

The Impact of Enterprise Risk Management Knowledge on the Non-Financial Performance of Zimbabwean Banks.

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Abstract

Enterprise Risk Management (ERM) knowledge is the cradle of banking industry non-financial performance (NFP) which determine proper risk culture, appetite and tolerance. It motivates the development of sustainable structure determinants that align with banking operations to reap positive results from it. This research seeks to examine the impact of ERM knowledge on the NFP of Zimbabwean banks. The study objectives were to determine the ERM structure determinants in Zimbabwean banks, assess the effectiveness of reliable integrated risk governance on banking industry NFPs and determine the challenges that makes it difficult to adopt ERM cycle in Zimbabwean banks. The mixed research methods study which was done under an explanatory and descriptive research designs used cluster and purposive sampling techniques and a census was determined the sample size. The obtained qualitative data was analyzed using thematic analysis in NVivo 15.2.1 and the quantitative data was analyzed using Pearson Product Moment Test Correlation Coefficient (PMMTCC) in Statistical Package for Social Sciences (SPSS) Version 31 (117). It is a good tool to reduce to conform the data chatbot and transcript to the qualitative research international standard operating procedures. The study results shows that the ERM structure determinants application is still a piecemeal process and some steps are flawed which is pre-empting the capacity of the banking industry to achieve effective NFPs. Resource scarcity and regulatory churn are significant stumbling blocks against the success of banks in adopting ERM cycle and consistently reap results from it. The study concludes that, the ERM knowledge is a vital organ in spearheading effective NFP in the banking industry since it aligns banking culture to risk culture. The study recommends that; there should be effective ERM knowledge to minimize costly loopholes and gaps that result in banking losses.

Keywords: Banking Industry, ERM, Knowledge, NFP.

INTRODUCTION

This research seeks to assess the impact of enterprise risk management (ERM) knowledge on the non-financial performance (NFI) of Zimbabwean banks. The rationale of this study is to ensure banking industry stakeholders have adequate knowledge ERM technical expertise and understanding to develop accommodative suitable macro, market and micro environments.

Impact of ERM Knowledge on NFP of the Banking Industry

Banking industry ERM treat holistic external and internal NFP metrics' operational threats that have negative massive potential on banks (Mwangi, 2024).

ERM = Governance + Culture + Process

It ensures that all individual staff members or institutional potential nominal probability of losses, are inoculated well befall they cost commercial, savings, merchant, building society and development banks of worth goodwill (Bara & LeRoux, 2018). ERM put banks in the development rails through enriching the operational strategies and governance mechanisms to work in the best interest of individual banks. Banking industry ERM comprehensively expand risk appetite (level of risk the bank is willing to address to meet its objectives), tolerance (acceptable margin around risk appetite) and governance for banks in diverse sectors based on the provisions of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ERM Framework (2017), International Standards Organization (ISO) 31000 and Basel Committee on Banking Supervision (BCBS) III/IV [norms guide the central and subordinate banks to align to holistic risk management). ERM increase operational sustainability and enhance higher order problem-solving skills in banks staff members (Mwanzia, 2021). The effective ERM knowledge by all key banking industry stakeholders has been commended for making bank risk appetite explicit

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and understood, which aligned with creative and critical thinking innovations (Augustina & Baroroh, 2021). The banking ERM science of maximizing value through aligning risk appetite with banking strategic development improve higher order decision making and protection of variable and fixed assets against reputational and human error risks.

ERM Knowledge Effect on Global Banking Industry NFPs

The knowledge of ERM systems coupled with strong appreciation of emerging technologies has resulted in more nominal successes in the across the globe. Artificial intelligence (AI) and machine learning (ML) based risk analytics have resulted in better credit scoring, reliable anti-money laundering (AML)/Counter Terrorist Financing (CTF) transaction monitoring and effective as well as detailed predictive stress testing (Rehman et al., 2019). Rewarding inroads under the scope of banking industry ERM are made to integrate environment, social and governance (ESGs) into external and internal banking operations. The idea is promoting green economy and reducing climate change related disasters supported by effective green finance reporting (Dragomir, 2022). The banks voluntary compliance to the Task Force on Climate-related Financial Disclosures (TCFD) disclosures has brought good business ethical connotations to the banks and more brand equity among eco-friendly sensitive customers. The expediting of TCFD recommendations has done more effective qualitative improvement in the technical operations of banks through reducing errors and costs (Kiragu, 2024).

Weak ERM knowledge and application often costs banks of a desired positive future and good reputation. For instance, Utah Bank in the United States of America (USA) lost 8% of its donors due to breaching data security measures which resulted in the exposure of sensitive information such as credit card numbers, security codes, addresses, and donor names (Mutirwi, 2022). About three decades ago, the Bank of New England experienced poor NFP metrics due to silo-based risk management which was weak against irragational terrorist and cyber-attacks. Beck et al., (2023) found that banks with robust ERM achieved efficient NFP metrics even when they are facing economic downturns. This made them to be proactive and fostered investor confidence which led to improved operational efficiency in the United Kingdom. Al-Tamimi and Al-Mazrouei (2021) ERM knowledge study in the United Arab Emirates (UAE) banking sector reviewed that understanding of ERM led to reduced litigation charges and sanction on the banking institutions. Ali et al. (2021) assert that a well-structured ERM enhanced the NFP of Pakistan's banking sector.

ERM Knowledge on African Banking Industry NFPs

ERM has become a critical resource in the NFP operations of the banking industry in African dynamic and often volatile macro environmental landscapes (Saghir, 2020). Kithinji (2010) studied ERM knowledge effect on the efficiency of banks in their NFP operations. The study produced positive results which resulted in brand equity and high ESG score. Otanga and Mule (2022) present that ERM knowledge was a vital tool in improving ESG score, brand equity and good business climate which attracted a lot of clients and more efficient operations of savings and credit cooperative societies in Western Kenya.

