

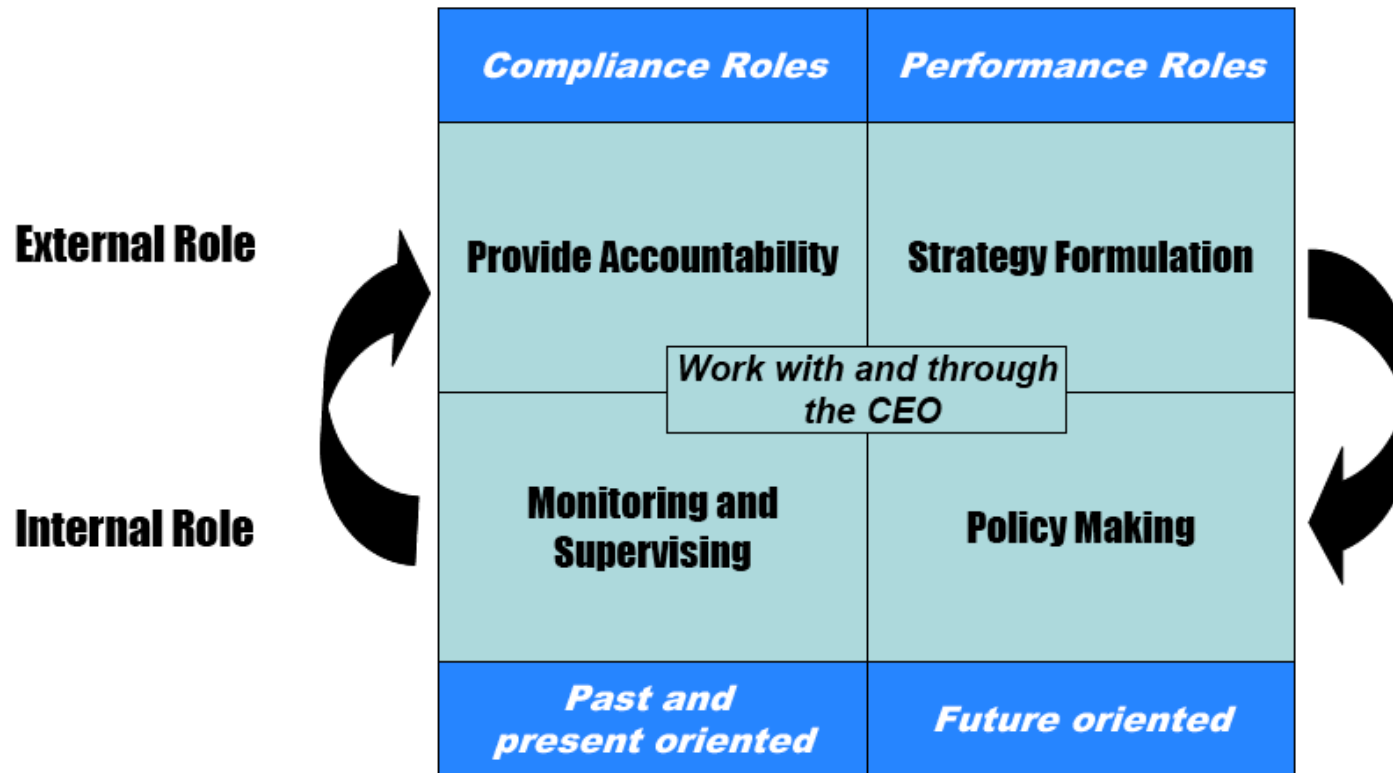
Developing a Culture of Risk Excellence in Public Sector Healthcare Services – some thoughts

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Key challenges for senior managers

- Thinking strategically while managing operationally:
 - “It’s hard to remember that you came to drain the swamp when you are up to your ass in alligators!”
 - the hectic pace of organisational responsibilities simply overwhelms the need to also ensure that those activities are moving the organisation consistently towards its strategic objectives
- Primary focus
 - efficiency or effectiveness?
 - think “and” not “or”!
- For risk management, balancing compliance and performance, both externally and internally

Risk management for “management” ...

