need to think more strategically and be tolerant of change. As cost pressures build up and increasingly capable technology-driven systems emerge, more tasks will be undertaken by either less qualified people or with the input of systems. Machines will transform the work of professionals, giving rise to new ways of sharing expertise. While we can't control the future, how technology is used for managing risk is in the hands of the risk professional. Professional agility refers to the distinct qualities that allow professionals to respond rapidly to changes in the internal and external environments without losing momentum or vision.

Adaptability, flexibility and balance are three qualities essential to agility. Taking advantage of the new opportunities created by technology requires a shift in emphasis.

1. Better alignment with business priorities: Risk professionals need to demonstrate strong business and commercial acumen and engage more intensely with the organisation's strategic ambitions and major investments. This will sharpen their ability to develop valuable insights into emerging risk concerns and help them develop innovative risk mitigation solutions.

2. More flexible deployment of resources: Enhanced analytical skills and methodologies, including the introduction of new data science and automation techniques, should free up capacity in risk teams for higher level (as opposed to routine) risk work and the provision of risk advice to business and functional leaders.

3. Greater dynamism in stakeholder engagement: A more creative lens with regards to emerging risks will enable risk teams to recognise and address institutional and individual biases and blind spots, and help build an appreciation of threats for which evidence may be limited or conflicting.

Strategic, tactical and operational risks must be aligned to the extent possible – risk professionals can help to synchronise the organisation to make sure that time lags do not unnecessarily emerge and that the typically faster speed of external risk developments is synchronised with those internal to the organisation, ensuring that they move smoothly and in the same direction.

To take this forward, some risk professionals may need to expand their comfort zone. But those who can mesh strategic vision, influencing skills and technological fluency with their core risk management expertise will be best positioned to help their organisation negotiate the dynamic risk environment of the future. However, a cultural change is required because risk professionals have historically focused on the technical aspects of their job. There is a need for risk professionals to become business partners. They need to collaborate effectively with others and challenge their functional peers and the leadership team of the organisation in order to champion the new type of risk management.

Current risk identification tools such as the risk register might be misleading and give a false sense of confidence. Risk registers focus on tangible or traditional risks, which tend to be static and involve looking backwards. Therefore, organisations are moving to complement risk registers using horizon scanning and scenario analysis, which can identify potentially headline-grabbing, organisation-threatening issues that may also be less tangible.

The Airmic Competency Framework reflects the current and future contexts of the risk profession, recognising that we are travelling a journey.



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A CULTURAL CHANGE IS REQUIRED BECAUSE RISK PROFESSIONALS HAVE HISTORICALLY BEEN TECHNICAL PEOPLE. THERE IS A NEED FOR RISK PROFESSIONALS TO BECOME BUSINESS PARTNERS.

THE PROFESSIONAL JOURNEY

We are all on a professional journey. The Airmic Professional Journey (which can be found at www.airmic.com) provides a framework to conceptualise our working life and take actions to influence its path and our overall experience. The concept of a professional journey applies whether we are employees, entrepreneurs, consultants or other self-employed professionals.

The Airmic Professional Journey is designed to support Airmic members as they travel from their first job after school or university to achieving on-the-job knowledge and experience, gaining professional qualifications, growing transitional knowledge and skills, and ultimately taking on leadership roles where they have a position. The Chartered Insurance Institute and The Institutes provide academic courses with success recognised by a designation, which is awarded on successful completion of examinations. Many members will study and qualify in both insurance and risk management and others may enter the risk management profession from other professions with qualifications for example in audit, finance, security or health and safety. These latter professionals may then go on to qualify in risk management or insurance – or both. Silos will no longer exist for organisations and they will not exist for professionals.

Airmic provides ongoing support for member learning and development through the Airmic Academy, the *fastTrack*, Business Excellence and Risk Leadership Programmes, the events calendar of the Annual Conference, Forums, lectures and roundtables, as well as the communities of special interest groups. The menu of learning and networking opportunities is enhanced by a mature technical agenda of thought leadership, guides, papers and surveys – all reflective of the Airmic Competency Framework.

Airmic learning and development is designed to support lifelong learning and continuous professional competence. All Airmic learning and development activities provide opportunities to earn continuous professional development (CPD) requirements, should the learning be considered relevant to an individual's professional development needs. Those undertaking Airmic learning and development activities should reflect on their role, learning needs and what knowledge and skills are being developed. It is recommended that all professionals keep evidence of their CPD activity, as this information may be requested from time to time by organisations such as the Chartered Insurance Institute (CII) and the Business Continuity Institute (BCI), who provide professional designations.



LIFELONG LEARNING CAN ENHANCE OUR UNDERSTANDING OF THE WORLD AROUND US, PROVIDE US WITH MORE AND BETTER OPPORTUNITIES AND IMPROVE OUR QUALITY OF LIFE. LIFELONG LEARNERS ARE MOTIVATED TO LEARN AND DEVELOP BECAUSE THEY WANT TO.



