



Risk management and Maslow

By David Hillson

at the lower levels of the hierarchy and lead to deficiency needs, whereas opportunities exist at the higher levels and are therefore seen as lower priority. However, just as Maslow encourages us to address all needs at every level in the hierarchy if we are to become whole people, so the best approach to risk management is an integrated process which seeks both to minimise threats and maximise opportunities.

How can this understanding help us to motivate people to use risk management properly, not just in order to comply with procedures or standards, but as a positive contributor to project and business success? Maslow teaches us that needs exist and they must be satisfied, and that not all needs are equally important. Risk management must be seen to meet the needs of both individuals and organizations, providing real assistance as we respond to the challenges of our projects and business. We should recognise that dealing properly with risk will minimise our exposure to harmful threats, and fulfil our most basic needs for project and business survival.

Maslow also emphasises the importance of an integrated approach that addresses both deficiency needs (threats) and growth needs (opportunities). Including opportunities within our risk process will take us beyond mere survival into positive areas which create competitive advantage and sustainable growth.

We will only motivate people to take risk management seriously if we can demonstrate that it meets real needs, and Maslow points the way.

About the author

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Although most people would agree that risk management is 'A Good Thing', it is still widely practised with a lack of enthusiasm and commitment. If we want to motivate people and organizations to treat risk management more seriously, it might be worth considering established motivational theories. One of the best known of these is Abraham Maslow's 'Hierarchy of needs'.

Maslow suggested that humans are motivated by the drive to satisfy a range of different needs, but not all needs are equal. He arranged needs into a pyramid in order of their strength of influence as motivators, as shown in Figure 1.

He believed that people are driven to satisfy lower needs before higher needs exert any influence. So, for example, the most basic needs of air, water, sleep and food must be met first, and these are the overriding concern of each individual, even more important than being safe or feeling self-esteem. Once these are satisfied, a person is free to be concerned about other things. As each level of 'hunger' is met (with literal physical hunger at the lowest level), higher needs emerge which require satisfying.

Maslow's hierarchy is divided into two groups, with 'deficiency needs' towards the base, and 'growth needs' at the top. Deficiency needs are mostly physical and emotional, and they must be satisfied or a person will feel anxious and incomplete. Growth needs, by contrast, are psychological and spiritual, and they are not essential for a healthy existence, but they make a person more rounded and complete.

How is this relevant to the challenge of motivating individuals and organizations to manage risk? The two levels of Maslow's hierarchy explain why risk management matters:

- *Deficiency needs* are about *survival*, which means responding to threats. In risk management terms, this is the realm of business continuity and disaster recovery, which aim to protect the business and ensure corporate survival, as well as operational risk management, health & safety, and a project risk process which addresses technical threats.
- By contrast, *opportunities* appear in Maslow's hierarchy as *Growth needs*, since they are risks that, if they occurred, would have a positive effect. These exist in such areas as marketing and business development, as well as strategic decision-making, and they can also be found at project level in the form of project opportunities which help us to work faster, smarter or cheaper.

It is interesting that Maslow's Hierarchy of needs predicts that, where there are limited resources for risk management (which is most of the time), it is natural to address threats before opportunities, since threats operate



Figure 1: Maslow's 'Hierarchy of needs'

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