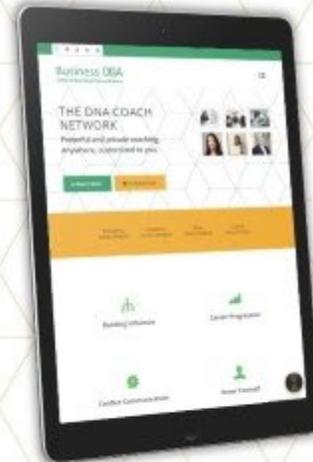


Insert client logo

DNA Behavior[®]

Operational Risk Management Program



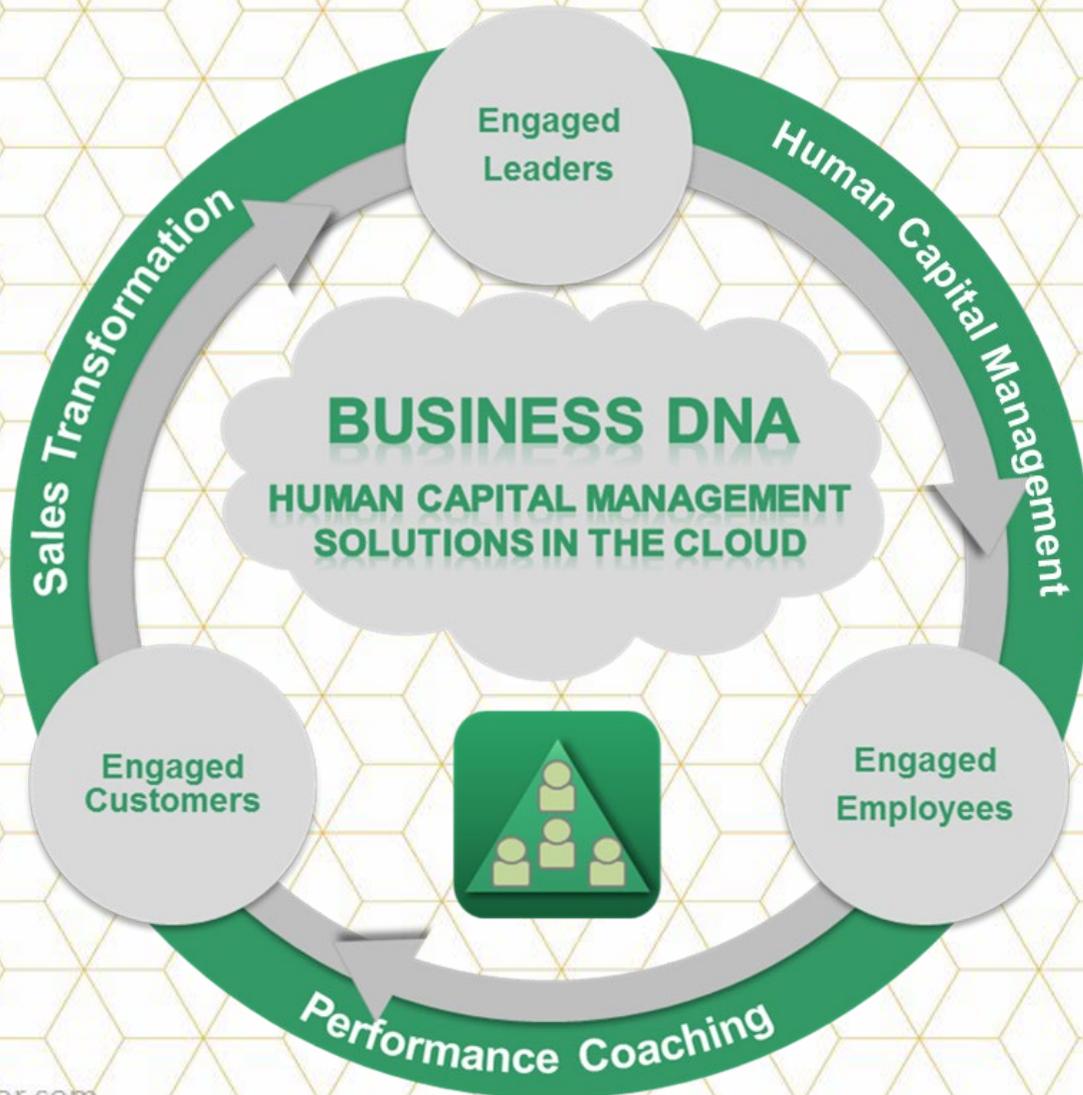
What Damage Are Your Leaders and Employees Creating?

