

advancing women in business

every
woman

NETWORK



WORKBOOK

RISK TAKING FOR GREATER SUCCESS

CONTENTS



About this workbook	3
Section 1. Risk taking	4
What is risk taking and why is it important?	5
The benefits of risk taking	6
Section 2. Are you a risk taker?	7
Your risk-taking personality: a closer look	12
Increasing your risk taking	17
Section 3. Improving your self confidence	19
7 steps to building competence and confidence	21
Section 4. Incentives	22
Feeling the fear	23
The five truths about fear	24
Section 5. Your risk-taking personal action plan	25
Further reading	28

ABOUT THIS WORKBOOK

ESTABLISHED IN 1999 EVERYWOMAN works to advance women in business.

We produce a series of workbooks designed to propel women through the most challenging aspects of their careers.

We deliver a range of innovative products and resources that realise the potential and talent of women in business globally. We also uncover success stories and elevate role models to inspire others across a diverse range of business sectors.

Why 'risk taking'? There is a general perception in the business world that men are natural risk takers while women are risk averse. While there are indeed physiological reasons why men are more likely to take risks, there is also evidence that there is a risk aversion scale, on which we all have a place and where gender plays only a small role.

Furthermore, when we asked our membership base via an everywomanNetwork survey whether risk taking was a topic of interest, the response was an overwhelming 'yes'.

The scope of this workbook is to get you thinking about your own relationship with risk taking. Along the way, we'll look at what risk taking really means, and debunk some persistent myths about what it is to be a successful risk taker in today's business world.

Further on in the workbook, a questionnaire will help you discover your natural predisposition to taking risks, and which behaviours you can develop to enable more successful – and responsible – risk taking. By the time you arrive at the final section, you'll be in a position to create a personal action plan for defining your own strategy for implementing risk-taking behaviour.

We have drawn on research by leading psychologists in the field; their investigations inform this workbook. We hope it will enable you to gain confidence, face fears, take risks and achieve greater success in your life and career.

Karen, Max and the everywoman team

"You cannot discover new oceans unless you have the courage to lose sight of the shore."

NOBEL PRIZE WINNER,
ANDRE GIDE

SECTION 1: RISK TAKING



What is risk taking and why is it important?

THE COLLINS DICTIONARY defines risk taking as ‘the practice of taking action which has undesirable consequences’. Human beings are naturally a risk-taking species; we have thrived and survived because of our inherent ability to calculate and execute risk.

Thousands of years ago our ancestors endured because they risked life and limb to tackle large and dangerous animals. As homo sapiens evolved, so too did the types of risks they took, and the reasons for taking them.

In the modern world, human beings’ abilities to take risks have resulted in enormous advances in our understanding of the world and the universe beyond it. Great swathes of the globe might remain undiscovered and unexplored if we were a risk-averse species; Neil Armstrong may never have taken that ‘giant leap for mankind’.

Fast-forward into the business world in the 21st century and it’s possible to look at the evolution of today’s ubiquitous organisations as a series of both calculated and ill-conceived risks. Apple, Google, Facebook, the Virgin Group, Amazon – all organisations from which we have come to expect innovation, forward-thinking, ever-evolving product lines, and yet who also seem to acknowledge that along the way there will be failures large and small to contend with. Throughout the financial crisis of the 2000s, much blame was apportioned to banks, whose own risk taking was behind their ultimate collapse and the global repercussions that ensued.

Risks then, by their nature, can lead to both positive and negative advancements. Taking risks can help us to become successful as individuals and as a society. If we don’t take risks, we become stagnant or ‘stuck in a rut’. Conversely, if we take risk without thought or care, we can become liabilities to our employers, to ourselves, or to our businesses. Finding the right balance between comfort and risk taking is critical.

A brief word on the science of risk and how it may relate to gender. While the chemical process at work in our brain when we weigh up risk is still the focus of debate among scientists, the vast majority of thought on this subject highlights the brain chemical dopamine to be of central importance¹. In various studies, dopamine has been found to play a significant role in reward-motivated behaviour. Unlike adrenaline, which sends the fight or flight response message to our brains, dopamine pushes us towards a behaviour which might result in reward or pleasure.

Acknowledging its simplification, an article in Psychology Today hypothesises: ‘Men are dopamine ‘left brain’ dominant and women are perhaps more balanced between the right and left hemispheres²’.

