



THE ENTERPRISE RISK MANAGEMENT SEMINAR

**Theme: *Exploiting Opportunities Amidst the
Disruption***

**Organizational Culture – The Changing Risk Profile
with the Generation Z Workforce.**

BY : SAMUEL KIBAARA, CFIRM

Director: Risk Management Consulting

PINEBRIDGE TRAINING AND CONSULTING LTD.



The Facilitator



SAM KIBAARA

- Enterprise Risk Management and Business Continuity professional.
- Certified Fellow of the Institute of Risk Management
- Director at Pinebridge Training and Consulting Ltd.
- 20 years Risk Management Experience
- Positions held
 1. Director – Risk Management consulting Pinebridge training and Consulting
 2. Head of Risk Management – Kenya Power
 3. Senior Risk Consultant – Aon Risk Global

Email: skibaara@pinebridgeconsulting.co.ke |

Tel: +254-722 606497



Who we are?



===Delivering Beyond===

- 5 years old
- Risk Advisory and Consulting firm

What we do

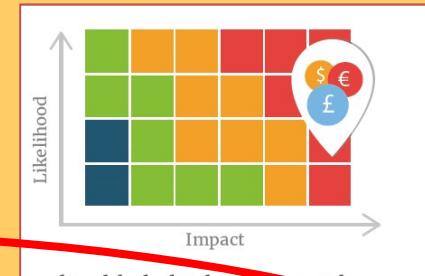
- Business Continuity Management
- Enterprise Risk Management Consulting
- Enterprise Risk Management Training
- Business Process analysis



More about the topic



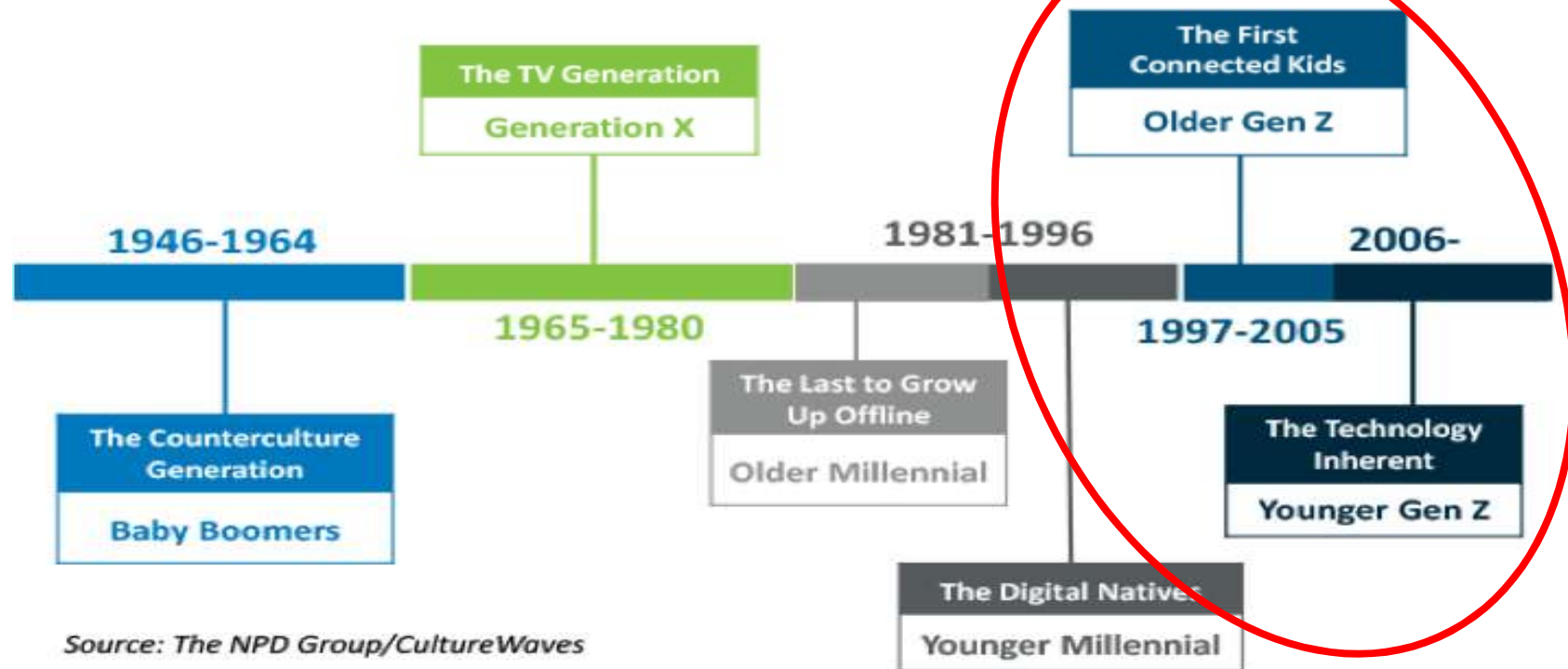
- Changing Risk Profile
- Organization culture
- Gen Z workforce



