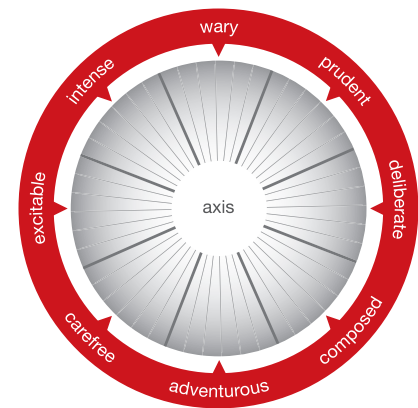




Risk: Leadership and Diversity

Geoff Trickey, MD, Psychological Consultancy Ltd
(PCL)

Sue Stockdale, Executive Coach, Speaker &
Adventurer





Risk Type

GEOFF
TRICKEY

PSYCHOLOGICAL CONSULTANCY LTD



Introduction

PCL Business Psychologists (Est. 1992)

24th year

Innovative

Research oriented

Global influence



Making Sense of RISK

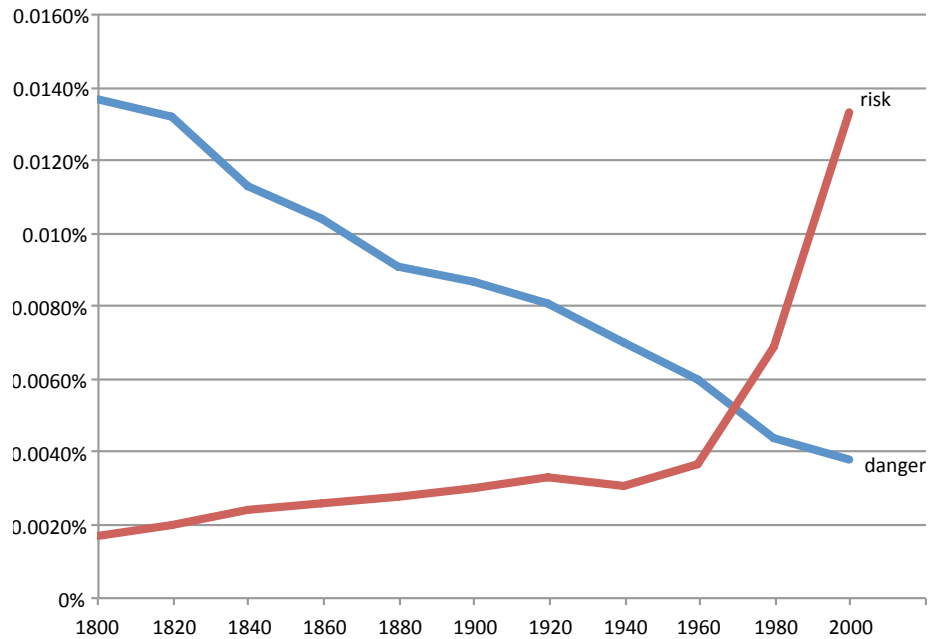
Two meanings:

Originally – emphasis on **PROBABILITY**

Currently – a synonym for **DANGER**



Making Sense of RISK

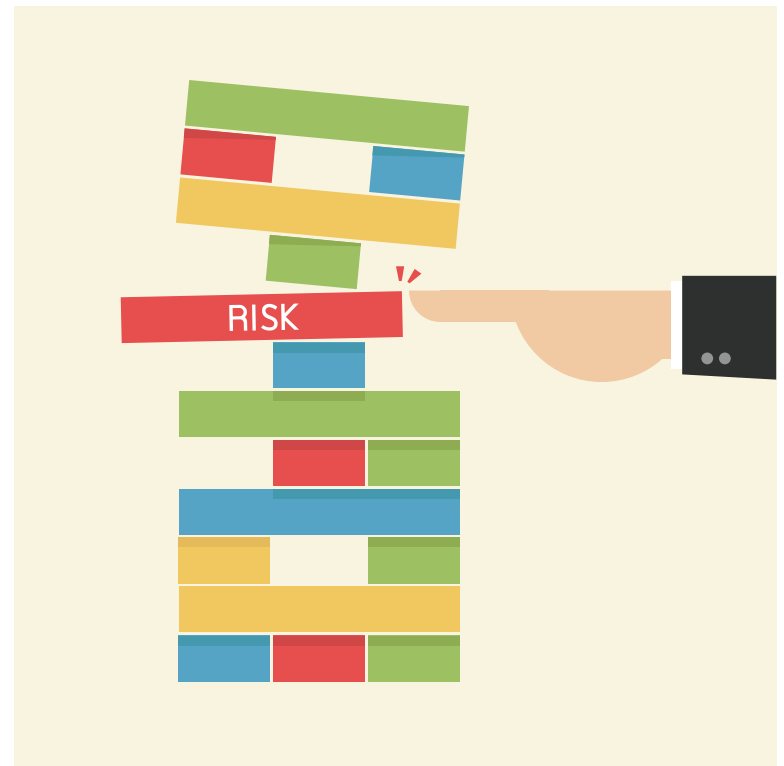


RISK is BAD



Making Sense of RISK

- Danger (risk) is a feature of the human condition
- From conception to the grave
- We deal with it routinely on a daily basis
- Skill and knowledge reduce uncertainty



Making Sense of RISK





Skills & Knowledge

Uncertain > Certain

Unknown > Known

Unthinkable > Thinkable

Undoable > Doable





Making Sense of RISK

RISK TAKING

is

UNAVOIDABLE



Making Sense of RISK

Risk Behaviour

Attitudes

Perception



PERSONALITY



Genetic endowment



Risk Type Research

- Long established association between risk taking and personality
- Realisation: the link is **causal** and **fundamental**
- How individuals differ in risk orientation
- Data from over 8,000 completions of the Risk Type Compass questionnaire





Risk & Decision-Making

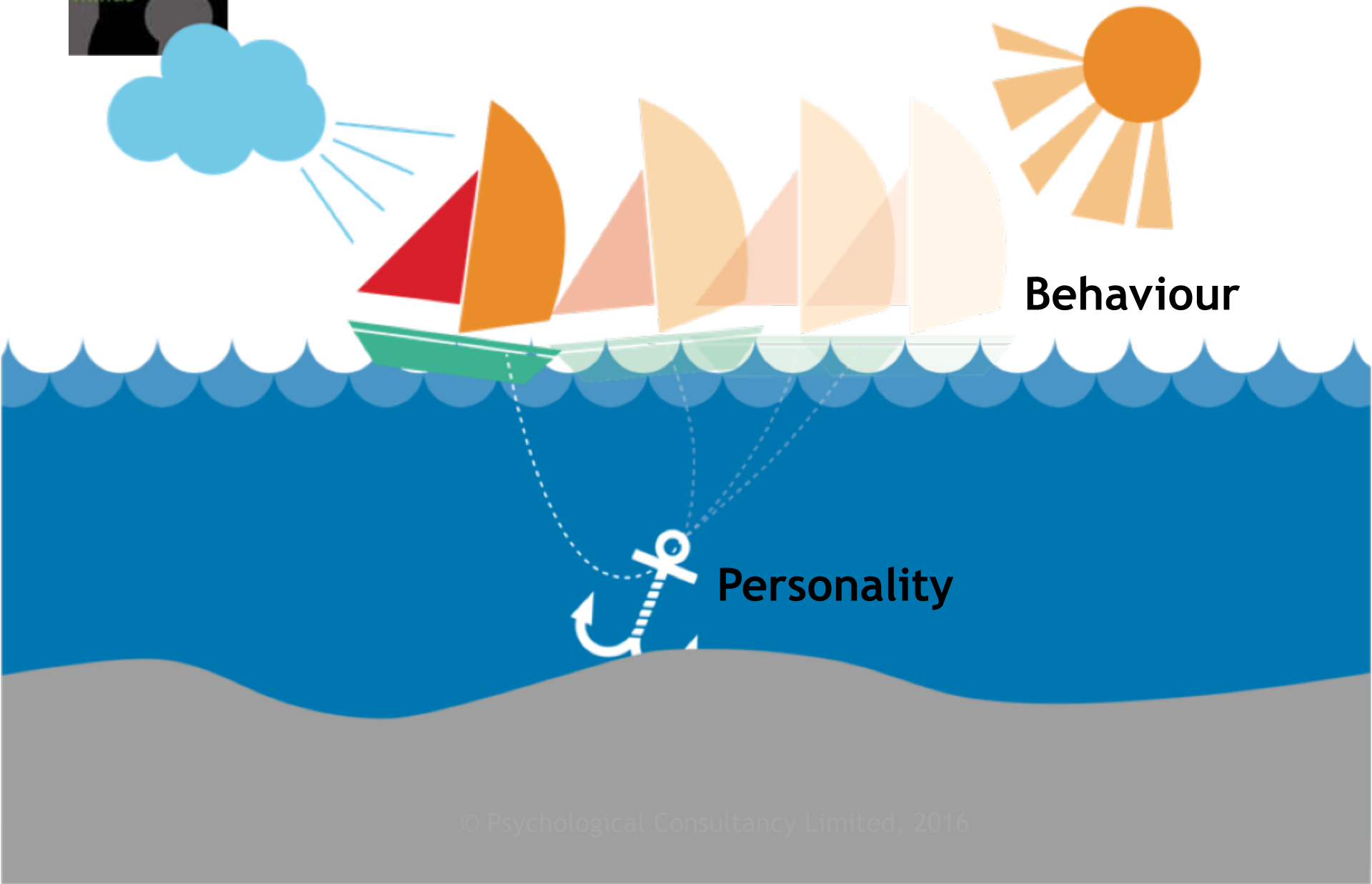
Decision-making draws on both the **analytical** and the **emotional** systems in the brain

