

COMMUNITY Risk Management & Insurance

 A publication of the Nonprofit Risk Management Center Volume 15, No. 1, January/February 2006

Staff Training Neglected Element of the Risk Management Equation

by Melanie L. Herman

Nonprofit leaders are quick to rank staff training as an important goal in the workplace. During discussions with funders and other external stakeholders many managers tout the commitment of their organizations to provide in-service training to paid and volunteer personnel. Yet the commitment to training may waiver when grant dollars or fees for services are on a downhill slope.

Training a nonprofit's staff is a good idea. A training program provides an opportunity to build an effective service delivery team whose members fully understand the organization's vision and goals. Yet training is rarely given its due when the topic of risk management is discussed. Nonprofit leaders continue to be myopic on this issue, better able to focus on the close-up, one-shot issue of staff screening, rather than the long-term and safety-related benefits of effective global staff training. The view that rigorous screening "keeps bad people out" continues to pervade conversations about essential risk management strategies in nonprofits serving vulnerable clientele.

As consultants, the Nonprofit Risk Management Center's staff have an opportunity to work with nonprofits in both pre-incident and post-incident situations. Nonprofits that seek our help on a pre-incident basis imagine the possibility of harm or loss and seek advice on reducing the chance of

unpleasant or "bad" surprises. Nonprofits that reach out to us in the wake of an incident desire help understanding what happened and how similar events can be avoided. During the past 10 years it is difficult to recall a post-incident assignment where an ineffective screening process was the culprit. Yet it is easy to recall client experiences where mistakes were made and harm occurred because a staff member did not know what to do, or



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Visit www.RiskManagementClassroom.org to check out a brand-new online education program developed by the Nonprofit Risk Management Center. **Risk Management Classroom** features 14 courses available 24/7. Each course has been designed specifically for nonprofit personnel (paid staff and volunteers). This affordable training program will support your nonprofit's in-service training goals in key risk management areas. The cost varies depending on how many courses you purchase. A single course is only \$29. For more information on the program, visit www.nonprofitrisk.org and click on the SOFTWARE tab or call **(202) 785-3891**.



The AFL-CIO Split: What it Means to Non-Union Nonprofits

By Karla Grossenbacher, Partner, Seyfarth Shaw LLP



At the end of July 2005, during the AFL-CIO's annual convention in Chicago, four of the largest AFL-CIO unions—the Service Employees International Union (SEIU), the International Brotherhood of Teamsters, UNITE-HERE and the United Food and Commercial Workers (UFCW)—all withdrew from the AFL-CIO. These breakaway unions along with the International Union of North American Laborers, the Carpenters Union and the United Farm Workers Union, have formed their own seven-member coalition, known as the “Change to Win Coalition.”

The Coalition unions already have approximately six million members, which is more than one-third of all union members in the United States. Why does this matter to nonprofits? The Coalition clearly plans to place a much greater emphasis on organizing efforts. One of the stated reasons for their dissatisfaction with the AFL-CIO was that too much money and energy were being spent on political agendas—

not organizing employees. As a result, the split will likely lead to more aggressive organizing activity at both the local and national levels as the competition between the AFL-CIO unions and the Coalition unions increases, with each trying to organize more employees than the other. Nonprofit employers are especially at risk.

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2004 Union Member Demographics

source: Bureau of Labor Statistics www.bls.gov

Gender	Percentage of Employees
Men	13.8%
Women	11.1%
Full-time/part-time	
Full-time workers	13.9%
Prt-time workers	6.4%
Public sector/private sector	
Public sector	36.4%
Private sector	7.9%

The AFL-CIO Split

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Rightly or wrongly, nonprofits are viewed as being “behind the curve” with respect to wages and benefits. Moreover, it is often the case that the Human Resources Director for a nonprofit—if there is one—wears a number of hats in the organization and is spread so thin that the business of maintaining a positive work environment among employees is not given much attention. Both of these factors result in workplaces that are ripe for union organizing.

Unions regularly gather information that will help them determine what issues are of greatest importance to prospective union members. For example, in 2004 the AFL-CIO conducted an “Ask a Working Woman Survey.” The online survey, which was completed by 14,000 women, revealed that “finding and keeping a job with basic benefits in today’s economy” was a top concern. Approximately one-third of the survey respondents indicated that they did not have access to affordable healthy insurance.

