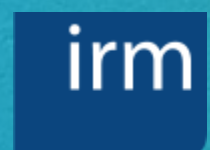


People Risk Discovery

Assessing the Risk Intelligence of Senior Managers

Dr Aarti Anhal



Approved by the Institute of Risk Management (IRM)

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KRisk.co

KRisk: Managing Risk Responsibly



By embracing our solutions:

Integrated risk & resilience management

Risk & Resilience communications

People Performance

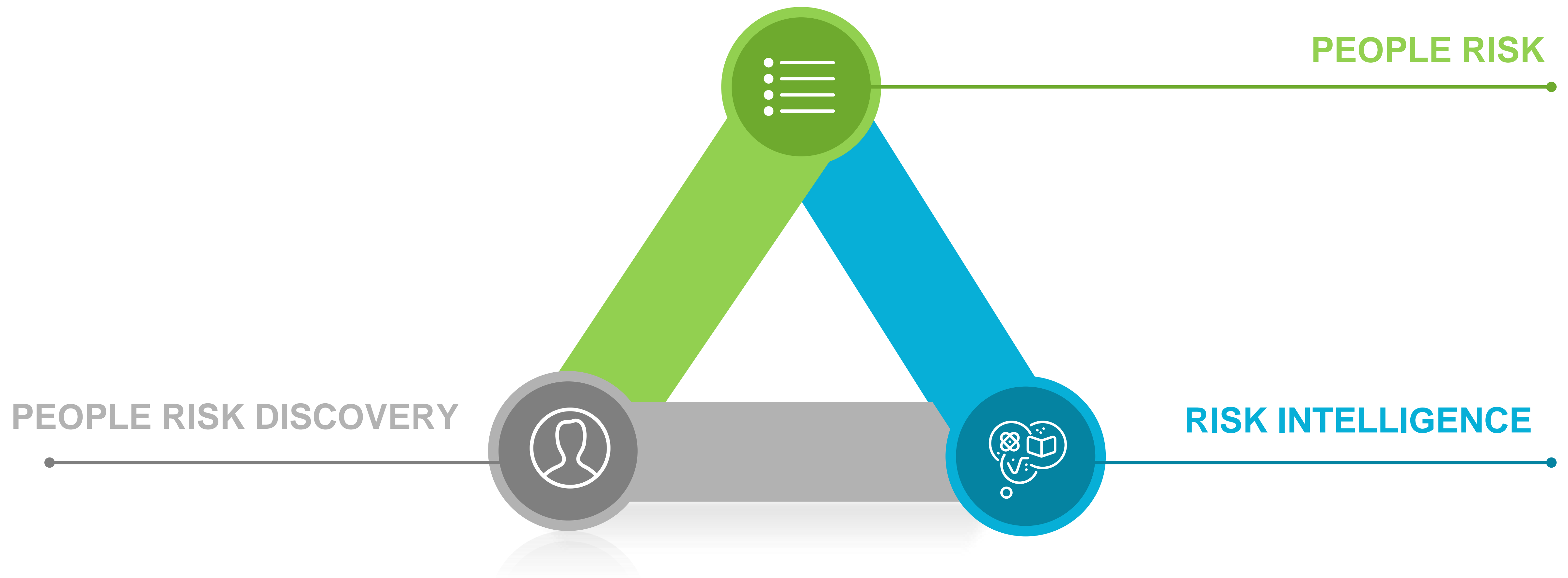
Knowledge Transfer

We empower businesses to

**maximise opportunities &
minimise threats**



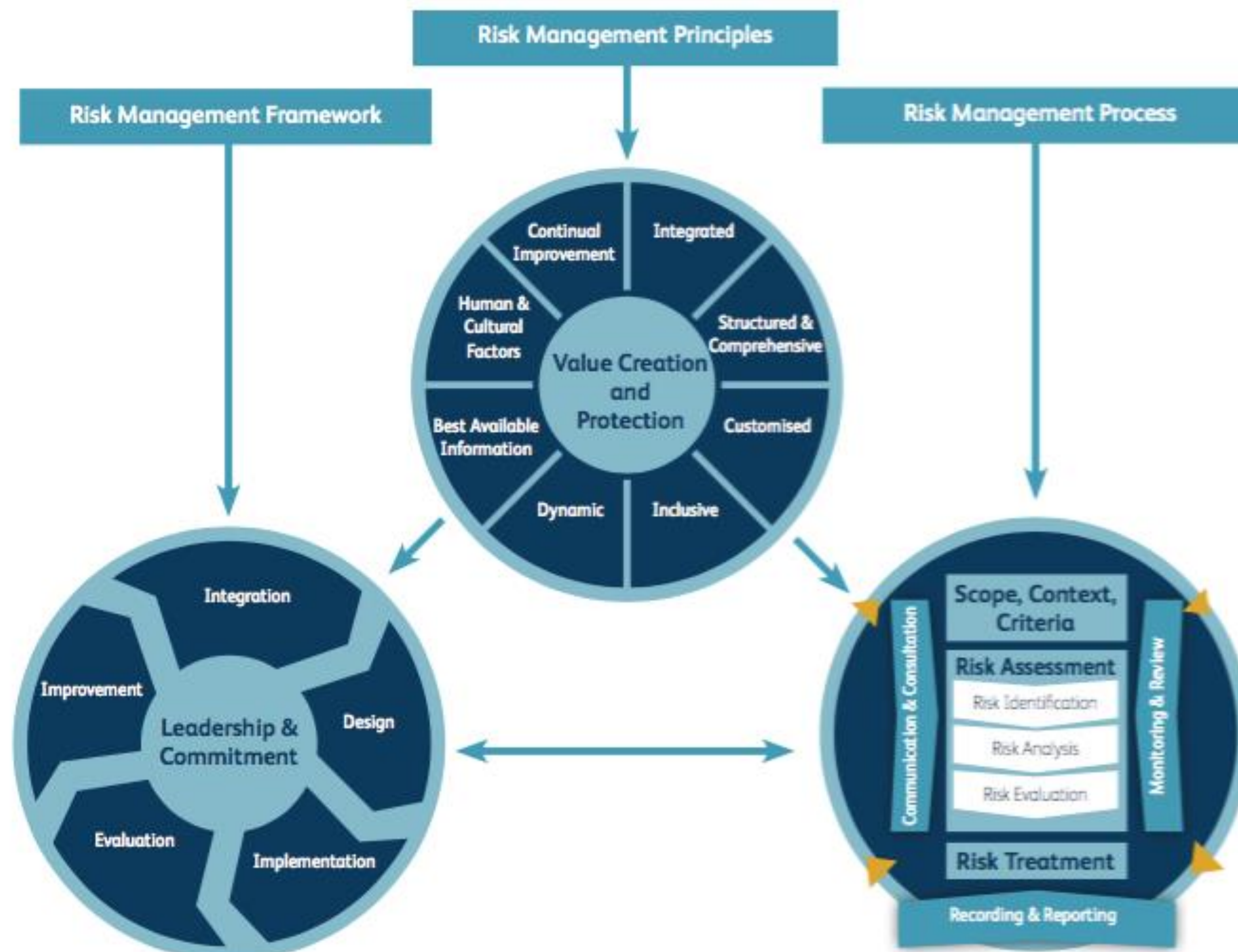
What are we aiming to achieve today?