Enter Gen Zers



Generations



Some Facts on ERM in our Org



- ✓ **Boards Now Accept** that managing risks is part of their mandate
- ✓ **Risks** facing an organisation should be addressed with **Holistic** and **Integrated** ERM
- ✓ Embedding Enterprise Risk Management to make an impact is **Still an Uphill Task** in many organisations and challenges stem from **People; Human Beings** acting as **Individuals and as a Group**.
- ✓ Every group has its own **Approach to Risk**:- Risk Culture and risk Culture **May or May Not be Helpful** in successful management of Risks.
- ✓ **Every Individual** brings to the workplace a **Unique Attitude** and **Predisposition to Risk**



ISO 31000 definition of risk



**...is 'effect of uncertainty
on objectives'**

***....which focuses on the effect
of incomplete knowledge of
events or circumstances on
decision-making.***



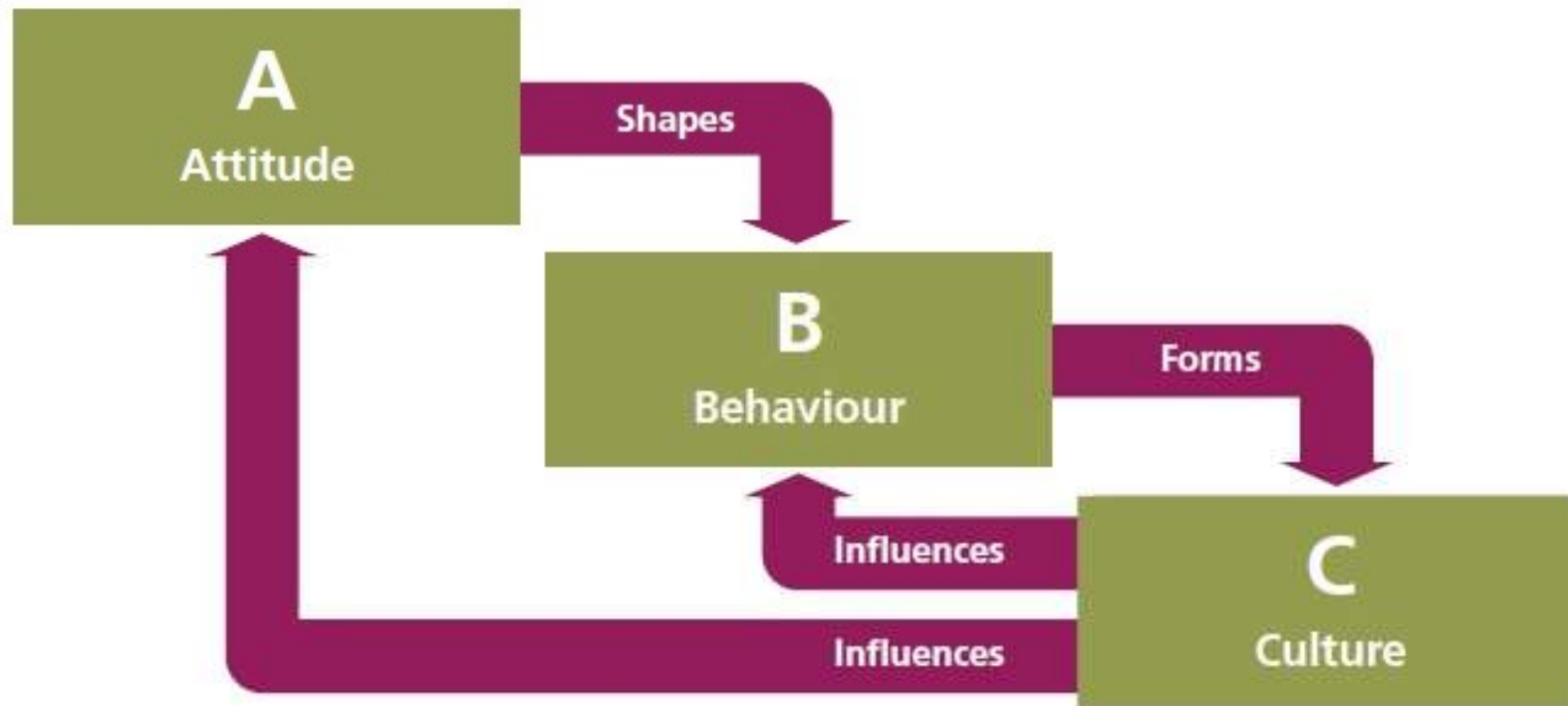
COSO 2017



Enterprise Risk Management



ABC of Culture



Why is organization culture important ?



- Organization Culture shapes the work environment in which performance occurs.
- Ultimately, not paying attention to culture undermines sustainability.
- A good well-aligned culture can **propel the organization**, the wrong culture **stifles the ability** to adapt to its environment.



Why Risk Culture



Managing risk is all about people making the best decisions. It is not just about **Strategy** and **Tactics** – it is even more about the **Judgements and Behaviours of people.**

- a) A Organization should have a Moral purpose.
- b) A Organization should be a Community of belonging.
- c) A Organization should allow its people to bring their humanity to work.



Risk Culture in an Organisation



Risk culture.

Risk culture is the sum of multiple interactions.



Personal Pre-disposition



- The **extent** to which people are either **Spontaneous** and **Challenge Convention** or **Organised, Systematic** and **Compliant**;
- The extent to which people may be **Cautious**, **Pessimistic** and **Anxious**, or **Optimistic**, **Resilient** and **Fearless**.



Gen Z Attributes



The Next Generation

1 SOCIAL

Gen Z is naturally social and spend 7.6 hours per day socializing with friends and

3 ENTREPRENEURS

Gen Z desires independent work environments. 72% of teens want to start their own business someday.

4 EDUCATED

Gen Z is constantly learning. 1 in 2 will have a college education.

5 PHILANTHROPISTS

Gen Z wants to do good in the world. 93% say that an organization's impact on society affects their decision to work there.

Have a question? Google it. 66% say that technology makes them feel that anything is possible.

LESS FOCUSED

Gen Z needs continuous updates and stimulation. It's no surprise that this generation has an attention span of 8 seconds.