ERM Knowledge in the Zimbabwean Banking Industry NFPs

ERM official acceptance in Zimbabwe dates back to 2010 when the Reserve Bank of Zimbabwe (RBZ) during a midterm monetary policy, publicized a circular on 28 April exhorting local banks to adopt ERM. The idea was to avert losses against global financial crisis (RBZ, 2020). The skewed ERM knowledge in Zimbabwe pre-2008 to 2009 crises, resulted in liquidation of the Capital Bank Limited, Afrasia Kingdom Bank and Allied Bank Limited because they failed to reap good outcomes in their NFPs. Mandimutsira (2021) used the factor analysis and logic regression on bank managers and annual reports, and he found that ERM knowledge was proportionally corresponding to NFPs. The challenge is that several banks are still implementing piecemeals due to complexity and costs associated with ERM mechanisms. Mugebe (2019) realised that ERM exposed internal fraud which resulted in increased customer trust and brand equity towards commercial banks in Zimbabwe.

According to Mujeri and Rahman (2018) high ERM knowledge in Zimbabwe Stock Exchange (ZSE)-listed banks resulted in efficient NFP measures. It makes the banks strategically plan against financial crises and become operationally resilient in the midst of economic challenges. Tinashe and Nyasha (2020) conducted a survey of ZSE-listed commercial banks ERM knowledge and realised that they were able to smoothly navigate economic volatility with better ESG score and good business climate. The banks are said to be having a high level of regulatory compliance and use international best practices which result in more sustainable growth.

Problem Statement

The adequate ERM knowledge in Zimbabwean banks is derailed by inappropriate risk culture, appetite and tolerance levels. The risk culture is separated from the corporate culture which make the influence of the banking culture on risk governance difficult to administer (Bank Supervision Division [BSD], 2024). The fundamental elements that support sustainable risk culture that is, effective risk governance, appetite and compensation practices are not clearly defined and the appropriate risk taking behaviour is subjective from person to person which is weakening the ESG score, compliance and banking climate (RBZ, 2024). The risk appetite statements are not directly linked to banks strategic goals.

Study Objectives

The following objectives were determined which are:

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1. To determine the ERM structure determinants in Zimbabwean banks.
2. To assess the effectiveness of reliable integrated risk governance on banking industry NFPs.
3. To determine the challenges that makes it difficult to adopt ERM cycle in Zimbabwean banks.

Study Propositions

P₁: There are strong ERM structures in Zimbabwean banks.

P₂: Diverse challenges are making it difficult to adopt ERM cycle in Zimbabwean banks.

Research Hypothesis

H₁: IRG positively impact on the banking industry NFPs.

LITERATURE REVIEW

The literature review briefly presents the empirical works synthesized on each and every objective area. This gives purpose, direction and the basis for the study to make more impact.

Banking Industry ERM Framework Determinants

Banking industry ERM structure determinants are mechanisms developed to determine the span of control, chain of command and division of labour in defining the risk culture, appetite and tolerance activities (Mwanzia, 2021). The ERM structure determinants make decision making structural and strategically assign each and every stakeholder where he/she below in ERM cycle. They make strategic planning and resource mobilization easy which result in more ERM success stories and sustainable competitive advantage. ERM structure determinants bring a sense of total staff member responsibility by given systematic ERM responsibilities towards the accomplishment of bank goals and objectives (Newman et al., 2018). They come in traditional/mechanistic (simple, functional, divisional, line) and contemporary/organic (team, matrix, boundaryless, virtual) formats.

Table 1: Banking Industry ERM Framework Determinants

No.	Determinant (s)	Committee/ Staff Member (s)	Roles & Responsibilities
1.	Corporate Governance & Culture	Board Risk Committee (BRC)	-Establish risk appetite, tolerance and governance as well as approving ERM policies
		Chief Risk Officer (CRO)	-Develop ERM framework and coordinate its mechanisms. -Establish strong risk culture across all departments.
2.	Risk Identification	All External and Internal Stakeholders (Departments, Professional Bodies, Regulators, Clients)	-Using techniques as brainstorming, Delphi, SWOT, Bow-Tie, Risk Registers. -Establish risk register -Disaster Risk Maps -Auditor General Reports -Industrial Assessment Reports -ESG Reports
3.	Risk Assessment	-CRO together with Top Management	- Qualitative (Heat Map, Risk Scorecard). - Quantitative (Monte Carlo, Value at Risk (VaR), Expected Loss, Failure Mode & Effects Analysis [FMEA]). -Assess the Likelihood x Impact in quantitative and qualitative models. -Use Scenario Analysis and Stress Testing.
4.	Risk Response	-CRO leading all staff members	Treating profiled risks accordingly as follows:
			Retain/Accept – Low frequency and severity (Take on risk within appetite)
			Reduce/Mitigate – High frequency and low severity (controls, diversification, process redesign).
			Share/Transfer – Low frequency and high severity (Insurance, derivatives, outsourcing)
5.	Monitoring & Reporting	-All departments regularly monitoring and reporting to the CRO and then he/she make a corporate level report.	Avoid – High frequency and severity
			-Through the use of real-time dashboards (Key Performance Indicators – Key Risk Indicators) -Board/Regulator Reporting (Pillar 3 disclosures, Reserve Bank of Zimbabwe [RBZ] returns).

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6.	Continuous Improvement	All bank staff members	-Offer regular feedback loops -Internal audit reviews -Post-mortem on losses experienced
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Source: Own Table (2025)

Governance and Culture

The governance and culture stands as the banking ERM foundation which is shaped by the BRC and CRO expertise and senior leadership (Paul et al., 2021). The senior leadership set the risk culture, appetite, policies and administer ERM operations. The set risk culture presents the shared banking values, tone and incentives that embed risk awareness in day to day decision making. Governance and culture promote the development of ethical code of conduct that raise risk awareness (Jones, 2018).

Risk Identification

The risk identification phase map out strategy, compliance, operations and ESG areas that would be threatened (Dragomir, 2022). This is done through methods like brainstorming, risk registers (heat maps), strengths, weaknesses, opportunities and threats (SWOT) and political, economic, social, technological, environmental and legal (PESTEL) analyses and scenario planning. Frequent and intense internal and external risks are identified which increase risk awareness and proactive (Retno & Priantinah, 2022).