Risk Maturity across industry



Human and Cultural Factors (ISO 31000)



“Risk management recognizes the **capabilities, perceptions** and **intentions** of internal and external people that can facilitate or hinder achievement of the organization’s objectives.”

Source: ISO

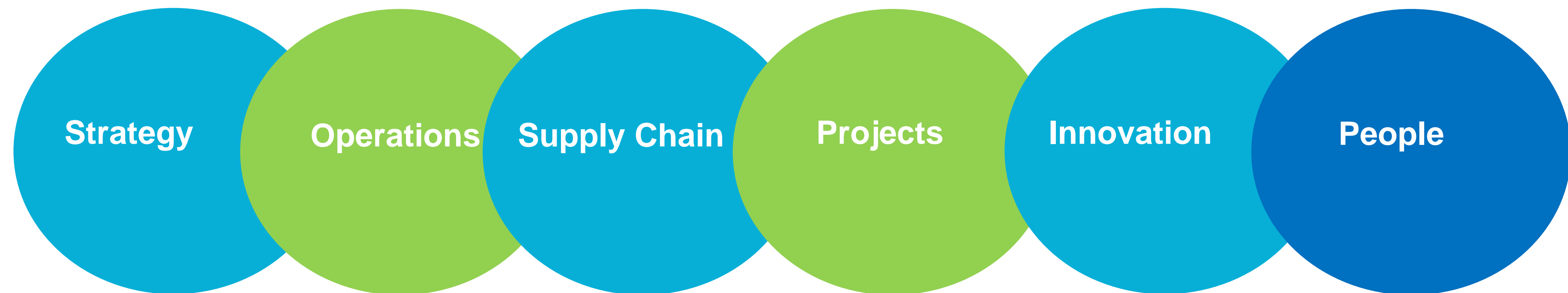
What is Risk?



Effect of uncertainty
on objectives.

**Can be positive
and negative.**

The ignored area



Often missing from risk registers



Poor decision-making

Hiring the wrong people

Lack of teamwork

Lack of shared values

Poor judgement

Lack of understanding

Being excessively risk averse

“The **values, beliefs, knowledge, attitudes** and **understanding** about risk shared by a group of people with a common purpose.”

Institute of Risk Management (IRM)

Distinct &
consistent
tone from
the top

Committed to
ethical
principles

Clear
accountability

Bad news
rapidly
shared/
no blame

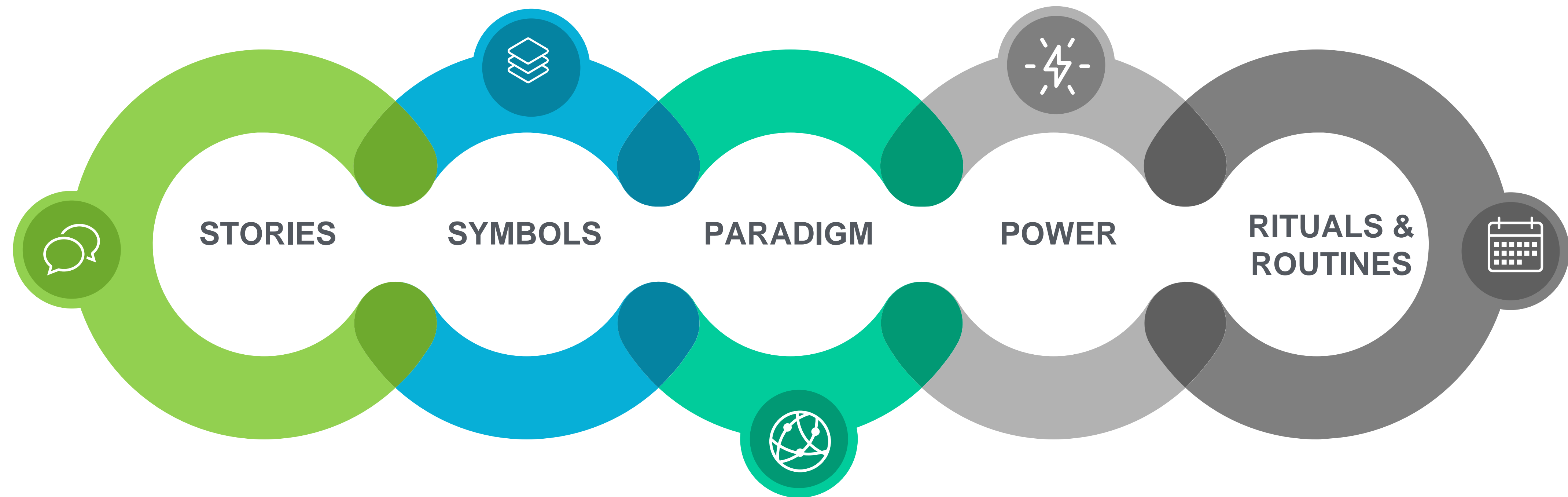
No process
or activity
too large or
complex

Inappropriate
behaviours
challenged or
sanctioned

Diversity of
perspectives,
values &
beliefs

RM skills
valued,
encouraged
& developed

Factors in Risk Culture



Leadership style, characters, how things used to be, conformity, the grapevine, strong management.

Compliance signs, reserved parking, management suite, secretaries as domestic support, clock in clock off, dress code, grand job titles, offices.

Good service, professional standing, problem solvers, tasks rather than people orientated, deliver results no matter the cost.

CEO, committees, executive members, control of resources/ budget, information/ knowledge, political influence, knowing the system, time served.

Inductions, overload, blame, lack of communication.

An onion with many layers



What will help organisations improve their risk culture?



A strong risk culture



Buy in at all levels in across the enterprise

We need to:

- ✓ Understand the “Risk Intelligence” across our organisation
- ✓ Understand individuals’ pre-disposition to risk
- ✓ Understand the human factors
- ✓ Build collaborative relationships
- ✓ Communicate effectively
- ✓ Master the art of negotiation



