

Leveraging the Risk Type Compass to explore the risk instincts that drive individuals and teams

a PCL case study

THE CHALLENGE

A client in the travel and tourism industry became concerned by reduced ratings by employees on their engagement survey for 'trust in senior leadership'. The organisation had recently undergone some changes in their senior and executive leadership teams due to staff turnover, and was grappling with the aftermath of closing for a long period during Covid-19 pandemic. With a period of unprecedented demands ahead, the primary objective was to enhance decision-making performance, with the team acknowledging the importance of fostering a deeper shared understanding to facilitate effective working relationships and promote collaboration.



THE SOLUTION

Risk instincts vary considerably between individuals and effective collaboration requires openness and mutual respect to maximise the available talents and insights. These differences ensure the debate needed to adequately challenge both the status quo and any options proposed. A climate in which alternative views can be expressed and challenged is a strong defence against stagnation and 'group think'. The Risk Type Compass (RTC) psychometric questionnaire reliably measures risk instincts, based on individual differences in risk tolerance and aversion to uncertainty.

One-to-one feedbacks

On completion of the RTC assessment, team members were placed into one of eight distinctive Risk Types. To nurture self-awareness within each classification, experienced Consultant Psychologists conducted 45-minute individual feedback sessions exploring unique strengths, potential blind spots and possible development points.

Team session

The subsequent team session focused on the unique dynamics of this team, exploring Risk Type dispersal and convergence, group factions and dominant Risk Type influences, as well as identifying parts of the RTC not represented within the group.

These parameters were interpreted in the context of personal and team experiences.

THE OUTCOME

The combined team 'risk instinct', its 'Risk Type Compass Centre of Gravity', was identified as a Prudent Risk Type, indicating a strong inclination towards detail-orientation and structured decision-making approaches. However, at times, this preference for thoroughness and caution resulted in slow decision-making processes and potentially overlooked broader perspectives and opportunities for innovation.

By fostering a heightened sense of strategic self-awareness within the team, members were able to effectively address these tendencies, empowering them to hold each other to account when they were becoming excessively immersed in the minutiae or exhibited inflexibility or rigidity that slowed down decision making.

The team recognised the benefits of cultivating an environment that encouraged more open and challenging dialogue and constructive feedback, with the intention of enhancing their capacity to widen discussions and to drive it forward actionable decisions.

Additionally, this approach highlighted the importance of dedicating time to creative thinking, emphasising the need to avoid solely relying on proven or established approaches and instead allocating time to explore and evaluate different perspectives specific to their situation before making a final decision.

BENEFITS

- Improved team awareness of the individual 'risk instincts' each member contributes to the collective.
- Development of a team "ethos" based on trust and respect for a diversity of viewpoints.
- Heightened understanding of the undercurrents of group decision making, addressing the challenges of perceived slow and cautious decision making as well as missed opportunities.
- As stated by the client: "...the tool has ignited a multitude of introspective reflections and self-inquiry and has facilitated engaging cross-collaboration conversations..."