Risk Assessment

Risk assessment serves to quantify and prioritise the identified risks through grading and profiling. This is done through the following technique:

Likelihood (L) × Impact (I) → Risk Score

The risk profiling findings are presented through a risk priority number (RPN) and heat maps (Todorovic, 2022). This inform banks on how to treat the profiled risks.

Risk Treatment/ Response

The risk treatment or response measures are ways to administer risks based on their severity and impact. These include acceptance, transfer, avoidance and mitigation (Mveku et al., 2021). Acceptance corresponds to risks that have low frequency and severity, and the risks are retained since they are within the risk appetite of the bank. Mitigation is suitable for risks with high frequency and low severity to reduce its impact (Mudzingwa, 2025). Transfer manifests in form of insurance and hedging to risks that have low frequency and high severity. Avoidance is suitable for risks with high frequency and severity, and the only method to handle is to abandon the strategy since the risk would exceed the bank's risk appetite.

Monitoring and Reporting

Monitoring focus on the ongoing checking of key risk indicators (KRIs) like phishing and carbon intensity. The use of a dashboard make the monitoring real-time and alert of suspicious activities timely (Kiragu, 2024). Reporting makes it a culture at all banking operation levels to frequently update of progress made in ERM mechanisms at regular intervals. The BRC can make a quarterly report of the top ten risks, change of RPN, condition of mitigation plans and emerging risks such as ESG and cyber. The CRO can make a monthly report to update of KRI breaches, incident alerts and risk appetite breaks. Annual reports can be made to external stakeholders such as the investors and regulators to present the TCFD progress, governance, risk and compliance (GRC) metrics (Dragomir, 2022).

Continuous Improvement

Continuous improvement focuses on the feedback loop that administrators get from internal and external stakeholders regarding the ERM cycle (Augustina & Baroroh, 2021). This reflect the intervention strategies need to be done in order to make sure the risk culture align with the banking strategies. The intervention techniques needed could be ERM post-mortem, risk appetite review, benchmarking and technological upgrades to ensure momentum is applied towards the intended progress (Akong'a, 2024).

Effect of Reliable Integrated Risk Governance on Banking Industry NFPs

Integrated risk governance (IRG) embracing the existing bank risk appetite and tolerance wove holistic risk management into bank governance systems, micro plans and decision making mechanisms (Devindrappa, 2024). This ensures that all risks within the appetite scope and aligned to operational, reputational, ESG issues are mapped, assessed and administered accordingly at all levels (Rehman et al., 2019). NFP risk management is made everyone's responsibility which minimise the costs picked by banks in going through reputational threatening phases. IRG ensures that a bank mainstream ESG principles into its operations and make adequate impact on it.

Environment

IRG ensures a bank has a good environmental image through the use of digital platforms powered by green energy sources to minimise non-biodegradable waste production (Makoka et al., 2021). The bank may also consider engaging in corporate shared value (CSV) like reclaiming the sustainability of life support systems (water, air and land) to minimise the public health, raw material and environmental degradation costs (Mwanzia, 2021).

Social

IRG also spearheads a safe work environment where safety is the priority and sustainable workplace climate is experienced which increase employee retention and customer loyalty (Retno & Priantinah, 2022). This increase

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ESG goals such as net-zero and zero-injury, and ultimately result in strategic financial health. Gender equality and equity systems are also improved through IRG which will always seek to mobilize resources using a gender equality and social inclusion (GESI) lens (RBZ, 2024).

Governance

IRG develop a basis for bank governance to be very effective and efficient through definition of clear roles for the board risk committee (BRO), CRO and risk champions (Muzondo et al., 2025). It ensures that the risk-appetite statement is clear, there are effective anti-corruption policies and there is the existence of water-tight cyber-risk governance. This ensures that the depositor funds are safe and they have strong brand equity in banking operations and services. Proper bank governance driven by reliable IRG priorities board gender diversity and increase customer satisfaction (Mveku et al., 2021). IRG towards governance mechanisms increase community impact and stakeholder trust which improve the reputational score (BSD, 2024).

Challenges which Disrupt ERM Cycle Adoption in Banking Industry

Banks across sectorial divides face diverse challenges that obliterate their commitment towards developing strong risk appetite, adequate tolerance and effective governance.

Scarcity of Quality Data

Quality data is a scarce resource that banks need to make real differences in ERM that matters in their NFPs (Paul et al., 2021). Limited quality data of the existing non-performing loans, having manual data capturing systems strangle the commitment to efficient ERM. This makes it difficult for banks to carryout effective Probability of Default & Loss Given Default (PD/LGD) simulation which leaves a technical vacuum that is difficult to plan for and address in case of unforeseeable circumstances (Magumbate, 2021). Furthermore, unavailability of quality data and clean data starve timely risk models and disrupt the flow of KRI dashboards which is a huge blow in making ERM a living reality. The process of stress testing is also hampered if there is inadequate data to fill all the strips and blocks. If attempts are made to just run stress testing with vague datasets, the risk of ERM process error is heightened and decision making process based on such a flawed system is weakened. This risk the depositors credits that are banked with the financial institution, and risk its brand image in case of becoming insolvent (Mazikana, 2023).

Scanty Resource

ERM is only a powerful toward improving the NPF side of banking operations if there are adequate supporting resources (human, information, technological, partnerships, financial) to translate systems on the ground (Ping & Muthuveloo, 2020). Resource inadequacy makes it difficult to model suitable and ready to reap result ERM systems that address staff members and clients pain points. The often result in partially done ERM systems with devastating gaps and glitches that do a lot of harm than good. Shortage of suitable modern technology like artificial intelligence based natural language processing (NLP) function keeps customers waiting when require service assistance and ultimately it frustrate them (Kanhai, 2023). The slow rollout of advanced second generation data analytic models like Know Your Customer (KYC) mechanisms result in shall information and weak risk governance that can be prone to threats like money laundering (ML) and terrorist financing (TF). The is makes a bank fail to report suspicion of ML/CT within the stipulated timeframe to the Financial Intelligence Unit (FIU) and result in regulatory charges. Poor automation of operations make it difficult for banks to monitor suspicious activities based on the real-time monitoring approach. This increase the risk of illicit financial flows (IFFs) that make depositors chances of losing their credit even beyond the tolerable levels (BSD, 2024).

