

Responding To Risk

Enterprise Risk Management Seminar

Wednesday 13 September 2017

Actuaries Institute • Sydney





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The Role of Leadership in a Crisis

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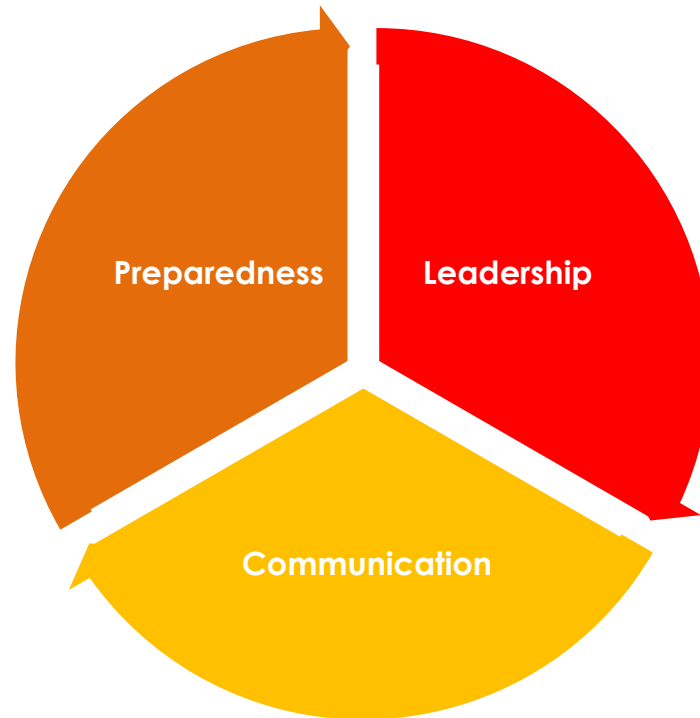


Characteristics of a Crisis

- Surprise
- Periods of ambiguous or limited information
- Loss of control (real or perceived)
- Uncertainty about the future
- Panic, confusion, stress
- Escalating flow of events
- Limited time to make decisions
- Disrupt 'normal' daily activities
 - Limited/no infrastructure
 - Physical danger to people
 - Key staff may not be available
- Disrupt 'normal' decision-making processes
- External support may be needed
- Intense outside scrutiny – news travels fast, shaping the public perception and how it is being handled
- Increased attention from stakeholders, customers, media, competitors
- Short-term focus by management

