

EXECUTIVE LEADERSHIP IN PRACTICE - RISK MANAGEMENT

Risk Culture and Organizational Risk Awareness For C-Suite and Senior Executives

Moving enterprise risk from a static compliance exercise to a dynamic, cross-functional capability.



Executive Briefing Objectives

By the end of this briefing, you will be able to assess whether your organization's risk culture protects the business or just produces paperwork, and identify three leadership actions to strengthen risk awareness across your enterprise.

Risk Culture Has Become the Difference Between Resilience and Failure

52%

of U.S. organizations have not integrated risk and resilience capabilities.
(KPMG 2025)

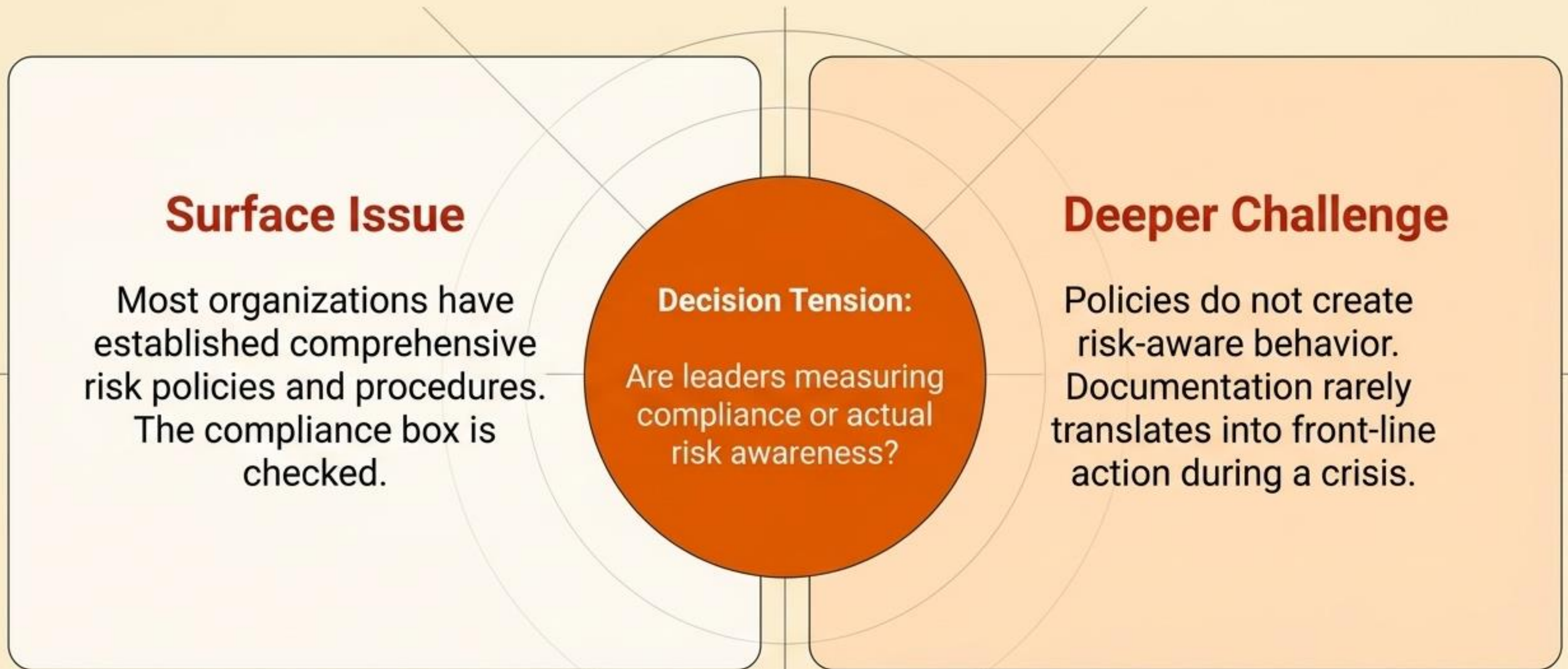
2.5x

greater resilience during crises for companies with strong risk cultures.
(McKinsey)

72%

of organizations face a lack of awareness and communication as a barrier to effective risk management. (KPMG)

