

Does Your Nonprofit Live Up to Its Values?



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I recently finished reading a thoughtful book titled *Strategic Risk Leadership: Context and Cases* by Toben Juul Andersen and Peter C. Young. I found Chapter 4, titled “Risk leadership as a moral endeavor,” especially intriguing.

In that chapter, the authors write that “...leadership can be moral or immoral, and therefore leadership itself is a critical source of risk or uncertainty.” They add that “Misalignments or breaches between the goals, means, and values ... constitute potential *sources of ethical risks*.”

In our risk advisory work with US-based and international nonprofits, risk registers rarely include leadership as a source of risk. If you read between the lines of those registers, sometimes you can spot references to misalignments in goals, means, and values. And in several cases where the “risk of harassment or misconduct by a senior leader” is listed as a possible future event, we sometimes hear that the risk “actually happened a few years ago.”

Andersen and Young’s book filled my mind with more questions than conclusions, as is often true when I’m reading something thought-provoking. The risk leadership questions I’m asking this week include:

- What is the risk that external constituents will perceive a disconnect between your professed values and actions?
- How is your nonprofit working to manage this risk, while improving alignment between your intentions and actions?

Leadership, risk, and reputation are inextricably linked in the life of a nonprofit. In a wonderfully insightful book on reputation risk, *Rethinking Reputational Risk* by Anthony Fitzsimmons and Derek Atkins, the authors remind us that “Your reputation is the sum total of how your stakeholders perceive you ... Without stakeholders you could have no reputation, only self-esteem.” Here are some questions their words provoke:

- In what ways does your self-esteem differ from your reputation? Does your nonprofit make claims or boast about things outsiders are likely to doubt or disbelieve?
- What is the risk that constituents may believe now, or come to believe, that your organization is not as good as they thought it was?
- What actions or aspects of your organization contribute to the fragility of your reputation?
- What kinds of ethical lapses or scenarios would be highly damaging, but not a complete surprise to insiders?

Nonprofit organizations often look outward for opportunities to make a difference in the world. Sometimes, the most important work happens when we look inward. Perhaps it’s time to stop using photo filters and assess the real risks we see in the mirror.