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# Risk Management ESSENTIALS

Tips, Knowledge and Tools for Nonprofit Organizations

## THE ORGANIZATIONAL CULTURE ISSUE



## Workplace Culture: The Foundation for Sound Risk Practice

By Whitney Thomey

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

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# Risk Management ESSENTIALS

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## Workplace Culture: The Foundation for Sound Risk Practice

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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.

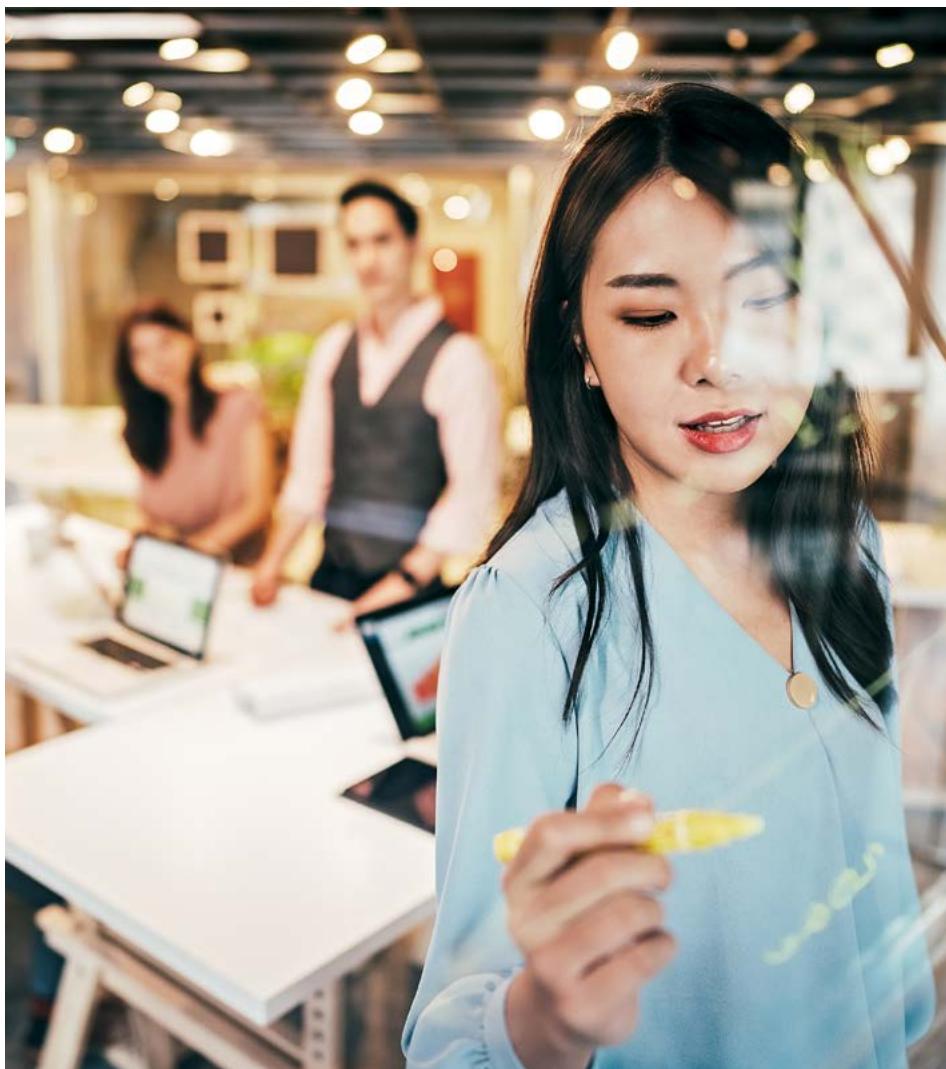
## What is Risk Management?

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.

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**“Excellent organizational culture can take your mission from ‘achievable’ to exceptional.”**

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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 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.

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**“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.”**



### **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 NRMC 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

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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.

**"Your organizational culture is about ensuring that staff at your nonprofit can manage situations with appropriate action while keeping the mission in mind."**

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## 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 you*. 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

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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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Whitney Thomey is Project Manager at the Nonprofit Risk Management Center. She welcomes your questions and comments about the intersection of workplace safety and risk management practice at 703.777.3504 or [Whitney@nonprofitrisk.org](mailto:Whitney@nonprofitrisk.org).