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THE AIRMIC PROFESSIONAL JOURNEY PROVIDES A FRAMEWORK TO CONCEPTUALISE OUR WORKING LIFE AND TAKE ACTIONS TO INFLUENCE ITS PATH AND THE OVERALL EXPERIENCE.

THE AIRMIC COMPETENCY FRAMEWORK



The Airmic Competency Framework provides a structure that describes and defines the competencies required by individuals in any risk management role. It sets performance benchmarks which can be used to identify knowledge and skills gaps at an individual or organisational level. Individuals can apply the performance benchmarks to the various stages of their career. By linking competency levels to job roles and responsibilities, individuals can identify the knowledge and skills they need in order to progress both within their current job and future jobs, either within their own or another organisation. The Framework also provides Airmic with a consistent and measurable guide to member learning and development needs and outcomes at different stages of their careers.

The Airmic Competency Framework has four components (all equally important) that provide a clear guide for all risk management professionals to effectively apply the capabilities and competencies in order to succeed:

Core Principles - what is expected of the risk management professional and how they should act

Risk Management Attainment & Development - the level of professional knowledge and skills a risk management professional must have, typically set out as standards, and achieved through study and ongoing professional development

Business Awareness - what the risk management professional must know to be able to add business value

Mindset and Behaviours - how the risk management professional should act in carrying out their job role, allowing them to interact successfully with others

For each of the four components, the following pages provide a description as to its meaning, how it is applied in practice and the extensive member support and resources offered by Airmic.



CORE PRINCIPLES

What is expected of me and how I should act

What applies to all risk management professionals regardless of their role, sector or stage in their professional journey.

RISK MANAGEMENT ATTAINMENT AND DEVELOPMENT

What professional knowledge and skills I must have and how to use them

Governed by a Code of Ethics and certified by a professional body, with knowledge, skills and other competencies achieved and maintained according to established and verified standards.

BUSINESS AWARENESS

What I must know to add business value

Business knowledge and understanding to support good risk management judgements and decisions and to contribute to improved organisational performance and personal leadership development.

BEHAVIOURS AND MINDSET

What allows me to interact successfully with others and how I can achieve success

The behaviours we adopt are the result of our mindset combined with our knowledge and skills. Mindset plays a critical role in coping with challenges and those with a positive mindset are more likely to achieve success.

THE FRAMEWORK EXPLAINED

CORE PRINCIPLES

What is expected of me and how I should act

The principles that apply to all risk management professionals regardless of their role, sector or stage of their professional journey.

Acting Ethically

Ethics are at the heart of any profession. Ethical behaviour is critical to build trust and confidence in the risk management profession and the reputation and value of risk management professionals.

| Capability | Airmic Support |
|---|---|
| Understanding the concept of ethics beyond compliance with laws and regulations | <ul style="list-style-type: none"> • Texts and examinations provided by Airmic education partners The Institutes: The Institutes online Ethics course: https://www.theinstitutes.org/guide/online-ethics-courses-free • Texts and examinations provided by the Chartered Insurance Institute (CII): The CII Code of Ethics: https://www.cii.co.uk/about-us/professional-standards/code-of-ethics • Texts and examinations provided by organisations which form part of the Resilience Alliance e.g. the Business Continuity Institute (BCI) • The Academy • The Forums and the Annual Conference • The Technical Library • Airmic LIVE • Friday Reading List • Airmic Mentoring Scheme |
| Operating to the highest standards and with integrity | |
| Acting with all stakeholders in mind | |
| Demonstrating independence and objectivity | |
| Treating people fairly, regardless of age, disability, race, religion, gender and sexual orientation, embracing attention to mental health and well-being | |
| Escalating issues where a lack of ethics is apparent | |



Thinking Strategically

Business strategy is the organisation’s plan for achieving its purpose and vision, prioritising objectives, competing successfully and optimising performance with its business model, responsibly. The risk management professional must therefore think strategically.

| Capability | Airmic Support |
|--|---|
| Understanding the concept of strategy | <ul style="list-style-type: none"> • The Academy • Forums and the Annual Conference • The Business Excellence Programme • The Risk Leadership Programme (subject to a fee) • The Technical Library • Sector, subject and regional community groups • Airmic News • Airmic Talks podcasts • Airmic LIVE • Friday Reading List • Airmic Mentoring Scheme |
| Defining Purpose, Vision, Mission and Values | |
| Aligning strategy with business models and engaging with business issues | |
| Evaluating tangible and intangible asset ratios and risks | |
| Staying agile and relevant during digital transformation | |
| Understanding connected risks and operating at an enterprise-wide level | |

Performing Commercially

Commercial awareness is about understanding the business world and the ability to appreciate what makes the organisation successful.

