Choose Your Own Adventure to Risk and Reward

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If you've ever faced a personal crisis or a crisis at your organization, you know how all-consuming and paralyzing it can be. It's hard to see beyond the hour or the day when the bad news keeps coming. During these stressful moments, you may find yourself flip-flopping between options or second-guessing your decisions (past and pending!). As you try to focus on the task at hand, you may find it hard to quiet the distracting voice in your head.

Last weekend I read a terrific book that helped me understand the role that voice—the internal monologue—plays in decision-making, sense-making, and risk management. In the book ***Chatter – The Voice in Our Head, Why It Matters, and How to Harness It***, psychologist Ethan Kross takes his reader on a journey into the conversations we have with ourselves. Kross explains how one's inner voice can lead us to safety or straight into the path of oncoming danger.

Imagine a Future State

One of the techniques Kross describes—temporal distancing—is relevant for leaders who are guiding their organizations through a crisis or through an exercise focused on developing practical mitigation strategies. He reminds us of the human mind's powerful ability to "see yourself from afar" and also the ability to mentally transport ourselves to the other side of a current challenge. He explains that we can "…benefit by mentally time traveling *into the future*, a tool called *temporal distancing*. Studies show that when people are going through a difficult experience, asking them to imagine how they'll feel about it ten years from now, rather than tomorrow, can be a remarkably effective way of putting their experience in perspective."

A risk manager or risk leader's job is to wisely guide mission-focused teams through inevitable uncertainty—arguably the only certainty in the life of a nonprofit! Kross writes, "In a certain sense, then, what temporal distancing promotes is one of the facets of wisdom: the understanding that the world is constantly in flux and circumstances are going to change. Recognizing that feature of life when it comes to negative experiences can be tremendously alleviating." Or, as King Solomon's ring put it, "This too shall pass."

Wise Up

Problem-solving is paramount to risk management: faced with a future 'risk,' risk teams must dive into devising practical steps to steer their organizations to safety or create contingency plans that reduce the downsides and

amplify the upsides. Kross describes why sometimes stressful situations—think critical risks—may be viewed as threats by one team member and a challenge by another.

Kross explains that when facing a stressful situation, two questions enter our subconscious: “What is required of me in these circumstances?” and “Do I have the personal resources to cope with what’s required?” He continues by describing how our subconscious buckets situations: “If we scan the situation and conclude that we don’t have the wherewithal needed to handle things, that leads us to appraise the stress as a *threat*. If, on the other hand, we appraise the situation and determine that we have what it takes to respond adequately, then we think of it as a *challenge*.”

In the NRMC team’s experience, the divergent views about the relative urgency of a threat—such as a data breach—depends in large part on each team member’s familiarity with current readiness strategies. I recall one CIO telling me that “the team has NO idea how many hacking attempts we ward off every day or the frequency with which we implement elements of our business continuity plan.”

Look Far and Wide

When we’re conflicted between what we want to do and tuning in to our inner voice, our inner voice often becomes a constraint rather than a motivating coach. In Kross’ words, chatter “divides and blurs our attention.” How can you get out of the wrestling ring and see the challenge (or risk) differently? The author suggests four steps, which are salient and timely for risk leaders. Below is my interpretation of how you can apply the steps to any risk you happen to be focused on at this moment.

1. ***Recognize the limits of your knowledge.*** Whatever risk you’re worried about, your grasp of its implications and tentacles is only a *fraction* of what’s possible. Ask: who has information that could fill in the gaps and help me understand the nuances of this issue?
2. ***Become aware of the ‘varied contexts of life and how they may unfold over time.’*** Instead of imagining a risk materializing in a very specific way, consider the many different endpoints and circumstances related to a risk. How and why could the endpoint or impact be very different?
3. ***Acknowledge other people’s viewpoints.*** Ask: “Who would disagree about the nature of this risk or its implications for us?”
4. ***Reconcile opposing perspectives.*** This step is arguably the hardest but taps the analytical skills risk leaders must bring to bear every day. To capably handle this part of the work, ask, “what assumptions am I making? Do our contingency plans create a buffer of safety that will protect our mission, regardless of the risk’s trajectory?”

It’s hard to quiet our inner dialogue. So, make a goal to listen to the voice without being distracted by it. Whether yours takes the form of an imposter complex or simply plants doubt in the path of your plans to solve knotty challenges, the route to reconciliation with that voice isn’t to ignore it. If you’ve ever tried to, I urge you to read *Chatter* and take the author’s words to heart: “This inability to ever fully escape our minds is a main driver of our ingenuity: the things we build, the stories we tell, and the futures we dream.” Without ingenuity and bold ambitions, risk management would be unnecessary in a nonprofit.

Pondering the unintended consequences of critical decisions, the downsides of hopeful developments, and the “what ifs” of organizational life can kill the positive mood in any team. But as Kross reminds us, “As much as it can hurt, the ability to experience fear, anxiety, anger, and other forms of distress is quite useful in small doses. They mobilize us to respond effectively to changes in our environments. Much of the time the inner voice is valuable not in spite of the pain it causes us but because of it.”

Melanie Lockwood Herman is Executive Director of the Nonprofit Risk Management Center. She welcomes your feedback on this article and your ideas about using temporal distancing or other techniques to see beyond the risks or decisions that feel imminent or ominous. You can reach Melanie at Melanie@nonprofitrisk.org or 703.777.3504.