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**"Your organizational culture is about ensuring that staff at your nonprofit can manage situations with appropriate action while keeping the mission in mind."**

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# Case Studies

## 1

### **Engagement Goal:** Elevating and integrating ad-hoc conversations about risk-taking and risk management into durable planning and decision-making processes

**WHO:** A national foundation working to strengthen democracy and promote the health, diversity, and resilience of democratic processes and institutions.

**Results:** The NRMC team worked in partnership with foundation leaders to identify and unpack critical risks. The project culminated with a workshop exploring the topics of risk assessment and risk appetite. The NRMC team will be returning to the organization later this year to facilitate follow-up training for a broader staff team.

## 2

### **Engagement Goal:** Interim Risk Leadership

**WHO:** A regional transit agency employing more than 1,200 staff.

**Results:** The engagement involved leading and motivating staff working in claims management and safety and partnering with the agency's top executives to envision a new structure for the risk team. NRMC's work included managing contacts with the agency's external broker and defense counsel and facilitating the vetting and appointment of a new Third-Party Administrator (TPA). The NRMC team also led the search process for a new risk leader and developed a new risk dashboard to elevate and strengthen risk oversight.

## 3

### **Engagement Goal:** Development of an engaging website housing custom risk resources for the organization's member agencies

**WHO:** A national organization of 1,000 affiliated agencies dedicated to fighting poverty in the U.S.

**End Result:** The NRMC team developed an attractive website featuring two interactive web applications. These applications present content fully customized for the association. The site also has easily accessible web links to NRMC Affiliate Member benefits. These resources help the organization's affiliated agencies develop a deeper awareness of the risks they face and identify practical steps to close gaps in risk practice. More than 95% of the organization's affiliated agencies have used the site to complete a Risk Assessment and demonstrate compliance with national quality standards.

## 4

### **Engagement Goal:** Thoughtful bidding process to identify and select the best-qualified firm to provide insurance

**WHO:** A regional public health organization with more than 1,700 employees serving nearly 200,000 consumers.

**End Result:** The NRMC team facilitated and managed a Broker Selection Process for the agency motivated by the commitment to ensure that insurance dollars were allocated wisely. The NRMC team designed a custom RFP, identified and pre-qualified bidders, reviewed incoming proposals based on the client's criteria, and coordinated interviews with the six finalist firms. At the end of the process, the client selected a new broker and entered into a multi-year broker services agreement.



## Safe and Supported: The Intersection of Psychological Safety and Fruitful Risk Practice

By Erin Gloeckner



- "My input isn't valued here."
- "My coworkers always reject my ideas."
- "I feel so stupid around my boss."
- "I have to pick my battles."
- "It will be safer for me if I keep my head down."
- "I wanted to warn them, but I couldn't risk being ridiculed again."
- "I told them it was dangerous why didn't they believe me?"
- "If I speak up again, I'll probably get fired."

If you have experienced thoughts like these at work, then you might need *psychological safety*. Defining the concept in her 1999 academic paper, ["Psychological Safety and Learning Behavior in Work Teams,"](#) organizational behavioral scientist and Harvard Business School professor Amy Edmondson explained:

"Team psychological safety is defined as a shared belief that the team is safe for interpersonal risk taking...Team psychological safety is not the same as group cohesiveness, as research has shown that cohesiveness can reduce willingness to disagree and challenge others' views, such as in the phenomenon of groupthink (Janis, 1982), implying a lack of interpersonal risk taking. The term is meant to suggest...a sense of confidence that the team will not embarrass, reject, or punish someone for speaking up. This

confidence stems from mutual respect and trust among team members."

As social beings, most people can acknowledge their innate need to feel accepted, appreciated, or approved of by others. A sense of belonging is potent in work settings where people might derive a sense of identity or community. Without psychological safety at work, employees are more likely to experience frequent rejection or outcasting. In her Aeon Newsletter essay, ["Rejection Kills,"](#) science writer and social entrepreneur Elitsa Dermendzhiyska references various experiments and studies that document how emotional pain can trigger activity in the same brain regions that respond to and regulate physical pain. Social rejection in any context can cause real pain to human beings, and Dermendzhiyska explores how repeated or severe rejection can potentially result in harmful coping strategies such as emotional numbing and reduced empathy towards others.