| Capability | Airmic Support |
|---|---|
| Understanding the concept of commerciality and what creates and destroys business value | <ul style="list-style-type: none"> • The Academy • Forums and the Annual Conference • The Business Excellence Programme • The Technical Library • Sector, subject and regional community groups • Airmic News • Airmic Talks podcasts • Airmic LIVE • Friday Reading List • Airmic Mentoring Scheme |
| Understanding the external and internal contexts of an organisation | |
| Managing projects and contracts | |
| Mapping stakeholder eco systems | |
| Appreciating the power of risk as providing opportunity | |

Building Agility

Professionals must learn from experience, adapt their skill set, be tolerant of change and learn to be comfortable with uncertainty. As cost pressures build up and increasingly capable technology-driven systems emerge, more tasks will be undertaken by either less qualified people or with the input of systems. Machines will transform the work of professionals, giving rise to new ways of sharing expertise. Whilst we can't control the direction of the future, how technology is used for managing risk is in the hands of the professional.

| Capability | Airmic Support |
|---|---|
| Understanding the concept of agility | <ul style="list-style-type: none"> • The Academy • Forums and the Annual Conference • The <i>fastTrack</i> Programme • The Business Excellence Programme • The Risk Leadership Programme (subject to a fee) • The Technical Library • Sector, subject and regional community groups • Airmic News • Airmic Talks podcasts • Airmic LIVE • Friday Reading List • Airmic Mentoring Scheme |
| Continuously assessing learning and development needs | |
| Using the power of technology | |
| Appreciating the dynamics of personal impact | |
| Measuring the benefits of agility | |
| Agile decision-making and implementing agreed changes | |

Developing Leadership Skills

Leadership is the capacity to influence people to achieve a common goal. Leaders adopt many different approaches and can operate at any level. Tomorrow's risk leader must back up influence and charisma with skills that can be relied on for the tasks being undertaken.

| Capability | Airmic Support |
|---|--|
| Understanding the concept of leadership | <ul style="list-style-type: none"> • The Academy • Forums and the Annual Conference • Lectures and roundtables • The Risk Leadership Programme (subject to a fee) • The Technical Library • Sector, subject and regional community groups • Airmic News • Airmic Talks podcasts • Airmic LIVE • Friday Reading List • Airmic Mentoring Scheme |
| Practising purposeful leadership | |
| Evaluating what good risk leadership looks like | |
| Living leadership and measuring success | |
| Understanding crises and how to manage them | |

RISK MANAGEMENT ATTAINMENT AND DEVELOPMENT
 What professional knowledge and skills I must have and how to use them

Governed by a Code of Ethics and certified by a professional body, having completed studies and practised according to an established set of standards.

| Competency | Airmic Support |
|--|---|
| <p>Risk in a changing world</p> <ul style="list-style-type: none"> • Ethical decision-making • Fundamental concepts • Standards, guidelines and language • Risk management today • The internal and external context • Culture and risk culture • Risk attitude, appetite and tolerance • Risk governance and risk governance models • Internal audit • Compliance • Resilience • Business continuity and crisis management principles and practice • Health, safety and security principles and practice • Key risk indicators | <ul style="list-style-type: none"> • Texts, examinations and designations provided by Airmic education partner The Institutes: Module 400 of the Associate in Risk Management (ARM) qualification • Texts, examinations and designations provided by organisations affiliated with Airmic e.g. the Business Continuity Institute (BCI) and the association for security professionals (ASIS) • The Academy • Forums and the Annual Conference • The <i>fastTrack</i> Programme • The Business Excellence Programme • The Risk Leadership Programme (subject to a fee) • The Technical Library • Sector, subject and regional community groups • Airmic News • Airmic Talks podcasts • Airmic LIVE • Friday Reading List • Airmic Mentoring Scheme |

| Competency | Airmic Support |
|--|---|
| <p>Managing risk and opportunity</p> <ul style="list-style-type: none"> • Principles • Frameworks • Processes • The role of data, analytics and AI • Hazard risk • Operational risk • Cyber risk • Reputation risk • The impact of social media • Financial risk • Supply chain risk | <ul style="list-style-type: none"> • Texts, examinations and designations provided by Airmic education partner The Institutes: Module 401 of the Associate in Risk Management (ARM) qualification • The Academy • Forums and the Annual Conference • The <i>fastTrack</i> Programme • The Business Excellence Programme • The Risk Leadership Programme (subject to a fee) • The Technical Library • Sector, subject and regional community groups • Airmic News • Airmic Talks podcasts • Airmic LIVE • Friday Reading List • Airmic Mentoring Scheme |

| Competency | Airmic Support |
|---|---|
| <p>Treating risk</p> <ul style="list-style-type: none"> • The basics of risk treatment • The insurance market • Insurance principles and practice • Legal knowledge and compliance • Assessing risk • Insurance covers • Insurance services • Alternative risk transfer solutions • Reinsurance claims principles and practice • Innovation • Key risk indicators | <ul style="list-style-type: none"> • Texts, examinations and designations provided by Airmic education partners The Institutes: Module 402 of the Associate in Risk Management (ARM) qualification • Texts, examinations and designations provided by the Chartered Insurance Institute (CII) • The Academy • The Forums and the Annual Conference • The <i>fastTrack</i> Programme • The Business Excellence Programme • The Risk Leadership Programme • The Technical Library • Sector, subject and regional community groups • Airmic News • Airmic Talks podcasts • Airmic LIVE • Friday Reading List • Airmic Mentoring Scheme |

