Risk Reassessment - the role of 'sentinels'

One of the key components of risk management and stakeholder management is the routine reassessment of the stakeholder community and the risk climate. Mature organisations reassess their stakeholder community first[1], and feed appropriate information form the stakeholder assessment into the risk review[2] (after all a major component of most risk registers is the risks caused by people). In theory when undertaken rigorously, the emerging risks that need attention are identified and appropriate treatments instigated; but this is only partly true.

Another element in most risk processes is identifying 'risk triggers' or early warning indicators that tell management a risk event is likely to occur before the main impact hits. The early warning allowing some time for mitigation and/or contingency plans to be put in place. These processes are well recognised 'good practice' that should be included in any effective risk management system, but they are not enough!

What's missing from most risk appraisals is an effective mechanism for dealing with sentinel events. A sentinel event is a 'one-off' occurrence that may highlight a systemic problem that has the potential to cause major issues in the future if not corrected.

Sentinel events tend to be particularly important in identifying systemic problems that incorporate culture, governance[3] and ethics[4] and don't have a clear point where a risk manifests through a failure of some type (although the concept of sentinel events can be very helpful in predicting more traditional risk events as well). Some of the areas making news that can have major implications for organisations as well as project include interpersonal issues such as:

- Bullying (the anti-bullying reforms to the Fair work Act 2009 came into force on the 1st January 2014). Bullying behaviours include a wide range of actions such as making humiliating remarks and excluding people from work-related events as well as the more obvious actions such as aggressive conduct, harassment and spreading malicious rumours. The Act applies to anyone working for the organisation including suppliers and contractors.

- Sexual harassment. The potential penalties for non-physical harassment that do not involve features of 'aggravation' have recently been lifted to $100,000 in a judgement against Oracle Corporation. Oracles failure was not having policies that protected the worker.

- Discrimination in all forms.

These types of risk may not seem particularly relevant to a project risk register, but if the project's management allows a damaging culture to develop within the project team productivity will fall, staff turnover will increase, delivery will be jeopardised and in the event of a court case, the organisation can take a $100,000+ hit!

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1. For more **on stakeholder assessment** see:
   https://www.mosaicprojects.com.au/WhitePapers/WP1007_Stakeholder_Cycle.pdf

2. For more on **risk management** see: https://mosaicprojects.com.au/PMKI-SCH-045.php

3. For more on the **functions of governance** see:
   https://www.mosaicprojects.com.au/WhitePapers/WP1096_Six_Functions_Governance.pdf

4. For more on **ethics** see: https://www.mosaicprojects.com.au/WhitePapers/WP1001_Ethics.pdf

Hind sight is wonderful and everything will be obvious after the event - the objective of both effective stakeholder management and effective risk management is to prevent the issues occurring in the first place. This is where a *sentinel event*, if used properly, can be invaluable.

Sentinel events are usually described by the people responsible for overseeing them as a 'one-off' occurrence that typically represents unusual bad luck. They are the *one-in-a-million-chance* that is *never-going-to-happen-again*. Deeper digging and a root-cause assessment[5] may show an entirely different picture.

For example, one of your stalwarts, Mary, asks for a transfer to another team 'because the work is more interesting to her'. The team leader agrees and recommends you approve the transfer. As the PM you can accept the situation at face value or you can treat the request as a *sentinel* and quietly ask a few more questions.

An informal de-brief with Mary over a 'cup of coffee' may highlight her interest in the new technology being deployed by the 'other team' or it may indicate Mary was being bullied or harassed by another team member and her team leader was unable to cope with the interpersonal issues.

The team leader is unlikely to highlight his failings and may be completely unaware of the interpersonal issues developing within his team - quite common with technically focused team leaders…… However, if the bullying and harassment continue with the bully transferring attention to another person after Mary leaves, sooner or later a major HR incident will 'blow up'.

If Mary's departure is treated as 'normal' - the 'explosion' comes as a completely unexpected surprise! If Mary's departure is treated as a *sentinel* event, early warning of the impending problems can be elicited and preventative actions put in place to improve the team culture and eliminate the 'threat' before a major issue occurs.

Obviously, any enquiries around potential *sentinels* need to be undertaken subtly and carefully, most one-off events are just that, a one-off. The challenge is to identify the important *sentinels* from among the genuine one-offs.

Some useful tactics include:

- Routinely interviewing departing team members in an informal setting and asking open questions such as 'How can the team be improved?' or 'What could we do better?' or 'What is the one thing you would change?' The answers may surprise you. Include contractors and suppliers in this process.
- Having similar 'chats' with anyone else who looks a bit uncomfortable. But being careful not to interfere in the delegated authority of team leaders.
- Running a 'root-cause' assessment of any other more technical 'one-off' problems to really understand the cause.
- In fact, treat almost anything someone calls a 'one-off' as a potential sentinel.

Once you have unearthed a *sentinel* fix the system - systemic issues are not resolved by treating the symptoms or blaming individuals, they are only ever resolved by adjusting the system to prevent the systemic errors reoccurring.

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5   For more on **root cause assessments** see:
https://www.mosaicprojects.com.au/WhitePapers/WP1085_Root_Cause_Analysis.pdf