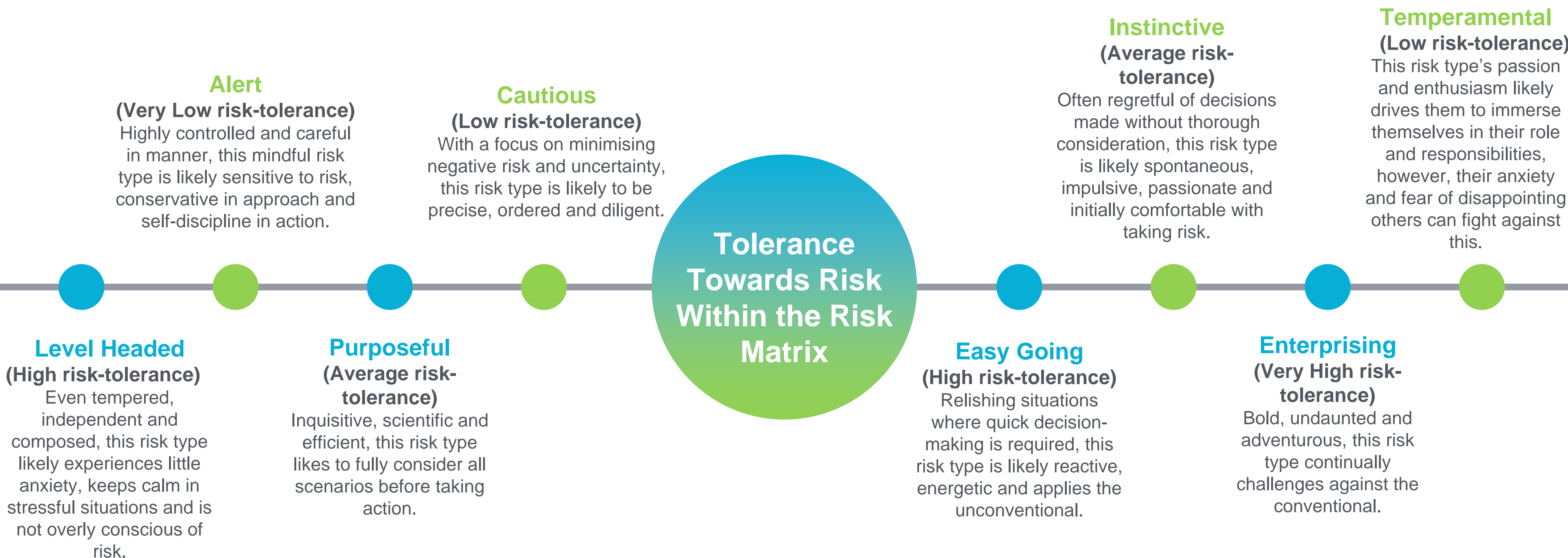
Risk-based thinking is something we all do automatically and often sub-consciously.

PERCEPTION FACTORS

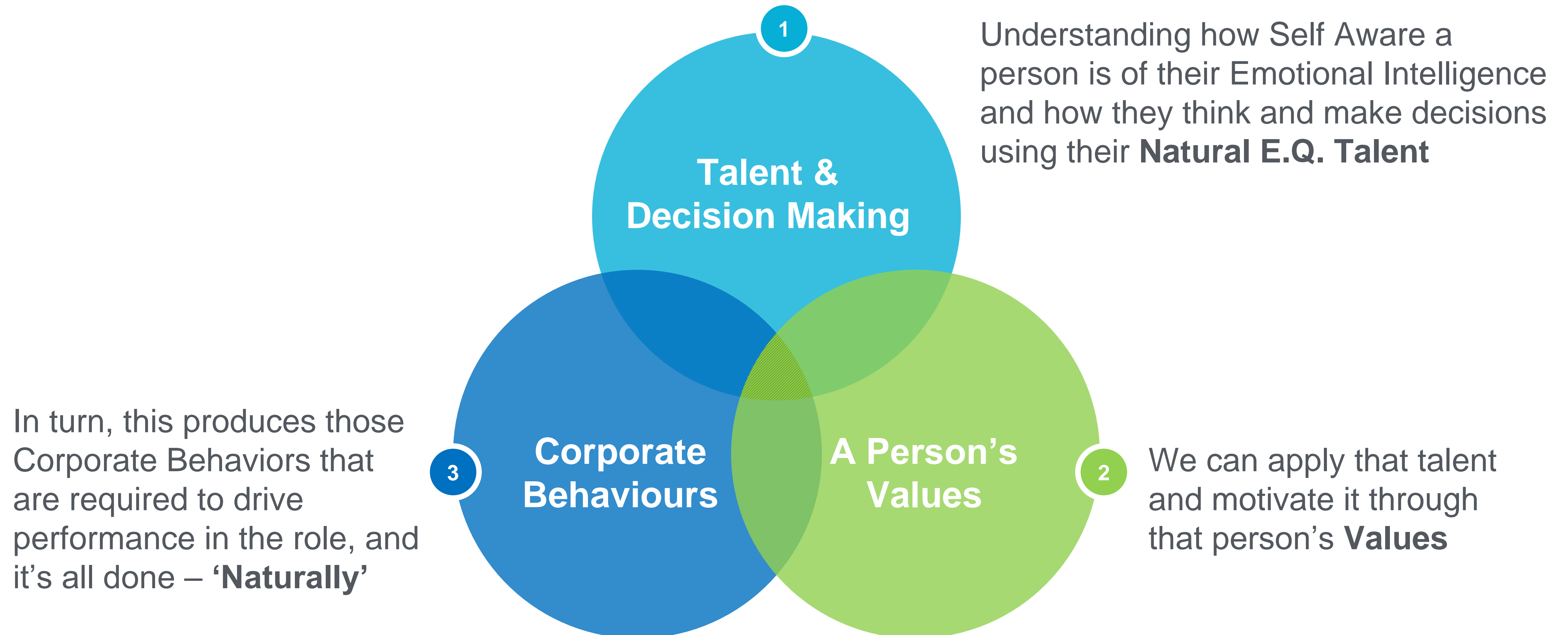
(David Ropeik)

- Awareness
- Trust
- Control
- Risk vs Benefit
- Catastrophic vs Chronic
- Personification
- Unknowability
- Choice.....

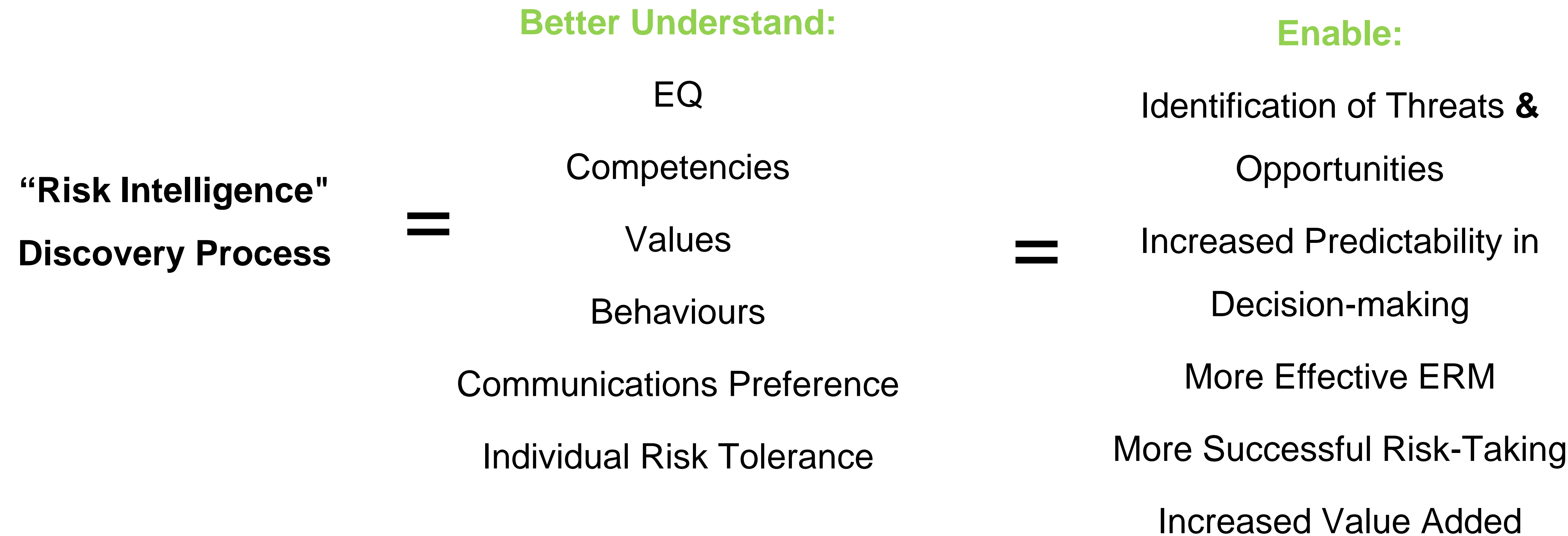
Understanding Individual Pre-Dispositions to Risk



