



THE AUSTRIAN PES INTRODUCED A SYSTEMATIC RISK MANAGEMENT APPROACH AS PART OF ITS QUALITY MANAGEMENT SYSTEM TO IDENTIFY AND DEAL WITH POSSIBLE FUTURE EVENTS OR OCCURRENCES THAT POSE A RISK TO THE ORGANISATION.

## PROMISING PES PRACTICE<sup>1</sup> Chances and Risk Management Strategy

Publication date: December 2018

### AUSTRIA

The Austrian PES is considered to be a leader in quality management. It has implemented quality management approaches since the early 1990s adopting the European Foundation for Quality Management (EFQM) standards in 1999. The most recent addition to its quality management system includes a systematic risk management approach which is important in order to identify and deal with possible future events that present a risk to the Austrian PES. The rationale for the introduction of the risk management system is to include potential developments in the planning process. Currently there are four risk fields being considered – budget reduction, data security, personnel management and fraud.

Name of the PES	Austrian PES (AMS)
Scope of measure	National
When was the practice implemented?	2017 – on-going
What was the driver for introducing the practice? Was it internal or external?	The Austrian PES (AMS) takes part in the Austrian Business Excellence Award (Staatspreis Unternehmensqualität) every four years. <sup>2</sup> In 2015 the assessors recommended that the Austrian PES implement a risk management system and a clear risk management process. As a result, in 2015-16 the Austrian PES conducted a system's review with the objective to expand its quality management system towards an integrated management system (IMS). It subsequently introduced a systematic risk management approach. The Austrian PES' Quality Management Handbook was also introduced and made available via the Austrian PES' intranet system. This is a management agreement targeted at leaders and quality assistants, which sets out the processes and systems for quality and risk management.
What is the practice trying to achieve?	The objective of the Chances and Risk Management System is to identify, assess and prioritise future issues that may affect the future successful operation of the Austrian PES. Part of the rationale for introducing the risk management strategy was to move towards an IMS to enable the Austrian PES to take a holistic view of the organisation and bring together all of its processes, systems and self-assessments into a single framework which also includes the quality management processes and systems.
What activities are planned?	The Chances and Risk Management Strategy is a management approach and it consists of the following activities: <ul style="list-style-type: none"> <li>▶ A risk assessment is commissioned by the Austrian PES board of management;</li> <li>▶ It is then announced to the Austrian PES staff and subsequently carried out;</li> <li>▶ A list of risks is identified and consolidated into risk areas, which are then presented to management;</li> <li>▶ From this list of risks, the board of management prioritises the risks, and commissions a series of risk analyses to be planned as part of the annual Quality Management plan. In 2018 the Austrian PES management commissioned four risk analyses on topics including: budget reduction; fraud; data security and data protection; personal reduction and generation management;</li> </ul>

<sup>1</sup> Practices referring to promising changes/reforms/approaches.

<sup>2</sup> Quality Austria is the leading Austrian contact for system and product certification, verification and validation. Source: <https://www.qualityaustria.com/index.php?id=54&L=1>

- ▶ As part of the plan a team of internal experts, from all levels of the organisation (including management), is recruited to carry out the risk analyses and decide on which method of analysis is most appropriate and how the results will be communicated. These teams are moderated by the quality management team at the Austrian PES;
- ▶ To carry out the risk analyses, risk analysis workshops are set up – one workshop per topic – and they take place in the Regional Offices.<sup>3</sup> The objective of the risk workshops is to assess the actual risk and forecast the risk status in the context of putting measures in place to deal with the risks. The cycle ends with another assessment one year after the initial assessment to review the status of the risk in light of the measures put in place to deal with it;
- ▶ The workshops involve colleagues from all levels of the organisation, including some of the board of managers. They are moderated by the Austrian PES' Quality Manager, assisted by colleagues from the internal EQFM team. Each workshop consists of a minimum of six people. The workshops are conducted as follows:
  - ▶ All risks associated with, for example, the issue of data security are recorded;
  - ▶ The actual risk - the probability and impact of the risk occurring - is evaluated;
  - ▶ The risks identified are recorded in a risk data sheet;
  - ▶ Possible solutions and measures to address the risks are identified, as well as possible future opportunities for the organisation;
  - ▶ The results of the risk analyses workshops are recommendations to the board of management, as well as local managers and process managers. The board of management decides what actions to take in order to reduce the risk and inform the managers of the Regional Offices at the monthly meetings;
  - ▶ The board members nominate the risk owners (in most cases the risk owners are the process owners). Risk owners implement measures to minimise the risks and report to the board.

What were the source(s) of funding?

Austrian PES budget

What are the early observations?

The early observations include the following:

- ▶ A structured approach to managing the risk associated with the organisation is the key to success;
- ▶ Risk workshop group size and composition of the team involved in analysing the identified risk is important;
- ▶ It is important that managers at the highest levels of the organisation attend the risk workshops in order to inform their decisions on what actions to take to address the risks identified;
- ▶ It is important to identify who are the risk owners and make their role clear.

<sup>3</sup> The 2018 workshops took place in the Regional Offices - one in the Tyrol Region, one in Carintia, one in Upper Austria and one in Burgenland.



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