

#### Summary

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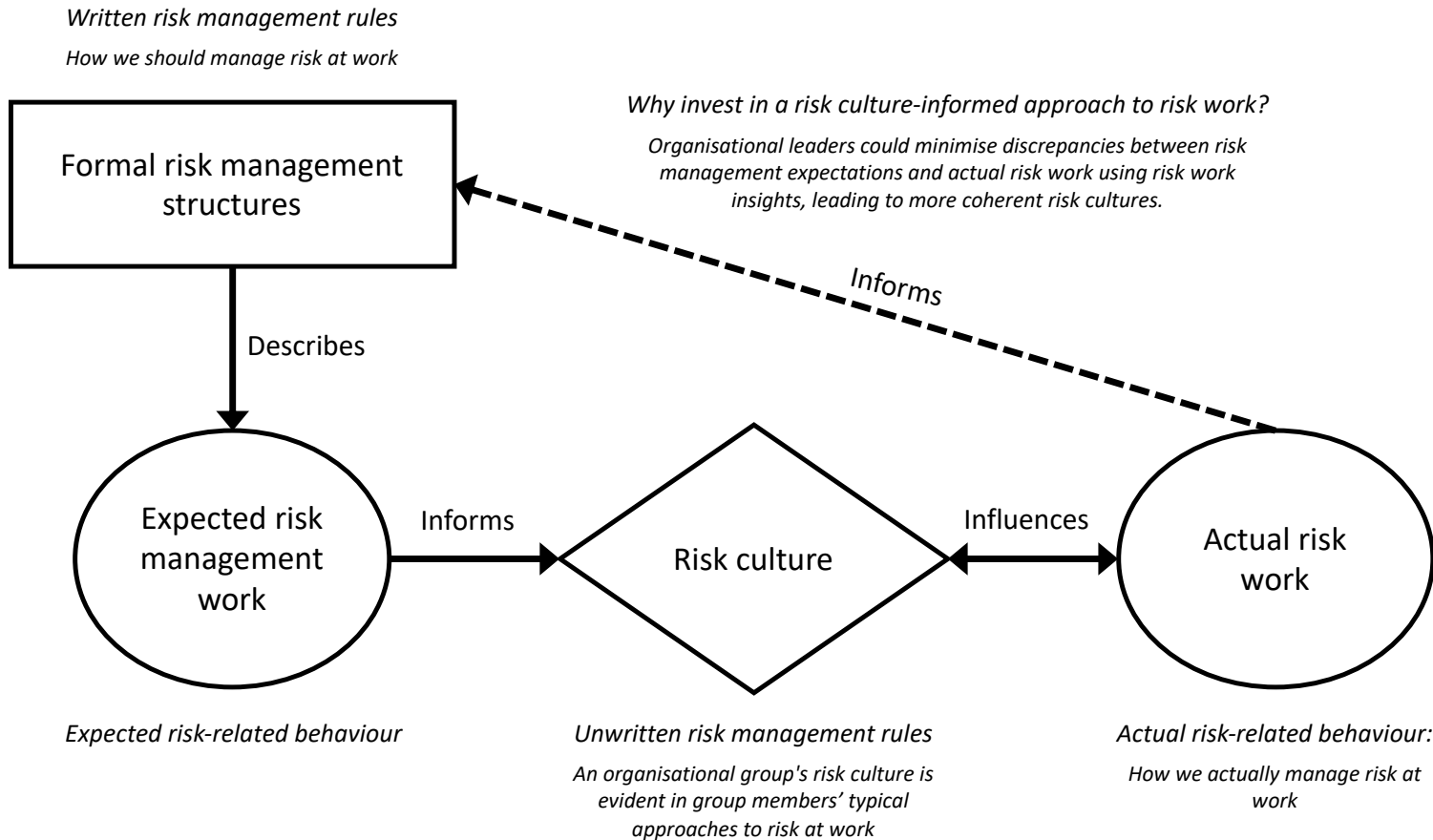
# Our research projects focus on: A risk culture-informed approach to risk work



# Definition of terms

<b>Risk</b>	A possible adverse impact of an uncertain event on achieving an organisation's objectives. <b><i>Risks concern possible future threats to the organisation</i></b>
<b>Risk event</b>	What happens when the risk materialises. <b><i>Something bad happens</i></b>
<b>Risk management</b>	Specified activities intended to protect the organisation against risk events. <b><i>How the organisation expects risk to be managed</i></b>
<b>Risk work</b>	'Situated human effort, in combination with material infrastructure, through which organisational risk management and governance practices come to be constructed' (Power, 2016, Hardy et al., 2020) <i>(Hardy, Cynthia, Steve Maguire, Michael Power, and Haridimos Tsoukas. 2020. "Organizing Risk: Organization and Management Theory for the Risk Society." Academy of Management Annals 14 (2):1032-66. doi: 10.5465/annals.2018.0110.)</i> Refers to the actual risk-related behaviour in the organisation. <b><i>Adaptive solutions to surviving risk challenges within the organisational context - Risk culture in action</i></b>
<b>Value of risk work</b>	When does risk work add value to organisations? <b><i>When decision-makers actively include risk in decisions that may negatively impact achieving organisational objectives</i></b>
<b>Culture</b>	Anthropological view: Culture represents a group's best-learned strategies to survive their context. <i>(Pagel, Mark. 2012. "Adapted to culture." Nature 482 (7385):297-9. doi: 10.1038/482297a.)</i> <b><i>Culture serves to protect the group against the negative impacts of risk</i></b>
<b>Risk culture</b>	An organisational group's risk culture represents its learned strategies to manage risks in their organisational context. Risk culture is evident in organisational group members' typical behavioural approaches to risk, based on their interpretation of the perceived actual value of risk work in the organisation. Our work focuses on how group members typically include risk in decisions that may impact reaching the organisation's objectives. This aspect of decision making indicates the value attributed to risk work in the organisation. <b><i>The organisation's unwritten risk management rules</i></b>

# A risk culture-informed approach to risk work



# Risk culture indicators

## Financial supervisory indicators of organisational risk culture (FSB and DNB)

### **Structure-based indicators**

*Expected risk work enablers*

**Risk management framework**

**Formal risk-based incentives**

**Risk information**

### **Behaviour-based indicators**

*Which behaviours indicate the perceived importance of risk work in the organisation?*

**Group decision dynamics**

**Risk accountability**

**Risk challenge**

**Risk communication**

**Risk leadership**

**Risk-related role clarity**

**Risk understanding**

Note:

*These risk culture indicators can be used to:*

- *structure risk work investigations,*
- *identify improvement areas and*
- *design risk work interventions.*

## A risk culture-informed approach to risk work

### Relevant applied academic research

A cultural approach to risk work is inherently systemic and multidisciplinary, containing behavioural and structural components related to risk management in organisations. It is important to us that this work also adds practical value to organisations. This may be done through:

- Industry-academic partnership agreements with related research projects (e.g. sponsoring an Applied Risk Management Chair at the NWU);
- Risk culture and risk work evaluations and maturity assessments (survey- and interview/focus group-based);
- Advisory inputs into risk work improvement initiatives;
- Risk work facilitation sessions;
- Postgraduate research projects in, and across, organisations;
- Training.

Together we can  
do this!



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