BUSINESS AWARENESS

What I must know to add business value

The knowledge and skills required to be a competent risk professional and contribute to successful business performance.

| Competency | Airmic Support |
|---|---|
| <p>1. Business Responsibility Business responsibility is a process through which organisations choose to take responsibility for their actions and encourage positive impacts through their stated purpose and activities on the environment, consumers, employees, suppliers, shareholders, communities and all others who may be considered as stakeholders. This is a dynamic area as new research is conducted and published, and new tools and techniques are developed and applied.</p> | <ul style="list-style-type: none"> • The Academy • Forums and the Annual Conference • Roundtables and Lectures • The <i>fastTrack</i> Programme • The Business Excellence Programme • The Technical Library • Sector, subject and regional community groups • Airmic News • Airmic Talks podcasts • Airmic LIVE • Friday Reading List • Airmic Mentoring Scheme |
| <p>2. Business Insight Organisations need to understand the external and internal contexts within which they operate. Context analysis considers the whole environment of the organisation, including the external and internal contexts. Longer term horizon scanning helps the organisation appreciate the scope of potential emerging risks beyond just the short and medium term. This is an important part of business planning. Different tools and techniques may be deployed to gain an insight into strengths, weaknesses, opportunities and threats to help a business gain insight in order to develop strategic and operational business plans of action that will serve them well in dealing with short term crisis management and longer term strategic decision-making. The business model should bring together the strategy and operations of the organisation as a framework. Although sometimes a regulatory requirement, the business model is often a poorly understood concept. However, there is a belief that organisations with effective business models have a superior financial performance and are more agile when facing and embracing change.</p> | <ul style="list-style-type: none"> • The Academy • Forums and the Annual Conference • Roundtables and Lectures • The <i>fastTrack</i> Programme • The Business Excellence Programme • Sector, subject and regional community groups • Airmic News • Airmic Talks podcasts • Airmic LIVE • Friday Reading List • Airmic Mentoring Scheme |

| Competency | Airmic Support |
|---|--|
| <p>3. Management</p> <p>The purpose of management is to set objectives and decide what work needs to be done to achieve those objectives. The manager divides the work into activities and selects people to accomplish the tasks that need to be done. They are motivator and coach of through-making decisions on performance, remuneration, promotion and communication with the team. The manager establishes appropriate indicators and targets, and analyses, appraises and interprets performance. To achieve the above, the manager must be equipped with knowledge of business models and how to use them. Technology will drive changes in the profile of the professional, but the manager will play a key role in ensuring that people are fit for the future.</p> | <ul style="list-style-type: none"> • The Airmic Academy • Forums and the Annual Conference • The <i>fastTrack</i> Programme • The Technical Library • Sector, subject and regional community groups • Airmic News • Airmic Talks podcasts • Airmic LIVE • Friday Reading List • Airmic Mentoring Scheme |
| <p>4. Project management</p> <p>Project management is the application of processes, methodologies, knowledge and skills to achieve specific project objectives within agreed parameters and deliverables and within timescales and budget. Project management is distinguished from 'management' by a finite timescale and is not an ongoing management process.</p> | <ul style="list-style-type: none"> • The Airmic Academy • The <i>fastTrack</i> Programme • The Technical Library • Sector, subject and regional community groups • Airmic News • Airmic Talks podcasts • Airmic LIVE • Friday Reading List • Airmic Mentoring Scheme |
| <p>5. Governance</p> <p>The governance of organisations is a system or an iterative process performed in the context of enabling principles in order to achieve defined outcomes and value for the organisation and its stakeholders. A governance operating model may assist the board and management in fulfilling their governance roles. Such a model is likely to enable the board and the executive leadership to organise the governance structure and the mechanisms by which governance is implemented. Three Lines of Defence is an example of a governance risk and control model.</p> | <ul style="list-style-type: none"> • Roundtables and Lectures • The Academy • Forums and the Annual Conference • The Business Excellence Programme • The Risk Leadership Programme • The Technical Library • Sector, subject and regional community groups • Airmic News • Airmic Talks podcasts • Airmic LIVE • Friday Reading List • Airmic Mentoring Scheme |