Risk-Based Decisions: Your Engine In Motion



Risk Intelligence: a valuemetric approach



Theories, models and standards



Academics

Dr Eduard Spranger

Values of Mankind

Triple PhD Dr Robert Hartman

Scientific Axiology (Nobel prize nominee)

Dr William Moulton Marston

Polygraph, DISC

Standards

**IRM Professional Standards in
Risk Management**

Review of similar studies from
across the globe showed that this
provided the most thoughtful and
clearly articulated overview

Industry Best Practice

**100s of projects undertaken
with Risk Teams world-wide**

Including several which involved
development of job roles for risk
teams e.g. roles, responsibilities &
competencies

6.4 Quadrillion permutations of scoring turn into 1-56million possible patterns, matched against 4million data sets

How do I see the world? How do I see myself?



EQ Capability

Empathetic Thinking (9.0+)



Practical Thinking (9.0-)



Systems Thinking (8.7+)

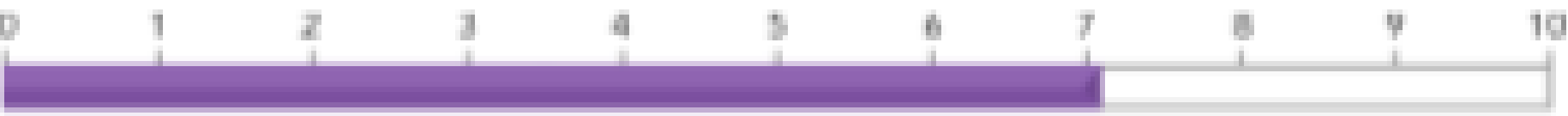


EQ Readiness

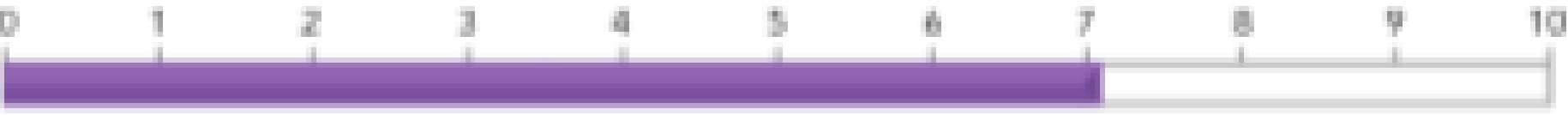
Self Esteem (8.3-)



Role Awareness (7.1-)



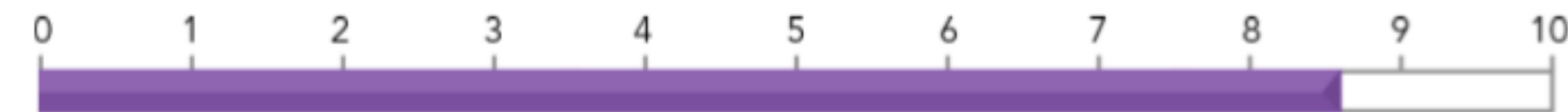
Self Direction (7.1+)



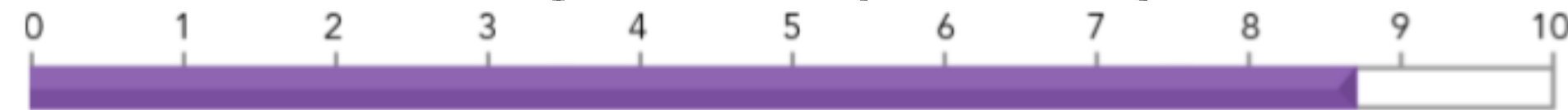
What are my Risk Intelligence competencies?



Assurance & Determination (Score: 8.6)



Continual Improvement (Score: 8.7)



Developing Competence (Score: 8.7)



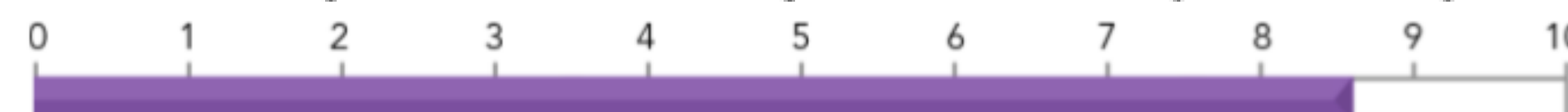
Influencing Others (Score: 8.7)



Integrity & Values (Score: 8.5)



Participation, Partnership & Teamwork (Score: 8.6)



Doing the due diligence



Assurance & Determination

Assurance & Determination A PERSON WITH THIS QUALITY: Ensures decisions are informed, allowing them to be effectively defended when challenged. Delivers messages and actions in a way that encourages people to engage. Instills confidence at all levels of the organisation. Ensures agreed actions are implemented, monitored and amended if they do not deliver the desired outcome. Recognises flaws and looks for ways to address. Accepts responsibility. A PERSON WITHOUT THIS QUALITY: Changes direction often. Can not be relied on to ensure actions are implemented. Is reluctant to accept responsibility. Tends to be closed minded, assuming there is only one course of action to achieve desired outcomes. Makes decisions based on little evidence and then lacks the confidence to defend them.

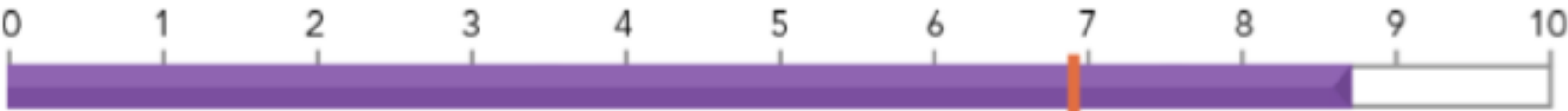
Attitude Toward Honesty (Score: 8.5)

Measures a person's attitude to being open and honest especially when it involves admitting their own performance issues, or dishonesty of others.



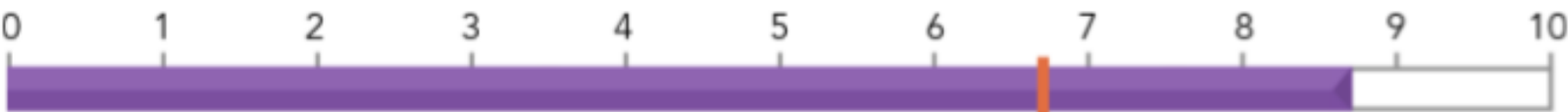
Balanced Decision Making (Score: 8.7)

Measures a person's aptitude to be objective when taking all aspects into account of any given situation and then making a balanced decision about it, taking account of the people aspects and other components of that situation in a fair and balanced manner.