1. <http://www.livescience.com/20026-brain-dopamine-worker-slacker.html>

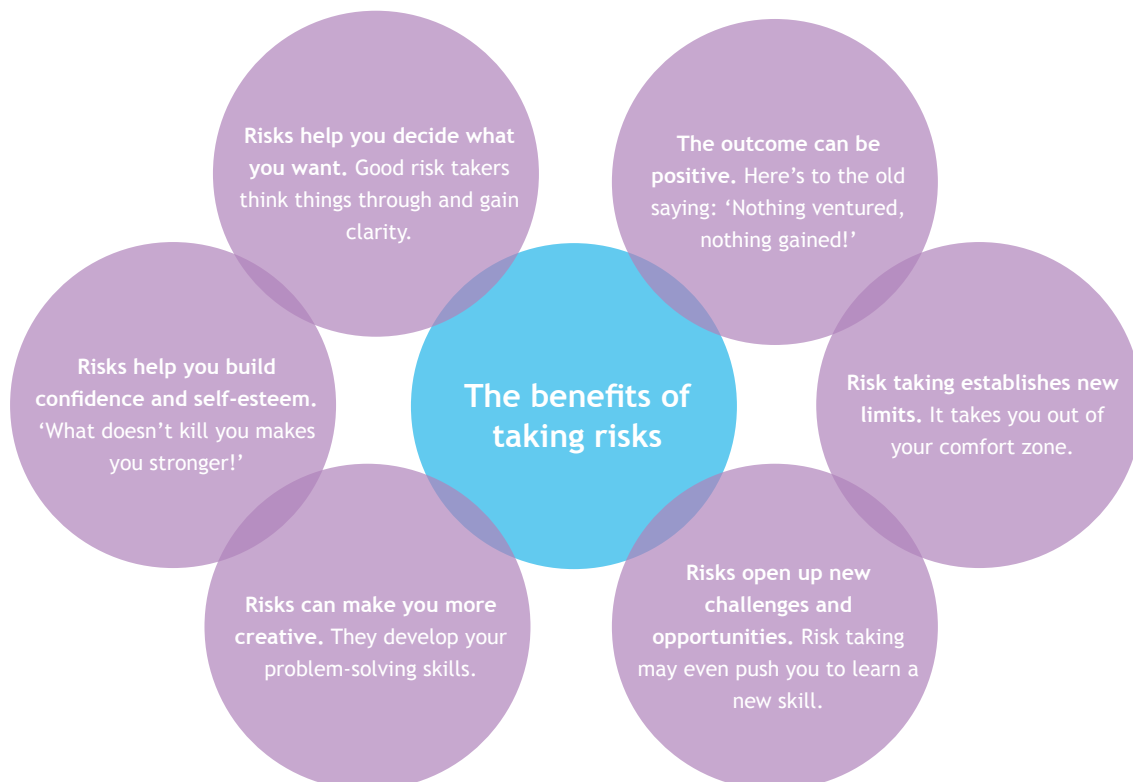
2. <http://www.psychologytoday.com/blog/evolutionary-psychiatry/201105/dopamine-the-left-brain-women-and-men>

The 'male' hormone testosterone is also core to risk taking. 'On days when traders made an above-average profit, their testosterone levels went up. Most surprisingly, the testosterone levels in the morning predicted how much money the traders would make that day: high levels forecast high earnings³,' writes one researcher of the relationship between testosterone levels and our likelihood of taking risks.

So does this mean that men are indeed more prone to risk taking, while women more prone to risk avoidance? The scientific jury is still out, and while many studies indicate more prevalence of risk taking among men, others point to this perceived gender difference as a self-perpetuating reason why women take fewer chances.

'When the negative stereotype about women was not hinted at [to participants],' says a study by Priyanka Carr of Stanford University and Claude Steele of Columbia University, 'there were no gender differences in financial decision making. Both men and women were moderately risk averse and loss averse. But when the negative stereotype was brought up, gender differences emerged.'

When the statement 'women take fewer risks than men' is presented to us, the underlying suggestion is that all women are always more risk-averse, and all men are always more risk-seeking. This is simply not true. We all sit on a scale of risk aversion and risk taking. In the next section we're going to find out where you personally sit on this spectrum, and how this affects how we fulfil our potential to become successful.



