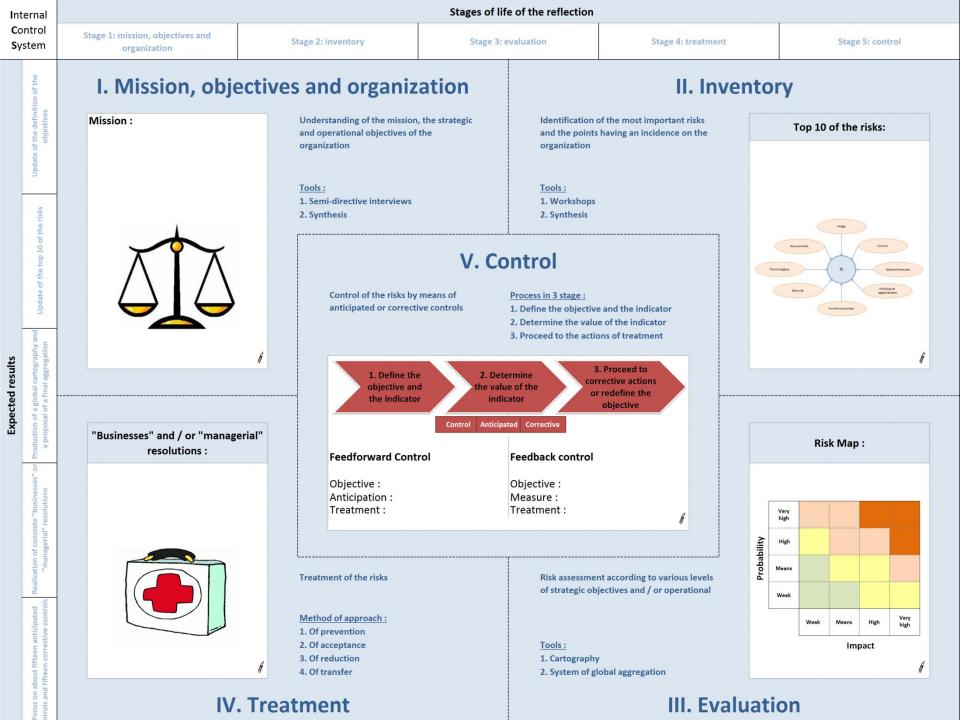


When the main risk comes from the management process itself

Dr Emmanuel Fragnière, CIA Hes-so School of Management Sierre

10th Annual GRC Summit 2016 - London

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As with every service activity, human resources play a key role in the banking industry.

In these hectic times, collaborators may have lost their bearings.

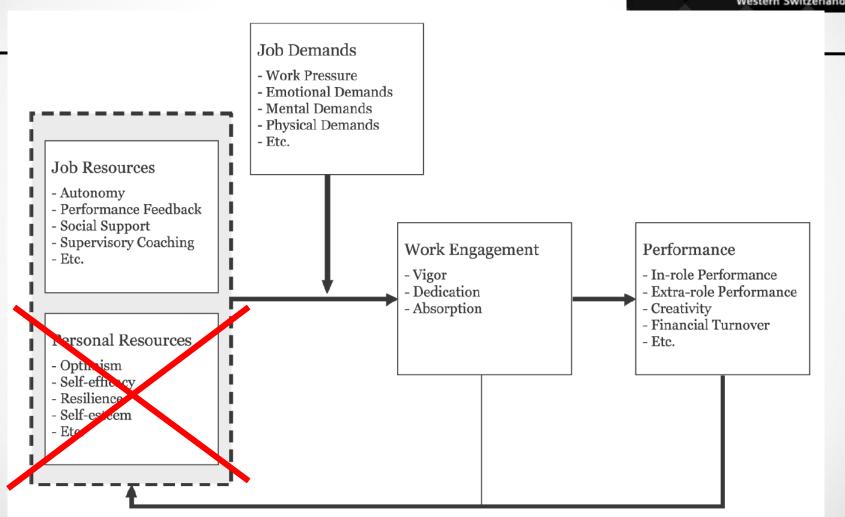


Methodology

- Literature review
- A priori hypotheses.
- 35 semi-directed interviews.
- Content analysis (with the help of RQDA)
- New theoretical framework

