



Courageous Risk Governance: Enabling Resilience, Autonomy, and New Thinking

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TRAJECTORY

Definition from physics and military:

the curved path an object follows after it is thrown or shot into the air, or of an object that is traveling through space

<https://dictionary.cambridge.org/de/worterbuch/englisch/trajectory>

... ideally with an aiming point

TRAJECTORY #1: RESILIENCE

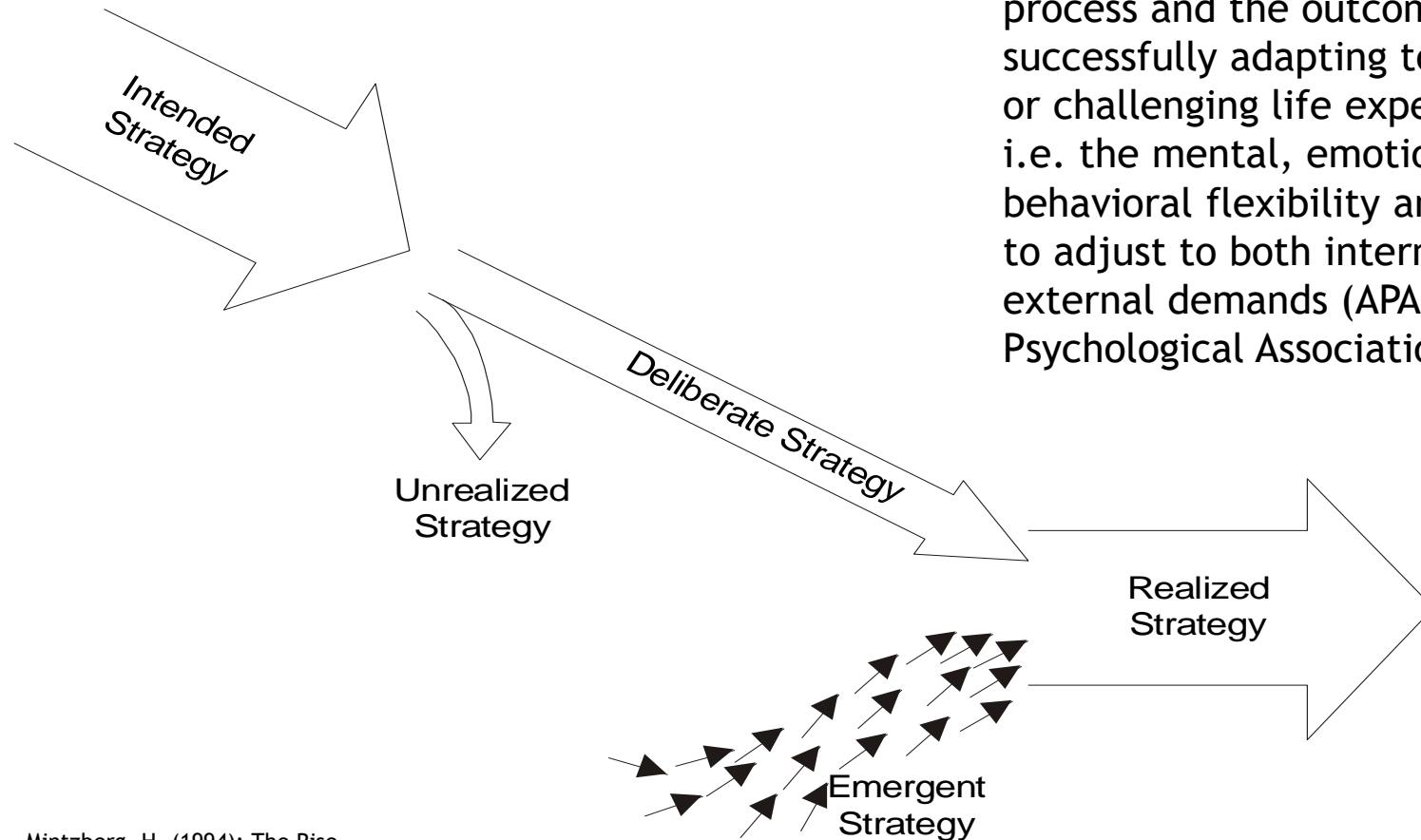
“Risk governance will enable organizations to control the risk-related complexity of open organizations, and – as a conceptual framework – it will be designed to contribute to the improvement of rigor in the research of corporate loss minimization and value creation under the contemporary conditions of multi-political dynamic environments.”
(Stein & Wiedemann, 2016)

Keeping risk away
from the management



Integrating risk to strategic
steering of the business
model

TRAJECTORY #1: RESILIENCE



Resilience refers to both the process and the outcome of successfully adapting to difficult or challenging life experiences, i.e. the mental, emotional, and behavioral flexibility and ability to adjust to both internal and external demands (APA, American Psychological Association)

Mintzberg, H. (1994): The Rise and Fall of Strategic Planning, 24.

