

-RESEARCH ARTICLE-

**INTERNATIONAL JOURNAL OF SOCIAL SCIENCES AND HUMANITY STUDIES IMPLICATIONS OF THE IMPACT OF RISK MANAGEMENT IN DECISION MAKING IN LOCAL GOVERNMENT: A CASE OF ETHEKWINI MUNICIPALITY**

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**—Abstract—**

In both the public and the private sector, whether in the developed or emerging markets, risk management as a body of knowledge and a field of research has garnered considerable traction. The risk phenomenon has a direct and indirect impact on both human beings and organizations and should therefore, be prioritized to reduce the headwinds it can create. The paper refers to various scholastic contributions, the associated theoretical underpinnings, and a research model to shed light on the risk management phenomenon within the context of the local government environment in the wake of the COVID-19 pandemic and the adverse conditions it has created. The research methodology has been embedded in qualitative precepts and philosophy and uses thematic data collection analysis to solicit insightful views based on experience and expertise within the organisational precinct. Purposeful sampling guided the respondents' recruitment and the participation in the study. The findings point to several limitations ranging from the systems, processes, resources, culture, and the general buy-in form the organization-wide perspective. The overriding evidence from the findings accentuated the significance of resource allocation and the prioritization of risk mitigation deliverables right across the length and breadth of an institution. Future research should extend the scope of the current study outcomes and a turnaround strategy

Citation (APA): Ngwenya, C. T. S., Nkosi, E. (2021). International Journal Of Social Sciences And Humanity Studies Implications of The Impact of Risk Management in Decision Making in Local Government: A Case of Ethekwini Municipality. *International Journal of Social Sciences and Humanity Studies* , 13 (1), 176-194. doi:10.34109/ijsshs.202114008

should be adopted to address the liability that is created by the management dereliction and abdication. The findings also revealed the importance of leadership role and style which play a critical role in fostering and bolstering a climate that is conducive to risk lessening environment.

**Key Words:** Enterprise risk management, strategic risk management, Balance Scorecard

**JEL Classification:** M19

## 1. INTRODUCTION

Management of risk is critical whether it is an individual effort or in an organizational setting and subsequently, in an institution-wide environment with the ever looming possibility of negative or adverse environmental factors. Hopkin (2018), who stated that the risk phenomenon has the heightened probability of derailment from the goals and objectives attainment, has expressed this view. While the heterogeneous adverse impact of COVID-19 on countries and institutions, in a broad scale could not be underestimated, it has certainly stagnated the economy and corporate performance to varying degrees across global regions (Shen et al., 2020). It is therefore the priority of organizational leadership and executives to de-escalate or mitigate the adversarial effect of encroaching risks and the threats they pose. Risk management has become a central focus in organizations as they help leverage the equilibrium between opportunities on the positive and optimistic front and the threats on the negative and the pessimistic one (Florea et al., 2016). The EThekwini Municipality, just like any local sphere of the government entities, has a fundamental role vis-a-vis services delivery to its inhabitants, as proclaimed by the Demarcation Board within the regulatory context governing its operations.

Both the employees and the citizens could be segmented into three categories of people during the COVID-19 pandemic, as articulated by the SIR Model, Cakmakli et al. (2020), wherein: - S - denotes Susceptible (St), I- denotes Infected (It) and R- Denotes Recovered (Rt) from the timeline context. Therefore, an organization like EThekwini Municipality will have to navigate and oscillate between the susceptible groups who have not received vaccination (as this category has high propensity of contracting the virus) and the recovering group from the pandemic who constitute of those that have developed enhanced immunity due to the antibodies in their system and hence are risk averse in terms of hospitalization and tragic fatalities. The organisational complexities within EThekwini Municipality and the broader expectations from both the primary and secondary stakeholders therefore require a delicate balance in which the risk management application plays a significant role in terms of decision-making. The execution of risk management on account of its diverse and dynamic nature thanks to variants influence the reinvention reaction on the part of the executive. As such, the prevalent circumstances pose a threat to the organizational personnel, and subsequent

systems, processes, procedures and thus, ensuring implementation hinges on agile leadership and a risk-averse culture (Hillson et al., 2004). While the organisational hierarchical seniority has the ultimate mandate of navigating the risk management vessel, the entire organization should be elastic to the prescripts and rules geared at risk mitigation and accountability from the perspective of operations and deliverables (Hillson et al., 2004). According to Sha et al. (2020), there is evidence that the COVID-19 pandemic has impacted almost every sector globe over, and irrespective of markets, cultures, behaviours and attitude albeit to varying degrees of impact. This signifies the views advanced by Aizenman et al. (2020) on recovery strategies adopted in risk diminishing endeavours as most critical for institutions and organization within emerging markets. The lockdowns, restrictions and the balancing of the livelihoods and the economic sustainability has been a daunting task for policymakers.

