



UNDER PRESSURE

A New Reputation Risk and Crisis Response Report by River Effra

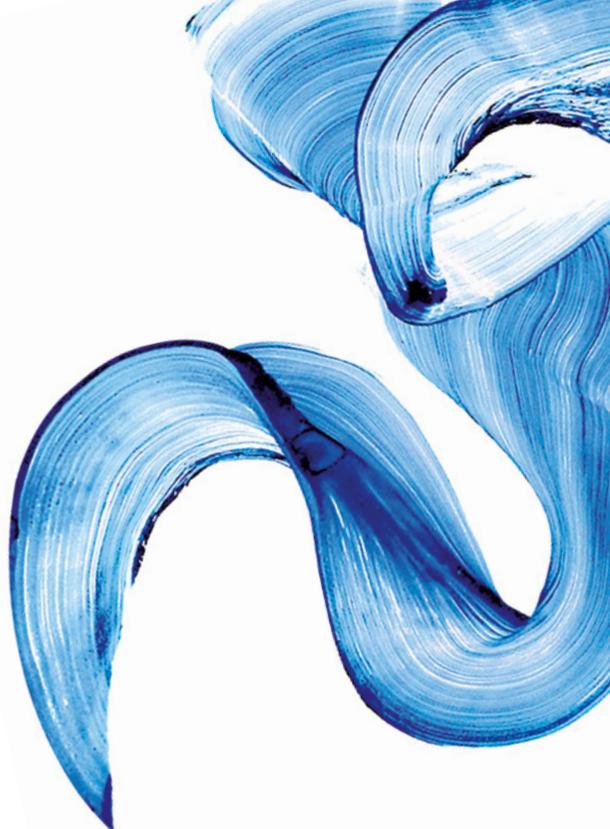
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CONTENTS

- 2 About River Effra
- 3 Introduction to Under Pressure
By George Hutchinson, CEO and Founder
- 5 Getting under the surface of risk:
Leadership challenges and strategies
By Gabriella Braun
- 7 Personality and performance:
Lessons from elite sport
By Dr Matt Barlow
- 12 Leadership and bias in a crisis
- 17 The biases of leaders under pressure
- 21 River Effra: Who we are – the Expert Panel



**RIVER EFFRA IS ABOUT
GIVING COMPANIES REAL
CONTROL OVER THEIR
REPUTATIONS.**

RIVER EFFRA IS A REPUTATION RISK AND CRISIS MANAGEMENT ADVISORY FIRM.

We apply risk management to reputational challenges, helping leaders to see their issues from all perspectives, enabling better decisions and delivering better outcomes.

River Effra has an unrivalled team of reputation risk and crisis experts who have run the corporate affairs response in all crisis situations – from terrorist incidents, cyber crime, law enforcement, regulatory investigations, through to integrity and conduct risks.

All companies have control over their reputations. At River Effra we believe a company's reputation is a consequence of the decisions it takes, direct and indirect, as much as it is the context in which it operates. It has always been more effective to understand the potential consequence of a decision as it is taken, than it is to just try to manage consequence down the line.

When facing crises or systemic threats to businesses and organisations, leaders need clarity of information to enable them to make better decisions and achieve better outcomes. River Effra uses simple tools and applies risk methodologies to plot reputation impacts and consequence. This helps leaders see across all their critical stakeholders and judge risks from a reputation perspective alongside the operational, financial and legal challenges. Combined with the unrivalled expertise of our Expert Panel, we believe River Effra is the most effective reputation risk and crisis communications advisory firm.

River Effra is about giving companies real control over their reputations: helping leadership to understand the potential reputational consequences of decisions, how this affects their future reputational agency and leverage, helping them take better decisions.

River Effra – Better Decisions, Better Outcomes

INTRODUCTION TO UNDER PRESSURE

by George Hutchinson, CEO and Founder



This report covers a range of insights – River Effra foundational research, conducted with Repute Associates – into the behavioural biases of leadership under pressure. We learn from the worlds of psychology, individual and team psychology dynamics, and performance psychology in elite sport. We hear from Gabriella Braun, Director of Working Well, who looks to understand what is really going on inside our heads in moments of extreme pressure and how that can affect personal performance and impact the team. We also cover the work of Dr Matt Barlow, a leading performance psychologist, who works with elite sportsmen and women to help devise individual strategies and programmes that fit their unique personal profiles to ensure that they still perform under the harshest spotlight of sport on the global stage.

Having spent the past 30 years at the coalface of crises, from litigation, fraud and corruption, to major terrorist incidents, cyber crime and integrity risks, I have seen first-hand extreme pressure impacting leaders. Decisions taken that affect tens to hundreds of thousands of their colleagues; decisions that protect the organisation; decisions that attempt to deny and deflect; decisions that enhance safety; and, decisions that fail to address the problem. We laud some, heap opprobrium on others, yet all too often forget that leaders, like markets, are made up of human beings. Human beings who face enormous pressures and challenges.

Leadership is extraordinary. It assumes power, authority and control, and hungers for information, data and insight, to drive high quality and rapid decision-making. These are the traits of leaders. Confidence, certainty and determination accelerate the pace of change and drive performance, yet in the heat of crisis, authority and control can be undermined and the information and data upon which business as usual takes place, scarce. This can create moments of difference, unfamiliarity, and extreme pressure when the stakes are highest. How leaders react, matters.

