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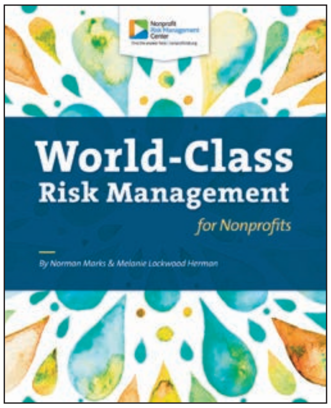
Tips, Knowledge and Tools for Nonprofit Organizations



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THE REPUTATION RISK ISSUE

View to the Horizon: Managing Reputation Risk for Hyperconnected Organizations

By Katharine Nesslage and Melanie Lockwood Herman

A famous Peanuts cartoon uses a cruise ship as an analogy for life. In the cartoon, Lucy explains that some people place deck chairs at the back of the boat to see where they have been, while others place their chairs in the front to see where they are going. Lucy asks Charlie which way his deck chair is facing, and he says he has never been able to get one to unfold.

A nonprofit's reputation is affected by where it has been, where it currently is, and where it wants to go. Every touchpoint matters, from what your staff say, to what you do, and how your statements and actions are interpreted. Self-reflection is key to gaining a better understanding of how people perceive your organization. Has your organization unfolded its deck chair yet? This article is designed to help you help your organization take a fresh look at your most valuable, and most vulnerable asset, your reputation.

Examine Your Wake

Let's grab a metaphorical deck chair and pull it to the back of your cruise ship. Settle in! Take some time to ponder the impressive wake left by your organization on its journey to achieve your mission. If you've recently completed a SWOT

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(strengths, weaknesses, opportunities and threats) or SOAR (strengths, opportunities, aspirations and results) analysis you have data galore from internal and external stakeholder interviews, benchmarking analysis, and board and staff team conversations. Ask the following questions to bring your receding 'wake' into focus:

- How does our understanding of our value and strengths compare to what we heard from others? Compared to insiders, do outside stakeholders hold a higher, or lower view of our purpose, relevance and accomplishments? Why might that be the case?
- What obstacles, dangers or opportunities have taken us off course thus far? What have we learned from the maneuvers we made to avoid the dangers and leverage the opportunities?
- Does our current direction and planned ports of call make sense given where we've been and the important mission work left to accomplish?

Take a Good Look Off Your Stern

Truly understanding the reputation of your nonprofit requires taking a long look at where you've been and what you mean to key stakeholder groups. A quick glimpse won't do.

- If you have members, chapters, or affiliates, do these stakeholders look to your organization to advance certain causes, provide educational resources, or act as a conduit for information sharing?
- How frequently are the resources produced by (and services available from) your organization actually used by the people and groups you're trying to serve? What does the data say with respect to whether your nonprofit is the preferred provider for those resources and services?
- Are the backgrounds, strengths and unique abilities of the current staff and volunteer team aligned with your values, goals, and mission?
- Are commitments to diversity, equity and inclusion 'window dressing' or actually reflected in substantive strategies to achieve true DEI?
- When was the last time your team found itself working outside its collective comfort zone? Did fears related to "stretch" assignments materialize? What were the most important lessons from the experience of being uncomfortable?
- Are there bold projects that capture the imaginations and enthusiasm of your board? Do these projects hold promise for delivering on your mission, or suggest a potentially costly departure from your nonprofit's *raison d'être*?
- Beyond the hype of likes and followers, is actual participation in programs and fundraising campaigns increasing, stagnant, or declining?
- Is your competitive environment getting even more so?

Word gets around when the interests of a nonprofit's leadership and board are misaligned with the community it is trying to serve. Your stakeholders should be invested in your nonprofit's work and find value in the services being offered and inspiration in the campaigns for which your nonprofit is a champion. If stakeholders have lost interest in the nonprofit's handiwork, then your reputation could be in decline.

Feedback Helps You Grow

Listen especially to feedback you receive from your clients, participants, active volunteers and members. Feedback can be sourced from official surveys, customer calls and emails, or anecdotal conversations

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"Word gets around when the interests of a nonprofit's leadership and board are misaligned with the community it is trying to serve."

between members of your team and those on the receiving end of your work.

