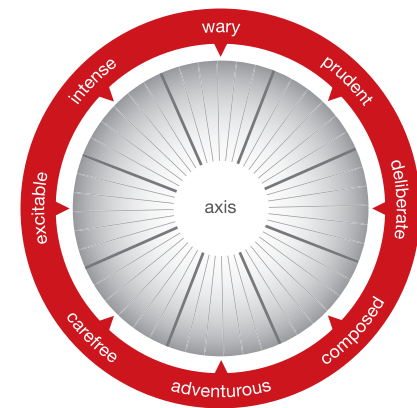




# Risk: Leadership and Diversity

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

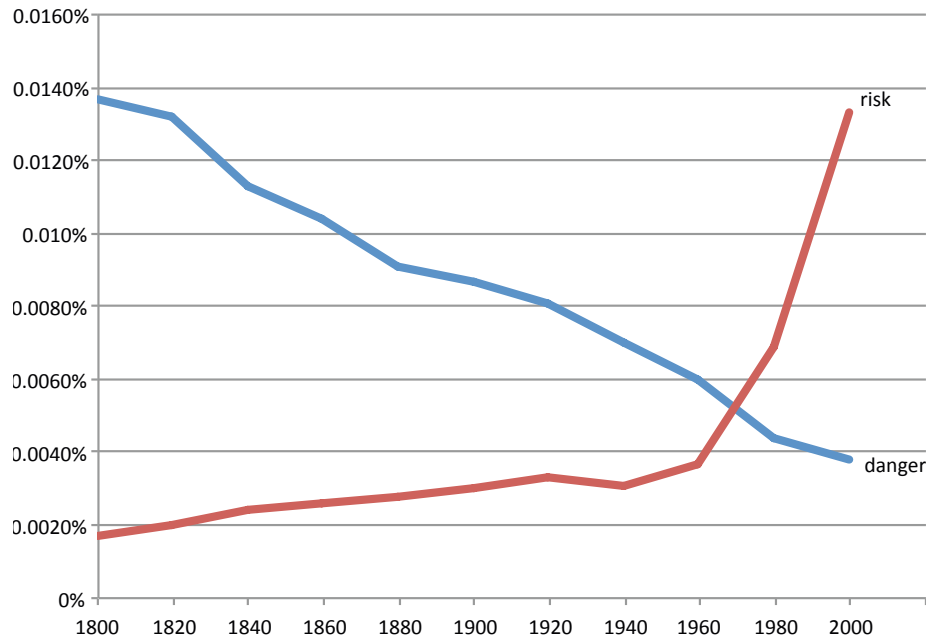
Two meanings:

*Originally* – emphasis on **PROBABILITY**

*Currently* – a synonym for **DANGER**



# Making Sense of RISK

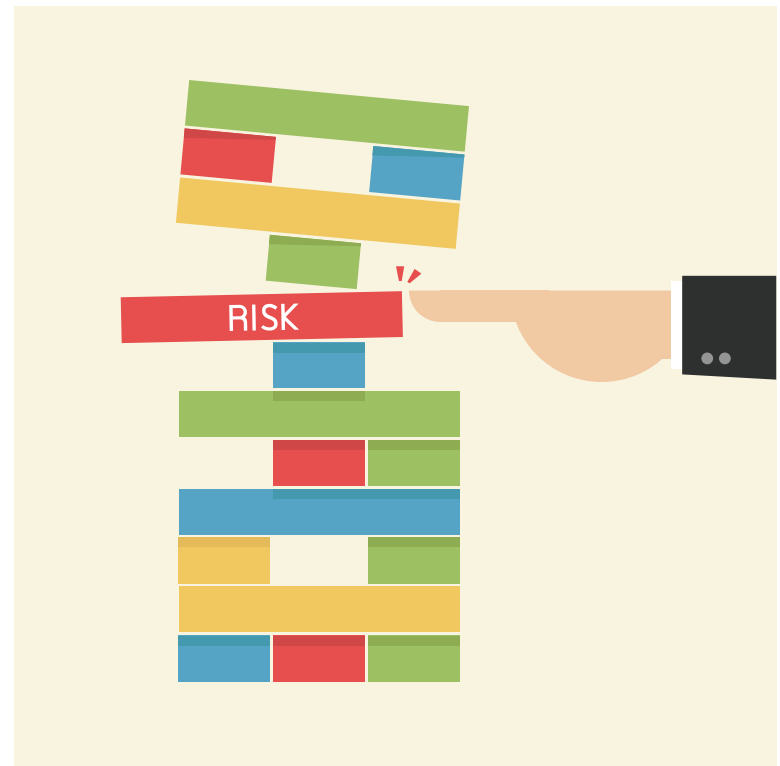


**RISK is BAD**



# 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





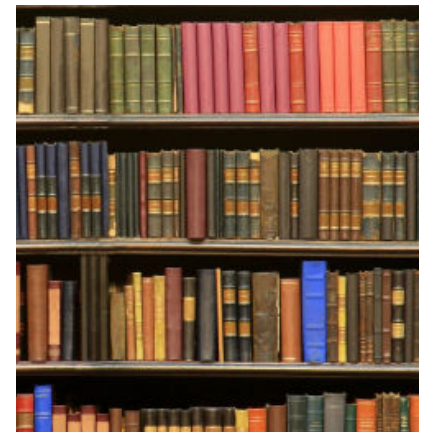
# Skills & Knowledge

Uncertain > Certain

Unknown > Known

Unthinkable > Thinkable

Undoable > Doable







**Making Sense of RISK**

**RISK TAKING**

**is**

**UNAVOIDABLE**



# Making Sense of RISK

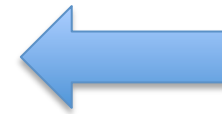