THE QUESTION TOO OFTEN ASKED IS ABOUT BLAME AFTER THE EVENT. HOWEVER, THE WORLD WOULD BE A BETTER PLACE IF IT WERE ABOUT HOW WE HELP IN THE MOMENT. THAT IS WHAT RIVER EFFRA WAS DESIGNED TO DO.

Our primary behavioural biases research is drawn from experience – exploring leadership when the pressure is on, the typology of reaction, and what happens when that reaction meets the real world. As you will see, for the engineer **technically correct bias** might well be the right answer from a technical perspective but, should public opinion point in the opposite direction, that 'right answer' can be so wrong that it becomes the catalyst for failure. And, if leaders are correct 99 out of 100 times, we can understand **masterful bias**, where in crisis in spite of evidence to the contrary, everyone is tasked with proving leadership right.

THE KEY POINT HERE IS UNDERSTANDING. BY UNDERSTANDING ELITE LEADERSHIP IN BUSINESS IN MOMENTS OF INTENSE STRESS, WE CAN OFFER BETTER COUNSEL AND SUPPORT.

We can also learn from others. Elite sport actively works with individuals to understand their personal reactions under pressure and develops personalised and tailored programmes to improve performance. And the application of critical psychological insights into the behaviours of both teams and leaders helps everyone to know themselves better – lessons that should not be lost on leaders when facing the extraordinary.

River Effra applies risk management to reputational challenges to help leaders understand public consequence and, as a result, make better decisions, achieve better outcomes, and navigate their way through crises. We bring confidence, borne of an unrivalled depth of experience and expertise because our Expert Panel of advisers have been there and have seen the hardest of situations.

At River Effra we know pressure. And we are committed to the development of new thinking about pressure and how it impacts decision-making and decision-makers.

GETTING UNDER THE SURFACE OF RISK:

Leadership challenges and strategies

By Gabriella Braun





Gabriella Braun - Director of Working Well, a consultancy and coaching company, and author of All That We Are – an FT summer pick for business books.

Strategies for leaders at times of heightened pressure and risk tend to overlook the very thing that so often contributes to escalating stress. That is, the way our minds work.

In addition to our conscious mind, we have an unconscious. It's seen in slips of the tongue, repeating unhelpful patterns, random thoughts and fantasies, forgetting things we prefer not to know, and in our dreams. Ignoring the unconscious and the complex way our minds work means that strategies to deal with pressure and risk frequently fail or, at best, have limited success.

In high-stress situations the unconscious psychological defences we need to get through life, ramp up. We may, for instance, turn a blind eye or deny problems, or become paranoid about what's going on. We may omnipotently think we can deal with everything. This means we cannot learn, and our perception of reality, as well as our thinking and decision-making, are impaired. So is leadership.

The impact of this seeps across the organisation; toxicity builds, people flounder and teams, without knowing it, often go off-task.

TO REDUCE THE LIKELIHOOD OF REPUTATIONAL DAMAGE AND MITIGATE THE IMPACT OF HIGH-PRESSURE AND RISK, LEADERS NEED TO UNDERSTAND THEIR OWN RESPONSES.

By reflecting on their feelings and behaviour they can increase their capacity to connect to and manage their feelings, rather than cutting off and potentially taking out their feelings on staff. Instead, by facing difficult emotions such as shame or a sense of failure, showing some vulnerability and not pretending to be superhuman, leaders not only increase self-awareness, they also model to staff the healthiness of containing, rather than hiding from, emotions. In doing this, psychological safety is increased in the organisation and anxiety is kept in check.

Containing anxiety and heightened emotions helps leaders and staff stay connected to reality. Without that, organisations face the added problem of responding to risk and high-pressure by repeating the very behaviours which caused or escalated their difficulties.



PERSONALITY AND PERFORMANCE:

Lessons from elite sport

By Dr Matt Barlow





Dr Matt Barlow, has a PhD in Sport Psychology and has been working in elite sport for the past 15 years. He has published research in the world's number one social psychology journal and has conducted groundbreaking studies examining some of Britain's most decorated and recognisable household names in sport.

At the elite level – in sport or business – if the aim is maximising performance, then it is essential to individualise developmental plans, pressure training, and support. No two individuals are the same in terms of responses to stress or personality traits and the associated behaviours. This is clearly demonstrated by the various 'biases of leaders in crisis' discussed in this report (page 12).

As a performance psychologist in elite sport, for the past 15 years I have researched and worked with household names in multiple Olympic and professional sports including rowing, triathlon, cycling, rugby, and football. I am one member of a team of university academics and sport psychologists who specialise in helping coaches and athletes gain an in-depth understanding of the individual, as a person and as an athlete, before developing individualised development plans. To do this, our team undertakes a comprehensive multidisciplinary assessment of the athlete. Specifically, we measure heart rate variability in a laboratory performance-under-pressure task; conduct bespoke personality profiling based on more than twenty traits; and interview athletes and coaches. The team has a broad range of expertise and the data is analysed, and profiles are created, based on perspectives from personality psychology, psychophysiology, cognitive and behavioural psychology, etc. This approach was developed, and its efficacy demonstrated, throughout the successful 2019 World Cup winning campaign for the England Cricket team. It has since proved effective in enhancing athletic performance in a variety of professional sports.

