RIMS RISK MANAGEMENT TALENT 2025 REPORT



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Methodology
Responses collected via internet link from April 19, 2019 to June 6, 2019. There were 1,170 total completed surveys, 845 of which were submitted by risk management professionals. The two open-ended questions received a combined 1,511 comments. For additional questions about methodology and analysis, please write to content@rims.org.

A digital copy of this report is available on www.rims.org/resources/risk-knowledge.

RIMS the risk management society

As the preeminent organization dedicated to educating, engaging and advocating for the global risk community, RIMS, the risk management society™, is a not-for-profit organization representing more than 3,500 corporate, industrial, service, nonprofit, charitable and government entities throughout the world. RIMS has a membership of approximately 10,000 risk practitioners who are located in more than 60 countries. For more information about the Society's world-leading risk management content, networking, professional development and certification opportunities, visit www.RIMS.org.

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Introduction

Building and maintaining a strong talent supply is a priority for organizations in every sector. This is especially true for risk management, which is experiencing changes in its workforce. Baby boomers, who have long comprised its majority and leadership, are continuing to retire and vacate their roles. While this should be an opportune time for up-and-coming risk professionals and students entering the workforce, organizations are reporting they are experiencing a talent gap. The supply of prepared risk professionals is not meeting the demand.

Assessing this shortage and the ability of the talent within the profession to acquire knowledge and learning agility is critical for the future of the profession. Risk professionals are continually pivoting from traditional practices, rooted in insurance, to strategic and enterprise risk management. Whether this evolution becomes a personal threat or an opportunity depends on how risk management professionals, aspiring risk professionals and executive leadership perceive the value that the practice offers. The information in this report is intended to facilitate an exchange of ideas and knowledge, and to help ensure that any transitions within the profession will be made smoothly.

The RIMS Risk Management Talent 2025 Report offers insight about the future of the profession. RIMS, in alliance with Willis Towers Watson, The Hartford and Chubb, collected more than 1,170 surveys—including 845 from risk professionals—to understand who comprises the profession today, as well as who is projected to do so by 2025. The survey also asked respondents to assess their functions, the importance and impact of diversity and inclusion initiatives, and the effectiveness of educational curriculum. This new data and insight will help organizations identify where skills and experience can be strengthened and position them to build pipelines of talent.

"Risk management professionals must develop an approach and plan for a continually expanding landscape of new challenges to demonstrate their value," RIMS 2019 President Gloria Brosius said. "Five years from now, these shifts may be complete and those who didn't at least plan ahead will be left behind."

Key Takeaways

Survey results indicate that almost all respondents (94%) agree that risk management professionals need to develop new skills to meet future challenges. However, not everyone believes that the profession will be prepared to handle them.

Different groups have varying levels of confidence. Fifty-three percent of risk management professionals believe the profession will be prepared to meet future challenges by the year 2025. However, executive leaders were even more pessimistic—only 32% agreed that that risk management professionals of today are prepared. By contrast, 76% of risk management students expressed confidence that they are up to the task. This difference in perspective is notable, but the positive news is that both risk management professionals and students said they are willing to sharpen their skills to bridge the perceived knowledge and talent gaps.

Participants offered their insights about how their organizations understand and manage risk. The report reveals how critically executive leadership views the risk management function, with 87% agreeing that the function is highly valued within their organizations. However, risk professionals apparently struggle to get the acknowledgment they deserve—only 46% believe leaders who operate outside of the function see it as vital to company growth.

Outlooks on diversity and inclusion initiatives were revealing. Eighty-nine percent of the overall respondents (and 88% of risk professionals) believe attracting a culturally and professionally diverse workforce within risk management is vital to decision-making now and in the future.

Additionally, students and recent graduates weighed in on whether they believe classroom training adequately prepares for in-the-field risk scenarios. An increasing number of universities are offering classes that reflect the domains contained in the RIMS Certified Risk Management Professional (RIMS-CRMP) curriculum. And though the profession is benefitting from high interest among students, 76% of overall respondents believe that universities must substantially alter their curriculum to meet future risk management challenges. Furthermore, only 16% overall project they will have sufficient graduates to meet market demands by 2025.