Operational Security Risks Start With People From the Top Down



DNA Behavior is an International People Insights Firm

Turning Personality Into Performance

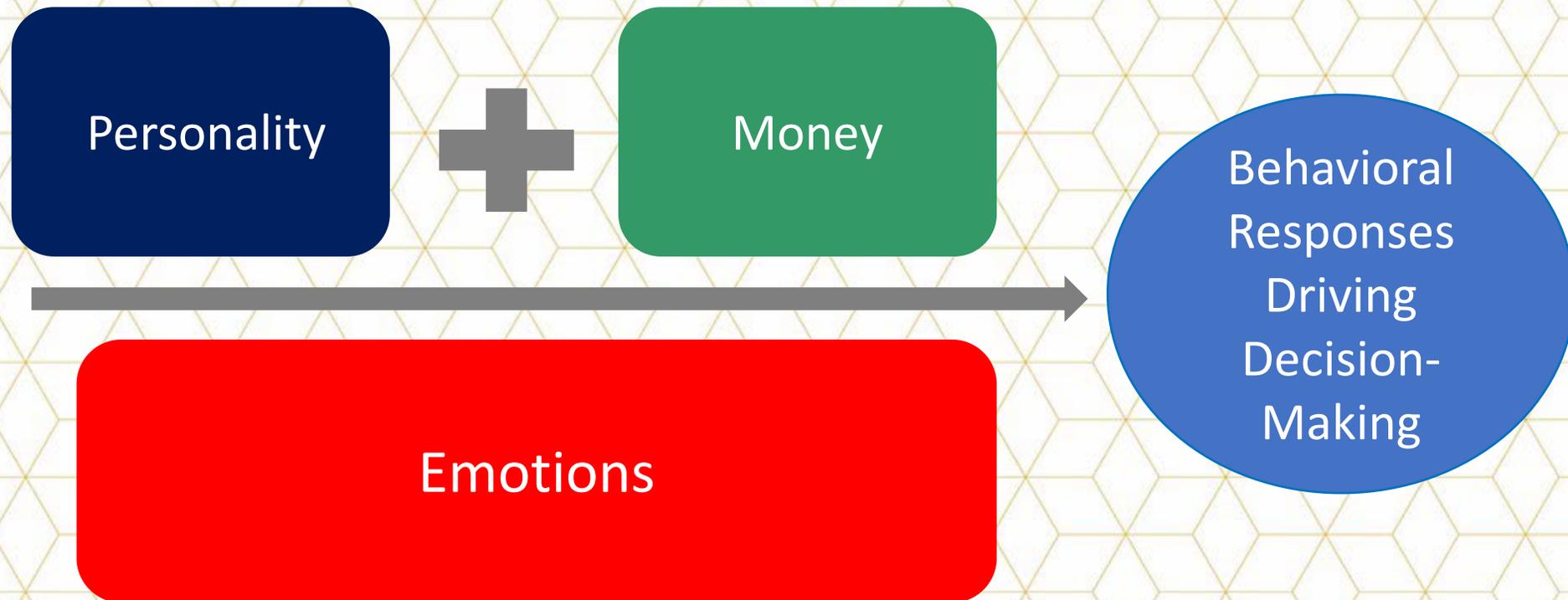


Matching Talents, Roles, Teams,
Suppliers, Customers

We provide businesses with a single technology platform which delivers practical and scalable behavioral intelligence solutions to “Know, Engage and Grow” every leader, employee, advisor and customer online for the building of a high-performance business , culture with risk mitigation.

