



Risk culture in the South African fast food industry: Commonality of purpose in one organisation

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ABSTRACT

The South African food industry suffered major financial and reputational damage at the time of the 2017–2018 listeriosis outbreak. This outbreak heightened concerns around health and food safety standards, and predominantly brought to light the review of industry risk management practices. To interrogate some of the shortcomings of the industry, this study explored the prevailing risk culture within one organisation and how it significantly affected how well or how poorly risks were managed. It also reports on the potential and perceived value that a centralised specialist risk management department within a fast food organisation could add to the organisational risk culture. In this exploratory study, an interview-based data collection approach was used. The data were collected in the organisation through semi-structured, one-on-one interviews with twelve managers at two different work levels. The study found that the organisational culture directly influenced the risk culture and that these were co-dependent. It also found that there was a mutual and common understanding of purpose in both cultural contexts among the managers. This fast food organisation had operated for over 30 years without a specialist risk management department; hence managers were reluctant about the idea of establishing such a department. Because the organisation had a prominent departmental risk culture, however, managers were open to discussions that could improve current risk mitigation measures, and suggested, cautiously, that a risk management system that is aligned to the organisational culture and strategy could be implemented and be inclusive of significant role players of different departments. The study provoked thought around whether the common structural make-up of many corporate organisations' risk management systems would be best suited for a fast food organisation. It also brought about discussions around how risk management is viewed and approached in the industry.

Keywords: organisational culture, food industry, risk culture, specialist risk department

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CHAPTER 1: INTRODUCTION (RESEARCH PROJECT OVERVIEW)

Convenience foods have in recent years grown in popularity owing to their affordability, availability and people's busy schedules. This popularity comes with increased concerns for consumers regarding governance as well as compliance of service providers to health and food safety standards. Negative behaviours and attitudes have enabled extreme and uninhibited risks to infiltrate the fast food industry, bringing into question issues such as quality, health and supply chain risks (Moran, Verwiël, Bahri Khomami, Roseboom, & Painter, 2018). The impact of these issues has sparked a debate around risk culture and the factors that influence its existence, level, and the use of risk management frameworks in these organisations.

The present research topic was motivated by a long-standing assumption by the student that all organisations should have an embedded risk culture and that, particularly in a food-related organisation, a specialist risk management department is a non-negotiable element of managing risk. The student, who was working in the fast food industry, also intended to explore whether managers of one organisation were of the same school of thought when it came to how culture affects organisational operations and risk strategy. The foodborne disease crisis of 2017/2018 in South Africa had also highlighted the importance of risk management in such food-related organisations (Department of Health, 2018). The target audience for this research are academics working in the field of risk and food safety and risk officers in general. The research is expected to be of specific interest and value to risk professionals, executive personnel, and senior and middle managers working in the food industry.

The chosen journal for the article is *Food Control*. It is a recognised international journal that publishes important research and supply information to people involved with food safety and process controls.

The scope of the journal is wide in terms of subject areas covered. It aims to contribute to the body of knowledge in fields including food risk assessments, quality assurance, legislation, good manufacturing and food processing systems. Research is published in original papers, authoritative reviews, short communications, and comment articles on food related developments.

Link: <https://www.journals.elsevier.com/food-control>

CHAPTER 2: ARTICLE

Risk culture in the South African fast food industry: Commonality of purpose in one organisation

Abstract

The South African food industry suffered major financial and reputational damage at the time of the 2017–2018 listeriosis outbreak. This outbreak heightened concerns around health and food safety standards, and predominantly brought to light the review of industry risk management practices. To interrogate some of the shortcomings of the industry, this study explored the prevailing risk culture within one organisation and how it significantly affected how well or how poorly risks were managed. It also reports on the potential and perceived value that a centralised specialist risk management department within a fast food organisation could add to the organisational risk culture. In this exploratory study, an interview-based data collection approach was used. The data were collected in the organisation through semi-structured, one-on-one interviews with twelve managers at two different work levels. The study found that the organisational culture directly influenced the risk culture and that these were co-dependent. It also found that there was a mutual and common understanding of purpose in both cultural contexts among the managers. This fast food organisation had operated for over 30 years without a specialist risk management department; hence managers were reluctant about the idea of establishing such a department. Because the organisation had a prominent departmental risk culture, however, managers were open to discussions that could improve current risk mitigation measures, and suggested, cautiously, that a risk management system that is aligned to the organisational culture and strategy could be implemented and be inclusive of significant role players of different departments. The study provoked thought around whether the common structural make-up of many corporate organisations' risk management systems would be best suited for a fast food organisation. It also brought about discussions around how risk management is viewed and approached in the industry.

Keywords: organisational culture, food industry, risk culture, specialist risk department

Introduction

The 2017–2018 South African listeria outbreak was, according to the World Health Organisation (WHO, 2018), the largest ever recorded outbreak of this foodborne disease, and resulted in 209 confirmed deaths from 1 049 laboratory-confirmed cases by May 2018 (Hunter-Adams, Battersby, & Oni, 2018). The outbreak was found to have originated in the factories of two reputable food processing companies (Department of Health, 2018). This incident put pressure not only on the food industry in general but also on the fast food segment. It alerted organisations to prioritise the review of their health, safety and risk measures and their risk practices. In acknowledging shortcomings in the food industry, regulators including the South African departments of Health, Agriculture, and Trade and Industry became more prominent role players in the task of ensuring good governance and compliance with food legislation (Salama, Embarek, Bagaria, & Fall, 2018). The deadly virus had heightened concerns about risk policies and practices in the South African food industry – including the fast food segment – particularly because it is such a significant contributor to the country's economy (Boatema et al., 2019). It brought into the spotlight the role of risk culture within such organisations and its effort in safeguarding customers and maintaining an organisation's reputation for quality and safety (Manganye, Desai, Daka, & Bismilla, 2018).

The present study explores the potential and perceived value of a centralised specialist risk management department within a fast food organisation whose restaurant and retail outlets have a national and international footprint, but whose risks are managed nearer the rockface at departmental rather than at head office level.

Many organisations would confirm that the acknowledgment and the effective management of risks are essential to continued success (Roslan & Dahan, 2013). Although, in general, business disruptions are inevitable in most industries, the uncertainty they bring can be mitigated by better business- and risk-related practices (Bromiley, McShane, Nair, & Rustambekov, 2015). Hoyt and Liebenberg (2011) draw attention to the view that the co-ordinated adoption and implementation of risk management processes yield positive results and enhance a business's value and performance.

The prevailing risk culture within an organisation significantly affects how well or how poorly risks are managed. According to Bozeman and Kingsley (1998) and Pan, Siegel, and Wang (2017), risk culture is about preferred and shared approaches towards risk and uncertainty by leaders and top management in an organisation. These preferences are commonly influenced by the values, attitudes and knowledge shared among decision makers within the organisation (Alshenqeeti, 2014). In recent years, increased interest in enhancing risk culture in South African organisations has generated the implementation of programmes (IRMSA, 2018) that follow international norms in giving prominence to a distinct and consistent tone from the top, strategic risk decision making,

transparency, delivering on performance promises and alignment of organisational culture (IRM, 2012).

All segments of the South African food industry, including fast food restaurants and retail outlets, are orientating themselves towards the improvement of food safety, risk regulations, risk policies, and foreseeable and long-term risks (Boatema et al., 2019). In this way, the country's food industry is showing its determination to focus on risk management commonality of purpose in order to ensure evident and durable benefits. Commonality of purpose is about sharing similar views that help towards working on positive outcomes as well as encouraging collaboration, particularly with regards to risk management.

The organisation selected for this study was a South African fast food chain that also operates in the fast-moving consumer-goods sector and also has a selected range of food products sold through retail. It does not have a single, centralised risk department, as risks are managed within or among departments as and when they arise. At the time of the study, it was therefore giving consideration to potential reorganisation of this structure to follow practices in other similar organisations in the management of risks and procedural changes in their competitive environment.

To gather a trustworthy account of people's behaviour and beliefs in this context, the study approached the organisation's senior and middle managers for qualitative data on their experiences and perceptions regarding the organisation's existing risk culture and their views about a possible, centralised, specialist risk management department.

The primary objective of this study was:

- to explore the current risk culture perceptions of the selected senior and middle managers.

To give further perspectives and interpretive possibilities, the study also had the secondary objective of:

- reporting on managers' perceptions about the possibility of a specialised risk management department in the organisation and its possible effect on the prevailing risk culture.

The research question that guided this paper was: What are the managers' perceptions of risk culture and the possibility of a specialised department to manage risk in their food industry organisation?