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Combined with typical workplace pressures such as income generation, career success, and unyielding productivity, many workers are already slammed with stress without consciously considering social acceptance. Our needs for social acceptance and connectedness—core facets of our humanity—are rarely adequately addressed in the workplace. However, they remain some of the most significant drivers of physical and mental health and self-esteem.

### How Psychological Safety Benefits Teams and Risk Initiatives

The freedom to express concerns and ideas without fear of retribution sounds like a basic form of respect. Yet, workplace power structures and competing priorities make psychological safety a knotty concept in many organizational cultures. Teams who value mutual respect and intentionally work towards psychological safety will realize tremendous benefits to their team's effectiveness, decision-making, engagement, wellness, and risk management capabilities.

#### Psychological safety enables teams to:

- **Perform more effectively:** From 2012 to 2014, Google conducted an internal study, Project Aristotle, to determine what makes a team effective. The study identified five dynamics that consistently and significantly improved the performance of Google teams based on sales and stakeholder assessments.

The number one predictor of team effectiveness was psychological safety, followed by dependability, structure and clarity, meaning, and impact. Google researchers also learned that—at least within the context of Google—variables like co-location of teammates, individual performance, extroversion, seniority, tenure, and consensus had little to no impact on team effectiveness.

- **Leverage diversity of thought:** Widely recognized as a high-performance driver, teams that leverage their diverse perspectives and experiences are better prepared to navigate complex

problems, make well-informed decisions, and produce creative solutions. In an environment lacking psychological safety, diverse thoughts are usually guarded, not shared, so everyone misses out.

- **Engage authentically:** Back in 1990, William Kahn's research on employee engagement found that a sense of safety (AKA a low risk of adverse consequences) was a critical predictor of an employee's willingness to engage authentically or bring their "full self" to work. If you want full engagement, full talent, full capacity, or full commitment from workers, you first need to cultivate full psychological safety.
- **Be well:** Frequent or constant worry about self-worth, social standing, job security, or the quality of workplace interpersonal relationships invites heightened stress along with physical and mental health issues. When workers worry about protecting themselves and managing high stress, they are likely to be less productive, effective, and content, or experience feelings of unfulfillment, shame, or resentment.

- **Manage risk:** For any team to practice effective risk management, its members must candidly report and evaluate their concerns, worries, observed dangers, and organizational vulnerabilities. Teams must first reduce the interpersonal risk of ridicule to create a space where team members can report and discuss risk issues.

Recognize that by reporting or speaking up, an employee takes a personal risk to disclose information that could benefit the team, even though that employee might face personal consequences. Reduce the negative impacts and more team members will proactively share pertinent risk information.

**To drive home the benefits of psychological safety, let's make it personal.** Think back to a time you felt rejected or unappreciated at work. How did it affect you? Did it change the way you

**"Teams who value mutual respect and intentionally work towards psychological safety will realize tremendous benefits to their team's effectiveness, decision-making, engagement, wellness, and risk management capability."**

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## Safe and Supported: The Intersection of Psychological Safety and Fruitful Risk Practice

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**"For any team to practice effective risk management, its members must candidly report and evaluate their concerns, worries, observed dangers, and organizational vulnerabilities."**

interacted with your team in the short or long term? Did it weaken your willingness to contribute? Did it tarnish your self-esteem even for a moment? Did it hurt? Now think of a time you rejected a colleague. How do you think you made them feel?

### How Psychological Safety Gets Off Track

In practice, psychological safety is more nuanced than we might first realize. To better understand how people *misunderstand* psychological safety, we must recognize what it is not.