Of course not all feedback will consist of gushing reviews. Hints of disappointment, disillusionment or dismay are intriguing clues to the puzzle of figuring out how to change your nonprofit for the better. Taking the time to listen to that feedback, analyze it, and loop back to stakeholders with the results, are ways to reinforce your commitment to being responsive to needs, wants and concerns. Even if you ultimately determine that suggested changes in direction or approach don't sync with your current plans, hang on to critical feedback and complaints and resolve to revisit those concerns in the future. Stakeholder suggestions that seem impractical today may be exactly what your mission needs a few months or years down the road.

This is Your Reputation Online

The term *online reputation management* refers to a process by which an organization identifies and draws attention to positive comments and also identifies and quells or responds to negative sentiment. For example, some nonprofits will choose to ignore negative postings on Glassdoor, the popular site for job hunters. Others will post responses to critical comments, either thanking a poster for their feedback or responding to clarify a concern raised by a former or current employee. According to the article and accompanying infographic, "How to Respond to Negative Reviews on Glassdoor," featured on www.entrepreneur.com, responses to negative reviews should begin with "thank you," and attempt to address each point made in a critical review by explaining *how* your organization is working to solve the issues raised by the disapproving reviewer. The article also suggests highlighting positive and redeeming aspects of your organization to leave a final, good impression in the mind of the reader.

For example:

"Thank you for your review and your thoughtful comments about the occasional long hours required to support special projects at our organization. Our mission wouldn't be possible without the

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> "Writing off an angry or frustrated client as an 'outlier' is dangerous in our hyperconnected world."

deep commitment and enthusiasm of the passionate activists who count on us as teammates. We're working hard to show our team appreciation for their above and beyond service by providing extra personal days off, along with extended holidays."

Two startling statistics in the Headway Capital infographic featured in the article should be convincing reminders that ignoring snarky reviews on Glassdoor could mean trouble when you're trying to fill a key opening:

- 32 million monthly users use Glassdoor to job search and research employers, and
- 69% of job seekers are more likely to apply for a job if the employer actively manages its brand by responding to reviews.

Many nonprofit leaders understandably feel that monitoring an organization's reputation online is like trying to play whack-a-mole. To counter the vastness of the search field, a number of companies have developed services that use powerful search features and algorithms to help them efficiently learn what people are saying. A variety of web applications with different structures and price points are available to help you monitor the vast world of Internet chatter, including the products featured in "15 Leading Online Reputation Management Tools For 2020," on the website www.influencermarketinghub.com.

Two of the 15 products profiled in the article are:

- Brand24 which allows users to create multiple projects, follow more than one brand, or specific campaigns related to one brand. The tool offers myriad ways to filter data, including the ability to get granular by filtering by day, week, month, source and sentiment.
- Mention searches 1 billion sources daily to help its customers find mentions of their nonprofit brand in online conversations. You can monitor competitor brands as well as your own, and the tool features integrations with popular social media platforms that help you quickly respond to social media posts: good, bad or ugly.

Jump In: Start with Your Web Browser

If you haven't already searched for your nonprofit's name on your browser of choice, what are you waiting for? Keep in mind that unless you choose the "incognito" search option, your results are likely to be a customized list, based on your search history. While these results may give your nonprofit pride a boost, they don't reveal a true picture of what others see when they try to find your organization. The authors of "15 Leading Online Reputation Management Tools For 2020," caution that we shouldn't be "too upset if the Number 1 result in Google isn't about you. Only 50% of people can claim ownership of the first result for their name. Indeed, only 2% of people can claim all the items on the first page of the search results."

Whether your nonprofit's good works are described in the top spot on page one or your labors draw a more modest search engine result, take time to read and understand what others are saying about you. As Anthony Fitzsimmons and Derek

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Atkins deftly explain in their terrific book, *Rethinking Reputation Risk*, "Your reputation is the sum total of how your stakeholders perceive you. Without stakeholders you could have no reputation, only self-esteem."

