

FIA Conference 2024

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Brisbane
28 Feb – 1 Mar

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Beyond Scandal:

Decoding Crisis Management Communications In Non-Profits

FUNDRAISING HOW TO TRACK

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Fundraising How To Track
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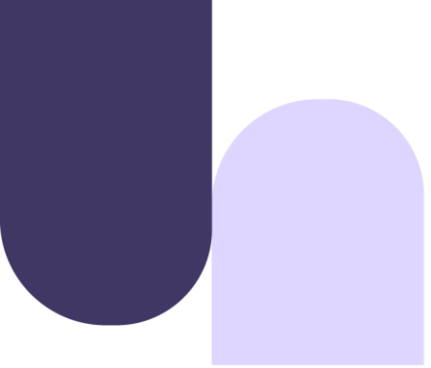


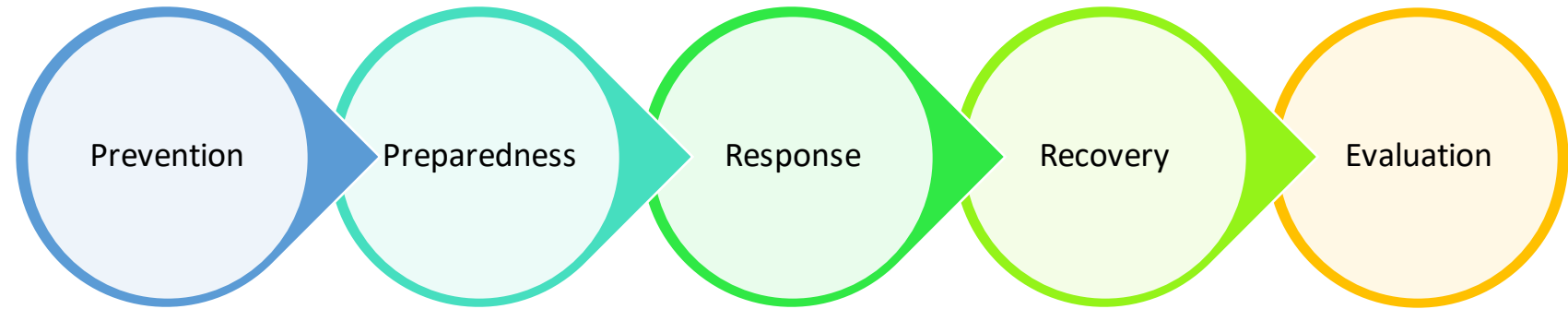


Types of Scandals we could face...

Financial Mismanagement	Executive Misconduct	Misuse of Funds
Governance Failures	Programmatic Failures	Regulatory Violations
Ethical Breaches	Reputation Damage	Sexual Misconduct
Discrimination/ Harassment	Tainted Donors	Communications Failure

"The intensity and ferocity of the attacks makes you wonder, what did we do? We murdered babies in their cots?"