#### Psychological safety is *not* being:

- **Nice:** It's easy to confuse or conflate *niceness* with creating a psychologically safe workplace. After all, when people are nice, they can't be doing any harm, right? Wrong! Being nice is not the same as fostering psychological safety, and in some cases, prioritizing niceness can undermine psychological safety. For example, sometimes people use niceness to manipulate others, conceal dishonesty, or avoid confrontation. Acting nice or abiding by social expectations of warmth and friendliness does not equate with actively creating a psychologically safe environment.
- **Avoidant:** Psychological safety does not ask us to avoid dialogue around sensitive issues. When practiced effectively, it helps us engage in productive dialogue when sensitive topics do arise. Mutual respect and tolerance allow people to explore polarizing or painful issues as a caring and interested community rather than combatants.
- **Harmful:** Going back to Amy Edmondson's description of psychological safety as enabling "interpersonal risk taking," teams must recognize that this concept does not permit individuals to take any risks they want. Effective risk-taking must still benefit the team by contributing to shared progress. Risk-taking is ineffective—and inappropriate—if

individuals are using psychological safety to justify harming their teams by doing or saying whatever they want.

- **Comfortable:** Shane Snow, an award-winning journalist and co-founder of Contently compares psychological safety to exercise to explain how discomfort and growth work together. Snow notes that experts on psychological safety are careful not to confuse the concept with comfort because feeling uncomfortable is not the same as being in danger.

No manager or facilitator can promise a completely comfortable environment that also allows for honesty and respectful disagreement. Psychological safety and discomfort go hand-in-hand; it's the underlying safety that ensures that experiencing discomfort can propel personal growth rather than stagnation or regression.

- **Coddling:** While psychological safety does enable vulnerability, it does not coddle people or free people of accountability to reduce the risk of hurting someone else's feelings. According to LeaderFactor, a Utah-based consulting practice, "When our vulnerability is punished, we recoil, retreat, and enter a defensive mode of performance. We enter a mode of self-preservation. We act out of compliance and do the minimum amount necessary to get by....When our vulnerability is rewarded, we engage, contribute meaningfully, and enter an offensive mode of performance. We give of our discretionary effort and spend our time creating value." The simple truth is that people don't respond well to being punished or socially rejected. Human behavior motivations are similar to dogs—punishment creates a negative effect, whereas positive reinforcement helps establish trust and enables the dog (or team) to behave desirably.

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### Cultivating Psychological Safety at Work

Knowing that psychological safety is not necessarily nice or comfortable hints at the reality that making progress can be rather difficult and deeply discomforting. Achieving psychological safety requires individual team members to disrupt their biases and humbly question how they themselves might contribute to a *lack of safety*, whether intentionally or inadvertently. Courageous and caring nonprofit teams can test out these ten tactics to begin shaping a culture of psychological safety at work:

#### **1. Demonstrate and earn trust:**

Organizations that achieve psychological safety understand the foundational need to establish trust amongst teams, especially between leaders and their reports. "Look at both leadership trust and psychological safety as two separate but related concepts," asserts Stuart Taylor, CEO of Australian resilience consultancy Springfox. "A high-trust environment will allow staff to think creatively and take risks, but psychological safety means staff understand they will not be punished if something fails or goes wrong. Psychological safety means that, in addition to trust, there is a culture of willingness to experiment, fail, and learn."

To achieve psychological safety, leaders must first demonstrate that they trust their employees and peers. They must also earn the trust of those people, who will then recognize the workplace as a safe space and begin to believe in freedom to speak without fear of retribution. Gustavo Razzetti, CEO of the culture design consultancy Fearless Culture, observes that many companies enact childish rules and cultural norms that aim to control employees rather than exercise trust in their judgment or competence.

Employers are often guilty of knee-jerk reactions to situations, such as restricting everyone with new rules



**"To achieve psychological safety, leaders must first demonstrate that they trust their employees and peers."**

instead of directly addressing the few employees who made bad calls. "Most companies tell people to take risks and break the rules. But, there's a lot of uncertainty about what the real consequences would be...I always advise my clients to have a 'mistake policy.' Don't just say it's okay to err. Be explicit that nothing will happen." Razzetti shares powerful examples of progressive corporate handbooks and rules that enable employee autonomy rather than employer control. The goal and the result are usually aligned: workers feel trusted and respected, so they naturally strive to use good judgment and uphold corporate values.

