Navigating Disruptive Change with a Risk-Aware Mindset

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Last week I traveled 2,864 miles to temporarily escape from disruptive change. In a couple of months my home will have two new occupants: my sweet mother and her affable dog Ringo. Preparing for my new roommates has been disruptive in ways that I never fully imagined when I decided to invite them both to live with me. While trying not to think about the ongoing renovation necessary to create an accessible living space, I found myself in an exhausting, repeating cycle of emotions: excitement, worry, doubt, fear, determination, and acceptance. During my trip I spent each morning watching fisherman sort their nets and gear prior to setting off. One morning while watching this activity it occurred to me that I haven't lost my mind: I'm experiencing the tidal wave of feelings that accompanies a major change.

Three of the questions we often ask during NRMC Risk Assessments or ERM Advisory Engagement are:

- What is the most significant, recent change in your organization?
- What disruptive changes are going on now?
- If we were to return a year from now, what would be decidedly different?

There's a purpose for these questions: to identify areas where an organization might be vulnerable and not know it. In our experience, major changes in an organization—or in a nonprofit's external risk landscape—can lead to adjustments, advancements and the occasional breakthrough idea or new way of doing things. To take a break from the all-consuming, rapid cycle of emotions that can occur during a period of disruption, consider these tips.

- **Unearth unintended consequences:** When we talk about major changes at a nonprofit, leaders are often frustrated (and surprised!) that they didn't fully see what was coming. As you anticipate changes that may—or may not—happen in the next few months, remember to ask:
  - What are some of the possible unintended consequences or effects of this change?
  - In what ways are we truly ready… and also unprepared for the change?
  - What simple steps can we take to be better prepared for a range of outcomes and consequences?
- **Fine tune by tuning in:** We sometimes hear front-line and field staff members bemoan the fact that deafening silence often follows the announcement of a major change. For example, chapter team members might say of their national organization: "We're expected to sit tight and wait for the painful fallout from the change announced by headquarters." When you skip the important step of building

support among constituents, it's like renovating your home without first dealing with foundation deterioration or failure. And remember, silence is not necessarily assent! Tuning in to how your team feels about and is experiencing change has another benefit: it builds the trust you need to be resilient when things don't go as expected. (Did I mention that things *never* go as expected?!)

- **Resolve to evolve:** I've been a bit sensitive during my career to comments about my tendency to change my mind: I'm an admitted flip-flopper. Our team has heard countless stories of disciplined leaders sticking to prior decisions despite loud warning signals that their chosen path was more dangerous than first imagined or that the unintended consequences of the decision eclipsed the value sought. Whatever the change taking place at or around your nonprofit, remember to be humble about whether your initial decision about what to do was the right call. Invite internal constituents to poke holes, question strategy, and offer up alternatives, even when the change is underway.
- **Respect change fatigue:** The topic of change fatigue often surfaces during NRMC consulting engagements. In her *Harvard Business Review* article, *Change Efforts Can Fail Unless They're Coordinated*, Rebecca Newton cautions that leaders should "investigate what other changes are going on" before launching any major change. Telling the team to "get with the program" doesn't work; an unhappy, determined team member can easily undermine changes that others have embraced.
- **Make room for change:** Many years ago a close friend told me that she uses a simple framework for staff goal setting and planning: her direct reports are asked to organize their annual plans into three buckets: 1. keep doing, 2. start doing, and 3. stop doing. My team has found that this simple framework can be a lifeline or beacon during periods of disruption. Often, when faced with overwhelming changes required by external developments, the tendency of nonprofit teams is to keep adding new initiatives, priorities and assignments. While new activity may be absolutely necessary, it's also critical to make room for the new by pruning the current workload. During the first few months of the COVID pandemic identifying what "not to do" provided the breathing room and energy needed to jump into new, high value activities. Organizational change can't be simply additive: doing much more with less exposes a nonprofit to costly consequences, from plummeting morale to avoidable mistakes.

Whether you've made a decision to make a bold change or are feeling the painful, disruptive impacts of changes imposed on your mission, change is hard. Good intentions, unfailing optimism, and a detailed plan are not a levee against the powerful floodwaters that often accompany change. Be realistic about how much change your organization can handle, be honest about the stress of change and the resistance to change, and lean into curiosity to better understand the drivers, nuances and wide-ranging consequences of change. Finally, appreciate that you can't run away from change: resolve instead to see and understand change from a new vantage point to find the tools, resources and support you need to journey safely to the other side.

Melanie Herman is Executive Director of the Nonprofit Risk Management Center. Melanie's recent and upcoming speaking engagements cover a broad swath of topics, including: Streamline and Simplify: How to Prioritize During Times of Crisis; Ch-Ch-Changes: Why Changing Everything is Hard and Necessary; and Business Continuity Planning: 5 Steps to Build Resilience. To book Melanie for a keynote, workshop or webinar, call 703.777.3504 or write to Melanie@nonprofitrisk.org.

Change Management Resources

- Read Rachel Sams' article, "A Step-by-Step Guide to Change Management," in the Spring issue of *Risk Management Essentials*.
- Read *Ready for Change*, an edition of our annual risk forecast focused on change management.
- To learn about the Theory of Change from an organization with the same name, visit www.theoryofchange.org.
- To read more about linking outcomes to assumptions, strategies and results, see Developing a Theory of Change: Practical Guidance from The Annie E. Casey Foundation.