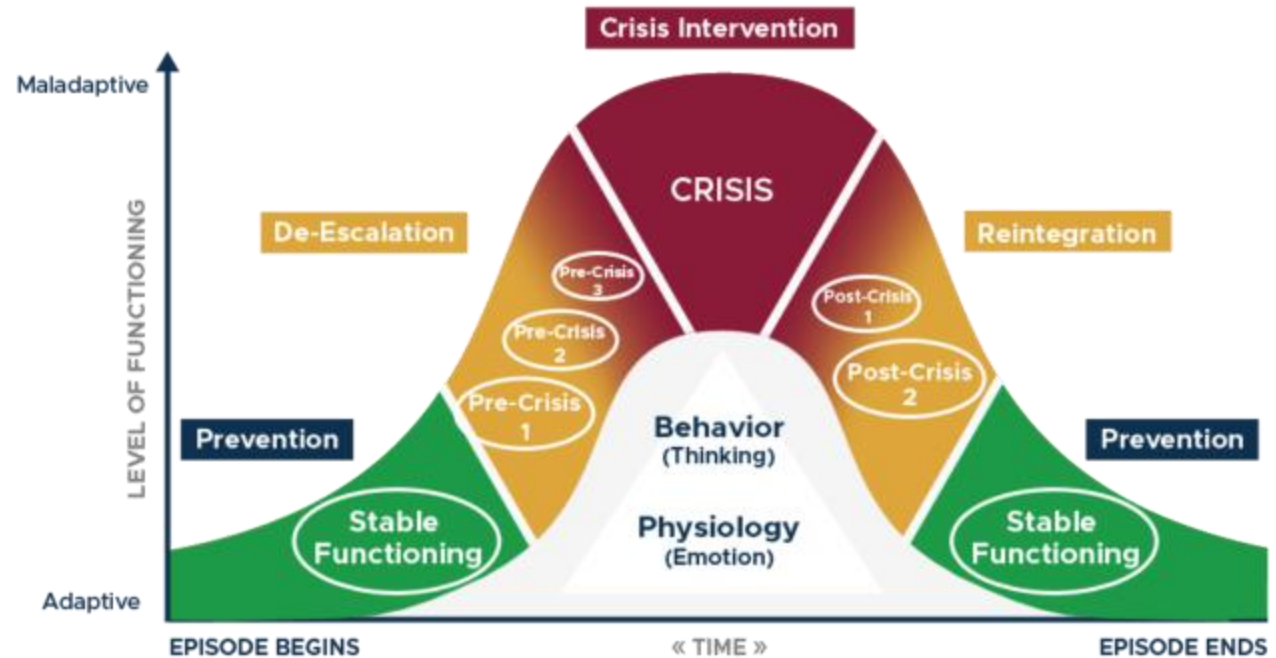




Crisis Communication Management:

- Strategic crisis engagement to preserve trust
- Timely, transparent, empathetic communication
- Offer accurate information, alleviate concerns

