

Workplace Culture: The Foundation for Sound Risk Practice



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Workplace culture has gone viral. In less than a second, Google will return nearly 400,000,000 results on the question “What is workplace culture?” From surveys to engagements, renewed values statements to grand-scale reorganizations, nonprofit leaders are focusing on how culture is defined, infused, and perceived throughout the organization. Workplace culture is central to myriad processes, procedures, and programs that support and drive the nonprofit’s mission. But is culture’s time in the spotlight a result of increased self-awareness or an outcry for reform?

Progress or Predicament?

- The good news is that employee engagement surveys are in fashion, with many organizations taking time to find out how employees feel about everything from internal communications to the quality of supervision and training and so on.
- The bad news is that in many cases, these surveys are revealing a chasm between a nonprofit’s professed values and the experience of serving on the team. And worse, by keeping full survey results under wraps, leaders are exacerbating perceptions that transparency is a promise, not a reality.

NRMC-led risk assessments are intended to reveal compelling, critical risks that our client nonprofits face. And while these assessments do tend to uncover or shed a brighter light on external threats and circumstances that could be disruptive to strategic priorities, what is often the most unexpected revelation is that an organization’s workplace culture is not what leaders hoped or expected it to be. In the NRMC team’s experience, challenges related to workplace culture pose the most significant threats to the success of an organization.

In many engagements, our team has discovered that developing a strong workplace culture is an afterthought, something that occurs by happenstance rather than intentional assemblage. Or worse, focus on culture consists of pithy pronouncements about values that ply newcomers with a picturesque portrayal but are merely lip service. In these unfortunate circumstances, team members are often unengaged, frustrated, and grapple with feelings of futility regarding organizational risk and rewards.

It is becoming increasingly risky to ignore outdated practices that fail to recognize the human element of the employee experience. Therefore, workplace culture is under the microscope at organizations across the globe. Leaders are asking questions like:

- Does our workplace culture help or hinder our nimbleness?
- Does the experience of serving on our team match the experience we tout when recruiting new team members?
- Is our culture inclusive, and does it support diverse, creative mission enthusiasts?
- How can we fortify our culture to build our resilience against events we can't fully anticipate or prepare for?

What is Workplace Culture?

Workplace culture sets the tone of an organization. It is comprised of both written and unwritten rules governing the expected behavior of leaders, staff, stakeholders, and even program participants. When workplace culture is solid, it is a contributing factor for achieving mission success. However, many cultural facets can point the organization's trajectory far from its intended goal.

When an organization is experiencing internal difficulties, it's tempting to create a new policy or procedure that addresses the "problem." However, often the root cause goes deeper. When an organization's culture deviates from what leaders profess, it can create a negative feedback loop that affects many different areas.

The opposite is true too when the culture of a nonprofit is strong and solid. This foundational structure ensures a system of shared values and beliefs undergirds everything the organization does. Excellent organizational culture can take your mission from "achievable" to *exceptional*.

What is Risk Management?

At its core, risk management is a process that allows nonprofit leaders and teams to consider how future actions, events, and decisions could bolster the organization's mission or cause disruption to critical mission-advancing programs and services. The most successful risk management programs and functions are ones that inspire confidence as a team takes mission-advancing risks. There's no one-size-fits-all prescription for creating a successful risk management program. However, all successful risk management programs are grounded and suited to the organization's culture. Risk programs that are ill-suited to an organization's culture are destined to die on the vine.

For example, a nonprofit that affords team members a great deal of autonomy, has an overarching policy of "use good judgment," and is highly collaborative will find an overly formal, restrictive risk management program highly cumbersome. The process may, in fact, stifle the type of agile innovation this team routinely enjoys. However, on the other side of the coin, relying on "water cooler" conversations to relay risks in an agency that has a formalized structures and processes may cause team members to clam up or be reluctant to speak out without the rigors of an established reporting system.

These are just two examples of why nonprofit leaders and risk champions must consider the existing workplace culture when the goal is to develop an integrated approach to risk management.

Cornerstones of Risk-aware Workplace Culture

In a nutshell, a risk-aware workplace exists when a team proactively seeks to:

- identify and understand many of the "what ifs" of organizational life,
- create backup plans in the event a critical "plan A" doesn't unfold as intended, and
- continually build resilience so projects and teams can bounce back or seize opportunities that present themselves.

The NRMCM team has observed that risk management is more likely to become 'baked-in' or seamlessly integrated when the following characteristics are foundational in organizational culture. These cornerstones are more than just solid elements of positive workplace culture; they are also effective elements of a mature risk management process. Because of this fact, when these elements are present and well socialized, nonprofit teams will often *naturally* exercise risk awareness in daily tasks and activities.