Regulatory Churn

Regulatory churn as a macroeconomic effect means bad news to the banking industry ERM. This means central banks keep on shifting macroeconomic goalposts unjustifiably which jeopardize bank efforts to implement sustainable risk tolerance, appetite and governance mechanisms (Bertinetti et al., 2023). This can come in form of setting difficult to achieve minimum capitalization levels in a difficult economy. Tight foreign currency exchange control which have wider discrepancies with the street ones make banks to be at verge of losing much from its Bureau de Change business sector (RBZ, 2024). This makes the banks become less compliant to regulatory framework and increase the risk of ML/TF. The regulatory churn is also associated with a spike in strategic and compliance risks. Some unrealistic fiscal and monetary policy measures, disrupt the vision and ability to comply which the defined measures(Nugroho, 2023).

Theoretical Underpinnings of the Study

The theoretical framework for this research is grounded in modern portfolio theory (MPT), resource based view (RBV) and risk management theory (RMT) which align ERM knowledge to banking NFP. Figure 1 shows the theoretical framework of the study.

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Figure 1: Theoretical Framework

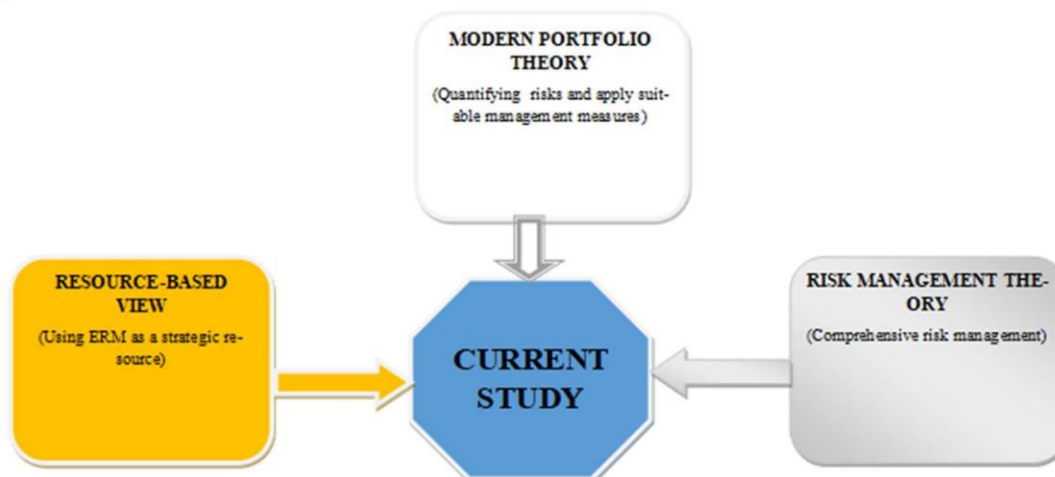


Figure 1 shows the theoretical framework used in this research.

Modern Portfolio Theory

The Modern Portfolio Theory (MPT) was envisaged by Harry Markowitz (1952). It quantifies a portfolio of potential threats and minimize the level of risk unsystematically. MPT advocates for the comprehensive integrated risk management to minimise the overall risk exposure and increasing NFP. It presents the validity of banking ERM and resource mobilization in enhancing NFP (Aziza & Aviola, 2024).

Resource-Based View (RBV)

The RBV presents that a bank's capacity to manage its resources efficiently result in successful ERM and sustainable competitive advantage. A bank can employ ERM as a strategic resource to enhance its NFP (Tamakloe et al., 2023). Well-managed risks result in significant operational success and good image in the customer domain.

The Risk Management Theory (RMT)

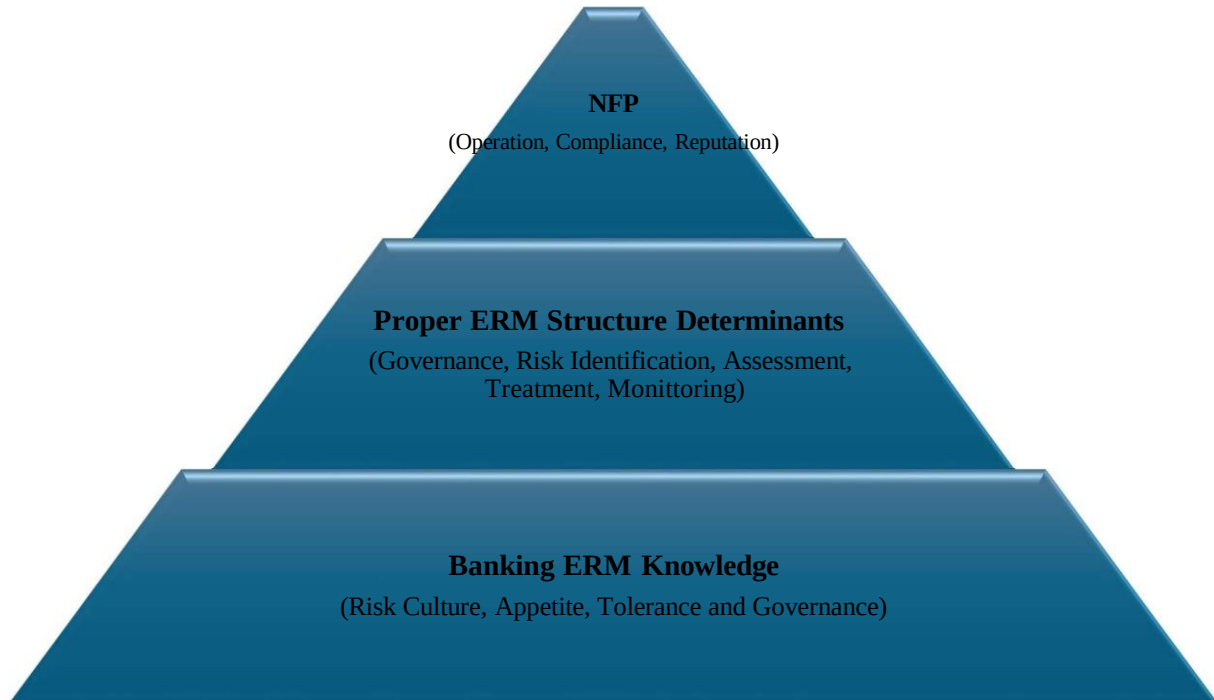
The RMT positions the proactive identification and mitigation of risks as key enablers for operational stability and NFP (Sarwar et al., 2023). It promotes comprehensive risk identification, assessment and mitigation process which aligns with the banks risk culture and appetite. RMT maintains that effective risk management practices are useful in ensuring successful NFP. Profiled risks are treated accordingly through risk avoidance, reduction, sharing, and acceptance.

