



Executive Perspectives on Top Risks for Healthcare Organizations in 2022 and 2031

Key issues being discussed in the boardroom and C-suite, according to results from the latest Protiviti-NC State global survey

Ongoing challenges triggered by a once-in-a-century airborne pandemic continue to unfold, reminding executives that the range of uncertainties has triggered an overwhelming landscape of ever-changing risks they must manage. Considering the rapid pace of disruptive innovation and technological developments in a rapidly advancing digital world, the need for resilience and agility at pivoting when the unexpected occurs is at all-time highs.

TOP 10 HEALTHCARE RISKS FOR 2022

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| 1. Government policies surrounding public health practices, social distancing, return-to-work, crowd limits, and other pandemic-related regulations and protocols may significantly impact the performance of our business |
| 2. Anticipated increases in labor costs may affect our opportunity to meet profitability targets |
| 3. Market conditions imposed by and in response to COVID-19 and emerging variants, including shifts in consumer behavior to digital channels, may continue to impact customer demand for our core products and services |
| 4. Our organization's succession challenges and ability to attract and retain top talent in a tightening talent market may limit our ability to achieve operational targets |
| 5. Regulatory changes and scrutiny may heighten, noticeably affecting the way our processes are designed and our products or services are produced or delivered |
| 6. Changes in the overall work environment may lead to challenges to sustaining our organization's culture and the way we do business |
| 7. Ensuring data privacy and compliance with growing identity protection expectations and regulations may require alterations demanding significant resources to restructure how we collect, store, share and use data to run our business |
| 8. The adoption of digital technologies in the marketplace and in our organization may require new skills that either are in short supply in the market for talent or require significant efforts to upskill and reskill our existing employees |
| 9. Our organization may not be sufficiently prepared to manage cyber threats such as ransomware and other attacks that have the potential to significantly disrupt core operations and/or damage our brand |
| 10. Ease of entrance of new competitors into the industry and marketplace or other significant changes in the competitive environment may threaten our market share |

TOP 5 HEALTHCARE RISKS FOR 2031

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| 1. The adoption of digital technologies in the marketplace and in our organization may require new skills that either are in short supply in the market for talent or require significant efforts to upskill and reskill our existing employees |
| 2. Anticipated increases in labor costs may affect our opportunity to meet profitability targets |
| 3. Rapid speed of disruptive innovations enabled by advanced technologies and/or other market forces may outpace our organization's ability to compete and/or manage the risk appropriately, without making significant changes to our business model |
| 4. Our organization's succession challenges and ability to attract and retain top talent in a tightening talent market may limit our ability to achieve operational targets |
| 5. Regulatory changes and scrutiny may heighten, noticeably affecting the way our processes are designed and our products or services are produced or delivered |

Results are based on a survey of 1,453 board members and C-suite executives worldwide. The full survey report, *Executive Perspectives on Top Risks*, may be accessed at erm.ncsu.edu or protiviti.com/toprisks. It includes detailed breakdowns of the results by respondent role, organization size, industry, geography and other categories.

KEY HIGHLIGHTS FROM THE STUDY

1. Concerns with the pandemic continue to linger near term.



COVID-19 variants, masking requirements, vaccine mandates and the ever-changing politicization of the pandemic have hamstrung recovery efforts and dampened economic growth sentiments.

2. People and culture are at the top of the agenda.



Job markets have been disrupted and executives are concerned about attracting and retaining talent and labor. Future of work continues to be a defining business challenge. DEI and ESG matters have elevated in importance.

3. Economic uncertainty remains significant and its long-term impact has increased.



The lingering effects of the pandemic, constricting labor markets, the debate over inflation being transitory or structural, the effects of rising energy costs, and the impact of supply chain congestion and disruption contribute to strained perceptions regarding the economy.

4. Cybersecurity and data privacy remain long-term concerns, as do regulatory matters.



There is growing emphasis on privacy due to regulatory developments – this may be a longer-term strategic concern for organizations in terms of determining what data is captured and how that data is stored, used and secured.

5. Buckle up; a disruptive and volatile decade lies ahead.



The adoption of digital technologies requiring new skills, anticipated increases in labor costs and the speed of disruptive innovation are all top risks looking out 10 years, as are risks related to talent, succession challenges and regulatory changes.

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