CAUTIOUS

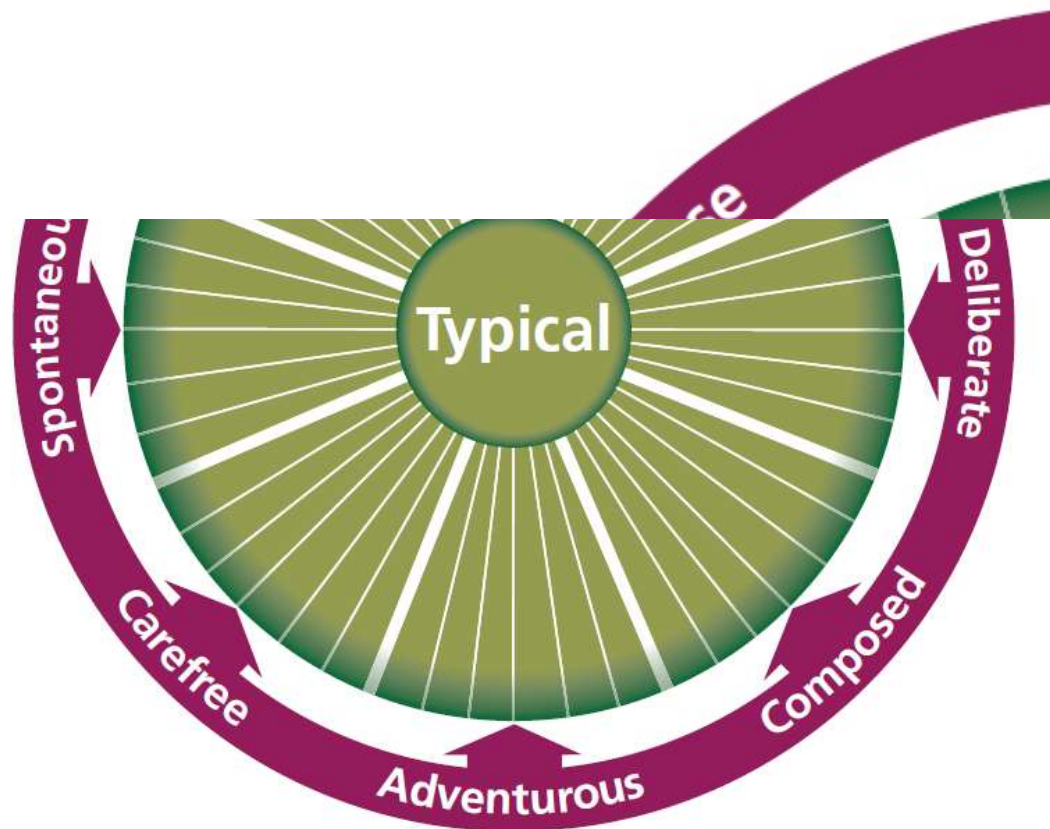
As a result of growing up during the Great Recession, Gen Z tends to be more careful with their expenses. 57% would rather save their money than spend.



Personal Pre-disposition



29 / 116



Risk Type Compass

From: *Psychological Consultants*



Risk Types explained



Wary - (Very Low risk-tolerance) Prudent	
<p>This Risk Type is likely to be ardent, anxious, edgy and passionate. They invest passionately in people and projects but, haunted by the fear of disappointment, this often becomes a self-fulfilling prophecy.</p>	<p>This Risk Type is likely to be easy-going/excitement seeking, unconventional and impetuous. They relish the excitement of on-the-fly decision making required in fast moving situations.</p>
Spontaneous - (Average risk-tolerance)	Deliberate - (Average risk-tolerance)
<p>This Risk Type is likely to be excitable, unpredictable, enthusiastic and impulsive. Like moths to a flame, they are attracted by the idea of spontaneity and risk, but live to regret decisions made in haste.</p>	<p>This Risk Type is likely to be analytical, investigative, calm and business-like. Calculated and sure-footed, they test the ground and never go into anything unprepared.</p>
Adventurous - (Very High risk-tolerance)	Composed - (High risk-tolerance)
<p>This Risk Type is likely to be uninhibited, fearless, challenging and venturesome. Both fearless and impulsive, they are prepared to try things that no-one has ever tried.</p>	<p>This Risk Type is likely to be cool headed, self-contained and imperturbable. Strangers to anxiety and oblivious to risk, they keep their heads when others lose theirs.</p>



