Nonprofit
Risk Management
Center

READY
FOR
CHANGE

Risk Imperatives
for 2024

Contents

INTRODUCTION

Are you and your team reeling from a constant barrage of pivots, reinventions, and reimaginations? Hoping change will slow down in 2024?

Not a chance. The pace of change for nonprofits and the world around us won't even stay the same. It will accelerate.

Those rapid changes hold upside and downside risks that stretch the limits of our imaginations. The shifts happening now could crack the foundation of systemic racism and all the other isms for good—or they could set efforts for equality back decades. These waves of change could unleash forces that help your nonprofit deliver its mission in ways you've never dreamed, or render your organization obsolete.

Amid this volatile landscape, we've identified a handful of issues where nonprofit risk leaders should focus in 2024. To tackle any of these issues, your nonprofit needs to improve at change management. This is challenging work—but we have specific recommendations to help. And every step your nonprofit takes to better navigate change will help you more effectively deliver your mission.

1
THE BIG IDEA:
Change Management

Help Your Team Navigate Change

In 2020, consultancy **Gartner found**[i] that the amount of change an average employee could absorb without fatigue had dropped to 50% of pre-pandemic levels. Given the head-spinning pace of the past few years, the ability of human beings to handle change has probably taken a further hit. Change fatigue presents major risks to the mission of every nonprofit just as change becomes essential and expected in a rapidly evolving world. To mitigate those risks, we must understand why change is so hard for our teams.

On a recent webinar about change management and employee mental health, Paige Heller, organizational management consultant at mental health provider BHS,[ii] explained the stages of change:

1. **Status quo:** When we face a major change, our first reaction may be shock or denial.

2. **Disruption:** As the reality of change settles in, we may experience anger or fear.

3. **Exploration:** We begin to accept that change is happening and we must find a way to meet it.

4. **Rebuilding:** We commit to strategies for dealing with the change.

Heller called stage 2 the "danger zone." The more time people spend fighting change, the more likely it will falter. If leaders give people space to process change, they can progress to step 3, Heller said, adding that movement through the stages may not be linear.

Here are some steps you and your nonprofit can take to work through change for yourselves and as a team.

Share the reasons for change. Leaders love to talk about their vision for change, but sometimes they forget to communicate why change needs to happen.

Acknowledge what you're losing or letting go to make room for the change. Your Great New Thing could be the end of someone else's Great New Thing. Don't diminish or dismiss what the organization will lose or set aside. Change management efforts that don't acknowledge loss will wither. Your nonprofit's efficient new plan to cover key duties could mean some of your team members spend less time on the parts of their jobs they enjoy most. Give your team members space to voice their worries and fears about change, and make them part of creating the solution for how to navigate the New Thing. Trust your team's instincts and ideas. Gartner found that employees who believe others in the organization trust them have more than twice the capacity to handle change as employees who perceive low trust. On stressful days, you might be tempted to brush off tough questions from your team about change—but that will likely lead to resentment.

Audit and solve for equity in change. Race Forward, which catalyzes movement building for racial justice, **advocates for racial equity impact assessments**[iii] to identify who a proposed change might affect and how. Michele K. Synegal of Management Dynamics Inc. shares an example **on the American Camp Association website**[iv] of a change that would have had inequitable impact. A company that needed to cut operating costs planned to lay off 20% of its most recent hires—just as its efforts to recruit diverse employees had begun to bear fruit. Management Dynamics used change management theory to help the company reach an equitable approach: tapping performance-based metrics to decrease the firm's staff by 20 percent.

Invest in internal communication to help guide change efforts. Across NRMC's client portfolio, employees say they're overwhelmed by time-sensitive requests from all parts of their organizations, on many different platforms. Leaders can smooth the change management process by strategizing before they hit send. Here are some steps your nonprofit can take to build an internal communications calendar and help employees sort through the noise.

- Define your goals for the calendar (e.g., to streamline internal communication during a period of change, build morale, and help retain team members).

- Determine your timeline for key communications. What messages do you need to share quarterly? Monthly? Weekly?

- Learn how employees already engage with information from your agency. Examine what channels get the most engagement (a monthly internal email newsletter? CEO updates?)

Practice: Team change management exercises
(adapted from Indeed) [v]

Learn to identify patterns.
Give your team members a few moments to write a response to the question "How does change typically affect you?" Halfway through, ask your team to switch to writing their answers with their non-dominant hand. When the time's up, ask your team about their responses and how they dealt with writing with their other hand. This activity lets your team share their beliefs about how they deal with change, and observe each other's habits during a moment of change and discomfort.

Build, destroy, and build again.
Divide your group into teams of three to five. Give each team 25 index cards and a roll of tape. Set a timer for five minutes and ask the teams to build the tallest towers they can using only these materials. Measure each tower to see which team built the tallest one, then tell them to destroy their towers. Give each group 25 more index cards and five minutes to build another tower—but this time, they can't use tape. Measure the new towers. This exercise gives teams practice in working together and supporting each other to address challenges that arise from change.

Find comfort in discomfort.
As you begin a meeting, ask your team members to cross their arms in whatever way is most comfortable for them. After the group settles into the meeting, ask them to cross their arms the opposite way. (If participants can't cross their arms, ask them to adjust another aspect of how they hold their body, in a way that doesn't cause them pain.) Once some time has passed and the group gets absorbed in discussion, ask how the once-uncomfortable position feels now. This exercise helps demonstrate how we can grow accustomed to change and find new ways of being over time.

Make new plays with new players.
Break up your team into groups of five or six. Ask each group to come up with an innovative idea for your services or how you run your organization. Give each group member a role, like planning, design, or communications. After the groups strategize for 10 minutes, move a few participants to different groups and introduce one new aspect the idea must include. Give the new groups another 10 minutes to strategize with the new information. Have each group present their idea, then everyone votes on the best one. The exercise demonstrates how teams can work together even when the players and the rules change.