We make decisions **instinctively**

“INNOVATION Managing risk, not avoiding it”

Annual Report of the UK Government Chief Scientific Adviser 2014.

Personality & Behaviour





Different People – Different Solutions

- Behaviour isn't rigidly choreographed by personality – clearly, we all have free will
- Personality is about dispositions that exert a persistent and pervasive influence
- We all have our own behavioural risk bias



The Risk Type Compass

Wary

Prudent

Deliberate

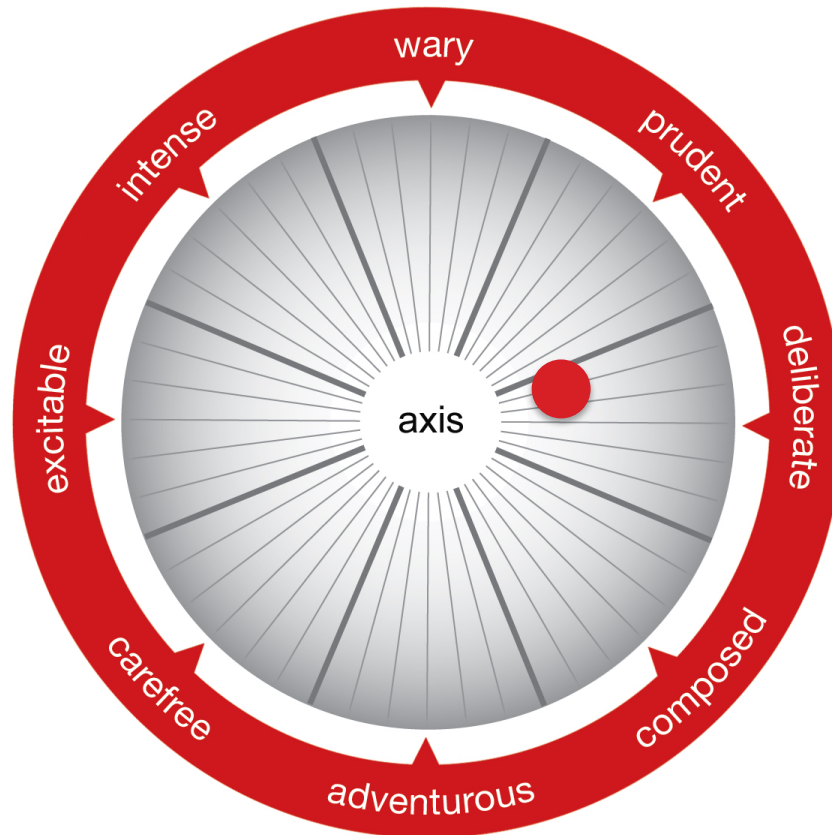
Composed

Adventurous

Carefree

Excitable

Intense





The Leadership Agenda

Personality



Persistent and pervasive influence



Consistent behavioural bias



Person-specific leadership challenges



Opportunities and Applications

- Auditor training
- Financial advising
- Board development
- Risk management
- Sports psychology
- Heavy industry H&S
- Trader coaching
- Risk culture change



Sue Stockdale

Executive Coach, Speaker & Adventurer



Are You a Risk Taker?