| Competency | Airmic Support |
|---|---|
| <p>6. Compliance</p> <p>Managing compliance involves meeting all the organisation's compliance obligations. Compliance obligations include applicable statutory, regulatory, supervisory and voluntary requirements, as well as relevant industry and general codes, requirements and best practice guidelines that the organisation subscribes to or follows. Compliance risk includes the current and prospective risk of damage to the organisation's reputation and financial soundness arising from non-adherence with compliance obligations and failing to meet valid compliance-related expectations of key stakeholders such as clients, investors, staff members and society as a whole. Compliance risk therefore not only exposes the organisation to consequences such as fines, penalties, civil claims and a loss of authorisation to operate, but also to reputational damage.</p> | <ul style="list-style-type: none"> • The Airmic Academy • Forums and the Annual Conference • The Technical Library • Sector, subject and regional community groups • Airmic News • Airmic Talks podcasts • Airmic LIVE • Friday Reading List • Airmic Mentoring Scheme |
| <p>7. Finance</p> <p>Business acumen is more than finance, but financial literacy is a good place to start. Financial literacy will help risk professionals determine financial challenges before seeking answers to questions and a grasp of finance metrics and language will help raise a risk professional's credibility with finance peers. Risk professionals do not need to be finance professionals but understanding the language and the basics of finance will provide signposts for relevant further finance-related learning and for communicating with finance function peers at all levels within the organisation.</p> | <ul style="list-style-type: none"> • The Airmic Academy • Forums and the Annual Conference • The Business Excellence Programme (subject to a fee) • The Technical Library • Sector, subject and regional community groups • Airmic News • Airmic Talks podcasts • Airmic LIVE • Friday Reading List • Airmic Mentoring Scheme |
| <p>8. Information and Technology</p> <p>Travelling the digital revolution road is not optional and organisations must grapple with the risks and opportunities presented by this. While some definitions and practices for risk management and governance might seem unaffected by the digital revolution, the underlying business and organisational dynamics are so different from the past ones, they trigger the need for a major rethinking of both risk management and governance. Boards need to reskill and introduce new mechanisms to ensure effective and efficient oversight, and strategic leadership. Technology, information and security expertise needs to be deployed to help the decision-makers ask the right questions to build strategy and allow effective board oversight. Risk professionals need to be up to speed to communicate and collaborate with the board, the C-suite and their peers about information, technology and governance. Using meaningful data and intelligence to inform the business of potential risks is critical. Knowledge and skills including those associated with using data, analytics, the use of artificial intelligence, blockchain, new currencies and the application of the Cloud are essential for the agile risk professional.</p> | <ul style="list-style-type: none"> • Airmic Round tables and Lectures • The Academy • Forums and the Annual Conference • The <i>fastTrack</i> Programme • The Business Excellence Programme • The Risk Leadership Programme (subject to a fee) • The Technical Library • Sector, subject and regional community groups • Airmic News • Airmic Talks podcasts • Airmic LIVE • Friday Reading List • Airmic Mentoring Scheme |

| Competency | Airmic Support |
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| <p>9. People</p> <p>Organisations are living through a transformation in the way their people work. They are moving from 'up and out' of the organisation resource policy towards offering multiple internal career paths. In this context, people are developing knowledge and skills that make them agile and resilient to change. The collapse of major corporations during the global financial crisis, major accidents and strategic mistakes resulting from mismanagement have highlighted the crucial role that bad decision-making has in creating disasters. People are at the core of corporate success and failure. Behavioural psychology, biases, illusions and conflicts of interest can lead board members, managers and employees to make potentially disastrous decisions. People risk management is crucial. The culture and the structure of organisations should align people risks with corporate values and provide advice on managing the roles and responsibilities of those directly involved in overseeing risk and people management. Risk professionals need to be up to speed to communicate and collaborate with their peers in human resources and related functions, in order to help organisations foster strengthened human resilience to change and uncertainty.</p> | <ul style="list-style-type: none"> • The Airmic Academy • Forums and the Annual Conference • Roundtables and Lectures • The <i>fastTrack</i> Programme • The Business Excellence Programme • The Risk Leadership Programme • The Technical Library • Sector, subject and regional community groups • Airmic News • Airmic Talks podcasts • Airmic LIVE • Friday Reading List • Airmic Mentoring Scheme |

BEHAVIOURS AND MINDSET – What helps me to interact successfully with others and how I can achieve success

The behaviours we adopt are the result of our mindset combined with our knowledge and skills. Mindset plays a critical role in coping with challenges and those with a positive mindset are more likely to achieve success.

Behaviours for our profession

Meaningful and sustainable change requires a fundamental shift in the way people see things and feel about them, which leads to new behaviours. New behaviours must be based on individual conviction and choice, not fear or compliance. To encourage this, employers are adjusting the ways they assess, educate, train and reward their people on soft skills, behaviours and mindset. The support provided to members by Airmic is also changing as these areas continue to grow in significance for all risk professionals.

These are the Behaviours that risk management professionals need to be able to deliver their responsibilities and to contribute to the achievement of the objectives of their organisation.

Behaviours rarely operate in isolation and the risk professional needs to take a view of the potential impact of one behaviour on the others.

Adaptable

Adaptability means working without boundaries and being open to finding diverse and unexpected solutions to problems and challenges.

