



Welcome!

Risk Management Culture and Leadership

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Online Evaluation

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Risk Management Culture and Leadership

You must have one to build the other.



RISK MANAGEMENT CULTURE

- Everyone should want a solid Risk Management Culture.
- But, what is it?
- What does it look like?
- How can you tell if it is in place in your business?
- How do you get it in place?

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RISK MANAGEMENT CULTURE

- *“Risk culture encompasses the general awareness, attitudes, and behaviors of an organization's employees toward risk and how risk is managed within the organization. Risk culture is a key indicator of how widely an organization's risk management policies and practices have been adopted”.*
- So, what does that mean?

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RISK MANAGEMENT CULTURE

- Is managing and limiting risk a fundamental part of your business?
- Do your employees KNOW how important safety is in your business?
- Do your employees operate in a safe manner at all times?
- Does management set an example of how important safety and safe practices are in your business?
- Has the company invested in the tools and training that is necessary to prevent needless accidents and injuries, or death.
- Is the importance of risk management communicated throughout the business on an ongoing basis?
- Are employees challenged, and do they feel free to challenge each other to operate in a safe manner?

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RISK MANAGEMENT CULTURE

- If you can answer **all** of those questions positively then CONGRATULATIONS!
- If you are a little unsure, or not quite there yet...you are not alone.
- Having an awesome Risk Management Culture is hard work!
- And it is not “one and done”. It is an ongoing process.
- Your Risk Management Culture is a living thing!
- So, if you are not there yet, but want to make positive change what is necessary?

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LEADERSHIP

- What is leadership?
- Leadership is influence...nothing more, nothing less. — John Maxwell¹ (#1 New York Times Best Selling Author on Leadership)
- How successful you are at *influencing* others will determine your *leadership effectiveness*.
- No matter your role or position in your company you can influence, or lead others.

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LEADERSHIP VS MANAGEMENT

- John Maxwell also says that “**Managers can maintain direction, but they can't change it. To move people in a new direction, you need influence.**”¹
- Risk **Management** is important!
- But **leadership** is necessary first to change attitudes, behaviors, and direction in an organization.

Make sense?

¹John C. Maxwell, 21 Irrefutable Laws of Leadership – Five Myths about Leadership: #1 The Management Myth

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WHERE SHOULD YOUR LEADERSHIP FOCUS BE?

- You can't do everything at once.
- Clearly communicating to your employees that improvement in your Risk Management Culture is paramount and great a first step.
- And, typically auto is your biggest exposure and where you could focus change first.
- But, no matter where you start you will need to lead or influence others!
- Changing culture and practices is tough work!
- So...how and where do we begin?

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KOTTER'S EIGHT STEP CHANGE MODEL

- I did some research to find the best methodology for leading change in an organization.
- The leading expert (no pun intended) on the topic is John Kotter.
- He is a respected author and a well known speaker on the topic of leading change.

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KOTTER'S EIGHT STEP CHANGE MODEL

Three phases of Leading Change in an organization

- Create a climate of change
- Engage and enable the organization
- Implement and sustain the change

What does that look like?

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KOTTER'S EIGHT STEP CHANGE MODEL

8. Embed the change
7. Build on the change – it takes time, don't revert back to old ways.
6. Create short-term wins
5. Empower others to act – remove barriers or blockers
4. Communicate the vision – be clear, win hearts and minds
3. Create a vision – needs to be easily understood
2. Build a coalition with influential and respected people within the organization.
1. Create urgency and build a compelling case

John Kotter 1995 Whenever You are Starting a Change

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KOTTER'S EIGHT STEP CHANGE MODEL

- Make sense?
- Pretty straight forward, right?
- It just takes someone to lead!
- Someone who is willing to do the right thing!
- Someone who gets it!
- I am hoping that someone is you folks in this room!

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IT TAKES SOMEONE WHO...

- Recognizes that a great Risk Culture is critical to the success of a business!
- Knows that there are really no "accidents".
- Knows that bad practices or carelessness can forever change someone's life for the worse.
- Knows that "social inflation" is a real thing and that one of the best ways to fight it is to have a great risk management culture and solid practices in place to help prevent losses in the first place.
- Knows that distracted driving is an EPIDEMIC!
- Understands that PEOPLE ARE DYING NEEDLESSLY AND WE CAN DO SOMETHING TO STOP IT!

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IS THAT SOMEONE YOU?

- I sure hope so!
- Your employees sure hope so!
- Society hopes so!
- Federated hopes so!
- I would go so far as to say that your own family hopes so!

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WHAT IS MY HOPE FOR EACH OF YOU AS YOU LEAVE HERE?

- Be a leader!
- Lead change!
- Create a vibrant, effective culture of safety and risk management in your business!
- Change behaviors and practices!
- Use proven practices and technology!
- SAVE LIVES!!

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IN SUMMARY

Don't hesitate!
Don't procrastinate!
Lead!

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Questions?

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Federated Mutual Insurance Companies

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As a mutual insurance company,
we believe our value is measured
by the success of our clients.

It's Our Business to Protect Yours™

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