DNA Behavioralizes Money for Leaders and Employees

Predicting Security Risks Triggered by Behavior



Which Employee is Your “Molotov Cocktail”?

5% of Employees Trigger Higher Security Risks



Use validated personality insights to identify:

1. Rogue employees
2. Toxic team, supplier and client relationships

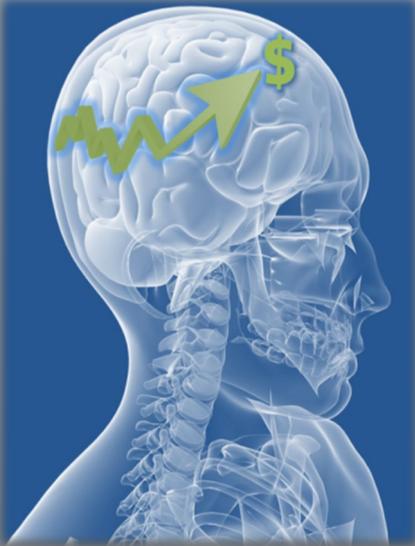
Causes of the Operational Security Risk Problems

It is No One Factor In Isolation

1. **Negative Personality Traits** – inability to identify a negative combination of traits, biases and emotions that may be triggered
2. **Superficial Hiring Process** – failure to use adequate behavioral and assumptive interviewing to get below the surface to character, integrity and performance issues
3. **Weak Organizational Design** – lack of balance in the structure of employee relationships and reporting lines
4. **Inadequate Internal Controls** – weak monitoring processes to detect unusual patterns of behavior
5. **Poor Culture** – lack of accountability for addressing issues and pro-actively enforcing compliance

Key Research Insights on Security

Points to Employee Personality



1. Companies lose 5 percent of revenues each year from fraud due to insider cunning (The 2014 Global Fraud Study by the Association of Certified Fraud Examiners (ACFE)).
2. 23% of annual spend on security should be directed to behavioral profiling and monitoring (The Global State of Information Security Survey 2015).
3. The most dangerous personality traits are:
 - Weak character – flawed decision-making under pressure
 - Innovative – bright mind turns into curious and devious thinking
 - Ambitious – desire for success leads to cutting corners
 - Secretive – working under cover

Environmental Factors Cause Emotional Triggers

Extreme Strengths Become Problems Unless Managed

Strengths



Strengths
Overused
Become
Struggles

Struggles



Performance – Productivity and Compliance

Struggles
Not Managed
Become Weaknesses/
Liabilities

The Unique DNA Behavior Approach

Score, Filter, Prioritize Employee Personality Insights

Map: Identify toxic employee relationships in and with other teams, suppliers and clients: psycho-org dynamics

Match: Use algorithms to dynamically overlay outlier behaviors with critical roles, transaction activity, communication flows, events for predicting rogue employees

