

## Risk Mind Readers



By Lexie Williams

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**Topic:** General

I had the opportunity to interview conference presenter Dr. Nitish Singh about the advantages of implementing psychometric testing in order to improve risk management programs. Read on to find out how Dr. Singh's psychometric powers could apply to your public entity.

### **What is psychometric testing and what is the benefit of applying it to organizational risk management?**

Psychometric testing measures deeply held attitudes, beliefs and knowledge—all of which are difficult to assess. Why is this important to risk management? Psychometric testing can reveal the subconscious biases of staff, measure employee buy-in, and evaluate an organization's culture.

### **How can the results of psychometric testing be helpful to a 'risk champion' or risk management leader at a public entity?**

When psychometric tests are paired with expertise in ethics and regulatory compliance, the results can show:

- Root causes behind key ethical and compliance concerns
- Unexpected organizational bottlenecks
- Deep attitudes and motives behind certain behaviors
- The impact of training and other initiatives on desired outcomes
- Critical compliance risk areas

### **Can you share an example of psychometric testing results that could help an organization identify the root cause behind some of its greatest risk management, ethics, or compliance challenges?**

Psychometric-based testing can help public entities uncover beliefs and attitudes behind potential ethics and compliance issues such as:

- Consistency of ethical expectations between leadership and employees: Psychometrics can identify double standards, and help leaders anticipate miscommunications or deficiencies in organizational culture which could lead to ethics and compliance challenges.
- Effectiveness of ethical rewards and sanctions: Testing can help leaders gain a deeper and more realistic view of perceptions of appraisals, warnings, and communications pertaining ethical behaviors or outcomes.
- Reasons behind ethical misconduct or wrongdoings: Psychometrics can help enhance understanding of

prevailing perceptions of ethical wrongdoings, including rationalizations for wrongdoing, and tolerance for such acts.

**What are some common areas in which psychometric testing has helped entity leaders and staff members?**

Public entity leadership teams tend to be most interested in attitudes around:

- Management of stakeholder expectations
- Fraud prevention and internal controls used to enhance compliance and transparency
- Effectiveness of human resources, such as assessing the impact of training for potential hires and staff
- Accountability to measure mission related impact
- Due diligence with new ventures, fundraising risks and collaboration risks

**Can you give us a sneak peek of a psychometric testing advice you might share during your Risk Summit workshop?**

The workshop will identify the importance and uses of psychometric tests, provide practical insights into how to conduct psychometrics-based assessments for effective risk management, and will provide advice for leveraging the results of psychometric tests by:

- Setting priorities
- Establishing an early warning system
- Assessing organizational health
- Proactively managing risks, and
- Enriching risk awareness

*Lexie Williams is a former program assistant and summer intern at the Nonprofit Risk Management Center. We welcome your comments and questions about this article at 703.777.3504.*