Personal Ethics

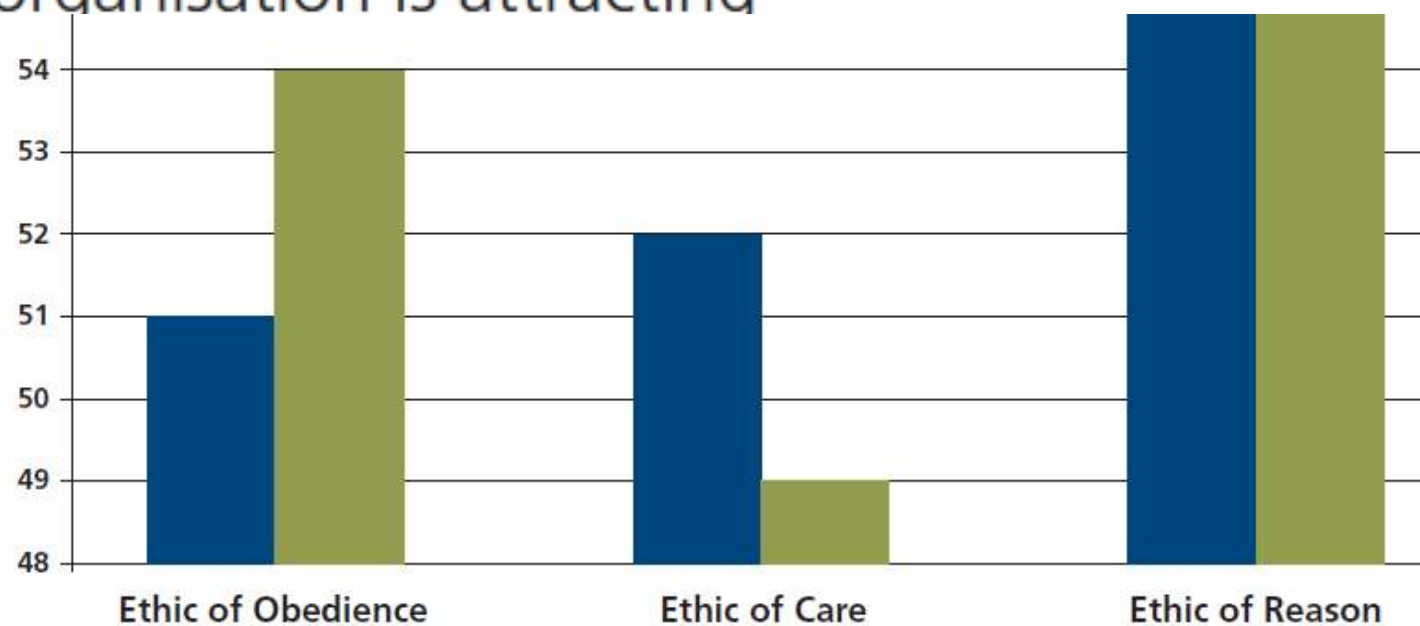


Three Ethical Consciences, Significantly Influencing Individuals' Decision Making:

- a) **Ethic of obedience** (rule compliance, spirit of the law etc.)
- b) **Ethic of care** (empathy, concern, respect etc.)
- c) **Ethic of reason** (wisdom, experience, prudence etc.)



organisation is attracting



GENERATION Z IN THE WORKPLACE

If you think you had a tough time managing millennials, there's a new generation in town and they're set to turn the business world on its head.



WORKPLACE ATTITUDE:

They demand workplace equality, desire career growth over higher salaries and value meaningful connections with co-workers, and with management, more so than millennials.



ENTREPRENEURIAL

55% more likely to start a business than millennials.



DIGITAL COMMUNICATOR:

Gen Z may tend to value digital communication more so than they do face-to-face communication.



GENERATION Z:

A generation born between 1996 and 2010. Also known as second-wave millennials and the iGeneration.



TECH SAVVY:

They are tech savvy but not necessarily life savvy. They've grown up in an environment where their view of the world has been influenced by their digital lives.



RISK-AVERSE:

Having grown up in more uncertain times, Gen Z are understood to be more risk-averse and anxious about the future.



Creating a business that attracts workers from this talented group of young employees means giving your staff more freedom and a better work-life balance.

Organization Level



- Lets do an exercise here
- *On your note book write two columns titled Sociability and Solidarity respectively.*
- *Write number 1-7 below each of them.*
- *Scale of 1 – 3 for each question*
- *Low = 1*
- *Medium= 2*
- *High = 3*

