

Risk “If the metrics you are looking at aren't useful in optimizing your strategy - stop looking at them.”
— Mark Twain

Executive Perspectives on Top Risks for 2022 - 2031

An annual survey of boards of directors and C-suite executives about risks on the horizon for year 2022 and for the long term 2031 was conducted by the ERM Initiative in the Poole College of Management at North Carolina State University, in conjunction with global consulting firm Protiviti. The surveys captures insights from C-suites executives and directors from America, Europe, Asia, Africa and Middle East. The most recent report, 2022 & 2031 Executive Perspectives on Top Risks, highlights top risks of immediate concern on the minds of executives for this year - 2022 - and for the long-term - 2031.

The Top 10 Risks for 2022

The Top Risks for 2022 Survey respondents were asked to rate 36 macroeconomic, strategic and operational risks. The top risks identified for 2022 are:

- Pandemic-related policies and regulation may impact business performance
- Succession challenges may limit ability to attract and retain top talent
- Pandemic-related market conditions may affect customer demand and relationships
- Adoption of digital technologies may require significant efforts to upskill/reskill existing employees and attract new talent
- Economic conditions may constrain growth opportunities
- Labor costs may threaten ability to meet profitability targets
- Resistance to change may restrict needed changes necessary to adjust our operations and business model
- Inability to utilize sufficiently advanced data analytics and "big data" may limit abilities to achieve market intelligence and increase productivity, efficiency and innovation
- Cyber threats may disrupt our core business
- Shifts in expectations around social issues and diversity, equity and inclusion priorities may occur at a faster pace than the organization can manage

The Top Risks Through 2031

Survey respondents also rated the expected impact of the same 36 risks for 2031 to assess how the risk landscape might shift over the coming decade. According to survey respondents, concerns about the future of work are at the forefront, as the survey identified the following as the top 10 risks for 2031:

- Adoption of digital technologies may require significant efforts to upskill/reskill existing employees and attract new talent
- Succession challenges may limit ability to attract and retain top talent
- Rapid speed of disruptive innovation may outpace our ability to compete
- Substitute products or services may arise that affect our business model
- Economic conditions may constrain growth opportunities
- Ease of entrance of new competitors may threaten market share
- Heightened regulatory change and scrutiny may affect operational resilience, products and services.
- Resistance to change may restrict needed changes necessary to adjust our operations and business model.
- Changes to the work environment/hybrid work may alter organizational culture and the ability to conduct business
- Inability to utilize sufficiently advanced data analytics and "big data" may limit abilities to achieve market intelligence and increase productivity, efficiency and innovation

Source: RIMAN, NC State Poole College of Management, Protiviti, Mark Beasley, Jim Deloach, Mathew Moore and Antonia Laplanche

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