Finally, the survey explored the main challenges risk professionals face today and what new skills are needed for the success of risk management professionals by 2025. These two open-ended questions elicited 1,511 comments. Some of the most common issues detailed in the responses included securing leadership buy-in for ERM concepts and frameworks, retaining talent, and a disconnect between what appears in textbooks and what happens on the job. Commenters mentioned a range of necessary skills for future success—from coding language and digital literacy to public speaking and the ability to leverage diversity and inclusion initiatives.

The Current State of Risk Management

Seventy-eight percent of the risk professionals surveyed agreed that their functions were highly valued in their organizations (see Figure 1). The same percentage also agreed that there was shared responsibility for managing risk across their enterprises, but only 46% believe that leaders viewed the function as contributing to growth.

That split in perception was consistent among respondents in all experience levels. The survey data revealed that the more tenured risk professionals felt the most valued; 81% of risk professionals with 11-20 years of experience and 84% of those with 20-plus years agreed. But less than 50% of those same two groups also believe leaders outside the risk function see the field as critical to organizational growth.

"Companies today need to realize the value that a risk professional can bring to the table," Brosius said. "In my experience, few risk management departments are revenue generators. Instead, we are protecting our companies' assets every day through loss prevention, insurance placement and enterprise-wide solutions."

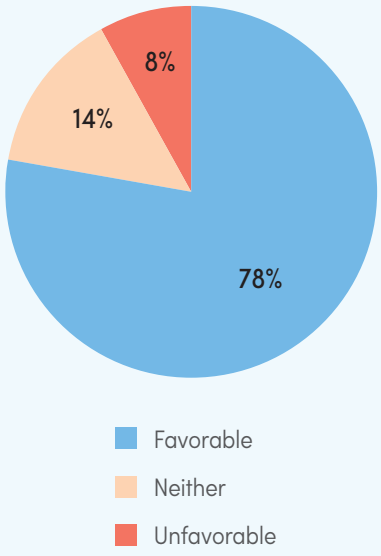
Similar to the most tenured professionals (particularly those with 20 or more years of experience), baby boomers reacted the most favorably to the statements about risk function. Eighty-three percent agreed that their function is highly valued by their organization, and 51% agreed that leaders outside of the function see the field as critical to company growth.

Risk professionals need to continually prove their worth to other stakeholders, Brosius noted. She offered the following tips for professionals in an effort to remind others of their contributions.

"[F]ew risk management departments are revenue generators. Instead, we are protecting our companies' assets every day through loss prevention, insurance placement and enterprise-wide solutions."

1. **Put your progress for value protection in writing.** "Produce a quarterly report that shows reduced losses or initiatives implemented to begin reducing losses. I produce an annual report that shows year-over-year savings."
2. **Don't operate in a vacuum when creating value.** "Get out from behind your desk and get involved with other departments. Doing so gives a wider view of the organization and you can then help with implementing valuable initiatives that impact the bottom line."
3. **Step up.** "Risk management professionals may not be the company leaders, but you can still be one of its leaders. Leadership is a valuable trait in accomplishing both of these goals, and strong communication is a key component of leadership."

Figure 1. Risk professionals respond: My risk management function is highly valued within my organization.



Respondents on Challenges Faced by Today's Risk Professionals

"The perception that risk management isn't needed and the way a person or company is doing things is the right way (there's a resistance to change)."

"Liasing with other departments in the organization with respect to risk management."

"Senior leadership buy-in, and a resistance to ERM."

"Motivating people to engage in the risk management process."

"Getting management's attention and support. Being included in operations planning especially when things are going well, since that's when I seem to get ignored."

"Getting attention/action for risks with intangible impact, not just cost and schedule."

"Prejudice against the risk management team as a 'cost center' instead of a 'profit center.'"

The Future of Risk Management

Rising risk professionals and students will find similar challenges in climbing the proverbial hill. Although they are entering a growing profession with high demand, today's professionals and executives appear to have doubts about the ability of new employees to meet future challenges.

As previously mentioned, the overall responses to the value of risk function demonstrated some divisions. That was most evident when discussing confidence in the future risk professional, which bordered on an even split (at best, in some cases).

Only 53% of the overall respondents felt confident in the abilities of the future risk professional, as did 50% of all risk professionals with 20 or more years of experience, and just 32% of executive leadership (see Figure 2).

By contrast, 76% of risk management students (those who would presumably be the future risk professionals) are confident they will have the skills to meet the challenges of 2025.