As you delve into what others are saying about you (in social media posts, articles, or elsewhere), ask:

- Is the portrait others paint of your mission and good works consistent with the way that you think about the organization?
- Are perceptions of your nonprofit generally accurate, or off base?
- What possible reasons are there for outsiders to view your organization differently from the way you see your efforts, impact, missteps and successes?
- Do external parties—supporters, partners, watchdog groups, media, etc.—question the motivations, structure, size, compensation of executives, or other aspects of your nonprofit?

Ponder Patterns

Like our counterparts in other industries, today's nonprofit sector leaders have a voracious appetite for data. Bring on the numbers! With respect to reputation risk, a single critical Tweet is unlikely to erode the reputation you've built over decades, unless it is an opening salvo followed by an onslaught of comments and criticisms on the same topic or theme. An important part of reputation risk management is looking for patterns: similar feedback, concern or experiences shared by individuals from disparate parts of your service area, chapter network, or supporters. Writing off an angry or frustrated client as an "outlier" is dangerous in our hyperconnected world.

Get to Know Your Nonprofit's Changing Landscape

Managing reputation risk may begin with understanding the wake behind your nonprofit's cruise ship, but it definitely shouldn't end there. Our history provides insights—but far from a clear picture—of what the future holds. So it's time to bring your deck chair past the midship section of your boat to the bow. In this new position, look out into the future and ask:

- What are some of the differences in what we see ahead compared to the water we've already crossed? What is changing in our operating environment? How are those changes necessitating changes in our approach, our values, prospective partners, and our sense of urgency about our core mission?
- Have our programs and services evolved to suit the new reality we see ahead, or are we stuck in a time warp offering a traditional menu of services to a clientele with a different appetite? Is our mission still relevant to what is happening in the world today?

Strategies to Manage Reputation Risk

1. **Anticipate and prepare to steer clear of icebergs.** From time to time the NRMC team hears naïve nonprofit leaders boast that "we've been around a hundred years and nothing terrible has gone wrong." Is a century of relatively good luck likely to be followed by another? While some organizations have been very lucky to avoid serious controversy or a true crisis, many leaders conveniently forget the storms once they have passed. Seasoned leaders know that disaster can strike well-run organizations as well as poorly run groups. Discounting the role of luck in your success thus far is dangerous; it may cause you to be less attuned to the convergence of events that could be devastating to your mission, your work and your survival. One approach to identifying potential icebergs—existential threats to your mission—is to ask: What could destroy our reputation?

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2. **Plan your route and ports of call, and a back up plan (or two), just in case.** One of our team members eagerly set off on a cruise in 2009 without first checking on weather conditions at the cruise ship's destination port in Turks and Caicos. Once the ship got underway the crew explained that hurricane winds in the Caribbean meant that it wasn't safe to follow the advertised route. But no worries, the crew had a contingency plan mapped out that involved additional days safely "at sea,"—far from the area most impacted by the storm. Is your nonprofit prepared for circumstances that could push you off course? Examples include new opposition groups seeking to undermine your cause, or new competitors who believe that they can do what you do but more effectively *and* more efficiently. Ask: what is our contingency plan should circumstances change such that we have to abandon or deviate significantly from our original mission route?
3. **Put yourself in a critic's seat.** A familiar but sometimes oddly surprising finding from employee engagement surveys is that the nonprofit is staffed by team members who believe passionately in the mission of the organization. Passion, fervor, commitment and excitement act as fuel for teams that must work with fewer resources than they need to beat incredible odds. There is power and value in coming together around a shared cause. But there's also danger in believing your own press. Managing reputation risk requires that we look critically at our operations, our impact and outcomes, and even our deepest worries. Ask: what would a well-informed critic say about how we're run? About the conduct of our highest leaders and those on the frontlines? If an outsider was trying to find an opening to cause us grievous harm, where would they most likely find that opening?
4. **Take in the full picture.** Is your nonprofit opportunity-minded or

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"Your reputation is the sum total of how your stakeholders perceive you. Without stakeholders you could have no reputation, only self-esteem." – Anthony Fitzsimmons and Derek Atkins

opportunity-blinded? Sometimes, you can be so close to something that you only see a small part of it or only what you've trained your eyes to focus on. Is your team wearing blinders that obscure the true picture of how you are perceived? Valued? If you pull the blinders off and take a good look around, what do you see? Are you hanging on to programs and services with minimal impact because you don't want to have to deal with pushback? Are you consistently stopping to learn from missteps, mistakes and failure or scrambling to put those difficult experiences in the past without a second thought?

