



Navigating complexity

CASE STUDY

Revitalise risk management thinking and practice

Department profile

A large, well-established Government Department with national and international responsibilities and over 3,000 staff distributed across many locations.

Responsibilities include policy advice to Government, monitoring and managing related international obligations, engaging with many and diverse stakeholder groups including indigenous communities and delivery of front-line services to the broader community.

Business situation

Although well-performing as a whole, the Department was under pressure because of some public failures and criticisms arising from external reviews of its performance. This occurred after major structural changes that some people considered contentious.

An area of concern for the Department was risk management. Despite having risk management processes in place, there was concern not only about risk in general but also about risks to the safety and health of Departmental staff and the public.

A strong, leader-led approach to reform and improvement was implemented, with systems-

leadership as the foundation. In that context, existing risk management processes were clearly out-of-date and needed to change significantly.

Project background

RiskIQ was engaged to revitalise risk management thinking and practice, using its "Risk Leadership Framework". The framework and its associated tools and techniques are based upon a systems thinking philosophy very closely aligned to the Department's systems-leadership approach.

Ultimately the Department required two key outcomes from the work:

- a significant sustained lift in risk and safety performance across the entire organisation, linked closely to the work of leaders and to risk culture;
- acceptance by external review agencies that the Department is effective in managing risk.

Solution

Phase 1

RiskIQ worked closely with the Executive Team to engage them in the new thinking, approach and tools through:

- a systemic, strategic risk review;
- an assessment of the factors driving risk management performance across the Department;

- the identification of critical leverage points for shifting risk thinking and risk management performance.

Phase 2

RiskIQ is continuing to support the development of the Department's ability to perform in uncertainty through:

- a series of short sharp interventions to work on specific areas of risk with senior leaders;
- co-development of a risk policy directions document to provide leaders and staff with a clear view of the Department's risk management policy, risk appetite and priorities;
- the extension of the policy into a long-term risk leadership capability development plan.

This is ongoing work, now focused on implementation both top-down and bottom-up as part of a larger leadership development change process.



BENEFITS

An early benefit was the release of the Executive from slow, bureaucratic risk management processes that were ineffective. Their approach to risk is now more focused on taking best advantage from uncertainty, to maximise potential outcomes.

The Executive is also much more aware of the systemic risk drivers of strategic risk, including how to find, understand and respond to them.

Key governance personnel including the Risk and Audit Committee and the Executive are now fully committed to this approach to creating performance in uncertainty. This is already causing a change in culture towards a more agile and open-minded organisation.

The program is ongoing with measures of risk performance outcomes to emerge in the next phase of implementation.

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www.riskiq.com.au | info@riskiq.com.au | +61 7 3325 4110

RiskIQ is an Australian based international consultancy that enables leaders and their organisations to flourish in the face of complexity and uncertainty.