



RESULTS FROM RISK CULTURE ASSESSMENTS

AT DAWSON MCDONALD WE HAVE BEEN RUNNING ON-LINE RISK CULTURE ASSESSMENTS FOR OUR CLIENTS SINCE 2008.

All staff at every level are invited to complete the Assessment. We analyse the resulting data and our report shows our Client –

- Whether their Culture is broadly positive or negative towards the management of Risk
- Where the strengths and weaknesses are in Risk Culture
- Whether there are any “hotspots” needing urgent attention
- What action to take to strengthen Risk Culture

Staff score 30 statements that affect the management of risk, from 1 to 7, where 7 = strong performance. **A score below 4.0 is generally negative and below 3.0 needs urgent corrective action.**

We frequently find that the aggregate scores for an organisation are reasonably good but specific departments, locations or roles perform poorly. The following examples from these Risk Culture Assessments highlight some of the weaknesses we have been able to identify for our clients.

Our reports and recommendations allowed our clients to reduce their risk exposures by taking corrective action.



MAJOR HOSPITAL

There were several campuses providing medical services –

- One location and one department were both exposed to risk from adverse personal behaviours – score 2.0
- One department provided poor support for “risk champions” – score 3.7
- Decisions were being “rail roaded” without regard to the risk exposure in one area – score 3.0
- Medical practitioners recorded performance scores below 4.0 on six different statements
- More than 1 in 4 respondents scored Performance on managing bullying at 3.0 or less.

LARGE GOVERNMENT ORGANISATION



Scores across the entire organisation at the aggregate level were relatively positive but –

- In six divisions the overall Performance Score was 4.0 or below
- In 68% of the divisions staff were not well trained in the risk management policy, procedures and tools and how to use these
- In 80% of the divisions the allocation of resources was heavily influenced by organisational politics and well connected people escaped sanctions for adverse personal behaviours - both scored below 4.0
- 58% said there was a lack of support for risk management across the organisation
- Allegations of fraud were uncovered in specific departments



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LOCAL GOVERNMENT

Aggregate results across the organisation were quite positive but –

- Five departments were identified where scores were considerably lower than other departments on seven important statements
- Team Leaders and Supervisors needed more training across a range of issues related to risk management.
- 23% of Managers regarded Risk Management as a *“tick the box exercise completed at regular intervals for audit/compliance purposes”* or *“another task that distracts attention from the real work”*

TELECOM COMPANY

Overall scores for departments were generally positive but -

- 60% of managers scored all statements at 4.0 or below, showing that they regarded risk as poorly managed and in need of significant improvement
- Finance and Human Resources had aggregate scores below 4.0 in three key areas, including Leadership of risk management
- Liaison between departments to identify and manage shared risks was non-existent

FINANCIAL SERVICES

This is a large organisation operating over several states. We were asked to run our risk culture assessment at a time when they were conducting a review of their risk management framework, policies and procedures.

Our analysis of the data resulting from our assessment suggested that overall the organisation had a generally positive risk culture and that most staff were also alert to the need to consider the potentially positive consequences of some risks when making decisions. However 37% of respondents considered that risk management was regarded as a *“tick the box exercise completed at regular intervals for audit/compliance purposes”* or *“another task that distracts attention from the real work”*. In some departments this percentage rose as high as 77%.

We put forward a series of recommendations and discussed these with the client at an Executive Retreat. Our recommendations were adopted and these focused on the following –

- Recognition for risk champions
- Targeted training for people in some key roles
- Linking HR practices to risk management
- Improving communication on risk management
- Dashboard feedback on risk management, shared with all staff
- Coaching on managing organisational politics
- Immediate action in some departments to improve risk management performance



FOR MORE INFORMATION ABOUT OUR RISK CULTURE ASSESSMENT, PLEASE CONTACT US

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