The Leadership Problem in Enterprise Risk

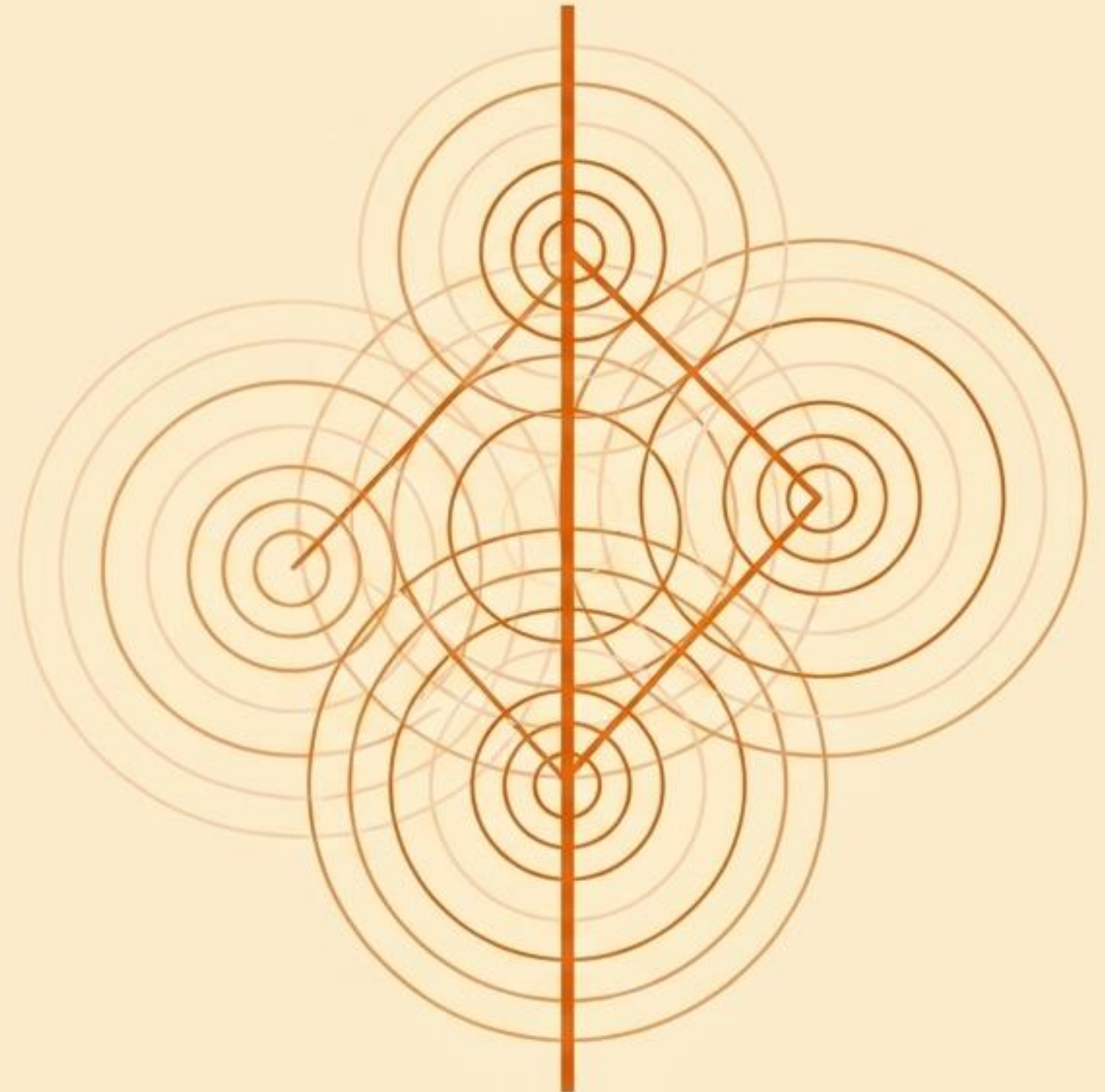


The Enterprise Immune System

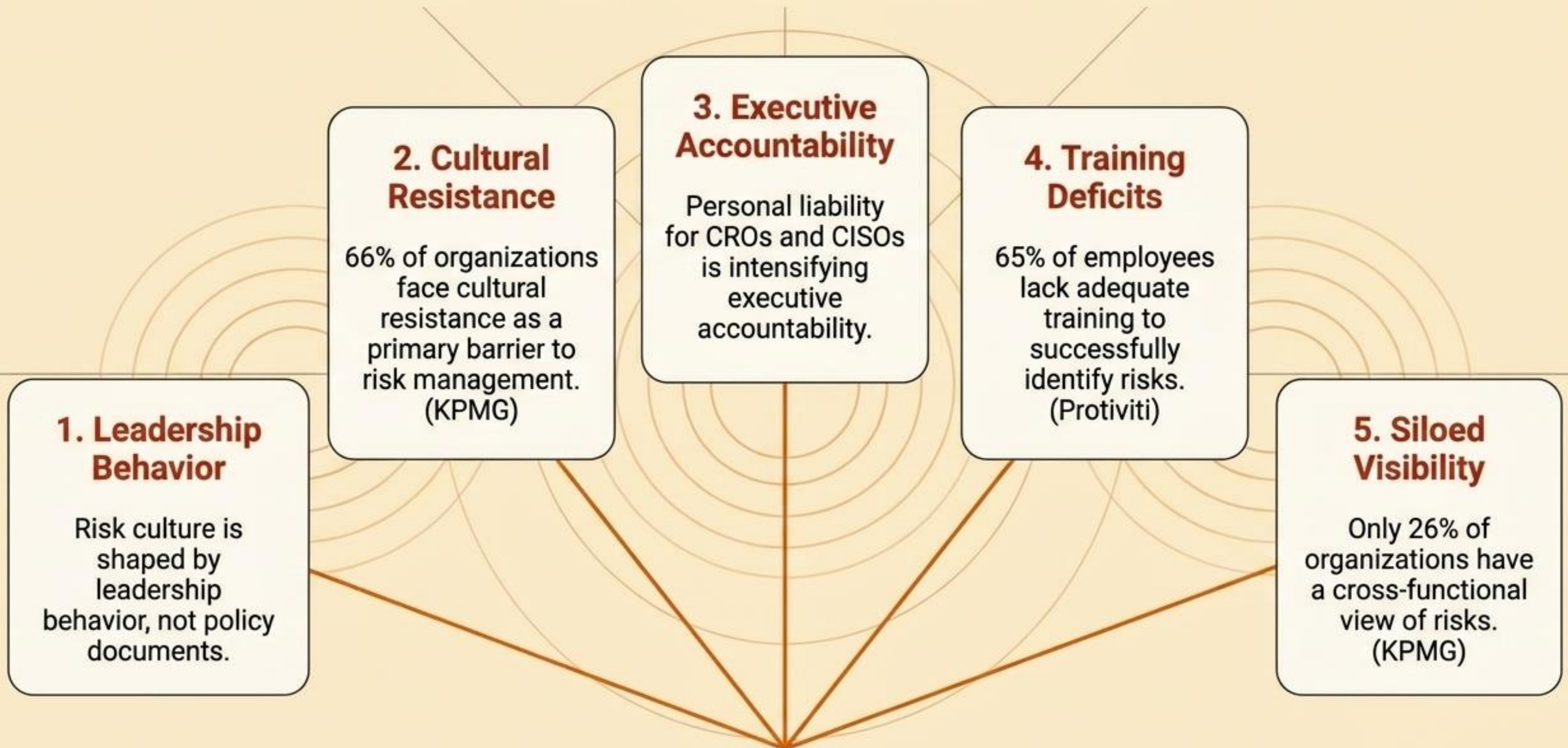
Risk culture is like an immune system.

Policies and frameworks are the medicine cabinet.

But if the organizational body does not recognize threats, the medicine never gets used. The defining question is whether your organization can sense risk before it becomes a crisis.



Five Structural Realities Leaders Need to Know



The Evidence Linking Culture to Consequence

Real-World Consequences

TD Bank Case: Culture deprioritized reporting, resulting in a systemic money laundering failure.

FDIC Scandal: Workplace culture failures led directly to reputational and operational crises.

Executive Reality



of global CEOs rank risk culture as critical to success, yet only 45% believe their organizations have effectively integrated it. (PwC 2023)



of executives state their governance, risk, and compliance systems need improvement. (McKinsey 2025)

Strategic Implications for the Enterprise

1. Elevate Board Oversight

Strengthen board oversight of risk culture itself, not just the review of static risk reports.

2. Redefine Performance

Embed risk awareness directly into leadership development and performance evaluation metrics.

3. Break Down Silos

Build cross-functional risk visibility to protect stakeholder confidence and ensure unified responses.

Three Leadership Actions to Take Now

1

Assess

Conduct a comprehensive risk culture assessment within the next 90 days.

2

Require

Require risk awareness as a core leadership competency in all executive evaluations.

3

Establish

Establish a cross-functional risk committee with direct reporting lines to the board.

Diagnostic Questions Leaders Must Ask

- 1. When was the last time an employee escalated a risk that changed a decision?**
- 2. Do our risk reports reflect what is actually happening, or what we want to hear?**
- 3. How do we measure risk awareness beyond compliance training completion rates?**
- 4. Which business unit has the weakest risk culture, and what are we doing about it?**
- 5. If a major risk materialized tomorrow, would our people know what to do?**

Executive Contributions and Next Moves



What this briefing clarified:

Risk culture is a leadership discipline, not a compliance exercise.

What leaders can now do:

Assess, embed, and govern risk awareness as a strategic priority across all functions.

Next leadership move:

Commission a risk culture assessment and report findings to the board within 90 days.

CONTACT

Let's continue the conversation.



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