Risk Behaviour

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

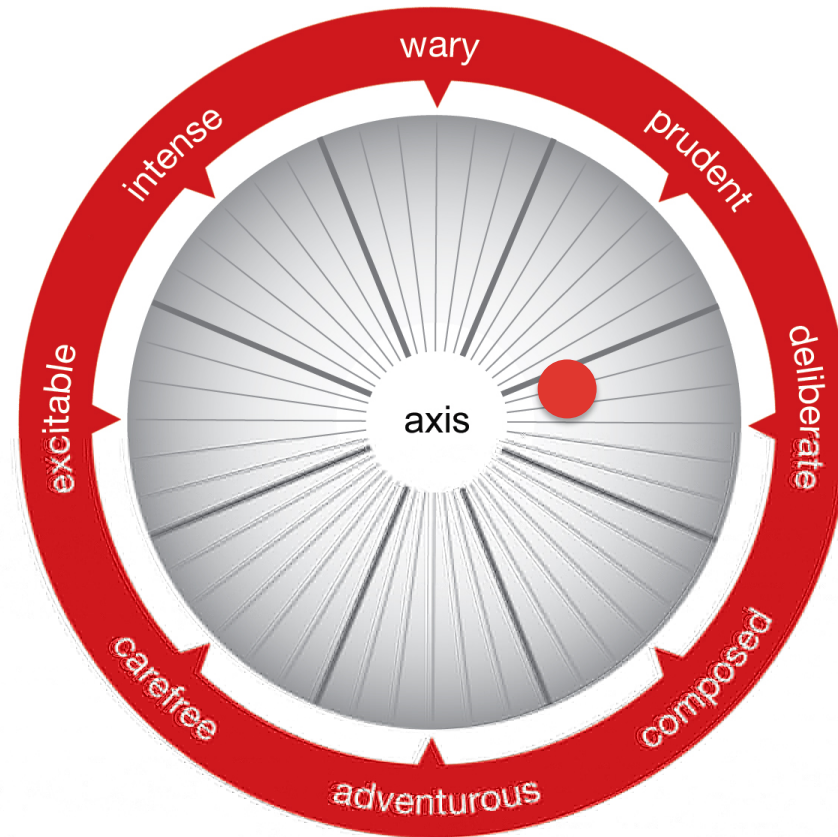
Composed

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





# Are You a Risk Taker?

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

TS Eliot



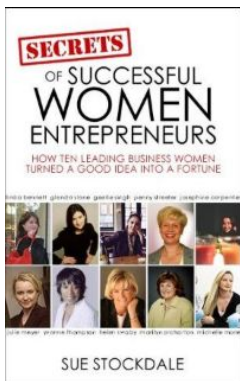


# Women as Risk Takers?

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



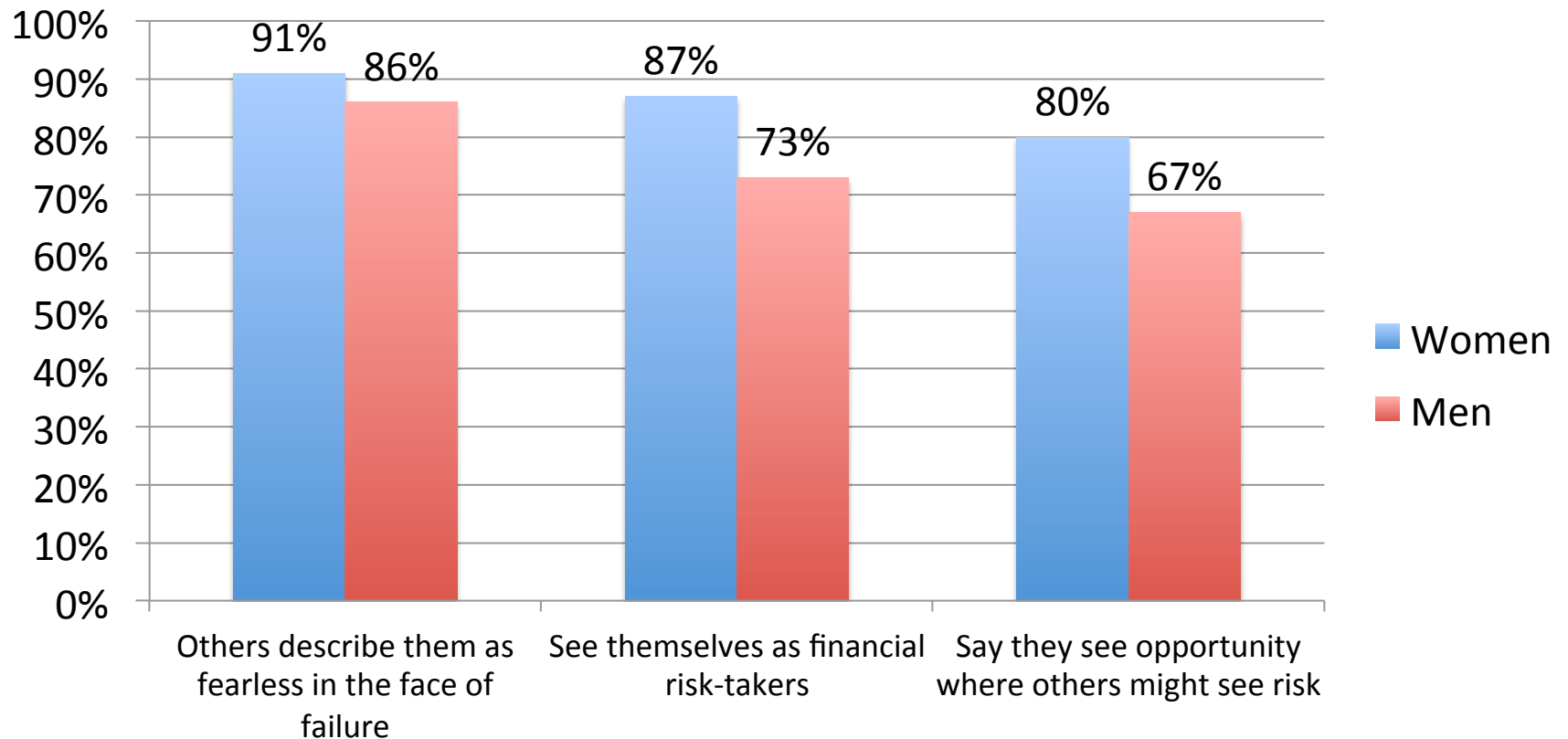
# What's Your Background?