- Identify all your potential communication platforms, from messaging apps and social media to email or your Intranet. Match each message with the most effective platforms.

- Build a communications schedule and put it into a calendar format. Some changes and initiatives can be covered in a newsletter or other popular existing communication. Others will merit their own all staff email message or other communication—but reducing the number of those and tracking them can ensure they receive more attention. Create a one-page guide to your key communications platforms on your team shared drive, Google doc, or main Slack or Teams channel and list roughly where and when employees can expect to receive key communications.

- Make sure your communication plan includes regular information about how employees' input and feedback factored into your changes. A recent study by employee engagement provider Qualtrics found that 83% of C-suite leaders say their organization takes action on employee feedback, while just 43% of individual contributors agree.

Communicate clear expectations for team and individual deliverables, and help people prioritize. This is always important, but especially when your team experiences a major change. Every step you take to clearly communicate what work must happen now and what can wait will make people feel more safe and secure. Make it clear when you trust members of your team to prioritize their tasks without waiting for your direction. Make it even more clear that you're available when and how team members need you to brainstorm workarounds for unexpected barriers, writer's block, or other frustrations.

Give managers capacity to deal with change. When professionals *must* manage change initiatives on top of *all their regular duties*, something won't go well or will be missed altogether. Manage the risk that your change initiative will wither by providing change management and leadership training for your team. You could each watch a webinar or read a book on change management, then schedule a series of sessions to discuss how to apply the lessons learned and evaluate their impact. Or you could set aside time to do the change management exercises in this report as a team.
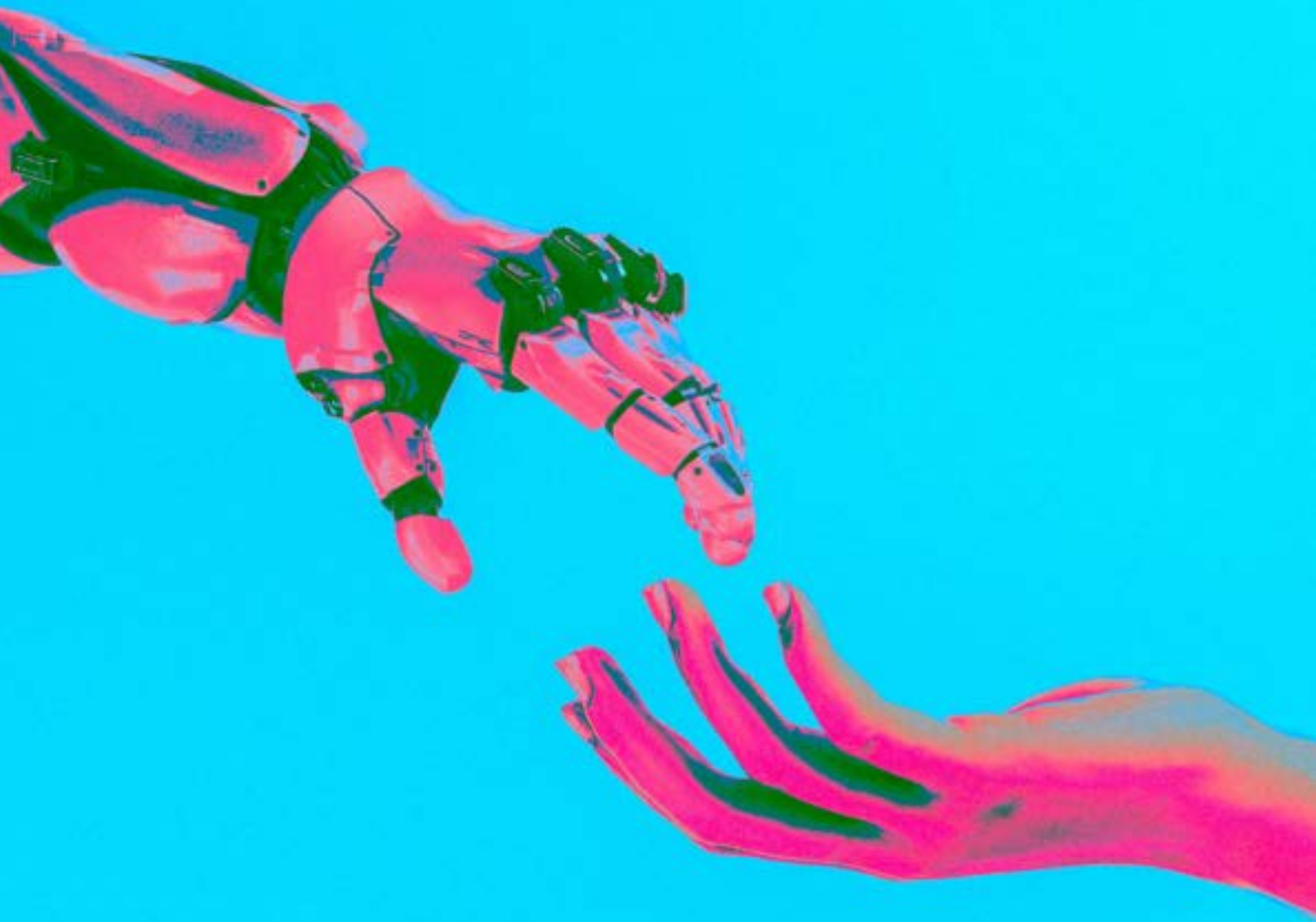
RECOMMENDED RESOURCES:

Navigating the Waves of Change: Supporting Employees' Mental Health webinar - BHS

Pace of Change Worn You Out? You're Not Alone - NRMC

2

ARTIFICIAL INTELLIGENCE:

Take a Risk-Aware Approach

Have a Real Conversation

The next time you're talking with someone, in your work or personal life, where you don't have any immediate expectations (you're not running the meeting, it's not your performance review), try to stop anticipating the next step in the conversation. When extraneous thoughts come in, refocus on listening to what the person is saying and really looking at them. Let what you hear and see guide your responses.

