



Gartner®

Head of ERM Leadership Vision 2022

3 Strategic Actions for Success

From Chris Howard, Chief of Research, Gartner

As we head into 2022, we continue to feel the human toll of the global pandemic, but we already know it has been a watershed period in which attitudes and norms have permanently shifted — in our everyday lives and at work.

Living through COVID-19 has increased social awareness — as have growing demands for equity for those who are underrepresented.

Businesses have also changed. For many organizations, the pandemic has catalyzed digital business initiatives as we adapt to the demands of employees, customers and other stakeholders, who were forced into new digital options that they have now come to favor.

B2B purchasers are happy to buy digitally, without a sales representative; B2C consumers are buying off social media platforms; employees are physically distributed and communicating asynchronously — and IT infrastructures must secure the organization despite this “anytime, anyway, anywhere” way in which we’re operating.

You and your team may be burning out, and it’s never been more important to prioritize your time and energy.

In your role as a leader, you’ve now spent months adapting to change and delivering new solutions at speed. You and your team may be burning out, and it’s never been more important to prioritize your time and energy. To help with that, Gartner Leadership Vision provides top-level guidance to leaders and their teams on where to focus — based on our data-driven research.

We’re providing detailed insights to our clients across dozens of roles, and we’re now excited to share excerpts with the business community beyond our clients. We hope this will help you to focus discussions with your teams, peers and other leaders, so you can more quickly and effectively diagnose priorities and actions, especially as you solidify your strategic plans for 2022.



Chris Howard
Chief of Research, Gartner

Trends, Challenges and Actions for the Head of Enterprise Risk Management (ERM)



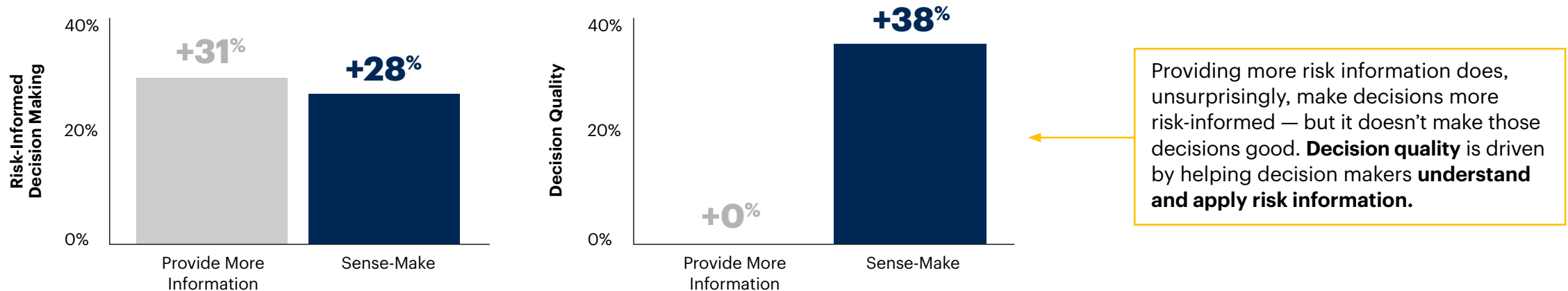
Source: Gartner

Make Sense of Already-Accessed Information to Alleviate Information Overload

By leveraging the sense-making approach to decision making, you ensure that major decisions ahead are risk-informed.

Impact of ERM Approaches on Decision Process and Quality

Percent change in outcomes as a result of moving from 10th to 90th percentile in different ERM approaches



The **sense-making** approach for ERM includes: (1) synthesizing risk information from different sources, (2) prioritizing information by relevance, (3) helping apply information in context, and (4) preparing executives to sense-make independently.

n = 370 executive decision makers

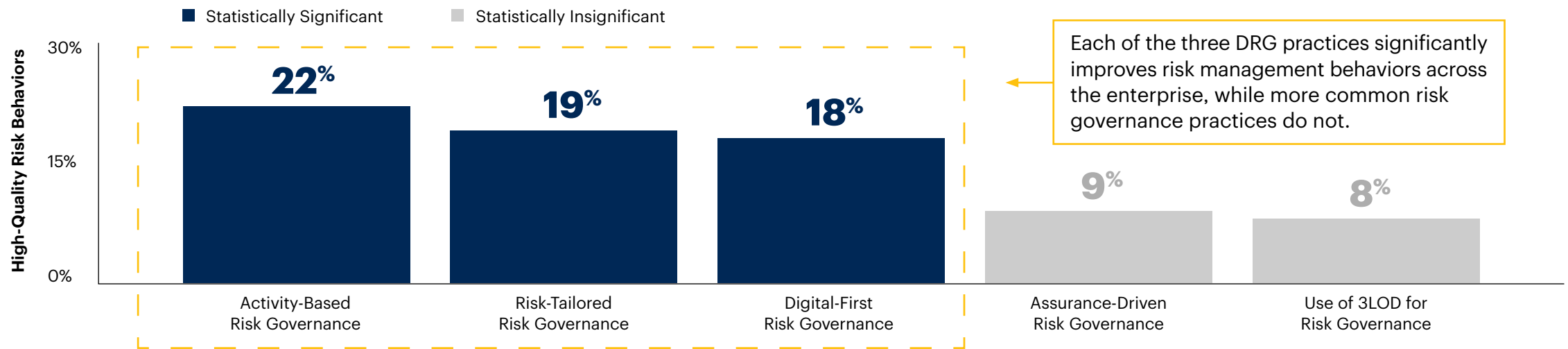
Source: 2021 Gartner Risk Decision Maker Survey

Coordinate With Other Assurance Functions to Better Manage Emerging Risks

Embrace new dynamic risk governance (DRG) models that break down unnecessary barriers between assurance providers.