**2. Burst your bubble:** Depending on your role, your location in the corporate hierarchy, your personality, and other factors, you might be operating within a psychological bubble of sorts—one

that either purposefully protects you from social discomfort or one that inadvertently precludes you from seeing the complete picture. For example, desiring social safety can lead workers to prioritize self-protection over the duty to actively serve the organization's mission. On the other end of this extreme, organizational leaders might not realize the vastness of the bubble they reside in by surrounding themselves with executive teams who must balance the sometimes competing priorities of supporting versus informing their CEOs. Whatever the situation is, individual workers each have the power to peer under the curtain that clouds their capacity to promote or participate in a psychologically safe environment.

**3. Practice productive inquiry and advocacy:** Casual office chit-chat can seem like an excellent way for teams

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**“Psychological safety and discomfort go hand-in-hand; it’s the underlying safety that ensures that experiencing discomfort can propel personal growth rather than stagnation or regression.”**

to build interpersonal relationships that strengthen their bond as a team. However, it can also unintentionally build walls between colleagues and foster exclusion. Encourage teams to be mindful of their water-cooler talk. The intensity and quality of conversation can either promote or diminish psychological safety and the capacity to reach informed decisions during team dialogues. By balancing advocacy and inquiry and ensuring a quality approach to both sides, team members can begin to foster shared learning.

**4. Rein in reactivity:** Many people have past experiences or emotional wounds that, when triggered, invite rising reactivity that might be less about the situation at hand and more about those past experiences. The human brain and body are hardwired to avoid discomfort, harm, and danger, and thus we react and reason predictably when new experiences remind us of old ones. Luckily, we are all capable of disrupting the programming of our brains and our immediate, subconscious reactions to situations we encounter. One approach that has helped many people rein in misdirected reactivity is to discover and deconstruct your personal Ladder of Inference.

**5. Defeat defensiveness:** Defensiveness is a particularly damaging and unproductive type of reactivity because it kicks off an arms race of emotional escalation. When we are defensive, we perceive others as obstacles, and we further anchor ourselves in a desperate need to be right. A conversation between two defensive people will look something like Dr. Seuss's famous story of The Zax, which explores the fate of two stubborn creatures who essentially stop living their lives rather than compromising on their pride. To de-escalate dialogue and defeat defensiveness, learn to identify defensive routines. Also, employ double-loop learning, a simple start to

transforming defensive reasoning into productive reasoning.

**6. Appreciate dissent:** To gain the greatest insights from your colleagues, approach every workplace interaction with curiosity and appreciation. Rather than dismissing dissent, try appreciating and considering all input or simply ask for more evidence when a position is weakly supported. Considering a broad range of insights and possibilities will provide you with more information and agility to make the best possible decisions and contingency plans. Maintain intellectual humility to appreciate dissent better and honor any perspectives that challenge your own. On a related note, learn why people usually shun the sentinels who try to signal impending doom and vow to battle the heuristics and cognitive biases that might lead you to rebuke the very person trying to save you.

**7. Make it a “we” thing:** Unless the issue at hand is truly about one individual’s harmful habits at work, most uncomfortable conversations reflect the dynamics developing between multiple people or larger teams. When appropriate, focus on “us” or “we” instead of “you” to make words feel less like personal attacks. Everyone involved can consider their personal participation in the problem or toxic dynamic the team is trying to address. In many cases, blame deserves to be shared, and individuals can be spared from direct criticism.

**8. Focus on fortune, not failure:** While it’s critical to identify and acknowledge failures, heavy criticism or a deep focus on failure likely produces shame, an unproductive emotion. A cycle of shame yields self-hatred, poor decisions, and more misfortune. Instead, focusing on the *growth opportunities hidden within failure* is like following a treasure map to future fortune. Joyce E. A. Russell, dean, and chief executive of Villanova

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Business School, recommends we all reconceptualize failure not as something undesirable to avoid, but as the other side of the coin of success: “know that everything we do will have some elements of success and some elements of failure in it. ...Use failure as feedback. Thomas Edison said, ‘I have not failed. I’ve just found 10,000 ways that won’t work.’”

