

Sensible Risk Resolutions for 2016



By Melanie Lockwood Herman

Executive Director

Resource Type: Risk eNews

Topic: General

Each year, many Americans adopt unrealistic New Year's resolutions. My first resolution for 2016 was to stop booking business trips that require late evening departures or landings. I was a bit surprised to learn that, according to the <u>Statistic Brain Research Institute</u>, 75% of people who make a New Year's resolution *maintain that resolution through the first week of the year*. I'm embarrassed to admit that I'm among the 25% whose resolutions quickly fail.

Science suggests that resolutions that last have a few things in common: they are broken into measurable, manageable pieces, they reflect the reality of your situation, and they take consistent work and dedication. My advice to <u>RISK eNews</u> readers is to ditch unrealistic risk resolutions in favor of truly sensible ones. Here are a few ideas to help you get started.

- Inspire Fiscal Oversight. The consequences of ineffective or lax fiscal oversight are potentially significant for small and large nonprofits alike. During our work with consulting clients, which tend to be large, complex nonprofits, as well as our conversations with our nonprofit Affiliate Members, we often hear about ineffective and inactive Finance Committees. A common reason for less than optimal effectiveness is a lack of basic training for new committee members. Check out the "Nonprofit Finance Fundamentals Videos" from the Nonprofits Assistance Fund. These videos explain a few important finance basics in an approachable, modern way.
- Engage the Introverts. To fully appreciate the risk landscape at your nonprofit make sure you engage team players with varying perspectives and styles. Because they are less likely to speak up at a large staff or board meeting, the wisdom of introverts is too easily overlooked. In her book *Quiet: The Power of Introverts in a World That Can't Stop Talking*, Susan Cain reminds us that where we fall on the introvert-extrovert spectrum influences many aspects of our lives, including how we resolve differences. Resist the urge to adopt the strategy or give undue sway to the tactic suggested by the first person to speak up-the confident extrovert on your team. Your mission needs and deserves the creative ideas and wisdom from the full spectrum of personality types. Consider the following simple technique to more effectively engage introverts this year: routinely set aside at least one segment of every large group meeting for small group discussions. Whenever an upcoming board or staff meeting agenda includes consideration of a difficult challenge or exciting opportunity, pause during the meeting to break the larger team into smaller groups of 3-5 people. Ask each small group to focus on one or two facets of the larger issue during their 20-30-minute break-out.
- **Strive to Simplify**. During the past year, our team has reviewed countless examples of well-intentioned risk policies and documentation, from youth protection guidelines to employee handbooks, conflict of

interest policies and multi-tabbed risk registers. Unnecessary complexity continues to be the most common weakness in risk materials shared by our Affiliate Members and consulting clients. Strip confounding complexity from your policies and risk material to improve understanding and buy-in. Begin by identifying and deleting or replacing any vague language, contradictory directions, or lengthy instructions.

- **Refresh and Clarify**. Outdated position descriptions have the potential to cause frustration, mission-disconnect, and unproductive resentment in a nonprofit workplace. If two or more years have lapsed since you discussed written position descriptions with each of your direct reports, make time this month to address this oversight. Help each member of your team contribute their best by working with them to define and clarify your expectations and the evolving needs of your nonprofit mission.
- **Untangle Mixed Messages**. In their article, "Can Your Employees Really Speak Freely?" featured in the January-February 2016 issue of the *Harvard Business Review*, James R. Detert and Ethan Burris identify some of the fatal flaws in well-intentioned efforts to get staff to speak up. These flaws include fear of negative consequences (from embarrassment to isolation and poor performance rates), and a sense of futility. Detert and Burris write that empowering employees to speak up *on the record* can pay off in tangible ways. And although soliciting anonymous feedback remains a popular way to inspire candid input, inviting anonymous feedback can actually make the problem worse. How?
 - Allowing employees to share concerns on an anonymous basis "underscores the risks of speaking up-and reinforces people's fear."
 - It is often very difficult to determine the root causes and explore creative fixes to issues reported anonymously.

To encourage employees to bravely speak up and share their concerns, Detert and Burris urge employers to "make feedback a regular, casual exchange."

Even if none of the suggestions above are applicable to the situation in your organization, make a commitment to start the year off right by evaluating some of your current practices, and resolving to strengthen them, one step at a time! If you're game for a longer list of risk-themed resolutions, revisit the <u>Center's infographic on Conflict Resolution</u>.

Melanie Herman is Executive Director at the Nonprofit Risk Management Center. Melanie welcomes your feedback on this article or questions about risk issues facing your nonprofit, at melanie@nonprofitrisk.org or 703.777.3504.