Conceptual Framework

This study uses the interventions pyramid model to conceptualise the impact of ERM knowledge on the NFP of banks. Strong ERM essentially equip stakeholders to make good risk culture and appetite that capture all threats.

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Figure 2: ERM Knowledge Interventions Pyramid Model



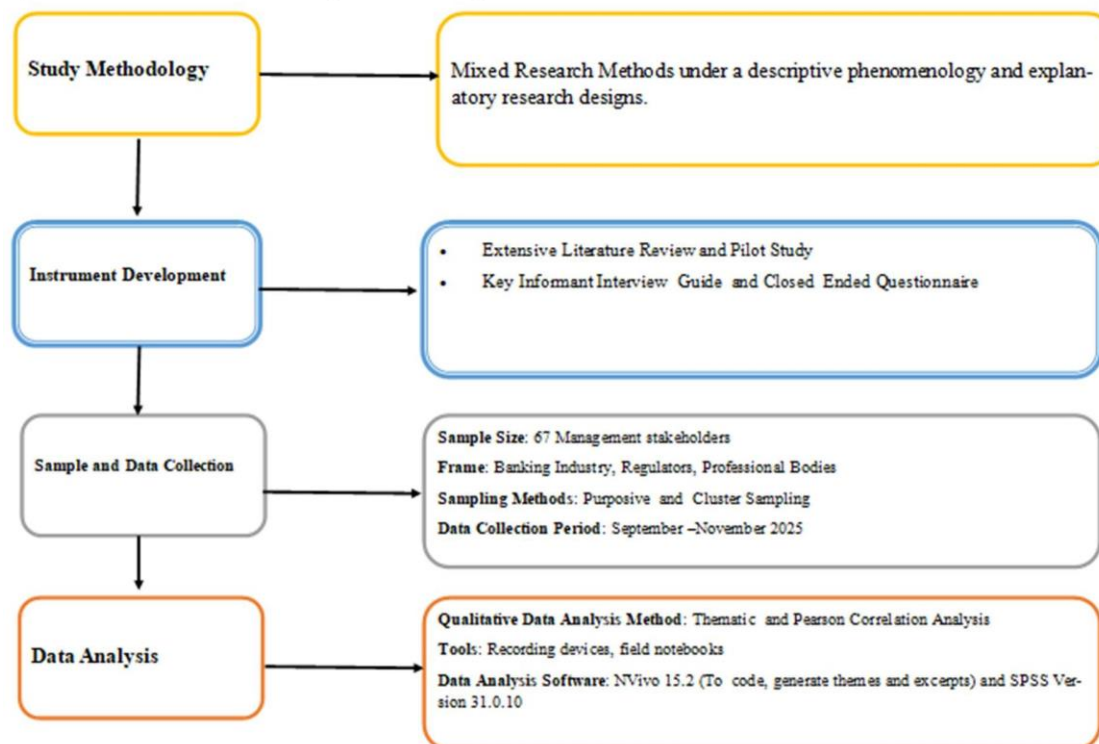
Source: Author's Compilation (2025)

Figure 2 shows the intervention pyramid model as the research's conceptual framework to comprehend the impact of ERM knowledge on the NFP of banks. ERM knowledge offers a basis for proper ERM structure determinants positioning and application. This ultimately result in NFPs that boost banking operations.

METHODOLOGY

This mixed research methods study was done using responses from the banking industry, professional bodies and regulators management. Figure 3 shows the flowchart of the study methodology that was used in this study to produce quality study results.

Figure 3: Flowchart of the Study Methodology



Source: Author's Own Design (2025)

Figure 3 offers the study flowchart followed in this research to come up with standardised and authentic outcomes.

RESULTS AND DISCUSSIONS

The results and discussions were obtained from the Reserve Bank of Zimbabwe Banking Supervision Division (RBZ-BSD), Bankers Association of Zimbabwe (BAZ), People's Own Savings Bank, Empower Bank, and the Infrastructural Development Bank of Zimbabwe (IDBZ). The key informant interview (KII) guide and a closed ended questionnaire were used to gather subjective and objective data from management officials from the banking industry and the external stakeholders. The field notes were used to complement the mixed data gathered from the field. The subjective audio recordings were transcribed into chatbots, transcripts and excerpts which were used for coding, developing themes and condensing in NVivo 15.2.1. The codebook was established with codes, subthemes and main themes that were recurrent in the study. The quantitative data was gathered using a closed ended questionnaire and diagnosed to ensure it conform to the assumptions of normality and equality of variance. Two themes were generated from the codebook which are banking industry ERM structure determinants and challenges to ERM cycle adoption. The data analysis and findings presentation was done in two phases, that is, the socio-demographic, results presentation and discussions.

Socio-Demographic Characteristics of Participants

The socio-demographics of the banking industry and external stakeholders offer a basis for quality assurance and value edition. The cross cutting themes in this research are gender

Respondents Gender

The research disbursed 80 closed ended questionnaires and managed to obtain 67 effective responses from the field which gives a response rate of 84%. Of the 84% (67 respondents) who effectively responded, 43 (64%) were male and 25 (36%) were female respondents. Table 2 shows the gender of the respondents.

Table 2: Respondents Gender

1.	Gender	Male	43 (64%)	Female	25 (36%)
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n=67

Source: Primary Data (2025)

The study results show that the findings were dominated by male counterparts. This could be an indication that gender equality and equity principles are still very piecemeal in the banking industry.