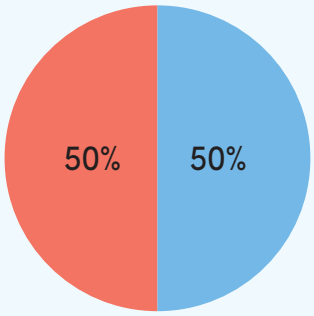
This bifurcation is evident of two vastly different outlooks, which Brosius said needs to be addressed since it questions the qualifications of the incoming workforce. It also mirrors the overall perspective that universities and colleges are not adequately equipping students of today (which will be explored in the "Education" section).

Brosius added that if the next generation's willingness can dispel the more seasoned professionals' outlook, it could will translate into healthy discussions and gains for the profession.

"Risk leaders and executives should flip the script and establish clear, measurable goals for their new risk professionals and work with them to ensure those goals are met," Brosius said. "With data to support their success, organizations will recognize the value of their risk departments and hopefully influence positive change."

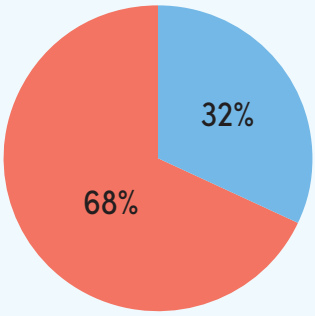
Figure 2. Various groups respond: Are you confident that future risk management professionals will be prepared to meet business challenges by 2025?

20+ Year Risk Professionals



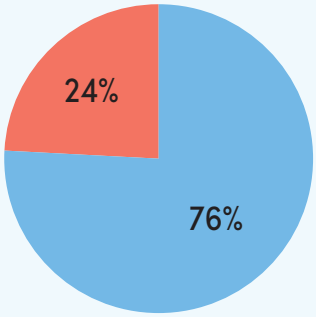
There is an even split among risk professionals with 20+ years of experience that future. 50% felt confident that future risk management professionals will be prepared to meet business challenges by 2025.

Executive Leadership



Of all executives, 32% expressed confidence.

Students



Students believe in their abilities, with 76% saying they are confident they will be prepared for emerging risks of the next five years posed by technology, geopolitics and cyber, among others.

Respondents on the Challenges Future Risk Leaders May Face

"[Lack of] access to information about what others are doing and higher quality training for the profession."

"Not enough people my age and not enough work for new professionals."

"The current generation of leadership needs to put aside their egos and image to be willing to admit they are not risk experts and allow us to do our jobs."

"Limited career advancement. Lack of functional skills to run and lead in a business."

"Lack of diversity in upper management. As a young professional not seeing many opportunities for growth."

Diversity & Inclusion

The survey explored the perception of diversity, as it is inexorably tied to hiring practices. Results showed that diverse perspectives is a trait many risk professionals look for when seeking employment or trying to build an inclusive corporate culture. The concept of diverse perspectives and backgrounds were met positively, overall. But in some cases, responses revealed some differences of opinion. To learn what concepts the decision-makers of today and the leaders of tomorrow value, the survey asked them how strongly they agreed or disagreed with the following six statements:

1. We need people from a variety of cultural backgrounds in the risk management field.
2. We need people from a variety of professional backgrounds in the risk management field.
3. A diversity of perspectives is vital to risk management decision-making TODAY.
4. A diversity of perspectives is vital to risk management decision-making by 2025.
5. The risk management discipline needs to increase efforts to ATTRACT diverse talent.
6. The risk management discipline needs to increase efforts to RETAIN diverse talent.