## 2. CONTEXTUAL BACKGROUND

Organizations and institutions, to normalize and legitimise their actions, interactions, behaviours and reactions aimed at collective organizational benefit, ordinarily pursue these within a regulated and policy-driven environment. This application of rules ranges from global connotations originating from organizations such as Internal Labour Organization (ILO), and from risk perspective organizations such Institute of Risk Management (IRM); the International Organisation for Standardisation (ISO) 31000 and Public Sector-wide Risk Management Framework. King IV Report on accountability and responsibility on good Corporate Governance also come to the fray. Internal application of rules, regulations and controls governs the legitimation lenses from the stakeholder theoretical prism to attain accountability and consequential management adherence. EThekwini Municipality is therefore not exempted in being risk conscious and is elastic in its an endeavour to meet the authentic expectations and deliverables by its principals on behalf of not only its constituencies and citizens but the broader society at large. According to the Global Risks Report of 2020 narrated by the World Economic Forum, the risk approach had to be viewed by policymakers, authorities, economic practitioners, captains of industries, and health practitioners on a balanced plate between the economic headwinds and shockwaves analysis and the fractured societal well-being in general. While from a macro vantage dimension, exogenous risks such as green- house gases (climate change), natural disasters, cyber security attacks threats, fiscal contraction due to COVID-19 pandemic, a resilient and agile oriented leadership will be of critical significance in traversing the existential VUCA (Volatility, with Uncertainty, coupled by Complexities and rounded off by Ambiguity) burdens. Therefore risk diminishing strategies and tactics have to adopt innovative and creative application to rebound to the pre-COVID 19 era, given that most of the fiscal contributors within EThekwini Municipality business and societal landscape have been in one way or the other been affected. Sahebjamnia et al. (2015) maintained that it was critical for readiness and recovery efforts to be a success for rebounding from a crisis-ridden environment to

achieve stability and ensure sustainability. The municipality's ISO31000 risk management certification and accreditation depict a risk adverse culture propensity. Risk management procedures, processes and systems have a direct institutional framework proportionality and causal implications and exert an influence if executed in alignment with the organizational strategic goals or objectives and associated economic value add (Shad et al., 2015). The contextualization and comprehension that the organization derived from Enterprise Risk Management (ERM) underscores its ability and capacity vis-a-vis optimal management of resources, assets, proprietary and its strategic trajectory (Arenas et al., 2010) direct proportional coefficient is observed when the leadership and executive units appropriately execute risk management principles and ethos within their organizational hierarchies and echelons, doing so in line with the concomitant chain of command (McShane et al., 2011). Baxter et al. (2013) further advanced the gravitas of moving away from silo oriented ERM and transitioning into a value-sharing and integrated comprehensive quality driven with risk alleviation. There are many benefits that can be realised through the execution of ERM, from both the financial (monetary) and non-financial realm, as well as tangible (materialistic) and non-tangible facilitating positive dynamism within an organizational or enterprise setting (Altuntas et al., 2011).

Systemic and structural risk management execution organization wide, in conjunction with an element of integration of organisational complexities yields intended outcomes and objectives effectively and efficiently. (Muzaimi, 2017). The synchronisation of both the endogenous management control measures and exogenous variables within organizational functionality shape the integrated ERM systems, processes and principles. (Muzaimi, 2017). Both crisis reduction and risk attenuation culture within the institution is essential for its corporate DNA and the sharing of espoused values (Thomya et al., 2015). When management adopt beyond just the risk control synergies but also augment this effort through consequential management adherence, the responsibility becomes the norm and reverberates in the organizational corridors.

