

Putting risk management into the corporate sustainability context

Haywood, Lorren K

Abstract:

Purpose: This research investigates what is driving corporate sustainability within South African organisations and to what extent these drivers intersect with risk management. This is important as new and emerging business risks are proving to be directly linked to sustainability issues having implication on long-term organisational performance. This implies that sustainability and risk should not be mutually exclusive.

Design/methodology/approach: By means of semi-structured interviews, sustainability managers of 11 South African organisations were engaged to gain insight relating to the immediate sustainability issues, risk landscape and the possible intersection between these issues within their organisations. Questions posed were around drivers of sustainability, risks to an organisation, changes in risks, relationship between sustainability and risk. By means of thematic analysis key issues emerging from the responses of the sustainability managers could be identified and themes determined based on similarities. This was followed by trend analysis of the frequency of responses to different sustainability and risk themes to interpret the data. **Findings:** Results reveal that sustainability and risk management are similar in their intent purpose and output both aligned towards reducing impacts and managing uncertainty. However even though sustainability has increasingly become integral to business its value contribution and linkage with risk management differ significantly amongst organisations. This suggests that sustainability and risk management remain two distinct frameworks for managing uncertainty in business. **Originality/value:** Research on integrating a sustainability perspective in risk management is at an early stage. To understand and respond to emerging risks, organisations need to integrate sustainability and risk management into their decision strategies – not only to minimize potential losses but also to exploit new business opportunities arising from the sustainability agenda. Future research should be directed towards advancing systematic methods for identifying and managing sustainability risks such that key sustainability challenges are firmly embedded in the risk management of the business. In this regard, organisations would be in a position to build resilience into their business models and operations.