Before considering specific examples, it's important to consider a number of foundational principles. First, we are referring to self-reported personality traits within a range seen in the normal population, not clinically significant levels following diagnosis. As such, **no personality trait is always good or always bad**; it is context specific. For example, impulsive risk-taking is lauded as heroism when it leads to an individual rushing into a burning building and rescuing a child, without considering the mortal dangers. In contrast, the same traits and associated behaviours would clearly be inappropriate when exhibited by a brain surgeon in theatre. Second, in any attempt to individualise training, feedback, or support, it is important to **'work with the grain'**. That is, the aim is not to significantly change someone's underlying personality but rather utilise maximally the strengths of their personality traits whilst developing strategies to ensure their strengths are not overplayed. That leads to the third principle – **an overplayed strength is a weakness**. For example, perfectionistic individuals typically adhere to strict standards and demonstrate an elevated motivation to succeed. However, overplayed perfectionism leads to a fear of failure (fear of being proved imperfect) that can result in paralysing inaction.

Following are insights into some of the characteristics that we have observed in elite athletes, and brief examples of some of the ways in which leading such people might be individualised.

The individual who exhibits high levels of **GRANDIOSE CONFIDENCE** will display an elevated sense of self-importance and an unrealistic self-image. They will view themselves as more capable than others believe them to be and it may manifest in metaphorical (or indeed literal) swagger and puffing out of the chest. Such individuals thrive when there is an opportunity for self-enhancement or 'glory', coming to the fore – or at least wanting to – when the eyes of the world are watching or there is an opportunity to show how exceptional they really are. If the opportunity for glory isn't apparent, then such

individuals will typically withdraw effort and disengage. Since life, and personal development, is rarely one 'winning performance' after another, when leading an individual with grandiose confidence always look for opportunities to provide glory in the mundane.

For example, training environments must be competitive (as opposed to mastery based) and utilising leader boards and rankings works particularly well. One athlete high in grandiose confidence, who was known for practising specific skills long after other players had finished training, stopped exhibiting this elite-behaviour when new restrictions meant the press had to leave immediately once the main training session was over. Recognising the change in the athlete's behaviour was likely due to the absence of cameras and media attention, the restrictions on press were lifted. The athlete then resumed the additional skill-development practice because, once again, they had the opportunity to show how special they were at performing that particular skill. Leadership language plays an important role. For example, grandiose instructional sets can be delivered to underline the opportunity for glory in repetitive training drills that would otherwise be unattractive: "This is a really difficult challenge that I'm not sure many others on the team would complete, but I think you might just be able to do it. I believe that you could even beat the current top score".

OVERPLAYED GRANDIOSITY GOES BEYOND SELF-CONFIDENCE INTO UNREALISTIC SELF-IMAGE. AS SUCH, LEADERS SHOULD ASSESS CAREFULLY WHEN SUCH INDIVIDUALS CLAIM THEY WILL BE 'PERFECT FOR THE TASK'.

The individual who self-reports high levels of **REWARD SENSITIVITY** typically sees all the opportunities for success: exhibiting optimism, the tendency to take (what others see as) risks, and **IMPULSIVITY**.

The reward sensitive individual is sometimes much needed in a scenario when the opportunity for a successful outcome seems marginal at best.

THEIR IMPULSIVITY MEANS THAT THEY CAN MAKE FAST DECISIONS, BUT OVERPLAYED THEIR DECISIONS WILL LIKELY BE FAST, BUT WRONG.

This is compounded as the 'reward' becomes more proximate (i.e., the perceived finish line): because they are so sensitive to the 'reward' (e.g. scoring the winning runs in the cricket match), even the behaviours that got them this far – like playing a good defensive game – are abandoned, increasing the likelihood of making an incorrect decision, resulting in failure. For such individuals, setting up rigid or semi-structured plans for the penultimate moments (i.e. nearing the 'finish line') is one way of minimising the unwanted changes in behaviour. It is important that the athlete is actively involved in creating these plans with the leaders in order to maintain a sense of agency. Developmental training scenarios would involve offering attractive, but wrong, choices. The aim of the session would be to pick the correct choice whilst overcoming their natural tendencies to impulsively take the attractive but wrong option. Clearly, this would have to be a graduated exposure as impulse control will not come naturally.

The individual who exhibits high levels of functional **FEARLESS DOMINANCE** is characterised by traits such as assertiveness, focus, intelligence, ambition, and coolness under pressure. Such characteristics have been shown to be hugely advantageous in adversarial high-pressure environments. However, overplayed fearless dominance leads to aggressiveness, hostility, ruthlessness and becoming unsympathetic, manipulative and impulsive. Such characteristics are disadvantageous in contexts that, for example, demand one exhibits an authentic humble penitence.

Consequently, it is important to explicitly raise awareness within such individuals that context is key, and highlight under what conditions such characteristic behaviours are either advantageous or disadvantageous. Learning rote phrases, or developing a learned persona, an 'act' or 'mask', for those scenarios where the above characteristics need dialling back to ensure high fearless dominance remains as a strength, and is not overplayed to become a weakness. It is important to have a trigger – this could be a word or a physical movement such as clasping one's hands together – that signals to the self that the context demands the role to be triggered. Such individuals will happily play a specific role to gain an advantage. An alternate trigger works well for those scenarios where there is absolute freedom to exhibit all the characteristic behaviours of the individual high in functional fearless dominance (e.g. the boxing ring). Indeed, we've found success helping athletes build this trigger into a pre-performance routine.