Age Range

The age range of the respondents shows 27% of the respondents are below the age of 40 years and this reflect more intellectual energy and the remaining 73% are mature and more experienced in their banking industry ERM knowledge. Table 3 shows the respondents age range.

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Table 3: Respondents Age Range

	Age Range	< 30 years	31-40 years	41-50 years	Above 50 years
		7 (10%)	11 (17%)	32 (48%)	17 (25%)

n=67

Source: Primary Data (2025)

The age range reflects that more respondents are more mature and have invested more ERM knowledge which make its application and use very effective. This makes banking industry ERM work better and achieve more positive NFP results.

Education Level

The level of education was useful to understand in order to zoom into the knowledge depth and skills gap available in the banking industry. The awareness space of the respondents essentially give a glance on their innovative and problem solving capacities. Table 4 illustrates the respondents education level obtained in this research.

Table 4: Respondents Education Level

	Level of education	Certificate	Diploma	Undergraduate	Postgraduate	PhD
		4 (6%)	11 (16%)	11 (17%)	19 (28%)	22 (33%)

n=67

Source: Primary Data (2025)

The level of education presents that 94% of the respondents have qualifications from diploma up to postgraduate qualifications. This shows the prowess and ability to internalize and articulate ERM knowledge in the best version that works better for the banking industry.

Work Experience Level

The work experience level is the period professional were exposed to banking industry ERM operations and how it connects to NFPs. This act as a reality checkpoint that improves the delivery of better and more positive outcomes.

Table 5: Respondents Experience Level

	Experience level	Less than 5 years	6-10 years	11-15 years	Above 15 years
		2 (3%)	24 (36%)	19 (28%)	22 (33%)

n=67

Source: Primary Data (2025)

Table 5 presents that 97% of the respondents have above 5 years of experience in banking industry ERM application environment. The depth of the experience develop a basis for better improvements, innovation and improvisations when something unplanned happen.

Interview and Questionnaire Findings

The KII interview guide findings are offered in this section. The nominal data obtained through audios and field notes was transcribed into standardized chatbots, excerpts and transcripts. The chatbots were descriptively coded in NVivo 15.2.1. The chatbots were imported into NVivo 15.2.1 and coded to get main and child codes. The codes were used to establish the subthemes and main themes. The standardized themed data was analysed using thematic analysis to ensure quotes are connected and are put under relevant theme. Table 6 shows the shows the impact of ERM knowledge on banking industry NFPs codes, subthemes and main themes of the study.

Table 6: ERM Knowledge in Banking Industry NFPs Codes, Sub-Themes, and Main Themes

Codes	Sub-Themes	Main Themes	
Determine risk culture and appetite	Governance and Culture	Banking Industry ERM Structure Determinants	
Lead risk identification and profiling			
Coordinate risk assessment and response			
Dashboard tracking	Monitoring and Reporting		
Using KRI			
Continuous improvement			
Shortage of regular data	Resource Scarcity	Challenges to ERM Cycle Adoption	
Flawed system			
Poor human resource skills	Regulatory Churn		
Changing macroeconomic goalposts			
Increase risk of ML/TF			
Tight economic policies			

n=7

Source: Primary Data (2025)

Table 6 presents the combined main themes, sub-themes, and codes gathered from the two research objectives. The findings present the transcribed codes, subthemes, and main themes gathered from the interview audios. The main theme and its related subthemes as well as codes were individually presented and discussed on each of the following subthemes.

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Theme 1: Banking Industry ERM Structure Determinants

The banking industry ERM structure determinants offers all the six essential components that are needed to make ERM cycle a success. The religious following and application of the ERM structure determinants bring sustainable benefits and unique differences. Two subthemes were developed from the coding process and the respective findings are presented under each subtheme.

Governance and Culture (cited in 7 files)

Governance and culture understanding in banking industry ERM is a great step that shows leadership orientation, risk culture, appetite and tolerance. This shows the orientation and the holistic approach as well as responsibilities that banking staff members have in making ERM a living reality. The collective views obtained from KIIs are offered as follows:

“The role of ERM governance and culture is to determine risk culture and appetite which clearly define the risk identification, assessment and response.. it is unfortunate that the governance and culture portfolio in our banking industry is a bit flawed” (KIIs).

The KIIs reflect that they understand the scope of ERM governance and culture which makes it easy to implement and apply banking ERM within the best interest of banks and align it to the existing macro environmental ecosystem.

Monitoring and Reporting (cited in 4 files)

The monitoring and reporting process focus on the laid down procedures to track KRI and how the dashboard real time metrics are used to indicate progress made. The reporting part ensures that all identified foul plays are identified and responsible authorities are alerted. The gathered views from the interviewees are:

“The monitoring and reporting systems in ERM ensures all the progress is put on the dashboard for real time checking of progress and leverage points are determined for continuous progress.. the monitoring and reporting is somehow better although a room for improvement still exists” (KIIs).

The KIIs shows that the monitoring and reporting systems are vital in banking industry structure functionality. The sad part is that it is not working to the best of its intended capacity. Serious developments and reformatations are needed to improve the usefulness of the function for better quality results in NFPs.

In conclusion, the banking industry ERM structure determinants are very essential to make sure that all the six pre-requisite and successive steps are followed as well as strictly applied. The understanding and proper definition of governance and culture as well as monitoring and reporting essentially give clear predetermined course of action. The unfortunate part is that the ERM structure determinants application is still a piecemeal process and some steps are flawed which is pre-emptying the capacity of the banking industry to achieve effective NFPs.

Effect of Reliable Integrated Risk Governance on Banking Industry NFPs

This section offers the objective-oriented comparative descriptive and inferential statistics that were gathered in the research respondents. The comparative descriptive statistics and research hypotheses were tested using Pearson Product Moment Test Correlation in Statistical Package for Social Sciences (SPSS) Version 31 (117).

Comparative Descriptive Statistical Findings

The effect of reliable IRG on banking industry NFPs is important to ensure that proper risk culture, appetite and tolerance are being done to ensure that NFPs are improved and aligned to banking industry strategies. This essentially tests the practicability of using IRG into NFPs of banks and its capacity to capitulate positive results. Table 7 shows the parametric and non-parametric outcomes that were applied to gather the research results.

