



## FOUR PRINCIPLES OF OPERATIONAL RISK MANAGEMENT

### NATIONAL PARK SERVICE RISK TOLERANCE PRINCIPLES

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Four basic risk management principles are widely accepted and used in the National Park Service. Understand them and apply them before any anticipated job, task, or project is performed:

**A. Accept No Unnecessary Risk:** “If you don’t need to do it, don’t do it.”

Unnecessary risk contributes no benefits to the safe accomplishment of a task or mission. The most logical choices for accomplishing a mission are those that meet all the mission requirements while exposing personnel and resources to the lowest possible risk.

**B. Make Risk Decisions at the Appropriate Level:** “The worker needs to be empowered to make final risk decisions at or below what the management of the organization says is acceptable.”

Making risk decisions at the appropriate level establishes clear accountability. Those accountable for the success or failure of a mission must be included in the risk decision process. Supervisors at all levels must ensure subordinates know how much risk they can accept and when they must elevate the decision to a higher level.

**KEY POINT:** Management determines what level of risk is acceptable and must clearly articulate this philosophy to the employees. Every individual, based on the situation must make the final decision of acceptable risk. It can never exceed what is acceptable to management without their approval.

**C. Accept Risk When Benefits Outweigh Costs:**

Weighing risks against opportunities and benefits helps to maximize unit capability. Even high-risk endeavors may be undertaken when there is clear knowledge that the sum of the benefits exceeds the sum of the costs. This often requires the approval of management prior to an individual or team accepting the risk.

**D. Integrate ORM Into National Park Service Policies and Planning At All Levels:**

To effectively apply risk management, leaders at all levels must dedicate time and resources to incorporate risk management principles into the planning and execution phases of all operations. Integrating risk management into planning as early as possible provides the decision maker with the greatest opportunity to apply ORM principles.