### 3. LITERATURE REVIEW

#### 3.1 Enterprise Risk Management

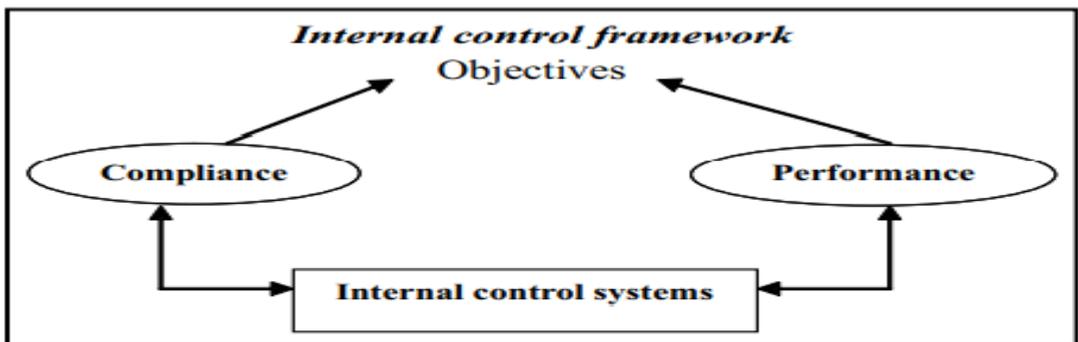
The lenses that should be astutely worn are derived from the strategic management role that the enterprise risk leverage its significance on the organizational tripartite bottom line of (E)nvironmental, (S)ocial and (G)overnance which could be described as non-monetary metrics that play a critical role in ensuring organizational accountability, stability and sustainability. Geretto (2015) have expressly opined this by accentuating the importance of the fundamental frameworks signifying the cultural perspectives of risk management thinking within an organizational setting. The IRM risk culture aspects Model based on Geretto (2015)'s observations which has been contextualized into four pillars as illustrated in Table 1 below namely:

The symbiotic relationship between risk management and the associated good corporate governance attributed the comprehensive bedrock of managing an entity with its social environment (Boghean, 2015). The mutualism between these seemingly intertwined elements of corporate governance within the functional realm of the risk management process and its concomitant effective decision making has been shared by the (Kaplan, 2001) within the broader ERM fraternity.

**Table 1: Internal Control Framework, Adapted by Authors for the Research**

Risk Culture Pillars	Application
Buy in or Tone at Top Management	<ul style="list-style-type: none"> <li>• Risk Leadership orientation</li> <li>• Dealing with adversarial information/data</li> </ul>
Systemic Decision Making	<ul style="list-style-type: none"> <li>• Well informed risk nimble decisions</li> <li>• Recognition of rewards management</li> </ul>
Good Governance	<ul style="list-style-type: none"> <li>• Accountability norms</li> <li>• Transparency tendencies</li> </ul>
Core Competency	<ul style="list-style-type: none"> <li>• Leveraging risks assets and resources</li> <li>• Risks expertise profile</li> </ul>

While extant literature articulates the operational risk aspects of ERM such as human inaccuracies, process flows, imminent procedures, technical aspects, and the existential information technology misdemeanours, the oversight of these still remains a daunting challenge for the authorities (Bessis, 2011). The study undertaken by Vijayakumar et al. (2012) underscored the critical role of positioning the internal auditing function within the risk management echelons specifically in the public sector enterprises. Their proclamations augmented the narrative of risk from the operational caucus into the integration of financial (monetary), legal (legislative) and regulatory risks plausibility. The organizational internal control systems and processes should not be an afterthought procedure but engulf the organizational DNA and its ethos as a matter of principle.



