3 From Risk to Resilience: Contemporary Issues in Event Risk Management

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Our brains tend to go for superficial clues when it comes to risk and probability, these clues being largely determined by what emotions they elicit or the ease with which they come to mind

Nassim Nicholas Taleb

Introduction

In today's volatile, uncertain, complex and ambiguous global risk society, national boundaries are blurred, inter-connected markets are exposed to delocalized risks with consequences that may stretch over extended or indefinite periods of time. Under these uncertain conditions, event organizers find themselves planning and delivering events in an environment characterized by disruptive effects of the Covid-19 pandemic and extant risks from homegrown violent extremism, cyber-criminal threats, supply chain disruptions and event cancellations (Beck, 2006; Hall, et al., 2019; Piekarz et al., 2015; Reid & Ritchie,2011; Rutherford Silvers, 2008; Tarlow, 2002).

It is widely acknowledged that risk management should be viewed by event organizers and event professionals as a fundamental responsibility for planning and delivering a world class guest experience in a safe and secure environment (Berlonghi, 1990; Piekarz et al., 2015; Rutherford Silvers, 2008; Tarlow 2002;). However, in stark contrast, many event organizers concede that they do not have an event risk management plan (Ashwin & Wilson, 2020; Sturken, 2005 cited in Robson, 2009; Robson, 2009). In light of the recent proliferation of violent attacks on festivals and events, from the 2013 Boston Marathon bombing to the recent 2019 Gilroy Garlic Festival (California) shooting, there has been an increasing public discourse and emerging legislative requirements for event organizers to demonstrate an evidence-based approach to risk management decisions with the ability to explain the rationale behind those decisions in clear, objective and transparent terms (US Department of Homeland

Security, 2020; UK Center for the Protection of National Infrastructure, 2020).

Drawing upon the existing body of literature for event risk management, from Berlonghi (1990) to the recent 2019 event industry survey investigating event organizers approaches to risk management and resilience (Ashwin & Wilson, 2020), this chapter will explore contemporary risk issues in today's volatile, ambiguous, complex and uncertain world. First, it will discuss the inter-related risk constructs pertaining to socio-cultural theoretical perspectives of risk and how an event organizer's perception of risk influences their approach to risk management and decision-making. Then the chapter will address two contemporary risks, both of which present the potential for catastrophic consequences: cyber-criminals who are increasingly focusing their cyber-attacks on vulnerable, event digital eco-systems; and domestic terrorism and the threat from homegrown violent extremists, domestic violent extremists and unaffiliated lone offenders ('lone wolves'). Finally, pragmatic, risk-based approaches to mitigating these risks will be discussed, specifically, preventative risk control measures and opportunities for enhancing organizational resilience to cyber-crime and terrorism.

The perception of risk: Making sense of the risk management construct

…risk cannot be eliminated: there will be incidents, so we must focus on resiliency under all conditions…
Caitlin Durkovic[1]

In order to understand the approach an organizer adopts for managing risks to their event or organization, one must first explore the phenomenon of the perception of risk. This has been theorized in social scientific literature through three major theoretical perspectives: (1) the naïve realist or techno-scientific, (2) cognitive psychology and (3) sociocultural (Lupton, 2013). The techno-scientific perspective contends that risk is a product of a hazard or threat (risk source or trigger), measured through the calculations of likelihood and the consequences, an underlying premise, which is consistent with the International Standards Organization *ISO 31000 (20018) Risk Management – Guidelines*. Techno-scientific theorists also argue that the layperson's, reliance on intuition and their perceived lack of risk knowledge and subjective approach, results in inferior decisions and responses as compared to a techno-scientific perspective (Lupton, 2013). Beck (1999), however, contends that one should not have to choose between a natural-scientific objectivism (naïve realist) or a cultural relativism (subjective) approach for risk management, but rather use each when it is appropriate to understand the complex

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1   Assistant Secretary, Infrastructure Protection, US Department of Homeland Security, 2016

and ambivalent nature of the risk environment. This position is supported by the social-constructionist argument that risk judgements are in part based on prior knowledge, personal embodied experiences, discussions with others and access to expert knowledge about how relevant industries and regulatory bodies have tended to deal with risk in the past (Lupton, 2013; Slovic, 2000).

Within the events context, risk perception has been described "*the concerns of the various entities involved in the event*" (Berlonghi, 1990, p. 19) and that the risks identified by the event organizers may not be accurate nor verifiable, particularly in the absence of an event risk assessment. An event organizer's perception of risk is not only based on perceptive or objective fact, but also by their background, experience, the organizational culture and the influence of the senior management team attitude to risk (Robson, 2009). Event organizers often rely on intuitive risk judgments based on a foundation of experience, which seldom incudes direct experience with the risk event but this in itself should not be considered erroneous or biased, if event organizers' opinions differ from that of expert risk assessments (Lupton, 2013; Rogers, 1997).

In summary, given the inherent limitations of risk-based decision-making within uncertain environments and the fundamental processes of human risk perception, it is clear that the subjective decision-making will always be part of the event risk assessment process (Talbot, 2011).

Risk management: Current approaches and practices

While there is a relatively large body of literature asserting that risk management is fundamental to planning and delivery of safe and secure events, there still remain gaps in research and literature specific to event organizers' approaches to risk management (Khir, 2014; Robson, 2009). Furthermore, the existing body of literature on risk management within the events industry focuses, in the most part, on insurance and legal obligations, vendor agreements, indemnifications, waivers and insurance policies, but not on the role of event managers and their responsibilities as operational risk 'owners' (Rutherford Silvers, 2008).

Berlonghi (1990) was amongst the first academic practitioners to highlight risk management as an integral part of the event management process: the process by which an event is planned, prepared and produced (Goldblatt, 2011; Rutherford Silvers, 2008). Within the events context, risk management can be described as the process of making and carrying out decisions that minimize the adverse effects of the potential losses of an event or simply stated as "*making events as safe and secure as possible*" (Berlonghi, 1990, p.3), or alternatively:

"*a comprehensive approach to risk management that engages organizational systems and processes together to improve the quality of decision making for*