Impact of DRG and Non-DRG Practices on Risk Management Behaviors

Percent change in high-quality risk management behaviors as a result of moving from 10th to 90th percentile in various risk governance practices



n = 217

Source: 2020 Gartner Dynamic Risk Governance Statistical Model

Meet the Urgent Demand for Organizational Resilience

Deliberately design programs that enhance the organization's adaptive capacity to execute under stress.






Path to Organizational Resilience



Source: Gartner

Implement Resilience Across Five Layers

Apply a risk-based lens to proactively scan for vulnerabilities in each of the five layers of organizational resilience.

	 Leadership	 Culture	 People	 Process	 Infrastructure
What It Is	Leaders' ability to guide the organization through adversity and unite employees around a clear purpose and mission	A group's ability to handle adversity and return to a "new normal" while maintaining adequate performance levels	An individual's ability to maintain emotional, mental or physical stability, or return to stability despite stressors	The capacity to adjust functioning and sustain required operations under both expected and unexpected conditions	The ability of IT, cybersecurity, supply chain and physical facilities to withstand shocks and adjust to new requirements quickly
Example Risk/Threat	<ul style="list-style-type: none"> • Senior management not conducting all-company meetings • Frontline employees unable to vary from defined processes when warranted 	<ul style="list-style-type: none"> • High staff turnover due to hostile environment • Consolidation of separate collaboration tools stalled 	<ul style="list-style-type: none"> • Employee rewards not being paid out 	<ul style="list-style-type: none"> • Management briefed separately using different heat maps for different risks 	<ul style="list-style-type: none"> • Outstanding health and safety violations in a building • Declining sales due to lack of digital alternatives
Action for ERM	Help leaders identify, negotiate and resolve differences in perspective before exploiting risks.	Use risk workshops to ensure employees are trained, prepared and able to identify risks.	Proactively identify and respond to warning signs of change before they escalate into disruption.	Identify key processes that need to change, adapt or scale for response and recovery.	Be prepared for, and provide training on, infrastructure restoration strategies and plans.

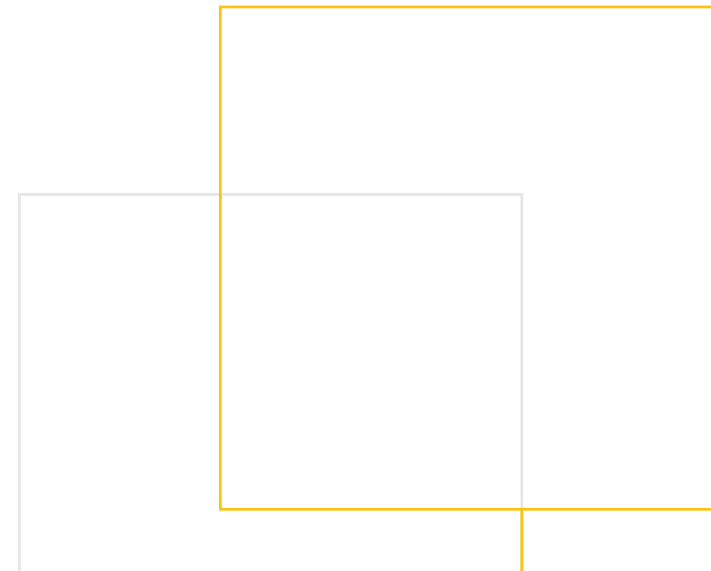
Source: Gartner

Recommended Actions

Prioritize helping decision makers **make sense of risk information** they already have over providing additional risk information.





Adopt **dynamic risk governance** instead of continuing to rely on the three lines of defense (3LOD) and/or similar “risk governance 1.0” models.

Prepare the organization to **withstand future disruptions** by going beyond BCM to build an organizational resilience program that addresses each of the five resilience layers.



Actionable, objective insight

Explore these additional complimentary resources and tools for risk leaders:

 <p>Research Top Emerging Risks</p> <p>Explore this quarterly report to find out what emerging risks senior executives are monitoring closely.</p> <p>Download Excerpt</p>	 <p>Research Build a Better Strategic Plan for Your Function</p> <p>Turn your strategy into action with our tools and templates.</p> <p>Download Templates</p>	 <p>Resource Hub Future of Work Reinvented</p> <p>Reinvent where, when and how we work to maximize employees' engagement and productivity.</p> <p>Learn More</p>	 <p>Journal Gartner Business Quarterly</p> <p>Stay up to date with the most compelling research on organizational issues that cut across the C-suite.</p> <p>Download Now</p>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Already a client?
Get access to even more resources in your client portal. [Log In](#)

Get More.

Get actionable, objective insight to deliver on your most critical priorities. Our expert guidance and tools enable faster, smarter decisions and stronger performance. Contact us to become a client:

U.S.: 1 855 811 7593

International: +44 (0) 3330 607 044

[Become a Client](#)

Learn more about Gartner for Risk Leaders

gartner.com/en/audit-risk

Stay connected to the latest insights