Artificial Intelligence: Take a Risk-Aware Approach

A few **definitions** to ground our discussion of AI:

Artificial intelligence [uses computer science and data to enable problem solving](#).[vi] Machines or processes that use AI have been designed to adapt to input similarly to the way humans would.

Machine learning is a [type of AI](#)[vii] that focuses on using data and algorithms to learn like humans.

Algorithms, in computing, are a set of programmed instructions used to interpret data.

Generative AI is a type of artificial intelligence that can create text, images, or other media. ChatGPT is one of the best-known examples.

An early draft of the AI section of this report read like a collage of warning signs. Our rough take on an analysis of AI for nonprofits essentially offered a bulleted list of ways to stay out of trouble. Staying out of trouble is important for any nonprofit experimenting with AI. But our first take on this topic missed something essential: the sense of curiosity and wonder that propelled AI to the forefront of debate and discussion.

Artificial intelligence could harm our organizations and communities. We can't yet foresee all the ways AI might cause harm. That scares us. But AI, and how we use it, could also improve our work and our lives in ways we can't yet foresee. That's exciting to imagine, to dream about. This section reflects more of that now.

A human made that decision—a human with hopes, dreams, longings, fears, consciousness, and flaws. We humans still play an essential role in nonprofit mission work, and always will.

Many enthusiasts tout AI as a way to eliminate boring but necessary tasks that distract organizations and people from what really matters. Skeptics focus on AI's very real capacity to do harm.

At nonprofit technology education provider NTEN's annual conference in April 2023, Dr. Safiya Umoja Noble, faculty director of the University of California at Los Angeles Center for Race and Digital Justice, urged the audience to go beyond the typical analysis that artificial intelligence is a tool that can be used for good or evil.[viii]

Nonprofits already use artificial intelligence to pore through large datasets to deliver services more efficiently; to craft donor appeals; to create website chatbots that respond

to client inquiries; and much more. If your nonprofit is considering how to approach AI, or if you've begun experimenting with AI and need to put firmer guardrails around that work, here's where to start.

Assess your nonprofit's foundational approach to equity. That's an essential ingredient in any nonprofit AI experiments, Sarah Di Troia, senior strategic advisor for project innovation at Project Evident, said on a *[Chronicle of Philanthropy webinar in late 2023](#)*.[ix] Does your nonprofit have practices to center the voices of those who will be most affected by a design process? You need those in order to design AI experiments to avoid harm to communities and groups that have been marginalized, Di Troia said. Organizations that don't yet have that foundation aren't ready to experiment with AI, and should focus first on establishing strong equity practices.

Center humans in your transition to using AI. Have open-ended discussions on the topic with your team, Allison Fine, Beth Kanter, and Philip Deng [write in the *Stanford Social Innovation Review*](#).[x] Explain why your nonprofit is considering AI use. Ask team members to share their hopes and fears about AI. What information do they need to better understand its possibilities, limitations, and risks? Provide access to webinars and training sessions to upskill your team (we've provided a list of resources at the end of this section.) Seek team members' input into how your organization should and shouldn't use AI.

Keep humans in charge. Design any AI experiments to ensure team members regularly check the results of any AI processes you use, and review AI-created content before distributing it. Create a checklist of what team members should review AI processes and content for. Spell out what you do and don't want AI-created work to contain.

Don't adopt AI tools you don't understand. Pepper your vendors with questions. Ask questions about their answers. Keep asking "And then what?" or "What could happen next?" to uncover some of the risky unknowns at the heart of the tool. Consider a wide spectrum of possibilities by asking: What's the best result we could imagine? What's the worst? What are some things that might or might not happen? Until you can explain the technology you want to use to someone who has no baseline knowledge of it, you're not ready for an AI experiment.

Here are some ethical questions to help you evaluate AI technology options, [adapted from *Automotive World*](#).[xi]

- How do the systems you're considering collect data?

- How diverse and how credible are their data sources and how relevant are they to the context in which you want to use them? How do systems use the data?

Where do they store it? Who can see it? How does this benefit employees, people receiving services, and the organization? Who could use this data for harm and how?

- To avoid harm: Can you limit the data your nonprofit collects? Can you collect only statistics, without gathering any personal information or identifiable data? Can you avoid sending data to the cloud?

- Ask vendors what safeguards they have in place to guard against cyberbreaches of their technology. Consider whether the safeguards match the sensitivity level of the data the vendors' systems would collect and store. And if the explanations of safeguards sound like gobbledygook, ask vendors to explain using layperson's language.

Start small. Pilot an AI experiment. Ask yourself: What pain point do you want AI to help solve in your organization? Choose one and monitor it closely before expanding your use of AI. Beth Kanter shared this strategy in a 2023 webinar[xii] on how nonprofits can tap into curiosity to overcome AI fears. Kanter urged nonprofits to consider: Where are the bottlenecks in your organization? How could artificial intelligence address them? What safeguards will you put in place to minimize harm? Set clear guidelines about how you will evaluate your trial, what would constitute success, and what would cause you to stop the experiment immediately.

Used well, AI can help your team members spend less time on repetitive processes and more time on big-picture issues and building relationships, the things humans were born to do. But to use AI well, you must center people at every step—the community members you serve and the team members who serve them.