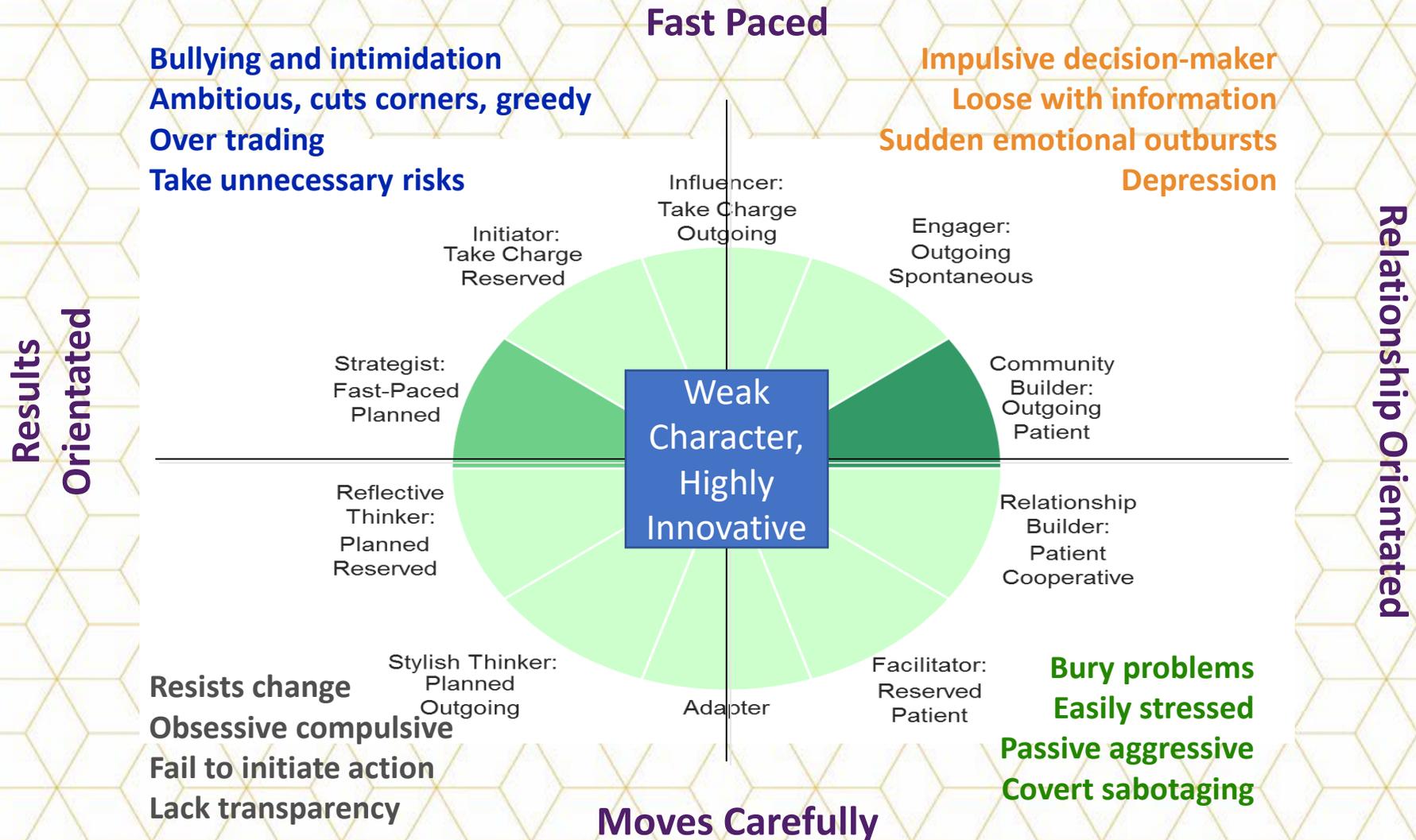
Know: Deploy DNA Behavior Discovery Processes with all employees to identify outlier behavioral traits

Taking Action:

- Incorporate Personality Insights into Big Data
- Send security alerts
- Monitor
- Re-assign
- Develop

