

Uncertain, but Unafraid



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This week I reflected on the familiar practice of making risk lists. New consulting clients often share the results of their earnest attempts to list a litany of 'what if' events. As my team gets underway with a Risk Assessment or ERM engagement, we are often asked if we will examine the list, edit the list, sort the list, or identify risks the team may have missed. I've concluded that the compulsion to make long lists of risks mirrors our discomfort with uncertainty. Not knowing what 'might' happen leads to this familiar, but ultimately unproductive activity.

What actually happens when we believe that making a list of risks is productive?

Long lists of possible risks:

- *inspire a false sense of security*; writing down a handful of "what if" topics, themes, or future events does not produce readiness for those future possibilities
- reveal the differences in how people understand the word risk; some of the topics are future events, while others are themes ("funding") and others are the consequences of future events ("reputation harm in the wake of a scandal")
- lead to the equally compulsive activity of identifying 'one thing' we are doing or could do to 'mitigate' each risk on the list

Recently I've read several books that offer insightful perspectives about uncertainty. I believe successful risk professionals embrace and celebrate uncertainty. Anyone can pretend to conquer uncertainty by making bold, unfounded predictions. The true value of a risk management function or risk capabilities is to help a mission cope and thrive with inevitable uncertainty.

What's your take on uncertainty? Do any of the perspectives below resonate? I invite you to embrace a new understanding of the role uncertainty plays in your nonprofit.

Stop trying to control the future. The authors of <u>What Philosophy Can Teach You About Being a Better</u> <u>Leader</u> explain that "Buddhist philosophy prioritizes the creation of value rather than capturing it; the development of an ecosystem of collaborative behavior as opposed to an adversarial egosystem; and the ability to thrive under uncertainty rather than strive to control the future."

Stop searching for certainty. In his book <u>Think Like a Rocket Scientist: Simple Strategies You Can Use to</u> <u>Make Giant Leaps in Work and Life</u>, Ozan Varol writes that "We're all programmed with the same fear of the uncertain. Our predecessors who weren't afraid of the unknown became food for saber-toothed tigers... In the modern world, we look for certainty in uncertain places. We search for order in chaos, the right answer in ambiguity, and conviction in complexity...Our obsession with certainty has another side effect. It distorts our vision through a set of funhouse mirrors called unknown knowns... This is the land of self-delusion... we think we know what we know, but we don't. We assume we have a lock on the truth—that the ground underneath our feet is stable—but we're actually standing on a fragile platform that can tumble over with a rogue gust of wind."

Ponder scenarios, not solutions. In *Chatter*, Ethan Kross opines: "Wisdom involves using the mind to reason constructively about a particular set of problems: those involving uncertainty."

Be open to what you don't know. In his beautiful book, *The Art of the Idea*, John Hunt writes "The big trick is to be relaxed about uncertainty and, if possible, to even enjoy it.... It's difficult to have an epiphany if all you want revealed is what you already know."

Stop pretending you know; uncertainty = opportunity. In *The Power of Giving Away Power*, Matthew Barzun writes: "In our hearts, we know how scarce certainty is. Even the ultimate leadership guru Peter Drucker, who first found fame advocating 'management by objective,' admitted that leaders know their true objective only 10 percent of the time at best. Still, we hold on tightly to the theater of pretending and predicting. Why? We do it because there is something we dislike even more than the exhaustion of pretending. Much more. We hate the anxiety of uncertainty. Pretending is the price we pay to remove it."

Barzun continues: "Uncertainty is never randomness if we know how to use it. Uncertainty is potential energy like heat from the sun. Uncertainty is what makes the whole system work—we don't know what new branching will happen and which branches will grow and which will wither and which will connect with other branches."

You may wonder, if we're not making lists of possible risks, what should we be doing? I suggest you put the long list aside in favor of a short list of practical actions and activities to prepare and position your mission for *inevitable* uncertainty. Things will not turn out as you expect or plan. Events beyond your control will interfere with expectations, strategic initiatives, and everyday routines.

Here are questions to spark a meaningful conversation about uncertainty:

- What 3 things will we do this year to prepare for economic uncertainty?
- What single action can we take to lessen the disruption of turnover—at all levels of the organization?
- What can we reasonably do to be better prepared for a system, partner, or vendor disruption? (e.g., a vendor we rely on is unable to deliver, a system we use every day stops working)
- What uncertainty is most worrisome at this moment? What more could we learn about the issue, trend, or situation that would help us turn worry into productive action and inspire readiness?

Uncertainty intimidates us because it challenges everything we know. Embracing uncertainty can bring you, your team, and your nonprofit new knowledge and growth—if you can put down your lists long enough to let yourself experience what it's like there.

Melanie Lockwood Herman is Executive Director of the Nonprofit Risk Management Center. She welcomes your questions and reflections on kicking the habit of making lists of risks or how to talk with your team to inspire comfort with uncertainty at <u>Melanie@nonprofitrisk.org</u> or 703-777-3504.