Adapted from 'Why Taking Risks Comes with Great Rewards'⁴

3. <http://www.wired.co.uk/magazine/archive/2013/01/features/why-men-risk-it-all/viewall>

4. http://www.huffingtonpost.com/stacia-pierce/why-taking-risks-comes-wi_b_4235351.html

SECTION 2:
ARE YOU A
RISK TAKER?



Are you a risk taker?

READ THROUGH THE QUESTIONS BELOW, adapted from a longer questionnaire on testyourself.psychtests.com, and tick the box that best represents you in each section.

A = Generally, yes B = Sometimes C = Hardly ever

Sensation seeking	A	B	C
Others people think my lifestyle is wild and exciting			
I look for ways to spice up my daily routine			
I can't stand repetitive tasks at work			
When I'm driving, I regularly disregard the speed limit			

Comfortable with change	A	B	C
I acknowledge that something unexpected might ruin my plans, but it doesn't worry me			
I am comfortable in unfamiliar situations			
I thrive in unpredictable work environments			
I can remain calm and relaxed in situations where most people become stressed			

Seeks reward	A	B	C
I am willing to take a chance at failure if it means a new idea can come to fruition			
I would take a risk if there was a tangible benefit to my career opportunities			
I would take a risk if I thought the positive outcome would result in greater recognition			
I would take a risk if there was a possibility it would lead to financial reward			

Self-protecting	A	B	C
I consider myself to be fearless			
Despite the law, wearing a seat belt isn't important to me			
I do what I like, irrespective of negative consequences			
I never lose confidence, even if there's a chance my project will fail.			

Sensible	A	B	C
I find it difficult to plan ahead, and struggle to prepare for different outcomes			
I often submit a document or the results of a project even if isn't perfect			
I rarely consider the pros and cons of a decision before I proceed			
I know the risks and rewards of every decision			

Locus of control (how much control you feel you have over your life)	A	B	C
I believe chance has nothing to do with being successful			
I'm happy to make a decision, even if it has an uncertain outcome			
I try to anticipate what will influence the outcome of a decision before I make it			
When making plans, I am uncomfortable when something unexpected interferes with them			

Your results

Jot down your total number of ticks in the boxes below:

A

B

C

Mostly A: You can consider yourself to be a high risk taker. (If you score above 18 in this section you may need to carefully assess the affects of your risk taking on yourself and others.)

Mostly B: You can consider yourself to be a moderate risk taker.

Mostly C: You do not feel comfortable taking a risk; your risk-aversion may already be holding you back.

Now jot down the total number of ticks in the boxes below.

	A	B	C
Sensation seeking			
Comfortable with change			
Seeks reward			
Self-protecting			
Sensible			
Locus of control			

Compare the number of 'A's you scored in each section. This indicates your strongest risk-taking personality traits.

The highest number of C scores will indicate which areas are your less developed risk-taking traits.

For example:

Most of your 'A's are in 'Seeks reward', meaning you are happy to take a risk if the reward is attractive enough.

Most of your 'C's are in 'Self-protecting', meaning you may have a tendency to throw yourself into things with little thought for your own safety.

Your risk-taking personality

YOU MAY HAVE NOTICED that the questions have come from two areas to do with how your personality traits and risk correlate:

Sensation seeking
Comfortable with change
Seeks reward

These are personality traits
that DRIVE you to take risks.

Self-protecting
Sensible
Locus of control

These are personality traits
that MODERATE your decisions
to take risks.

Traits that drive risk taking:

Sensation seeking

This is the desire for novel and exciting experiences. Sensation seekers are motivated to take part in stimulating activities and look for invigorating stimuli. They can become bored easily, are often impulsive and, on the whole, take more risks.

Sensation seekers aren't always driven to participate in high-intensity activities; the pursuit of art, music and travel may be just as rewarding.

If you have few ticks in this section you are probably more reliable, are comfortable with monotonous jobs and take more time to make decisions.

Comfortable with change

This is the ability to handle changing circumstances and uncertainty. High-scoring risk takers are action-orientated and either seek out or are able to tolerate changing environments.

They are often unfazed by ambiguity and tend to remain calm in stressful situations.

