

Listen While You Work



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Earlier this month I had an opportunity to hear a keynote presentation on leadership by Dr. John C. Maxwell. During his thought-provoking address at the 2010 General Assembly of YMCAs, Dr. Maxwell discussed “levels” of leadership and the reasons why we follow others. He pointed out a common error made by many “Level 1” leaders (those who are leaders by virtue of their official position in an organization). According to Maxwell, employees follow a “Level 1” leader “because they have to.” Many Level 1 leaders erroneously believe that their #1 job is “to lead,” while their direct reports “listen and learn.” Dr. Maxwell explained that effective leaders do the opposite: they listen first, then learn, and finally... lead.

Reflecting on the “Listen... learn... lead” cycle led me to consider the ways in which nonprofit leaders approach risk in their organizations. Over the years I’ve spoken to many experienced executives who are eager to begin their journey by adopting “best practices” in risk management and implement the strategies and policies of leading organizations. These leaders often request time-tested samples, fully-formed risk management plans, and “ready to serve” loss prevention tools. My instinct is that the rush to implement “best practices” in risk management is putting the cart before the horse. What these well intentioned leaders should do first is *listen* to the stakeholders of their organizations in order to:

- Engage the board in a conversation about the nonprofit’s risk appetite;
- Understand the worries and concerns that keep paid and volunteer staff awake at night;
- Diagnose the barriers to creating a culture that is appropriately tuned to recognize and address risk as the organization changes and matures.

Careful listening is likely to reveal a mosaic of views about the relationship between risk-taking and organizational success, as well as diverse views about what constitutes “safety” in the context of the nonprofit’s mission and services. Divergent views may also emerge about how the board and staff share responsibility for risk identification and oversight.

The next step is to learn from these conversations by incorporating the perspectives, insights and experience of stakeholders in defining the nonprofit’s appetite for risk and shaping risk response strategies. With the discipline to listen and learn *first*, executives who are stewards of the risk management process will be in the best possible position to provide the truly effective leadership their organizations deserve.

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feedback on this article and questions about the NRMCC's resources at Melanie@nonprofitrisk.org or 703.777.3504.