DNAB Natural Behavior Unique Style Matrix

Including Propensities for Behavioral Security Risks



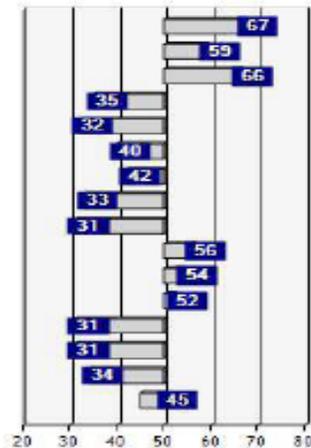
1-Page Factor Report

64 Traits based on 8 Factors; 24 Sub-Factors

For: Chris Coddington - Strategist

Core Work Life Drivers

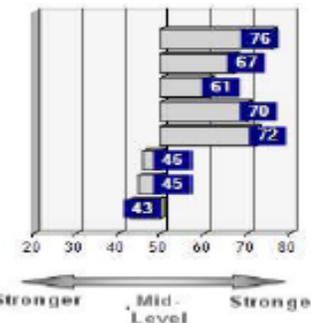
Cooperative	Consensus Seeking	
	Group-oriented	
	Diplomatic	
Reserved	Serious	35
31 [3%]	Reflective	32
	Quiet	40
Fast-Paced	Rational	42
	Task-focused	33
34 [5%]	Confronting	31
Spontaneous	Generalist	
	Improviser	
	Instinctive	
Skeptical	Controlling	31
	Suspicious	31
	Questioning	34
26 [1%]	Exacting	45



67	Authoritative	Take Charge
59	Self-reliant	
66	Frank	69 [97%]
	Expressive	Outgoing
	Sociable	
	Communicative	
	Empathetic	Patient
	Encouraging	
	Accepting	
56	Accurate	Planned
54	Scheduled	
52	Persistent	55 [69%]
	Delegator	
	Open	Trusting
	Approachable	
	Relaxed	

Work Life Planning Drivers

Content	Steady	
	Balanced	
	Flexible	
Cautious	Careful	
	Stable	
Anchored	Experience Based	46
	Practical	45
43 [24%]	Left Brain	43



76	Initiator	Pioneer
67	Competitive	
61	Determined	79 [99%]
70	Bold	Risk-Taker
72	Risk Tolerant	72 [99%]
	Original	
	Enterprising	Creative
	Right Brain	

BDNA 1-Page Factor Report

Each factor and sub-factor are measured on the left and right hand side.

The sub-factors are one dimension of the primary factor. Each sub-factor is independently measured. They do not average out to the Primary Factor score.

Matching and Mapping the Organization

Using Algorithms to Uncover Toxic Relationships



Identify toxic combinations of employees, teams, and clients:

- Similar strengths
- Opposite strengths
- Outside benchmarks
- Ineffective reporting lines
- Unsuitable solutions

Environmental Indicators Triggering Rogue Behavior

Finding the Signal in the Noise

Emotional Drivers

- Late debt payments
- Foreclosure
- Poor job/pay review
- Bullying
- Divorce
- Felony/Mis-demeanor
- Health
- Stress

Unusual Activity

- Regulatory alerts
- Unsuitable recommendations
- Abnormal trading patterns
- Transaction losses
- Activity outside normal pattern and time of day
- Information flow changes and blockages
- Data breaches
- Dis-engagement

Structure

- Long time in a role
- Mis-match of talents and skills to role benchmark and client style
- Very dominant or weak team leader
- Financial mis-alignment in team
- Access to IP and sensitive information
- Reporting lines which are not best practices
- Lack of internal controls

The Benefits of Employee Behavior Monitoring

Stronger Business Performance, Culture and Risk Mitigation



Time savings in more quickly revealing problems

Improved business culture, governance, hiring model

Productivity gains in re-directing people

Brand protection

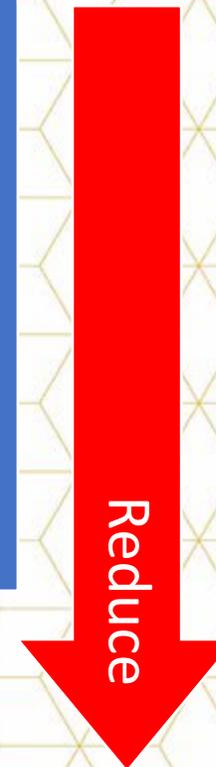
Business shutdown

Compliance breaches

Costly complaints

Theft

Damage



Program for Predicting Employee/Contractor Behavior

Options for Security Risk Assessment

Typical Hiring Process Screening (Proactive)

- Interview resumes
- Background and reference checks
- Review public social media
- Behavioral assessment tools
- Psychological assessment
- Skills test
- Organizational design review
- Internal controls review
- Transaction and activity review
- Accountability and governance process review from the top-down