Low scorers avoid risk, and often become uncomfortable, even anxious or fearful when subjected to change or uncertainty.

Seeks reward

These risk takers are motivated by recognition and reward. They can be tempted to take even greater risks if the possibility of social, financial or professional success is perceived as high enough.

A small number of ticks in this section suggests the opposite is true. No reward will tempt you to try something you consider to be too great a risk.

Traits that moderate risk taking:

Self-protecting

Self-protection is your ability or willingness to protect your own wellbeing.

While it is inherent in humans, higher scorers in this section may find themselves regularly putting themselves in harm's way with little regard for the consequences. Drinking to excess, or driving above the speed limit without a seat belt would be perceived as high-risk actions, but limited self-protection is not just about taking physical risks; it might mean taking risks with your finances or your professional or social status.

Low scorers are less likely to engage in self-harming activities. They're cautious drivers, moderate drinkers and generally avoid dangerous situations. Mid-range scorers, meanwhile, will tend to take precautions rather than disengage in dangerous activities altogether.

Sensible

Being sensible is the desire to follow rules and to err towards conscientious behaviour. High scorers are rule-followers, they tend to focus on the finer details and like to do things properly. Low scorers tend to be careless, rush tasks or decisions, and are easily distracted.

Locus of control

This refers to the extent to which we believe we can control events that affect us. To receive a low score in this section can suggest a 'victim/fatalist complex', where an individual believes events – positive or negative – happen to them, rather than being shaped by their own actions.

If you receive a high score it's possible you don't have realistic expectations as to your ability to control things. This perfectionism can lead to disappointment, frustration, anxiety and depression.

Characteristics of people who play it safe

Whatever the risk, it's important to find a balance between the personality traits that drive you to take risks, and those that discourage you from doing so. If you find yourself constantly erring on the side of caution, it may well be that you've unwittingly fallen into the trap of 'playing it safe'. Take a look at the four characters below – do any of them sound like you?

Retired-on-the-job: Go to work every day but don't want to be there. Don't volunteer or push themselves forward, simply 'do their time'.

People pleaser: Find it easier to say 'yes' to everyone than risk upsetting others. Rarely express their opinions or ask questions.

Firmly in the comfort zone: Resist change and find it difficult or even impossible to try new things. Even if new challenges help them grow, provide financial rewards or elicit recognition, they simply find it too risky to tackle uncharted territory, for fear it may expose them to failure or criticism.

Fear of failure and success: Hide in the same old job. By staying off everybody's radar there are no expectations, because it's easier to keep one's head down than to try and risk failure. Conversely 'success' means exposure and potentially more responsibility, which in itself is frightening.

What now?

It's important to understand that personality traits are flexible and can change; it just takes time. If you are not a natural risk taker then reading this workbook isn't going to transform you from a happy homebody into a sky-diving extremist! But self-knowledge can help you unpick the reasoning behind your decision-making.

Ask yourself the following questions:

- What will change if I take more risks?
- Why is risk taking important to me?
- How am I going to take more risks, and feel comfortable with those decisions, actions and consequences?

In the table on the next page write down a situation in which you did not take a risk available to you and the positive or negative outcomes of this decision. Then write down an example of a time you took a risk, and what the outcome was.

Situation	Positive outcome(s)	Negative outcome(s)
<p>Not taking a risk</p> <p>e.g.</p> <p>Didn't go for the position of covering my boss's maternity leave as didn't think I had a good chance of getting the role.</p>	<p>e.g.</p> <p>Spent time instead focusing on where I needed to develop skills to be able to go for future opportunities.</p> <p>Learned a great deal from my new boss.</p>	<p>e.g.</p> <p>Failed to demonstrate my ambition to my boss and wider company.</p> <p>Ended up taking on a lot of my boss's responsibilities in her absence, without any rewards.</p>
<p>Taking a risk</p> <p>e.g.</p> <p>Volunteered to represent my team at my organisation's internal employee engagement committee in order to raise my profile.</p>	<p>e.g.</p> <p>Broadened my network and my profile internally, particularly among more senior figures.</p> <p>Received good feedback on my presenting style, helping to boost my confidence.</p>	<p>e.g.</p> <p>Increased workload meant added stress and having to plan and juggle better.</p> <p>Very nervous about presenting at meetings and had to dedicate a lot of time to rehearsing and practising.</p>

Situation	Positive outcome(s)	Negative outcome(s)
Not taking a risk		
Taking a risk		

Looking at the benefits and costs of the situations you have quoted in the table, now ask yourself:

Do I need to adapt the way I approach risk?