5. **Resolve to master your domain.** Every nonprofit can take measured, thoughtful steps to better control its online presence and optimize how the nonprofit is seen in search engine results. By creating specific web assets you can increase the likelihood that stakeholders and prospective supporters will see what you want them to see when they search for missions like yours. A nonprofit's web assets include its main website, social media profiles, any organizational affiliate websites (fundraising, careers, special projects, blogs, etc.) and any articles written by supporters about the nonprofit. Resolve to learn more about your "domain authority" or "website authority." These terms refer to the strength of your website/domain. These tools can help predict your website ranking. To learn more about these websites type "how to look up domain authority" into your search engine (e.g. Google, Bing, DuckDuckGo, etc.).
6. **Adjust your field of view.** NRMC recently consulted with a nonprofit team that has been very successful growing its base of social media fans; an uptick in the total base of supporters has happened while the base of tried-and-true long-time members continues to shrink, year over year. Some of the long-time members have complained that the nonprofit wants to be all things to all people, and has strayed from its historical roots. Organizations that put too much energy in any one facet of reputation (e.g., growth in likes and followers on social media) may inadvertently neglect

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their reputation in another, and in some cases maneuvers to broaden support may alienate long-time fans.

Unfold Your Deck Chair: Be Inspired By What You See

During our visits to some of our consulting clients and Affiliate Members we occasionally observe a high-energy atmosphere where the sense of mission urgency is striking. An environment like this—with colleagues moving around to attend meetings, clustered for conversations in huddle rooms, and plenty of buzz in the common areas reminds us of the mood aboard a cruise ship that has just left port. After stowing your bags in your cabin, it's fun to explore the ship, end-to-end, and check out the people, activities, dining options, etcetera.

Managing reputation risk requires a good sense of the many ways that your nonprofit serves and interacts with stakeholders, but it also requires taking time to sit down, unfold your deck chair, and take a good look around you. The view from your stern—looking back at your wake of accomplishments and outcomes—will be quite different from the midship view. And the view from the bow—looking out at the alternate futures on the horizon and possibly an iceberg or storm in the distance—is different yet.

In her book, *The Reputation Risk Handbook*, Andrea Bonime-Blanc writes that "Reputation risk is an amplifier risk that layers on or attaches to other risks . . . adding negative or positive implications to the materiality, duration or expansion of the other risks." The NRMC team agrees with Bonime-Blanc's perspective, that reputation risk isn't a separate category of risk facing a nonprofit. Reputation risk is an element, an aspect, and a facet of many risks in your path. Striving to understand and monitor your nonprofit's reputation is an investment in your mission's present and future. It will require humility to accept that despite your legions of fans, there are determined detractors. Understanding what moves stakeholders as well as what concerns or offends them is key to sustaining the strong, positive reputation your nonprofit needs and deserves, once it is earned.

Katharine Nesslage is a Project Manager and Melanie Lockwood Herman is Executive Director at the Nonprofit Risk Management Center. Katharine and Melanie welcome your questions and feedback about managing reputation risks at Katharine@nonprofitrisk.org, Melanie@nonprofitrisk.org, or 703.777.3504.

Resources

- "Protecting Against, Preventing, and Planning for Online Reputation Attacks": www.Lorman.com
- "The Art of Asking Open-Ended Questions," by Bill Cates, https://blog.hubspot.com/sales/the-art-of-asking-open-ended-questions#sm.0001osp6uw7eyejjriw1u7voo3xm0
- *Rethinking Reputational Risk*, by Anthony Fitzsimmons and Derek Atkins
- *The Reputation Risk Handbook: Surviving and Thriving in the Age of Hyper-Transparency*, by Andrea Bonime-Blanc
- "How Can You Manage Negative Facebook Comments?" by Ernie Smith, Associations NOW, September 24, 2019

Don’t Faint at Complaints: How Negative Feedback Can Enhance Your Reputation

“The only real mistake is the one from which we learn nothing.” —HENRY FORD

Rumors and false information can move at the speed of a digital virus. One false allegation can ripple through social media in minutes, and a single misunderstood statement can become a Hydra head, turning faithful supporters into outraged opponents—not to mention trolls looking to capitalize on your misfortune with a proxy war of their own. It’s no wonder nonprofit organizations are feeling a heightened sense of insecurity and anxiety about reputation issues.