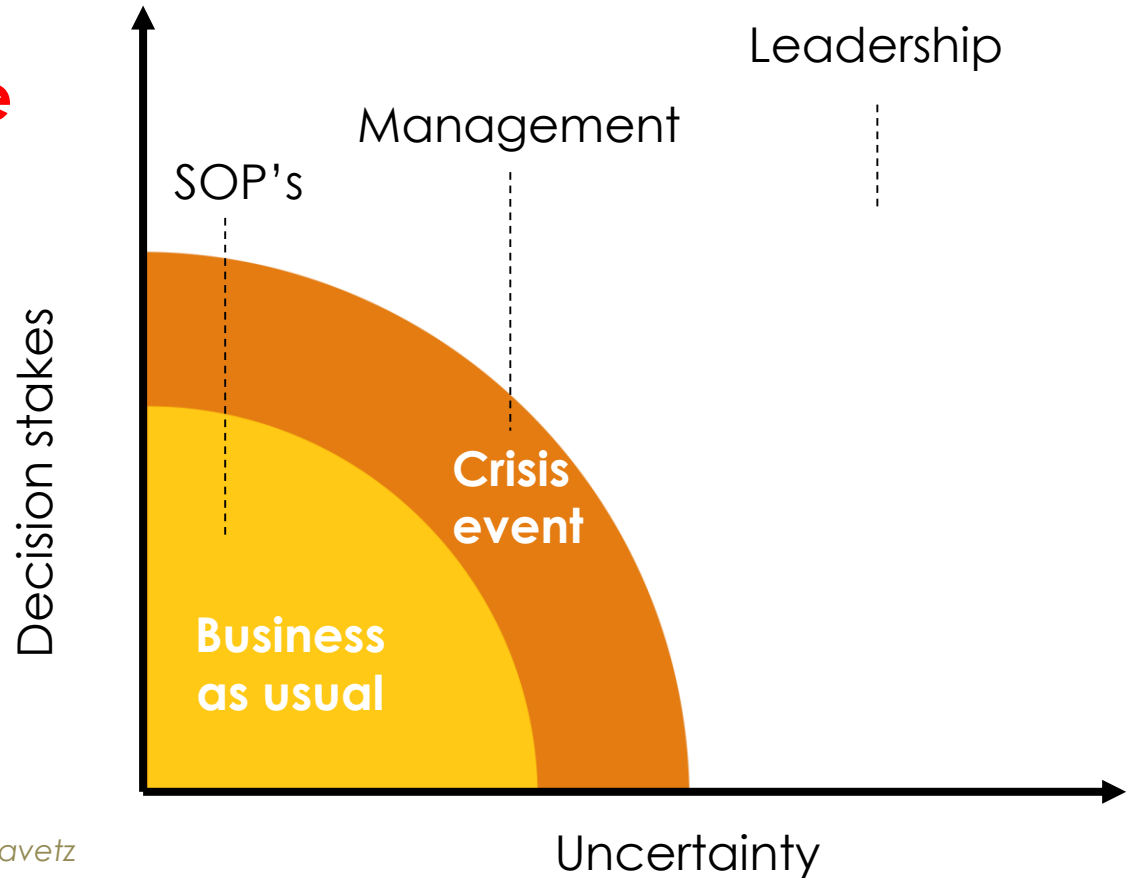


Essential Elements to Crisis Response





Leadership... Last Line of Defence





Case Study – Miracle on the Hudson





Leadership Attributes in a Crisis

Personal Attributes

- Confidence
- Presence
- Credibility
- Pragmatism
- Cognitive skills
- Effective stress handling
- Moral courage/ethics

Interpersonal Skills

- Emotional intelligence
- Communication skills
- Negotiating/influencing
- Ability to vary leadership style to circumstance

Task Skills

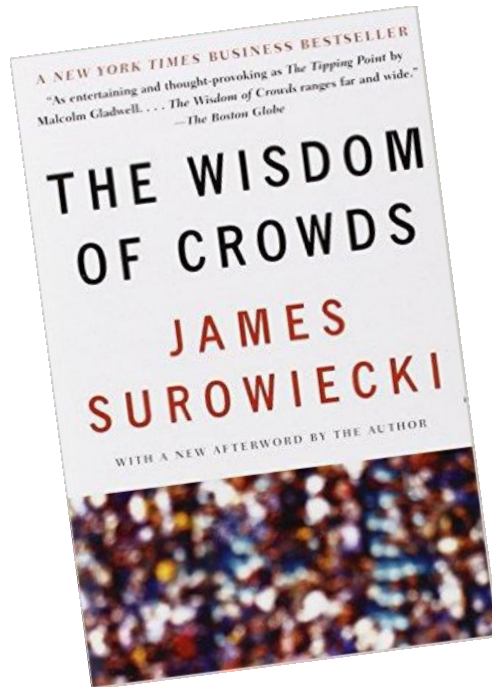
- Identifying key issues and priorities
- Accepting the new reality quickly
- Strategic thinking
- Creating options
- Decision making
- Delegation
- Meeting-management skills

Stakeholder Awareness

- Engaging with internal and external stakeholders – Board, management, staff, media
- Meeting the needs of a wide range and diversity of stakeholders



Final Thoughts



“The more power you give a single individual in the face of complexity and uncertainty, the more likely it is that bad decisions will be made. As a result there are good reasons for companies to try to think past hierarchy”

- James Surowiecki (*The Wisdom of Crowds*)