

Risk Type Differences On The Board: A Case Study

pcl
opening
minds

The Issue

Board members for a high-profile global charity came from a wide variety of professional backgrounds and industries, and included a barrister, pilot, and finance director with backgrounds in education, manufacturing and HR consultancy. Following the appointment of new board members, significantly contrasting opinions within the group were beginning to create issues. Perceptions of risk to the business and what was deemed acceptable varied considerably; a lack of understanding of how other board members viewed and approached key business objectives meant arriving at a consensus decision was difficult. Decision-making was in danger of becoming time-consuming and arduous.

The Solution

The Board completed the Risk Type Compass assessment and a group session was arranged to discuss the results. It became clear that, even at this level of experience and responsibility, it can be difficult to appreciate just how varied people's attitudes to risk can be, or to gauge one's own risk disposition relative to others. In this situation, opposing views may be interpreted as contentious or even willfully obstructive. The group session facilitated a good debate and opened positive discussions around Risk Type and how these dispositions influence each board member's view of business risk. With the clarification of Risk Type distinctions, including strengths and potential blind-spots, a strong consensus began to develop regarding fellow board members and where they each fell on the Risk Type Compass.

The Results

Board members developed an appreciation of the potential for individual biases in perception of risk. Even when presented with the same data, not everyone has the same outlook regarding potential risks and different people may come to very different conclusions. Reflecting on the Risk Type Compass group results has helped to highlight how people are influenced considerably by their pre-disposition to risk, engendering different but legitimate viewpoints. The session improved board member appreciation of other risk dispositions and the potential benefits that may accrue when these differences in perception are openly appreciated and embraced.

Situation

- New appointments to a charity board led to tensions and inefficient decision-making processes

Solution

- Risk Type Compass used to assess individuals and provide an insight into the natural predispositions of each board member

Results

- Individuals better understand themselves and their colleagues, allowing them to make more informed and effective decisions as a team