Background

Ngouapegne and Chinomona (2018) report that in 2016 the food retail sector contributed as much as nine percent to South Africa's overall Gross Domestic Product (GDP). The term 'food retail' refers to groceries, restaurants, cafeterias and other services within the food industry. Where issues of food safety and risks are concerned, the food retail segment of the industry is key as it is the last point

before the food reaches the consumer (FAO, 2014). To mitigate risks such as the 2017–2018 listeria outbreak, food organisations, including fast food outlets, needed to become more risk adverse and to develop a more mature risk culture.

Despite the large contribution of the food industry to the country's economy, the few published academic studies I found only made passing references to risk management and risk culture in the food and fast food industry. No study found, gave special focus to issues and concerns in the industry. The organisation selected for this study is a South African fast food restaurant with just under 300 restaurants nationally, that also operates in the fast-moving consumer-goods sector. Even though it has a global footprint, it is not listed on the Johannesburg Stock Exchange and is therefore not required to comply with the King IV report on Corporate Governance for South Africa (IoDSA, 2016). This means that the organisation currently operates without a centralised specialist risk management department, and efforts to implement specialised risk management procedures have been unfocused. This situation has led to functional silo mitigation of risks and of risk more broadly being treated as an afterthought to strategy setting.

The inclusion of risk-based decision making in food organisations assists with the lowering and prevention of risks and, through regulating the impact of risk even in the most adverse cases, risks can be minimised (Diabat, Govindan, & Panicker, 2012). In an organisation that prides itself on using predominantly fresh produce for its final products, food safety concerns are the core priority, especially given recent high incidences of foodborne illnesses. As much as a decade ago, Van Tonder, Lues, and Theron (2007) indicated their belief that there was a need for better and continuous training in personal and general hygiene, not only by food handlers, but also by managers in the entire food value chain.

To justify, confine and understand this study's investigation, the key concepts of risk culture, organisational culture and risk management are defined and explained in terms of the literature.

Risk culture

Moran et al. (2018) argue that organisational and risk culture failures have permitted excessive and uncontrolled risks, which include loss of focus on key concerns such as quality assurance, health risks and supply chain risks in the food industry. As Gifford (2008) explains, culture is a delicate matter, as it is about understanding human behaviour in the context of an environment; it is about how people acquire certain beliefs and values from those around them. Perceptions, though, are often driven by organisational culture and influenced by human behaviour (Schmiedel, vom Brocke, & Recker, 2013).

To stimulate the development of a risk culture within any organisation, it is important to note that many regulators advocate a new approach to risk management (Bromiley et al., 2015). It entails

methods and principles that are used to identify and analyse risk as well as accepting and mitigating risk; much more complicated procedures are needed to avoid and transfer risk. The debate around risk culture should not however, be dominated by what regulators recommend; it should also take into consideration the organisational culture factors that influence risk culture and the use of a sound risk management framework in organisations (Renault, Agumba, & Balogun, 2016).

The definition suitable for the present study and compiled by the Australian Prudential Regulatory Authority (2016) states that risk culture is *“the norms and traditions of behaviour of individuals and of groups within an organisation that determine the way in which they identify, understand, discuss, and act on the risks the organisation confronts and the risks it takes”*.

While many risks are familiar to organisations, the way they are dealt with varies depending on the risk perceptions of the drivers of risk management processes and on the perceived severity and impact of risk on business objectives (Renault et al., 2016). Risk culture, therefore, should never be viewed independently of the organisational culture in the environment, but should form part of it and reveal the influence that organisational culture has on the management of risks.

Organisational culture

Modern organisations are operating in ever changing, complex environments with high levels of uncertainty. Hofstede (2011) believes that an organisation’s culture is inherent in the employees’ practices and their perceptions of what happens in their work environment. Steinberg (2012) views corporate culture as a key driver of the ways in which the people within an organisation operate as well as influencing the success or failure of the organisation.

Kimbrough and Compton (2009) believe that organisational culture is key in areas such as the implementation of major initiatives, the organisation’s responsiveness to market change and the organisation’s navigation of major changes in the business environment. The 2008/2009 world financial crisis highlighted the importance of anything that was contributory to risk. As a result, not only did organisational culture grow in importance as a topic, but risk culture as a concept also attracts serious attention from researchers and practitioners (FSB, 2014).

Considering that the organisation examined in this study does not have a specialised risk department, it is important first to understand the existing organisational culture and to review the influence it has on the accomplishment of organisational goals.

Risk management

In an organisation where risk management as such has not been a focus, it is important to provide clarity on what exactly risk is, what its management entails, and what the effects of prioritising the risk function would be. ISO 31000 defines risk as “the effect of uncertainty on objectives”, it also

defines risk management as “the coordinated activities that direct and control an organisation regarding risk”.

Many organisations, nationally and internationally, are growing their strategic efforts to address uncertainty (Köseoglu, Topaloglu, Parnell, & Lester, 2013). They are also focused on surviving in evolving environments by managing and mitigating the risks within their risk appetite (Arena, Arnaboldi, & Azzone, 2010). Further to that, it was also identified that more organisations are increasingly becoming aware of the need to be proactive and more concerned with strategy application coupled with identification of potential events that may affect the organisation. Risk has in recent years become pivotal in many disciplines and industries (Renn, 2017). Risk management ensures that organisations maximise their ability to protect and create value; failure to do so can inhibit the organisation from achieving its strategic objectives (IRMSA, 2018). Irrespective of the industry, risk management at its best is a mechanism for both proactive and reactive actions that include early detection and prevention of risks and irregularities, responses to risk events, and mitigating the negative impacts thereof (Chauhan, Yadav, Soni, & Jain, 2017).

Method

With the aim of answering the research question, this exploratory study followed a qualitative research approach. Qualitative research methods offer rich insight into the influences and processes of particular social settings (Remler & Van Ryzin, 2014, p. 42). The exploratory nature of the study was useful for the understanding of a particular issue while also viewing the phenomenon from a different perspective (Thornhill, Saunders, & Lewis, 2009, p. 140). The study consisted of face-to-face semi-structured interviews with senior and middle managers at the organisation’s head office. These interviews provided flexibility for such a small-scale study and allowed further probing to extract valuable information from participants (Newcomer, Hatry, & Wholey, 2015). The company’s head office is the principal office of the organisation that guides and oversees the operations at all restaurants. The aim was to gather data on their experiences and perceptions regarding the organisation’s risk culture and its risk management structures as well as on their feelings about the possible implementation of a specialised risk department to establish the commonality of purpose within the organisation.

Participants

The organisation’s head office had 36 senior managers, as well as 89 middle managers, of whom 48 did not have employees who directly reported to them. The total population included all these managers because all of them were involved in strategic and formal decision making that directly affected operations at both head office and in restaurants. A purposive sampling strategy was applied based on the assumption that my empirical study would require a set of managers with unique and important perspectives on the research topic (Robinson, 2014). The purposefully

selected sample of 12 comprised 6 senior managers and 6 middle managers, with work experience between 1 and just over 20 years as shown in Table 1. There was no specification of the functional areas that the managers must work in to participate in the study, and Table 2 illustrates the different functional areas in which the senior and middle managers worked. The organisation’s human resources general manager provided details of contactable managers across various functional areas. The managers were then contacted by email, and interviews were scheduled with 12 of them in the order of their availability. Only staff in the restaurant division of the organisation’s head office were interviewed.

The managers selected were involved in high-level policy making within the various organisational structures and represented the key drivers of strategic decisions and risk management operations. To capture their perceptions of risk culture and their views about a possible specialist risk department were important for the study. They were the role models of risk behaviour in the organisation and they were likely to be viewed as the potential decision-makers regarding the implementation of such a department.

Table 1: Number of years in the food industry (n = 12)

Number of years	Senior Management (n = 6)	Middle Management (n = 6)
<5 years	2	1
5–10 years	2	4
11–20 years	0	1
> 20 years	2	0

Table 2: Functional Area (n = 12)

Functional Area	Senior Management (n = 6)	Middle Management (n = 6)
Technical Operations (Food and/or Restaurant Support)	2	2
Finance	1	1
Marketing and Sales	1	1
IT	1	0
Legal	1	0
Supply Chain	0	1
People (Human Resource Management)	0	1

Pilot interviews

Pilot interviews were set up with three middle managers. They were used as an instrument that assessed the feasibility and the content validity of the study (Simon et al., 2013). These interviews were also conducted to obtain feedback on how well understood the topic of risk culture was among participants and whether there would be a need to rephrase any unclear questions (Adler et al., 2017). It was important to establish if the questions were too broad or could be misinterpreted and perhaps needed to be refined or revised. The interviews also assisted in the learning of improvisation

while interviewing participants. The findings from these pilot interviews directed and assisted in preparation of the formal interviews of the main study.