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*

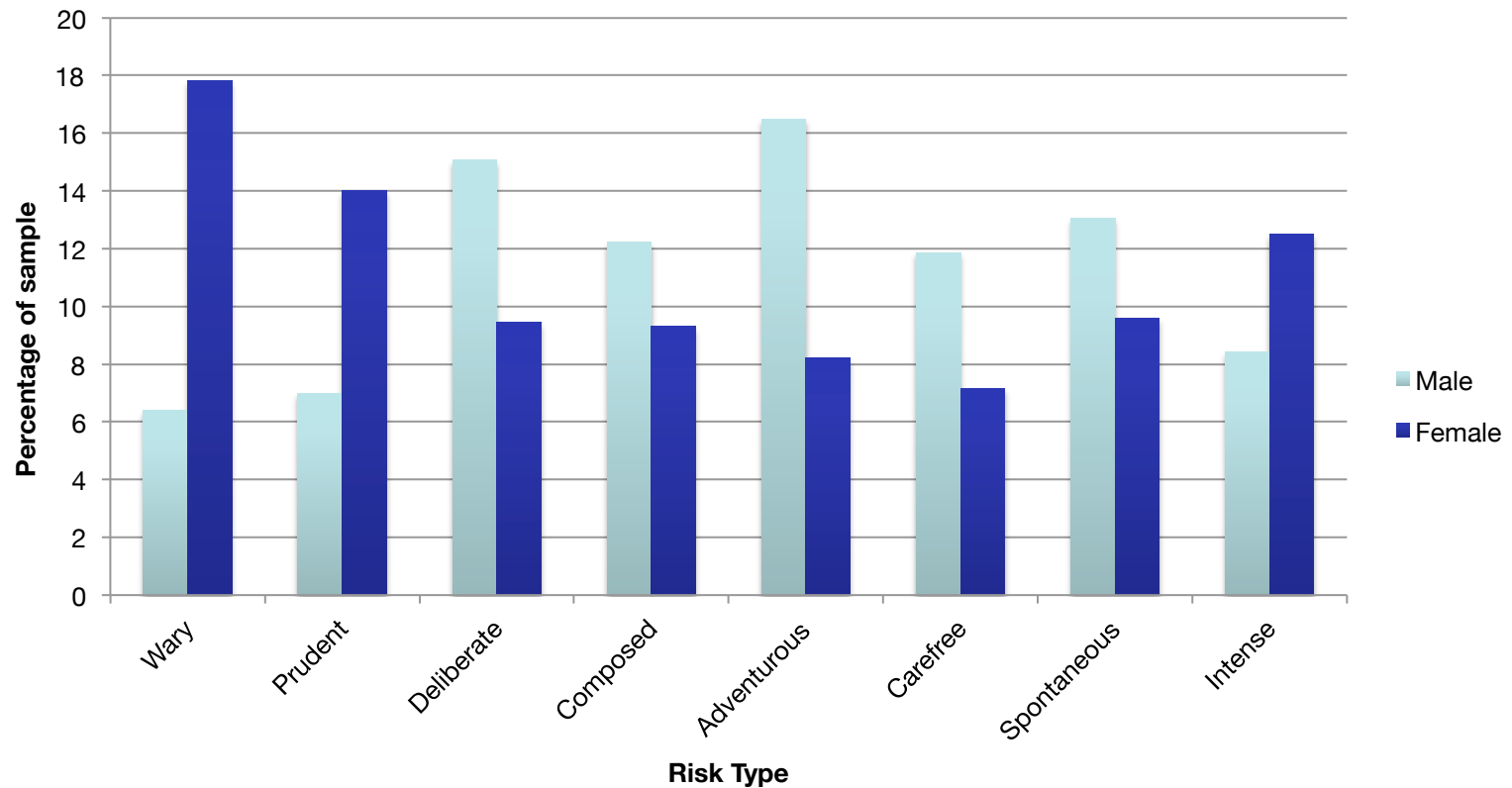




# Gender Differences

## 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

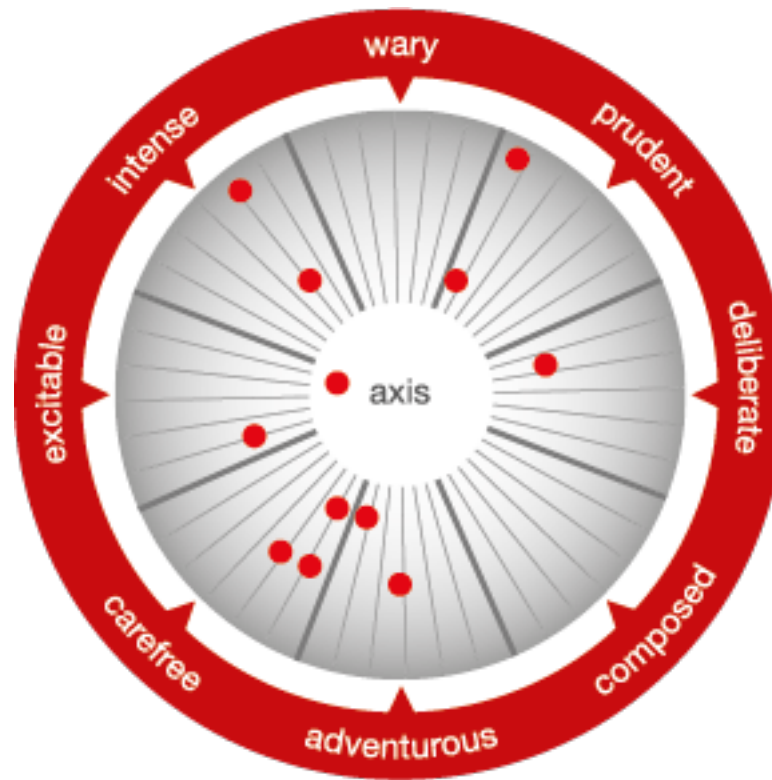