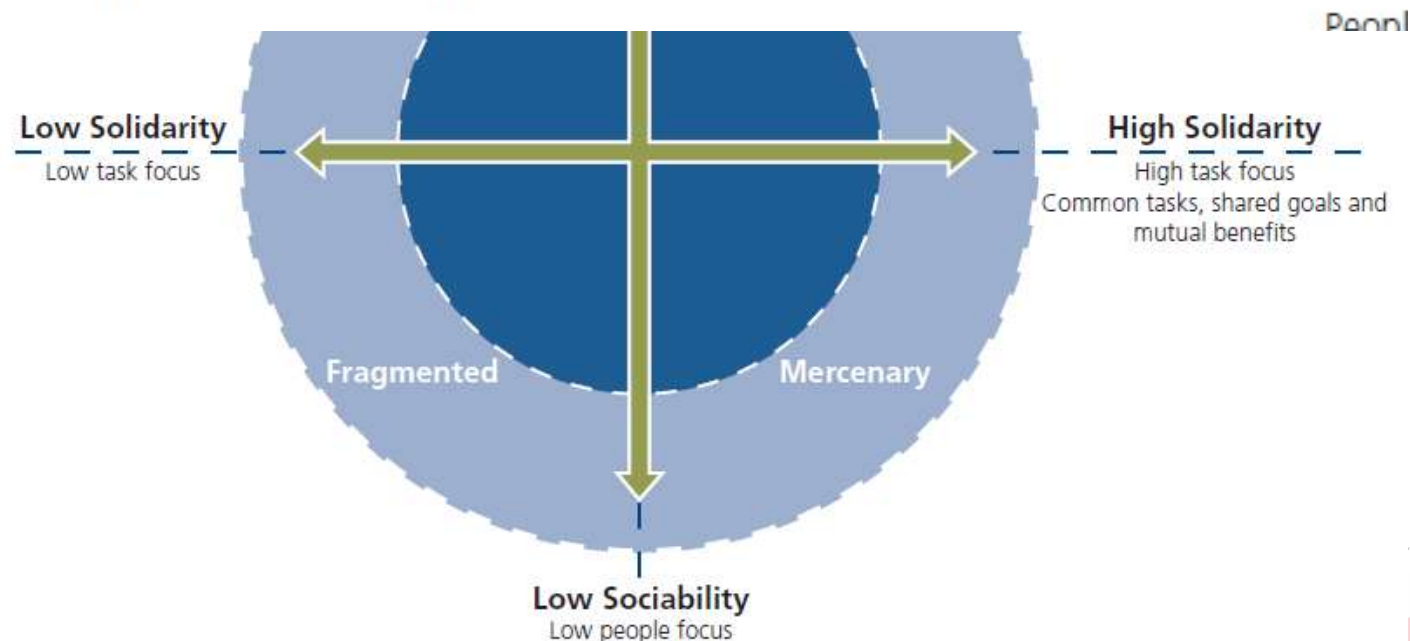


Sociability v Solidarity (Double S) Model

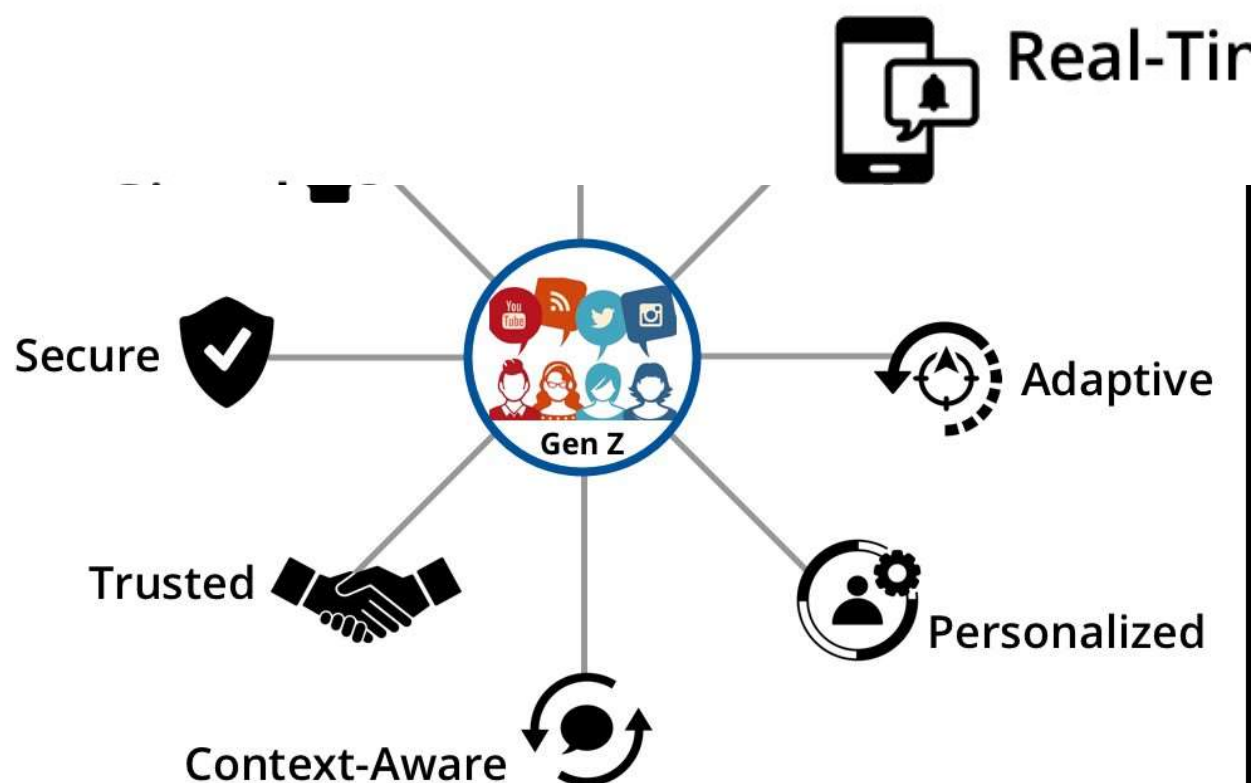


influence over the
psychometric tools can be
Moral DNA™ evaluates
(e, trust, fairness, honesty)
significantly influencing