Table 7: Effect of IRG on Banking Industry NFPs

CODE	Items	1	2	3	4	5	Mean	Standard Deviation	Rank
AERIGBIN1	Properly define the risk culture which improve bank environmental image.	5 (8%)	12 (18%)	8 (12%)	20 (30%)	22 (33%)	3.63	1.312	2

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AERIGBIN2	Define roles and responsibilities which create great safety standards.	1 (2%)	8 (12%)	11 (16%)	16 (24%)	31 (46%)	4.01	1.121	1
AERIGBIN3	Regularly report suspicious activities which result in bank ERM governance and culture clarity.	3 (5%)	18 (27%)	16 (24%)	21 (31%)	9 (13%)	3.22	1.126	3
							3.62	1.186	

n=67

Source: Primary Data (2025)

Table 7 shows the three items used to gather collective finding for the who objective, respondents cumulative frequencies, mean, standard deviation and ranks were used to compute the collective average value. The effect of reliable IRG on banking industry NFPs (M=3.62, SD=1.186) shows that, the respondents (3.62~4) coincide that IRG positively enhance banking industry NFPs. The outcomes were supported by the inferential statistical findings.

Inferential Statistical Findings: Pearson Product Moment Test Correlation Coefficient (PPMTCC)

The PPMTCC was applied based on the following hypothesis:

H₁: IRG positively impact on the banking industry NFPs.

The PPMTCC test was done using SPSS Version 31 (117) and the findings are presented on table 8.

Table 8: PPMTCC for the relationship between IRG and Banking Industry NFPs

Correlations

		Integrated Risk Governance	Banking Industry NFPs
Integrated Risk Governance	Pearson Correlation	1	.930**
	Sig. (2-tailed)		.000
	N	67	67
Banking Industry NFPs	Pearson Correlation	.930**	1
	Sig. (2-tailed)	.000	
	N	67	67

** . Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Output

Table 8 presents the PPMTCC value for IRG and banking industry NFPs is 0.930. The coefficient of determination (R²) for IRG towards banking industry NFP is 0.865. This means IRG is a strong driver of banking industry NFPs which is causing an impact of 87% corresponding to a proportional positive change. The PPMTCC and the R² values show that ERM knowledge is a vital tool in making NFPs work better. The study hypothesis (H₁) corroborate to the results which predicted a positive impact of IRG on banking industry NFPs.

In conclusion, the effect of reliable IRG on banking industry NFPs (M=3.62, SD=1.186) shows that, the respondents (3.62~4) coincide that IRG positively enhance banking industry NFPs. The PPMTCC value for IRG

and banking industry NFPs is 0.930, the R^2 for IRG towards banking industry NFP is 0.865. This means IRG is a strong driver of banking industry NFPs which is causing an impact of 87% corresponding to a proportional positive change. The PPMTCC and the R^2 values show that ERM knowledge is a vital tool in making NFPs work better.

Theme 2: Challenges to ERM Cycle Adoption

The adoption of proper and adequate ERM cycle in the Zimbabwean banking industry is getting chocked by resource scarcity and the regulatory inconsistencies which are making the market unpredictable. This makes the ERM adoption slow, ineffective or even not reaping the expected results since there are quality issues, adequacy and technological support. The two subthemes that were generated under this main theme are:

Resource Scarcity (cited in 5 files)

The shortage of technical, information, human and financial resources is a real hurdle that banks have to bear against their expectation to achieve maximum utility in ERM. The collective views expressed by the KIIs are offered below:

“The resource scarcity is a real challenge in our ERM operations which evolve from poor data quality, flawed systems, shortage of human expertise and financial resource scarcity” (KIIs).

The KIIs show that the shortage of resources in diverse forms hamper ERM cycle adoption and sustainable application. This reduce the momentum banks have to apply and reap benefits from ERM system. Adequate resources and effective mobilization are the cradle of effective use of successful ERM adoption pursuits. Negative resource development makes it harder to adopt ERM and make it work better.

Regulatory Churn (cited in 4 files)

The regulatory churn is another deterrent factor that is reversing the speed at which banks are adopting ERM in their operations. The macroeconomic inconsistencies that are caused by unsanctioned policy changes and improvements result in the technical collapse of ERM cycle adoption process. The obtained views from the interviewees are:

“The regulatory churn is a real problem that is haunting us and we often experience string macroeconomic shift of goalposts which paralyse our operations” (KIIs).

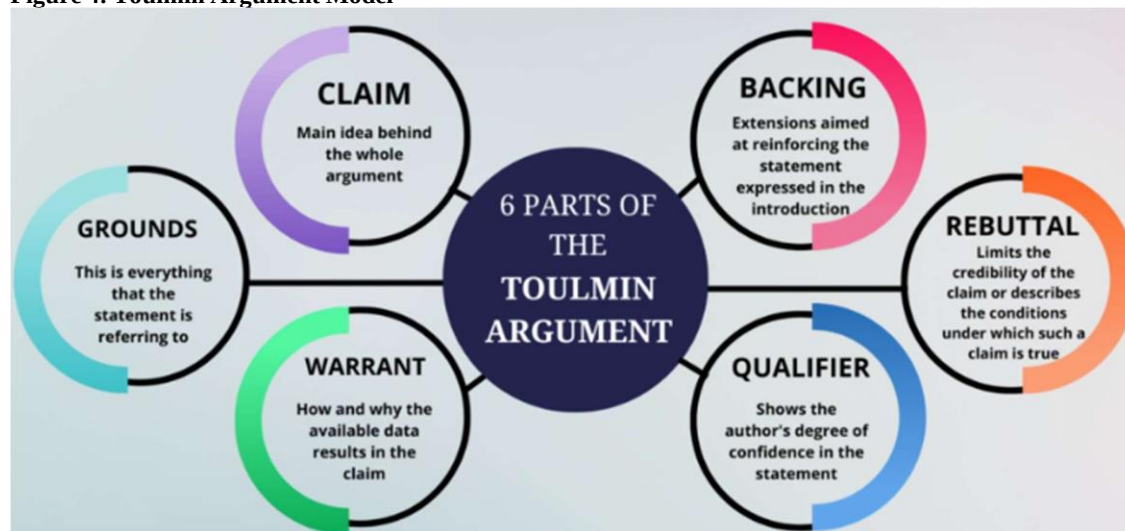
The KIIs reflect that the regulatory churn is a very real challenge that is hampering progress in the Zimbabwean banking industry. The unsanctioned changes deter progress and weaken the strategic plan and direction of the banks towards achieving ERM adoption.