Recommended Resources

"Artificial Intelligence: Why the Nonprofit Sector Should Pay Attention," Manuel Gomez, Independent Sector

"8 Steps Nonprofits Can Take to Adopt AI Responsibly," Beth Kanter, Alison Fine and Philip Deng, *Stanford Social Innovation Review*

"Experts Weigh In: The Basics and Benefits of Using AI," *The Chronicle of Philanthropy*

Breathe
Inhale for four counts and exhale for six. When your exhales are longer than your inhales, it primes your body to leave fight-or-flight mode and enter a more relaxed state.

Navigating all this change is hard. Our bodies, brains, and hearts need time and space to recover. You might not be familiar with that kind of time; maybe it's been a while. Take it slow. If you'd benefit from a prompt, we have some simple exercises with instruction, but feel free to try to make space on your own. Just don't try too hard. You can't fail.

ECONOMY:

Consider Scenarios, Build Reserves, and Exercise Cautious Spending

How to Do Less

Accept when good enough is good enough.
- This applies to you and your employees.
- Everything doesn't have to be perfect.
- Identify someplace where you don't have to give 120 percent.
- Help your employees identify someplace where they don't have to give 120 percent—just get it done with as much attention as they can.

Identify one activity from your life that you can stop doing.

It should be an activity you don't enjoy and one where you can't identify enough benefits to justify the time and effort spent. It could be a work or personal activity (either might require negotiation with someone else in your life.) Stop doing the thing,[xiii] and see how it feels not to do it. What do you want to do instead? "Nothing" is a great answer.

Economy: Consider Scenarios, Build Reserves, and Exercise Cautious Spending

The economic outlook for 2024 is mixed. Goldman Sachs **pegs the likelihood of a U.S. recession**[xiv] in the next 12 months at just 15%, while the New York Fed's **probability model puts it at 46%**.[xv] The bottom line for nonprofits is economic uncertainty, which makes boards and funders nervous. And if you think you can hide these sentiments from staff, think again. Geopolitical risk, including the conflict in Ukraine and the Israel-Hamas war, could continue to shake the world economy and financial markets. And the U.S. presidential election creates another major element of uncertainty with big economic and political repercussions.

How to proceed amid so many unknowns?

Try a simplified approach to scenario planning. Set aside a couple of hours early in the year for your team to model best-case, worst-case, and midrange economic scenarios for your organization. Sketch contingency plans for what you would do in each situation. Update those plans as you learn more throughout the year.

Continue to build cash reserves. Dip into cash reserves this year if you must, but if not, resolve to continue to build your rainy day fund. Consider practical steps to increase revenues and unrestricted net assets. Could you ask donors who support special projects to make an unrestricted gift? Or ask long-time donors to contribute 10% more this year? What new revenue-producing initiatives could you launch in 2024 with existing resources, such as staff and board expertise?

Keep a close eye on your costs. What expenses could you trim with the least negative impact on operations and service delivery? Could you delay any items in the approved budget without short-term repercussions? Could you delay new programs until 2025 if revenues don't match projections? Could you eliminate subscriptions to tools and resources that are not being used consistently?

While contingency plans are essential, we can't cut our way to a better world. *Nonprofit Quarterly* **notes**[xvi] that the people the nonprofit sector serves fared much worse in the Great Recession than nonprofits themselves did. People with low and moderate incomes emerged worse off financially from the recession than they were before. Charitable organizations coming out of the Great Recession may have focused too much on their long-term financial health and too little on the long-term financial health of the people they serve, *Nonprofit Quarterly* says.

That's an area where nonprofits can and must do better during the next major economic downturn. Current economic conditions warrant financial prudence—but the needs

of people we serve warrant extra care, too. As you work to ensure your nonprofit has the resources it needs, pursue creative ways to meet your community's needs. Look toward the future. How could you partner with others in your ecosystem to provide more assistance, and to advocate for change that will benefit your whole community?

Recommended Resources

["Recession Risk: Look Back and Forward to Fortify Your Mission," NRMC](#)

["Scope Out Scenarios to Inspire Confidence During a Recession," NRMC](#)

Scribble, Don't Scramble
When anxiety about an issue or upcoming task overtakes you, stop what you're doing and take three minutes to write down all your worries about the issue in a journal. Then close the book and don't look at it again for at least a day.

RISK FUNDAMENTALS
Hone the Basics to Address 2024's Challenges

Say no.
When you get a
request, take a
moment to pause
before saying yes.
Ask yourself if the
request aligns with
your priorities.
If not, say

*"Thank you so
much for asking,
but I'm not able to
do that."*

Risk Fundamentals: Hone the Basics to Address 2024's Challenges

Every nonprofit must continue to improve in these areas, which present major risks for all organizations.

Physical Security

All nonprofits must shore up security in their face-to-face operations this year. As gun violence continues to escalate in America, with [more than 600 mass shootings](#)[xvii] in the first 11 months of 2023, every workplace faces the possibility of violence by an armed intruder. And nonprofits that serve historically marginalized communities face additional security concerns. Anti-Asian hate crimes rose more than 300 percent in 2021, and Black Americans were the most targeted group by hate crimes in most cities, according to the most recent data from the Center for the Study of Hate and Extremism.[xviii] Additionally, Muslim and Jewish civil rights groups in the U.S. have [reported large increases](#)[xix] in harassment, bias, and physical attacks against people in their communities.

All nonprofits should reassess safety and security threats and adopt practical measures to increase protection and safety for teams and service recipients.

- Evaluate the safety and security of building/program entrances, exits, and other access points.

  » Are entrances and exits well-marked and well-lit? Are they free of all visual and physical obstructions?

  » Does foot traffic and visitor/participant volume warrant a staffed sign-in desk?

