

## **Risk Awareness – Change Management Approach**

The advancement and integration of risk awareness in our City culture enhances decision-making to contribute to a well-run City and to support innovative service delivery to Calgarians. This attachment provides an update on the change management approach to advance risk awareness at the City. Advancing risk awareness contributes to the following Council Directive:

We need to recognize that we miss opportunities for innovation in management, service delivery and planning because of an existing culture of risk avoidance. We need to create a culture, including City Council, that embraces appropriate levels of risk, innovation, experimentation, and embraces lessons learned as opportunities to improve.

### **What is meant by a risk aware culture?**

A risk aware culture embraces the positive and negative side of risks to inform decisions, proactively manages risks in the achievement of results, openly communicates about risks and intentionally takes risk to explore new ways to deliver services.

### **What is the current perception of risk?**

There is a perception that risk in our organization is mostly viewed as having negative impacts, and this influences behaviours and informs decisions that tend to avoid risks or focuses conversations mostly on the mitigation of risks. Additionally, risk management is often viewed as a separate and standalone process from decision-making. This perceived separation may contribute to a lack of understanding about The City's risks and their potential impact on the achievement of results for Calgarians.<sup>1</sup>

### **What are we doing?**

There are four key components<sup>2</sup> of change that are being addressed to shift the perception of risk to advance a risk aware culture at The City.

#### **1. Align and Plan for Advancing Risk Awareness**

In 2021, risk management efforts will continue to align with the corporate priorities, programs and initiatives such as the implementation of the Rethink to Thrive Strategy. Progress has been made in 2020 with aligning and integrating risk management with other corporate priorities such as the SAVE Program. By further integrating risk management into these programs and initiatives, there is demonstration of how it is an integral part of decision-making.

#### **2. Develop and Train Employees in Risk Management**

There are a variety of resources and tools available to advance employee knowledge of risk management including an e-Learning course, on-line tools and risk workshops. Tailored risk management support will be provided to services in 2021 with a focus on risk awareness, risk appetite and tolerance, and advancing a growth mindset. This supports business needs

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<sup>1</sup> Based on an annual risk management maturity survey conducted in 2020 [February] by the Integrated Risk Management team with internal City of Calgary stakeholders.

<sup>2</sup> "Navigate Change," McLean & Company, accessed November 10, 2020, <https://hr.mcleanco.com/research/ss/navigate-change>.

by providing tools and methods that services can employ on a regular basis to make risk management a part of managing a service.

**3. Inform and Interact about the Importance of Risk Management**

Efforts in 2021 will focus on enhanced communication with all employees on their role in managing risk as well as continued communications with our risk network. A key component is to increase risk awareness and risk management practices within the organization. In 2020, some of the communication efforts were delayed due to the COVID-19 pandemic. However, risk awareness was advanced where possible (e.g. increased transparency with the public and employees on The City's Principal Corporate Risks).

**4. Measure and Iterate**

Further work will be undertaken in 2021 on the link between performance measurement and risk including how performance ranges can be used to support discussions on risk appetite and tolerance. In 2020, the risk maturity survey provided evidence-based information to inform decision-making, and the Principal Corporate Risk management strategies were assessed using performance measures and community indicators.