IN THIS WAY, STEPPING INTO THE SPORTING (OR BUSINESS) ARENA IS THE TRIGGER ITSELF.

As a (physiological) coping mechanism under pressure, certain individuals slam the 'accelerator'. Scientifically, they engage the sympathetic branch of the [AUTONOMIC NERVOUS SYSTEM](#). This increases heart rate and energises the individual to invest more effort in an attempt to cope with a given stressor (i.e. fight or flee from harm's way). In contrast, under pressure, some athletes slam the 'brake'. Scientifically, they engage the parasympathetic branch of the autonomic nervous system, sometimes called the 'rest and recover' system. This decreases one's heart rate and helps the body to relax into a more meditative state of calm in order to cope. Either method can be very effective when one is working with the grain. Put simply, it makes intuitive sense to avoid 'psyching up' the individual who works best when calm.

Similarly, avoid aiming to relax the individual who copes with pressure via increased effort investment. Intervention is most needed for those individuals who, under pressure, slam both the accelerator and the brake simultaneously. To extend the analogy, slamming both pedals would likely make the car spin out of control (failure to perform under pressure) or over time become damaged (burnout). For such individuals, even simply being made aware of their own heart rate variability values (such as having them shown on a screen during training drills) has been shown to be of benefit, possibly verifying the adage of 'that which is monitored is managed'. However, evidence suggests that breathing based biofeedback training can significantly help. Resonant frequency breathing training, using an app such as Elite HRV, will help individuals learn how to manage and modulate their internal 'accelerator' and 'brake' especially combined with movement-based meditation practices like certain forms of yoga.

IT TYPICALLY HOLDS TRUE THAT THE EXTROVERT RECHARGES AROUND OTHER PEOPLE AND THE INTROVERT RECHARGES WITH TIME ALONE.

Consequently, on extended training camps, after a day of interactive team sessions (wherein social interaction means the introvert may already be more drained than the extrovert), we ensure the compulsory aspects of evening meetings (summary of the day, planning for the next day and so on) are upfront and brief and any additional social aspects are an optional extra. Such simple changes – ensuring there are options for recharge that suit everyone – have resulted in notable improvements in how athletes cope with extended camps. The above example involves just one trait: extroversion. The significant complexity of how personality affects behaviour is partly that multiple characteristics interact to inform behaviour.

Consider just one more trait: **OPENNESS**. The combination of high extroversion and high openness is typically impulsivity and boredom with repetitive tasks. Therefore, one must always consider an individual as a whole when developing leadership plans. Below is an example of multiple traits coming together to inform behaviour, the total preparation profile.

It's not uncommon in elite settings to see an individual who reports some combination of high levels of sensitivity to punishment, negative thinking, and worry combined with high levels of perfectionism, conscientiousness, agreeableness, introversion, and perceived control. The interaction of these factors can result in an individual who is aware of all the threats in the environment, worries about them and, through an enhanced need to achieve and need to please, will prepare impeccably to deal with those threats. It's a powerful profile. However, when these potential strengths are overplayed, we see an individual who sees catastrophe at every turn, is consumed by worry, and overly concerned about making mistakes which ultimately can lead to overtraining and burnout.

ONE KEY TO HELPING SUCH INDIVIDUALS IS TO WORK WITH THEM TO ENSURE THEY FEEL A SENSE OF TOTAL PREPARATION.

That is, no stone has been left unturned, every 't' is crossed and 'i' is dotted in preparation, prior to the pressure moment. It is important that there is recorded evidence (performance videos, training dairies, etc.) of the (total) preparation because in the midst of the negative thoughts only concrete evidence of readiness will suffice – "I've done the requisite work, there is no need to be afraid, I'm ready". The leader's role will entail setting boundaries and belief to prevent overtraining.

For example, "No, we are not going to keep [training/practising] because you are ready for the [performance]. Look here's the evidence. I believe you've done all that you can do to prepare". Every effort must be made to redirect the individual to focus only on those aspects that are within their control because such individuals, more than most, will worry about all aspects of the performance, including those outside their control, such as: "What if my competitor has the best performance of their life?" which is draining, mentally and physically. Such individuals have a rich, vivid inner life but may frequently 'live inside their own heads'. Classic cognitive restructuring/reframing has been shown to be an effective tool for such individuals who – when overplaying their strengths – engage in negative thinking and a self-critical inner monologue.

In summary, to maximise performance in teams we need to:

- 1. recognise and utilise the relative strengths of the individual team members;**
- 2. develop the ability of the individuals to moderate their characteristic behaviours under pressure and depending on the context; and**
- 3. create an environment that both challenges individual team members developmentally and produces the optimal conditions for maximal performance.**

The above examples, of individualisation based on personality, are derived from working with athletes in international sport across various disciplines. However, when considering the pursuit of maximising performance, we believe they apply to human behaviour more broadly and across various domains, such as high-performance business.