React to incidents

- Security investigation
- Search social media
- Interview employees and people who know them
- Background check

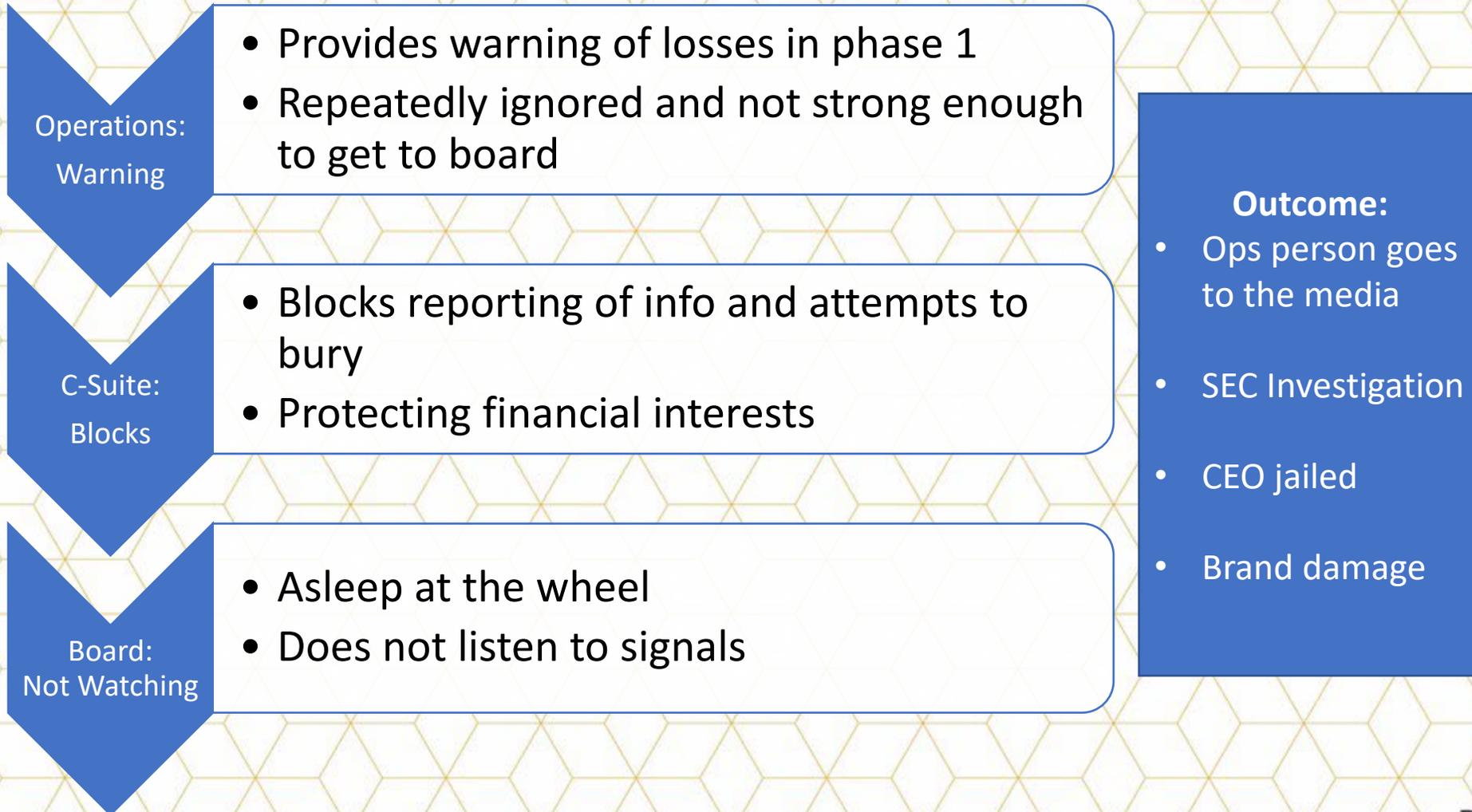
API Integration of DNAB with Security Analytics Systems