Experts view employees’ perceptions about lack of benefits as key concerns for union organizers to exploit. Unions often promote their ability to obtain wage increases and better benefits for workers. Some unions advertise their ability to provide “third-party intervention” for employees who are unhappy with their work situations or believe they are being treated unfairly.

In this dynamic climate of dramatic change of historic proportions within the labor movement, it is important for non-union employers to review their human resource policies, practices and procedures to ensure that they are continuing to maintain a positive work environment. Unions often spend months researching an organization looking for weaknesses and vulnerabilities before launching an organizing campaign, and nonprofits can make enticing targets for union organizers. Now is the time for non-

profit employers to prepare for the possibility of aggressive organizing tactics. This should include a recommitment of resources to positive employee relations training and employee communication programs, as well as an examination of the work environment for signs of union organizing.

The key lesson from the split is that nonprofit employers should be aware of developments in the union movement and the possibility of union organizing in the nonprofit workplace. Avoiding any potential workplace surprise requires considering the possibilities long before they materialize. ■

For more information on recent union developments, labor statistics and the implications for human resource professionals, visit the following informative Web sites:

- AFL-CIO www.afl-cio.org
- Bureau of Labor Statistics www.bls.gov
- Change to Win Coalition www.changetowin.org
- International Conf. of Free Trade Unions www.icftc.org
- Society for Human Resource Management www.shrm.org
- Union Network International www.union-network.org

“Experts view employees’ perceptions about lack of benefits as key concerns for union organizers to exploit. Unions often promote their ability to obtain wage increases and better benefits for workers.”



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Staff Training

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did not understand the nonprofit's vital policies. With hindsight the leaders of organizations that have suffered serious losses can readily see the value of training and the cost of a minimalist approach. Lack of adequate training is often at the heart of the most tragic and costly cases.

Training goals for a nonprofit should, at a minimum, include a commitment to provide:

- A thorough orientation to the nonprofit's policies and procedures, with special emphasis on those designed to protect the health and safety of the nonprofit's service recipients, caregivers (paid and volunteer staff) and the mission and reputation of the organization itself;
- In-service training on general topics related to the safe delivery of specific programs and activities, and insight on the nonprofit's clientele.

Essential Topics for Risk Management Training

The failure to provide appropriate training can lead to a range of undesired outcomes, such as the failure to recognize a medical emergency and call for help; a staff member's inappropriate, excessively rough reaction to normal behavior by a client; and an automobile accident involving a staff member who was unfamiliar with the handling of rented van. Sometimes these risks materialize when a nonprofit has neglected to provide specific training around core risk management topics. These topics include:

- **Emergency Response** — Staff who don't know what to do (who to call, what to say and what not to say, and how to behave) in an emergency. Remember that how the nonprofit's personnel behave towards an injured client or guest may determine whether the

nonprofit is sued. At a recent workshop for leaders of university-based nonprofits a participant told me that she was motivated to sue a driver who rear-ended her because the driver "was unkind to me after the accident." A clear understanding of accident protocols is vital to protecting the reputation and assets of the nonprofit. And this training



should not be limited to senior staff—any staff member who might be present in an emergency should be up-to-date on the nonprofit's policies.

- **Clients / Service Recipients** — The public expects organizations offering services to vulnerable clients to have more than a basic understanding of their target population. This understanding includes expected physical and mental development and the needs that clients of the targeted group have. The longer a staff member works with a particular client group (e.g., elderly participants in an adult daycare program or teens living in a group home), the more familiar that staff member will become with expected or "normal" behaviors of the client group. Yet nonprofit

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Staff Training

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organizations cannot rely on this understanding to build over time, but must commit to training personnel about the clients they will be serving.