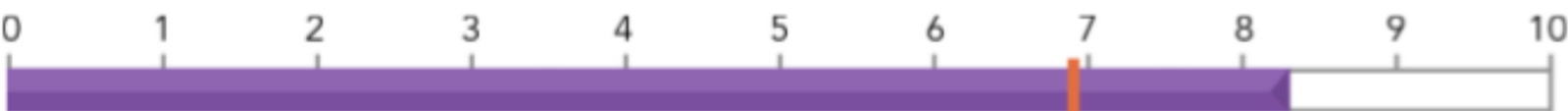
Personal Accountability (Score: 8.7)

Measures a person's aptitude to be responsible for the consequences of their own decisions and actions, and not shift the focus or blame for poor performance to somewhere else or onto others.



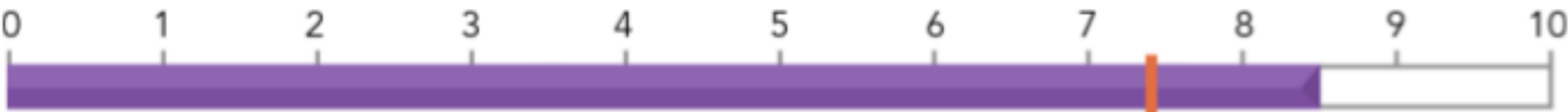
Personal Commitment (Score: 8.3)

Measures a person's aptitude to focus and to stay committed to a task, a measure of their internal and personal commitment to the role or a person.



Proactive Thinking (Score: 8.5)

Measures a person's aptitude to determine the future implications of current decisions and actions.

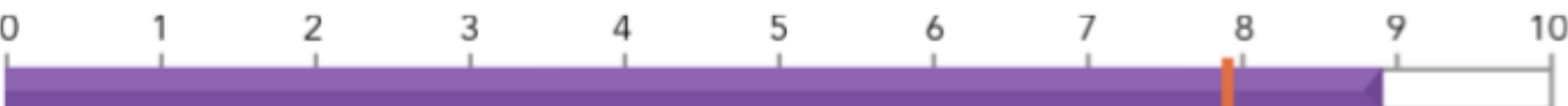


Participation, Partnership & Teamwork

Participation, Partnership & Teamwork A PERSON WITH THIS QUALITY: Engages effectively with stakeholders and is seen as a valued member of the team by all stakeholders. Share knowledge, skills and resources with stakeholders to achieve the goals and objectives of the organisation. Seeks out opportunities to align expectations and objectives with stakeholders. Works through issues with stakeholders in an open and engaging way, ensuring all parties leave discussions positively. A PERSON WITHOUT THIS QUALITY: Fails to consider the wider picture. Focus' on personal or individual goals, rather than the overall strategy and objectives of the organisation. Is reluctant to engage with stakeholders. Can be a blocker to implementing collaborative solutions. Is unlikely to respond to stakeholder queries in a quick and effective way.

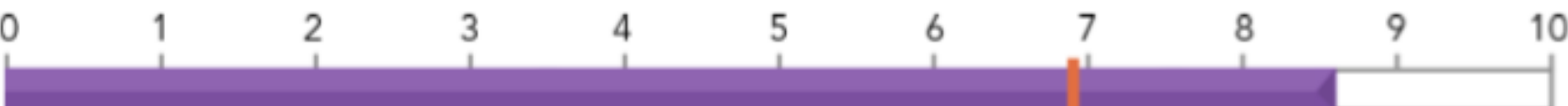
Freedom From Prejudices (Score: 8.9)

Measures a person's aptitude to readily adapt, integrate, modify, and respond to changes with minimal resistance on a personal level.



Gaining Commitment (Score: 8.6)

Measures a person's aptitude to hear, understand, and follow directions or instructions effectively. This is their willingness to postpone making personal decisions, or taking action, until they have listened to what they are being asked to do.



Integrative Ability (Score: 8.7)

Measures a person's aptitude to direct their energy toward the completion of a goal without an external catalyst.



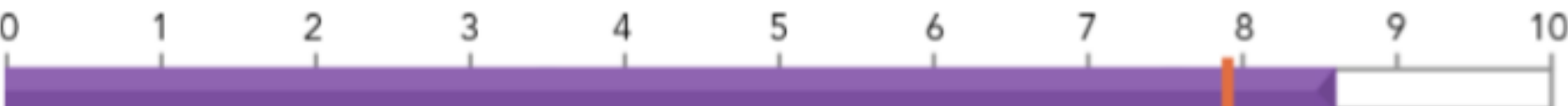
Intuitive Decision Making (Score: 8.4)

Measures a person's aptitude to accurately compile intuitive perceptions about a situation into a decision or action.



Personal Relationships (Score: 8.6)

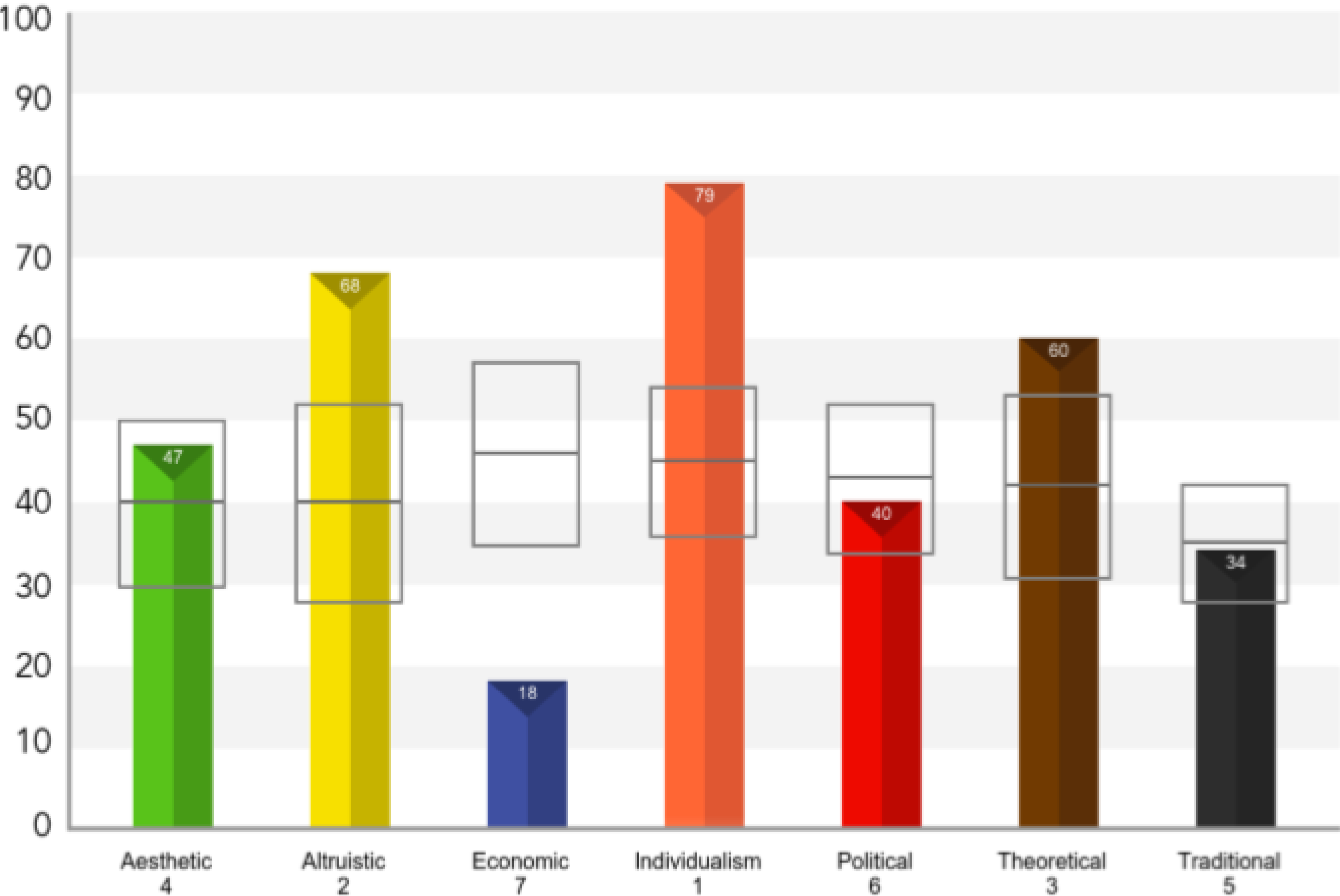
Measures how motivated a person is in forming personal relationships with the people with whom they work.