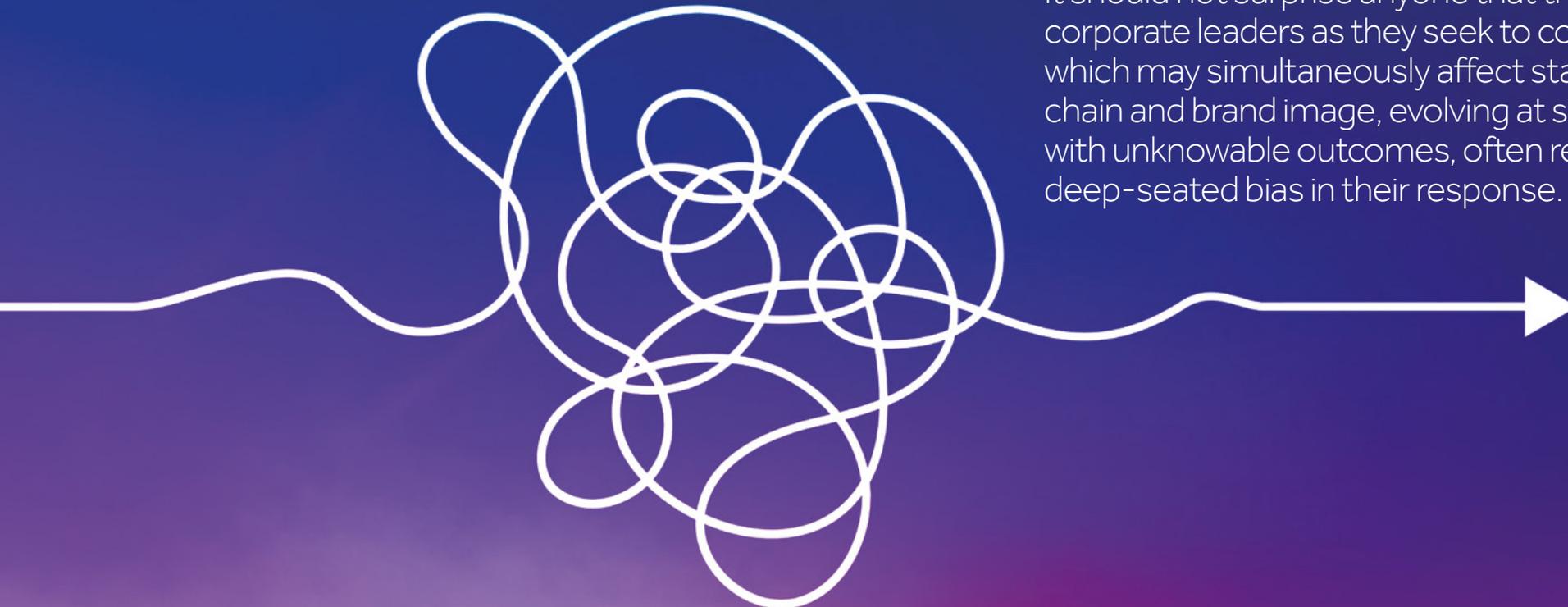
LEADERSHIP AND BIAS IN A CRISIS

Foundation Research by George Hutchinson, River Effra
and Ed Coke, Repute Associates

The ultimate test of senior leadership is its response to a major reputational threat.

Reputation, the asset on which everything else rests.

It should not surprise anyone that the strain on corporate leaders as they seek to control events which may simultaneously affect staff, supply chain and brand image, evolving at speed and with unknowable outcomes, often reveals quite deep-seated bias in their response.



A crisis brings irregular, uncertain, often contrary information and a seemingly infinite thirst for comment. Do you wait or go on the front foot with what you believe at that moment?

Do you try to take personal control or does that make you hostage to events outside your control?

RIVER EFFRA'S EXPERTS HAVE IDENTIFIED 11 DIFFERENT TYPES OF BIAS WHICH CAN CLOUD THE JUDGEMENT OF SENIOR LEADERS AT THE MOMENT THEY MOST NEED CLARITY OF THOUGHT AND DIRECTION.

But can we predict what biases senior leaders will bring to a crisis? What differentiates likely responses? And what is the role of corporate culture in shaping crisis bias?

River Effra conducted detailed research with senior leaders of large corporations to answer these questions.

The results contained in this report highlight the need for leaders to plan for the most pressurised situations leaders are likely to face and to recognise that frank, uncompromised advice from someone who has seen these biases elsewhere is priceless.

The Crisis Biases

Based on hundreds of years of collective experience from its Expert Panel of crisis response consultants, River Effra has identified 11 'crisis biases' or typologies that senior leaders demonstrate in their approach to crisis management.

From The Crusader, who believes that their organisation's work is such a noble cause that no one would seriously question their values, to the Disaster bias of thinking that everything is irredeemably broken, and to the Technically Correct who believes that supplying yet more data will win over any critic.

The key characteristics of each bias can be succinctly described, as shown in the Appendix to this report (page 20).

The descriptors were used extensively during the research to capture the attitude of participants towards a detailed crisis scenario.

11 CRISIS BIASES



The Hero



We've Got This



The Crusader



Technically Correct



All In



Disaster



Business



Masterful



Lawful



Storm in a Teacup



Persecution

How we conducted the research

River Effra developed an online survey that was completed by 74 senior leaders in the UK, drawn from high-ranking job titles and representing major organisations. The survey deliberately required a significant commitment of time to complete.

Following a series of profiling and self-assessment questions, each participant was shown the same highly detailed crisis scenario, involving a large data breach to the media of highly personal information including high profile individuals.

The aim was not to test processes or ask how people would frame their response, instead it required those surveyed to make choices between opposing statements, 'trading off' groups of statements, each time identifying which statement best described their attitude to the crisis scenario, and which statement was least relevant to them.

THIS ITERATIVE PROCESS IDENTIFIED WHICH OF THE 11 BIAS TYPOLOGIES EACH PARTICIPANT EXHIBITED MOST STRONGLY, WITHOUT REVEALING THE NATURE OF THE BIAS OR ITS DEFINITION.