*'Only those who risk going too far can possibly find out
out how far one can go'*

TS Eliot



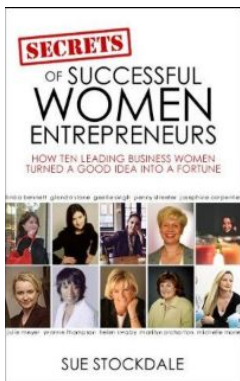


Women as Risk Takers?

Exploring how Risk Types influence women's behaviour:

- Executives in organisations
- Entrepreneurs running fast-growing companies

And with this awareness, what can we do as a leader to be more effective?



- 19 years' experience
- Worked with women leaders globally
- Written 3 books on risk, women entrepreneurs and business growth



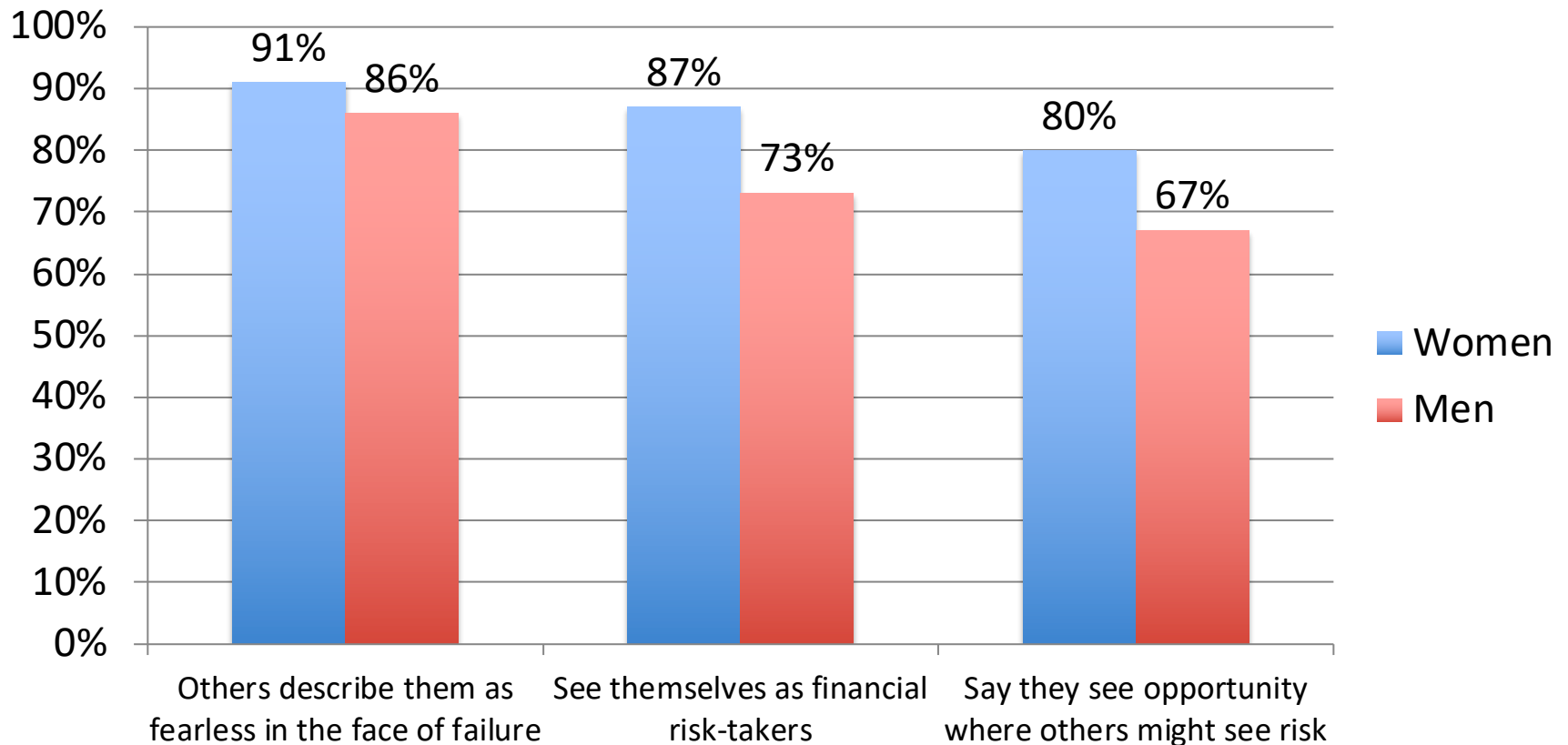
What's Your Background?