Whatever your answer, let's look at ways to modify your behaviour so you feel more confident taking more risks over time.

Increasing your risk taking

IF YOU FEEL RELUCTANT to take risks it's important to explore the issues that inhibit you.

Graeme Yell, Director of Financial Services at Hay Group, says that when faced with a potential risk, we weigh up our reluctance to take it against the following factors: our self-confidence, an assessment of our specific abilities where the risk is concerned, and the incentive a positive outcome offers us (this could be social status, raising our profiles or financial reward).

Going back to the previous table you completed, ask yourself why you were reluctant to take a risk on that occasion.

Was it:

A – When you assessed your ability you did not think you had the required skills?

I – There wasn't enough incentive (or too great a disincentive) to take the risk?

S – You lacked self-confidence?

You might settle on one, two or all three of these reasons.

In the example where an employee chose not to pursue an acting-up role during her boss's maternity leave, there was certainly incentive. But after assessing her skills the employee decided that she fell short as a potential candidate. Perhaps this was a result of low self-confidence rather than a tangible absence of ability. In this case, speaking to her boss or getting feedback from another trusted source before completing an objective SWOT analysis might have swung the decision in favour of taking the risk, which in turn would have demonstrated ambition and incurred financial reward and improved status.

Now analyse the situation when you did take the risk. Why were you comfortable doing so on that occasion?

Was it:

A – When you assessed your ability you believed you had the required skills, or thought you could acquire them?

I – You felt incentivised to take on the risk?

S – You felt confident?

In the example of taking on the monthly presentation to the employee engagement panel, the incentive of growing your profile was a very tangible one. While confidence was an issue, the employee knew that practice would make perfect and that dedication to this task would reap rewards (in this case, good feedback on a new skill she was able to demonstrate).

It's important to approach each risky decision we need to take with these questions. They will help you to decide what action to take.

Do I have the required skills, or the opportunity to acquire them?

Is there enough incentive?

Am I self-confident?

SECTION 3: IMPROVING YOUR SELF-CONFIDENCE AND COMPETENCE



Improving your self-confidence and competence

OF THE ATTRIBUTES WE EXPLORED in Section 2, our self-confidence (or lack of) has the highest impact. There are two main attributes that contribute to self-confidence: self-efficacy and self-esteem.

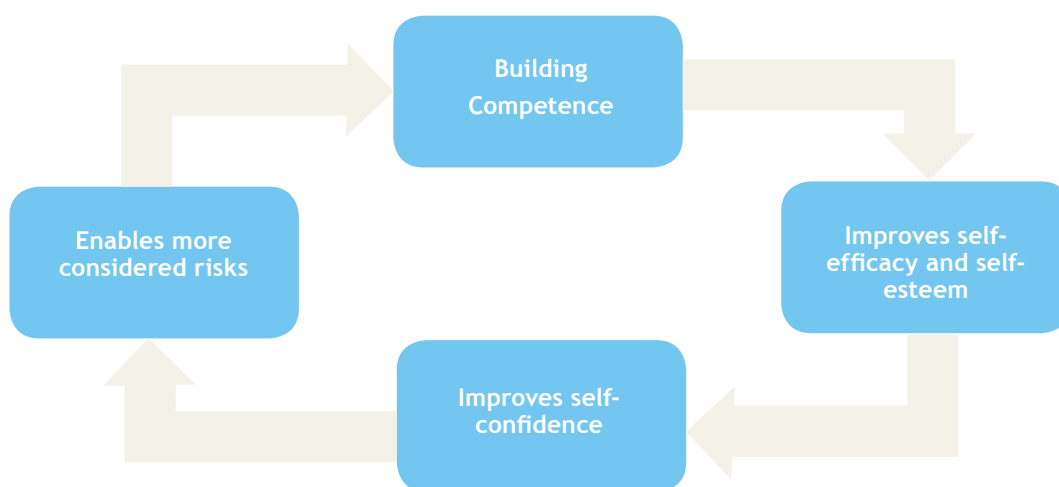
Self-efficacy

'According to [psychologist] Albert Bandura, self-efficacy is "the belief in one's capabilities to organise and execute the courses of action required to manage prospective situations". In other words, self-efficacy is a person's belief in his or her ability to succeed in a particular situation. Bandura described these beliefs as determinants of how people think, behave, and feel.'⁵

