

Doing Nothing Might Be Worth the Risk



By Melanie Lockwood Herman

Executive Director

Resource Type: Risk eNews

Topic: General

The looming “turnover tsunami” has caused many nonprofit leaders to clutch at ways to retain the competent workforce they’ve built over the years. Recently, our team has advised both consulting clients, affiliate members, and Risk eNews readers about the range of actions to prepare for inevitable departures (See [“Turnover Truths and Consequences.”](#)). We’ve recommended finding out why people choose to stay by using “stay interviews,” stepping up crossing training and succession planning, and identifying what your top performers truly value about their roles and your organization. These strategies are all geared toward acting in the face of certain change (some turnover) and potentially significant change (more than expected turnover). These resilience tactics are certainly worthwhile; however, nonprofit leaders should also consider when doing ‘nothing’ is a risk worth taking.

In a recent article from Korn Ferry titled [“The ‘Do-Nothing’ Approach to Mounting Turnover,”](#) the authors remind readers that many organizations won’t be able to stave off an exodus of employees with a grand parade of new perks. In a Korn Ferry survey, 82% of professionals voiced the intent to leave their current job, but only 25% indicated that they were hoping for larger salaries or more comprehensive benefits. Fortification in the face of this type of fallout might not be worth the effort.

Should I Hide or Should I Ride

There are many risks organizations will face for which they exercise little control; turnover at some level is one of those. What if instead of running from or trying to build a levee to protect your mission against crashing waves, you opted to grab a surfboard and ride the wave of change? When might going along for the ride be a better option than fighting nature or inevitable change?

To decide whether to hide, build a levee, or ride, ask:

- 1. Is the “juice” worth the “squeeze”?** If your nonprofit has ever spent more money trying to avoid something than the cost of facing it, you’re not alone. The desire to avoid something we perceive to be unpleasant or undesirable is human nature. The true cost of acting—versus the cost of facing the consequences—should be considered.
- 2. Is the expected “loss” or damage familiar?** Have we faced it before and have experience doing what’s necessary? Or will it leave an aspect of our mission or strategic priorities in jeopardy? Familiarity with the circumstances should provide confidence.
- 3. Is the decision-making path clear?** Many teams fret about “what ifs” because they aren’t certain who will make the call when the time comes. Convolution and consensus-driven decision-making processes are frequently cited as a worry and weakness by interviewees during NRM led risk assessments. Not knowing who has the authority to lead at a possible fork in the road is a risk that should be addressed before you reach the

fork.

4. Are we open to experimentation? Riding the wave of change requires team members to be open to experimenting and quickly pivoting when the surf shifts. Organizations with overly rigid processes might not be able to make the fast course corrections necessary to navigate and experiment as an uncertain event unfolds. Experimentation requires teams to adeptly harness lessons learned from successes, failures, and 'happy accidents.' Sometimes the most valuable lesson learned from experimentation is what not to do in the future.

In *The Catalyst*, Jonah Berger adeptly points out that "...while MBAs spend a lot of time thinking about the potential dangers of making a change, they tend to spend less time thinking about something equally important: The risks of doing nothing." The fear of what can go wrong drives risk leaders to search for actions to mitigate against downside effects. Perhaps too often, teams spend time and financial resources on solutions for future risks without fully considering the cost, familiarity, decision-making process, or experimental benefits of experiencing the 'what if' future event. By taking a step back and assessing your readiness for uncertainty or comfort with inevitable change you can devote important resources back to mission work. Knowing the answers to the four questions above ensures that when the perfect wave arrives, your board is already waxed and ready for adventure.

Melanie Lockwood Herman is the Executive Director of the Nonprofit Risk Management Center. She welcomes your questions, comments, and stories about riding out uncertainty or serving the wave of change. Melanie can be reached at 703.777.3504 or Melanie@nonprofitrisk.org.