Identifying Complex Risks and Continuous Monitoring



Case Study

Reporting of Pension Scheme Losses Blocked



Case Study

High risk Trading of Accounts – Losing the Money

Passive Client –
Says “Yes”

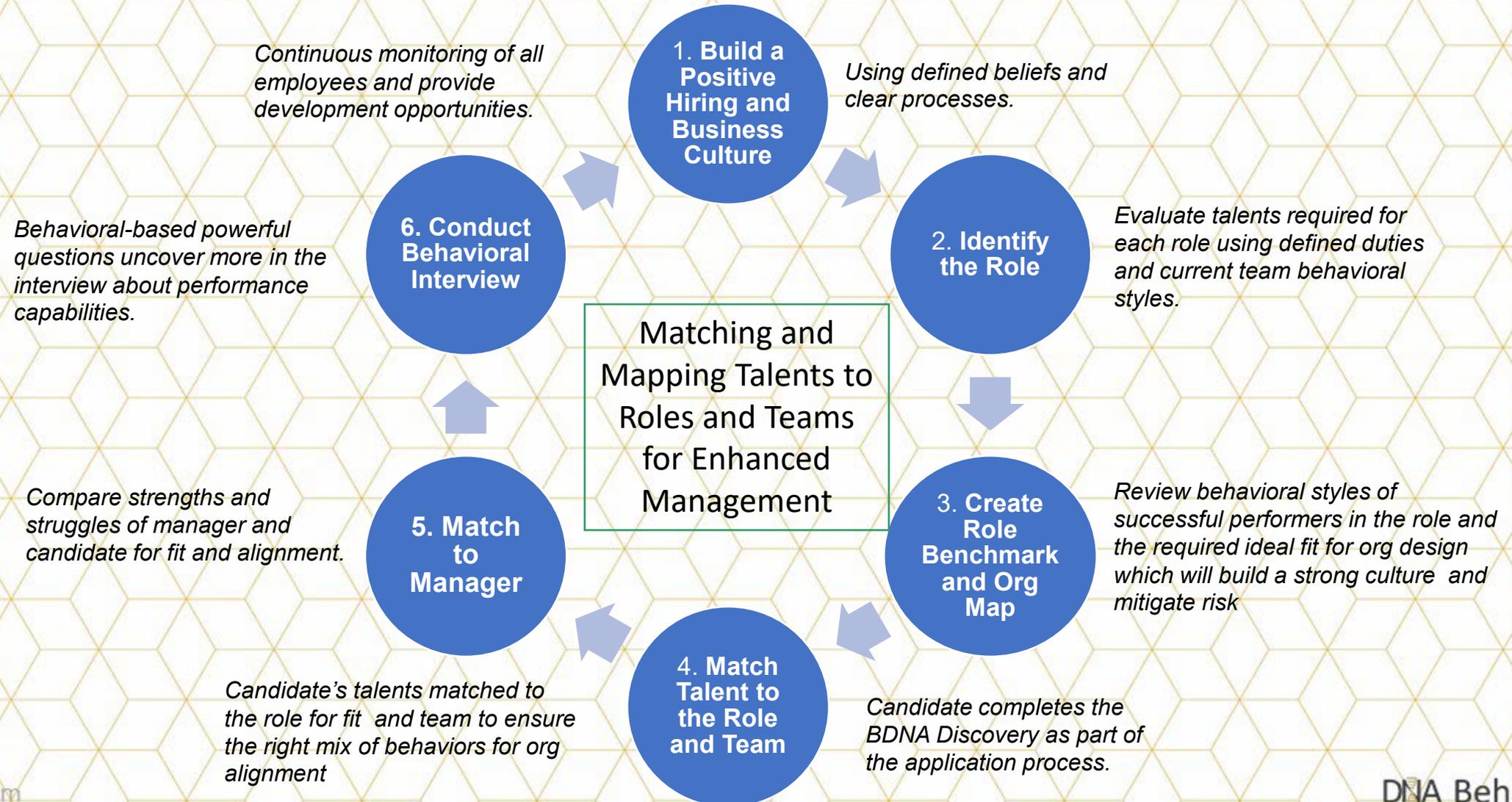
Domineering
Advisor – “Pushes
and Churns”