- ❑ **Staff-Client Relationships** — Claims involving otherwise effective nonprofits have revealed the failure to adequately communicate the explicit prohibition against sexual relationships between caregivers and service recipients. Some leaders believe that such a prohibition is common sense and therefore does not require an emphasis during staff training. The number of suits and substantial settlements stemming from these inappropriate relationships provide compelling evidence to the contrary. Staff training programs must make clear the nonprofit's rules about proper and improper relationships and emphasize the strict enforcement of these policies.
- ❑ **Driving** — Nonprofits that own large fleets of vehicles or those for whom driving is at the heart of the organization's service model (e.g., meal delivery services) generally recognize the need to provide driver training. Other nonprofits may not fully appreciate the risks associated with staff running errands, transporting clients, and the occasional rental of a large van to carry people and materials. Automobile claims are among the most common filed against nonprofits. Many claims where the nonprofit driver is responsible reveal the failure of the nonprofit to provide training in the safe operation of the vehicle or other related issues, such as properly assisting passengers enter and exit the vehicle.

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Designing Your Training

The questions below were created to guide you through the process of designing training for your organization.

- ❑ What are your organization's usual practices for staff training? Many organizations have on-going staff training programs. Your risk management training should be incorporated into other existing organizational training practices.
- ❑ Who will do the training? Selection of instructors will influence the nature of your training program. Training might be delivered by a staff member, outside consultant, or in some cases a law enforcement officer or other government official (e.g., child protective services worker).
- ❑ How will the training be delivered? Will individuals undertake training individually or in a group session? Must participants gather in a single location or can they be trained from remote locations? A growing number of organizations are choosing online and video-based training programs to ensure consistency of content and lower costs. Keep in mind that if training costs are prohibitive to the nonprofit the risk of untrained staff increases; some staff may not be trained as dollars run out to continue a costly training program.
- ❑ When will the training be provided? Your organization may begin training staff in child abuse prevention before applicants are placed. One national mentoring organization conducts program orientation sessions for applicants. The orientation stresses the organization's position on child abuse, thereby setting a tone for subsequent training and perhaps inducing potential abusers to withdraw their applications. Always consider the audience when scheduling training—if your volunteers are busy professionals, consider how you can offer meaningful training without taxing their busy schedules.
- ❑ How will training be evaluated and documented? When your staff is trained, how will you measure the fulfillment of the training objectives? Good training includes oral, written, or performance tests at the end to measure the trainees' retention of knowledge and ability to perform the skills they were taught. Your organization may need to maintain training records that document participation in training and post-training test results.



Staff Training

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- ❑ **Employment Practices** — The distribution of a voluminous Employee Handbook or Volunteer Manual is not the same as a training program on legal and appropriate employment practices. When training staff in this area, many nonprofits continue to emphasize the pre-employment phase of the process—such as focusing on permissible and impermissible questions during applicant interviews. What is often lacking is clear direction to supervisory personnel about issues related to the termination of the employment relationship. A nonprofit’s policy concerning performance counseling or the requirement that outside

counsel be consulted are of little use if supervisors are permitted to terminate employees “on the spot” or take other actions that unnecessarily expose the nonprofit to claims and potential liability.

Summary

Effective staff training is an essential component of a risk management program. A comprehensive set of policies intended to protect the safety of clients and caregivers is rendered useless unless paid and volunteer staff fully understand how the policies work. Careful screening of applicants continues to be an important piece of the risk management puzzle. But it is unwise—and unsafe—to place personnel in positions of trust and responsibility without providing the training and support they need to succeed. ■

A Closer Look at Site-Based Versus Online Training

In-Person Training

Pros

- ❑ Opportunity to pose questions to the trainer
- ❑ Networking with others
- ❑ Ability to focus on training topic (away from distractions at the office)
- ❑ Easy to customize presentation to the audience—both in advance and on the spot

Cons

- ❑ Cost—per person cost may be out of reach for many nonprofits

or necessitate limiting training program to short list of topics and/or small percentage of personnel

- ❑ Time-away from the office and other pressing matters
- ❑ Time wasted on other participants’ questions

Online Training

Pros

- ❑ Convenient—courses available at a time convenient to the trainee

- ❑ Immediate—test scoring and feedback is instantaneous
- ❑ Affordable—average cost is generally far less than on-site training
- ❑ No Lost Opportunity Costs—no lost work time traveling to and from the training site

Cons

- ❑ Impersonal
- ❑ Most programs offer limited or no networking opportunities
- ❑ Accommodates one learning style

Training Opportunities from the Nonprofit Risk Management Center

The Center offers a variety of training programs, including customized on-site programs, regional and national conferences, live “webinars” and online training such as www.RiskManagementClassroom.org.