Interviews and protocol

All interviews were audio recorded, and all participants responded to seven pre-determined semi-structured questions which were answered in the same sequence by all participants. This method of data collection allowed me to be an active participant and have control of the data collection process by obtaining more detailed information through probing when necessary (Remler & Van Ryzin, 2014, p. 68). Interviews were conducted from 28 June to 2 August 2019 and were set for a duration of no more than 20 minutes.

Appendix A details the guide developed for conducting the interviews. Questions were asked, of which the first three were demographic questions to better categorise, compare and understand the findings. The risk culture related questions explored through the interview process were:

- Hofstede (2011, p. 546) defines culture as “shared and transferable perceptions, values or practices”. How would you describe the culture within your organisation?
- Risk culture is defined as “the norms and traditions of behaviour of individuals and of groups within an organisation that determine the way in which they identify, understand, discuss, and act on the risks the organisation confronts and the risks it takes” (Australian Prudential Regulatory Authority, 2016). How do you feel about the prevailing risk culture in the organisation?
- How do you think an organisation’s overall culture affects its risk culture?
- In what way would a specialised risk management department affect the risk culture in the organisation?

Instrument

The UARM Risk Culture Indicator Model (Zaaiman et al., In progress), represented in Figure 1, was used as basis for the study design and the coding of the interview results. Using the code categories from the model, codes and sub-codes were identified and, from these codes, themes were extracted, after which the findings were interpreted and discussed (Creswell & Clark, 2017).

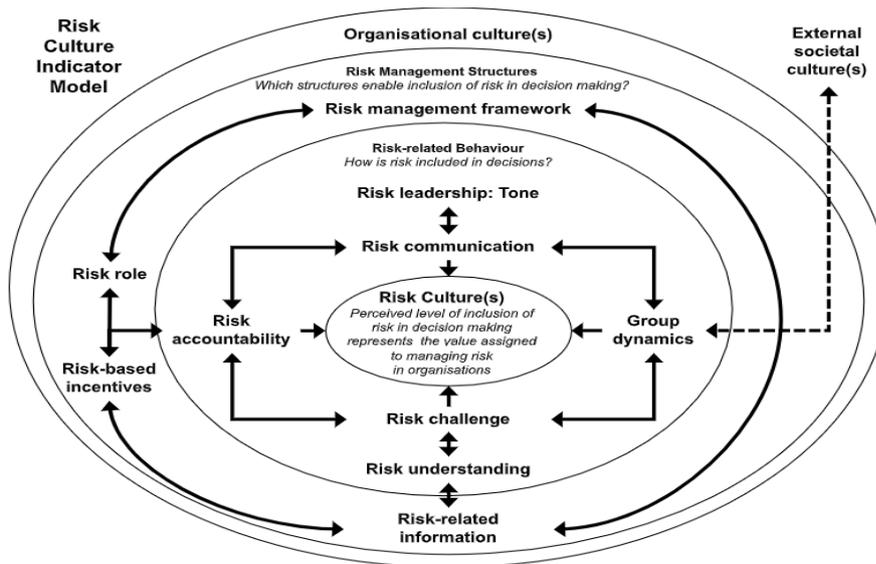


Figure 1: UARM Risk Culture Indicator Model (Zaaiman et al., In progress).

Data analysis

After conducting the interviews, the data were transcribed and thematically analysed using the UARM RC Indicator Model (Figure 1). In the process of making sense of the data, key ideas, words and phrases were identified from answers to each question. Codes and sub-codes derived from the interview data were categorised according to the model's main categories. Braun and Clarke (2006) characterise thematic analysis as a process that reports on data patterns while also organising and describing data sets in great detail. Basit (2003) and Saldaña (2015, p. 9) believe that coding enables researchers to communicate and connect the data with the aim of simplifying and understanding emerging perceptions and experiences. The codes were organised per question for comparative purposes and to keep a record of the frequency of mention of similar codes.

As the aim of the study was to understand risk culture perceptions, it was important that the codes identified, established 'what' participants felt and exactly 'why' they felt a particular way. Interviews as a method of data collection allowed me to probe beyond the set interview questions. This was useful in obtaining descriptive information and greater insight into personal feelings and honest perceptions (Remler & Van Ryzin, 2014, p. 68) . A disadvantage of using interviews as a method of data collection is that participants may conceal crucial information because of clear personality differences, or interviewer biases and inconsistency (King, Horrocks, & Brooks, 2018, p. 2) .

Ethical considerations

Permission to conduct the current study was sought from the organisation (Appendix B) and participants (Appendix C), with confidentiality being assured to all parties. The consent obtained from participants was free and informed, and it ensured ethically sound research where no one was

pressured to participate (Tyldum, 2012) .The identity of the organisation and names of participants were not disclosed in the mini-dissertation. Permission to conduct the study and ethical clearance were granted from the North-West University and the study adhered to all the ethical requirements.

Results and Discussion

Coding results

The UARM RC Indicator Model formed a basis for the analysis of the data collected from the interviews. The prominent code categories used from the model guided the segmentation of the main codes and sub-codes derived from the actual interview data. The codes derived were used to create a consolidated codebook for purposes of data reduction and simplification as well as connecting concepts (DeCuir-Gunby, Marshall, & McCulloch, 2011). Table 3 presents the identified codes; furthermore Table 4 provides detail on the frequency with which each code occurred in the interviews with participants.

Table 3: Codebook

Code category	Codes	Sub-codes	Description
Risk leadership	Organisational culture	Relaxed culture Family run business Flexible culture Dynamic culture	Perceived valued practices of members in an organisation
	Risk culture	Reactive but responsive Vulnerable culture Maturing culture	“Risk culture” can be defined as the norms and traditions of behaviour of individuals and of groups within an organisation that determine the way in which they identify, understand, discuss, and act on the risks the organisation confronts and the risks it takes
	Tone from the top	Managerial leadership at head office Managerial leadership at restaurants	Leadership tone towards ethical behaviour
Risk-related behaviour	Brand consciousness	Brand comfort Reputational risk	The extent to which the brand is known and recognised among the general South African public
Risk accountability	Risk ownership	Working in silos Clashing interests	Day to day manager of a risk / oversight of a particular risk
	Control owners		Ensure that available controls are effective
Group dynamics	Interdependent culture		Success and wellbeing of the restaurant staff is dependent on cohesion of the head office staff
Risk communication	Information flow	Lack of clear policies. Poor policy implementation	Executive decisions might not be communicated adequately to operational employees
Risk challenge	Risk levels	Corporate level risk Restaurant level risk Levels of casualty	Levels that determine the likelihood of an uncertain future event taking place
	Risk maturity	Development of new strategies Complacency Improvement	How an organisation benchmarks the extent to which risk management has been implemented in accordance with other businesses in the same industry
Risk understanding	Risk preparedness	Reactive proactive approach	The levels that show the readiness of uncertain future events
	Susceptibility	Ability to identify implications Window dressing	The likelihood of being impacted by an uncertain future event
Risk management framework	Standard operating procedures	Breaches Compliance Selective geographical adherence	Procedures that guide the correct way of working
	Weaknesses in policy framework		Inadequate structure in implementation of risk management systems; Lack of documented and legislated policies
	Risk mitigation measures	Audit driven approaches Deliberate risk measures	Steps taken to ensure that risks are mitigated

Table 4: Summary of the sub-codes and occurrences in participants' interviews

Sub-code	P01	P02	P03	P04	P05	P06	P07	P08	P09	P10	P11	P12	Frequency	Frequency distribution (%)
Relaxed culture		x	x	x	x	x	x	x	x	x	x	x	11	91
Flexible culture		x	x	x		x		x		x		x	7	58
Maturing culture	x	x		x	x		x	x	x				7	58
Managerial leadership at head office and at restaurants	x	x	x		x	x	x	x	x	x	x	x	11	91
Brand comfort		x	x		x	x	x	x	x	x	x	x	10	83
Reputational risk			x		x			x		x		x	5	42
Working in silos	x	x	x	x	x	x			x				7	58
Clashing interests	x	x		x	x	x		x				x	7	58
Lack of clear policies	x	x		x	x	x			x			x	7	58
Poor policy implementation	x	x			x	x				x			5	42
Corporate level risk	x	x	x	x	x	x	x	x	x	x	x	x	12	100
Restaurant level risk	x		x		x	x	x	x		x	x	x	9	75
Development of new strategies	x	x	x	x		x	x	x	x	x	x	x	11	91
Reactive -proactive approach	x		x	x		x	x			x		x	7	58
Window dressing					x	x	x			x			4	33
Breaches	x				x		x	x		x		x	6	50
Compliance	x	x	x	x	x		x	x		x	x	x	10	83
Selective geographic adherence						x	x						2	17
Audit driven approaches						x	x	x			x		4	33
Deliberate risk measures							x		x		x	x	4	33

A frequency of mention principle was applied, where the number of times participants' opinions that were similar in nature emerged from the interviews was analysed and counted. This assisted in understanding just how many times thoughts related to a sub-code appeared. The number of times the sub-codes emerged, as shown in Table 4, were aggregated and the ones with a frequency equal to and above 50% were categorised into their respective codes as shown in Table 5. The comparable codes were then used to formulate key themes. Three themes emerged when addressing the research question pertaining to the current organisational culture, the prevailing risk culture and the effect that the organisational culture had on the risk culture. The themes were prevalent risk culture disposition in the organisation; risk ownership and accountability; and managing risk.

