

12TH ANNUAL

ERM SUMMIT

**NEXT
GENERATION
OF ERM**
WHAT YOU
NEED TO KNOW

AFERM
Association for Federal
Enterprise Risk Management

October 29-30, 2019

Ronald Reagan Building

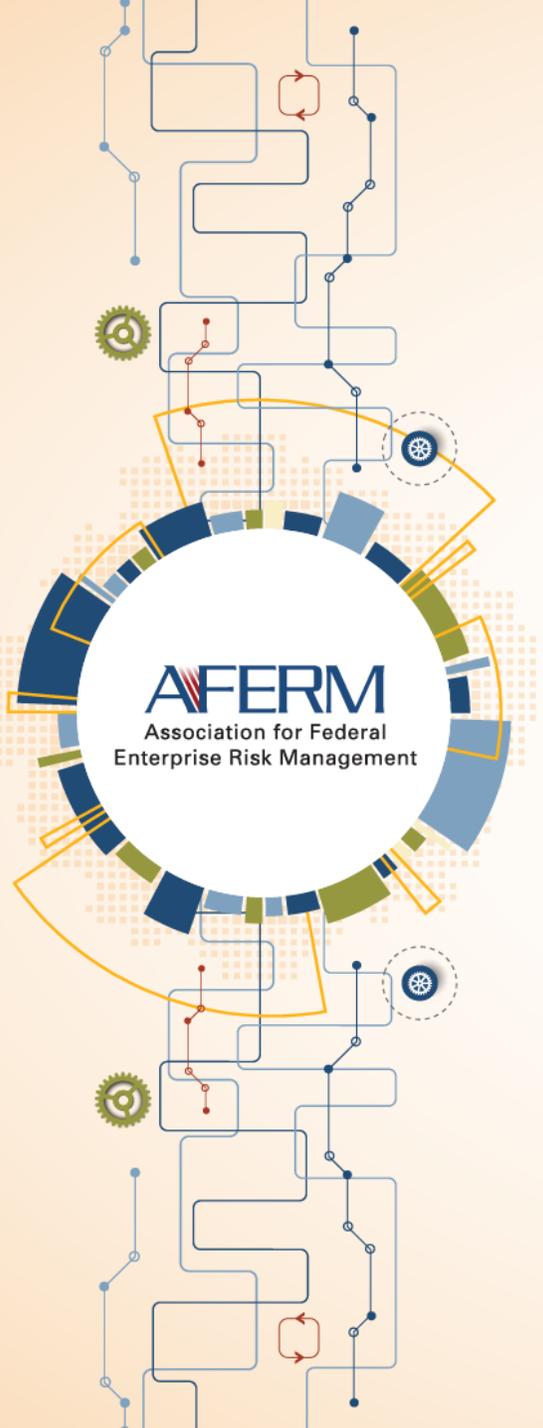


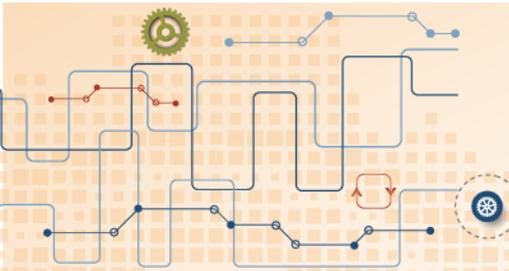
What's Diversity and Inclusion got to do with ERM?

Session 4E

1:30-2:30pm

October 30, 2019





Moderator and Panelist Introductions

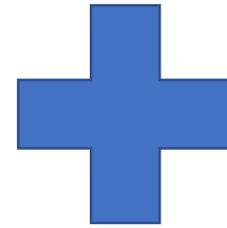
- Moderator: Liz Jung
- Panelist: Marianne Roth
- Panelist: Lori Giblin
- Panelist: Montrice Yakimov

What is “Diversity & Inclusion”?



Both D&I are needed for success

Diversity in teams and the workplace....