Self-esteem

'We use the phrase self-esteem to talk about the beliefs you have about yourself – what you think about the type of person you are, your abilities, the positive and negative things about you and what you expect for your future. If you have healthy self-esteem, your beliefs about yourself will generally be positive. You may experience difficult times in your life, but you will generally be able to deal with these without them having too much of a long-term negative impact on you. If you have low self-esteem, your beliefs about yourself will often be negative. You will tend to focus on your weaknesses or mistakes that you have made, and may find it hard to recognise the positive parts of your personality. You may also blame yourself for any difficulties or failures that you have.'⁶

If you want to build a balanced sense of self-confidence it is not enough to just 'think positively'. The key to improvement in both these areas is to build competence. This will also help you to realistically assess your ability to take on a task or commit to taking a risk.



5. http://psychology.about.com/od/theoriesofpersonality/a/self_efficacy.htm

6. <http://www.mind.org.uk/information-support/types-of-mental-health-problems/self-esteem/#.VImZ376czdk>

7 steps to building competence

WHEN IT COMES TO BUILDING COMPETENCE, the following 'learning and reward cycle' is commonly used.



SECTION 4: INCENTIVES



Feeling the fear

INCENTIVES ARE A HUGE DRIVING FORCE when deciding whether to take a risk. This is particularly true if you received a high score in the 'Seeks reward' section of the risk personality questionnaire.

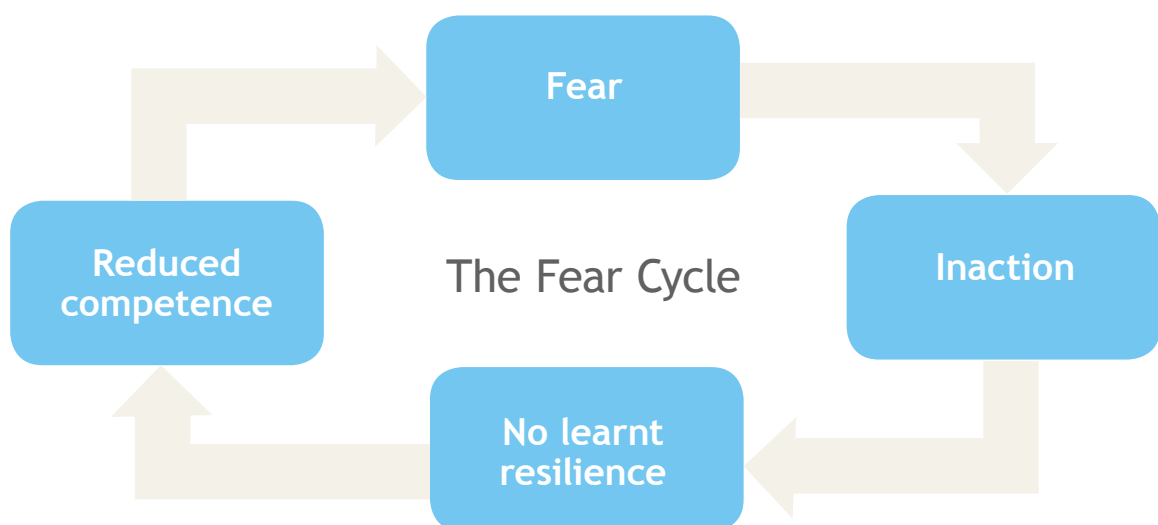
Even if you had a low score in this section, there may be incentives that could drive you to do something you would never normally contemplate. For example, if you saw a small child running out into a busy road, the incentive would be to save the child's life, and this would greatly outweigh the obvious risks. In everyday life, particularly the workplace, the need to save a child's life is less likely (unless, of course, you work in an emergency room). So what is holding us back?

For many it's fear; perhaps the fear of failure, or conversely of success (and the responsibility that comes with it); a fear of looking stupid or even the fear of being seen as incapable or not up to the task. It's a natural reaction and we all experience it to some degree at some time in our lives.