Adaptable professionals are willing to engage with people with diverse skills to get the job done, building networks of engaged and capable people as they go. You will understand how to apply the levers of change in a way which ensures that your responsibilities are managed effectively, and that risks are understood and mitigated and opportunities realised. Adaptable professionals are never quick to disregard solutions that might be viable. You will become better at coping with adversity and being open-minded, knowing that solutions can be found in many places. If you are willing to change or break with convention, you will improve your chances of remaining relevant throughout your professional working life because you are comfortable experimenting.

Collaborative

Collaboration means working together with people to achieve a shared goal.

Professionals who are collaborative build relationships which go beyond teamwork and are not typically hierarchical. You can collaborate with people in your own team or from other

departments, as well as contractors and other stakeholders including top management and other organisations.

Organisations recognise that “silo mentality” and “knowledge hoarding” behaviours can hinder collaborative thinking and the development of innovative ideas and solutions. You also lose something when collaboration is low as you miss the opportunity to work in the kind of inclusive environment that energises teams, releases creativity and makes working together both productive and fun.

Communicator

Communication means exchanging verbal and non-verbal messages and is a continuous two-way process.

Communication media include voice, social networking, email, reports and presentations. It is essential that your message gets to the intended recipient and is accepted and understood in the same terms as intended by you as the sender. It is also important that your communication media and techniques create a culture of openness and trust. This is what increases innovation and early identification of problems. Too much information, poorly framed messages, inappropriate channels and incomplete feedback from the recipient on how well the message is understood and accepted can inhibit your effectiveness.

Courageous

Courage means speaking up when it is the right thing to do even if resistance or opposition is anticipated or experienced.

Courageous professionals work most effectively when using skills in communication and influencing others. These are important when managing situations, including inappropriate behaviour by colleagues or stakeholders, presenting a case for change, challenging the status quo or owning up to making mistakes. In order to be courageous, you will need to build interpersonal relationships to gain trust and to encourage others to share their views, concerns and needs with you. You must develop an ability to evaluate situations and then decide on the most effective way to communicate in order to influence and achieve positive outcomes. Courage is built on having confidence and confidence is built on having competence. It is a high-risk personal strategy to offer an opinion on a subject on which you do not have an appropriate level of knowledge and skill.

Creative and Innovative

Creativity means the ability to produce something new and original.

Creative professionals understand that creativity goes hand in hand with innovation and there is no innovation without creativity. Creativity is the driving force behind innovation and involves you looking at things from a different perspective with freedom from restrictions imposed by rules and norms. Creativity is a uniquely human trait and evidences itself in your ability to solve challenges – innovation is the implementation of new ideas, solutions, processes or products. As a creative professional you are more comfortable with ambiguity, which is key in a challenging and uncertain world. Could artificial intelligence ever match or even surpass human creativity? Current technology thinking says it might do. It is within our hands to invent the future and to do this, we must enhance our own creativity of machines. You must stay informed and alert to the professional risks and opportunities the future will bring.

Creative and innovative mindset was rated in the top five behaviours required for future-proofing the profession by the 2020 Airmic survey, Growing the Profession.

Credible

Credibility means delivering value personally and professionally with consistency, competence and confidence.

Credible professionals demonstrate personal credibility which consists of honesty, integrity, trust and other personal characteristics that define you as a person. Professional credibility derives from education, experience, performance, and evidenced professional development. However, your professional designations must be backed up with your proven ability to apply knowledge in practice beyond study and qualifications. As a credible professional you must know your strengths and weaknesses, how to enhance your strengths and mitigate your weaknesses, and use this knowledge to inform a personal development plan. Your credibility will be eroded if you say one thing and do another or expect others to adopt standards not followed by you personally. Truth and transparency are paramount and if others perceive you are not telling the truth, your credibility will suffer substantially. If information cannot be disclosed because it is confidential, then say so.

Curious

Curiosity means future-focused, inquisitive and open-minded, seeking out and evolving innovative ways to add value to the organisation.

Curious professionals keep an open mind. You are comfortable to dig deeper and to ask questions to understand what is beyond the obvious. You adopt a mindset of continuous learning and an acceptance that some things might be wrong and that established views and opinions might need to change. Nothing should be considered boring, opportunities may exist which can otherwise be overlooked. Curiosity can be fun and exciting, it should not be a burden. As a curious professional, you will read and research beyond your immediate environment. Exploring other subjects will ignite your interest, reveal opportunities and inform you and your communication to top management, peers and other stakeholders within and beyond your organisation.

Decisive

Decisive means demonstrating the ability to analyse and understand data and information quickly.

