



What Public Risk Managers Need to Know Now

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RISK MANAGEMENT HAS EVOLVED

- *Artificial intelligence to enhance analysis and decision-making.*
- *Electronic tools that enhance monitoring and surveillance.*
- *Behavioral science advances to better understand risk-taking.*
- *21st century risks – cyberattacks, climate change, etc.*
- *Tight labor market; competition for skilled employees; higher turnover rates.*

Successful Risk Managers know the difference managing and leading. They have all the right systems and processes in place, years of experience, a high levels of technical skill, and they know how to create a “want to” attitude about risk management.

If you create a “have to” environment, three things will happen:

1. They will (because they have to).
2. They will move only as far as they have to.
3. They will likely resent you when they are finished.

If you create a “want to” environment, three things happen:

1. They will (because they want to).
2. They will move AT LEAST as far as you wanted them to.
3. They will appreciate you when they are finished.

What are the components of a “have to” environment?

- A display of authority and power.
- Rules and regulations.
- Carrots and sticks – positive and negative consequences.

What are the qualities of Risk Managers who are able to create a “want to” environment today?

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THREE OBSTACLES TO GROWTH

1. **Assessment**

People are not good at assessing themselves. We all tend to bolster our sense of self-worth by seeing ourselves in a flattering light. This is most obvious when we are young and know with certainty that we have it all figured out. As we get older, we realize just how much we don't know and can't do. The more skilled and knowledgeable we become at anything – our jobs, sports, hobbies, etc. – the more aware we become of how difficult it is to achieve mastery.

This experience is normal and there's a name for it – the Dunning Kruger¹ effect. Basically, it means that the more competent and knowledgeable we become, the more realistic and humble we are about two things: 1) what it takes to achieve mastery, *and* 2) where we stand on the continuum.

Peak performance in anything, including leadership, requires we get a realistic and balanced perspective of ourselves so we can capitalize on what's working and continue to work on what isn't.

2. **Translating Qualities Into Behaviors**

The second obstacle to growth is translating the qualities we strive to embody into actionable behaviors – moving from “knowing” to “doing.” To get there, we have to ask the question: what do people with a given quality do (and not do) that differentiates them from the norm?

3. **Faith in Principles**

Finally, we are attached to short-term results. *Having faith in principles* means being focused on *what works* rather than constantly testing to see that it is working.

“Observe all men, thyself most.”

— Benjamin Franklin

¹ Justin Kruger and David Dunning, Journal of Personality and Social Psychology, 1999.

RELY ON PRINCIPLES...AND THE REST WILL FOLLOW

Strong leadership does not occur by accident. It happens as a result of a relentless commitment to principles and values.

A *value* is something that is important to you all by itself (e.g., *health, profit*).

A *principle* is something that is important to you because it is a law that connects you to a *value*. In other words, a principle is important to you because of what it gets you (e.g., *exercising, providing customer service*). Principles are, in fact, the natural rules or laws of the universe that generally predict what happens.

The Sequence of Principled Behavior

1. Principles: Do what works, and have confidence that the rest will follow.
2. Values: If you demonstrate behaviors consistent with a principle long enough, the principle actually becomes a value.
3. Virtues: If a behavior is repeated consistently long enough, it becomes you.

***“We are what we repeatedly do.
Excellence, then, is not an act, but a habit.”***

— Aristotle

The following resources are some of those we used to assemble the material contained in this program. These are good resources that we recommend you consider as you continue your self-development.

Collins, Jim, *Good to Great*, HarperBusiness, 2001.

Richman, Robert, *The Culture Blueprint: A Guide to Building the High-Performance Workplace*, Culture Hackers, 2015.

Best wishes for your continued success,



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