

The Flaw of Unintended Consequences



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My travels often involve taxi rides and I find that there is much to learn while traveling from the airport to the center city. Sometimes the lessons are provided through a conversation with a taxi driver, while in other cases I learn simply from observing my surroundings. During a short trip to Vancouver last week I was surprised when the taxi that I was riding in stalled at the first traffic light. I found the silence from the front of the car somewhat startling. I've ridden in countless taxis while the "check engine" light was illuminated and others where various systems (e.g., exhaust, air conditioning, even transmission!) seemed to be operating at less than optimal levels. But until last Thursday I'd never been in a taxi that stalled while en route to my destination. When the light turned green the taxi moved without any apparent resuscitative efforts by the driver. Only then did I realize that I was riding in a hybrid vehicle with a whisper-quiet engine.

Upon returning to the office this week I had a chance to read portions of a terrific feature in *The New York Times* titled "The Ninth Annual Year in Ideas," (Monday, December 14, 2009). Under letter "B" in the A-Z year in review I discovered an article on hybrid vehicles. According to the writer, "Nothing seemed to herald the end of the internal combustion engine more than the ability of hybrid cars to leap suddenly to life without the slightest sound." The author continues by noting an unintended negative consequence of a design feature that once seemed ideal: "Unfortunately, it turns out that the sweet silence of 21st-century technology has a serious downside: pedestrians and bicyclists are less likely to hear hybrids and electric cars coming their way and are more likely to be clipped or run over."

The article also points to a recently released NHTSA study documenting the full extent of this safety issue. While the safety of hybrids is comparable to that of traditional gas vehicles on straight-aways, pedestrians are *twice as likely to be hit by a hybrid vehicle* at an intersection or other places where cars travel at slow speeds.

In response, several manufacturers of hybrids and electric vehicles are apparently preparing to include noise-emitting, safety-minded features on new vehicle models that will alert pedestrians to the presence of hybrid at rest, waiting to pounce. Some industry observers have called the new safety devices a "fake vroom." At least one manufacturer has expressed a commitment to the sound of silence.

Reading the story in the Times reminded me that from time to time thoughtful risk management efforts lead to unintended consequences. For example:

- An organization's zeal to commit all of its policies and practices to writing may result in a voluminous

compilation of detailed instructions and requirements that busy staff won't have time to read, nor follow with care.

- Instituting new policies without first engaging the people who must follow them may lead to passive disobedience. Policies that aren't being followed are a lurking danger for any nonprofit.
- Adopting the risk management policies of another organization without first considering whether your nonprofit is in position to fully implement those policies may increase, rather than mitigate risk.

The lesson for leaders is twofold: (1) think broadly about how your risk management strategies, decisions and policies will come to life in the real world of your nonprofit; and (2) be flexible. Designing risk management interventions for your nonprofit is not an artistic endeavor. It is far more like building a device that will require repeated tinkering and adjustments to ensure that it operates as intended. While careful planning and taking a broad view will increase your chances for success, remember that adjustments in strategy and approach are part of the process.

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