1. You are a leader in the corporate world
2. You are an entrepreneur or work in a small business
3. You are a leader in either a public sector, government or not-for-profit organisation
4. You are a consultant/coach
5. You are just interested in leadership



Risky or Reckless?

Amongst C-suite and Entrepreneurs, women see risks differently to men; but like men, they are very much risk-takers



Reference: Shattering Stereotypes, Women in Entrepreneurship Report, published 2015 by Centre for Entrepreneurs and Barclays



What's at Risk with Women on the Board?

Companies with more women board directors outperformed those with fewer on 3 financial measures:

- Return on equity (**53%** higher)
- Return on sales (**42%** higher)
- Return on invested capital (**66%** higher)



Companies with 3+ women on the board produced stronger-than-average results

Reference: Catalyst report 2013, Why Diversity matters



High-Growth Businesses Women-Owned and Led

- ‘Women are as growth-oriented as their male counterparts, but execute growing their business in a different way.’
- ‘They strive for steady, profitable growth trajectories often preferring to re-invest business profits over equity investment to scale sustainably, and they tend to think of male entrepreneurs as more concerned with fast growth and a quick exit’.

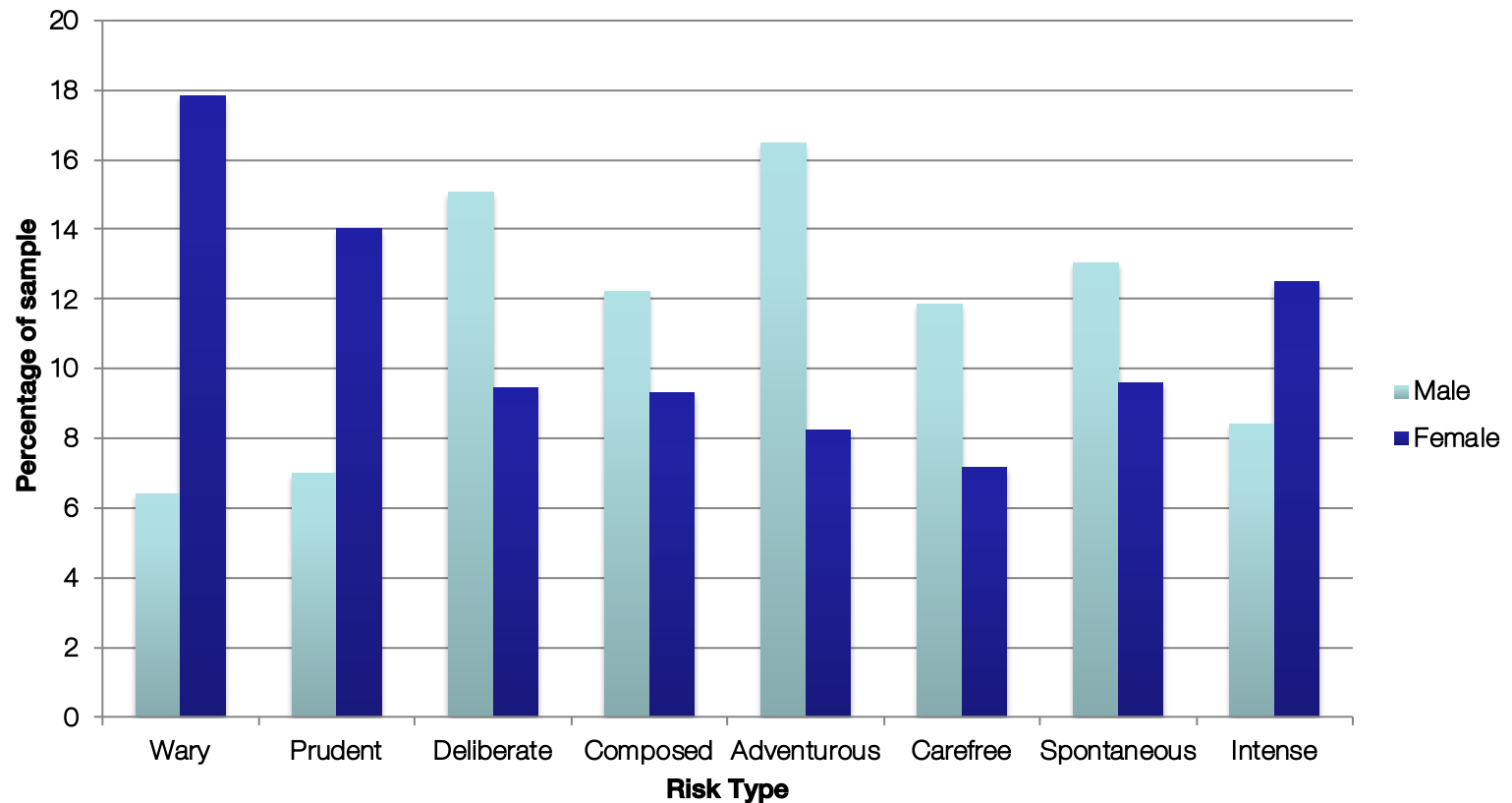
Reference: Shattering Stereotypes, Women in Entrepreneurship Report, published 2015 by Centre for Entrepreneurs and Barclays