  » Should the visitor policy be updated? For example, should visitors be screened? Required to wear name badges? Required to be escorted by badged staff throughout their time in your building or on campus?

- Revisit your firearms and weapons policies.

  » Make sure your organization has firearms and weapons policies for both employees and visitors. Employers can often prohibit employees and visitors from bringing guns into their workplace. However, some gun laws and regulations are changing. Congress passed a new gun safety law in 2022, and many states are updating legislation around guns. Ensure your organization understands and complies with all applicable laws and regulations on firearms and weapons.

» Make sure all employees know your organization's firearms and weapons policies and the consequences of violating them. Several states require private businesses to post signs if they prohibit guns on their premises. If your policy prohibits visitors from bringing guns onto the premises, consider posting notice of that, even if your state does not require it.

- Determine security staffing needs. Depending on the threats in the community and level of daily interaction with the public, some nonprofits will decide in 2024 to bolster security by hiring new or additional security personnel, either employees or contractors.

- Consider other reasonable security measures. Nonprofits should gather input from their communities on what types of security measures would make the local community safer and what types of security could bring harms that exceed the benefits for service recipients. Examples of security protocols and measures that have become more common in nonprofits include:

  » Use of cameras in service lobbies

  » Installing panic buttons in offices where private meetings between staff and clients are held

  » Moving client meetings to spaces that can be observed by other members of the team

  » Upgrading physical barriers that could stop an intruder, like alarms, fencing and shatter-resistant glass

  » Considering active shooter training if your nonprofit hosts members of the public all day

  » Providing de-escalation training to all staff who work directly with clients and the public

Cybersecurity

Nonprofits continue to face increasing cyberthreats. Many nonprofits possess huge amounts of valuable data. The global average cost of a data breach in 2023 was $4.45 million, a 15% increase in three years, according to IBM.[xx]

Make sure you have cybersecurity basics covered.

- Recognize, report and ramp up staff training on "phishing" and its text and voice counterparts (smishing and vishing)—the social engineering attacks that use email, text, and voice mail and the names of trusted contacts to seek personal information.

- Enable and require multifactor authentication, which requires additional information beyond a login and password to access organizational systems.

- Mandate strong passwords—at least 12 characters. Prohibit the use of the same password in multiple systems and applications used by your nonprofit.

- Update software, firewalls, and email filters regularly.

- Remind all staff that the first step after encountering anything suspicious is to report to the designated person or team at your nonprofit.

- Ensure that people who receive incident reports or admissions of clicking on phishing emails respond with profuse thanks for reporting the issue.

Once you've locked down the basics, prepare for future events that could impact your systems, applications, hardware, data, employees, and clients or service recipients.

Consider adopting a month-by-month plan to increase your defenses against increasingly sophisticated cyber criminals. An overly ambitious plan with a too-short implementation window is an invitation to fail. Instead, identify one additional measure your team can practically take each month during 2024. Acknowledge and celebrate new defensive steps and strategies on the final day of each month. Your plan might include achieving a specific cybersecurity education goal for 2024, identifying a qualified external thought leader to deliver training that fits your budget.

Prioritize readiness over likelihood. Many nonprofit teams get off track by focusing on predicting the likelihood of narrowly conceived risk events. Save previous time and energy by convening a small team within your organization to brainstorm closable 'gaps' in cybersecurity readiness and practical steps to close those gaps.

Keep your board apprised. Nonprofit boards don't expect staff teams to provide overly confident forecasts of what might or might not happen; they rightly expect vigilance. Briefings that focus on a short list of risks and concise summary of readiness strategies are far more effective than cryptic, run-on risk registers. Given the growing awareness, concern and publicity surrounding cyber incidents, make sure any risk briefings to the board include information on cybersecurity readiness. For example, consider adding a cybersecurity and readiness 'deep dive' to your next risk oversight briefing, to your Audit and Risk Oversight Committee, another relevant board committee, or your full Board.

Take steps now to prepare your organization in the event of a data privacy breach. Identify experts who could help your organization conduct a full breach response. Make sure you know what your cyber insurer requires and the types of support they can offer if your systems and data are breached. Know how you will stop additional data loss and preserve evidence. Ensure team members and/or vendors know how to remove improperly posted information from the web. Make a communications plan. Gather contact information and plan how you will notify affected parties of a breach.

Protect employees who maintain an online presence for your organization from harassment. Organizations that require employees to maintain a public online presence should cover the cost of services that keep those employees' home addresses and personal phone numbers off data broker websites. They should have established procedures for employees to report online harassment and protocols for how to handle it. The nonprofit [Right to Be offers resources](#)[xxi] on how to deal with online harassment.

Expert Help: Keep Your Go-to Pros on Speed-Dial

No nonprofit team can know everything. With the increasing complexity of the world around us and the rapid pace of change, your organization will likely need to seek the help of experts in 2024. Identify your go-to experts now and make their contact information readily available to your team from anywhere.

Some areas in which to identify expertise:

- Who would you call for help if your organization experiences a cyberbreach? Consider your IT or information security vendors and any cybersecurity law or forensic experts your counsel recommends.

- Who would you call to help your nonprofit assess and address physical security needs? Consider any needed assistance from security vendors, consultants, and law enforcement.

