

# It's OK to Laugh About Risk Management. Really.



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While prepping for an upcoming speaking engagement, my point of contact warned me: “Don’t be surprised if members of the audience share humorous anecdotes and comments when you invite their participation.” This news was a great relief! Before walking up to the podium at a conference, I often worry that my audience will expect me to deliver every risk insight and recommendation in a dead serious tone. A new consulting client once responded to my question “Why did you choose NRMC?” by telling me that “you were the only consulting team that didn’t try to scare us.”

While most of my favorite recent reads have moments of humor within the pages, I recently finished a book that promised humor from start to finish. In their book *Humor Seriously: Why Humor is a Secret Weapon in Business and Life*, Jennifer Aaker and Naomi Bagdonas challenge what they call a “false dichotomy between gravity and levity,” writing that “If there’s one thing our research makes clear, it’s that we don’t need to take ourselves seriously to grapple with serious things.”

Aaker and Bagdonas explore the role of humor in building trust. Since the NRMC team has found that candor and vulnerability are fundamental to a healthy, risk-aware culture, I was intrigued to learn that “Shared laughter quickens the path to candor and vulnerability” as well as “Humor also helps us remember. By flooding our reward center with the neurotransmitter dopamine, humor engenders deeper levels of focus and long-term retention.”

A few years ago an NRMC colleague asked, “How do you know a presentation is going well?” My instinctual answer was, “The audience laughs out loud.” Sure, there are other ways to measure the success of a workshop, such as whether anyone speaks up when I ask, “What will you do differently because you attended this session today?” Or, looking out to see that audience members were moved to pick up a pen and jot something down.

Fear and humor are strange bedfellows. When I use humor during a workshop or keynote, I seek to help attendees feel at ease for the difficult conversation to follow. The first step in grappling with sensitive, concerning possibilities (risks) is acknowledging that they can and might happen—even in a well-run nonprofit staffed by brilliant, ethical and dedicated professionals. Hiroki Asai, head of Apple’s Creative Design Studio, explains in *Humor, Seriously* that “Fear is the greatest killer of creativity, and humor is the most effective tool I’ve found for insulating cultures from fear.”

Many risk management programs, functions and activities are inspired by fear: we worry THIS could happen so

let's make a plan to do THAT. Yet fear in the risk realm too often causes us to freeze up, rather than act. For example:

- Worrying that if I don't list every possibility in the risk register, I'll be criticized when an unlisted risk happens
- Fear that I will be asked to defend the ranking of the list of risks and a simple explanation that "these are the areas we've opted to focus on" won't be credible
- Fear that the Board will find our approach to risk management or ERM unpersuasive and decide on its own how the function should work
- Fear that we "don't know what we don't know": an unnamed possibility could be an existential threat to our mission
- Fear of naming the risk we're most worried about and causing offense

To face your fears—and your nonprofit's risks—head on, give yourself permission to laugh. At the potential convergence of unsettling or unexpected events that could find your team flatfooted. Or the possibility of an inadvertent tug on the wrong loose thread that could cause a program to unravel. At past mistakes, unfounded confidence, and the unpredictability of human beings.

I read recently that laughing out loud at least daily increases longevity. When I turned to the page in *Humor, Seriously* featuring an Airplane Seating Chart attributed to The Cooper Review, it prompted a healthy, belly laugh. I took a snapshot of the page and sent it to a handful of fellow travelers. The seating diagram shows 3 rows of "economy comfort," 3 rows of "economy discomfort," 3 rows of "economy agony," and an additional section labeled "Where is Your God Now Economy." There's also a seat marked "the passenger stealing your armrest while eating tuna fish and a boiled egg." I encountered that passage while spending my day at Washington's Dulles Airport waiting for a delayed 8:35 am flight that boarded at 6:00 pm. Sometimes you've just got to laugh.

*Melanie Lockwood Herman is the longtime Executive Director of the Nonprofit Risk Management Center. She tries to find something to laugh about every day, and enjoys not knowing when, where and why she'll be laughing. Her fallback source of a good laugh is opening the refrigerator door and not remembering what she's hoping to find. She welcomes your ideas on finding humor in the risk realm at [Melanie@nonprofitrisk.org](mailto:Melanie@nonprofitrisk.org) or 703-777-3504.*