

A person is paragliding over a vast, green rural landscape. The sky is filled with a large, vibrant rainbow. The ground below is a patchwork of green fields, brown plowed earth, and clusters of trees. In the distance, a small town or village is visible. The overall scene is bright and scenic.

HOW'S YOUR RELATIONSHIP WITH RISK?

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At a conference I attended awhile back the keynote contained this nugget: **the need for leadership to transform the relationship with risk**. My ears pricked up as I wrote it down. I wondered how many other people heard it, registered it, wondered what it might mean? I noticed it because it gets right at how I think about leadership.

A leader without a vision is like a carpenter without wood. And we all know, having the wood doesn't make a carpenter, making something from the wood does. For someone to be a leader, he or she must first have a vision, and then, make substantial progress toward it, if not achieve it in full. That progress is made by leading others to join in, to see the glory the vision holds, to believe it is possible and to make it so.

A vision is (or should be) something grand, luminous, audacious, perhaps even seemingly impossible. In fact, many of the very best visions teeter on the edge of insanity - and some even topple right off! "Are you crazy? That will never happen!" A vision stands in the face of the naysayers, taunting them and inspiring others to do the

extraordinary.

How about the dream of a country where race didn't separate people at a time when schools, restaurants, buses, every facet of daily life was drawn by this line? Or the vision of a sovereign France and leading her countrymen to win it at a time when England ruled handily over the land, and men didn't take orders from girls? And centuries before, the idea of a round earth when everyone else's world was, and would remain for a very long time, flat. These visions were "out there." And an interesting paradox is that the more out there a vision is - in other words, the more it differs from what currently exists - the more likely it is to inspire us.

What makes such vision possible? What enables some people to reach way beyond conventional wisdom, the norm, see far into future time, into what humanity will become, and lead us there?

One important part of the equation is **their relationship with risk**.

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MARTIN LUTHER KING, JR.

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JOAN OF ARC



This relationship is both an essential element of leadership's ability to conceive a worthy vision and the ingredient that makes for how far leadership will get in achieving it. Too much risk aversion makes for lousy, uninspiring vision, or for overly cautious steps that take forever. Too little attention to risk, on the other hand, makes for flying blindly into the fire and being burned before anything much happens.

So, what is the meaning of "transforming leadership's relationship with risk?" Transform it how?

Does it mean get over risk? Stop being stymied by it? We have big problems in this world; we need big visions to address them and an aversion to risk results in winnowing vision down to so many tiresome To Do lists.

Does it mean pay more heed to risk? Use it to curb our impulsive activity? We are so busy and so apt to leap to solution before we truly understand the scope of the problem, let's use risk as an assessment tool to focus our action on what is truly important.

Does it mean get really good at identifying and managing it? "The times they are a changing" is the new normal, and we need experts at identifying risk and managing the unexpected as a matter of routine.

The answer is: **it means all of them.**



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The thing about risk is that it's relative. One person's risk is another's walk in the park. If your leadership is lackluster, tending more toward a commute than a discovery of the unknown, you may be too risk averse, and your transformation is to move toward risk with more congeniality, even appetite.

If your leadership style drives you toward many exciting opportunities all at once, while driving your team to distraction, your challenge may be to learn to use risk as an assessment tool that focuses activity with laser-like precision.

And if you find yourself hanging solo and rope-less from a cliff, sweat loosening your grip, your work may be to stop dismissing risk and learn its value in developing strategy.

There are also different kinds of risk: risk of life and limb, risk of failure, of public ridicule, of wasted time and energy, of someone else getting there first. When you travel abroad, are you more concerned about getting sick, spending more than you budgeted, getting attacked by terrorists, or not having as good a time as your friends who went last year? Knowing your risk awareness (what you consider risky and what you do not) and your risk tolerance (the level or amount of risk you can endure without compromising effective functioning), provides a valuable starting point for transforming your relationship with risk.

And risk changes according to context. Not only are there different kinds of risk, there are situations in which some risk is higher or more threatening than in others. An Everest summit expedition presents different types of risk than opening a new division overseas or developing national policy on climate change. This is one of the reasons why leadership can be off-the-charts amazing in one situation and a dismal failure in another.

Are you considering the right risks given the context in which you are leading?



Whatever your particular context, your relationship with risk is a defining factor in your ability to lead.

- It determines the scale of your vision and how far you'll get in achieving it.
- It affects how you see and deal with those you lead (people more risk averse than you seem timid, and people less so, crazy).
- It acts as a filter on your world, defining what you see and what you don't.

(And the same principles hold true for leadership teams and for organizations.)

So, if you're headed into leadership - or already well down the road, becoming aware of your relationship with risk, learning how it is helping and hindering you, and working to transform it to full advantage is really a darn good idea.

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ABOUT

ADVANCING INSTITUTIONAL CAPACITY TO BRING ABOUT LARGE-SCALE CHANGE

Author, Rebecca Reynolds is CEO and Principal of RRC, a firm specializing in supporting large-scale change endeavors.



Reynolds is a pioneer in building individual and group capability to achieve visionary leadership and strategy, collaboratively developed alignment on innovative solutions, and institutional rigor in their implementation.

Reynolds acts as strategic adviser to executive leaders on complex business and leadership challenges across industries as diverse as natural resources, the arts, public policy, and IT, on issues involving diverse stakeholders and long-term effects.

RRC advances visionary strategy development and then builds the requisite capacity to achieve it. Core capacity areas include executive leadership advancement, governance redesign, IT solutions, human capital development, and collaborative process—all to enable success in dynamic and complex environments with long-term impact.

Founded in 1991, RRC has served hundreds of clients in the government and non-governmental sectors on a broad range of issues. Government clients include the USDA Forest Service, the National Park Service, the Bureau of Land Management, and the US Environmental Protection Agency, as well as collaborations involving the spectrum of stakeholder interests on land management and business enterprise issues.



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