**9. Remedy rejection:** Were you the type of kid that stood up against the school bully? Or noticed when another kid ate alone in the cafeteria during lunch? It’s never too late to act on your humanity and simply speak to—or sit with—a coworker who experienced rejection or seems lonely, outcasted, or underappreciated. Feelings of rejection might be healed with words of encouragement, invitations to provide input or collaborate on projects, or with a caring colleague simply witnessing their peer’s pain. When you experience rejection at work, follow these [five effective coping mechanisms](#) and consider practicing [mindfulness](#) to regulate painful feelings better. Also, recognize that loneliness might signal deeper feelings of rejection and exclusion, so scan yourself and others for [indicators of loneliness](#), such as engaging in [negative self-talk](#) and becoming overwhelmed or exhausted during social interactions. To combat loneliness at work, try [five tips](#) suggested by Anne Niederkorn, a writer and IT professional who overcame loneliness at a new job where she didn’t quite fit in.

**10. Seek self-awareness:** Many effective avenues to promote psychological safety require individuals to possess some self-awareness and self-control. We are all at risk of managing ourselves from places of fear, control, self-protection, or ego. Acknowledging and stretching our limitations allows us to transcend these very human failings. Interestingly, if you rate yourself as skilled in self-awareness, research shows that you probably are **not** very self-aware. [Research](#) from the team of Tasha Eurich, organizational psychologist and executive coach, explains why people overestimate their self-awareness, fail to introspect correctly, and poorly assess their own leadership effectiveness even as they gain experience and power. If you think you’re self-aware, think again, and start walking these [five pathways](#) to improve your self-awareness.

Promoting and participating in a psychologically safe environment requires effort and emotional intelligence. The journey to psychological safety will likely be long and arduous, challenging the identities of individual team members and requiring continuous cultural iteration. When times are tough, don’t give up because those tense moments can give way to new realms of psychological safety and shared success.

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Erin Gloeckner is the former Director of Consulting Services at the Nonprofit Risk Management Center.

## Additional Resources

- De Smet, A., et al. [Psychological Safety and the Critical Role of Leadership Development](#). (February 11, 2021). McKinsey & Company.
- Edmondson, A. C., & Mortensen, M. [What Psychological Safety Looks Like in a Hybrid Workplace](#). (April 19, 2021). Harvard Business Review.

