

CONTENTS

Figures and tables list vi

01 People Risk in context 1

- 1.1 A quiet revolution in decision-making 1
- 1.2 The Global Financial Crisis 3
- 1.3 Failure to challenge 6
- 1.4 What is People Risk? 7
- 1.5 Structure of the book 8
- 1.6 Audience 9
- Notes 9

02 Definition and models of People Risk 11

- 2.1 Introduction – what is People Risk? 11
- 2.2 An example of People Risk Management 14
- 2.3 Definition of People Risk 18
- 2.4 Models of People Risk 21
- 2.5 The People Risk Triangle 31
- Notes 33

03 The human dimension of People Risk 35

- 3.1 Decision-making 36
- 3.2 Cognitive biases 38
- 3.3 Heuristics 49
- 3.4 Conflicts of interest 49
- 3.5 Systems of human decision-making 50
- 3.6 A hypothetical example 51
- Notes 54

04 Case studies in People Risk 57

- 4.1 Summary of cases 57
- 4.2 The 4Is Model 60
- 4.3 Incidents 63
- 4.4 Individuals 66
- 4.5 Institutions 75
- 4.6 Industry 100
- 4.7 Lessons to be learned from the cases studied 109
- Notes 113

05	People Risk Management Framework	121
5.1	Risk Management	122
5.2	People and other Risks	124
5.3	People Risks in the Risk Management Framework	125
5.4	Internal and External People Risks	128
5.5	People Risk and Conduct Risk	135
5.6	People Mapping	136
5.7	Identifying and assessing People Risks	138
5.8	Escalation of People Risks	144
5.9	Appetite for People Risk	147
	Notes	149
06	People Risk in the boardroom	151
6.1	Board governance and maturity	153
6.2	Boardroom dynamics	155
6.3	The role of the Chairperson	160
6.4	The role of the CEO	162
6.5	The warning signs	165
6.6	Monitoring board behaviour	167
6.7	What are the main People Risks in the boardroom?	169
6.8	Managing People Risk in the boardroom	171
	Notes	173
07	The influence of organizational culture	176
7.1	Culture in context	178
7.2	Understanding risk culture	183
7.3	Embedding a risk culture	187
7.4	Values	191
7.5	Trust	195
7.6	Example of risk culture and values in action – managing Health and Safety	197
	Notes	200
08	Roles and responsibilities	202
8.1	The Three Lines of Defence model	205
8.2	People Risk mitigation	208
8.3	Clarifying responsibilities in the lines of defence	209
8.4	High Reliability Organizations	214
8.5	The crucial role of Human Resources (HR)	216
8.6	Human Resources Risk Management	221
8.7	The Assurance functions	224
8.8	Auditing corporate culture	228
8.9	Values audit	231
	Notes	232

09	Improving decision-making	233
9.1	Making the Invisible Visible	234
9.2	Improving individual decision-making	236
9.3	Decision-making process	238
9.4	Checklists and decision-making	254
	Notes	257
10	Personal responsibility	259
10.1	Codes of Conduct	260
10.2	Personal responsibilities	265
10.3	Job Descriptions	267
10.4	Individual Interactions	269
10.5	Personalized Codes of Conduct	270
	Notes	274
11	Conclusion	276
11.1	Lessons learned	276
11.2	Regulation of People Risk	284
11.3	Starting the journey	287
11.4	What will success look like?	291
11.5	The imperative for change	292
	Notes	292
	<i>Glossary of terms and abbreviations</i>	294
	<i>References</i>	298
	<i>Index</i>	301