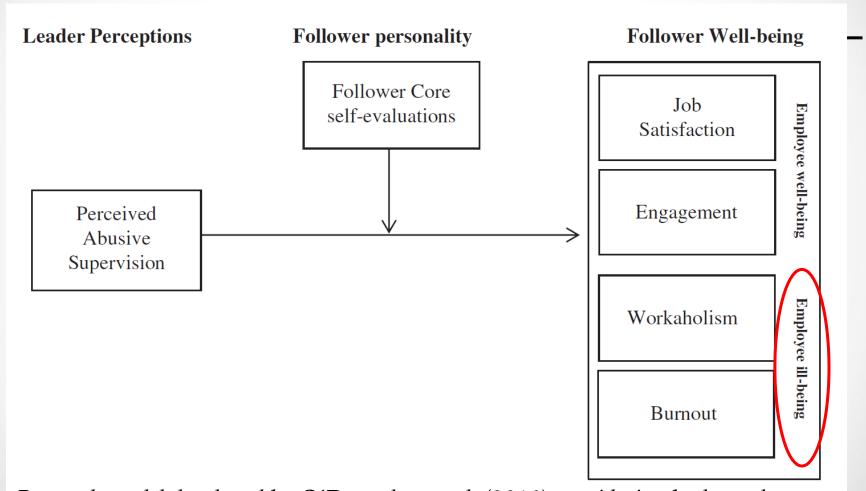
Dubosson M., Fragnière E., Pasquier M. and Reynard C., "How human risk could lead to value destruction in services: an exploratory study about occupational stress in the Swiss wealth management sector", XXVI. International RESER Conference, pp. 492-511, 2016.

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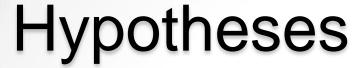


Job demands-resources model (Bakker; Demerouti, 2008, 218)





Research model developed by O'Donoghue et al. (2016) considering both employee well-being and employee ill-being



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Job resources

- Autonomy
- Job control/Participation
- Performance feedback
- Social support
- Supervisory coaching/ Leadership
- Learning opportunities
- Rewards Job resources
- Job content/Skill variety
- Competence/Capabilities
- Job security

Ill-being

- Job dissatisfaction
- Health trouble
- Psychological symptoms (Anxiety, Depression, ...)
- Negative stress
- Disengagement / Cynicism
- Exhaustion
- Burnout

Value destruction

- Extra-role lack of performance
- In-role lack of performance
- Decreasing financial returns
- Lack of adaptability/Creativity
- Customer dissatisfaction (perception of bad service)
- Employee turnover
- Employee absenteeism

Job demands

- Work pressure
- Excessive workload
- Demanding clients
- Cultural context/Climate
- Changes/Turbulence
- Organizational roles
- Role conflict
- Role ambiguity
- Poor environmental conditions

Revised model (based on Bakker; Demerouti, 2007 and Donoghue, 2016) used for coding purposes

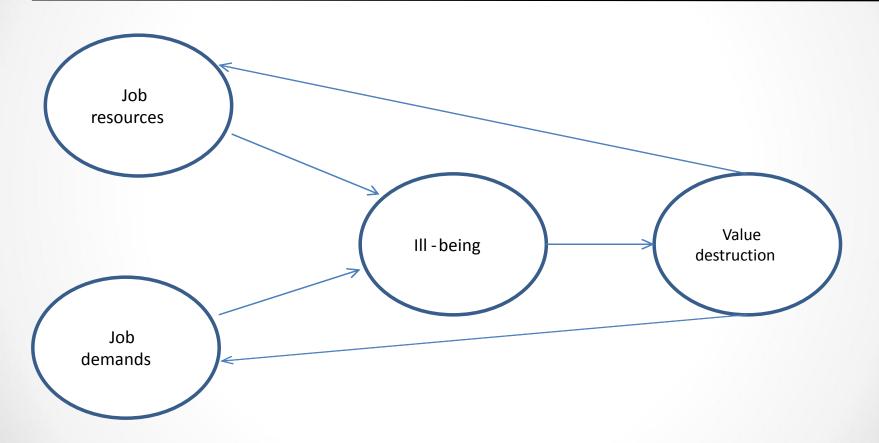


It's like Foreign Legion. You come with your weapons and equipment. You don't care about your employer. Employees are like mercenaries.