Table 5: The development of key themes

Sub-Code	Frequency distribution (%)	Codes	Themes
Relaxed Culture	91	Organisational culture	Prevalent risk culture disposition in the organisation
Flexible culture	58		
Maturing	58	Risk culture	
Managerial leadership at head office and at restaurants	91	Tone from the top	
Brand comfort	83	Brand consciousness	
Working in silos	58	Risk ownership	
Clashing interests	58		
Lack of clear policies	58	Information flow	
Corporate level risk	100	Risk levels	
Restaurant level risk	75		Managing risk
Development of new strategies	91	Risk maturity	
Reactive -proactive approach	58	Risk preparedness	
Breaches	50	Standard operating procedures	
Compliance	83		

Prevalent risk culture disposition in the organisation

The organisation selected for this study had a strong organisational culture that was deeply entrenched in its values of family, pride, passion, integrity and courage. The culture was compellingly associated with its reputable brand and was perceived to also directly influence the prevailing organisational risk culture, which was seemingly strong within all departments but not organisation-wide. The organisation's brand was synonymous with South African heritage and culture; it was considered particularly important to the participants. All participants revealed their consciousness of the fact that, as employees of the organisation, their actions would directly impact on the brand, regardless of whether they were inside or outside the company premises. Participant 9 explained: "If you go to the bathroom at the airport and you use the toilet and walk out without washing your hands, with an organisational branded T-shirt, people will think that person's actions do not reflect

that organisation's values". The participants were visibly and consciously patriotic to the brand: "So, I think it's probably one of the few brands that I've worked in, where we've worked very hard on the culture" (Participant 3).

The organisational culture could also be seen to be dynamic, diverse and unique: "it's very much about bringing you being your authentic yourself. Authenticity is a big thing here" (Participant 5). The data collected showed that culture was at the forefront of organisational operations and that values were entrenched in the culture rather than just policies on paper or written on the wall. All 12 participants described the organisation's culture as relaxed and flexible, as illustrated by the words of Participant 2: "The overall culture is very relaxed [...] very friendly, obviously comes from the brand that we work for. It's not as formal as previous cultures that I've had with previous companies, previous multinationals, it's not as strict". Employees were encouraged to embrace each other's differences while working together towards providing world-class food and service, as explained by Participant 7: "It's a very flexible organisation. Very much less structured culture". Even though the jargon they used to describe the culture varied, their non-verbal communication demonstrated their clear enthusiasm for the company culture. They believed in and were loyal to the brand because it was deliberately driven from its head office: "There are a lot of interventions done to really drive the culture and make sure that it's part of who we are" (Participant 3). This organisational strategy illustrates the point made by Iglesias, Markovic, and Rialp (2019) who suggest that employees with high levels of brand empathy can identify and keep abreast with customer needs and desires, and the present study shows that this view is especially relevant in a service organisation such as a fast food restaurant. There was a clear display of commonality of purpose, as employees shared the same views on the organisation's culture and consciously worked together towards maintaining a relaxed and flexible organisational culture.

According to the FSB (2014), a sound risk culture aids appropriate risk awareness, behaviours and risk-based decision making and forms part of any organisation's culture. Eleven of the twelve participants alluded to an organisational risk culture that was not purposeful or common in terms of acting on risk, whereas only Participant 11 was certain that the organisation's risk culture had matured over the years during the time that she had been employed there. All twelve participants agreed that they were aware of risks that affected the organisation, but they were focused particularly on the risks that affected their specific departments rather than on risks that would be harmful to other departments or the company as a whole. Ten of the participants indicated that while they were aware of risks relevant to their specific jobs, risk itself was not a primary focus for them. What seemed to dominate was a departmentally orientated risk culture as opposed to a broader organisational risk culture. Nevertheless, five of the six senior managers and three of the six middle managers felt that, even with a relaxed organisational culture, there were clear risk management-related interventions implemented that minimised their exposure to risk as they made sure that: "things don't fall through the cracks" (Participant 12).

The results on prevalent disposition in the organisation are indicative of a principle (Appendix D) that was developed by O'Reilly, Chatman, and Caldwell (1991) and later validated by Sarros, Gray, Densten, and Cooper (2005), where dimensions of organisational culture profiles (OCP) were explored. The framework (Appendix D) looked at values that best suited an organisation's culture and helped to identify, measure and manage culture efficiently. Four of the framework's dimensions of organisational culture were prevalent in this fast food organisation; these included innovative, outcome orientated, people orientated, and team orientated culture. The organisation in the present study had a flexible and adaptable culture which was also solution driven. Great emphasis was put on achievements, results, fairness, mutual support and collaboration among employees. All these values were shared among employees, which according to Sarros et al. (2005) illustrates a strong organisational culture. In this particular organisation, the risk culture is directly influenced by the very same flexible, adaptable but strong organisational culture; the two cultures exist co-dependently. The organisational culture permeated good ethics and good business practices, which in turn affected the risk culture.

There was no distinct risk culture embedded in the overall organisation, but what seemed to exist was a strong departmental risk culture where participants felt strongly about how the organisational culture encouraged them to act purposefully and make improved decisions. Collaboration among employees existed but was particularly strong among employees in similar departments. In this organisation, risks were not seen as hazards, but were opportunities for improving their processes and systems. This type of thinking came from the positive and inclusive organisational culture.

Even though there was no conscious embedding of a risk culture, the organisation had not been caught on the wrong side of occupational, food safety and health standards in recent years.

Risk ownership and accountability

The prevalence of a departmental risk culture over an organisation-wide risk culture brought about the discussion of risk ownership and risk accountability. All twelve participants suggested that they owned their departmental risks: "there are established structures that keep the business functioning but within the departments" (Participant 9); they also concurred that the organisation had functioned successfully over the years. They believed that they were aware of the risks that directly affected their departments but were not completely focused on how their responses to risk could affect other departments. When departments work in silos, there is a lack of information sharing about risk and risk management tasks that could lead to unaligned business outcomes.

To avoid conflicts of interest and promote organisational objectives, departments should be working together to ensure that their end goals do not negatively affect other departments. Five managers

referred to the phrase “working in silos” and acknowledged that working towards isolated outcomes could negatively impact the organisation: "I think silos ruin businesses" (Participant 3).

Hardy and Maguire (2016) highlight the importance of clarifying the categories of risk owners and of differentiating between risk assessors, who determine the levels and probabilities of risk; risk managers, who have the responsibility of reducing risk; risk producers, whose actions could possibly be harmful; risk bearers, who could be harmed by hazardous events; and risk arbiters, who oversee risk responsiveness. When addressing issues of risk accountability and ownership in the present study, it was important to know which risk role players were responsible for which tasks. The six senior managers alluded to clear lines of authority being established and employees knowing exactly what was required of them. This view was particularly stronger with participants in the areas of technical operations, who support the restaurants from a food and occupational health and safety domain. This thinking was prevalent among these participants because food was the organisation’s core business and any misalignment in understanding what was required of them in their roles could negatively impact the business.

In an evolving and dynamic industry, such as the fast food industry, there is a typical need to understand who takes ownership of and who is accountable for risks faced by an organisation. These are risks that could harm an organisation’s brand and continued operations, including changes in statutory regulations, food safety concerns, animal welfare, employee wellbeing and other operational perils (Van Tonder et al., 2007). Boatemaa et al. (2019) are of the view that there was a critical need in South Africa for improved forms of accountability in food systems and that government should be the biggest role player in legislating and enforcing better food safety standards and practices. This would reinforce the understanding that all stakeholders at all levels have a responsibility for effective food safety measures.

