

PEOPLE RISK WORKSHOP OBJECTIVES, OUTCOMES & BENEFITS



PEOPLE RISK...

- What is People Risk?
- Why is it becoming important?- The Shifting Profile in Risk Management.
- What keeps us awake at night?
- What could go wrong?
- The SA Context in terms of emerging risks.
- What are the key People Risk Issues in your organisation?



KHOSI MPUNGOSE

Business consulting expertise at operational, senior and executive levels.
Successful track record as a business enabler and functional HR expertise.
Great sounding board to colleagues and various bodies and projects.

14 Years Banking and Financial services experience.

A trusted strategic business partner, sitting on various executive committees.
A member of the Group Risk Executive Team for 10 years,

A member of the IODSA.

Created the People Risk Framework and approach.

Commitment to the creation of value, coupled with a strong work ethic and
an excellent executor.

A solid Human Capital Specialist, Business Navigator, Talent and Employee
Engagement Expert.

Successful track record as a Transformational Leader. Transformation and
Inclusivity Advocate.

***Human Resources was my calling, However Risk Management called
me.***



SHERALEE MORLAND

Sheralee Morland's experience is across the full spectrum of integrated ERM in Senior and Executive positions for all risk types in an Enterprise-wide risk management framework (ERMF) in JSE and LSE listed entities including banks, asset management, insurance, medical, and mining and is the immediate Past President of the Institute of Risk Management of South Africa

In particular for People Risk Management - compilation of People Risk Frameworks/Policies/Risk Committee Charters/ attendance at Board Risk Committees/Root Cause Analysis for People Risk / People Risk Workshops for all facets of People Risk/People Risk Profiling and Reporting

Integrated Thinking and Integrated Reporting including Remuneration Committee and Fair and Transparent Remuneration Reporting

CONTEXT



MANAGING RISK AS.... A RISK, THREAT, EVENT, OR OPPORTUNITY

Known	Known Knowns Things we are aware of and understand “We Know...” FACTS = Losses; Issues, Incidents, events There is CERTAINTY	Known Unknowns Things we are aware of but don’t understand “we know we don’t know” There is still a level of uncertainty so there is RISK . An element of UNCERTAINTY remains, but we are managing the risk because it is known to us
Unknown	Unknown Knowns Things we understand but are not aware of “we don’t know, but somebody does... and they ain’t telling!” Culture (hide things or raised matters are ignored) Assumptions that someone else is dealing with it INTUITION	Unknown Unknowns Things we are neither aware of nor understand Future events or situations that are impossible to predict or plan for. “who would have thought”? SURPRISES EXPLORATION

THE SHIFTING PROFILE OF RISK MANAGEMENT- AND WHY PEOPLE RISK?

- The risk landscape is changing and changing FAST.
- New risks and response strategies, outline new opportunities and new challenges for risk leaders.
- The onset of risk, consequences, and the entire nature of the risk discipline is evolving.
- This evolution requires the creation of tools to achieve higher levels of performance, and sustainable value creation.

“It’s no longer something to only fear, minimize, and avoid.”

(From Deloitte’s :The future of Risk New Game, New Rules)

THE SHIFTING PROFILE OF RISK MANAGEMENT –AND WHY PEOPLE RISK

- Organizational risks are becoming more fluid and complex.
- People Risk is one subset of risk that is often undermined or not given enough attention. It is classified under Operational Risk, and OFTEN, the root cause of many significant losses.
- People Risk NEEDS to be a focal point of Risk Management to its own right.
- The future world of work is evolving and brings with it a higher dependency on knowledge workers.
- Attention to People Risk will need to be heightened.

DEFINING PEOPLE RISK



2019 TOP 10 SOUTH AFRICAN RISKS (BY IRMSA)

- Failure of governance in the public sector
- Labour unrest and strike action
- Cyberattacks
- Unmanageable fraud and corruption
- Structurally high unemployment
- Growing income disparity and inequality
- Inadequate and/or substandard education and skills development
- Energy price shock
- National policy uncertainty/instability
- Macroeconomic developments.

DEFINITION OF PEOPLE RISK

- People are THE single most important asset in any business, but they are also the most vulnerable organisational asset.
- People Risk is the articulation and quantification to the costs that will arise as a consequence of things that happen to its people, or by people.
- Behavioural Economics and Operational risk, further define PEOPLE RISK as the risk of people not following the organization's procedures, practices and/or rules, thus deviating from expected behaviour in a way that could damage the business's performance and reputation. From fraud to bad business decisions, illegal activity to lax corporate governance.

A photograph of a man with a beard and grey hair driving a car. He is looking out the window to his right. The image is dimmed and has a dark overlay. The text 'THE REAR-VIEW MIRROR ON PEOPLE RISK-EMERGING RISKS' is written in white, bold, sans-serif capital letters on the left side. A vertical white line is positioned to the right of the text. A solid grey rectangular box is located in the bottom right corner of the image.

THE REAR- VIEW MIRROR ON PEOPLE RISK- EMERGING RISKS

EMERGING RISKS IN THE SA CONTEXT



- Unlike the bread cartel scandal of 2007, this time 180 people – many of them infants – lost their lives in what the UN has called the worst outbreak of listeriosis recorded globally.
- The share price of Tiger Brands, the largest consumer food company in South Africa, fell 7.9% as panic spread after the Department of Health and the National Institute of Communicable Diseases announced a recall of its Enterprise processed meat products.
- Tiger Brands CEO Lawrence MacDougall has insisted there is no direct link between the company's products and the disease.