Our training programs are designed to meet the varied requirements and budgets of small, mid-sized and large nonprofits alike, as well as umbrella groups, associations, and insurance providers. For more information on upcoming events and training opportunities, click on the

TRAINING tab at www.nonprofitrisk.org.

Discuss the possibility of scheduling a custom workshop or presentation with Melanie Herman or John Patterson at (202) 785-3891.

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Accountability Measures

A Closer Look at Service Statistics

By John C. Patterson

In this age of increased accountability, nonprofits are subjected to increased scrutiny in financial management, outcome measurement, and new service statistics.

Service Statistics

Service statistics may include an organization's membership, numbers of clients served, and hours of service delivered. Organizations have a great deal of discretion in defining their specific units of service delivery.

When properly used, service statistics are important indices of how well organizations are accomplishing their missions or how well they are meeting a community need.

Program funding is often contingent on demonstrating that an organization is able to help address an identified problem. In addition, nonprofit employees may be evaluated on the achievement of service delivery goals- the more difficult the goals are, the better the opportunities for advancement.

Service statistics represent resources that deserve as much attention as organizational finances. The two resources are directly related because many funders base their allocations upon membership and other service statistics as reported by the organization. Advertisers in a nonprofit's publication may also base their decision to advertise on the promised circulation of the publication. Most often, these figures are accepted at face value.

Even within membership organizations, boards of directors seldom delve into membership numbers or question the numbers reported by staff. With the twin pressures of financial support and professional advancement, some nonprofit professionals have resorted to falsification of service statistics. Individuals who inflate service statistics within nonprofit organizations risk criminal prosecution based on possible violations of a number of

federal and state statutes. Alleged falsification of membership statistics could be construed as mail fraud when the report is delivered via the U.S. Postal Service.

Virtually all nonprofit organizations are susceptible to inflated service statistics. Over time, statistical inflation becomes as shaky as the proverbial house of cards and threatens not only the credibility of the organization, but its viability.

Simple Steps to Take

Avoiding the pitfall of inflated service statistics requires some simple steps:

1. Clearly define terms used in gathering statistics for the organization: for instance, who is a member, who is a service recipient, and what is a provided service.
2. Develop forthright audit techniques that mirror the terms defined; membership or client groups, like money, fluctuate during the course of the year and some reporting measures are misleading.
3. Appoint a committee to periodically examine the documentation of stated membership and other service statistics.
4. Pay special attention to subsidized memberships; consider additional scrutiny such as requiring member signatures.
5. Conduct a special membership or client group review each time the chief executive officer of the organization changes. This action would serve to establish the baseline upon which future growth would be measured.

Every organization tries to maximize the appearance of how truly the community is dependent on them for their services. If the organization defines the terms it's using, there is no question of falsification, and it's easier for the public to reconcile perceptions with reality. Organizations should treat statistics they generate with the same degree of care that they do their money. ■

Accountability Resources

Pillars of Accountability: A Risk Management Guide for Nonprofit Boards, book/ downloadable book, <http://nonprofitrisk.org/pubs/pillars.htm>

"Pillars of Accountability in the Nonprofit World," <http://nonprofitrisk.org/pillars/pillars.htm>, free online assessment tool

Less Is Really More

By Melanie L. Herman

This article first appeared in *riskVue*, the Webzine for risk management professionals. For more information, visit www.riskVue.com.

A leader of a nonprofit organization recently shared with me his concern that the youth-serving organization he leads had a policy deficit. "I'm just not sure—from a risk management perspective—that we have enough policies in place," he mused. The fear expressed by this particular nonprofit executive is not unusual. Concern about a possible policy deficit is widespread among leaders who are engaged in a review of their risk management practices. Many begin the process with a deeply held view that the "answer" to inadequate

risk management is more policies.

During the past 10 years I have had the opportunity to work one-on-one with dozens of nonprofits that have made the commitment to strengthen their risk

management practices. As I reflect on this tapestry of varied assignments, a common thread appears—the existence of policies that were:

- created to address concern about risk,
- written by a thoughtful attorney working pro bono for the nonprofit or written by a non-lawyer who "adapted" a policy of another organization,

- at one time distributed to key personnel in the organization, and
- supplemented with additional words, pages or volumes of material as the organization's needs evolved.