Psychological Safety

Successful risk management programs and functions depend on the willingness and comfort of team members

to engage in candid conversations about the risks an organization faces and the effectiveness of risk mitigation activities. Staff must feel encouraged to speak up and free from worry that doing so will have negative impacts on their status, respect, or future opportunities at the nonprofit. Learn more about the role of psychological safety in our companion article, “Safe and Supported: The Intersection of Psychological Safety and Fruitful Risk Practice.”

Learning on the Job is a Top Priority

The commitment to continual learning is a cornerstone in both mature risk management functions and nonprofits with strong workplace cultures. Leaders who acknowledge that no one holds all the answers and that there are lessons to be extracted from success, failures, and near misses must live that commitment by showing how they are learning and growing day by day.

When this happens in the leadership ranks, mid-level team members and vital colleagues on a nonprofit’s frontlines will be inspired to find learning moments and grow in their roles and teams. When disruption occurs, or an unexpected opportunity arises, teams with an already integrated approach to applying lessons learned are poised to take the action needed to leverage silver linings and mitigate downside effects.

Accountability and Responsibility are Shared Organization-wide

When teams are engaged, accept shared and personal responsibility, and collaborate to solve problems and seize opportunities, the organization fosters a culture of accountability. This quality supports other facets of a strong workplace culture like growth and learning mindsets and the ability to challenge others and processes in a positive, inspiring way.

Shared accountability *is not* something that’s mandated from above. Rather, in cultures with a strong sense of accountability, team members have a clear understanding of expectations, know where ‘ownership’ lies for each task and program, and intentionally communicate the progress towards specific goals. Often, these organizations have leaders that place a fair amount of faith and trust in the team; can relate individual and functional goals to the mission and strategy of the organization; and exhibit strong personal accountability.

Teams eager to share accountability adeptly manage risks and develop a baked-in approach to risk management because of their fluency in collaboration and initiative.

Managing Workplace Culture Risks

1. Be intentional.

Workplace culture changes can happen organically or intentionally. And the thing to note about culture is that it can happen *with* you or *without* it is reasonable to expect subtle culture change as your organization grows. The most common example of this are small shifts that occur through an ebb and flow as employees are hired and depart from the nonprofit. However, cultivating the initial culture or guiding a significant culture change must be intentional. Nonprofit leaders do well to acknowledge when there are gaps in the lived experience and lofty pronouncements of a values statement and take active, transparent steps to direct the culture towards alignment.

2. Allow time for changes to mature.

Culture change takes time and patience. In the early stages of intentional culture shifts, it is critical leadership supports and reinforces the new norms. Teams are often reluctant to put faith in changes until they become well socialized and normative. For example, suppose an agency identified that frontline teams lacked the psychological safety to challenge safety procedures that, in practice, did not support excellent participant safety. In that case, managers should not expect an influx of feedback after making a pronouncement at an all-staff meeting that anyone is welcome to critique procedures at any time. Instead, this organization should socialize this new challenge culture through tools such as anonymous surveys where results are widely shared, frequent invitations at staff meetings and one-on-one reviews to ask for thoughts on process improvements, and a demonstration that leadership will not tolerate behavior that ridicules or disrespects those who voice dissenting opinions. Over time, teams at this nonprofit will fall into the new routine as the cultural change becomes well supported and socialized.

3. Use culture as an anchor.

A strong, authentic culture is an expression of the lifeblood of the mission! It can be a tool to infuse the

intentions and actions of the organization with purpose and commonality. Aligning processes and procedures in culture makes them familiar, which, in turn, increases buy-in, engagement, and productivity. For example, by anchoring onboarding with the strength of the organization's culture, new team members more readily adapt to their roles and can see how their responsibilities tie back to the mission. Another anchoring aspect of culture is common language. The words and vocabulary your teams use are a part of your organization's culture. When teams have a shared understanding of the definitions and what concepts mean there's less opportunity that miscommunication and confusion will become a stumbling block on the road to mission-success.

Culture Eats Strategy for Breakfast

The most well-meaning nonprofits can devise great strategies aimed at forwarding their ambitious mission. However, without solid organizational culture to support these plans, teams will quickly find themselves off course. Nonprofit leaders must not lose sight of how important the human factor is in the success of their mission. On the shiny exterior, some like to imagine that culture is akin to beautiful office spaces with lots of greenery and modern design.

However, your organizational culture is more about ensuring that staff at your nonprofit can manage situations with appropriate action while keeping the mission in mind. It is a toolbox of conventions teams can fall back on in the face of challenge and crisis. It's a decision-making safety net that informs every aspect of life at the nonprofit. Culture is an expression of the human-element of your nonprofit.

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