Using statistical techniques, such as MaxDiff and correlation analysis, we were able to define the size of each bias typology and what made the people in each typology different.

The infographic features a dark blue background with white and light blue text and icons. At the top left, the number '74' is prominently displayed next to the text 'SENIOR LEADERS', with an icon of three stylized human figures below. To the right, a list of demographic statistics is presented in white text. Below this, the text 'ONLINE SURVEY' is written in large, bold, white letters, accompanied by an icon of a smartphone displaying a survey interface. Underneath, two columns of survey features are listed, each preceded by a white checkmark icon.

74 SENIOR LEADERS

- 22% CEO/Chairmen
- 38% Corporate Affairs Directors
- 15% Legal/Financial Directors
- 25% Other Board-level positions
- 67% 1000+ employees
- 35% Listed companies
- 28% Private companies
- 37% Public sector/Non-profits

ONLINE SURVEY

- ✓ Detailed crisis scenario
- ✓ Iterative sorting exercise
- ✓ Profiling questions
- ✓ Statistical analysis
- ✓ Correlations
- ✓ Significant differences

EVERYONE HAS A PLAN UNTIL YOU'RE PUNCHED IN THE FACE.

Before showing the research participants a detailed crisis scenario, we asked them to choose which sentiment best characterised their likely response.

Unsurprisingly, many leaders began by gravitating towards statements which projected competence and confidence in their own abilities to resolve whatever crisis befalls their organisation.

43% of participants began by selecting the sentiments characteristic of 'We've Got This', alongside a further 22% choosing 'Hero' and 'All In' crisis responses.

YET WHEN PRESENTED WITH THE HIGHLY DETAILED CRISIS SCENARIO AND THE CHOICES THEY ARE REQUIRED TO MAKE, THE SIZE OF THE BIASES ALTERED DRAMATICALLY.

'We've Got This' bias falls substantially from 43% self-assessed to just 13% post-scenario – a drop of 30 percentage points. Similarly, 'All In' diminishes from 22% to 10% of leaders when exposed to the detail behind a specific crisis.



Self-assessment	Crisis Bias	Post-scenario	Difference
43%	We've Got This	13%	-30%
22%	The Hero	21%	-1%
22%	All In	10%	-12%
6%	Disaster	10%	+4%
3%	Masterful	8%	+5%
3%	Business	9%	+6%
1%	Storm in a Teacup	3%	+2%
-	Crusade	11%	+11%
-	Lawful	4%	+4%
-	Persecution	1%	+1%

The biases increase substantially in the more negative responses to crisis. While no senior leader assessed their likely response as 'Crusade' prior to the scenario, this grouping rose to 11% upon reacting to the detail of the crisis event.

These shifting patterns suggest senior leaders adapt their behaviour to the circumstances of the crisis with which they are faced and in their choices, reveal their biases.

Although this may seem logical, it is a clear illustration that even the most successful executives are not able to accurately assess their own responses until a major event occurs.

LEADERSHIP CULTURE: ME AND THEM.

Understanding corporate culture is essential to gaining insight of the context in which senior leaders approach, process and deal with crises.

Our research reveals substantial perception gaps between the individual's perception of themselves versus their own corporate cultures.

One quarter of those surveyed describe their leadership culture as dysfunctional, with just 21% believing the environment in which they operate to be truly collaborative.

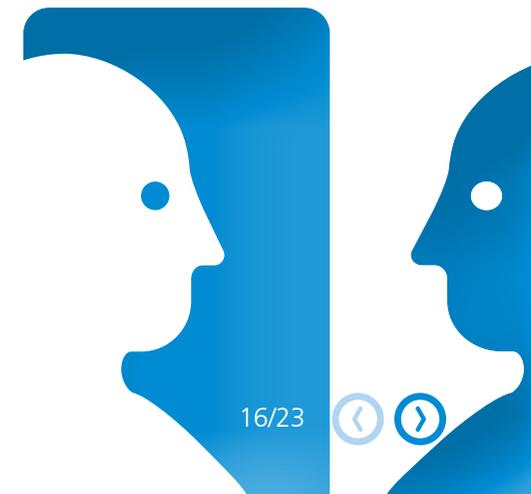
0 – 4	Senior Leadership Culture (0 – 10 scale)		9 – 10
7%	Unprincipled	Principled	47%
10%	Untrustworthy	Trustworthy	35%
15%	Inauthentic	Authentic	25%
15%	Hesitant	Confident	21%
25%	Dysfunctional	Collaborative	21%
13%	Pessimistic	Optimistic	19%
21%	Secretive	Transparent	18%
25%	Cautious	Ambitious	17%
10%	Uncommunicative	Communicative	13%
3%	Innovative	Conservative	21%

THIS POSES THE QUESTION OF WHICH VERSION OF THE TRUTH WILL BE ON DISPLAY IN A HOSTILE MEDIA INTERVIEW WITH THE CAMERA ROLLING? YOU, OR THE COMPANY LINE REHEARSED IN TRAINING?

In an economic environment that requires innovation and ambition, few senior leaders associate their cultures with these descriptors. Only 3% of participants agree their culture is innovative, rising to 17% associating their operating environment as ambitious.

High levels of confidence and optimism also appear to be in short supply, with 21% and 19% respectively of senior leaders describing their corporate cultures in these terms.

