

**Operational risk management (ORM) systems –
An Australian study**

By

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Certificate of authorship/originality

I certify that the work in this thesis has not previously been submitted for a degree, nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

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Abstract

In today's business environment, increased competition, market globalisation, increased customer demands and accelerated technologies require organisations to focus on efficiency in every aspect of their operations. Many studies in operations management have focused on the improvement of operational performance, including reduction of process variability, increasing flexibility or implementing controls in operations. However, managing the risk in operations seems to have been neglected by researchers.

Hence, there are two major objectives of this study. The first objective is to investigate the use of the operational risk management (ORM) systems in Australia and study the factors that have an impact on effective operational risk management. Then, based on the identified factors, the second objective is to develop an ORM system implementation model and guideline for Australian organisations.

A review of the ORM systems and its implementation was conducted. As a result of this investigation, a definition of ORM system in this study was formulated and the factors of effective ORM system implementation were identified as a basis for the next stage of this study.

An investigation of the factors of ORM system implementation was then carried out. An extensive questionnaire survey was used to collect empirical data from Australian organisations. Statistical analysis results and feedback from experts was used to develop an applicable model and guideline for ORM system implementation.

The main outcome of this study is a proposed model and guideline for ORM system implementation in Australian organisations, which will assist the organisation to manage operational risks more effectively and provide motivation for carrying out further research in ORM.