- Fragmented (low

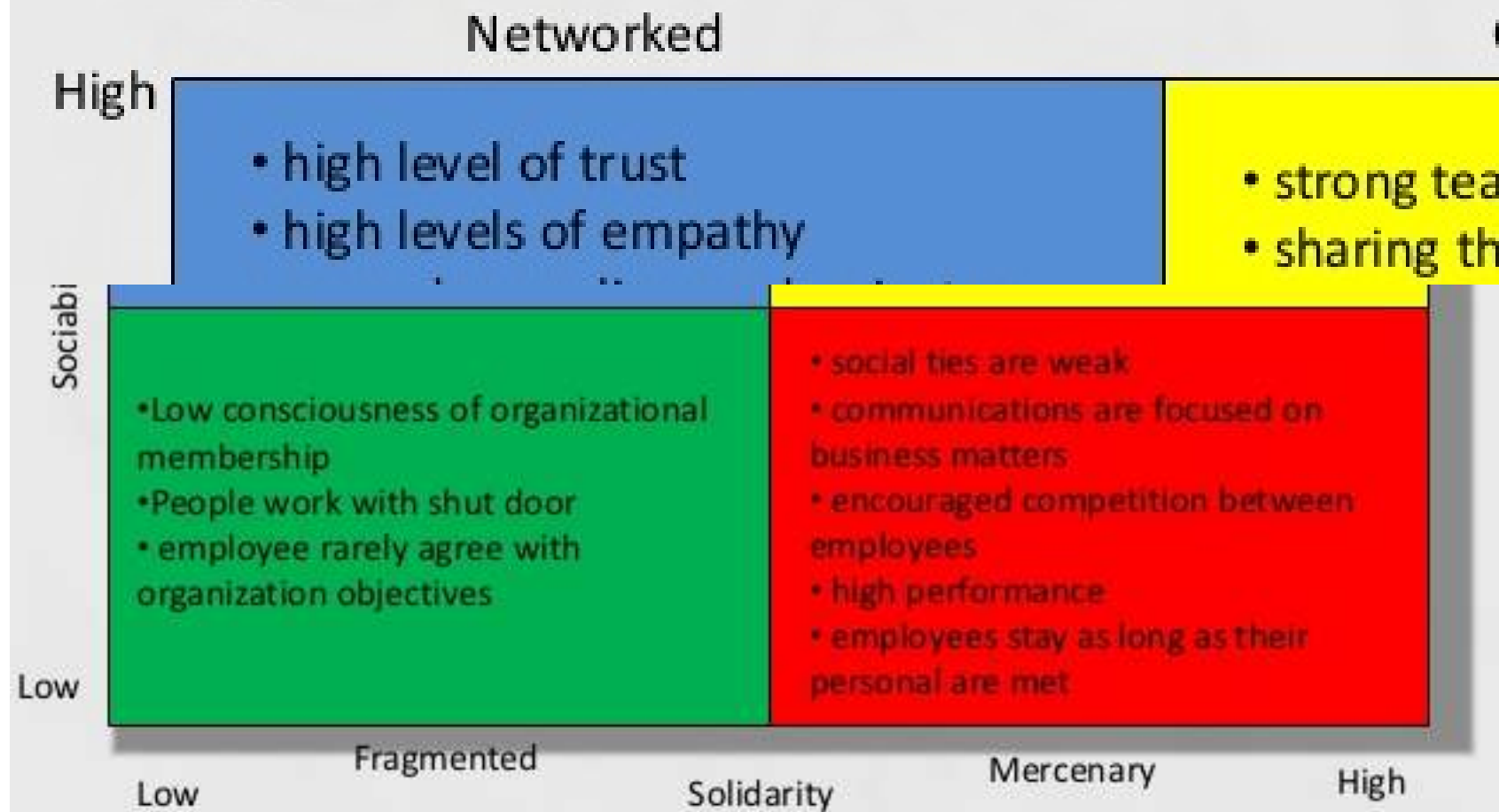


Gen Z Service Expect



All Rights Reserved @ Mahbubul Alam, 2018

Google?



The story of companies that failed..



Have a look.....



- <https://youtu.be/T0Z73Zbtlyg>



**It may be necessary for boards to
focus on improving risk
management within the existing
culture by understanding that
culture and then designing a
Culturally Sensitive Enterprise Risk
Management Programme.**



What does good Risk Culture look like?



1. Tone at the top

- risk leadership - clarity of direction
- how the organisation responds to bad news.

2. Governance

- the clarity of accountability for managing risk
- the transparency and timeliness of risk information

3. Competency

- the status, resources and empowerment of the risk function
- risk skills - the embedding of risk management skills across
- the organisation

4. Decision making

- well informed risk decisions