EMERGING RISKS IN THE SA CONTEXT



- Old Mutual has fired its CEO Peter Moyo – again.
- The shares have declined 15% since Moyo's suspension was announced,
- The tussle between Moyo and the board has knocked the Old Mutual share price.



Family drops off dead body at Old Mutual branch in claim dispute



EMERGING RISKS IN THE SA CONTEXT



NO CASH IN SAA

EMERGING RISKS IN THE SA CONTEXT



WHICH
MONEY?



16.2 BILLION ON IRREGULAR EXPENDITURE

EMERGING RISKS IN THE SA CONTEXT





EMERGING RISKS IN THE SA CONTEXT



EMERGING RISKS IN THE SA CONTEXT

<https://www.youtube.com/watch?v=bRGq0J-vw2g>



WHAT IS REALLY HAPPENING?

- ☐ Is it Xenophobia/Afrophobia?
- ☐ Is it criminality/blatant lawlessness?
- ☐ Is it pressure from built up of socio-economic crises?
- ☐ Is it highest levels of unemployment?
- ☐ Is it police incompetence/complacency?
- ☐ Where was the leadership? Where was our president?



EMERGING RISKS IN THE SA CONTEXT



WHAT'S IN IT FOR YOU?



WHAT'S IN IT FOR ME?

- The course is based on the overall Risk Management approach.
- This course is strongly aligned to: KING IV, COSO, ISO31000, Basel III, ISO22301, IRMSA Standards.
- It will increase your understanding, appreciation of the other camouflaged risks which often People Risk is the root cause of.
- It will improve your ability to be pre-emptive and proactive in diagnosing, identifying, assessing, managing, monitoring and reporting on People Risk and derive effective mitigating actions and KRI's.

WHAT'S IN IT FOR ME? CONT...

- Enable you to create an organisation's People Risk Profile, Frameworks and Culture.
- Ignite deeper conversations, that will enable effective decision making.
- Enable the improvement of your overall corporate governance and oversight.
- Inspire **CONFIDENCE IN YOU** as a Risk Professional, and you will have **FUN!!!**

TARGET AUDIENCE



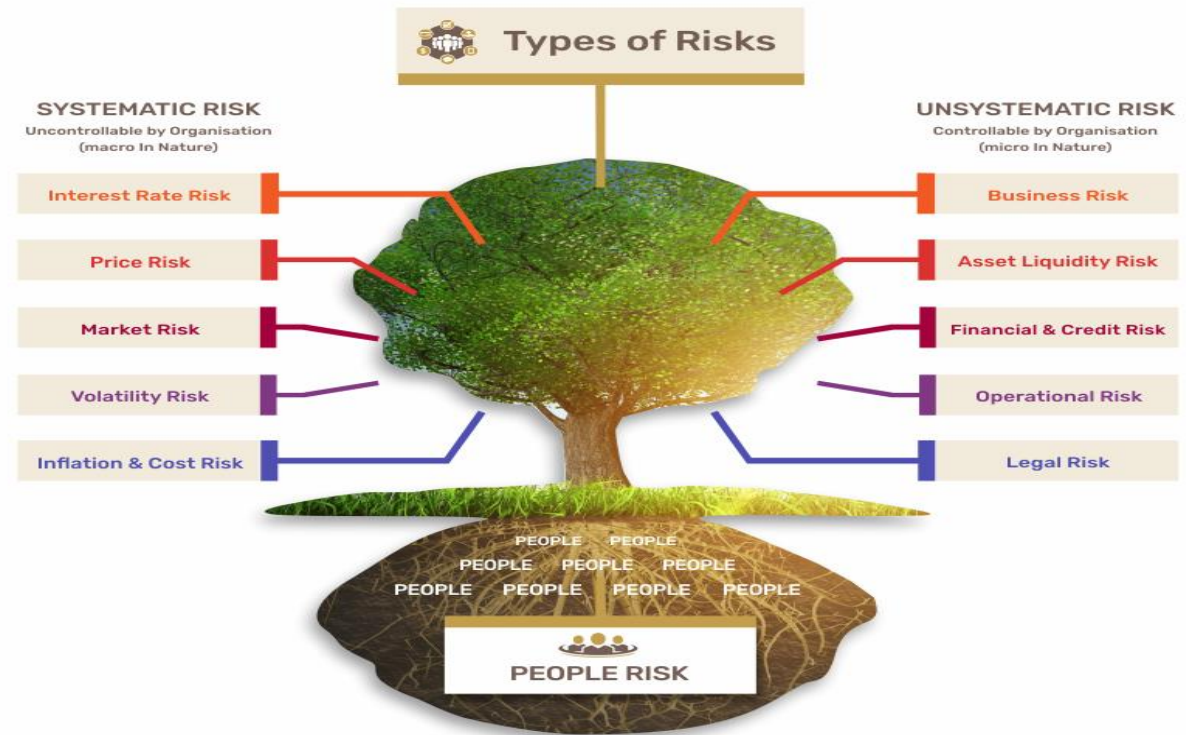
TARGET AUDIENCE

- Risk Professionals
- HR Professionals
- Leaders and Executives
- Public and Private Sector
- Small Business Enterprises
- Institutions of Learning and Risk

CONCLUDING REMARKS

- People Risk is more complex, and by far the hardest risk to manage and mitigate.
- People Risk has direct dire consequences, not limited to Reputational Risk.
- Organisations with knowledge workers have even more reason to be concerned about People Risk.
- The focus in People Risk, is LONG OVERDUE!!!

- IT'S ALL ABOUT PEOPLE



ON A LIGHTER NOTE



Despite being found guilty of drunken driving in January 2007, he has been paid about R16 million of taxpayers' money.

WHERE TO FROM HERE?



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human
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Q&A