And despite underlying perceptions of working in a principled leadership team, only 25% describe their culture as authentic.



BIAS SIZE: SENIOR LEADERS BACK THEMSELVES TO DELIVER

The response of senior leaders to the crisis scenario reveals that all manifest a bias in how they would react to this situation.

The largest group (21%) demonstrates the **'Hero'** bias, where the leader places themselves front and centre in the resolution of the issue. This is supported by the view that a leader should be dynamic, strong at problem-solving and has dealt with similar situations in the past.

It is puzzling that such 'strongman' behaviour sees so many leaders put their faith in crisis consultants who promise to 'have a word' and make it go away.

YOU CAN'T 'COMMS' YOUR WAY OUT OF A PROBLEM OF YOUR OWN MAKING.



Participants then divide into five similarly sized biases:

'We've Got This' (13%): where leaders have a clear confidence that the crisis is highly manageable in the context of previous issues, and will be dealt with by a high functioning team

'Crusader' (11%): this bias shows the campaigning belief of leaders, that the good done by their organisations outweighs the impact of the crisis

'Technically Correct' (11%): a firm belief that the technical sophistication of an organisation's structure shapes a biased response to the crisis scenario, where the impact of the crisis is denied or minimised

'All In' (10%): attitudes based on a high degree of self-belief and near outright denial of responsibility for the crisis describe this bias. One in ten find themselves exhibiting this bias in their response

'Disaster' (10%): the opposite approach to 'All In', where senior leaders view responsibility for the crisis as firmly their responsibility, and one which is difficult to navigate to conclusion

The remaining biases which, arguably, demonstrate the most extreme forms of denial responses are exhibited by just a handful of senior leaders. However, even within these smaller groups, the research reveals some interesting differences, underpinned by the cultural perceptions of participants.

BIAS DIFFERENCES: THE ROLE OF CORPORATE CULTURE IS CLEAR

While sizing the biases of senior leaders is useful, understanding the differences in who exhibits which kind of perceptions drives real insight.

Using correlation analysis, we uncovered that those senior leaders identifying as 'The Hero' are more likely to come from corporate cultures that are not described as dysfunctional or untrustworthy. This cultural perception may allow these kinds of leaders to operate with a greater degree of confidence and optimism at resolving crises.

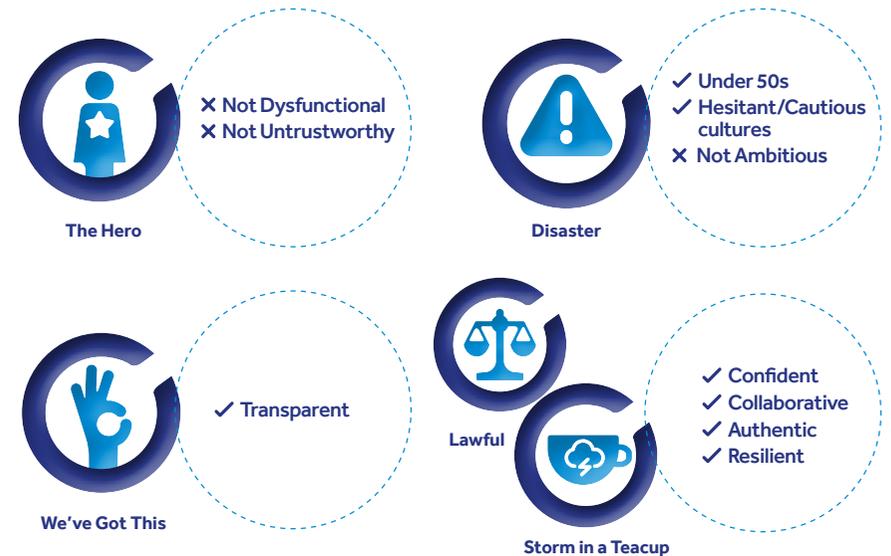
Similarly, the optimism underpinning 'We've Got This' appears to be driven by corporate culture. Leaders demonstrating this bias are significantly more likely to view their own leadership culture as

WE UNCOVERED THAT THOSE SENIOR LEADERS IDENTIFYING AS 'THE HERO' ARE MORE LIKELY TO COME FROM CORPORATE CULTURES THAT ARE NOT DESCRIBED AS DYSFUNCTIONAL OR UNTRUSTWORTHY.

transparent compared to other biases. This positive perception may give them the self-belief that a crisis is highly manageable and will be favourably resolved.

Exploring what drives the more negative biases yields equally insightful observations. Those leaders exhibiting 'Disaster' bias are significantly more likely to be aged under 50 years old, and to come from corporate cultures more pre-disposed to being hesitant, unambitious and cautious.

The small number of leaders who are more dismissive of the impact of a crisis ('Storm in a Teacup' or 'Lawful') over-index on 'confident', 'resilient' and 'collaborative' cultural environments. This context may allow these participants to have greater self-belief in their ability to robustly defend their organisations from the potential impacts of a crisis.





CONCLUSION...

A genuine reputational threat is, at its heart, the consequence of something done or not done and words are a partial response to events.

The solution will be upstream from the communications plan, in the culture and biases, that enabled the problem to take root and by defining these biases our aim is to make the discussion of how to respond as simple and as plain as it should be.

Just as corporations expect their leaders to combine experience and courage to navigate through a crisis, so should leaders expect that of their advisors, even when the advice is uncomfortable.