**Figure 1:** Internal Control framework (2012; p2) Source: - Vijayakumar and Nagaraja (2012)

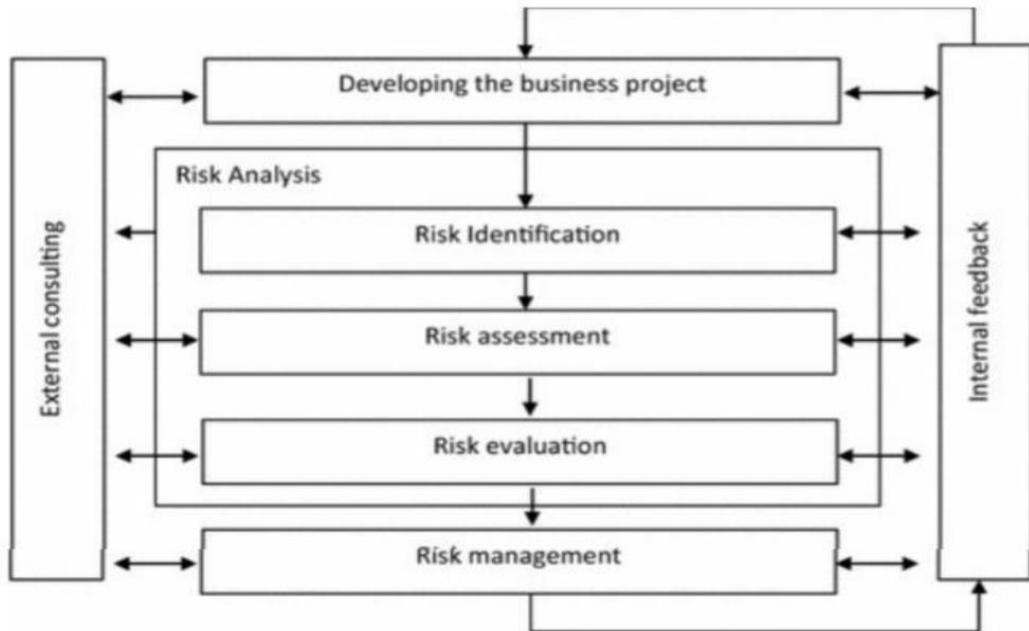
A meso approach, as per [Figure 1](#) above, would ordinarily encapsulate all the internal controls frameworks that are associated with the organizational strategic governance and oversight. Alignment in a robust manner with legitimate compliance and performance facilitate the strengthening of internal control systems ([Mallin, 2011](#)). The role of the regulatory structures that govern the pros and cons of ERM professional standards should be at the nucleus of the execution, monitoring, evaluation and reinforcement where corrective decision-making is warranted ([Feizizadeh, 2012](#)). [Lalonde et al. \(2012\)](#) maintained that those entrusted with the risk management decision-making process and controls within the organization should not be oblivious to the role of exogenous factors. The systemic and comprehensive work breakdown structure (WBS) deliverables of risk management and risk control should be a continually agile and nimble process, which should be in tandem with the strategic goals and objectives of the organisation ([Bharathy et al., 2014](#)). The profit maximization and the associated loss minimisation of the organization should be in such an equilibrium that the cost-benefit analysis also incorporate the non-financial aspect of the entity within the risk-lesening application from the ERM perspective ([Acharyya et al., 2013](#)). Therefore, the organization should be cautious against lowering its risk-averse guard within the length and breadth of ERM and be abreast of unforeseen circumstances that could derail its ERM aspirations ([Ramlee, 2015](#)) [Zaleha Abdul Rasid et al. \(2014\)](#) submitted that wherever risks identification has occurred, it is critical to divulge its threats' origin and root causes while a systematic plan of action should ensue and future re-occurrence averted, and pre-empted.

[Pettersson et al. \(2017\)](#), furthermore, postulated that organizations would not be able to realize their goals and objective optimization while discarding the critical significance of the application of corporate governance, risk management and compliance with procedural expectations.

### **3.2 Erm Process: A Micro Perspective**

[Abdo et al. \(2018\)](#) opined on the three fundamental phases when analysing the segmentation of risk processes within an organizational setting which had been earlier advanced by ([Purdy, 2010](#)), and these elements are (i) identifying and setting parameters of risk situations, (ii) probability analysis, (iii) impact and influence analysis. Once the risk process assessment process flow has been acknowledged, it becomes feasible to ring force the impact of each stage and the depth of the anomaly so that an effective and an optimal decision making process could appropriately ensue. ([Lindhe, 2020](#)). The risk assessment fact check assessment analysis and cognate devising appropriate and ideal risk management strategies by management which make sufficient provision for the mitigation and attenuation efforts within that particular risk conundrum and culminates into a proper cause of action with desirable outcomes ([Choi et al., 2016](#)). [Figure 2](#) depict the ERM process within the three stages that eventually the feedback narration with the intended consequences of risk minimisation and pre-empt the future related occurrence

within the organization. These stages encapsulate identification, description, appraisal, related assessment, evaluation, and the management of risks aspect coupled with provisions of controls that underscore organizational monitoring & evaluation and the assumption of corrective feedback action (Choi et al., 2016).