As rumor, innuendo, and falsely reported information spread, NRMC has seen reputation risks become the top risk concern for many nonprofit leaders. Even leaders who feel relatively prepared to respond to a false claim are frequently fearful of secondary effects such as frivolous lawsuits, donor decline, or simply the ricochet effect of time and attention long after an initial event. Mapping out all the possible preventions and repercussions of reputation harm can be overwhelming, leaving nonprofits wondering where to turn.

In our experience, one of the best places to begin is also one of the most frequently overlooked: the complaints (and comments) you receive. Revisiting your approach to complaints is a great way to make big headway in reducing reputation risks without a big budget investment. Complaints from inside and outside the organization are a tremendous indicator of how your reputation is fairing, and the best part is, they’re delivered free of charge. How your organization responds to complaints is just as telling. Each complaint is a small case study in how your team members and organization as a whole deal creatively, constructively, and concisely with criticism.

Improving your feedback and complaints management systems sets a solid foundation for any reputation battles you may face. Below are five steps to get you started:

Step 1: Redefine Complaints as Gifts

When we are under attack it’s natural to jump into defense mode, but seeing a complaint as a tool for betterment is essential if you’re to learn from them. Janelle Barlow and Claus Møller dive into this concept in their book *A Complaint Is A Gift*. The authors recommend that you receive complaints just as you would receive any other gift — even if you don’t like it,

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> **"Mapping out all the possible preventions and repercussions of reputation harm can be overwhelming, leaving nonprofits wondering where to turn."**

put on a smile, appreciate the gesture, and give thanks. Just like an ill-fitting or badly timed gift, a complaint may show how little the complainer understands about who you are, or they may be completely misinformed about your mission, or perhaps, they don't care about 90% of what you do. That said, it's still a gift. Likewise, a complaint is valuable information. If you can get past the sting and begin decoding the meaning of what you've received, you may improve and even fortify your reputation.

Step 2: Be Self-Reflexive

How are you at receiving complaints? Ask a friend or trusted colleague for an honest review of your personal complaint-receiving skills. Do you truly receive complaints, comments, and suggestions as helpful hints? Perhaps you are unsure because you rarely receive complaints or critical feedback. If your team never shares their complaints, it may be because you are not quite as humble and welcoming as you think.

In their book *Rethinking Reputation Risk*, Anthony Fitzsimmons and Derek Atkins write, "Your reputation is the sum total of how your stakeholders perceive you." They remind readers, "Without stakeholders you could have no reputation, only self-esteem." Handling complaints gracefully as an organization requires serious doses of humility and confidence, traits that trickle down from leadership. This is why it's essential that you demonstrate your complaint-handling skills on a personal level first. Prove to your team that you handle complaints well by showing them how it is done on a daily basis. A humble attitude will spread quickly if it starts with you.

Step 3: Implement a Reporting Process to Reflect Your Complaint Values

Stating, "complaints are welcome" will fall flat if there is no easy way for complaints to be heard. Take a look at how you can build a reporting structure that ushers complaints into your systems and gives them an ear at appropriate levels of management. Are complaints arriving from outside the organization dismissed quickly, or are they documented and passed on internally so that they can be included in strategic decisions? Do you have a procedure for your team to give anonymous complaints or praise internally? Are the collected complaints given time on the agenda for staff or board meetings? New practical avenues for complaints could come in many forms:

1. **Add a notice in the footer of emails that feedback is welcome, and the best way to provide it.**
2. **Suggest scripts for those answering the phones to inform callers of how their complaint can be logged and heard internally.**
3. **Add a public-facing policy explaining how complaints are handled and why.**
4. **Conduct a survey of your team to gauge how your organization and leaders perform when it comes to complaints.**
5. **Update staff job descriptions to include complaint handling responsibilities.**
6. **Including complaint policies in new hire or new volunteer training materials.**

Keep in mind, useful feedback is not always clearly labeled as a "complaint." Watch out for complaints or suggestions hidden in otherwise positive reviews, online forums, comments to your posts, and requests for help or better service. Internally, complaints won't always be written out formally either; listen for complaints in the form of an offhand comment in the hall, a statement in a staff meeting, or a sentiment in an email. Encouraging complaints means encouraging those with negative feedback to speak up, and then demonstrating ways to make their ideas and feelings heard.