(Interview 9 – chief security officer)

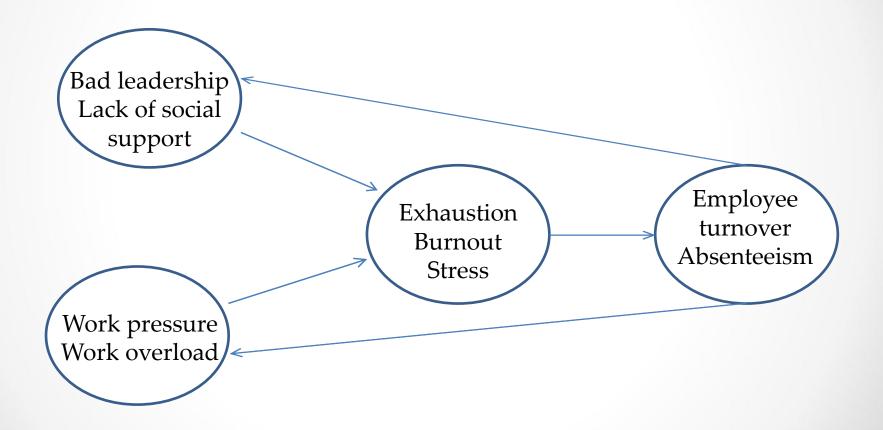
Human risk – Value destruction loop





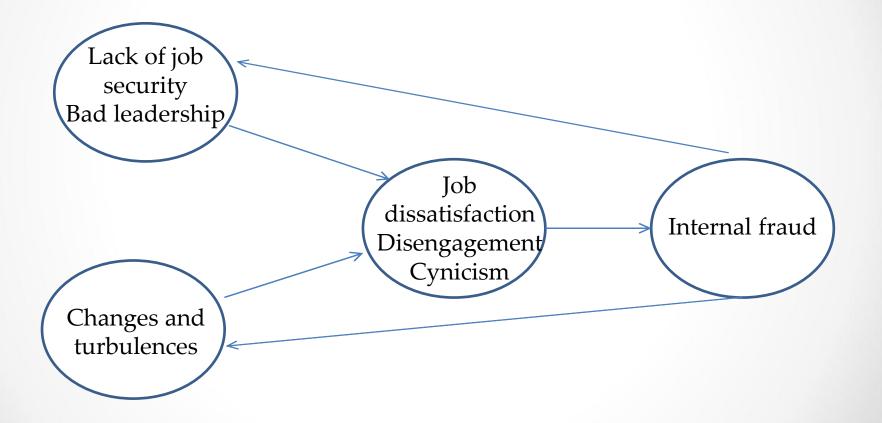
Human risk – Value destruction loop





Human risk – Value destruction loop





Concluding comments



- Value destruction reinforces stressors as part of a vicious circle (human risk – value destruction loop)
- There is a contagion effect
- Address the causes at the origin of the risks rather than its consequences – development of new methods
- Need for more proximity, direct communication and trust
- Test reliability in different industries
- Further quantitative research



Our bank is like a steamer. We regularly increase the heat. We don't know when it's going to explode. But when it will, damages will be huge.

(Interview 7 – private wealth advisor)

Including the human factor in risk software



- We have been collaborating over the last ten years with OXIAL to integrate our applied research on risk management in a real risk software
- We continue to work with OXIAL engineers to build on the notion of human risk in their software
- OXIAL GRC Solutions are unique in this respect





Thank you for your attention!

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