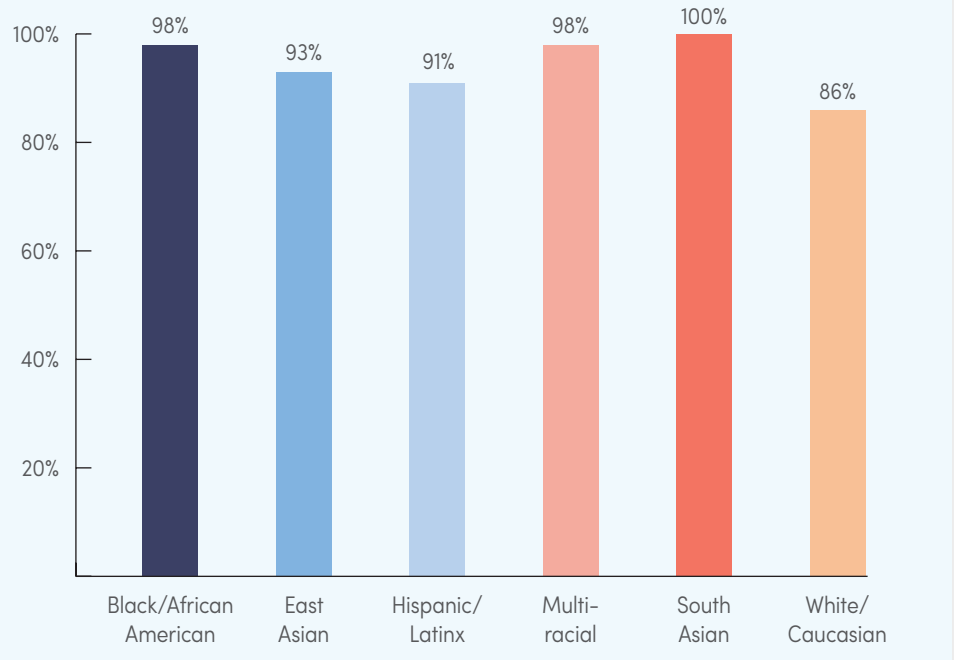
Eighty-nine percent of overall respondents reacted favorably to the above statements, as did 87% of all risk management professionals, indicating that respondents support diversity in the profession and the workplace—at least in theory.

While the overarching consensus among the industry is that diversity and inclusion (D&I) initiatives should be embraced and seen as vital to its advancement, the survey demonstrated some trends and patterns.

Among risk professionals, men responded slightly more negatively than women to the statements on diversity. For example, when posed with Statement 1 about needing cultural diversity in the field, 82% of men and 92% of women agreed. Similarly, when responding to Statement 5, 80% of men and 89% of women agreed. And in both those examples, men were slightly below the average percentage, whereas women were slightly higher.

When examining the responses provided by risk professionals who identified their ethnicities, D&I approaches and efforts were generally met with positivity. As shown in Figure 3, Black/African American risk professionals overwhelmingly responded more positively than the general population to each statement pertaining to the importance of diversity, and in most cases, agreed completely. The general idea that diversity is vital to the success of the profession was similarly shared East Asians, Hispanic/LatinX, Multiracial, and South Asians. White/Caucasians also responded favorably, with 86% overall agreement.

Figure 3. Risk Management Professionals' Average Agreement With Diversity and Inclusion Statements, by Ethnicity and Race



"Our next generation of risk professionals are perhaps the most well-versed in diversity and inclusion. It's been a part of their whole lives and they will expect that in their jobs."

In viewing risk management professionals' responses by tenure, 83% of the most seasoned professionals—those with at least 20 years of experience—agreed with the statements regarding diversity. When examining age groups, Generation Xers comprised the majority of the respondents, with 89% agreement to each of the diversity statements. Millennials strongly agreed as well, with 93% recognizing a need for a variety of cultural backgrounds and 95% believing that by 2025, a diversity of perspectives is vital.

Since these groups will play an increasingly more significant role as decision makers and leaders over the next five to 10 years, Brosius said companies should note what the younger age groups value as they experience a changing of the guard with continued retirements of baby boomers.

"Our next generation of risk professionals are perhaps the most well-versed in diversity and inclusion. It's been a part of their whole lives and they will expect that in their jobs," she noted. "This is the opportunity for risk professionals—particularly at the senior level—to drive measurable D&I initiatives in their organizations so that a full range of perspectives, ideas and experiences are represented."

Respondents on Diversity & Inclusion

"Diversity has become a big talking point in corporations. Left out of the conversation is the fact we need socioeconomic diversity on our boards and not just all the rich, well-known people. This lack of diversity results in myopic views from boards and leads to risk that nobody talks about."

"Lack of diversity in upper management [is a challenge]. As a young professional, [I'm] not seeing many opportunities for growth."

"Professionalism and the development of a risk management paradigm are needed. As professionalism increases across the various risk management functions and sub-areas, diversity will naturally flow from that. Artificial constructs to increase diversity have generally failed."

"Lack of diversity in the C-Suite and risk roles lead to lack of support in diversity initiatives. [There is] a lack of diversity in risk manager support [i.e., brokers] , so guidance is typically narrow in scope."

Having the Conversation About Diversity & Inclusion

by Robert Cartwright, Jr., RIMS Diversity & Inclusion Advisory Council member and RIMS *ex officio*

The fact that diversity—of perspective, professional background and culture—is generally embraced by this snapshot of the industry is encouraging. But it is only a snapshot and organizations can always take steps to make positive change.