How your complaints are documented and handled day-to-day will look different at every organization; whatever steps you take, be sure that the way complaints are processed is manageable and is likely to strengthen your culture and mission.

Step 4: Integrate Active Listening Principles

Coined in the 1950s by psychologists Carl Rogers and Richard Farson, the term "active listening" is the practice of listening in a way that reassures the speaker that you are hearing and empathizing with what they are saying. Active listening has become a staple of good leadership, and the principles are a great reminder of how much work it can be to listen *well* to feedback, whether it be a complaint or a compliment. According to the Center for Creative Leadership, active listening in a business setting should incorporate six skills:

1. **Paying attention –** Make sure you really understand what is being said.
2. **Withholding judgment –** Assume that the person speaking has legitimate points, and suspend the impulse to judge until *after* everything has been heard.
3. **Reflecting – Take time to reflect on what was said.** Sometimes our initial impressions will change.

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"Encouraging complaints means encouraging those with negative feedback to speak up, and then demonstrating ways to make their ideas and feelings heard."

4. **Clarifying –** Ask clarifying questions. This lets the person providing feedback know that you understand what is being said and indicates that you are interested in understanding fully.
5. **Summarizing –** Find ways to restate what you're hearing in your own words to let others know that you've really internalized their comment.
6. **Sharing –** Providing your own thoughts, feelings, and commentary is the *last* step of the process. Be sure to share in a way that continues to affirm that you actively listened.

Step 5: Self-Evaluate and Continually Strive to Improve

How you handle complaints will of course be a work in progress; one shouldn't have to gut check their doubt each and every moment, but outside criticism should be checked on regularly. To keep tabs on how your culture is evolving, and to welcome complaints as the assets they are, you may want to implement habitual "checkups." You can do this by:

1. Including questions about complaints in regular employee surveys, such as: What do you do if you hear a complaint and want to pass it on? Are complaints welcomed by your immediate manager? How would you describe our organization's culture when it comes to complaints and other feedback?
2. Solicit feedback from those who submitted formal complaints. Ask: Was the issue resolved, and do they feel they were treated fairly?
3. Janelle Barlow defines a complaint as "an expectation that has not been met," so bear in mind that it is often a case of changing expectations, rather than performance.

As you evaluate the results, keep in mind that fewer complaints don't necessarily mean that your customer service is improving. It may be that patrons, volunteers, and staff are no longer aware of how to air their complaints, or that reporting complaints has become inconvenient, or that no one believes feedback will be heard.

How you handle a complaint is often the best evidence of your character, and the strength of your systems. The best defense is a confident humility, knowing that you're ready to hear what is said and respond with the empathy and compassion that makes sense with your mission. Taking on a listening ear and using complaints for good is a huge stride in this direction. Capitalizing on complaints by decoding and embracing the lessons of criticism is an inexpensive path to a better reputation.

For more knowledge on this important topic, NRMC recommends the following books:

- *A Complaint Is a Gift: Using Customer Feedback as a Strategic Tool*, by Janelle Barlow and Claus Møller
- *The Fearless Organization: Creating Psychological Safety in the Workplace for Learning, Innovation, and Growth*, by Amy Edmondson
- *Rethinking Reputational Risk: How to Manage the Risks that can Ruin Your Business, Your Reputation and You*, by Anthony Fitzsimmons and Derek Atkins

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NEW AFFILIATE MEMBERS

Learn more about NRMC's Affiliate Member program at nonprofitrisk.org/affiliate-membership. NRMC would like to welcome our new Affiliate Members.

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