Gender Differences

Risk Types of males and females

Males n=843, Females n=656



Reference: Risk Type Compass, Psychological Consultancy Ltd (PCL)



Prevalence of Risk Types



WARY	11.33%
PRUDENT	10.13%
DELIBERATE	12.60%
COMPOSED	11.07%
ADVENTUROUS	12.80%
CAREFREE	9.80%
SPONTANEOUS	11.67%
INTENSE	10.00%

Team Homo Sapiens



Risk-Taking Under Stress

- Gender differences are further amplified under stress. Male risk-taking tends to increase, while female risk-taking tends to decrease
- These variations are associated with differences in activity in the insula and dorsal striatum brain regions involved in computing risk and preparing to take action

*Reference: Risk and Reward Are Processed Differently in Decisions Made Under Stress, Mara Mather and Nichole R. Lighthall, Current Directions in Psychological Science **February 2012** vol. 21 no. 1 **36-41***



Examples of How Risk is Viewed Differently

- High-growth companies
- Angel investors
- Going for promotion within corporates

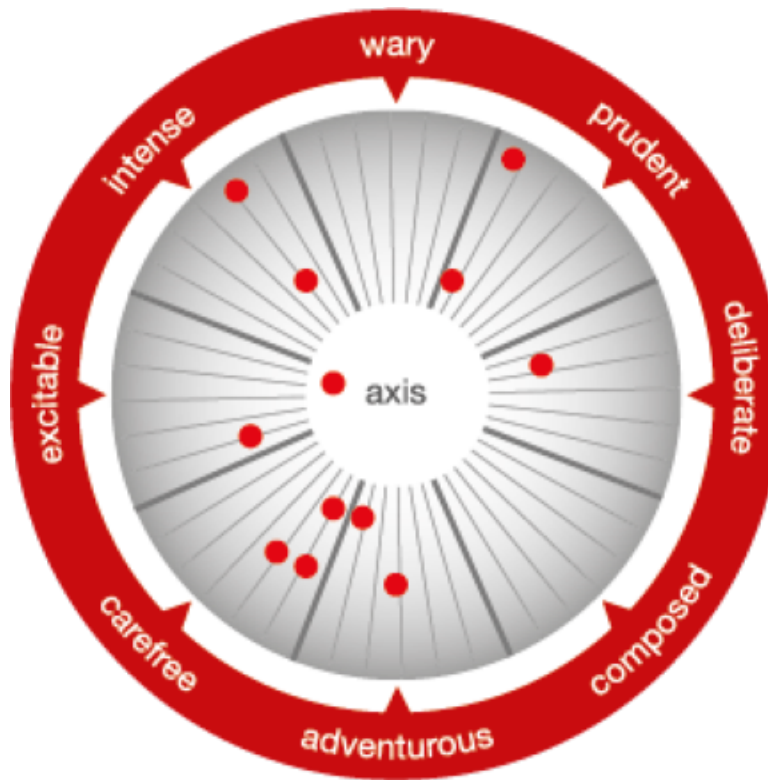
I'm going to climb a mountain, do you want to come along with me?

I'm going out for a walk and to enjoy the scenery, it may take us up a hill, want to come?



