

Insight aims to provide useful information, links and tips in the areas of Risk Management, Occupational Health and Safety, Business Continuity Management, and other areas relating to management systems and corporate governance.

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- Project risk management
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- Obstacles to organisational resilience

Project risk management

The principles of risk management are fairly broadly accepted by modern businesses. It is widely recognised that an objective review of what might go wrong (or right) followed by a genuine effort to implement prevention strategies (or pursue opportunities) is just good business. But how well has the process transferred to project management?

Many large and discrete projects, such as infrastructure delivery, will certainly be underpinned by a formal risk management process (although there are frequently shortcomings). Many smaller business projects, or business activities which aren't recognised as discrete projects, do not benefit at all from the formal application of risk management.

For projects with risk management processes in place, common weaknesses include:

- Use of a methodology which is not consistent with the organisations corporate risk management methodology
- Failure to objectively identify and assess risks specific to the project – all too often project risk registers are generic and copied from one project to another
- Inadequate consultation or involvement of key stakeholders and subject matter experts in the risk management process.

- Cluttering of risk registers with items/issues which are either not risks, or are risks which are extremely minor in their potential to impact on the project objectives
- Failure to consider the effectiveness of exiting controls/processes when rating risks, leading to many risks being “over rated”
- Failure to implement risk treatments – it is not uncommon for potentially serious project risks to be identified in the assessment with limited or inadequate controls to manage them actually implemented.
- Failure to report on the implementation and success of risk controls.

As to projects for which risk management processes have been neglected, the repercussions can include failure to meet Client and stakeholder requirements in respect to time, cost and appropriate quality.



The following checklist for successful project risk management can act as a reminder for project managers to maximise the rate of success in project delivery:

1. **Embed risk management** in project planning and associated processes from the outset – undertake the process formally and develop a project risk register, and ensure all project personnel are competent in the application of risk management.
2. **Undertake early identification** of risks – detecting potential risks specific to the project from the planning stage means maximising the ability to control them. Consult with all stakeholders from all project phases and revisit the process regularly.
3. **Don't forget the opportunities** – often opportunity, the flipside of risk, is forgotten, but with attention to this aspect of the process, significant benefits to the project may be realised.
4. **Communicate the risks** – ensure there are lines of communication both down from the project sponsor and up from the project team so that no-one is taken by surprise due to an uncommunicated risk or problem.
5. **Assign responsibility** – responsibility and accountability for the management of identified risks is critical to ensure that treatments and associated actions are implemented.
6. **Ensure risks are prioritised** – treating minor safety hazards with the same level of attention and resources as something that could entirely derail the project is an inefficient and ineffective way to manage a project risk register.
7. **Identify and implement treatments** – as QRMC frequently advises, a risk register is not the same thing as risk management, you actually have to do something to remove or minimise the risks.
8. **Review** – checking that risk treatments have actually been implemented, determining to what extent they have been effective, regularly looking for emerging or changing risks etc., are all part of

ensuring that the project reaps the benefit of your risk management efforts.

9. **Document** – all of the above should be formally documented, in the most efficient and user-friendly way available, in order to facilitate managing and tracking the process.

Please [contact QRMC](#) for more information.

Managing workplace conflict

Worker mental health has increasingly come under the spotlight in recent years, and as links between mental and physical health have become clearer it has become more acceptable to report non-physical impacts.



Many stressors in the workplace can be managed, and preferably nipped in the bud, by proactive employers. Workplace conflict can be a serious source of stress within any organisation, but can usually be managed or prevented if attention is given to the issue.

Whilst it is possible for a conflict situation to arise suddenly, it is usually a situation which develops over time due to a series of small, but compounding,

incidents or disappointments suffered by a worker. Frequently, no single factor in the picture can be called a root cause, but together they trigger sufficient dissatisfaction in the worker to result in friction with one or more colleagues. The worker may then begin to disengage from the workplace, reactions can spiral out of control, and the potential exists for a compensable psychological injury.

To minimise the chances of this kind of outcome, managers and supervisors can consider strategies including:

1. **Reporting strategies** – develop mechanisms or opportunities for issues to be raised without further stressing the impacted staff member.
2. **Conflict resolution strategies** – ensure suitable strategies or policies are in place including the means to report concerns.
3. **Pay attention** – look for early warning signs of individuals having difficulty and make the opportunity to have a frank but supportive discussion with them. Resolving problems early is better for everyone.
4. **Engage with all parties** – if a conflict does arise, don't watch the first blow up and then assume it's all over, as these situations frequently fester and explode later if not dealt with. Rather, engage with all parties involved (separately) to develop a full understanding of the issues, then sensitively seek common ground in order to work towards a resolution.
5. **Acknowledge concerns** – many workers in situations of conflict find their distress compounded by a feeling of not being listened to. Allowing them to express their views and ensuring they know they've been heard can assist to diffuse the tension start moving towards a solution.
6. **Facilitate a resolution** – while avoiding making any overt judgement of "right and wrong" which can easily re-escalate conflict, focus on what is

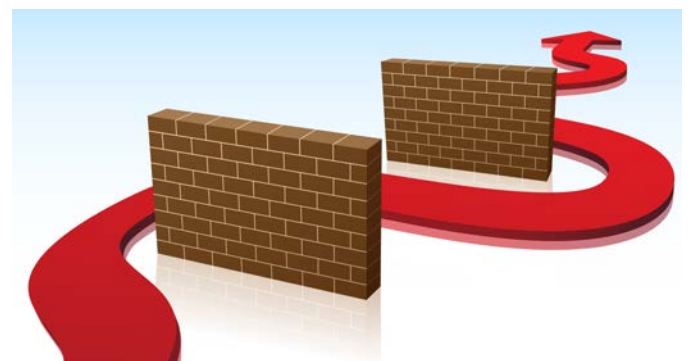
important to the individuals and practical strategies to achieve what they need to regain a level of comfort in the workplace, negotiating what action will be taken by whom. Take small steps and encourage fair compromises until a position is reached that everyone can live with.

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Obstacles to organisational resilience

Traditional business continuity is about providing a means of reducing the severity of business interruptions by identifying the operational priorities of the organisation, the resources that support those priorities, and the acceptable timeframes for response and recovery.

More recent developments in the field concentrate on the concept of organisational resilience as a more holistic approach to the adaptability of an organisation in the face of an emergency. It is recognised that enhancing the ability to respond dynamically to a crisis may be more effective than spending time developing ever more detailed written plans.



This is not to say that good planning and documentation goes out the window. Rather, developing capability and crisis response skills in our people is recognised as an important part of strengthening the organisation's ability to respond well to business interruptions.

The first step in this process is to ensure there is real and demonstrable support from the top of the organisation. This means appropriate budgetary and resource allocations, but it also means involvement in the process and willingness to communicate support.

After this, engagement from the middle management levels who have to actually implement the business continuity plans is required. This will be more readily obtained if it can be demonstrated to them how the process will help them to remove or reduce the impact of possible problems.

Then all personnel in the organisation need to be helped to accept the reality of risks to the organisation, which is

best achieved through test exercises with credible scenarios that demonstrate what could realistically go wrong.

This final part of the puzzle is one of the critical factors to achieving organisational resilience. By openly communicating, then testing and exercising the business interruption scenarios with all workers, the staff can become used to responding positively in challenging situations. They can be encouraged to think innovatively about creating solutions on the fly. They can be confronted by unforeseen and unpredictable problems in a safe environment, and practice coming up with practical and constructive solutions. Working together cooperatively in such practice sessions will build capacity and community in the organisation, and stand it in good stead in the event of a real crisis.

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