

Uncommon Sense



By Melanie Lockwood Herman

Executive Director

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During the past fifteen years many workshop attendees have commented that risk management is “common sense.” I’ve agreed with this assessment on countless occasions. I’ve also shared my view that moving beyond the limited view of individual experience—by tapping into the perspectives of a diverse group of stakeholders—is the best way to form a clearer picture of risk in nonprofit life. This week my perspective on “common sense” took an unexpected turn when I picked up [*Everything is Obvious Once You Know the Answer*](#), by Duncan J. Watts.

Watts explains that because of “the way we learn from experience... the failings of commonsense reasoning are rarely apparent to us.” We fall naively into the “trap of hindsight”—believing that things that seem obvious in hindsight offer common sense lessons. I experienced an “ah ha” moment early on in the book when Watts explains that most people believe that although they possess common sense the errors of others are often due to the lack of common sense. Watts reminds his reader that “the uncomfortable reality is that what applies to everyone necessarily applies to us, too.” Much later in the book I was caught off guard by the author’s admonition to “rely less on our common sense and more on what we can measure” when it comes to questions of business strategy. Watts writes that “Plans fail... not because planners ignore common sense, but rather because they rely on their own common sense to reason about the behavior of people who are different from them.”

The latter comment is a timely reminder of the difficulty that nonprofit leaders face when crafting risk management policies. Many leaders are understandably drawn to policies and approaches that appear to offer common sense appeal. [*Everything is Obvious*](#) led me to wonder whether a distorted view of common sense may impair, rather than bolster effective risk management. For example:

- **Assuming that nonprofit employees and volunteers intuitively value civility and require little or no guidance about the importance of respect and responsibility.** Recent research paints a disturbing portrait of the multi-billion dollar cost of incivility, including waning commitment, health-impacting stress, and the loss of high performing staff. Ignoring incivility is tantamount to wasting precious financial resources on overpriced goods and services.
- **Believing that the mission, goals and objectives captured in a “strategic plan” remain relevant despite major shifts in a nonprofit’s operating environment and context.** Many nonprofit boards periodically check in on the plans they have adopted, but too few question the assumptions behind the strategies and goals that are showcased in an impressive narrative. And even

fewer insist that quantifiable measures be included and recalibrated as circumstances evolve and change.

- **Assuming that the lack of complaints or negative feedback about a particular service equates to customer satisfaction.** The understandably human distaste for complaints and complainers may lead us to make it harder for stakeholders to voice their dissent or dissatisfaction. A better approach is to welcome complaints and make it easy and uncomplicated to do so. A common question from audiences at HR workshops is whether it is permissible to require that all complaints be in writing. The attendee posing this question often does not realize the downside of making a complaint process burdensome: fewer complaints will be received. Complaints from consumers, volunteers, customers and even board members offer the seeds of change that can strengthen service delivery, operations and prospects for mission fulfillment.

Risk management strategies bearing a “common sense” label are understandably appealing to busy nonprofit leaders. Yet a closer look reveals that common sense may be more myth than substance. We attribute our success in skirting trouble to our common sense instincts and behavior, while ascribing the mistakes of our fellow employees, volunteers, board members and clients, to a lack of common sense. Relying on common sense to guide your risk management program may feel comforting and familiar. Perhaps a better approach—despite the discomfort it may cause—is to ask tough questions about your strategies and results, welcome complaints from diverse stakeholders, and take little to nothing for granted.

Melanie Lockwood Herman is Executive Director of the Nonprofit Risk Management Center. She welcomes your ideas about any risk management topic, feedback on this article and questions about the Center’s resources at Melanie@nonprofitrisk.org or 703.777.3504. The Center provides risk management tools and resources at [www.https://nonprofitrisk.org/](https://nonprofitrisk.org/) and offers [consulting assistance](#) to organizations unwilling to leave their missions to chance.