....Intentionally fostering a culture of inclusion

- Employees feel **trusted, valued**, and that they are **treated fairly**
- Employees feel they can contribute their **ideas and opinions** without fear of retribution
- Employees feel **empowered** to grow and do one's **best work**



Organizational Benefits of Diversity & Inclusion



Increased Innovation and Creativity

- 85% of surveyed companies with over \$500 million in revenue either agreed, or strongly agreed that "a diverse and inclusive workforce is crucial to encouraging different perspectives and ideas that drive innovation." (Forbes)



Increased Productivity

- Inclusive teams outperform less-inclusive teams by an average of 50%. (Gartner)



Better Decision-Making

- When diverse teams made a business decision, they outperformed individual decision-makers up to 87% of the time (Cloverpop White Paper)

Organizational Benefits of Diversity & Inclusion (cont'd)



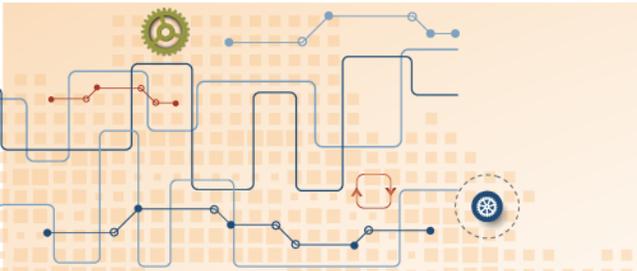
Faster Problem-Solving

- Harvard Business Review found diverse teams are able to solve problems faster than cognitively similar people

Positive Workforce Impacts



- Employee Retention - 72% of employees surveyed would leave their company for a more diverse organization. The survey also found 53% of millennial respondents had already done just that. (Deloitte)
- Attracting Top Talent - 67% of job seekers evaluate a company's diversity practices before accepting a job offer. (Glassdoor)
- Inclusion fosters higher employee engagement, productivity and company loyalty resulting in higher retention rates. (Risk Management Magazine)



Why does this matter for ERM?

- Many organizations have reported **improved ERM results** due to D&I integration
 - Improves identification of risks and opportunities (some organizations have reported a 30% reduction in emerging risks)
 - Easier to overcome groupthink - resulting in more accurate and effective risk self-assessments and scenario analysis
 - Improved implementation of risk responses through increased trust and buy-in throughout the organization
- Other risk organizations are **recognizing the importance** of D&I in risk management
 - RIMS created a Diversity and Inclusion Advisory Council in 2019
- Some federal agencies have **specific D&I mandates**
 - CFPB and other financial regulators are required to increase D&I within their agencies and to develop standards for assessing the D&I policies and practices of the firms they regulate

Practical Next Steps – What can ERM practitioners do?

Create a safe place for exchanging ideas

- This should be done in group but can also be fostered 1-on-1

Look outside your agency

- Search outside your organization, or even outside of your industry, for diverse candidates who could fit the role

Look outside your ERM team

- Consider diverse candidates in your organization to participate in the ERM program.

Reinforce tone at the top

- Obtain commitment from the top – leaders cast a long shadow
- Establish accountability measures

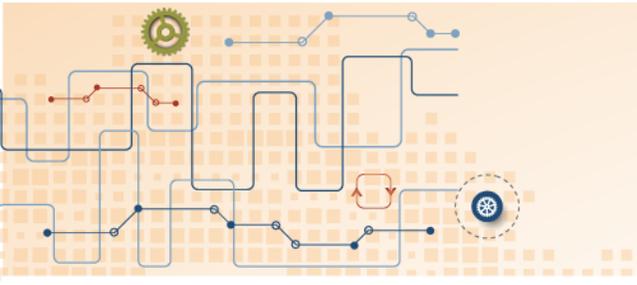
Forward-looking succession planning

- Start looking one or two levels down and grooming the next round of ERM leaders.
- Ensure diversity in middle-management roles for each of the agency's enterprise risks.
- Expose diverse candidates to the ERM process.

Be adaptable and flexible

- Regularly re-evaluate your ERM leadership.
- When hiring, consider the diversity of your interview slate and your selection panel





Be Aware of Common Pitfalls...

Ineffective communication of the “why” ERM and D&I are important

Avoiding the “tough” conversations

Focusing on diversity, but not inclusion

Viewing those who raise issues as the problem

Failing to connect individual / office level issues to systemic issues

Final Thoughts...

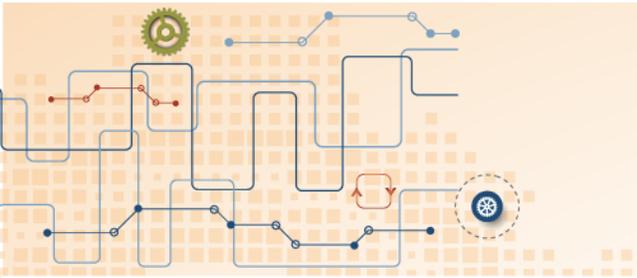


In diversity there is beauty and there is strength

- Maya Angelou

Our workforce and our entire economy are strongest when we embrace diversity to its fullest, and that means opening doors of opportunity to everyone and recognizing the American Dream excludes no one.

- Thomas Perez



Thank You!

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