Decisive professionals use information, insights and knowledge in a structured way to identify options, make recommendations and take robust, defensible decisions. You can analyse tangible and intangible data and information rapidly to develop critical insights and see connected issues and risks that others may miss. Decisive professionals can take decisions in a strategic context where there may be many unknowns, always mindful of existing and emerging risks and priorities. You can provide direction for the course of investigation or data interrogation and at the most experienced level, identify complex or sensitive issues to guide top management to informed, sustainable solutions. Judgement and decision-making were rated in the top five behaviours required for future-proofing the profession by the 2020 Airmic survey, Growing the Profession.

Determined

Determined means displaying drive and skill to deal with new and emerging situations, risks and challenges in support of the purpose and objectives of the organisation.

Determined professionals are focused, organised and accept responsibility. You demonstrate the agility and flexibility to adapt your approach when deadlines, targets, the quality of output or the needs of your organisation change. You deliver by setting clear goals and targets, monitoring progress and holding people to account, achieving or exceeding expectations. Determined professionals inspire others through their energy, commitment and persistence, always leading by example.

Diverse and Inclusive

Diversity means difference and inclusion means the ability to include difference.

Diverse and inclusive professionals promote and support diversity in the workplace and value everyone in the organisation as an individual. However, to reap the benefits of a diverse workforce it is essential you have an inclusive environment where everyone feels able to participate and achieve their potential. While legislation covering age, disability, race, religion, gender and sexual orientation sets minimum standards, an effective diversity and inclusion strategy goes beyond legal compliance and seeks to add value to your organisation, contributing to the well-being and engagement of everyone. You uphold these principles, always leading by example.

Empathic

Empathy means the ability to share or understand the emotions and feelings of another person and can be a prerequisite of feeling compassion.

Empathetic professionals want to understand, but too often human nature makes us focus on wanting to be understood as opposed to wanting to understand. We are inherently self-centred, so instead of listening and trying to understand, minds want to express how people feel. Empathy requires perspective and the ability to step away from oneself. For example, you may not like a person's behaviour, but do you consider that your behaviour could well be a response to someone else's behaviour? It is easier to judge others rather than to look at yourself. This does not mean your feelings are not important and valid, it just means that to have empathy, it is essential to remember that your feelings are not the only ones involved.

As an emotionally intelligent individual you are highly conscious of your own emotional states, and you are tuned in to the emotions that others experience. The concept of emotional intelligence – sometimes referred to as emotional quotient or EQ – has gained wide acceptance based on the theory that someone high in emotional intelligence would make a better leader or co-worker. While some studies have found a link between emotional intelligence and job performance, many others have shown no correlation, and the lack of a scientifically valid scale makes it difficult to truly measure or predict someone's emotional intelligence on the job or in the home.

Emotional and social intelligence were rated in the top five behaviours required for future-proofing the profession by the 2020 Airmic survey, *Growing the Profession*.

Entrepreneurial

Entrepreneurship means acting upon opportunities and ideas and transforming them into financial, cultural or social value for others.

Innovation and entrepreneurship have different meanings. The key difference is that innovation means introducing something new – this can be an idea, product, model, or a service. Converting a great idea into a business opportunity is entrepreneurship. Entrepreneurship begins with innovation – it is making great ideas into a business opportunity by taking risk. Entrepreneurs understand the business opportunity for great ideas and search for innovation sources. Entrepreneurs need skills such as planning, decision-making, managing, leading, motivating and risk-taking. As entrepreneurial professionals you are aware that entrepreneurial knowledge, skills, behaviours and mindset can be learned and that this will help you to contribute to the culture beneficial to your organisation and society.

Influencer

Influencing means putting together a case that clearly communicates the benefits of ideas and engages the audience rationally and logically as well as emotionally.

Influential professionals have the emotional intelligence to gauge how people and different stakeholders might react to your ideas and are able to alter communication techniques accordingly. You can actively listen to people's responses and deal with objections, compromising and taking on board different points when required. Those who are most influential can inspire confidence, convincing others that you are professionally credible and trustworthy. You are assertive in making your points but never aggressively. You seek to understand how to influence within the culture, governance frameworks and politics of your organisation. You can secure consensus across a range of complex stakeholders and in sensitive and challenging situations. You build stakeholder maps to understand the diversity of views and complexity of interactions and relationships, values and motivations of key stakeholders. You make complexity or ambiguity clear for others, adjusting your behaviour and approach to manage your impact on others.

Inspired

Inspiration means something that comes from within that gets people to proactively give their best effort.

Inspiring professionals help others to change internal mindsets. Inspiration is not fleeting and is not based on feeling one way or another. Inspiration for action is the reason behind what you are doing, what you are trying to accomplish and why. Used

effectively and remembered in the right moments, inspiration is what helps you push through your boundaries to keep working towards your goal. Inspirational professionals can focus on themselves whilst also communicating and living the vision, mission and values of their organisation. You emphasise how your team's work is making a positive impact. You get to know your team members on a more personal level so that your words and actions carry greater weight and meaning.