A diversity of perspectives is an effective way to bring everyone to the table and begin making the type of real progress that improves our organizations and demonstrates the value of our profession.

Many risk management professionals who have risen through the ranks in the past 20 years have experienced first-hand that when different ideas and opinions are heard and embraced, innovation occurs. We saw this when the ISO and COSO frameworks were revised in the last two years. International experts collaborated with the goal of improving these industry cornerstones—oftentimes having to accommodate time zone changes, language barriers and vastly different opinions. This accomplished the goal of strengthening the global profession; diversity and inclusion efforts drove this endeavor.

Those leaders who want to get ahead of future challenges—particularly when it comes to attracting and retaining diverse talent—could take the following suggestions to help organizations as a new generation of thought leaders emerges:

1. **Drive the conversation** toward the "verb" and not the "noun." D&I is not a thing, but something that must be put in action, requiring multiple stakeholders to ensure its effectiveness.
2. **Connect the dots.** Educate your stakeholders on the ROI of D&I and share ownership of the program (that in itself promotes inclusiveness). Utilize as many internal and external resources to implement your D&I program. Collaborate with organizational leaders to create an enterprise-wide approach.
3. **Create a roadmap** to help your organization discover its shortcomings. This is a 21st century plan, which means changing how the business landscape looks in the present to affect the future. It is the same with any change—it comes with concerns, questions and anxiety. Develop metrics to measure your success and celebrate the milestones. This will reinforce your commitment to your initiatives.

Education

Perhaps one of the most notable findings of the survey is that only 16% of the 1,170 overall respondents agree that there will be sufficient number of risk management graduates to meet market demands in 2025 (see Figure 4). The consensus seems to indicate that supply will not meet the expected demand.

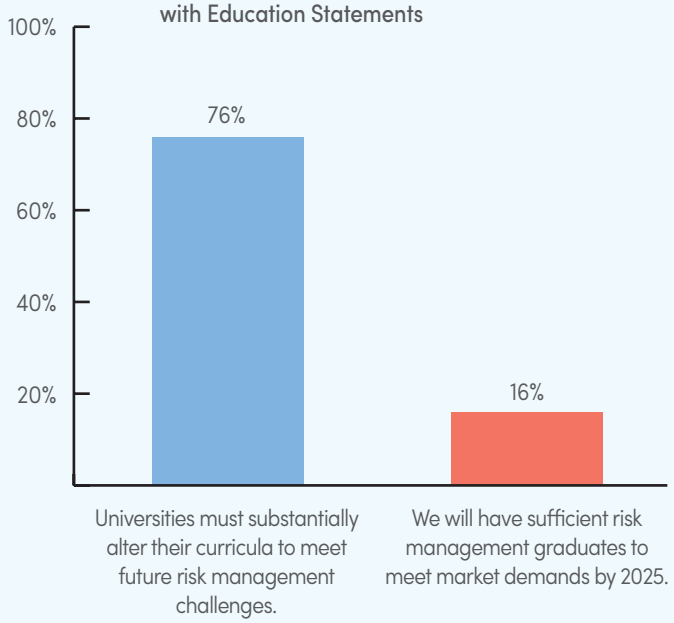
Executive leaders are directing their gaze at educators. Ninety-two percent of them believe that universities must substantially alter their curricula to meet future risk management challenges, compared to 76% of all respondents.

A Central American student identified the disconnect between education and application. She commented that her primary challenges are: "Actual education about current types of risks and future global risks," and "professional knowledge, theoretically and practically, about risk management techniques."

Students will benefit from real-world examples of the demands of the profession. But these lessons may not be incorporated into the curriculum fast and accurately enough. It is quite possible that this the point where the knowledge gap might be exposed.

"On-the-job training happens in every profession," Brosius said. "But it should be reported and explained in college textbooks and classrooms, so at least students can have real life references that make sense to them. This is critical for those situations that cannot be solved by a matrix or framework. While the technical aspect of risk management is important to learn, so are the softer skills of experiences, understanding situations and communicating value propositions."

Figure 4. Overall Respondents' Agreement with Education Statements



Even if universities did update their curricula, one 20-plus-year risk professional put the onus back on the profession with a focus on talent and enthusiasm. "The industry would be better served to find people who want to be better engaged and join risk management, and then invest the time and resources on them," the baby boomer said.