- Who would you call for legal help if your organization received an employment claim, or a claim of discrimination from someone who had sought services? Consider not only your legal needs, but any insurance needs that could arise from a claim.
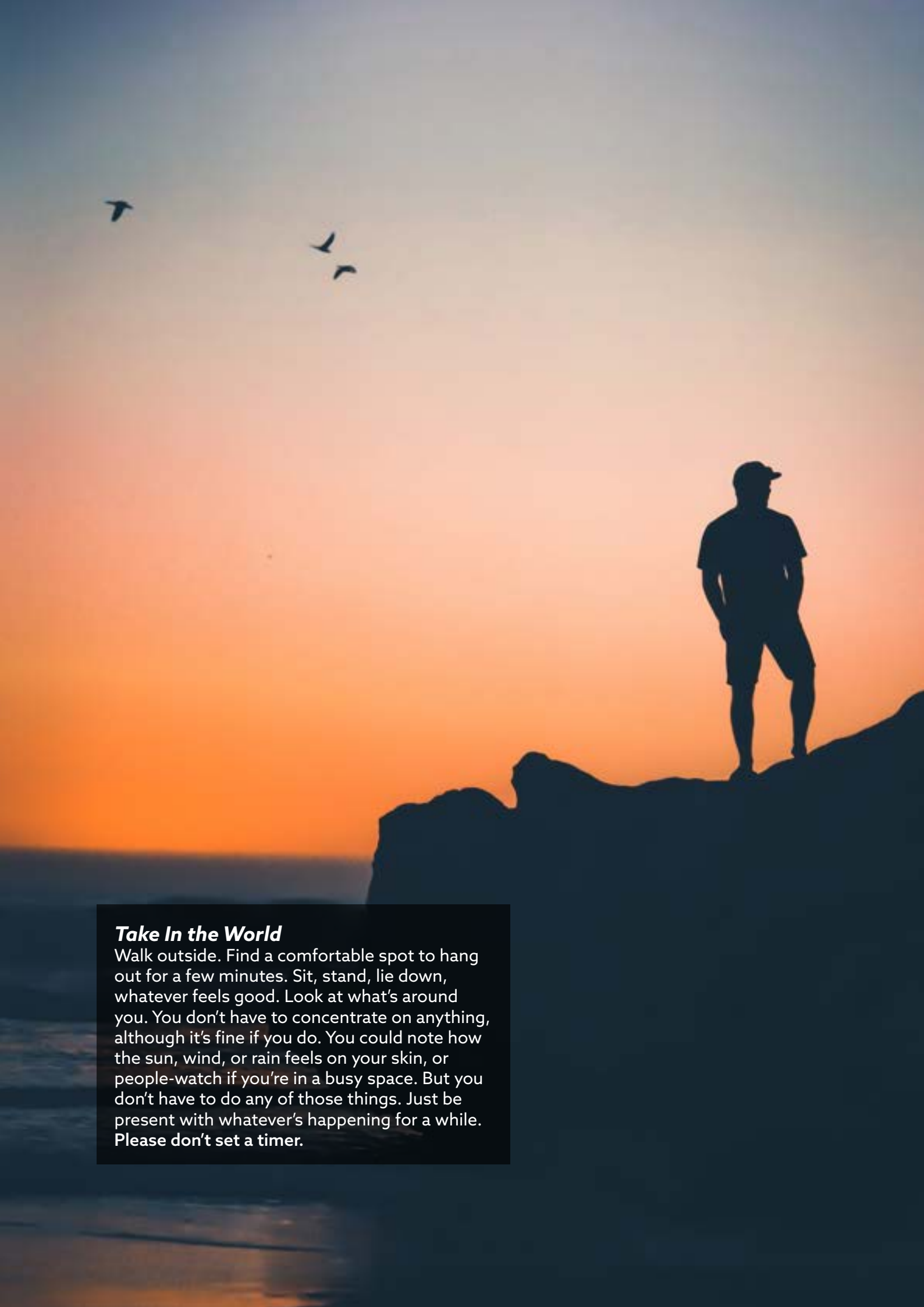
Recommended Resources:

["Ready to Respond: Building Resilience for a Cybersecurity Incident" - NRMC](#)

["Tips: Cybersecurity Defense" - NRMC](#)

["Workplace Violence Prevention and Preparedness Strategies for Nonprofits" - NRMC](#)

5

PEOPLE:
Support Your Team to Do Great Work

Take In the World

Walk outside. Find a comfortable spot to hang out for a few minutes. Sit, stand, lie down, whatever feels good. Look at what's around you. You don't have to concentrate on anything, although it's fine if you do. You could note how the sun, wind, or rain feels on your skin, or people-watch if you're in a busy space. But you don't have to do any of those things. Just be present with whatever's happening for a while. **Please don't set a timer.**

People: Support Your Team to Do Great Work

NRMC's client risk assessments often find that a nonprofit's policies, procedures, and financial practices are relatively sound, and organizational culture issues present the greatest risk.

In their book, *Rethinking Reputational Risk*, authors Anthony Fitzsimmons and Derek Atkins write that "An organization's culture is the code by which its members behave… This is often NOT the same as the culture to which leaders aspire or try to inspire… Gaps between aspiration, reality and leaders' perceptions of reality, as well as failure to recognize such gaps, represent risks…"

Some organizations face major risks related to the delivery of core services or the service delivery model itself. But especially these days, the greatest risks to a nonprofit's mission often come from places where the organization doesn't live up to its stated values. If you aren't focusing much of your time as a leader on your team's well-being, you can't expect to have a strong, high-performing and mission-focused team.

New statistics on how frontline employees feel about work are sobering. According to **new research from Qualtrics**,[xxii] only 50% of frontline workers are happy with their pay and benefits. Nearly 40% don't believe their good work receives sufficient recognition.

Take a hard look at what you ask of your team members. Consider the challenges of the world, nation and community where you ask them to do this work. And commit to provide them the support they need to excel, especially when it comes to mental health and well-being.

How to Support Your Team's Mental Health

Your employees are dealing with a lot. **More than a million Americans**[xxiii] have died of COVID since 2020, and that number continues to rise. Team members may have lost loved ones to COVID. They or their loved ones may face long COVID or other long-term health consequences of the pandemic. And not all of us experienced COVID the same way. The pandemic disproportionately impacted people of color and people with disabilities. Members of these groups were more likely to die or face long-term health issues from COVID due to inequalities in health care.