By remaining in your comfort zone, you have chosen to eliminate fear from your life. The trouble is, without experiencing fear you cannot become resilient to its effects. Then when faced by a frightening situation or prospect your self-confidence crumbles, and you become paralysed by an overwhelming sense of worry and anxiety. It's not a pleasant sensation, so back into the comfort zone you go, the more vulnerable you remain, and so the cycle continues.

"A ship is always safe at the shore, but that is not what it is built for."

ALBERT EINSTEIN



Fear Truth #1

The fear will never go away as long as you continue to grow. Every time you take a step into the unknown, you experience fear. There is no point in saying, 'When I am no longer afraid, then I will do it'. You'll be waiting for a long time. The fear is part of the package.

Fear Truth #2

The only way to get rid of the fear of doing something is to go out and... do it! When you do it often enough, you will no longer be afraid in that particular situation. You will have faced the unknown and you will have handled it. Then new challenges await you, which certainly add to the excitement in living.

Fear Truth #3

The only way to feel better about yourself is to go out and... do it! With each little step you take into unknown territory, a pattern of strength develops. You begin feeling stronger and stronger and stronger.

Fear Truth #4

Not only are you afraid when facing the unknown, so is everyone else. This should be a relief. You are not the only one out there feeling fear. Everyone feels fear when taking a step into the unknown. Yes, all those people who have succeeded in doing what they have wanted to do in life have felt the fear - and did it anyway. So can you!

Fear Truth #5

Pushing through fear is less frightening than living with the bigger underlying fear that comes from a feeling of helplessness. This is the one truth that some people have difficulty understanding. When you push through the fear, you will feel such a sense of relief as your feeling of helplessness subsides. You will wonder why you did not take action sooner. You will become more and more aware that you can truly handle anything that life hands you.

Source: "The Five Truths About Fear"⁷ - Susan Jeffers, PhD

7. <http://www.susanjeffers.com/home/5truths.cfm>

SECTION 5: YOUR RISK-TAKING PERSONAL ACTION PLAN



Your risk-taking personal action plan

CONSIDER AND ANSWER THE QUESTIONS on the following table. We've included a blank copy for you to print out and complete regularly, so you can continually evaluate your risk-taking abilities.

What situations or individuals do you find most fear-inducing?

e.g. Giving presentations to large groups

If you decided to increase your risk taking at work, in what areas do you need to improve? What specifically do you need to work on in each of the three categories?

a. Self-confidence

e.g. Need to seek out feedback on past presentations to bolster confidence and learn from mistakes. Training might be necessary.

b. Competence

e.g. Need to push myself forward in order to gain more practical experience.

c. Managing fear

e.g. Need to engage with a mentor who can coach me in dealing with the fear of public speaking.

If you worked on the action points you've listed above, what would the result/benefits be?

e.g. I would find situations where I am required to speak publically much less stressful. I would also raise my profile within my organisation, by speaking up more.

What situations or individuals do you find most fear-inducing?

If you decided to increase your risk taking at work, in what areas do you need to improve? What specifically do you need to work on in each of the three categories?

If you worked on the action points you've listed above, what would the result/benefits be?

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This workbook has been produced and edited by everywoman, with content commissioned from associate expert Sally Kettle. It is part of the everywoman portfolio of resources that have been specially created to support and develop women as they advance their careers and businesses.

everywoman Expert



Sally Kettle is an experienced adventurer and team leader, who has faced many life-threatening situations throughout her career as an ocean rower and yachtswoman. She is a risk taker, a quality that in many ways contributed to her first (world record-breaking) Atlantic Ocean row.

Further reading

- <http://testyourself.psychtests.com/testid/2122>
- 'Feel the Fear And Do It Anyway: How to Turn Your Fear and Indecision into Confidence and Actions', Susan Jeffers (Vermillion: 2007)
- The Risk Perception Gap: David Ropeik at TEDxWaldenPond
- <http://www.youtube.com/watch?v=vIFT6nEFaLQ>

Go to everywoman.com for more personal development workbooks, tools, and online seminars relating to risk-taking, including:

- Boosting Your Self Confidence with Emotional Intelligence
- The 5 Truths About Fear
- The Confident Woman

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