Even though clear lines of authority have been drawn in this fast food organisation, keeping abreast with new regulations will remain key in ensuring that an outbreak like the listeriosis one does not occur again. Other than food safety measures, there are operational perils related to daily operations in the business which are a responsibility of those mandated to perform certain activities, irrespective of their level. According to the FSB (2014), all employees of an organisation should comprehend the core values of the business and its approach to risk. The employees should be cognisant of the possibility of being held accountable for all their actions in relation to the organisation’s risk-taking behaviour. In this organisation there was a clear and well communicated organisational strategy but more of a focus on departmental risk. This does not imply that the departments work independently of each other on risk, but even though the risks to other departments might be considered, uncertain events across all departments are not aligned and prioritised. Participant 4, for example, indicated that some departments still delay involving the legal experts when entering into new contractual

agreements, "when I started here people didn't involve legal until right at the end when they have to sign contracts, but now things are starting to slightly change."

Managing risk

According to ISO (2009), risk management is central to an organisation's management processes, focusing particularly on the integration of the organisation's decision making processes, policies, and sustainable and improvement structures. Risk management can never be independent of managing change and critical decision making. This is why factors such as risk awareness, risk understanding, and alignment of risk management practices with business objectives are critical in managing risk.

The UARM RC Indicator Model (Figure 1) was established as an indicator of the most important elements that contribute towards a mature risk culture in an organisation, also highlighting some of the same factors that are non-negotiable for risk management.

All participants were aware of the importance of managing potential harm, damage, and losses within the organisation at both head office and restaurant level. ISO (2009) advocates for one vocabulary and a consistent understanding of risk management regardless of the industry affected. The international authority also encourages organisations to design and review risk management elements of their management systems to align with business practices. In a food organisation such as the one in the current study, adherence to food safety regulations was vital considering that their core business was food, and Appendix E details some of the risks faced by the organisation. The two participants in marketing managed risk by focusing primarily on the customer experience and organisation's brand image, while the two participants in finance had recently started implementing measures that minimised financial exposure to risk, because, as one of them said, "the way we've been doing business up until now did not cater for a proper purchasing system, we have implemented a new system that will now allow one to follow a procedural procurement and payment process".

The four participants in technical operations and one in supply chain spoke a common language regarding food and health standards. They, just as Boatemaa et al. (2019), alluded to enforcement of priority regulations of safety and quality of agricultural and animal products, as well as animal welfare: "We don't compromise food safety,[...] we don't. I personally stopped spinach production at a supplier, and I spent a Friday evening and a Saturday night in the plant trying to fix the problem with the supplier because of a food safety issue".

The middle manager in supply chain was responsible for the sourcing and procurement of core food products and the management of intellectual property products such as ingredients for recipes. This participant was aware of the importance of her role in the value chain, because, as she explained, "unlike other restaurants, we use fresh produce which just increases our potential supply chain risk

so much more than frozen products, that can for example be stock piled”, and she worked to ensure that she managed risk efficiently and effectively, “because our food is fresh, it is regionalised and delivered to restaurants 6 days a week”.

Risks were managed departmentally, and the systems in place in each department were defined and documented as per the departments’ requirements. All participants were aware of their different roles and responsibilities but also agreed that managing risk is a responsibility that lies with all employees of an organisation irrespective of seniority. The middle managers did, however, feel that their superiors could do a lot more in ensuring that risk management is a continuous process, particularly with the filtering down of risk-related information and ensuring that it reaches even those at operational level.

The results presented from the interviews on managing risk gave an indication about how the organisation currently managed risk, the influence that the prevailing risk culture had on the management of risk, and the organisation’s capacity to manage risk. The organisation did not manage risk using the traditional way of coordinating activities that directed and controlled an organisation with regard to risk (ISO, 2009). Management focus was on outcomes of managing risk as distinct from rigorous risk assessment processes. Their approach was more adaptable and looked predominately on what really mattered and when it mattered, and less on superficial elements of risk. Operating without a specialist risk management department, the different departments in the organisation had taken it upon themselves to manage their own risks, not because it was a requirement, but more because of an established unwritten rule that the risks would be better managed in their respective departments. It was a shared sentiment, that even in diversity there was commonality of purpose. The organisation’s relaxed culture affected the risk culture as the two cultures were mutually inclusive, making the approaches to managing risk also less structured and less defined; this approach was also accepted because their practices had not significantly let them down in the past. The discussion around changing current risk management systems had therefore not been given much focus. It was clear that there was capacity in departments to manage their current risks and all stakeholders were aware and comfortable with their current roles.

The themes formulated for the study confirmed just how important organisational culture was in the given organisation. The organisational culture was deeply entrenched in its values of family, pride, passion, integrity and courage. The risk culture of the organisation was shaped by the value driven organisational culture. It was clear that the shared values ensured that key role players managed risk as an intrinsic part of their daily work. Although on the surface it looked as if the departments of the organisation worked in silos, this seemed not in fact to be the case, as they did not work with a mindset that intentionally did not want to share information. It was rather a mindset of wanting to effectively manage risks that were closest to their respective departments. The study also revealed

that all participants understood their roles in the organisation's hierarchy and worked effectively in ensuring that organisation goals were met.

Having explored the perceptions of both senior and middle managers on risk culture, another objective of the present study was to gather the perceptions of the managers on how the establishment of a specialist department to manage risk in the organisation could affect the organisational risk culture.

A specialist risk management department

The idea of a specialist risk department was met with mixed reactions among the participants, with only two senior managers (Participants 1 and 8) and three middle managers (Participants 2, 7 and 12) holding the view that a specialist risk department would bring positive changes to current risk management systems: "that would be great, it'll take us to the next level in terms of our approach and how serious we take this risk thing" (Participant 8). Participant 1 had strong views about how a specialised department would assist the organisation, saying "I think it would help a lot; I think it would tie all the different departments together", and further elaborating on the potential benefits (see Appendix F).

One senior manager and one middle manager completely rejected the idea of a risk department, with one of them explaining that "we have a lot of checks and balances built into our systems" and stating that their current risk measures were sufficient. The middle manager in supply chain management, who rejected the idea, was however open to risk management being an outsourced project. The five other participants were reluctant to affirm or reject the way they thought a specialist risk department could affect the risk culture of the organisation because they believed that, if not implemented cautiously, a risk department would negatively affect the organisational culture which directly influenced the risk culture. These participants were open, however, to a structure designed to accommodate existing business practices (ISO, 2009), and would be more receptive to a tailor-made, flexible, risk management function which would complement and not interfere with the organisational culture. Willumsen, Oehmen, Stingl, and Geraldi (2019) explore both standardised and flexible approaches to risk management; they show that there is a perception that standardised approaches to risk increase managers' ability to support risk projects but also reveal that sometimes there are risks that cannot be managed in the confines of the standardisation. Flexibility is viewed as crucial for agility, timeliness and quick decision making. In the researched organisation, a flexible risk function could be beneficial, as it would not harm the existing organisational culture and would suit the already relaxed and flexible culture. One senior manager suggested that "we don't need a department, we need a formal risk team that is multidisciplinary, so we have somebody from finance, from HR, from technical operations. Still in their normal roles. We need a risk team that can manage risk in terms of a risk register".

What can be deduced from the managers' perceptions about the potential effects of a specialist risk management department on the organisational risk culture is that the establishment of such a department could potentially have both negative and positive impacts on the organisation and its culture. The term 'department' seemed to raise particular concerns among participants as this indirectly implied that the current structure was somewhat lacking. Although The King IV code of governance does not specifically report on the need for a specialist risk management department in organisations, it recommends relevant practices in listed companies (IoDSA, 2016) and that governing bodies of organisations should "delegate to management the responsibility to implement and execute effective risk management" (IoDSA, 2016, p. 44). The principle is to ensure that risk is governed in a way that supports an organisation's strategy setting.

The organisation in the present study was not a listed company and therefore was not obliged to follow the King code recommendations. Implementation of the code, however, is meant to encourage best business practices. Even though the thought of a specialist risk management department was met with mixed emotions, what seemed to emanate from participants was their genuine appreciation for a risk management system or function that would not interfere with the current organisational hierarchy: a system that would offer operational excellence at both head office and in restaurants, that would help them to better integrate risk management processes across the organisation and to move away from functional silo mitigation of risks and risk being treated as an afterthought to strategy setting. Their preferred risk management system should, however, be implemented with caution and be inclusive of significant role players in different departments. It is notable that neither seniority nor the number of years that participants had spent in the food industry affected how they viewed risk culture. Because different departments focused on various risk types, the functional area in which participants worked was what affected their view on risk culture.