*I'm going to climb a mountain, do you want to come along with me?*

*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





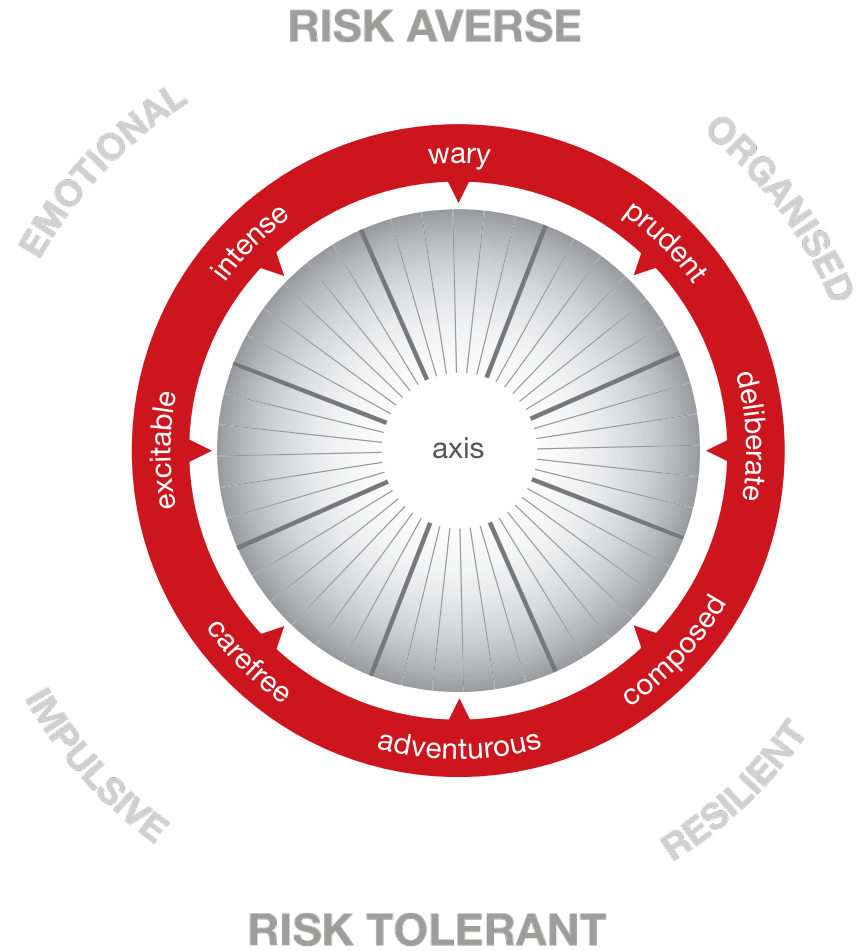
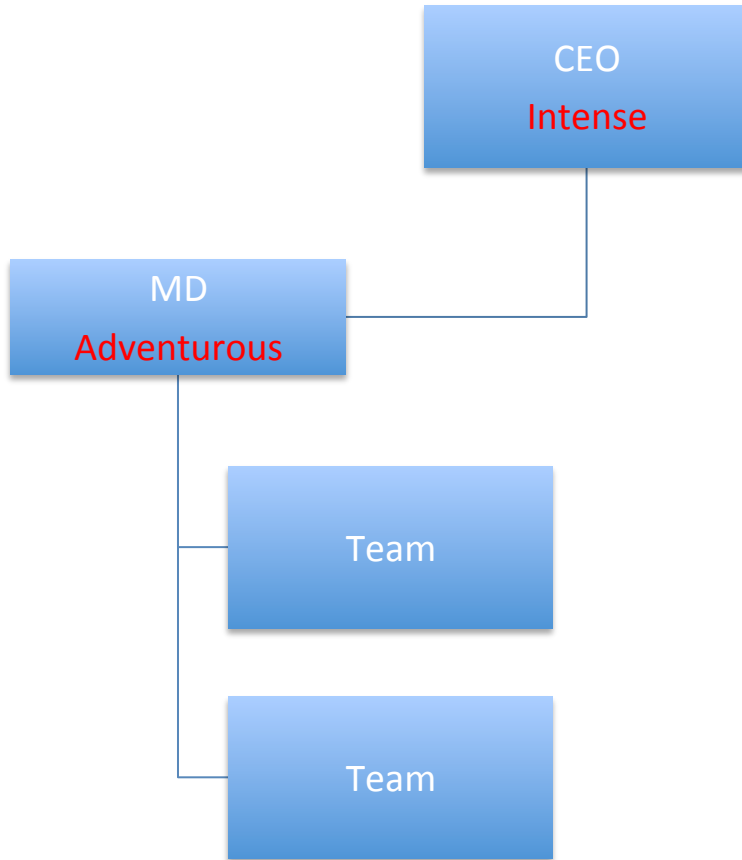
# Two Intense Risk Types

