

# How Neuroscience and Risk Management Link to Fear and Memory



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“To our brains, daily life is like tightrope-walking over a vast pit full of furious honey badgers and broken glass; one wrong move and you’ll end up as a gruesome mess in temporary but exquisite pain.” – Dean Burnett, *Idiot Brain: What Your Head is Really Up To*

To prep for this Wednesday’s [Affiliate Member webinar](#), “If I Only Had a Brain: Neuroscience and Risk Management,” I’ve been reading Dean Burnett’s book, *Idiot Brain*. During the webinar my colleague Diana Del Bel Belluz will help participants understand some of the quirky ways brain structure and chemistry intersect with risk practice. Diana will also discuss how brain-based barriers to effective risk management can be overcome. Confirm that your organization is a [current Affiliate Member](#), or [sign up](#) for Affiliate Membership and access to recorded webinars and future live webinars. Email Whitney Thomey ([whitney@nonprofitrisk.org](mailto:whitney@nonprofitrisk.org)) with questions about benefits or access.

## Fretful Focus: Understanding Fear in Risk Practice

In his chapter on fear, Burnett explains that although the fears of early humans were limited to “physical, life-endangering hazards,” the modern human brain “can find literally *anything* to fret about,” and “Anything that might have a negative consequence, no matter how small or subjective,” is perceived as worthy of worry. We’ve certainly seen this at NRMC with client risk lists including hundreds of *what ifs* that keep the risk team awake at night. In our consulting practice we try to help teams both identify and prioritize their top risks, without going overboard. Creating an *exhaustive* list of *what ifs* takes time away from the *what now?* and *what then?* discussions that reduce fear and ratchet-up resilience through the development of Plans B, C and D.

Burnett also describes *apophenia*: seeing connections in places where there actually aren’t any. You might have witnessed this reaction if you know any conspiracy theorists or colleagues who craft unfounded concerns. Although it’s important to look for connections and intersections between the top risks at your nonprofit, doing so obsessively can lead you off track.

During risk identification and risk assessment exercises, remind your team to respect, but not overindulge in fear:

- **Take a breather:** If any team member senses fear taking over, take the opportunity to refocus. Remember that risk management revolves around ever-present, unknowable uncertainty, which naturally sparks fear in our minds. We must intentionally accept uncertainty to remain levelheaded when assessing risks and myriad future possibilities.
- **Reflect on individual and group decisions:** The heart of effective risk management is effective decision-making. Ask yourself: are we individually and collectively making decisions that ward against undesirable risks, and that cultivate opportunities for taking desirable risks? To guide your team to make the best possible risk-based decisions, spend time reflecting on past decisions, showcasing why some decisions fell within our well outside your [appetite for risk](#). Don't penalize when decisions go awry; learn together how to better apply risk appetite when making future decisions.
- **Climb down the ladder of inference:** When you find yourselves crafting concerns based on assumptions rather than evidence, think about the Ladder of Inference: a thinking process suggested by business theorist Chris Argyris, which quickly leads individuals to make decisions and take action—often using the wrong information. By developing awareness of how your brain reaches a decision, you can reduce your reliance on biases, inferences and assumptions. Forget unfounded fear and learn more about the [Ladder of Inference](#).

## Crazy Capacious: Limitless Long-Term Memory for Risk

In contrast to short-term memory, which lasts for a maximum of one-minute, Dean Burnett explains that long-term memories are limitless. On the upside, every past and future happy experience will be permanently imprinted in your brain. On the downside, retrieving even happy memories can be challenging and frustrating. Memories that include emotional sensations (i.e., we remember how we felt when the event took place) are easier to retrieve than memories without emotional content. Why? Because emotions, sensations and thoughts create additional links—a bit like the metadata on a webpage used to optimize search engine results—adding importance and relevance to a memory.

To help your team create memorable, retrievable memories of sound risk practice:

- **Speak in sync with your story:** One NRM client calls its three-part risk framework LIME (Likelihood, Impact, Management Effectiveness), while another chose PINK (Probability, Impact, Nimbleness and Knowledge). Lime and pink are vibrant colors that denote deep corporate values to team members, who care more about risk initiatives that are pitched in the language of the mission.
- **Connect key concepts to stories:** After facilitating a workshop or presenting a keynote, it's not unusual for a member of the audience to approach me and share a story related to a risk theme in my presentation. Personal stories I've told during the workshop make the risk advice more memorable for the attendee, and attendee stories make my memories of speaking events easier to retrieve. Years later when reconnecting with a workshop participant, I've found myself thinking, "she was wearing blue and sitting at the first table on the left." Storytelling, both educational and entertaining, has proved itself as an effective learning exercise long before written word and it still reigns today.
- **Suppress your egocentric bias:** Burnett recognizes that team members might be highly sensitive to criticism of recent actions or decisions, but more willing to honestly reflect on distant decisions. Knowing this, don't limit your own self-scrutiny to actions from a different time or under different circumstances. Don't fall into the trap of limiting criticism to the past, and praise to the present.
- **Recognize subjective bias as strength:** Our subjective lenses and stored memories are as unique as fingerprints. Two people can have the same experience and remember it in different ways, sometimes dramatically so. Don't assume that your take is clear and another's is cloudy. Ask: how do you recall that decision? The events leading up to the decision? What did the environment look like then, versus now? How do you recall that incident? The steps taken after the incident? Each team member has only their own judgment to apply when creating a memory or making a decision. When combining every individual's subjective reasoning, a team will benefit from a more comprehensive and validated collective memory.
- **Close the loop:** Burnett reminds us that our brains don't like "things being incomplete." At NRM we've seen morale worsen when leaders let time pass before releasing the results of an employee engagement survey, risk assessment, or other activity in which staff were asked to participate, and even greater frustration erupts when there's a lag between talking about risks and taking action. Closure is so critical that sometimes we are satisfied with a false sense of closure. For example, many teams swear by risk scoring exercises, but are arbitrary scores really actionable or do they just make our brains feel better? Know when to close the loop, and in those instances, close it with conviction and meaning.

The next issue of the [RISK eNews](#) will offer additional thoughts on the intersection of neuroscience and risk

management in your nonprofit.

“That brain of mine is something more than merely mortal, as time will show.” – Ada Lovelace, mathematician and mother of computer programming

*Melanie Lockwood Herman is Executive Director of the Nonprofit Risk Management Center. She welcomes your thoughts about neuroscience and risk management, and hopes you'll join NRMC's [Affiliate Membership program](#) to enjoy the webinar with guest speaker Diana Del Bel Belluz this Wednesday, December 6, 2017. Contact Melanie at [Melanie@nonprofitrisk.org](mailto:Melanie@nonprofitrisk.org) or 703.777.3504.*