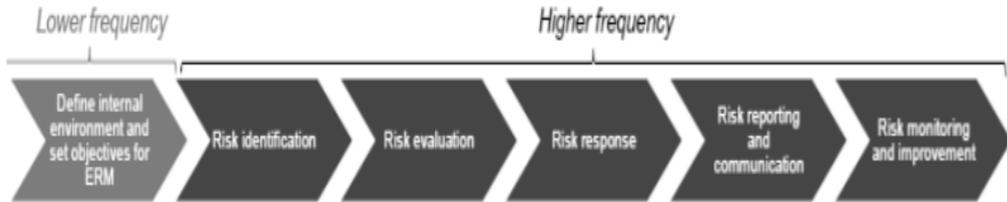


**Figure 2.** ERM Process. Source Choi et al. (2016: p2)

### 3.3 Strategic Management of Risk Impact Within a Public Entity

The strategic intervention from the top echelons of the organizational hierarchy is of critical and fundamental significance when it comes to risk containment endeavours. The definition provided by Frigo et al. (2011) prioritized risk management in a rigorous effort incorporating the identification, evaluation, coordination and controls of risks management pertaining to uncertainties, that are both endogenous and exogenous. Preventive risk management tendencies and ethos in an organization that has an avalanche of stakeholders and role players integrate the risk mitigation layers from the strategic perspective, tactical astuteness and operational efficiency (Hopkin, 2018). Risk management phases in an institution, according to Frigo et al. (2011), as per Figure 3, tabulate, firstly, the proactive risks identification specifically by top management. Secondly, the quantification analysis of impact of those risks. Thirdly, the creation of a reasonable and logical conversation pertaining to the risk at hand. Fourthly, the involvement only of top management but the reflexivity of the organizational risk mitigation processes and procedures (Kopia, 2013). Kopia (2013) recalls that risk management stages were earlier categorized by Dafikpaku et al. (2011) into four risks

types namely: (i) strategic oriented (ii) operational level (iii) financial and (iv) environmental or hazard risks. Therefore, the evaluation and the final analysis of the strategic nature and impact of risk has duality in terms of financial and monetary connotation; the reputational dimension, which might be non-monetary also plays a



critical role in the manner that the literature could decipher robust narrative within the ERM space.

**Figure 3.** Source: Anderson (2005). Process Steps of Risk Management

#### 4. BALANCED SCORECARD

The Balance Scorecard (BSC), which has been developed and fine-tuned by Kaplan (2001), could be described as the strategic narration that documents the package which could be inferred as resonant with the metrication in real and pragmatic terms within, amongst other things, risk management. The strategic objective of the BSC is to ascertain organizational performance from the vantage point of financial or economic, governance and institution-wide expectations from its diverse stakeholder interests (Awadallah et al., 2015). The quadruple deliverables BSC benchmarks that an institution should strive for are financial or economic oriented, internal process and procedures, customer-centricity, learning and capacity building in terms of core competences and capabilities. (Awadallah et al., 2015). BSC provides a strategic organization navigation in uncharted territories and turbulences both from the interior or exterior point of view that solidify the systemic decision making through adaptability in steering an organization towards efficacious achievement of objectives while exercising elasticity against risk threats. A complex organization such as EThekwini Municipality with both massive numbers of employees and other stakeholders such as service providers and customers in terms of risk minimization and the concomitant value creation and the BSC, could optimize interventions such as the organizational design process and the cost-benefit equilibrium (Basuony, 2014).

##### 4.1 Finance as the BSC Pillar

The financial accountability and responsibility could make or break organizational fortunes and EThekwini Municipality has been on the media platforms with graft and maleficence stories. This is also evidenced by the recent suspension of Mayor Zandile Gumede in the corruption scandal involving embezzlement of millions and the subsequent firing of the City Manager, Mr Siphon Nzama based on similar fraud charges.

The financial and fiduciary duties play a critical role in organizations with limited shareholder activism such as EThekweni Municipality.

## 4.2 Internal Processes

The challenge that an organization like EThekweni Municipality faces is to strike an equilibrium between what is narrated in its Five (5) year plan Integrated Development Plan and the seamless execution within its various functions and departments in such a way that the value integration (upstream, midstream, and downstream) becomes a reality. While the City boasts of pristine beaches and climatic conditions, which are a source of envy for many other cities, the recent unrests and looting over and above the current COVID-19 pandemic pushed it a few steps backward and tainted its reputation as a tourist destination.

