

The human side of GRC



The workforce of the future is the result of complex and competing forces that continue to evolve. People risk lies at the heart of these.

(extract from PWC, "Managing People Risk", <https://www.pwc.co.uk/services/human-resource-services/managing-people-risk.html>).

It is not unusual, when talking with senior practitioners, to find that their biggest concern involves the people within their organisations. PEOPLE RISK seems to be the cause of so many challenges for Heads of Compliance and for MLROs. Often, this isn't really a matter of people being bad actors or behaving unethically. It is just that people's behaviours add risk factors that are difficult to calculate and control. Strict discipline sounds like a solution, but then people only see what is within scope of their roles.

On the other hand, lax discipline often means policies are not adhered to at the margins. What do I mean by that?

Actions on policies are delivered through procedures. In reality, there is always a bit of space for interpretation in most procedures as they are more usually a best-fit model. So, there can be instances where things happen that do not fit the procedures that easily or require some further information or clarification to enable completion.

This is where the working practices of an individual can, where discipline is too lax, create issues as they come up with solutions that do not fit the spirit of the policy. On the other hand, strict discipline might mean clients or customers are dealt with purely off a script and managed mechanistically. That client or customer will be left frustrated if they are treated in a dehumanising way.

So, senior GRC practitioners have to remember that they are dealing with fallible human beings and that this usually requires some sympathetic understanding to deliver optimal solutions for all an organisation's stakeholders.