What motivates me in life and at work?



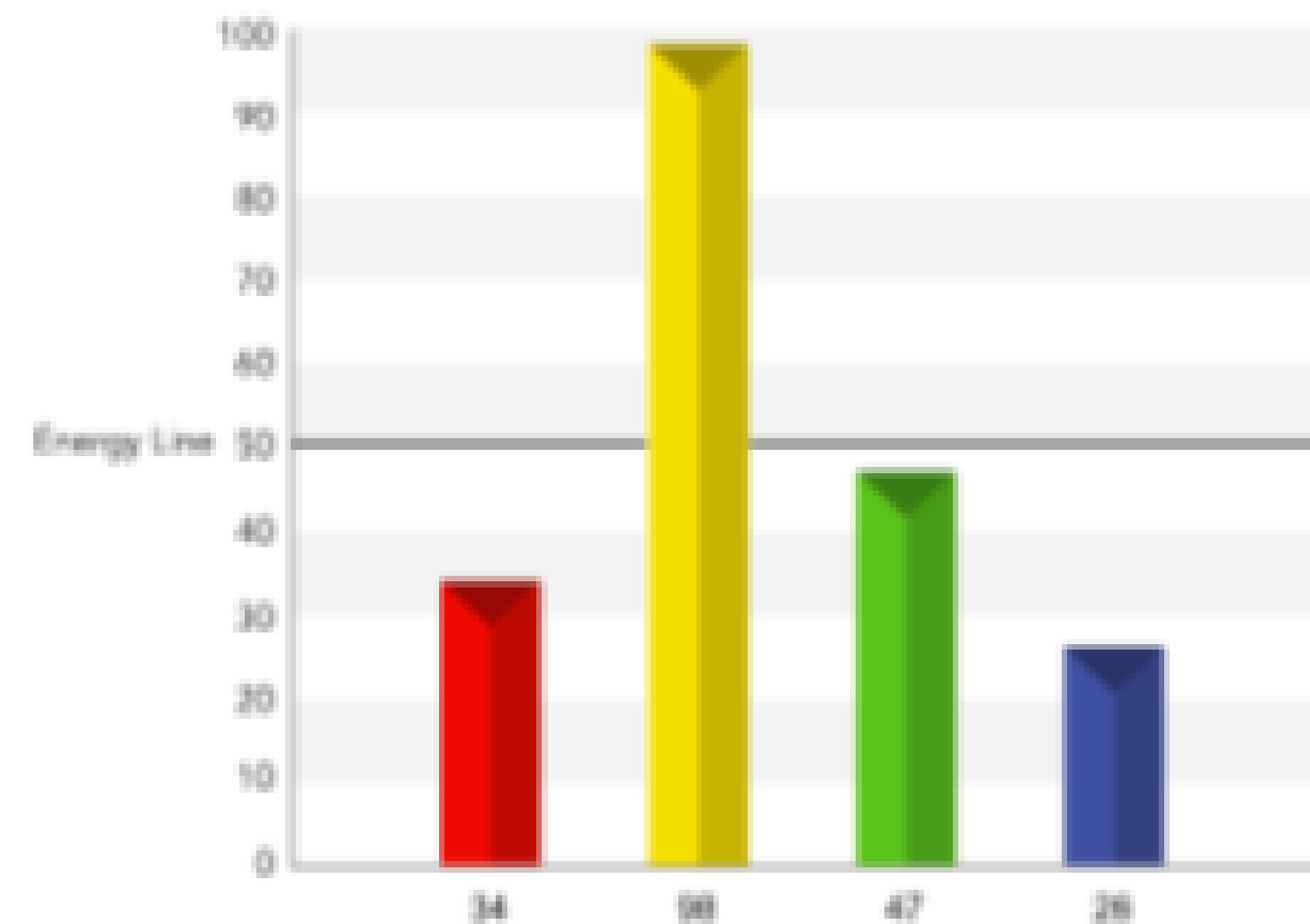
My Value Ranking



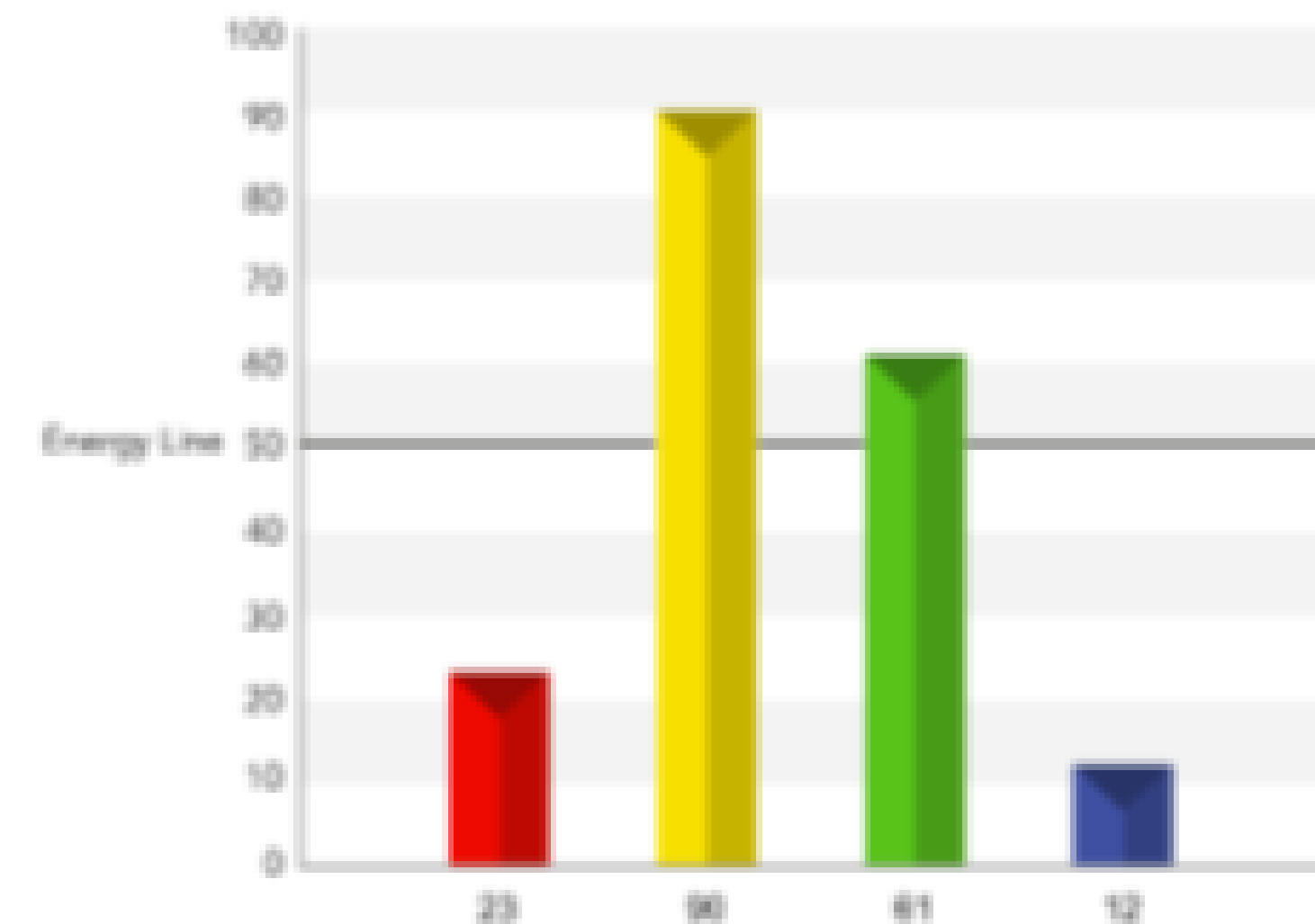