## 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



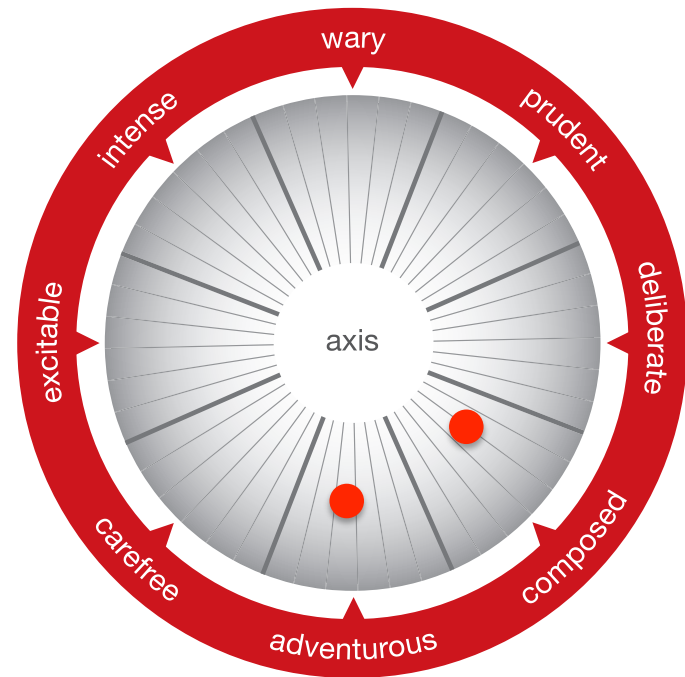
## Case Study 2 – Entrepreneurial Leader in Growing Company

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”*

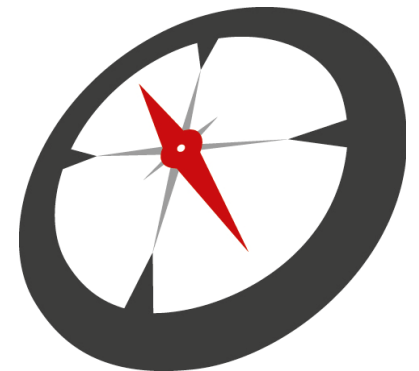
What if you do nothing?

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.

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Sue Stockdale





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