A nonprofit's key risk management policies might include the Employee Handbook, Volunteer Manual, Crisis Management Plan, and Facility Safety Guidelines. Other key risk management materials include those that describe the policies intended to protect the mission and essential assets of the organization.

A close examination of these policies reveals another set of common truths—this time with important risk management implications.

- **Policies often contain inconsistent statements.** This is probably due to the nonprofit manager's skill with the "copy" and "paste" features of the word processing program. It has become easy—too easy, perhaps—to simply copy the policies of another organization without giving any thought to whether the copied material conflicts with the nonprofit's existing policies.
- **New personnel may be left out and left behind.** Staff turnover is a fact of nonprofit life. This reality places an enormous burden on an organization to manage the distribution of policies with care. Essential policies are rendered ineffective if staff and volunteers don't know about their existence.
- **Deliberate disobedience is more common than you think.** The leader of the nonprofit discussed at the outset of this article told me that his staff are very good about following the organization's policies.

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Less Is Really More

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Yet when the Center's staff interviewed the nonprofit's personnel working in various locations throughout the country, we learned that many staff disagree with some of the organization's policies and have chosen to ignore them or do the opposite of what is required.

- ❑ **More volume may provide less protection.** The impressive length of many nonprofit policy manuals is generally the result of good intentions; leaders believe that adding new policies to an existing manual will add emphasis to key issues. But this encyclopedic practice can be a recipe for disaster. If you overload staff with a voluminous policy manual (whether printed or electronic), you run the serious risk that overwhelmed readers simply will not retain the essential messages buried within.

Lessons About Less

My increasingly common response to leaders who ask me to advise them whether or not their nonprofits need "more policies" is to explain: They probably need fewer, more concisely written policies. And they may need to spend additional time communicating and reviewing policies with key personnel. One of my favorite tasks in a policy review assignment is to target sentences, paragraphs and sometimes even entire pages for deletion from a policy manual. If while reading this article you have begun to think that your own policies may need a weight loss program, consider the following five-step solution:

1. Re-read the essential policies of your nonprofit to detect inconsistencies. Resolve inconsistent statements.
2. Review your policies a second time for nonsensical or overly convoluted sentences. Rewrite them in simple

language that every employee will understand.

3. Review your policies a third time to identify language that adds weight but not substance. Separate nutritional language from calorie-laden and sleep-inducing words that will send readers to the lounge for a nap. Delete any sections that fail to fortify your staff's understanding of essential policies.
4. Consult your nonprofit's legal counsel about the implications of moving forward with your revised, slimmed down policy manual.
5. Take your revised manual for a test drive—conduct a focus group to determine if your revised policy document meets your goals with regard to clarity and consistency. ■

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"The impressive length of many nonprofit policy manuals is generally the result of good intentions; leaders believe that adding new policies to an existing manual will add emphasis to key issues. But this encyclopedic practice can be a recipe for disaster."



Risk Management MARKETPLACE

Welcome to the **Risk Management Marketplace**, a regular feature in *Community Risk Management & Insurance*. Inclusion in the Marketplace does not constitute an endorsement by the Nonprofit Risk Management Center. To inquire about space availability for future editions of the Risk Management Marketplace, contact Suzanne@nonprofitrisk.org.

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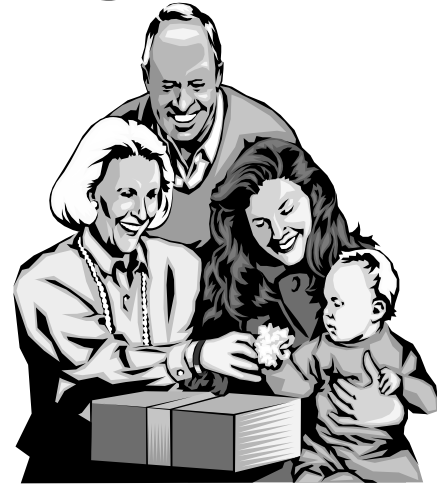
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