

Trust Me



By Melanie Lockwood Herman

Executive Director

Resource Type: Risk eNews

Topic: General

In “Start With Why: How Great Leaders Inspire Everyone to Take Action,” Simon Sinek writes that “trusting relationships are invaluable for us to feel safe.” Entity leadership teams who want to fully embrace risk management should begin by getting on board with trust. This simple goal—fostering a trusting environment—can mean the difference between a successful risk management effort and one that exists only in the papers assembled for the upcoming accreditation visit.

Trust as a Risk Management Strategy

- **Trust others to inspire trust:** Sinek explains that when you trust no one, it’s illogical to expect that others will trust you. One of the greatest gifts a leader can give members of her team is trust. Encourage reluctant staff members to step forward to speak candidly about risks related to mission, financial sustainability, partnerships and more.
- **Trust—don’t discount—negative feedback:** No one likes to be criticized. And when client or volunteer satisfaction surveys reveal that important stakeholders view the organization differently than its directors, there is a natural tendency to reassure ourselves that the naysayers are a vocal and impossible-to-please minority. Resolve to win unhappy stakeholders back to your mission by listening to their concerns and looking for practical ways to fix what’s broken.
- **Trust your mission by screening for fit:** In “Start With Why,” Sinek writes about the voyage of the *Endurance*, which sank in the Weddell Sea in November 1915 after being crushed by ice floes. With five of his crew, *Endurance* Captain Ernest Shackleton bravely traveled across 800 miles of rough seas to find help. Sinek credits the resulting rescue to the captain’s recruitment strategy and determination to find crew that were the best possible fit for the dangerous expedition to explore the Antarctic. According to Sinek, the captain’s ad in the *London Times* read:
Men wanted for Hazardous journey. Small wages, bitter cold, long months of complete darkness, constant danger, safe returns doubtful. Honour and recognition in case of success. When recruiting new staff, do you use the self-congratulatory language from your annual report? Or is your recruitment process grounded in reality? The truth that resources are tight, goals are hugely ambitious, and donors and clients alike want more from your mission than it may be possible for you to deliver.
- **Trust your mission by putting employees first:** Many entity leaders embrace the concept that the customer or the donor is always right. In “Start With Why,” Sinek provides several examples of effective leaders who put their employees, not customers, first. He explains that when employees feel valued and trusted, they deliver the outstanding service to customers that an ambitious mission requires. Over the years we have worked with a handful of leadership teams who fail to understand and appreciate the

simple wisdom in this advice. Other public entity leaders struggle to foster a work environment based on genuine trust; and as Sinek puts it, “trust is not a checklist...trust is a feeling, not a rational experience.” When employees and volunteers know that their safety, well-being, and even joy are in truth your top priority, you’re far more likely to inspire the deep commitment an ambitious mission demands.

- **Trust your purpose through transparency:** To cultivate a trusting relationship with internal and external stakeholders, you may have to open up and allow yourself to be vulnerable. Earn the trust of your donors by sharing financial dashboards and by welcoming scrutiny of tough decisions, such as the decision to discontinue a popular program or service. When it comes to program impact, don’t just share your achievements and successes—publish your failures as well. Reflect on your program flops and invite stakeholders to weigh in; your openness and integrity will inspire trust while conveying your commitment to make things right.

Trust is vital to risk management in more ways than one. As former Center board member Felix Kloman explains, “The proper goal of risk management is to build and maintain the confidence of stakeholders.” The truth is an organization that is trusted by its employees and stakeholders can remain strong, supported, and on course, even during a crisis when things have gone terribly wrong. A public entity that isn’t grounded with a trusting culture will only have a fragile, unstable foundation to balance on when a crisis hits.

Melanie Lockwood Herman is Executive Director at the Nonprofit Risk Management Center and a popular speaker on risk topics ranging from legal exposures facing nonprofits to cyber liability and crisis management. Melanie invites your questions about the subject of this article at Melanie@nonprofitrisk.org.

About the Nonprofit Risk Management Center and the Corporate Sustainers Program

The Nonprofit Risk Management Center has been a trusted advisor to public entity and nonprofit leaders since it became an independent nonprofit in 1992. The Center’s staff and associates understand and respond to tough questions about operational and enterprise risk matters. The Center is also known for developing innovative web applications that help sector leaders manage the risks they face while keeping their missions at the forefront. Participants in the Corporate Sustainers Program pay an annual fee to the NRMC to enable the continued development and delivery of innovative educational programs and web applications. For more information on the Corporate Sustainers Program, contact NRMC at 703.777.3504.