Conclusion

This article illustrated how a relaxed organisational culture indirectly and unconsciously resulted in a relaxed risk culture. The strong organisational culture directly influenced the risk culture and the two existed co-dependently. The relaxed nature of the organisation affected management's behaviour and perceptions towards risk management and risk-based decision making, but that did not mean that the effect was negative. It can be concluded that even though the organisational culture was quite casual, managers acknowledged risk and risk was unconsciously part of their everyday operations. Managers were responsive, transparent and respected risk, even though they did not specifically label their systems 'risk management systems'.

Valuable information was obtained from the managers regarding how critical for them was the value of integrity, and how it drove ethical behaviour that minimised the risk exposure of the different departments and essentially of the organisation. The managers were comfortable with managing,

being accountable for and owning their own risks, keeping in mind that their departmental risks could affect other departments, but risks across departments were not aligned and prioritised. The organisational strategy and goal of providing world class food and service were still being realised within a relaxed risk culture. IRM (2012) is of the view that some organisational cultures make it impossible to embed risk behaviours and attitudes that are appropriate for managing risk. In the case of this fast food organisation, however, this was not the case, because the culture was good for developing and implementing processes, provided these did not undermine the existing successful organisational culture into which risk management principles had always unconsciously been incorporated.

Regarding the effect that a centralised specialist risk management department would have on the organisation's risk culture, the managers were of the view that the introduction or establishment of a whole new department would hinder the flexibility of how they currently treated risk. Risks were not viewed as complete threats but rather as opportunities for improvement and were currently being handled well. The existing operations were intuitively risk orientated, and the current management governed risk in a manner that was aligned to organisational strategy and objectives. Most managers therefore believed that a risk management system with multidisciplinary skills should be introduced, and not a standalone department. This would purposefully encourage collaboration and would improve understanding of organisation-wide risks among departments.

No previous studies on risk culture in the South African fast food industry have been published and this exploratory study gives insight into the risk culture at one South African fast food organisation. Having a small sample of senior and middle managers (n = 12), and from a single organisation, however, means that the insights are not generalisable for the entire enterprise and food industry. Nevertheless, this research offers interesting perspectives on how organisational culture influences risk culture, especially in this sector. Future research could perhaps also consider what risks emanate from an organisation's prevailing culture and what risk management measures would be needed to ensure alignment with the organisational strategy.

The value of this study is that it offers a starting point for expansion to include more work levels and more participants in different organisational contexts. Furthermore, although the study was conducted in the fast food industry, its findings could be relevant to other organisations without specialist risk management departments. The study could also add to academic knowledge and be of use to other risk-prone organisations from various contexts that struggle with a centralised approach to risk management.

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CHAPTER 3: CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS

(REFLECTION)

This study was motivated by a personal curiosity of how differently organisations identified, assessed managed and reviewed their risks. It occurred to me that over the years we've seen and heard of many organisations that have suffered either reputational or financial damage because of governance and risk management failures. This made me interested in the behaviours and attitudes that influenced decision making which could lead to either good or bad business practices. I was particularly interested in studying this fast food organisation because it didn't have a specialised risk management department but had managed to avert reputational or financial losses even when its competitors were subjected to scrutiny.

Expectations

Perhaps my thoughts came from a naïve place, but as I embarked on this journey to explore the risk culture at a fast food organisation, I was of the view that participants would embrace risk management and its importance for the organisation. But this was not the case, as it was only after conducting my sixth interview that I uncovered a crucial fact. This particular organisation's culture was at the forefront of anything and everything. One participant was even quoted as having said "in this organisation culture eats strategy", which in a nutshell, summarised how nothing could be implemented in the organisation without considering its effects on the organisational culture.

Positive elements

I was humbled by how supportive the institution under study was, having granted me permission to conduct interviews and to use their data provided they remained unidentifiable. Participants were very enthusiastic about the study and remain interested in the finding of the study. The support of my supervisor was unwavering, especially through difficult personal circumstances.

In hindsight

The proposal phase of completing this mini-dissertation was rather lengthy and I feel that had I known it would take me this long, I would have started the process in last year. With less than 4 months to conduct the interviews as well as transcribe the data, it was still important to keep the article of high quality irrespective of the limited time. The transcribing process was labour intensive as well time consuming, with a 20-minute interview taking up to 4 hours to transcribe. Although I was advised to do the transcription after each interview, it was often not possible. This led to multiple transcriptions being done over a short period of time. This study was small in nature (12 participants) and was restricted to two management levels – whereas risk reporting should be every employee's responsibility (even more so in a food-related organisation).

Since participants were very aware of the “silo risk management functions” within the organisation, this research created awareness for the need of a flexible, though more inclusive of all departments and encompassing risk culture.

The way forward

It will be possible for the organisation to utilise the outcomes of the research and improve their risk management strategy to encompass a more inter-departmental approach and integrated risk culture.

Lessons learnt

- **Time management**

The most valuable life lesson learnt from completing a mini-dissertation was time management. It was a critical lesson in that I learnt to prioritise important activities and to keep focused on the end goal.

- **Constructive feedback**

I learnt that feedback didn't necessarily mean I was doing a bad job, but that I should be more open to constructive feedback and different ways of thinking. I realised that the feedback was not an attack on my person, but rather a way to improve the quality of my study.

- **Reading**

I discovered that the more literature I read, the more my analytical thinking skills improved. This gave me confidence in arguing my point across to the reader. The literature also expanded my vocabulary, teaching me to better articulate myself.

- **Article writing**

Having read many articles, I was able to see the many different writing styles and found styles that most appealed to me. I learned the importance of a good storyline that read well. Getting the flow of the storyline correct was the most difficult part of this study, as sometimes you have a lot to say but are limited in the number of words that can be used. This really made me appreciate the hard work that published authors have had to go through.

APPENDICES

Appendix A

MCom Applied Risk Management UARM873 Mini-dissertation study Interview Guide

Study title: Risk culture in the South African fast food industry: Commonality of purpose in one organisation

Student: Sapula Moshugi

Study supervisor: Dr Sonja Gilliland

Supervisor contact details: [REDACTED]

Document aim

The aim of this document is to provide a guide to the student on how she will be conducting the interviews after obtaining informed consent from the participants (see MARM Interview Consent Form for this study for information provided to the interviewee before the interview).

Interview process

1. Clarification of understanding of informed consent form at start of the interview

process:

Thanks for agreeing to participate in this study. I appreciate your willingness to assist me with this research.

Do you have any further questions or concerns on the informed consent form that you would like to discuss before we start the interview?

- If the interviewee has questions/concerns, discuss the questions before continuing with the interview. Remind the interviewee that s/he can leave the interview at any time during the interview.
- If the interviewee does not have questions or concerns, continue with the interview.

2. Interview:

Pose the interview questions in the pre-defined sequence:

1. In the organisation's hierarchy of authority, are you considered to be a senior manager or middle manager?
2. In which functional area of the organisation is your role characterised?
3. How many years working experience do you have in the food and fast-moving consumer-goods industry?
4. Hofstede (2011, p. 546) defines culture as "shared and transferable perceptions, values or practices". How would you describe the culture within your organisation?
5. Risk culture is defined as "the norms and traditions of behaviour of individuals and of groups within an organisation that determine the way in which they identify, understand, discuss, and act on the risks the organisation confronts and the risks it takes" (Australian Prudential Regulatory Authority, 2016). How do you feel about the prevailing risk culture in the organisation?

6. How do you think an organisation's overall culture affects its risk culture?
7. In what way would a specialised risk management department affect risk culture in the organisation?

- Facilitate the interviewee responses only when required by asking non-leading further questions:
 - Do not overdo probing questions to avoid influencing the interviewee responses.
 - Do not lead your respondent into providing information that you expect to be the answer to your research questions.
- Pre-prepare non-leading probing questions for your interview. Example questions:
 - *When you say, what do you mean by that?*
 - *Tell me more about.... (referring to something the respondent said, not what you wanted him/her to say)*
 - *Please give me an example (concrete examples provide more information about the actual situation than general statements about a situation)*
 - *What does this look like in practice?*
 - *How does this happen? (note: ask 'how' rather than 'why' questions – see Harvard interview strategies document available on link listed at the end of the document)*
 - *How is this important to you?*
 - *How is this important to the organisation?*
 - *How is this important in the context of risk management (or insert a phrase related to your specific research objective) in the organisation?*
 - *If the person refers to how somebody else or a group feels about something, ask: How do you feel about this?*
 - *How does this information relate to the topic under discussion? (steer respondent back to topic when s/he digresses from the topic)*
 -

3. Interpersonal aspects of interviews to keep in mind

Your behaviour during the interview will influence the interviewee's responses.