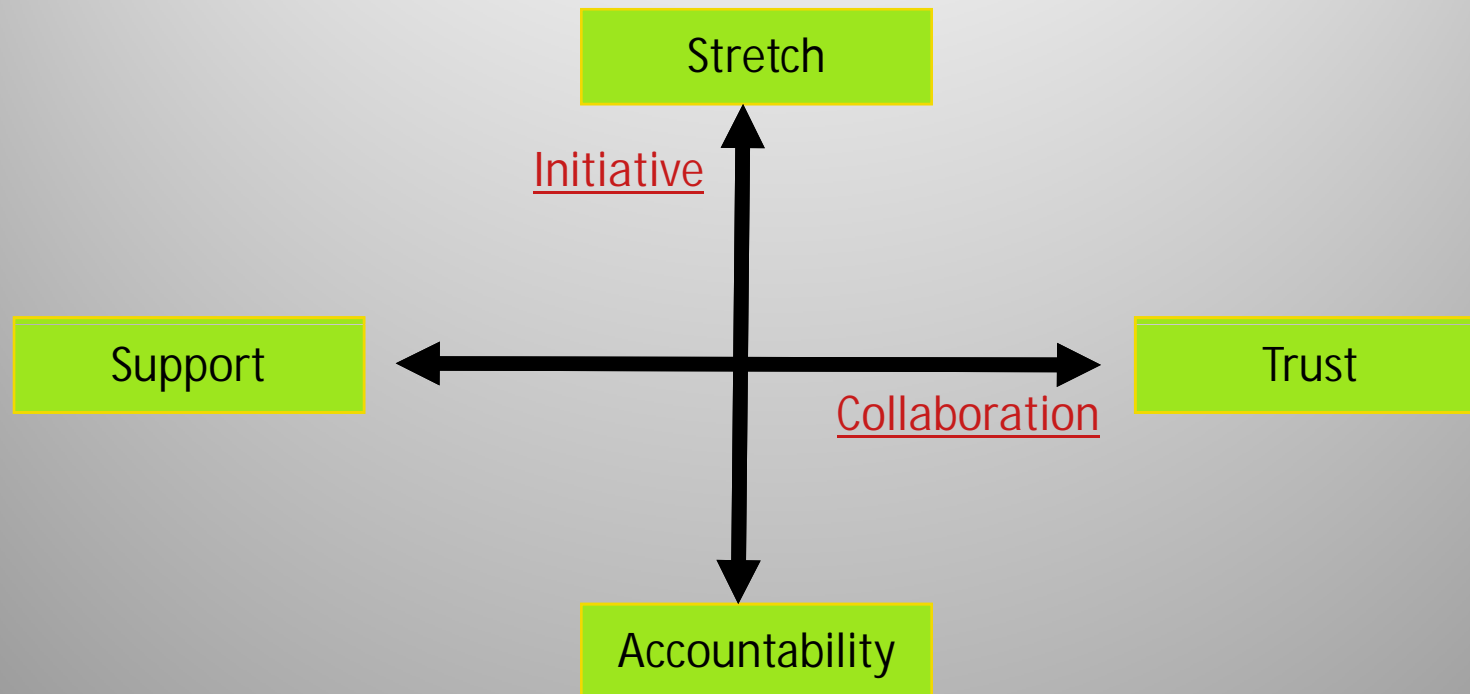


Source: Tricker, R: International Corporate Governance (1994)

And then there's the culture ...

- Culture = the way things are done around here
- Culture is very stable:
 - “Culture eats strategy for breakfast”
- Changing to a “culture of risk excellence” means addressing the challenges of change:
 - individual and organisational resistance
 - clinicians – I’m OK, you’re just management (and, this is my hospital)
 - thoughtful leadership
 - clear understanding of best practices and a vision for the organisation
 - embedding leadership and communication skills at multiple levels of senior management

Balancing risk and performance



New math

- If ... $RISK = Hazard + Outrage$
- Then ... good management is all about
 - anticipating and reducing hazard
 - being good stewards (= seeking to avoid outrage)
- (btw ... $Ponzi\ Scheme = ROI - R - I$)

So what are the key elements of “a culture of risk Excellence”?

1. Leadership
2. Management
3. Robust processes
4. Good data
5. Understanding the power of (good and bad) culture
6. Humility

and above all ...

7. Stewardship

Thank you