



Operational risk management:

The human elements leaders can't ignore

The human element of operational risk can be a blind spot in organisations, said Paul McNeillis, UK Market Director at dss+, introducing a Business Reporter dinner briefing at the House of Lords.

He told attendees – senior risk leaders from a range of sectors – that organisations struggle with operational risk for three main reasons: leaders don't spend enough time at the frontline; risk and safety culture is assumed to be static rather than an organisational capability that can be changed; and behaviour is left to chance rather than developed through sustained coaching and practical, risk-focussed skills development.

Throughout the evening, discussion repeatedly returned to these three themes – **visible felt leadership, lived and changed culture** and the **behavioural realities that shape risk perception and mitigation on the ground**.

Visible “felt” leadership

Several participants acknowledged that executives do not always know what to look for when visiting sites, or even what to ask so they can understand and take action on operational risks. One participant addressed this tactically by equipping leaders with a ten-question card to guide risk conversations, ensuring visits moved beyond surface-level reassurance. All agreed that building operational risk skills and competence at all levels is a systemic and long-term challenge.

In complex environments, risk evolves subtly, and what is reported upwards may differ from experience on the floor. Bridging that gap requires more than site tours; it requires leaders willing to stand in other people’s shoes and commit to leading long-term safety and risk culture change across the organisation.

One attendee described a chief executive who livestreams conversations with staff and actively invites them to challenge his thinking. He delivers a clear message – *“If it’s not safe, don’t do it.”* – and holds board members to account for standards that slip.

The group agreed that companies would benefit if more CEOs embraced this kind of visible commitment. If frontline presence is the first pillar, culture is the second – and it is often the more complex of the two.

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Making culture a reality

Positively changing risk and safety culture was a recurrent theme. Participants noted that risk can stem from operational pressure to meet ambitious targets which, if not balanced by a strong safety culture, can raise the risk profile. In industries where the business itself is intrinsically higher risk, employees benefit from a culture in which they have good grounds to feel, tangibly, both physically and psychologically safe.

Helen Bates, Senior Strategic Advisor on Human-Centred Change at dss⁺, emphasised the importance of psychological safety. Employees must feel confident raising concerns without fear of reprisal. Without that, near misses go unreported and early warnings are lost.

The “zero harm” debate illustrates the complexity. For some, it establishes a moral baseline: no injury is acceptable. Others examined whether it might have the unintended consequence of discouraging reporting. If any incident is unacceptable, employees may stay quiet rather than risk getting in trouble. On balance, the group consensus was that the ‘zero harm ambition was the ‘north star’ but the journey is enabled by prioritising incidents with the potential for serious injury or fatalities.

But even if organisations agree on what culture should look like, measuring it in practice remains challenging. Some organisations run quarterly surveys tracking employee happiness, sense of purpose, understanding of strategy and perceived support. Others said that even with measures such as these, culture is difficult to quantify. Although culture is complex, attendees recognised that measuring and evolving it is vital to advancing operational risk management. The decades' long experience of dss+ in driving positive safety culture changes proves culture is not static but changeable with the right leadership and programs.

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Change management

If culture defines expectations, change tests them. Operational risk is shaped by constant change. Attendees questioned whether executive teams have visibility of all change initiatives underway simultaneously. Is change fatigue being monitored to ensure employees remain engaged?

Bates cited dss+ research showing that HR must be a strategic partner to the Chief Operations Officer, and Directors of SHE, in change management. Change requires engagement, communication and capability-building – all areas where HR brings value. Organisations that marginalise HR in transformation efforts risk undermining their own ambitions.

Communication emerged as a recurring theme. When incidents occur, employees often hear about the event but not the outcome. Feeding back investigation results was suggested to sustain engagement and reinforce trust.

Another suggestion was to shift the language: rather than emphasising safety alone, ask employees what constitutes a good day or a bad day, then focus on minimising bad days. This holistic approach helps manage risks and identify opportunities for improvement in both risk management and operational excellence.

Several participants observed that where formal change principles had become a shared language with measurable expectations, it was executive sponsorship that made the difference. If leadership sets the tone and change shapes behaviour, workforce realities ultimately determine whether culture endures.

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Workforce realities

Engagement is especially challenging when operational risk intersects with low-paid, frontline roles. One attendee described a food business where the individuals with the greatest role in preventing health incidents are the packing staff, who are among the lowest paid people in the company but perform a potentially risky task under time pressure.

Raising wages to increase engagement was not considered possible because of tight margins – and in any case, some attendees suggested that culture cannot be built through increased pay alone; staff must believe in the organisation's values for their own sake. Instead, the company tried other approaches, such as longer breaks, reflecting recognition that safety culture cannot be divorced from broader employee wellbeing.

Yet even the strongest internal culture must extend beyond the frontline.

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Increasingly climate risk is becoming a material factor for many organisations and while the risk to assets is often clear, the risk to people sometimes goes unnoticed

Sustainability, resilience and reputation

Communication challenges extend not only to staff but also to the board. Successful management of operational risk means the frequency and severity of incidents can be reduced. Yet communicating the value of avoided harm is not always straightforward.

Several organisations track reporting rates as a proxy for cultural health. If reporting declines, it may indicate fear or disengagement. Key performance indicators can be used to stimulate desired behaviours, though attendees acknowledged that metrics should evolve once they have served their purpose.

Supply chains and use of contractors present further complexity. Each partner brings its own culture and standards. Imposing one organisation's culture onto another may seem like an obligation but in some cases, for example of the contractors' risk culture is more mature than the customer, could prove counterproductive; understanding maturity levels and working collaboratively was viewed as more effective.

Increasingly climate risk is becoming a material factor for many organisations and while the risk to assets is often clear, the risk to people sometimes goes unnoticed until flooding, heat stress, or similar events happen. Participants with sustainability backgrounds saw an opportunity for leaders to take a more holistic view of operational risk that includes climate risk factors and their human impacts.

A shared emphasis on humility to learn and lead change

Closing the evening, McNeillis reflected on the quality of discussion and the consistent emphasis on visible leadership, driving cultural change and the human dimension. Executives must engage directly and consistently with frontline realities, communicate transparently with boards and approach culture with humility and an understanding of how risk and safety culture can be changed for good rather than assumed to be a static asset.

Operational risk management, the group concluded, cannot be siloed within a safety function. It must be holistic, embedded across the organisation and sustained through consistent visible and effective risk management behaviour at all levels, and over the long term. Policies and frameworks matter, but without engaged leadership, empowered employees, and strong safety culture they remain inert.

The human elements, attendees agreed, are not peripheral to operational risk. They are its foundation.

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About dss⁺

dss⁺ is the operational transformation partner for complex and high-hazard industries. Driven by our purpose, we help organisations achieve breakthroughs in safety, performance and sustainability that build business endurance and ensure long-term success.

We engage deeply within organisations to empower teams to shift mindsets, shape cultures, and establish the capabilities required at every level. We combine technical expertise and operational experience with a people-centred approach and data-driven insights.

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