## 4.3 Learning and Core Competences

The continued unfavourable audit outcomes from the office of the Auditor-General continue to be the proverbial thorn for Municipality which makes one wonders if the learning and the capacity building environment do not emphasis an act of accountability and responsibility. The findings that were extrapolated from the Manase Commission Report pontificated the dire need to revisit a culture of learning and application thereof, which has consequential management at its core and the reduction of risky behaviour, from the municipality personnel.

### 4.3.1 Customers

While the income inequalities within the social landscape, according to Gino-Coefficient Index, make South Africa the most unequal society in the world, researchers have an optimistic belief that one day, service delivery will be at par with the expectations of customers. This could be achieved if the risk-mitigation culture is anchored and entrenched in all the organizational echelons and hierarchies from top to bottom.

## 5. RESEARCH METHODOLOGY

The philosophical premise of the study in terms of its research design has been aligned with the interpretivism-oriented approach that is synonymous with in-depth theory construction and follows the ultimate purpose of arriving at credible research outcome (Denzin, 2008). Qualitative focused methodology was selected for the study and thematic oriented analysis was utilized to conduct an empirical review of data collected. The theme construction and configuration pursued the social constructivist elements that is geared at the theory development based on data collection in the form of deductive approach (Vaismoradi et al., 2016). The study pursued the thematic analysis technique with its centrality on the patterns that have been organized in a multi-structural manner to facilitate the integration of categories within the social and organizational context and setting (Braun et al., 2006).

The population for the study is comprised of EThekweni Municipality personnel who are involved within the risk management decision making process flow. According to [Sekaran \(2016\)](#), the population refers to the totality of a particular setting within which the unit of analysis such as the sample could be practically drawn from. Based on the existing population context, the study adopted a non- probability purposeful sampling for its pragmatism and practicality [Saunders \(2015\)](#) which comprised of 15 participants which was deemed feasible for empirical data extrapolation.

## 5.1 Data Collection Tool

The research instrument was comprised of uncontrived semi-structured and open-ended interview research questions that are commensurate with qualitative thematic analysis [\(Saunders, 2015\)](#). This exercise facilitated the arrival at a deeper level in terms of respondent's empirical contributions that were gullible and closer to the reality and action-oriented evidence. While the risk management fraternity is construed as classified information and material content, the participants were assured about their confidentiality, pseudonym and anonymity as guided by the ethical provisions guidelines. [\(Ngozwana, 2018\)](#).

## 5.2 Analysis of Data

Thematic analysis was utilised in the data management process from inception right up to the commissioning of the study. The coding provided labelling, indexing and data reduction culminating into the formation of dominant and emerging themes and identification and description of categories and patterns from respondents' contribution [\(Williams et al., 2019\)](#).

### 5.2.1 The Researcher(s) as the De-facto Research Instrument

In the qualitative methodology, the rigorous determinant of quality ranges from Credibility, Confirmability, Dependability and Transferability, which is indirect, in contrast to the quantitative phenomenon of reliability and validity [\(Anderson, 2005\)](#). [Golafshani \(2003\)](#) explored the critical role of trustworthiness within the qualitative methodology stakes which magnified the role of the researcher as inextricably interwoven during the interchange, interaction, and reaction with the participants in the study. This was summed up by Charmaz (2008, p. 47) who stated that: -“Data collection in essence, and cognate analysis and resultant theory generation or development and meaning construction has a mutual relationship which requires a constant interplay between the researcher and the data”.

## 5.3 Ethical Compliance Consideration

The study setting is the risk management department of eThekweni Municipality located in the Republic of South Africa. The appropriate authorities within the organization approved the gatekeeper's letter and endorsed the implementation of the study without

any reservations. The University of KwaZulu-Natal's ethical clearance committee within the College of Law and Management also granted ethical clearance for the study.

## 6. DISCUSSION OF FINDINGS

The applicable alphanumeric coding in organizing, categorizing, and formulating dominant and sub- themes incorporating categories and patterns solicited from the data collection process to generate meanings from respondents. The presentation and discussion based on three study objectives is presented below-

### 6.1 The impact of appropriate risk management procedures, protocols, and controls in proactive and corrective decision-making.