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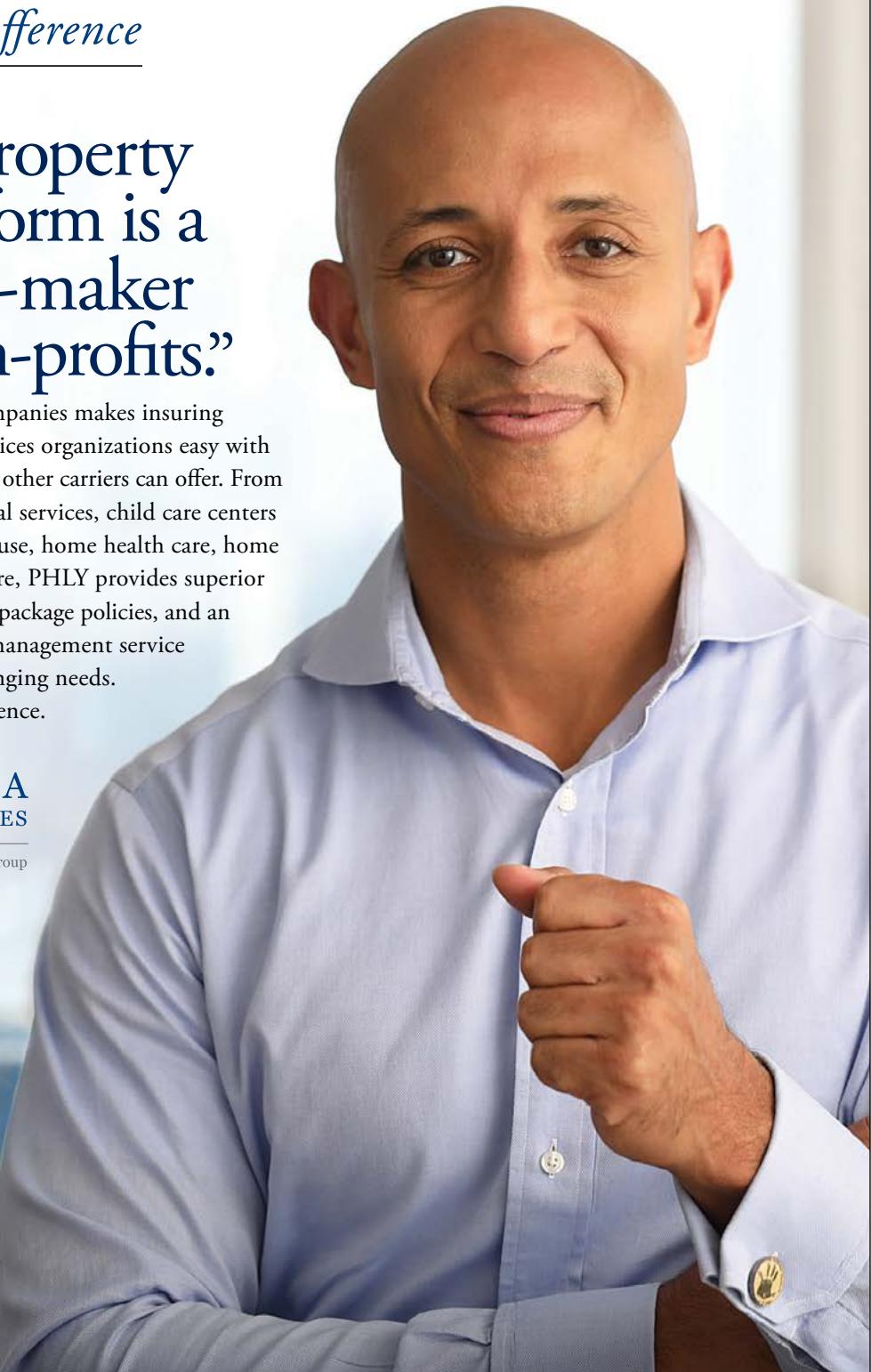
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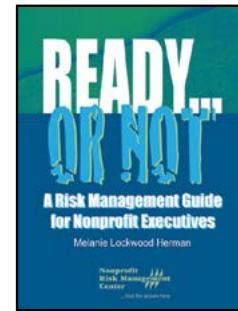
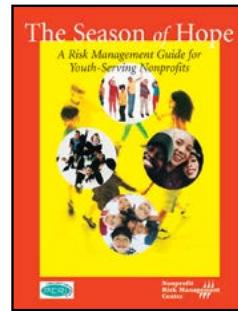
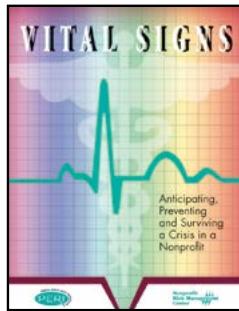
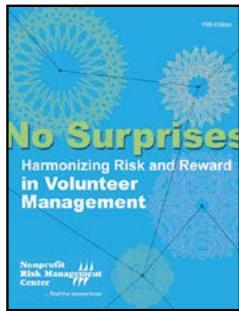
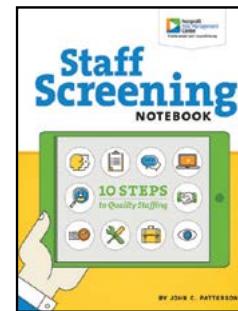
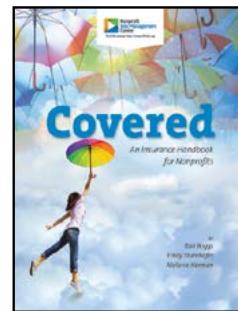
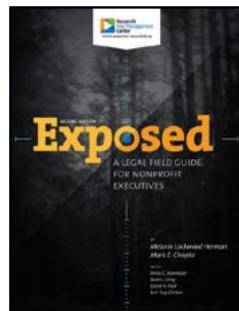
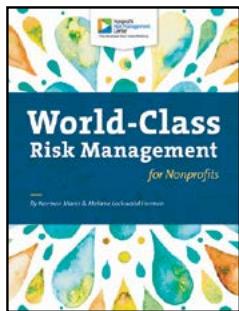
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# Risk Management ESSENTIALS

Tips, Knowledge and Tools for Nonprofit Organizations

## PLEASE ROUTE TO:

- Executive Director
- Director of Volunteers
- Risk Manager
- Legal Counsel
- Human Resources
- Finance/Administration

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