- **Do:**
 - Keep the possible biases and limitations of interviews in mind when designing, executing and writing up your interviews – interview transcriptions will assist you and others to evaluate how your own expectations and natural biases may have influenced the interview data.
 - Understand the aims of your interview questions in the context of your research project.
 - Ask simple questions that will provide information related to your research objectives.
 - Pilot and practice your interview before formal data gathering so that you can see what works and what doesn't work.
 - Ask only one question at a time.
 - Give the person time to think about the question – stay quiet during that time.
 - Listen attentively to the interviewee.
 - Ask clarifying questions where necessary for purposes of your research.
 - Remain ethically sensitive as described in the Informed letter of consent – do not change the rules of engagement during the interview.

- Stay warm and empathetic (not sympathetic – see under ‘Don’t’ below) during the interview – you do not have to suddenly become a ‘cold fish’ during the interview.
- Relax and enjoy the interview.
- At the end of the interview, state why you are grateful to the participant for her/his time and inputs to allow the respondent to feel appreciated for their efforts to contribute to your research question.
- **Don’t:**
 - Interrupt your interviewee.
 - Convey any approval, sympathy, or disagreement, with your interviewee’s comments through words or actions (e.g. avoid encouraging nods, frowns, verbal affirmations or disagreements) – the interview is about what the person thinks, and not about how you feel about what they think.
 - Answer the question for the interviewee.
 - Don’t ask questions that can be answered with one word, such as ‘yes’ or ‘no’.
- **What if the interviewee becomes frustrated or emotional during the interview?**
 - Stay calm.
 - Do not interrupt, try to defend, comfort the interviewee, or ‘fix’ the situation – say as little as possible and allow the person to calm down.
 - Turn the audio-recording off if the person requests this.
 - When the person has calmed down, ask a question that acknowledges the emotion, such as *What about the situation prompted these strong emotions?*

4. Further preparation for the interviews

Use other useful interview advice available online to prepare yourself for the interviews, e.g.:

<https://msu.edu/user/mkennedy/digitaladvisor/Research/interviewing.htm>

https://sociology.fas.harvard.edu/files/sociology/files/interview_strategies.pdf

5. Feedback to participants

In conclusion to the interview:

- Thank participants for their time and goodwill
- Ask them if they have any questions
- Ask participants if they would prefer to see the transcripts of the interviews prior to its use as part of the dissertation
- Ask participants if they want to receive feedback on the outcome of the research project
- Keep promises and provide participants with the requested information.
-

Appendix B

COMPANY MEMO (On a company letterhead)

TO: Prof Hermien Zaaiman, Centre for Applied Risk Management (UARM), North-West University

CC:

FROM:

DATE:

SUBJECT: Permission to conduct a risk-culture-related study within [Company name and area, as applicable]

Permission is hereby granted to [Student Name], [Student ID Number] to conduct a risk-culture-related study within the [Area] of [Company]. The study will form the basis of the mini-dissertation in [her/his] master's degree (MCom in Applied Risk Management). The specific research question, target audience and research methodology will be as described in the attached research proposal.

In addition to the permission I declare that we understand and accept the following:

1. The organisation and participants will not be identified in the research report.
2. For the UARM Risk Culture Scale studies: Anonymised data sets, where neither the organisation nor the participants can be identified, will be used by the Centre for Applied Risk Management to test, improve, and develop the scale. The data will not be shared with other research groups for secondary data analysis.
3. For the UARM Risk Culture Indicator Model studies: The raw interview data belongs to the organisation and will be kept safely by the researcher. Only data summaries and anonymised quotes for which permission have been obtained, will be used in the research report.
4. The organisation may be expected to recommend possible suitable internal examiners when the University has not already identified someone suitable. Such a person should have at least a master's degree and have sufficient exposure to the study area without being actively involved, so as to understand the area covered and be able to examine the dissertation in an impartial manner.
5. The mini-dissertation could be classified as confidential within the university's classification system, implying that the mini-dissertation will not be made public for two years. After this, the organisation may request an extension of the classification up to a maximum of five years. For classification beyond five years, a formal contract between the organisation and the university is required. If classified as confidential, the examiners will be notified that the report is confidential and will not receive a copy of the post-examination final report.

(Note: Such initial confidential classification is a risk mitigation action that allows the organisation to decide whether further classification is required based on the contents of the research report after the research has been completed. However, classification is usually not necessary as the organisation and participants are not identified in the research results and the results are presented in an organisation agnostic manner.)

We require this mini-dissertation to be classified as confidential for two years, with the option to renew the classification after expiry of the two years: Yes/No (select one)

Kind regards

Signature

[Name & Designation]

Note: For more information and clarification on the need for classification or not, please feel free to contact Hermien Zaaiman at hermien.zaaiman@nwu.ac.za or 082 XXX XXXX.

Appendix C

MCom Applied Risk Management UARM873 Mini-dissertation study Interview Informed Consent Form

Study title: Risk culture in the South African fast food industry: commonality of purpose in one organisation

Student (also called 'the researcher' in this form): Sapula Moshugi

Study supervisor: Dr. Sonja Gilliland

Supervisor contact details: [REDACTED]

Document aim

The aim of this document is to provide potential interview study participants the opportunity to provide formal informed consent to participate in this study.

Why this interview?

This is an academic study at master's degree level, which provides the student the opportunity to learn how to do an interview-based study, while obtaining data expected to be useful for your organisation.

Informed consent process

The interviewer will obtain written consent from participants before setting up the interviews. Written consent is given by completing and signing this form.

Permission to do this study

Nando's SA has provided formal permission for this study to be conducted.

This study has been approved by the North-West University Faculty of Economic and Management Sciences Research Ethics Committee (EMS-REC.)

Study aim

Many organisations are now moving towards growing their strategic efforts to address uncertainty. It is for this reason I would first want to explore the perceptions of managers on the current risk culture in one South African food related organisation. Second, the aim of the research is to explore the perceptions of managers on the possibility of a specialised risk management department and its effects on the risk culture of a small risk prone organisation.

Why have you been invited to take part?

Of the 89 middle managers and 36 senior managers. The purposively selected sample to be used will be an equal number of semi structured interviews, six middle managers and six senior managers. You have been invited to take part in this study because you are either a senior or middle manager within the organisation, you are over the over the age of 18, and are involved in high-level policy making within the organisation. Unfortunately, you will be unable to partake if any of the following apply: If the human resource department

does not consider you to be senior or middle management. The two management levels are involved in high-level policy making within the various organisational structures and are the key drivers of strategic decisions and risk management

Interview process – what to expect from the interview

The scheduled interview will last 20 minutes. I may request more information from you post interview if necessary, for clarifying study data. However, I shall endeavour to keep post-interview follow-up questions to a minimum.

The interviews will be run in a semi-structured manner, meaning that I shall ask a set of open-ended questions and may ask additional questions to clarify my understanding of your response.

The questions that will be asked in the interview are”:

1. In the organisation’s hierarchy of authority, are you considered to be a senior manager or middle manager?
2. In which functional area of the organisation is your role characterised?
3. How many years working experience do you have in the food and fast-moving consumer-goods industry?
4. Hofstede (2011, p. 546) defines culture as “shared and transferable perceptions, values or practices”. How would you describe the culture within your organisation?
5. Risk culture is defined as ‘the norms and traditions of behaviour of individuals and of groups within an organisation that determine the way in which they identify, understand, discuss, and act on the risks the organisation confronts and the risks it takes” (Australian Prudential Regulatory Authority, 2016). How do you feel about the prevailing risk culture in the organisation?
6. How do you think an organisation’s overall culture affects its risk culture?
7. In what way would a specialised risk management department affect risk culture in the organisation?

I need to audiotape your interview to allow me to transcribe and analyse your responses post-interview. This will allow me to give full attention to your responses during the interview and not get side-tracked by multiple note-taking. I therefore kindly request that you consent to such audio-taping based on the requirement that the recordings be deleted after transcribing.

Study data management

The audio-recordings will be deleted after the information was transcribed by the researcher or transcriber. If a separate (i.e. not the study researcher) transcriber is used, s/he will sign a confidentiality clause before transcribing (i.e. the transcriber may not talk to anybody about the study data). Neither the company, nor the interviewee will be identified in the study transcriptions. The transcriptions constitute the raw data for this study, which will be stored safely by the researcher for three years. The interview content will be analysed and reported on anonymously. Responsible members of the North-West University may be given access to the anonymised data for supervision and/or audit of the research.

The researcher may wish to directly quote some of your responses in the study report, without identifying you. You will be asked to give permission for each such quote to be used.