THE BIASES



Crusade Bias

We agree so strongly on the importance of our purpose, or crusade, that it overrides everything and the end justifies the means, no matter what.



Persecution Bias

Everything is so unfair, meaning we can't accept that we have ever been at fault.



We've Got This Bias

We deal with stuff like this all the time, it's an issue, never a crisis, so we won't be pushing the red button.



Business Bias

We can't be political, this doesn't affect us, we are just a business.



Hero Bias

I'm the boss, I'm in control and I'm gonna save the day.



Technically Correct Bias

At a technical level we are right, so the rest of the world is wrong.



All In Bias

We have so much invested in this, for so long, that we can't consider the possibility it is wrong.



Masterful Bias

The boss can't be wrong, so we must prove they are right and we must defend them.



Storm in a Teacup Bias

I run a business, why should I care what the outside world thinks, I don't need to prepare.



Lawful Bias

What you do is always within the bounds of what is legal, governments set the rules, we abide by them. There is never any need to do anything more. If governments want more they should legislate.



Disaster Bias

This is terrible, it undermines everything we have done, we are under such an attack, there isn't going to be any way out of this.

THE EXPERT PANEL – UNRIVALLED EXPERIENCE



George Hutchinson,
CEO and Founder, River Effra

George provides senior counsel to the leadership and boards of companies and organisations on reputation, positioning, financial communications and the management of systemic risk and change. Throughout his career, he has advised on landmark issues and change, ranging from the FSA investigation into RBS' Global Restructuring Group, the BSE crisis and McLibel trial, the Stephen Lawrence Inquiry for the Police Federation, the Charity Commission's inquiry into Oxfam, as well as the Tube Lines' response to the 7/7 London bombings. He has also worked on one of the world's most international, protracted and difficult SEC/DOJ/SFO investigations.

He is an exceptional team leader and trusted advisor, who has spent time in-house and in agency, and he has won awards for his campaigns and crisis communication response.

George currently advises the leadership of the UNHCR on reputation risk. He also teaches a reputation risk and crisis response module on the MBA Course at Imperial College London.



Simon Benson

Previously a special advisor to Cabinet ministers. Crisis clients have included Emirates Airline, the International Cruise Line Association, Tata and Starwood. Simon has provided counsel to high net worth individuals and the political office of an EU Prime Minister.



Rod Cartwright

Rod chairs the EACD's Crisis & Risk Communication Expert Group and has 25+ years, much at board level positions at top 10 agencies. His crisis experience includes advising the CEO of Malaysia Airlines following the disappearance of Flight MH370 and the airline's subsequent restructuring.



Amanda Coleman

Amanda has more than 20 years' experience in 'blue light' services and led the law enforcement comms response to Manchester Arena attack. She is the author of Crisis Communication Strategies and is an advisor for the Resilience Advisors' Network, a senior associate of the Centre for Crisis and Risk Communication and the Chair of the UK's Emergency Planning Society Communication Professional Working Group.



Tom Conway-Gordon

Tom is a brand reputation expert with more than 20 years in global agencies in London and the Middle East. His experience in crisis began with the inquiry into the Marchioness disaster, through General Motors Chapter 11 bankruptcy and recently with Adidas on the pandemic impact on the European football season and Olympics.



Katie Kershaw

Former Head of Communications, easyJet UK and specialist in the travel sector handling crises from air space closures to terrorist attacks. Katie has a particular skillset in business resilience and ISO22301 Business Continuity Management audit.



Stephen Lock

A former investment banker whose career spans Russia, Turkey and Brazil, focusing on crisis, regulatory and sovereign disputes along with 20 IPOs and mass fatalities. His practice is international corporate criminal defence including sanctions non compliance, corruption, INTERPOL Red Notice appeals and corporate killings.



Sharon Prosser

Sharon qualified as a solicitor before moving into banking. Sharon worked for 13 years for NatWest, delivering transformation in culture, strategy and process and leading on external engagement with Parliament and the FCA. Sharon spent two years as chair of the reputational risk committee within the commercial and wealth divisions of the bank.



Tim Reid

Former BBC journalist, 15 years as political correspondent and prior to that the Daily Mirror and The Scotsman. Before launching his own practice, Tim was Director of Communications at two environmental NGOs.



Sheena Thomson

Sheena began her career as a Naval officer and assignments included NATO, EU, ASEAN Secretariat and Abu Dhabi. Crisis expertise includes aircraft accidents, political crises, cyber threats, regulatory challenges, environmental legacy and post IPO issues. She is a board member of the International Institute of Risk and Crisis Communications, and member of BSI Risk Management Study Group on sustainability.



Richard White

12 years at The Sun before moving to the Home Office. Areas of expertise include threat assessment and relationship building with hostile platforms. Richard's recent client work is across defence, content sharing platforms and harm reduction.

UNRIVALLED RISK AND CRISIS EXPERTISE AND EXPERIENCE.



BECAUSE REPUTATION MATTERS.

An organisation's reputation affects its freedoms to deliver its strategy and impacts leadership's ability to focus on the day job. Reputation is shaped by every iteration of a company's decisions, products and processes. Those shaping the reputations must understand how audiences – employees, investors, customers, regulators, politicians and governments – think about the company within their contexts.

LET'S TALK.

George Hutchinson, CEO and Founder
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RE RIVER EFFRA
better decisions, better outcomes

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