In conclusion, resource scarcity and regulatory churn are significant stumbling blocks against the success of banks in adopting ERM cycle and consistently reap results from it. This result in slow or weak ERM process which is prone to several risks that threaten the sustainability of banking NFP operations.

Results Discussions

The Toulmin Argument Model was used to give arguments gathered from creative and critical thinking basis. The model was envisaged by Stephen Edelston Toulmin (1958) who developed practical ways to assess ethical arguments suitably. Figure 4 shows the Toulmin Argument Model.

Figure 4: Toulmin Argument Model



Source: Furber (2019:15)

Figure 4 shows the six determinants of a balanced findings discussion that are required to give standardized outputs. Following the Toulmin Argument Model result in effective and balanced study discussion.

Theme 1: Banking Industry ERM Structure Determinants

The banking industry ERM structure determinants are very essential to make sure that all the six pre-requisite and successive steps are followed as well as strictly applied. The understanding and proper definition of governance and culture as well as monitoring and reporting essentially give clear predetermined course of action. The unfortunate part is that the ERM structure determinants application is still a piecemeal process and some steps are flawed which is pre-empting the capacity of the banking industry to achieve effective NFPs. The primary findings give diverging views from the existing empirical literature where a study by Kiragu (2025) shows that the effective application of ERM structure determinants make it easy for a bank to comply to the regulatory standards and report all suspicious transactions timely. In addition to that, Mudzingwa (2025) assert that effective ERM structure determinants application is critical to ensure that appropriate risk treatment strategies are used to manage profiled risks. The contradiction between empirical evidence and the primary results could be a question of efficiencies in the banking industries used, and it highlight the need for Zimbabwean banks to improve their effectiveness accordingly.

Effect of Reliable Integrated Risk Governance on Banking Industry NFPs

In conclusion, the effect of reliable IRG on banking industry NFPs ($M=3.62$, $SD=1.186$) shows that, the respondents ($3.62\sim 4$) coincide that IRG positively enhance banking industry NFPs. The PPMTCC value for IRG and banking industry NFPs is 0.930, the R^2 for IRG towards banking industry NFP is 0.865. This means IRG is a strong driver of banking industry NFPs which is causing an impact of 87% corresponding to a proportional positive change. The PPMTCC and the R^2 values show that ERM knowledge is a vital tool in making NFPs work better. The primary findings obtained correspond to the secondary evidence where a research by Rehman et al., (2019) corroborate that IRG is a vital determinant towards achieving sustainable NFPs such as a good ESG score. In the same view, Mwanzia (2021) IRG was noted to be a critical determinant towards improving good image through improving the quality of life support systems and minimise public health threats. The correspondence between primary and secondary literature shows that IRG is a great initiative towards securing sustainable NFPs in banking operations.

Theme 2: Challenges to ERM Cycle Adoption

Resource scarcity and regulatory churn are significant stumbling blocks against the success of banks in adopting ERM cycle and consistently reap results from it. This result in slow or weak ERM process which is prone to several risks that threaten the sustainability of banking NFP operations. The obtained primary findings correspond to the secondary information where a research by Paul et al., (2021) show that limited quality of data about NFPs leave a technical vacuum on the ERM cycle implementation that is difficult to cover. In the same way, Bertinetti et al., (2023) reflect that the regulatory churn is a real hurdle that compromise the implementation of ERM adoption in the banking industry. The correspondence between primary and secondary shows that the challenges are real threats that should be carefully planned for and managed to capitulate the needed achievements.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

The summary, conclusion and recommendations give study finding in a snapshot.

Summary

The results summaries are given per objective

Theme 1: Banking Industry ERM Structure Determinants

The banking industry ERM structure determinants are very essential to make sure that all the six pre-requisite and successive steps are followed as well as strictly applied. The understanding and proper definition of governance and culture as well as monitoring and reporting essentially give clear predetermined course of action. The unfortunate part is that the ERM structure determinants application is still a piecemeal process and some steps are flawed which is pre-empting the capacity of the banking industry to achieve effective NFPs.

Effect of Reliable Integrated Risk Governance on Banking Industry NFPs

In conclusion, the effect of reliable IRG on banking industry NFPs ($M=3.62$, $SD=1.186$) shows that, the respondents ($3.62\sim 4$) coincide that IRG positively enhance banking industry NFPs. The PPMTCC value for IRG and banking industry NFPs is 0.930, the R^2 for IRG towards banking industry NFP is 0.865. This means IRG is a strong driver of banking industry NFPs which is causing an impact of 87% corresponding to a proportional positive change. The PPMTCC and the R^2 values show that ERM knowledge is a vital tool in making NFPs work better.

Theme 2: Challenges to ERM Cycle Adoption

Resource scarcity and regulatory churn are significant stumbling blocks against the success of banks in adopting ERM cycle and consistently reap results from it. This result in slow or weak ERM process which is prone to several risks that threaten the sustainability of banking NFP operations.

Conclusion

In conclusion, ERM knowledge is the cradle of developing suitable and meaningful risk culture, appetite and tolerance. It helps the banking industry to plan and align its strategies towards addressing stakeholders needs and achievements of the required goals.

The Impact of Enterprise Risk Management Knowledge on the Non-Financial Performance of Zimbabwean Banks.

Recommendations

1. The banking industry and external stakeholders should technically align to the needs and demands of the ERM structure determinants and religiously follow all the steps to enjoy the maximum benefits.
2. The banking industry and external stakeholders should align the banks culture to the risk culture so that a solid basis is developed to win against NFPs.
3. The banking industry and external stakeholders should cooperate in addressing the challenges that stall progress in ERM adoption.

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