The consequences of the pandemic extend beyond illness. Your employees or their family members may struggle with work, school, or personal relationships after years of isolation. The U.S. Surgeon General has identified an "epidemic of loneliness" that is as much of a public health threat as smoking.[xxiv]

Stress from dealing with angry clients or members of the public at work, and anxiety about issues ranging from hate crimes to gun violence and political polarization negatively impact mental health and productivity. Official statistics are still being compiled, but globally, the prevalence of anxiety and depression increased 25% during the first year of COVID, according to the World Health Organization.[xxv] A 2022 Gallup study estimated that poor mental health among workers costs the U.S. economy nearly $50 billion annually.[xxvi]

Here are some steps you can take to support your team.

Offer employees the most robust mental health resources you can. If all your nonprofit can do is a curated list of free and low-cost mental health resources in your community, start there. That will take maybe two or three hours of staff time. It might be less if you can find a list of resources through a few phone calls, perhaps to your local health department or your local chapter of NAMI, the National Alliance for Mental Health.

If your nonprofit offers benefits, they might include an Employee Assistance Program that you aren't aware of. EAPs allow employees confidential access to free mental health resources. If you don't have access to an EAP, you might be able to get access through membership in a consortium, like a state, national, or trade association of nonprofits. Providing mental health benefits through a consortium will cost money, but it will likely cost less than if your nonprofit tried to access these services on its own.

Make sure your employees know about the resources you offer. Share information about your mental health resources often and widely. Your employees might ignore a message about mental health until they have a crisis, and then struggle to locate the information. Share resources on platforms and in places where employees gather: break rooms, Slack channels, Shared drive, email, your Intranet.

Whatever mental health benefits you offer, work to offer more. If your nonprofit offers access to mental health benefits beyond an EAP, that's wonderful. However, some of those benefits still might be out of reach for employees because of cost or a shortage of mental health providers. Work to make benefits more affordable and to provide access to more services, either through negotiating with your provider, shopping around for better benefits, or both.

Build Support through Trauma-Informed Management

More nonprofits are recognizing the impact of trauma on their teams and the populations they serve. Trauma is a harmful experience that affects your well-being, even after the experience is over. Your nonprofit's work brings your employees into contact with many forms of trauma and people who are experiencing it, in addition to whatever trauma each person might have brought into the space from earlier in their lives. Trauma can also occur in organizations from a single devastating event, from the effects of several difficult events, or from cumulative trauma arising from the nature of the organization's work.

When team members are supported with trauma-informed practices, they can better navigate trauma, according to the Campaign for Trauma-Informed Policy and Practice.[xxvii] With support, employees who witness trauma can make meaning from their experience as they witness the resilience of others. That can help them approach their work with resourcefulness, empathy and compassion; stay present with people who have experienced trauma; take better care of themselves; and regain hope and optimism.

Your nonprofit can become more trauma-informed through the "four R's" concept created by SAMHSA, the Substance Abuse and Mental Health Services Administration.[xxviii]

Realize
Trauma-informed management begins from a place of compassion, an intention to help relieve the suffering of others when we can. If your organizational values don't explicitly address compassion, start there. **Here are some actions to take** to realize compassion as a value at your nonprofit.

- Consider an educational session for your team about the impact of trauma on your work and how to cultivate compassion for each other and those you serve.

- Have your leadership team regularly discuss how well your policies and practices support and reward compassionate behavior. Identify actions to improve, and track your progress.

- In one-on-one meetings, help team members identify their strengths and challenges around displaying compassion. Work with them to build on their strengths and navigate challenges.

- Consider an organizational assessment to explore how much your team knows about trauma and its impact on the people you serve.

Recognize

What does it look like when we approach job performance discussions from a place of compassion, instead of a punitive lens? It starts with awareness and context.

The signs of mental health distress due to trauma can manifest as performance issues, [according to *Greater Good Magazine*](#):[xxix]

- Trouble focusing might show up in missed deadlines

- Irritability might show up in conflicts and tense relationships with colleagues

- Impaired memory might show up as errors in work

Many managers would focus only on correcting the behavior. But being trauma-informed reframes our thinking from "What's wrong with that person?" to "What happened to that person?" A trauma-informed lens would reveal evidence that an employee might be in distress, and prompt you to offer the support you can.

Let team members know it's OK for them to talk about things they are struggling with or that are troubling them, and let them know it's also OK not to talk about that. Ask these questions in your one-on-one meetings:

- What support do you need from me this week?

- How does your workload feel right now? Where can I help?

- What was a win for you this week? What was a challenge?

Listen, then look for ways to take action. Say what you'll do and honor it—for example, you could tell a team member: "That project's important, but less time-sensitive. You have the green light to put that aside this week so you can focus on covering for Stephanie."

Respond and Resist Re-Traumatization

When you see that someone's in distress, express concern and offer tangible support where that's appropriate, like time off and help reprioritizing the person's workload. Focus on the employee, not the work. Trauma-informed management doesn't exclude performance management or a code of conduct for receiving services; it removes judgment as the first step in those processes, and makes compassion a priority.

Give employees as much autonomy as you can over where and when they work. Offering as much schedule and location flexibility as possible gives employees options to deal with the many responsibilities we all juggle in our lives. That can lessen stress, which

Go Inside

On a rainy or snowy day, find a warm space indoors where you can be for a while. It's great to watch the rain or snow through a window, but it's not necessary. Just sit, or lie, or otherwise get comfortable. Don't read, watch TV, make lists, or meditate. All of those are great ways to decompress if they help you, but they're not what we're doing right now. We're doing nothing. If doing nothing makes you feel good, or uncomfortable, or bad, feel free to notice that. When you're done doing nothing, stop, and do something.

contributes to mental and physical health issues. If you can't give frontline employees the opportunity to work from home—even part of the time—consider how you can give your frontline team members more options and flexibility in their work schedules.

