

The Role of Chief Risk Officer in Adoption and Implementation of Enterprise Risk Management-A Literature Review

Abstract

Recently many companies view risk management from a holistic approach instead of a silo-based perspective. This holistic approach is called Enterprise Risk Management (ERM). Indeed, ERM is designed to assess the ability of board of directors and senior management in managing total portfolio of risk faced by an enterprise. Based on relevant literature Chief Risk Officer (CRO) is one important factor which may influence companies in deciding whether to adopt an ERM. The role of the CROs is to work with other managers to set up an effective and efficient risk management system and disseminate risk information to the entire enterprise. The main purpose of this paper is to provide a comprehensive overview of the influence of CRO on adoption and implementation of ERM. It was found that presence and quality of CRO are important determinants of ERM adoption and implementation. This research clarifies that there is a lack of research in respect of the effect of CRO in implementation of ERM in developing countries. This study is useful for companies which wants to adopt ERM or wants to improve the stage and level of ERM implementation in their companies.