How do I behave (natural vs adapted)?

My Graphs

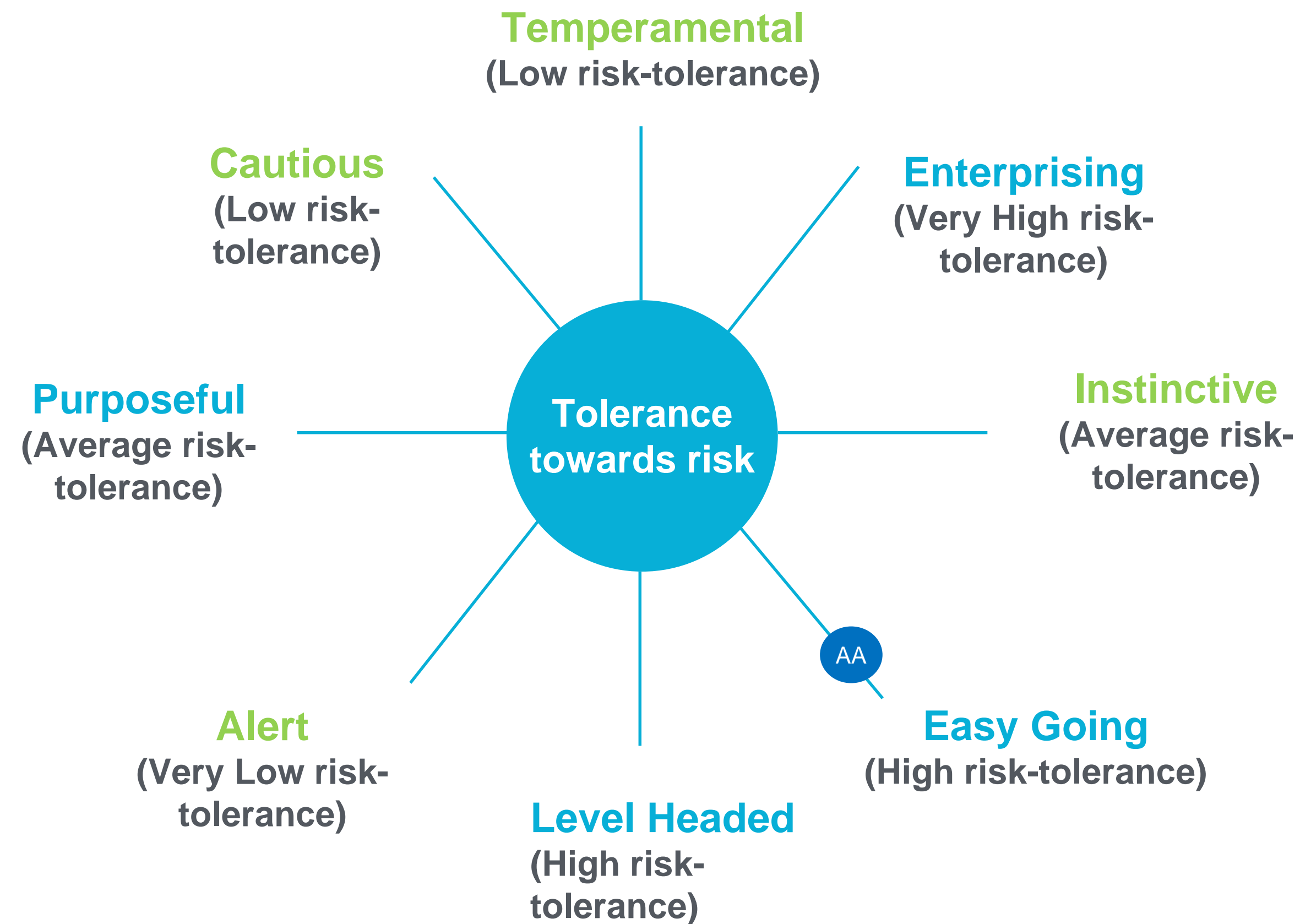
My Natural Behaviour



My Adapted Behaviour



What is my risk tolerance?



