

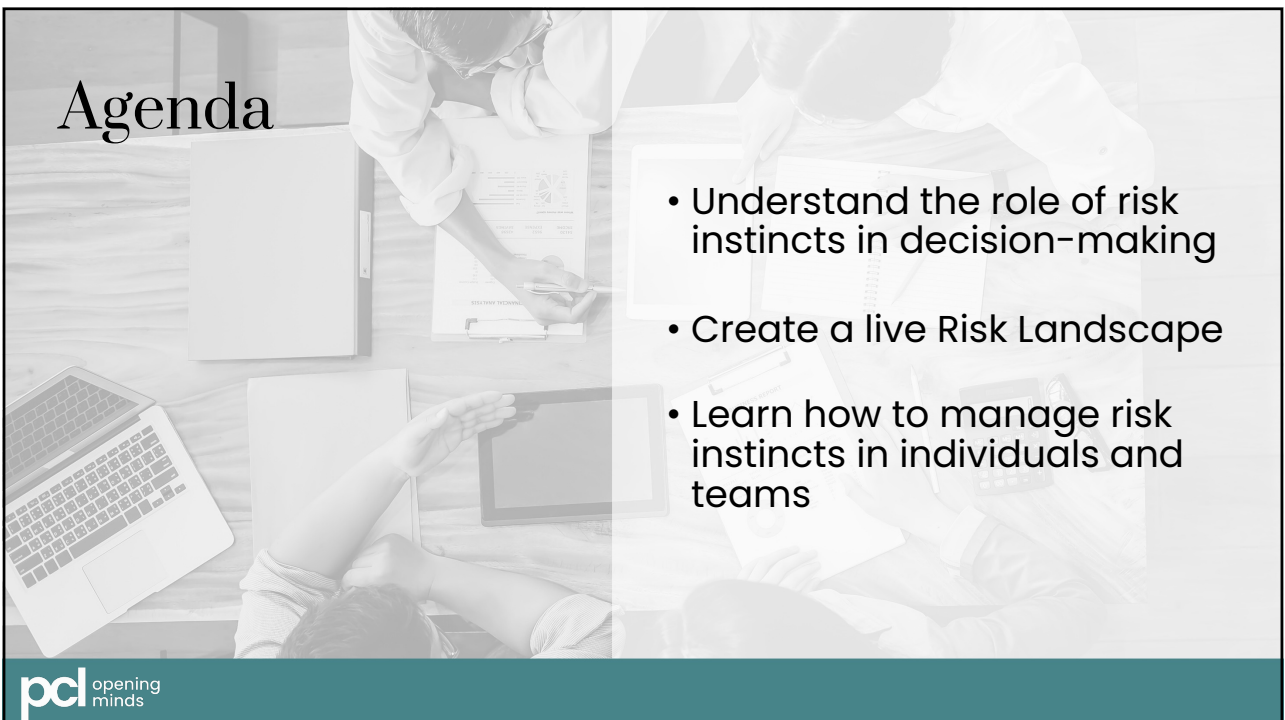


Capturing Risk Instincts on the Corporate Radar

Understanding Risk Instincts in Decision-Making



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Agenda

- Understand the role of risk instincts in decision-making
- Create a live Risk Landscape
- Learn how to manage risk instincts in individuals and teams



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Introduction

- The Risk?... or the Decision Maker?
- No 'Blank Slates' in Decision Making
- Consequential diversity
- What you will learn...




The Risk or the Decision Maker?

Focusing on RISK is a challenge.....

- Problems of definition (Royal Society etc)
 - No meaning without context
 - One person's risk is another's opportunity (RC)
 - Anything can be 'a risk' - untied laces to war
 - No 'units of measurement' for risk
 - Differentiating 'radical uncertainty' and 'risk'
 - Failure rates of predictive models
- ...or focus on Decision Makers - with 92% accuracy

No 'Blank Slates' in Decision Making



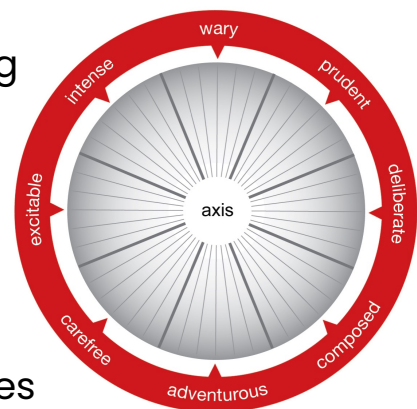
- Long and complex evolutionary history
- 'Pre-sets' that individualise perceptions and reactions
- Generating diverse and complementary opinions
- Everyone comes with their own risk instincts

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What is the Risk Type Compass?





- A Psychometric model of decision making
- Focused on individual survival instincts
- Identifies 8 distinctly different Risk Types
- Highly consequential individual differences



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You can learn...

-  Discover what drives consistency in *your* decision making
-  Appreciate the value of multiple perspectives
-  Understand what *actually* drives team dynamics
-  How to optimise both concerns and enthusiasms

Decision Making & Priorities

Jot down the three things that are most important to you when making a decision.

e.g. "Cost"
"Planning"
"Innovation"



www.mentimeter.com | 2755 3834

Wolves of Wall Street

Jens Hagendorff (2015)

N= 1,578



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Road traffic collisions & covid vaccines study

“We studied millions of adults and found that COVID vaccine hesitancy was associated with significant increased traffic risks.”

N= 11,270,763

The American Journal of Medicine
Redelmeier et al, 2023



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Measuring Risk Dispositions

Emotion

Emotional ↔ Calm

Cognition

Measured ↔ daring

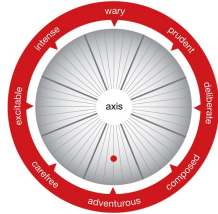
How we approach decision making is influenced by our unique combination of positions on two scales ...

Measuring Risk Dispositions



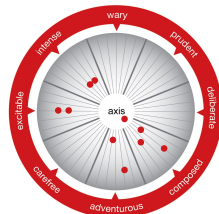
- Empirical orthogonality – 0.007
- Continuous 360° spectrum
- More possible risk instincts than there are people on the planet!
- Navigable and usable via the taxonomy of the 8 Risk Types

Risk Instincts across an organisation



Individual Self-Awareness

Individuals can recognise their own risk disposition, elevating self-awareness, enabling strengths to be leveraged and shortcomings to be managed



Team Effectiveness

Teams can understand what every member brings to the table, their unique contributions and perspectives, and how to harness diversity for the benefit of the group



Organisational Overview

Organisations can audit and map risk dispositions across their entire organisation. This provides a tangible and insightful lens into risk culture

Risk-!n Landscape

What does this room's "Risk Landscape" look like?

Let's find out!

Go to www.psy-key.com to take the Risk Type Compass assessment

We'll divide the room into 5 groups.

Back to you!

Having looked at our Landscape and teams ...

... what do your Risk Type Compass results mean for you?

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Your Feedback Reports

Sample Report

Feedback Report

Risk Type Cameos

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ACTIVITY →

Read your report and make a note of any phrases that resonate with you

You will shortly share these with a partner and explore where they have played out at work

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Closing Reflections

- Risk tolerance is not one dimensional and is imperative to understanding risk culture
- Risk disposition can be accurately and reliably captured on the corporate radar
- Risk Type insights are potent for individuals, teams and organisations





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