RP1:-*“There is a CURA process in the organisation which is used to capture and store risk information. The main rationale for the CURA process is to ascertain its accessibility, adaptability, and real-time application. There is a dedicated CURA champion with accountability functionality in the registration and filing of risk associated matters”.*

RP3:- also added, *“The objective of risk identification and description procedure is to assess threats impeding the accomplishment of institution-wide objectives, thus eradicating and mitigating risks propensity behaviours by personnel and the application of by controls. The continuous communication to employees is an attempt to minimise and avert the risk-trap that the personnel find themselves”.*

RP5 :-stated that *“ The main emphasis should not be only on material risks such as technical, monetary or financial risks but should also inculcate the behavioural aspect such as the motive behind and what triggers that particular action which could have been avoided “*

RP7:-specified, *“The IDP process has explicit elucidation of risks types within the organization, which should be adhered to by all and sundry and not only by those employees who are within close affinity to organizational material resources and associate authority”.*

RP9 :-maintained that *“As an organization that has close to 30,000 employees with a mammoth task of managing customers’ resources to the tune of multibillion rands, risks alertness threshold should at all times be a top priority. Accountability, responsibility, and the corporate governance application should be anchored in organizational values and be concomitant with global and national standards”.*

### 6.2 To Assess the Influence of Risk Management at Ethekwini Municipality Triple Bottom Line Scenario

RP 2: *“The procedure of accessing the system is ordinarily fraught with systemic and structural pitfalls and that is referring to the CURA system in this instance. Drastic*

*improvements could be facilitated by either modernizing the CURA system or apportioning a tangible investment on the part of the executive and management decision making echelons”.*

	<b>Analysis Dimension</b>
<b>Coding in objective 1</b>	The features and meanings of data were organized, labelled in a concise and succinct organization within the decision-making process flow in risk management.
<b>Dominant Theme</b>	The risk feedback loop within the ERM Management Unit.
<b>Emerging Theme</b>	Spreading awareness and the consequences of adhering to the standards and controls of risk mitigation is significant.
<b>Category of Responses</b>	The monetary loss and wasteful expenditure that affect the organizational financial position and reputational collateral damage
<b>Patterns</b>	The governance issue specifically within the regulatory environment should be a consistent thread right across the entire ERM function

RP 4: *“Admitted that in most instance, the personnel expertise is not only comprehending the CURO system but doing so in a way that comes into application and analysis of the input information that is loaded and its verification outcome”.*

RP6 *“agreed with RP2 that an institution wide investment and the tangible resource allocation in terms of a dedicated budget will mitigate the conundrums and shenanigans associated with the personnel’s lackadaisical integration with the CURO system”.*

RP 8: *“The other structural challenge is the fast pace and pervasive improvement not only of digitization and e-commerce platforms but also the associated need to continually be proactive in cyber space in an effort to pre-empt sabotaging and hacking the system, which is to the detriment of the risk environment, institution –wide”.*

RP 10: *“The culture should be ensured inculcation of a preventative continuous improvement and move away from reactionary tendencies as this is not only costly to the organization but has unenviable reputational risks in the eyes of both its primary and secondary stakeholders and the community constituency that the municipality serves in general”.*

RP 12 stated:” *The nature of coming into terms with the qualitative oriented risks that stems from the external perception of the perceived customers and the society that the institution serves. This could range from an overseas business entity trading within our precincts area, to the tourist that is here to enjoy the abundant amenities on offer. While the local perspective could include the real-time customers, both commercial and*

*residential, in terms of their expectations and the deliverables that the institution is expected to yield”.*

	<b>Analysis Dimension</b>
<b>Coding objective 2</b> in	The salient and pertinent responses were reduced from large chunks of data to be commensurate with the influence of risk management.
<b>Dominant Theme</b>	The systemic and structural risks will always pose a management and leadership question due to its complex and complicated nature.
<b>Emerging Theme</b>	Couple the investment in the latest technology with training or re-learning due to the ever-evolving Fourth Industrial Digitization that is affecting many institutions at a speed lightning pace.
<b>Category of Responses</b> of	The monetary loss and wasteful expenditure that affect the organizational financial position and reputational collateral damage
<b>Patterns</b>	A system of risk mitigation and reduction such as CURO is not only at risk from internal source but also the external source alike with the synergetic and synchronous effect from decision makers, implementers, and end users alike.