At the team level



Team Competencies

Team Values

Team Behaviours

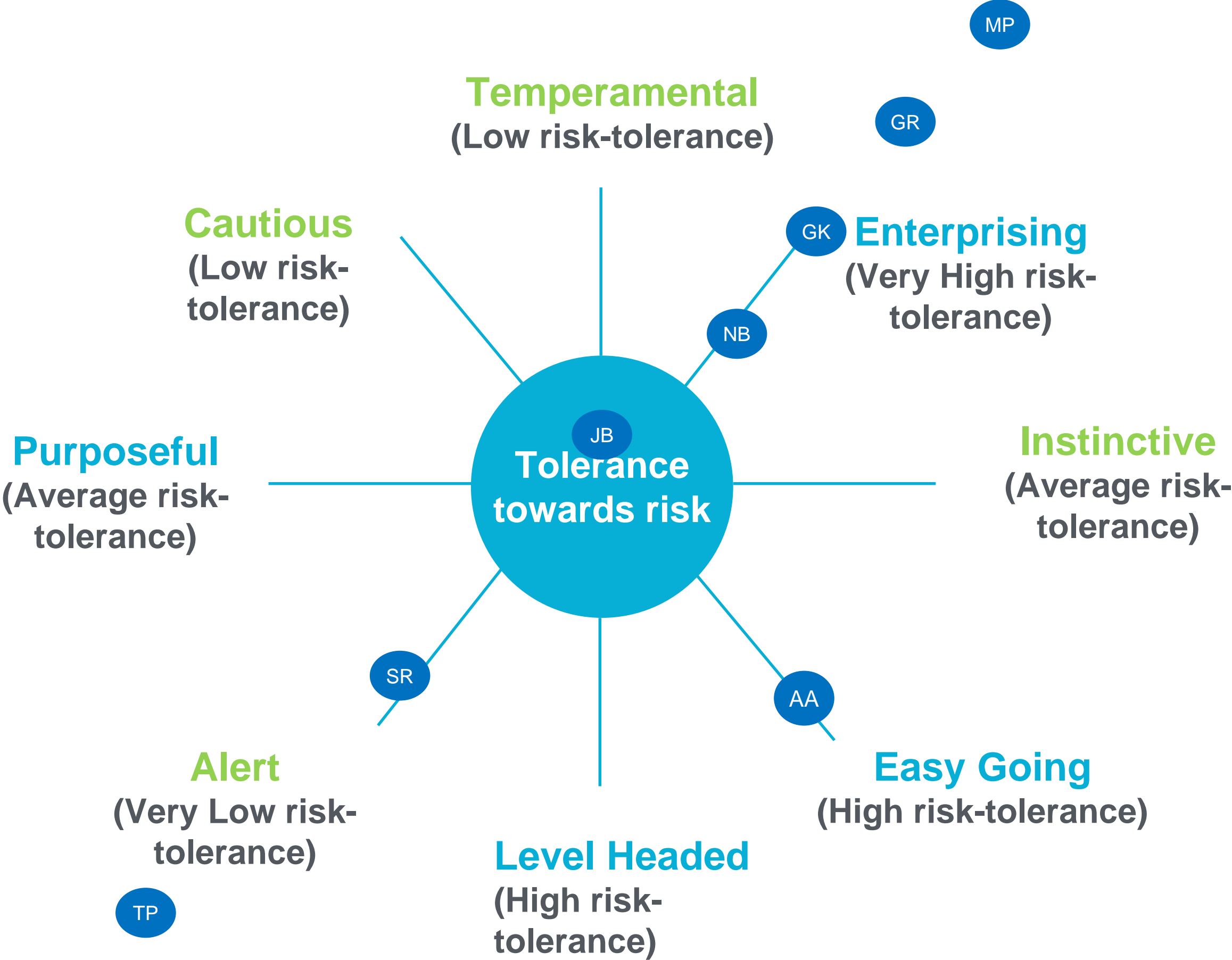
Team Risk Tolerance

Team Dynamics

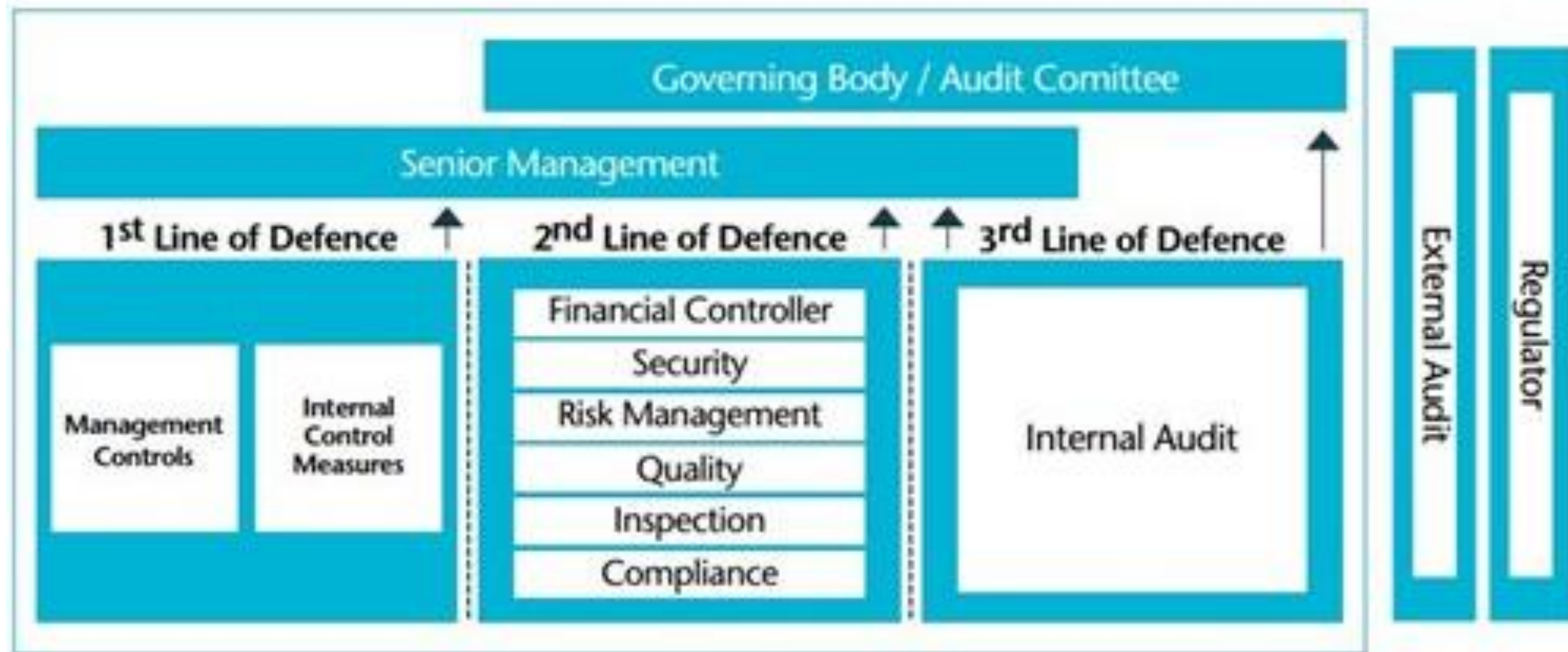
Team Communication

Psychological Safety

My team's risk tolerance



Applications at the organisational level



Source/Chartered Institute for Internal Auditors

Organisational Benefits



- Better engagement and understanding of your people's strengths and development areas enables the implementation of targeted risk and resilience management, which
 - i) reduces the likelihood of incidents, compliance failures and claims
 - ii) improves operational efficiency.
- Reduced likelihood and consequences of people threats which impact organisational performance
- Increased opportunities for organisational success resulting from enhanced people performance
- Risk-based thinking, decision-making and communication embedded into the day to day operational rhythm and working culture of the team
- Development of a proactive risk culture at both team and organisational levels

Questions



Dr Aarti Anhal: aarti@krisk.co