The Risks of Automation



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During a recent flight to the west coast I had the opportunity to see a film titled *Extract*. Although I pride myself on having a sense of humor, I'm often surprised when something touted as "funny" fails to make me laugh. It generally happens in the form of video clips sent by friends and some television programs suggested by my tweenage daughter. While watching *Extract*—which I found very funny—it occurred to me that many viewers would not find the film's irony and comedic moments amusing at all. The movie centers around a small factory that produces various food extracts (think vanilla extract, lemon extract, etc.). During an early scene two workers on the assembly line decide to stop work in order to make life miserable for a worker at the end of the line. It's a classic, "we'll show him!" moment familiar to anyone in the workplace. The sequence of events that follows is improbable, ironic and absurd. The response of the workers who caused the "incident" is a mix of sad and funny. The mechanized assembly line plays a large role in the film. In some ways it is a central character.

When I thought about the film from a risk management standpoint (it's a habit I'm unable to break) I was reminded of how often an automatic response or process *may not work* well in a world filled with constantly changing risks. That idea was reinforced during a frustrating call with an employee of an outsourced IT call center. During the call I was unable to obtain an answer to what I thought was a simple question. I made several vain attempts to inspire the living but automated employee to deviate from her script and simply answer my question. I finally ended the conversation after concluding that her employer must have a policy indicating, "Do not try to determine what the caller is really asking; limit your response to one of the following statements…"

How does automation occur in the life of a nonprofit? Sometimes there is an *upside* to a standardized response, such as:

- **The assurance of consistency:** the consistent application of key policies such as those addressing appropriate staff/client boundaries, the requirement that employees treat one another professionally and with respect, and a requirement that any hazard be reported or addressed without delay. In a workplace where rules are enforced consistently, staff and volunteers are likely to perceive a high degree of fairness. And that's a good thing.

But what about the downsides of "automating" our workplaces? Some obvious defects in putting your nonprofit on auto pilot include:

- **The inability to respond to out of the ordinary requests and circumstances.** When we respond with scripted answers, our stakeholders may feel that we do not care about their needs, or worse, they

may view our actions as communicating a lack of respect. Every donor, client, volunteer and staff member deserves our respect, no matter what. And reasonable requests that do not pose legal risk for the nonprofit should be honored wherever possible.

- **Obscuring the vantage point for observing changing risks.** In some nonprofits, relying on "auto pilot" for managing risk may result in an obsessive focus on exposures that are most familiar to the organization and inadequate attention on unlikely, but potentially significant risks lurking below the surface or within our ranks.
- **Failing to engage a diverse group of stakeholders in the effort to understand and address risks.** It is wise to designate a risk management "champion" in a nonprofit. At the Center we believe that doing so increases the chances of strengthening risk management in an organization. But with or without a risk management champion, the most successful risk management programs engage multiple individuals who bring diverse perspectives on risk to the discussion about the nonprofit's risk taking appetite, principal risks, and risk management strategies and approaches.

There are days when a little automation in a nonprofit workplace sounds appealing. But automating our workplaces with standard responses to always changing issues may sometimes jeopardize, rather than serve to protect our community-serving missions. A better approach is to foster open dialogue and initiative among the members of the organization.

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