How the Business DNA[®] Solutions Work For Operational Risk Management

Building a Robust Hiring and Org Mapping Process

Business DNA Methodology



Effectiveness of Hiring Methods

Behavioral Science Increases Accuracy

Aptitude and Personality Assessments
Increase accuracy of a successful hire to 53%

Job Profiling
75% Accurate

Interview process alone
only 14% accurate

COMPARATIVE VALIDITY OF DIFFERENT JOB PERFORMANCE PREDICTORS*

PREDICTOR	VALIDITY
BUSINESS DNA® NATURAL BEHAVIOR DISCOVERY PROCESS	.91
JOB PROFILING	.75
COGNITIVE TEST SCORE	.53
JOB TRYOUT	.44
BIOGRAPHICAL INVENTORY	.37
REFERENCE CHECKS	.26
EXPERIENCE	.18
INTERVIEW	.14
ACADEMIC ACHIEVEMENT	.11
EDUCATION	.10
INTERESTS	.10

Magazine- "Human Resources Magazine" article **Employee Testing Gives Employers the Hiring Edge**, by Maryanne Preston, March 1997

Studies by John Hunter, Ph.D., Michigan State University

Forced-Choice Scoring Enhances Long-Term Predictability Quicker and 91% Reliable



Observations
Do Not Get
Below the
Surface

- Objective measurement to get below the surface to hidden behaviors
- Situational, Gender, race, culture, age neutral methodology
- Organizationally scalable

Traditional Situational Questions Cause Inconsistent Measurement

▪ **I want to use my money to become an important person in the community.** How strongly do you agree?

- Strongly agree
- Agree somewhat
- Disagree somewhat
- Disagree strongly

▪ **I am willing to take significant risks in order to advance my career.** Does this describe your attitude toward risk?

- Not at all
- To a small extent
- To a moderate extent
- To a great extent
- To a very great extent

▪ **To what extent does ensuring future job stability** occupy your time, thoughts and energy?

- Not at all
- To a small extent
- To a moderate extent
- To a great extent
- To a very great extent

Long term predictability and reliability issues:

1. Responses change depending on current mind-set, situation and events
2. Difficult to interpret and requires education
3. Strengths likely to be overstated and struggles understated by 1 standard deviation

Forced-Choice Questions Results

More Consistent, Reliable, Predictive

Choose “**Most Like**” you and “**Least Like**” you from each triad of words

- Attentive**
Pays careful attention to what is said; makes effort to listen well
- Thinks quickly**
Intelligent, mentally alert and sharp
- Follows routines**
Likes habit, prefers to perform in a routine manner

- Confidently faces danger**
Bold, brave, valiant, fearless
- Interactive**
Sociable, wants to interact with others, seeks communication
- Self-assured**
Full of assurance and certainty, bold, confident

- Decision Maker**
Conclusive, decisive, comfortable in decision making or problem solving
- Generates new ideas**
Inventive, imaginative, characterized by originality and expressiveness
- Determined**
Follows through on goals, focused on outcomes

1. Non-situational phrases consistently measure specific ingrained behaviors and automatic biases over time
2. Easy to understand
3. Very difficult to “game” the assessment

Use of Behavioral Assessments

Legal and Human Resource Perspective

They provide documented evidence that the employer did make a reasonable and prudent investigation of the applicant's fitness

Must be a validated test that doesn't have an adverse impact on a protected group

Saroka vs. Dayton Hudson (Target Security Guards)

Can't ask questions about religious beliefs or sexual preferences

Must be evenly and fairly distributed (all applicants take it at a certain point in the process)

Can't be a clinical assessment of mental health; must be designed for business and industrial use

Violates Americans with Disabilities Act

DNA Behavior[®]

Contact Us

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