- appropriate risk taking rewarded and performance management linked to risk taking.



**Creating a Business that attracts
workers from this talented group
of Young employees means
giving your staff more freedom
and better work-life balance**

**“Every business decision is a RISK decision;
what is your level of risk intelligence and
how is your Risk Culture?”**
Risk Culture Builder, 2015

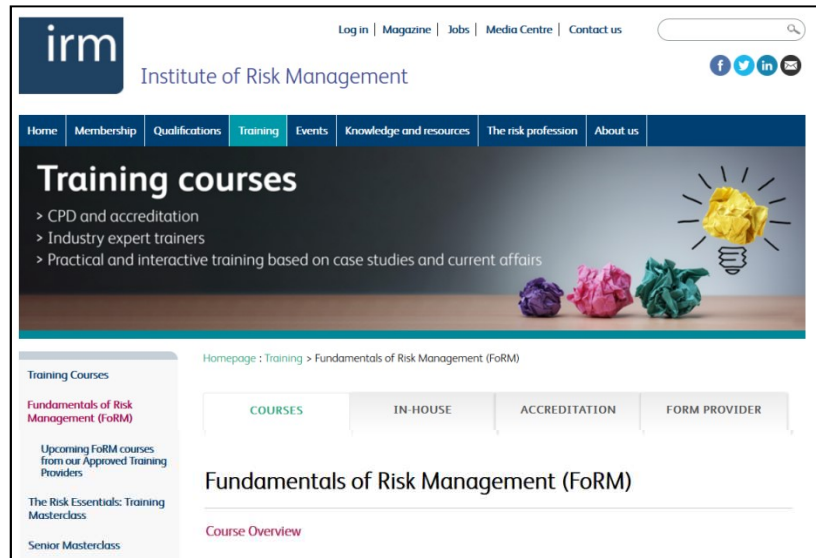
References



- <https://www.theirm.org/media/3778732/Risk-Culture-Resources-for-Practitioners.pdf>



Lastly to Note



For more inquiries on in-house or regular scheduled training

www.form.pinebridgeconsulting.co.ke

Email : info@pinebridgeconsulting.co.ke

Tel : +254 742 929285

Approved FoRM Provider





Thank
you



SAMUEL N KIBAARA; CFIRM, ACBCI

Enterprise Risk & Business Continuity professional

Director: Pinebridge Training and Consulting

Contacts: Email – skibaara@pinebridgeconsulting.co.ke

Samkibaara@gmail.com

Cellphone: +254 722 606 497