Women Running High-Growth Companies

Risk Type Compass





Two Carefree Risk Types

Risk Attitudes





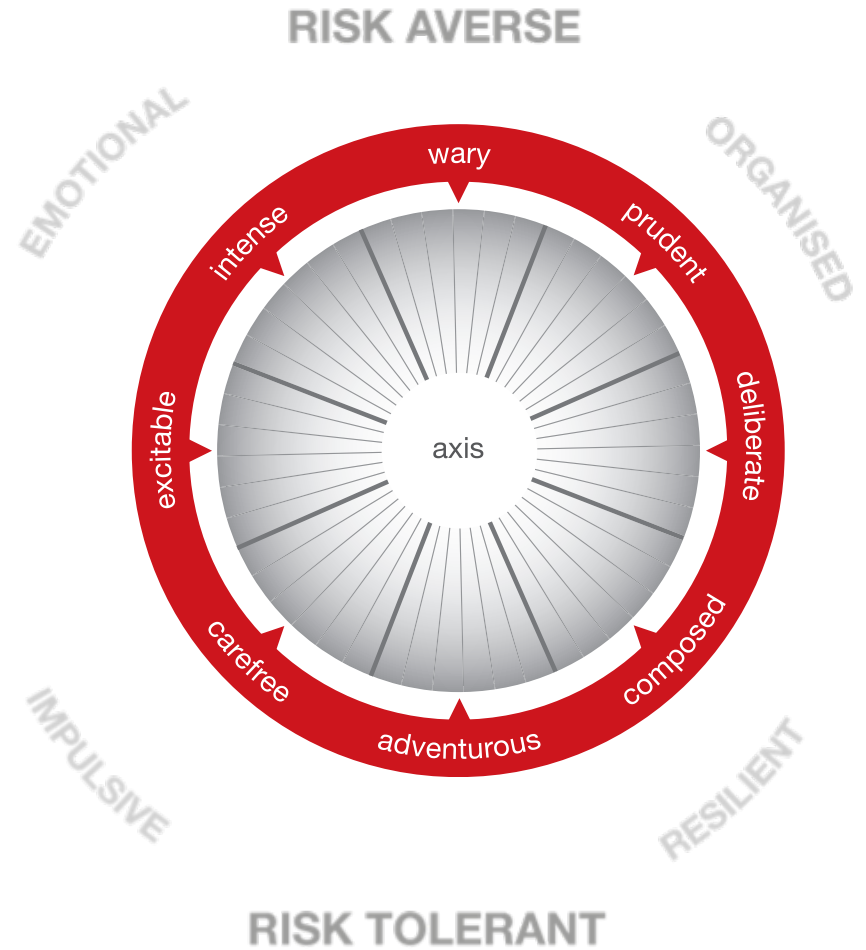
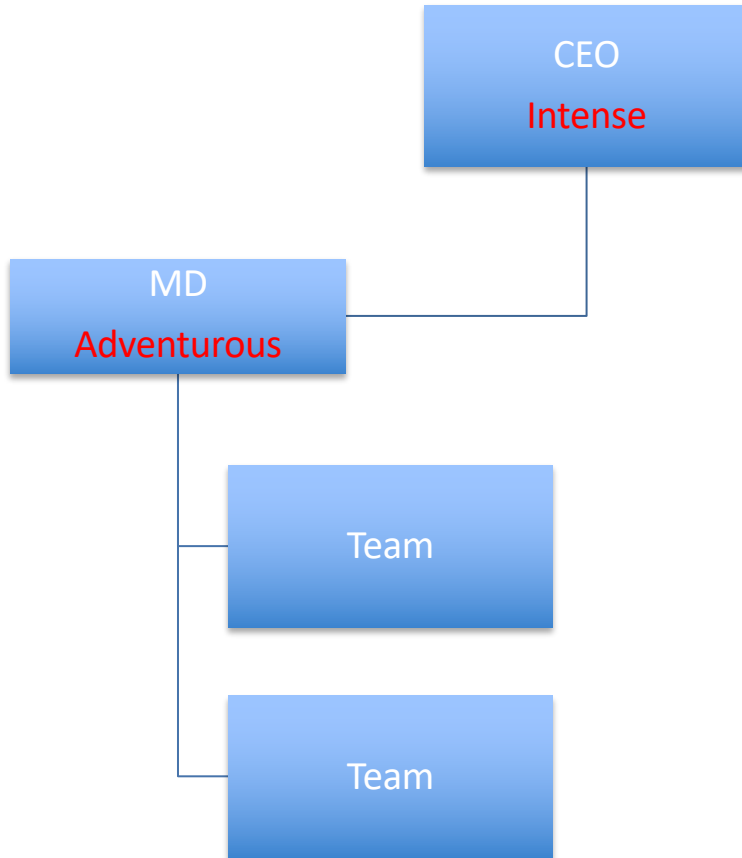
Two Intense Risk Types