CYCLE OF CRISIS





**Literature Review: A
Gap in Preparedness**



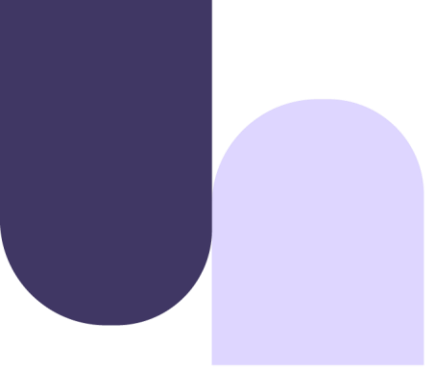
**Lessons from Notable
Scandals**



**Moral Implications and
Sectoral Pressures**

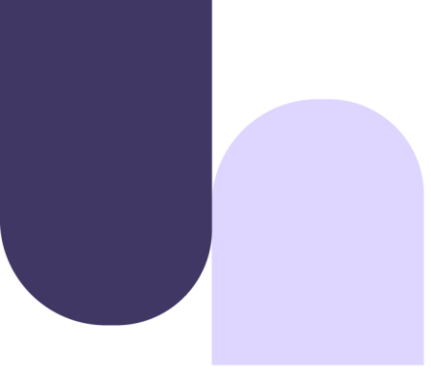


**The Role of Digital
Technology**



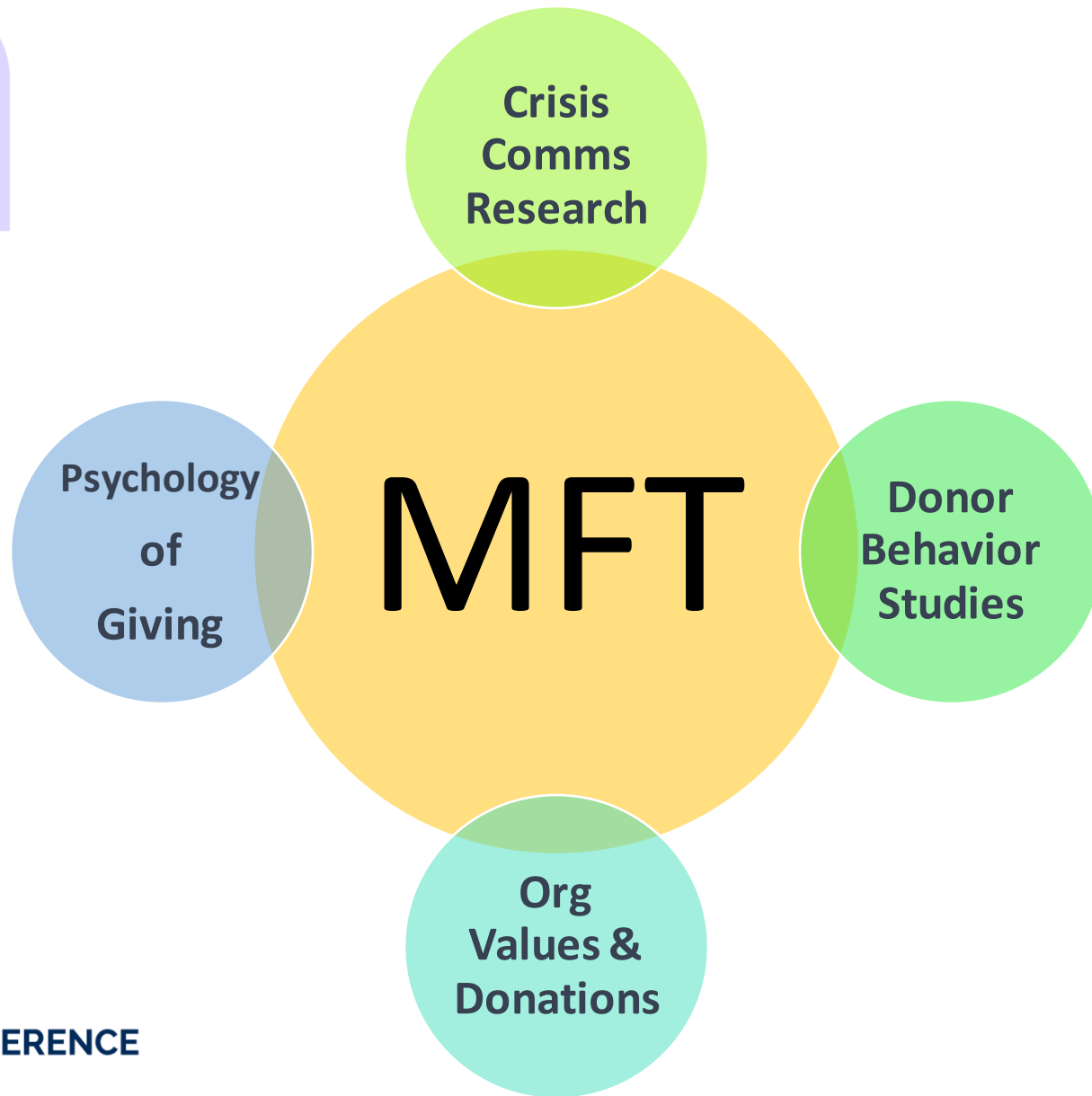
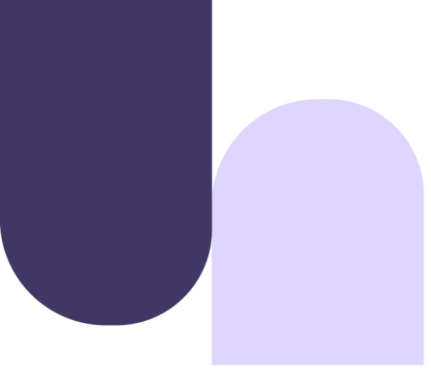
Moral Foundations Theory (MFT)

Foundation:	Definition:
Care/harm	...related to our long evolution as mammals with attachment systems and an ability to feel (and dislike) the pain of others. It underlies the virtues of kindness, gentleness, and nurturance.
Fairness/cheating	...related to the evolutionary process of reciprocal altruism. It generates ideas of justice, rights, and autonomy.
Loyalty/betrayal	...related to our long history as tribal creatures able to form shifting coalitions. It underlies the virtues of patriotism and self-sacrifice for the group. It is active anytime people feel it is “one for all and all for one.”



Moral Foundations Theory (MFT)

Foundation:	Definition:
Authority/subversion	Our long primate history of hierarchical social interactions shaped this foundation. It underlies virtues of leadership and followership, including deference to legitimate authority and respect for traditions.
Sanctity/degradation	...the psychology of disgust and contamination shaped this foundation. It underlies religious notions of striving to live in an elevated, less carnal, more noble way. It underlies the widespread idea that the body is a temple that can be desecrated by immoral activities and contaminants (an idea not unique to religious traditions).
Liberty/oppression	...is about the feelings of reactance and resentment people feel toward those who dominate them and restrict their liberty. The hatred of bullies and dominators motivates people to unite in solidarity to oppose or take down the oppressor.



1. Hyndman & McConville, 2018
2. McDowell et al., 2013
3. Kugler et al., 2014
4. Breeze, 2013
5. Bennett, 2003
6. Erlandsson, Björklund, & Bäckström, 2017
7. Grey Matter Research, 2011
8. Hawkins & Nosek, 2012
9. Neumayr & Handy, 2019
10. Wiepking, 2010
11. Nilsson et al., 2020
12. Winterich et al., 2012



Bringing it all together: The Research Method

Trust perceptions:

Strong trust foundations shared by NFP + donors



Trust levels are strong; mutual recognition of issues between NFP and donors



Enabling forces

NFP status v corporate v government
Value position
Greater public recognition of need for care given economic conditions



