

Developing leadership: risk taking and visionary leadership; the political appra...

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Risk is not measurable and it is always hard to judge whether taking risk is likely to pay off. Therefore, risk cannot be regarded as a quantity but the way in which people describe their experiences in the world. Measurability does not apply to risk simply because there is no quantity to measure.

Despite the nature of risks not to be measurable, it is beyond doubt that leaders have to possess the ability to calculate and manage risks in order for their effectiveness. Failure to do this is likely to bring down or sink the organization. The leadership environment has become more volatile thereby leaving leaders to only perform the important task of preparing team members and themselves for risks. This can be in the form of taking risk, avoiding risks, and controlling or managing risks.

Good decisions also have the potential to minimize risks in leadership.

Leaders play the important role of helping citizens make good decisions about the things that they are supposed to do. Both emotion and logic are used in the process of decision making with each having a unique connection to the process. Leaders have to establish the emotion of the people around them and work with those emotions.

Setting goals has a potential to reduce risk. One cannot make a move towards something unless it is about individual needs or a passion. The same principle applies in an organizational setting where goal setting is a critical aspect of knowing the strategies to use in every circumstance. This helps reduce risks as it limits one to options that can work. Goals are also set with timeframes in order to further minimize risks.

Since taking risks does not always pay off, leaders are left with no option but to prepare for alternative outcomes other than the expected ones. This is

achieved through devising a contingency plan in case the expected plan fails to work. The outcome of the plan also has to be based on the long term end goals. Change is something inevitable in the world today yet it creates risks which people fear taking. However, minimizing risks can effectively be done by managing change. Once a leader is able to effectively manage change in the organization, the uncertainties associated with risk are managed.

Mismanaging change leads to failure to achieve the intended results and outcome. Cost and risk are two impacts of failure to manage change effectively. They play out in both organizational and project level. Project leader or project manager may fail to utilize change management during strategic planning, conducting and responding to performance assessment, considering the threats of competition and regulations, and during calculation of customers, and suppliers demand. Decisions made in the process of implementing a project may affect the way people perform their duties. They may lead to serious risks such as project abandonment, unsuccessful projects, unexpected obstacles, unavailability of resources, suspension of projects, and resistance of members towards fulfilling the project. In addition to the risks, there may cost incurred such as project delays and budget overrun. On an organizational level, mismanagement of change can lead to risks such high turnover, low employee morale, and stress. Such costs and risks can easily be avoided when change is managed effectively. The mandate falls squarely on the hands of the leader.

Reference

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