

How to Build a Risk-Aware Culture



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Nonprofit leaders often ask the NRMCM team how they can create a risk-aware culture. Their goal: to make their organization a place where people speak up early and often about concerns, so the team can understand and properly prepare for concerning risks before they become realities.

The No. 1 way to build a risk-aware culture is to create a climate where people feel safe speaking up—no matter what’s on their minds.

That’s not easy to do, but it is possible. Every nonprofit team can improve its commitment to psychological safety, [the belief that you won’t be punished or humiliated](#) for raising questions or concerns or making mistakes. Here are some [ways to cultivate psychological safety](#).

If you want to be trusted, trust. Leaders must demonstrate that they trust their employees and their peers. Spell out that you allow and even welcome honest mistakes and that you can handle bad news. Then, when someone makes a mistake or sounds the alarm, be true to your word.

Step out of your comfort zone. If you’re a leader who worries that your management team or direct reports are inclined to bury bad news, get more perspectives from around the organization (and demonstrate to your team that you can handle bad news.) And remember that wanting to keep bad news from a supervisor may stem from a sincere desire to fix things to avoid “bothering” the boss. If you’re an employee who feels surrounded by negativity, talk to more upbeat people in the organization and ask them about their views.

Get less reactive. Most of us have programmed responses to unexpected situations. We may feel threatened and lash out or shut down. Or we may tend to brush off concerns and worries that don’t feel worrisome to us. Those responses can derail psychological safety on a team. Work to disrupt your own programming. If you need to, say you’ll take a minute to think before you react to a new idea.

Treat disagreement as a gift. The more perspectives a team can gather, including reasons why an exciting idea might not work, the more valuable insights the team will have at its disposal. These insights can be the seeds to project success. Welcome and invite disagreement on your team. Cognitive biases often lead us to tune out the very person who seeks to warn us of an important danger. Listen.

Say “us” or “we” instead of “you.” Sometimes an employee needs to be corrected privately. At all other times, frame conflict using its effect on the team and the words “we” and “us.” This demonstrates that you’re working through an interpersonal challenge, not enemy fire.

Learn from failure. Sometimes we all fail, including teams. Set the expectation that some experiments will fail, that failure is part of growth, and that the most important outcome of failure is learning. Too much focus on failure can make people feel ashamed, which can lead to poor decision-making.

Be human first. When you see a co-worker take a risk, support them if you can. This can make individual team members feel less alone and contribute to the overall sense of support on the team.

Visualize it. Ask your team for examples of a time when they spoke up frankly or created an atmosphere that allowed others to do so. Then consider upcoming meetings or projects that require a frank discussion of possibilities, including their silver linings and dark clouds. Ask your team to visualize how you can create the right atmosphere for the discussion. Write down the strategies. Writing down learnings helps people internalize and replicate them.

Don’t give up. It takes time, effort and consistency to cultivate psychological safety. You and your team will likely slip into old patterns. When you see that happen, name it, and give yourselves and your team members grace. Remind yourself and each other why you’re doing this work, what progress you’ve made, and how the journey will benefit your team and the people and communities your nonprofit serves.

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