TRAJECTORY #1: RESILIENCE

Never sue a
manager
personally

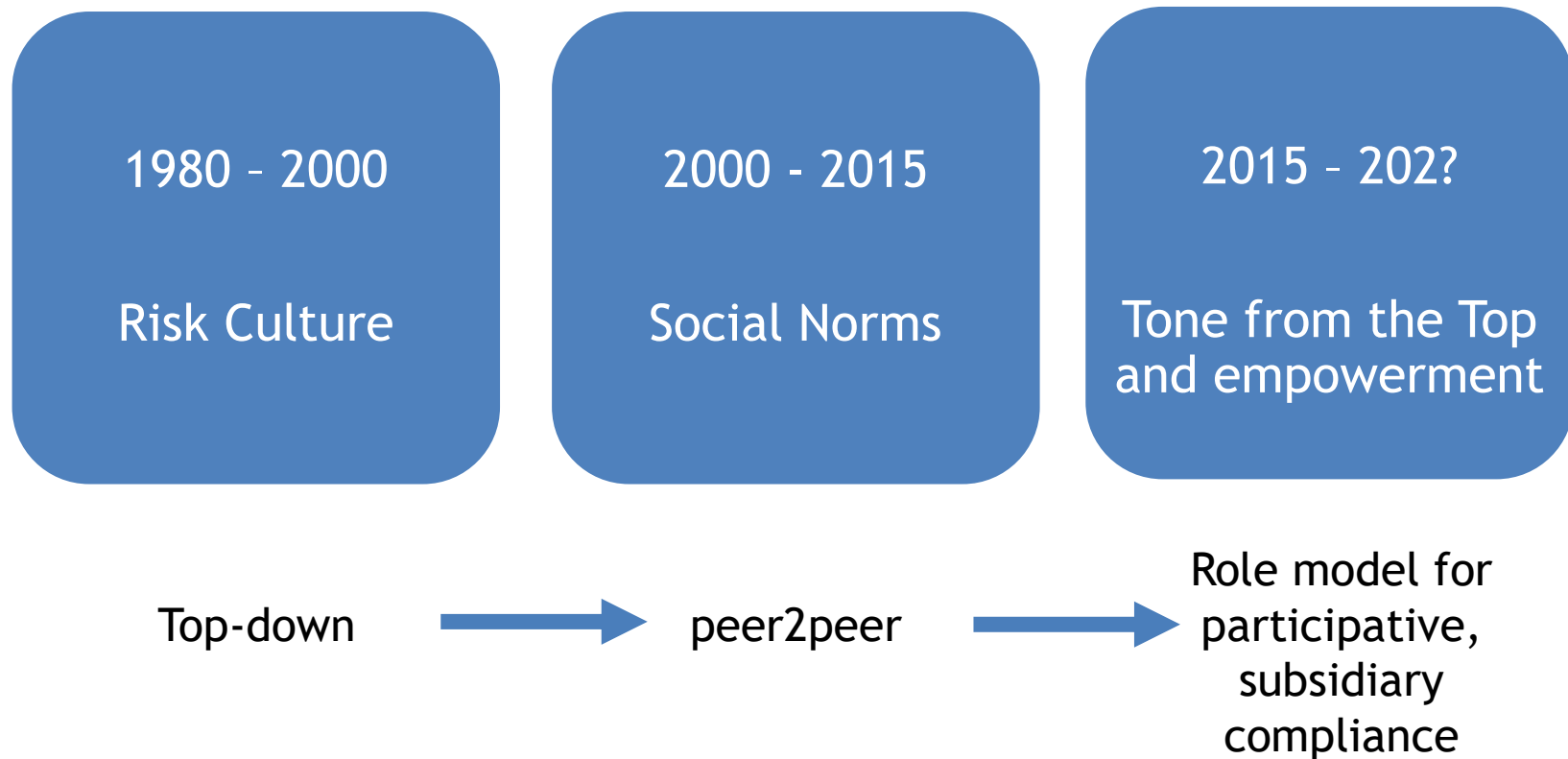
Individual exculpation



Compliance
and
Business
Judgement Rule

Individual accountability

TRAJECTORY #2: AUTONOMY



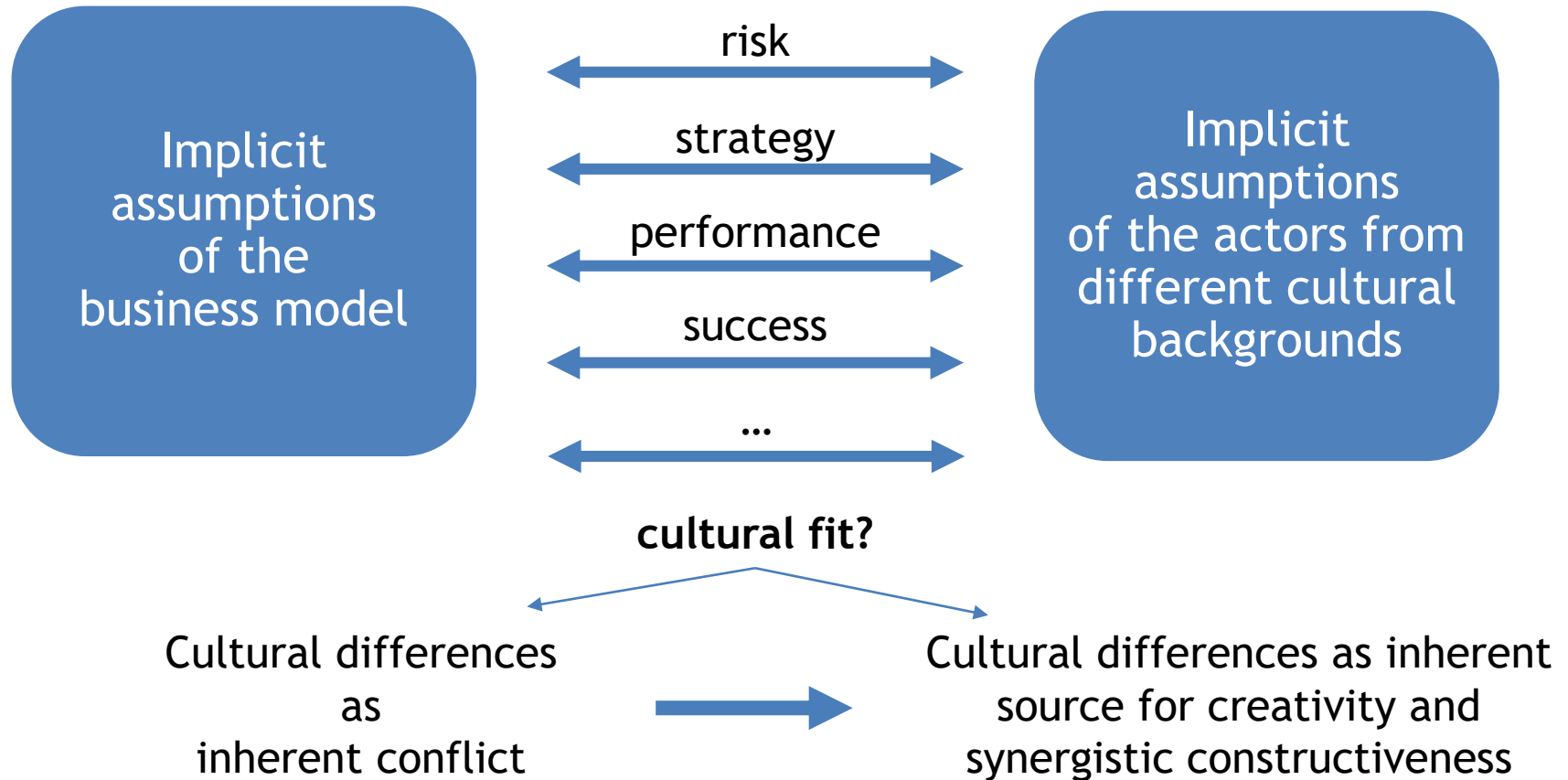
TRAJECTORY #2: AUTONOMY

Autopoietic systems: self-organized, capable of producing and maintaining itself by creating its own parts

- Autonomy (→ subsidiarity)
- Redundancy (→ slack resources)
- Reduction of complexity (→ problem-solving capability)
- Self-reference (→ experiential learning)

Probst, G. J. B. (1992):
Selbstorganisation. In E. Frese
(ed.), Handwörterbuch der
Organisation (3. ed., 2255-2269).
Poeschel.

TRAJECTORY #3: NEW THINKING



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Applying recent impulses, ideas, innovations to the field of risk steering:

- Basic assumptions: from “we steer risks” to “risks steer us”
- Issues: sustainability, ESG, ...
- Means: AI, robotics, ...
- Differentiations: locations, ecosystems, generations, ...
- ...

TRAJECTORY #3: NEW THINKING

Revisiting a Classic: “Built to Last” (Collins/Porras 1994)

- Principles:
 - Clock building, not time telling
 - No tyranny of the or
 - More than profits: Preserve the core, stimulate progress
- Methods:
 - Big hairy audacious goals (“BHAGs”)
 - Cult-like cultures
 - Try a lot of stuff and keep what works
 - Home-grown management
 - Good enough never is



RESULT: COURAGEOUS RISK GOVERNANCE

Courage: attempting difficult things that are worthwhile and facing difficulties and challenges with determination to do the right thing even when others don't

Courage is living in this world as a thinking person who not only holds others responsible for circumstances, but also oneself

Courage is what it takes to stand up and speak. Courage is also what it takes to sit down and listen.

Courage: feeling the fear but doing it anyways