Challenges and New Skills

Two-thirds of respondents chose to comment when asked: "What two main challenges are you faced with as a risk professional?" Three common areas emerged from the responses—leadership support, dealing with and in a dynamic environment, and resources. Responses included:

LEADERSHIP SUPPORT	DYNAMIC ENVIRONMENT	RESOURCES
"Convincing senior management that risk management is not something that should only happen once a year in the form of a review."	"Pop-up oddities—new situations arise from a recently developed operation and market complexity."	"Not enough time to proved the necessary risk control assistance to each client in need."
"Executive buy-in, lack of long-term vision by department managers."	"The desire to maintain the status quo in the face of a changing marketplace/environment."	"Resources and budgetary constraints."
"Lack of executive support, until something bad happens."	"Emerging technology."	"Budget to fund proactive approaches instead of reactive."
"Getting the multiple departments to acknowledge the need and participate in the process."	"The amount of information evolving so quickly in the risk area can be overwhelming."	"... The second challenge is to continue to have enough time to properly do my job."

As new opportunities arise, risk professionals will have to broaden and diversify their abilities. Nearly everyone (94%) agreed that "new skills need to be developed to meet business challenges by 2025." Some skills mentioned in the comments for development include:

- Technical tools and data analytical skills.
- Interpersonal skills such as communication and the ability to gain buy-in from others.
- Multifunctional understanding of risk management, enterprise-wide.

"The [future] risk management professional will need to be familiar with and understand the 'IT world' much better [than we do now]."

For example, one baby boomer with more than 20 years of experience encouraged young professionals to expand their digital literacy to provide value for future employers. "The [future] risk management professional will need to be familiar with and understand the 'IT world' much better [than we do now]," he said. "We only dabble in it when we gather underwriting information and we really do not understand the interconnected nature of IT. We have no idea what these service contracts say."

Brosius said such strong favorability toward improving skillsets is essentially an invitation for risk management professionals to unite by sharing information, creating succession plans and ultimately strengthening the profession.

"Engaging in the greater risk management community, particularly with its younger members, can help both experienced professionals and those who are new to the discipline," she said. "In sharing, we all gain insights and ideas on new risks and how to handle them. Developing the next generation of risk professionals—in the classroom and in the field—will advance risk management."

TECHNICAL EXPERTISE

"We need to be better tuned into changes in technology and understand where those changes are impacting the global economy."

"Analytical skills in assessing data and technical skills to secure and maintain that data."

"Greater understanding of technology tools within risk management."

"Data analytics, data gathering and sampling methodologies, statisical testing and probability theory, human factors and testing methods."

INTERPERSONAL SKILLS

"Communication skills, interpersonal skills to be able to navigate throughout the various cultural and management layers."

"They will need effective people skills, and communication skills across a wide variety of platforms. It'd also be helpful to educate and negotiate with your target group..."

"Soft skills are imperative. Certifications, degrees and experience are important but the soft skills involving communication, empathy, etc., is needed."

"Risk management professionals need to build alliance with 'players' from other industries. Relationships could translate business language, create referral funnels, and deliver appropriate services and products."

MULTIFUNCTIONAL UNDERSTANDING

"Understanding the true definition of risk management as it pertains to a company structure at all levels."

"The main skill will be to recognize that being from one discipline is not enough..."

"Well-rounded in a number of fields—legal, HR, safety, IT, finance, and marketing."

"Being a renaissance person. Able to combine skill sets..."

Conclusion

Seasoned risk management and executive leaders have indicated they do not believe the next generation will be adequately prepared to meet emerging business challenges in 2025. In contrast, students and rising risk professionals expressed confidence in their abilities.

Future risk professionals seem enthusiastic to enter the workplace. Based on comments and reactions, one of their biggest hopes is that employers will embrace change and place a value on diverse cultures, professional backgrounds and perspectives.

Ninety-two percent of the overall population surveyed believe a diversity of perspectives is vital to risk management decision-making today as well as by 2025. They clearly believe that these traits will enable organizations to solve emerging risk issues in the technological, legal and regulatory landscapes that are critical to long-term success.

A key issue that risk professionals identified was the feeling they are often in someone's crosshairs. Many commenters revealed that they believe they must constantly prove their worth to executives and other stakeholders outside the risk management function, even when their organizations are thriving. With emerging risks growing in complexity and operating environments evolving, organizations need to support the professional development of future risk leaders to enable them to perform at a high level.