Ensure you have clear policies on how to request time off for well-being. Make sure employees are aware of those policies, and communicate regularly that it's OK to request time off if you need it.

Address unreasonable workloads. One of the most common stressors employees face is unreasonable demands. Many nonprofits have tight budgets, but you can't stretch your team to the limit without negatively affecting them and your whole organization. Have the difficult discussions with your boss and board to end a low-demand program or pursue fewer grants so your team members don't have to work unhealthy amounts.

Acknowledge what's happening around you. When your team, your community and the world face stressful situations, name them. If your community experienced a police shooting, or tempers have flared over the Israel-Hamas war, or your nonprofit just lost a major contract, acknowledge it. You don't have to dwell on all the stressors in the world at length every day, but you can't build trust with your team if you act like those things aren't happening.

DEI: Recommit, Don't Retreat

All nonprofits face scrutiny on diversity, equity, and inclusion (DEI) issues from employees, community partners, donors, government funders, and more. These groups will closely monitor who acquires and retains power in your organization and on the board, and how you address inequities that have long existed in all sectors. Since the Supreme Court [ruled against affirmative action in higher education](#)[xxx] in July, questions have swirled about how the ruling would affect nonprofits. Experts convened by the *Chronicle of Philanthropy* in August for a webinar[xxxi] agreed: The ruling does not directly apply to nonprofits or other private employers, and DEI remains a business imperative for those organizations.

Successful DEI actions by nonprofits bolster employee recruitment and retention, volunteer recruitment and retention, funding relationships, community relationships, and much more. When nonprofits fail to embrace DEI, it can cost them team members, funding, relationships, and reputation.

One great place to focus your nonprofit's DEI efforts in 2024 could be on the "four freedoms" that allow all employees to flourish at work, as identified by [author Laura Morgan Roberts in the *Harvard Business Review*](#).[xxxii] They include:

1. **Freedom to Be — The ability to express our full, authentic selves at work.** Nonprofits can demonstrate it by complying with and exceeding all legally required antidiscrimination policies.

2. **Freedom to Become — The ability to continually improve our best selves and our situations.** Nonprofits can create it through strengths-based development programs. People from historically marginalized groups often receive less positive feedback at work. These programs help all employees identify and build on their strengths.

3. **Freedom to Fade—The ability to step back from the spotlight and pressure to perform when we need personal space.** Create it through workplace flexibility and building your team's diversity. Craft a strong hiring, retention, and promotion pipeline of employees from diverse backgrounds, so no one person bears the "spotlight" for a whole group.

4. **Freedom to Fail—The opportunity for a second chance after a mistake.** Establish it by fostering psychological safety. Reward thoughtful risk-taking and don't punish honest mistakes.

If your nonprofit has refrained from sharing its DEI journey with your team or community because you haven't made enough progress, it's time to tell your story. People perceive organizations that reveal their struggles to increase their teams' racial diversity as more trustworthy and committed to diversity than organizations that remain silent, according to [research published by the American Psychological Association](#).[xxxiii] Multiple experiments found no situation where withholding unfavorable workforce diversity data benefited an organization more than disclosing it. If you don't have data on the composition of your workforce, now is the time to gather it.

But all DEI efforts should extend beyond a nonprofit's own walls. Some [questions from the National Council of Nonprofits](#)[xxxiv] to help you evaluate your DEI work in the community:

- How is your nonprofit including the voices of community or grassroots leaders from groups that are low-income, underserved, or have historically been marginalized?

- How is your nonprofit refining its board recruitment and staff hiring practices to attract more candidates from underrepresented groups?

- How will your nonprofit measure progress on its DEI goals? What will success look like?

Make DEI part of your assessment for managers and train them how to be more inclusive leaders. While managers play an essential role in modeling and disseminating inclusive behaviors, every employee can help make your organization more inclusive, and thus better at its mission. When Microsoft asked all employees to set diversity goals in performance reviews, the number of employees who took optional DEI courses increased by nearly 300 percent, [*Fortune* reports](#).[xxxv] Microsoft employees select areas of focus, like inclusive products and services; define metrics of success; and report on their progress. How could your nonprofit more actively involve your employees in its DEI journey—and help all team members hold each other accountable?

Recommended Resources:

["Let's Talk About Employee Mental Health," NRMC](#)

["Toolkit: Trauma-Informed Workplaces," Campaign for Trauma-Informed Policy and Practice](#)

["Where Does DEI Go From Here?," *Harvard Business Review*](#)

CONCLUSION:
Challenging Times Can Bring Positive Change

Are you daunted just thinking about all this? Us too. There's a lot coming at us—and that's not going to change. But we have a wonderful source of support and inspiration to draw on as we meet all of it: each other.

Your human resources aren't resources. They're human beings. That's what makes your organization's work to serve other humans beautiful and necessary.

Make time for curiosity and wonder as you think about the risks your organization faces in 2024. If you or your team grow so tired or discouraged that curiosity and wonder no longer seem possible, make space to take time away and replenish your stores for the work ahead.

At NRMC we believe risk is not inherently negative. A risk is a possibility. Many risks we face and take are both daunting and promising. And many difficult situations hold the seeds of positive change. Work to improve how you navigate change this year, and you'll find that more of those seeds can sprout and grow.

Endnotes

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xxviii SAMSHA, "SAMSHA's Trauma-Informed Approach: Key Assumptions and Principles"

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Nonprofit Risk Management Center

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