Motivator

Motivational professionals understand how they can make a difference. Motivation might be extrinsic, when you are inspired by outside forces – other people or events. Motivation can also be intrinsic, when the inspiration comes from within – the desire to improve at a certain activity. Intrinsic motivation tends to push people more forcefully and the accomplishments are typically more fulfilling. Many motivating factors rely on some sort of reward. Reward systems and recognition are often used to encourage greater productivity, while also improving retention and workplace happiness. Because of this, motivation by reward can encourage you to act, but whilst important, motivation may come and go.

Negotiator

Negotiation means a discussion among individuals, each one trying to present their best idea to reach a conclusion benefiting all.

Risk professionals must be able to negotiate effectively to successfully close deals, avoid conflicts and achieve good working relationships. When negotiating, nothing is gained out of conflict and misunderstanding, which can lead to stress, anxiety and animosity. Negotiation is not possible unless and until you learn to compromise to some extent and stop finding faults in others. It is important how you negotiate and that you understand the difference between negotiating and begging – negotiation must be dignified. You must be patient and understand the needs and interests of others. Never impose your ideas on anyone, instead let everyone share their views and perspectives.

Negotiating and influencing were rated in the top five behaviours required for future-proofing the profession by the 2020 Airmic survey, Growing the Profession.

Networker

Networking means deliberate activity to build, reinforce and maintain sustainable relationships of trust with other people to further goals.

Networked professionals understand that networking is one of the most important things you can do to advance your professional performance and your career. Even with the abundance of excellent social media platforms, face-to-face interaction is the key to building trust and making a personal connection is still the most powerful form of networking. By growing your network, opportunities arise, connections are made and trust is built. Networking grows self-awareness by allowing you to develop a verbal presentation of your values, beliefs and professional experiences. Being able to showcase your knowledge and skills is crucial for forging sustainable connections and for building your confidence as a professional. Networking helps refine interpersonal communication skills. Mastering the art of starting a conversation, asking engaging question, and creating new connections is key, not only for successful networking, but for business relationships.

Problem solver

Problem solving means the process of working through a problem and as it uses the higher mental functions and creative thinking, it can be a gauge of an individual's critical thinking skills.

Problem-solving professionals perceive a gap between the existing state and a desired state, or a deviation from a norm, standard or status quo. The problem-solving process starts with your diagnosis of the situation so that the focus is not just on the symptoms. Diagrams can be helpful to analyse root causes and effects. During the mapping process, the impact of alternative solutions to a problem on other issues should be considered to avoid making a problem worse by causing unexpected consequences. Those involved in the process and selection of the chosen solution should, where possible, be involved in its implementation and follow-up.

Resilient

Resilience means the ability to succeed, to live and to develop in a positive way and to 'bounce back' despite adversity that would normally involve the possibility of a negative outcome.

Resilient professionals are recognised by their confidence, planning, control, composure, persistence and ability to make adversity meaningful. A high level of resilience can be achieved through engaging with others and being able to assert your influence whilst accepting external controls and an ability to learn from experience. From a personal perspective, resilience can have an impact on your emotional and psychological well-being, as well as work and home life. It helps to reduce burnout, increase empathy and compassion, reconnect with joy and purpose, and improve physical and mental health. For the risk professional, resilience is important for the quality and sustainability of their responsibilities. Where personal resilience is poor, it is more likely that problems will develop including absence, slowing of productivity and less effective communication.

Role model

Role model means a person whose behaviour, example or success can be emulated by others.

The 2020 Edelman Trust Barometer reported that people grant their trust based on two distinct attributes: competence (delivering on promises) and ethical behaviour (doing the right thing). In the report business ranks highest in competence, holding a 54-point edge over government as an institution that is good at what it does. When decisions are based on good principles and you live by following good values, you can underpin the reputation of the organisation and improve the lives of others and the experiences they have at work. Role models play a key part in building trust through exhibiting ethical behaviour and applying principles and values consistently in decision-making. The Airmic Mentoring Scheme provides an opportunity for role models amongst the Airmic member community to step up and support the growth and development of the profession. Mentors and mentees can become mutual sources of wisdom, teaching, and support.



PROFICIENCY LEVELS

Proficiency levels help measure the ability to demonstrate a competency. The scale below captures a range of levels and organises them into five levels from 'Entry level' to 'Authoritative'.

In combination with the profile of a specific role, an individual can map competencies and assess their current level of proficiency against each one and their desired level of attainment. The levels can also be used to benchmark similar roles and serve as a guide to understanding the expected proficiency of performance at different levels.

| Level | Knowledge & Skills | Typical Career Experience/Stage |
|------------------|--|---------------------------------|
| 5. Authoritative | Pioneering new knowledge and skills for self and others | Thought leader |
| 4. Excelling | Mastery of knowledge and successful skills application | Practice leader |
| 3. Established | Mature knowledge and the skills to apply this | Mid-career |
| 2. Emerging | Meaningful knowledge with some skills in how to apply this | Newly Qualified |
| 1. Entry | Acquiring knowledge and skills application | Qualifying |



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