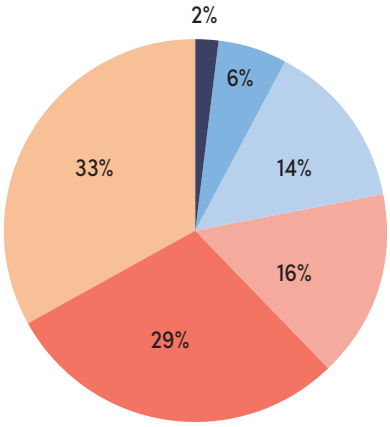
This is an opportune time for executive leadership and risk professionals to incorporate talent considerations for technical, interpersonal and multifunctional skills into their growth strategies, especially as strategic and enterprise risk management capabilities are needed. Organizations will gain a competitive advantage by preparing the next generation of risk managers to lead before baby boomers set out on their next chapters.

A vast majority of respondents indicated that universities need to expand curriculum to meet future needs by equipping students with practical skills and experiences as well as theory. Risk professionals and executive leaders should engage directly with universities and departments to ensure curriculum reflects real-world needs. By sharing current challenges and actual experiences in the classroom, the next generation will be better equipped to handle what the future has to hold. Furthermore as baby boomers retire, tapping into that wealth of experience may be one of the ways to fill the apparent talent gap.

The demand continues to grow for risk management professionals in all industries. Now is the time to equip the risk management community of 2025 with the necessary experience, education and diversity initiatives needed to solve tomorrow's problems.

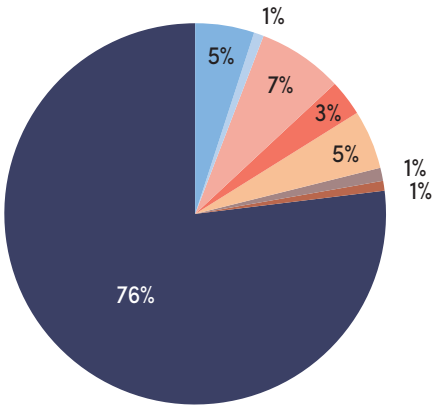
Risk Professional Demographics

Tenure



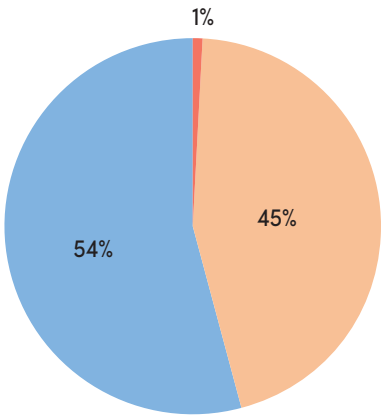
- Less than a year
- 1-2 years
- 3-5 years
- 6-10 years
- 11-20 years
- 20 years or more

Race and Ethnicity

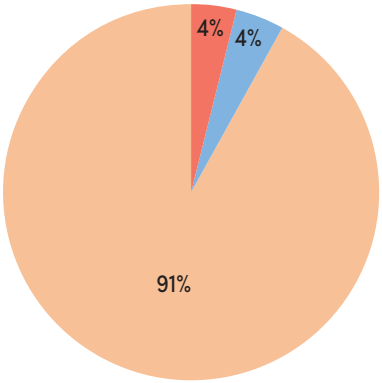


- Black/African American
- East Asian
- Hispanic/Latinx
- Multiracial
- South Asian
- White/Caucasian
- Prefer not to say
- Other

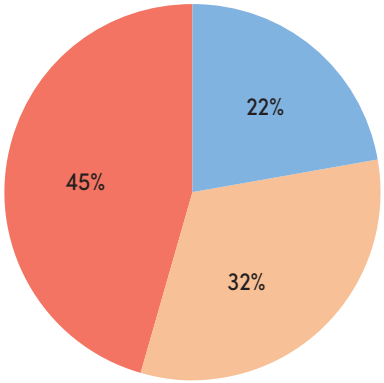
Gender Identity, Orientation and Generation



- Male
- Female
- Prefer not to say



- LGBTQ+
- Not LGBTQ+
- Prefer not to say



- Millennial (1981-1997)
- Generation X (1965-1980)
- Baby Boomer (1946-1964)


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