Constraining forces

Media reporting
Capability perceptions
Perceptions of expenditure (e.g., high executive salaries)
Sector or organisational crises



Contingencies

Sector differences (i.e., aged care)

“We're probably one of the sectors in Australia with the highest amount of trust. But we have seen trust erode over the years. And I think, you know, there have been, again, back to the topic, I suppose, you know, scandals that have come in at different points in time” (NFP participant)

“I feel like they are largely, on-the-whole, pretty transparent” (Donor)

“...there's always elements of or how much money actually goes through for the operational side of things versus those the money that reaches those in need” (Donor)

Values and values-based action:

Strong alignment between NFP + Donors



Key values that drive NFP and donor actions:

Transparency

Fairness

Care



Critical to demonstrate values in action

“Our values are not only visible, but they're they lived every day by the small paid staff team and then it's filtered through to the a large volunteering team.”
(NFP participant)

“So, I would expect them to demonstrate a reasonable duty of care ... be representative of community...[that] helps to provide that diversity that then enables that trust basis to be formed.” (Donor)

Crisis Recovery:

Different priorities for Donors v NFP participants

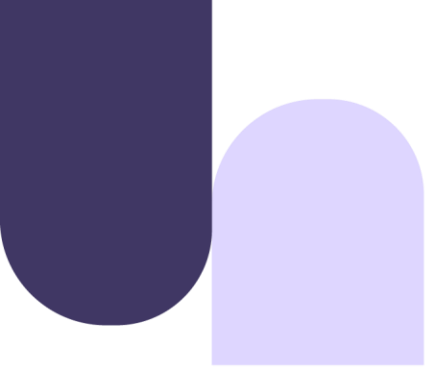
Some differences between the groups:

- | | |
|---|--|
| <ul style="list-style-type: none">• Donors want to hear about internal and external actions | <ul style="list-style-type: none">• NFP participants seek to reassure stakeholders that the crisis will not occur again |
| <ul style="list-style-type: none">• Donors expect consistency between what is said and what is done | <ul style="list-style-type: none">• NFP participants noted that the “story” of recovery needs to be balanced with the response |
| <ul style="list-style-type: none">• Some NFP participants believed that sector/industry associations can be involved in response; others believed sector/industry associations would not resonate with stakeholders | |

“It's a balancing process...celebrating success but also dealing with the underlying causes” (NFP participant)

“I don't believe that it would make one bit of difference ...[if] the peak body [acted]. I personally don't think that it would resonate, their [industry] voice would resonate with donors at all.” (NFP participant)

“So do what you say you're going to do, and if you said in your initial announcement...report back when you got to the bottom of it and... report back when you've made those changes.” (Donor)



Striking a balance...



Navigating uncertainty...

Ensuring Consistency...

Reasoned Donor

Detailed & transparent statement

Fairness/Cheating: Transparency and fairness in addressing the issue.

General Donor

Concise public statement

Loyalty/Betrayal: Assuring loyalty to the cause despite isolated incidents.

Emotional Donor

Appeal to emotions

Care/Harm and Sanctity/Degradation: Appealing to emotions and the sanctity of emotional well-being.

Ethical Donor

Personal & empathetic

Care/Harm and Sanctity/ Degradation: Demonstrating care for those affected and emphasising the sanctity of the organisation's mission.

Pragmatic Donor

Data-driven communication

Fairness/Cheating: Demonstrating accountability through measurable outcomes.



Know Your Stakeholders



Understand Donor Mindsets

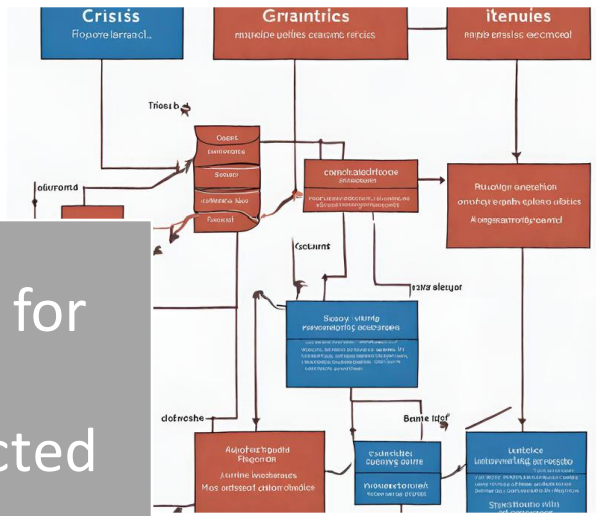


Stay Ahead of the Curve

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Prepare for the Unexpected



Listen, Learn, Adapt



Preparedness is Key



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Key takeaways:

1. Trust is vital in the non-profit sector, essential for crisis management and ethical conduct.

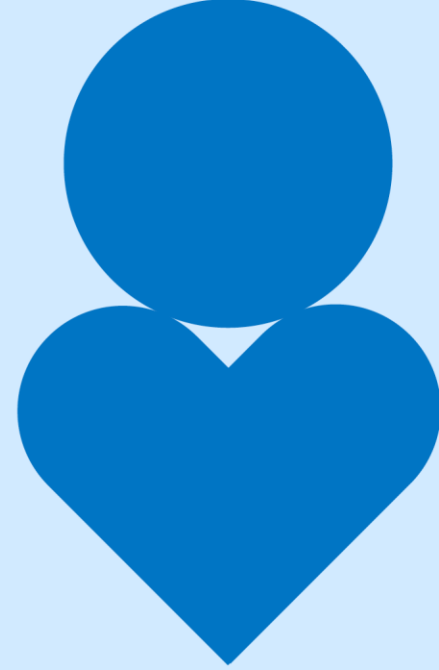
2. Moral foundations theory informs ethical decision-making during crises.

3. Tailoring communication to donor archetypes strengthens relationships.

4. Proactive strategies like stakeholder analysis and training build resilience.



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Extra Reference

Donor Archetype	Communication Response	Moral Foundation Theory Link	Donor Thoughts/Actions/Expectations	Example Statement
Reasoned Donor	Release a detailed video statement from the organisation's leadership. Provide a breakdown of the incident, steps taken to address it, and plans for improved employee training.	Fairness/Cheating: Transparency and fairness in addressing the issue.	Thinking: Seeks detailed information, fairness, and commitment to rectification. Acting: May await a thorough response before deciding on continued support.	"We deeply regret the inappropriate behaviour exhibited by some employees during our disaster response. We have thoroughly investigated the matter, outlined specific corrective actions, and implemented enhanced training protocols to prevent recurrence. Our commitment to transparency and fairness remains unwavering."
General Donor	Share a concise public statement through various communication channels. Express regret, affirm the organisation's commitment to rectify the situation, and highlight the ongoing positive impact.	Loyalty/Betrayal: Assuring loyalty to the cause despite isolated incidents.	Thinking: Seeks reassurance and clarity on the organisation's values. Acting: Expects a quick, clear response and may continue support if reassured.	"We deeply regret the inappropriate behaviour exhibited by some employees. We are committed to addressing this issue promptly and transparently. We assure our donors that our core values remain intact, and our commitment to our mission is unwavering."
Ethical Donor	Produce a heartfelt video featuring affected community members expressing the organisation's remorse and commitment. Include details on concrete actions taken to prevent such incidents in the future.	Care/Harm and Sanctity/Degradation: Demonstrating care for those affected and emphasising the sanctity of the organisation's mission.	Thinking: Expects a compassionate response and concrete steps to uphold ethical standards. Acting: May closely monitor the charity's actions and seek proof of sustained ethical practices.	"We extend our deepest apologies for the regrettable actions of a few individuals. Our response includes measures to support affected community members and prevent future incidents. We appreciate your ongoing support as we work to ensure our mission is upheld with utmost care and sanctity."

Donor Archetype	Communication Response	Moral Foundation Theory Link	Donor Thoughts/Actions/Expectations	Example Statement
Emotional Donor	Craft a narrative-driven communication, using storytelling to evoke empathy. Showcase personal stories of affected individuals and emphasise the organisation's dedication to emotional healing.	Care/Harm and Sanctity/Degradation: Appealing to emotions and the sanctity of emotional well-being.	Thinking: Seeks a deeply emotional connection and a commitment to healing. Acting: May engage more closely if emotionally moved and reassured.	"In the aftermath of a challenging event, we are deeply saddened by the actions of a few individuals. The stories of those affected have moved us profoundly. We are committed to healing and restoring the sanctity of our mission, ensuring that such incidents never happen again."
Pragmatic Donor	Present a data-driven report highlighting key performance indicators, improvements, and outcomes resulting from corrective measures. Emphasise the efficiency of the organisation's response.	Fairness/Cheating: Demonstrating accountability through measurable outcomes.	Thinking: Values efficiency and measurable impact. Acting: Likely to assess the organisation's performance based on provided data.	"Addressing the recent incident, our data-driven approach involves rigorous improvements. Key performance indicators showcase our commitment to transparency and accountability. We are determined to enhance efficiency in our operations and deliver measurable, positive impact."