Publication of the study results

The study will be written up as a confidential *and classified* study report in the researcher's mini-dissertation. The report will be made available to the organisation in which the study was done. Post examination, the study may be published as an academic article if formal permission to do so has been received by the organisation.

Potential risks to you and the organisation in taking part in this study

In order to reduce any potential risks, the researcher will acquire prior permission for conducting the research from the university, the researched organisation and other participants. No data will be misrepresented or distorted in order not to obtain a falsified outcome.

Should you have any other concerns about taking part in this study, please contact the researcher or study supervisor to discuss your concerns.

Potential benefits to you in taking part in this study

Your contribution will be beneficial in establishing organisational priorities. The study will provide managers with evidence of how the risk culture of the organisation will be affected by the establishment of a dedicated risk management department. Participants will also be more conscious of the consequences of their decisions from a risk-based point of view.

Should you have concerns on this study

The interviewer has been trained to do the interview in an ethical and academically sound manner. Should you have any concerns about the interview that cannot be allayed by the researcher, either before or after the interview, you are welcome to contact the student's supervisor (contact details above) to discuss these concerns. Should you wish to further escalate your concerns, please contact the module leader, prof Hermien Zaaiman at [REDACTED] (082 [REDACTED]).

Informed consent

	yes/no
I have read and understood this consent form.	
I have had a chance to ask the researcher questions on the study.	
These questions have been adequately answered for me to be able to provide informed consent to participate in this study.	
I understand that taking part in this study is voluntary.	
I have not been pressurised to take part in this study.	
I understand that I may exit the study at any time without being penalised or prejudiced against in any way.	
I hereby provide consent to contribute to this study under the conditions explained in this form.	

Initial each page and sign

Participant name:

Signature:

Date:

Appendix D



People and organizational culture: A profile comparison approach assessing person-organisational fit. (O'Reilly et al., 1991)

Appendix E

<p>Low</p> <p>Health & Nutrition Customer Service</p>	<p>Medium</p> <p>Food Allergens Restaurant daily operations Suppliers</p>
<p>High</p> <p>Animal Welfare Technological risks Staff Turnover</p>	<p>Critical</p> <p>Listeriosis and other foodborne diseases Loss of Lives</p>

High-level organisational risk matrix obtained from the organisation (Anonymous, 2019)

Appendix F

Full transcript of participant 1 (senior manager in Information Technology)

Interviewer: Thank you for agreeing to do this interview. I'm only going to take about 20 minutes.

So, just to give you background on what it is about. I'm doing my master's degree with the North West University, it's a master's degree in applied risk management and what our dissertation is about is about Risk culture. So, I'm exploring the risk culture in this organisation.

I'm just going to ask you three demographic related questions before moving to the risk related questions. In the organisation's hierarchy, would you be considered a senior manager or junior manager?

Participant 1: Senior manager

Interviewer: And in which functional area of the organisation is your role characterised?

Participant 1: Information Technology, IT

Interviewer: How many years working experience do you have in the food or fast-moving consumer-goods industry specifically?

Participant 1: So the food industry only 3 years, previously, it's all been IT.

Interviewer: Strictly IT

Participant 1: Yes

Interviewer: How would you describe the culture that exists within the organisation? Just an overall culture.

Participant 1: So in relation to food or [...]?

Interviewer: Just culture

Participant 1: Oh in relation to how we are, we are a family run corporate business, if that makes any sense ****laugh****, so we have , we run like a family business in some cases, striving and trying to be a corporate, but we not quite a corporate yet.

Interviewer: what makes us not be a corporate

Participant 1: I think, [REDACTED] could never really become a corporate because some of our values aren't corporate driven, like we're just here to make money all the time and that is why we remain more of a family type driven business rather than a full blown corporate, we're not a bank for example. We'll never become a bank, even though we are trying to strive to be better with a lot of our policies and procedures towards those levels, but I think the culture will always be one of not trying to be a corporate.

Interviewer: Intentionally?

Participant 1: (Yes) Intentionally, because it would take away what [REDACTED] is, if it became a corporate, we'd just be any odd brand

Interviewer: like another organisation

Participant 1: It wouldn't have the soul kind of thing of [REDACTED]

Interviewer: I'm going to give you the definition of risk culture, risk culture is 'the norms and traditions of behaviour of individuals and of groups within an organisation that determine the way in which they identify, understand, discuss, and act on the risks the organisation confronts and the risks it takes'. How do you feel about the prevailing risk culture in the organisation?

Participant 1: So, I think within [REDACTED] you have to classify risk into different areas, so there's risk at corporate level and there's risk at restaurant level. So, if you look at risk at restaurant level, managers would make decisions on the day, based on what they know, but it could be a risky thing for the corporate. But they might need to take that risk right there and there.

For example, signing up somebody [supplier] without reviewing the contract, those type of things...those things do happen. From a corporate point of view, risk has become a lot more of front and centre, so in terms of the way we engage with partners... we spend a lot more time contracting with them, making sure that the contract is correct before we enter into that contract and I think we are getting there in terms of looking at how risk affects the business, but in some cases some departments are not there yet. Some departments are more mature, others aren't that mature.

Interviewer: So that organisational culture you describe, how does that affect the risk culture?

Participant 1: So, for example, previously a lot of the contracting was done by senior management, director level and exco level but wasn't fed down to the normal employee. So, you wouldn't understand the risk as a normal operational person.

I think now only, a lot more people are getting involved in kind of defining it. So, our risk culture, if you were to ask if its high, medium or low. I think we are getting towards medium. We are kind of understanding. In some cases, and again it depends on which area you are in, some areas are a lot more risk aware.

Whereas something like where I specifically play, in the IT space, we're always at risk because of the world out there. We spend a lot more time looking at our contracts, working with our suppliers, ensuring that we maintain the standards that prescribed both by the business as well as international standards. Things like data security, ITIL and all those kinds of things, so we try manage our risks from that side of the world as well as operationally and how we can mitigate not getting breached and ppl not destroying our environment or accessing illegal software.

Interviewer: Ok, so you talked about the risks being in different departments, and a person in HR would be looking at risk from a ppl perspective and you would be looking at technological risk, how would a specialised risk department affect the risk culture of the organisation?

Participant 1: I think it would help a lot; I think it would tie all the different departments together.

So, if u typically take for example the fact that everything is IT related, it doesn't matter what you do. There's a platform, there's access, there's email, there's something.

Departments don't typically understand the IT risk, they will look at a risk from their point of view. For example, HR would look that a platform covers all of the things they need to do their jobs better. But if you look at from an IT point of view, you ask them, is that platform secure? They don't know.

Whether it says HTTP or HTTPS? They don't know. So those things are where an organisational risk department will help. Where we've seen it help is in for example, in our world we used to have in procurement.

So, the procurement guy who would do all the IT stuff was very knowledgeable on the IT stuff and by doing that we were able to kind of complement each other on the risk. So, if anything came through that needed to be procured it was not food related. In that case it used to be [REDACTED]. We would have a really good idea of the risk because of his [procurement and IT] understanding so in a way he was kind of managing risk from a procurement perspective and us from an IT side and together we would get a really good handle on new platforms, whether a department was entering risky contract because of the software or the services that we were procuring.

Interviewer: So, the way we're doing this right now is pretty much in silo departments, if we were to have for example a two-man risk department would that help to a certain extent?

Participant 1: We don't have a risk department, there's no one person who says this is risky, so before we do anything, is this a brand risk? is this a food risk? there's no one who determines that. Its silo based

Interviewer: Would we need that though?

Participant 1: Yes, we do need that especially with integration, a lot of things touch on a lot of things. And obviously because everything goes through IT, there's so many risk factors worth taking into account, there is your user's risk, there is the brand risk and there is your data risk, 'there's the overall [REDACTED] global risk you know. So, there's a lot more to consider these days than before, a department could do something, and it wouldn't touch any other department. Everything is integrated these days. So if you do something it might not be visible now that it will impact that department, but if you don't have oversight over the entire kind of ecosystem, you won't know and you need somebody to kind of sit and says okay if we implement that system, what is the risk to the rest of the business?

And because you don't have that oversight over it's very difficult for us to come in as IT because will typically pick up the risk because the way we work touches so many places, you know. So, we are the one business unit where we talked to everybody. We know everybody and what everybody's doing, because the minute you come to us with a new system application, we look at how does that affect all of us because we don't just build your thing in isolation to everything, it needs to integrate and be secured with everything, so we typically see a lot of the risks that ppl enter into from a global point of view because we have to, we have to take into consideration exactly how that is going to affect us.

Interviewer: Alright that's it. Thank you

Participant : Cool.