Risk Attitudes





Case Study 1 – Influencing Upwards





Case Study 1 – Influencing Upwards

ADVENTUROUS Risk Type

- Learned the value of acknowledging the emotional needs of INTENSE risk type
- Learned he needed to get a clearer sense of buy-in from others who were more risk averse

INTENSE Risk Type

- Learned she needed to exhibit trust in others and not take things personally
- Learned that her emotions can get in the way of making rational decisions



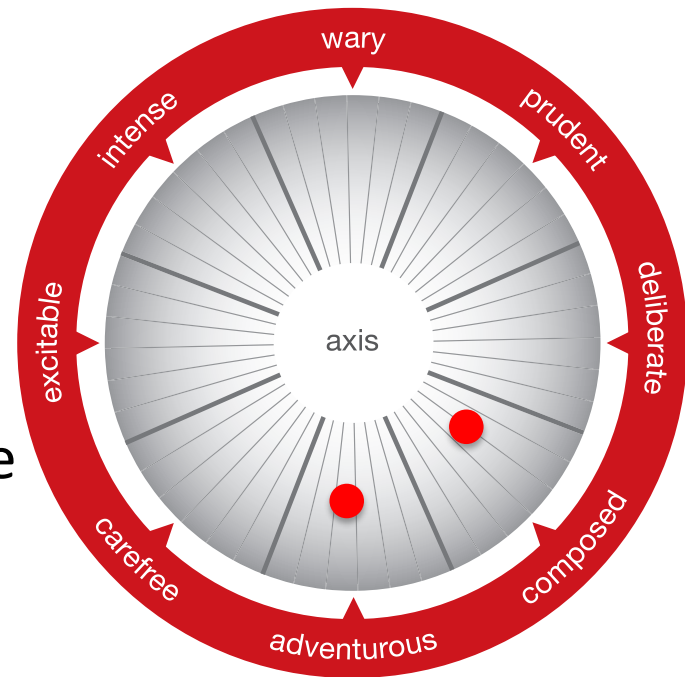
Case Study 2 – Entrepreneurial Leader in Growing Company

CEO - **ADVENTUROUS** Risk Type

- Recruited Marketing Director who expected a marketing budget
- Learned value of moving from vision to strategy and letting go

Marketing Director - **COMPOSED** Risk Type

- Brought stability and composure to business
- Corporate approach brought a more strategic stance





Key Points

- How might this apply to you in your working life? Either directly, or indirectly?
- What situations have caused you to value people who have different Risk Types to you?
- When you reflect on any time where you have had conflict with others, to what extent might they have been resolved by better awareness of Risk Types?



Case Study 3 – Wary Risk Type

Implications of Risk Type for corporate women leaders:

- *‘If I am doing a good job I will get noticed’*
- *“If I want to develop my career I’ll have to network”*

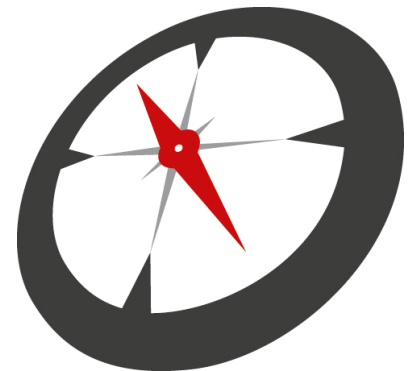
What if you do nothing?

Taking no action – increases risk



Key Points

- All Risk Types have value
- To communicate with others and get them to follow you as a leader, start with their Risk Type, not yours
- Risk Type Compass can bring a common language used to understand and develop others





Risk: All That Matters

Risk: All that Matters

explores risk from a human perspective.

Get your free sampler of this book after the webinar.

Clive Steeper &
Sue Stockdale





Contact Us

PCL

UK: +44 01892 559540

info@psychological-consultancy.com

www.psychological-consultancy.com

MHS

Canada: +1 800 268 6011, ext. 319

United States: +1 800 456 3003, ext. 319

clinton.agius@mhs.com

www.mhs.com

Sue Stockdale

+ 44 (0)7780 670664

sue@suestockdale.com

www.suestockdale.com

Twitter @suestockdale

Join the Risk Type
Compass Group on
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