### **6.3 To Determine the Impact of Risk Culture in Risk Mitigation Execution**

RP 13: *“Culture that is shared in the organizational DNA and nucleus while it should originate from the oversight leadership role (Councillors), the buy in from top executives, management, and the frontline employees. This should be in accordance with the principles of Good Corporate Governance as stipulated in King 111 guidelines for instance”.*

RP 14: *“The institutional risk culture has also been triggered by the continued influence of the oversight arm into the management and operational matter in running a sustainable entity such as the Municipality. This has adverse effects on management, accountability, governance, and overall perceived reputation by both internal and external stakeholders alike”.*

RP 15: *“The level of awareness should be continually reinforced so that risk reduction culture can permeate in all institution wide ranks. As the personnel gets familiar with knowledge and the associated pertinent information on risk averse behaviours and conduct, it will help accelerate the development of a risk affinity culture.”*

RP 1: “The top management should walk the talk and be exemplary on the *Risk management and therefore a mind-set behavioural change is of significance importance if that has to wholesale effected and implemented*”

RP5: “*The organization-wide recruitment of personnel including top, middle, and junior management as well as technical or elementary positions need to make provisions that the ethos and mantra of the organization is risk sensitive. The onset comprehension by all the personnel joining the municipality and the provision of a continuous and the ongoing capacity building of the dedicated staff is also vital.*”

RP 10: “A diverse and variety of initiatives and *programs that are earmarked to curtail risk behaviour and conduct and their adverse consequences should be encouraged so that the personnel is aware that they own the triple bottom line fortunes of the institution*”.

	<b>Analysis Dimension</b>
<b>Coding in objective 3</b>	Respondent’s insights in risk management culture within an institution has been aggregated and synthesized into cogent themes and patterns.
<b>Dominant Theme</b>	All and sundry in the institution have a critical role to play in the risk management strategically, tactically and operationally.
<b>Emerging Theme</b>	The capacitation and resource allocation is of vital importance.
<b>Category of Responses</b>	The risk area is not in pockets and silo’s but should be proactively identified and isolated.
<b>Patterns</b>	Every personnel, contractor and direct or primary stakeholder has a peculiar role to play within the risk management fraternity.

## 7. CONCLUSION

The evidence showed the significance of the application of a systematic process flow in terms of risk management within the municipality, leverage the optimization of its applicability and achieving desired or intended outcomes strategically, tactically, operationally and through an actionable approach. This process could augment the relevance of the existing CURO risk management system and the concomitant phases and stages that could flag the risk impact from less intensity to high intensity altitude. Choi et al. (2016) posited that the goal of the study of risk phenomenon is to pre-empt and be proactive in developing requisite controls and measures that mitigate the threats for the organization. The data indicated respondent’s recognition of the role that is played by software programmes that are meant to augment the feasible and practical efficiency in the adoption of zero tolerance when it comes to organizational risk

vulnerability. Purdy (2010) corroborated similar findings that delineate and isolate the risk parameters in such a manner that monitoring and evaluation frameworks implemented will support and assist the control and preventative course of action. Wheelen et al. (2011) alluded to hard strategic organizational trajectory as being of critical importance so as not to be in oblivion in the aspects that are prone to risk environment and its decimating impact on the organization wellbeing. It is critical in the organization to anchor the risk mitigating processes, systems and procedures and segment them in such a way that they all communicate with each other in real-time. This will invariably facilitate robust and efficacious interaction and relations between the responsible risk management champions and their teams; the third line of defence is the internal audit being an assurance provider could lead to seamless assimilation and complementary collaboration (Luburić, 2017). Top leadership pragmatic indulgence is of paramount importance, specifically the transformational leadership style as maintained by Choudhary et al. (2013) in light of its affinity for inclusivity and diversity-based values. The findings also showed the importance of an institution wide adoption of a sound risk management culture and the related responsible governance applications in all the organizational echelons pertaining to risk management reduction awareness issues (Fadun, 2013). This resonates with the respondents' assertion of the legal nature of the accounting officer and the entire personnel to safeguard the execution and application of risk management measures and controls with integrity, transparency and dedication (Scarlat et al., 2011). This phenomenon of risk management therefore will precipitate into ERM that is flawless and acceptable to institutional constituencies, stakeholders and the society.

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