

ORGANISATIONAL RESILIENCE FEATURED

Written by Tracy Hatton, Erica Seville, John Vargo

Since 2004, the Resilient Organisations research program in New Zealand has been researching what makes organisations able to survive a crisis and thrive in a world of uncertainty. In an increasingly volatile and uncertain world, one of the greatest assets an organisation can have is the agility to survive unexpected crisis and to find opportunity to thrive in the face of potentially terminal events.

More resilient organisations lead to more resilient communities and provide the honed human capital to address some of our most intractable societal challenges. Organisational Resilience consists of three interdependent attributes; Leadership and Culture, Change Readiness and Networks. These attributes build Business as Usual (BAU) effectiveness as well as robust and agile response and recovery from crises and disasters.

ORGANISATIONAL RESILIENCE INDICATORS

Through extensive research, Resilient Organisations have identified thirteen indicators that can be used to assess an organisations' resilience:

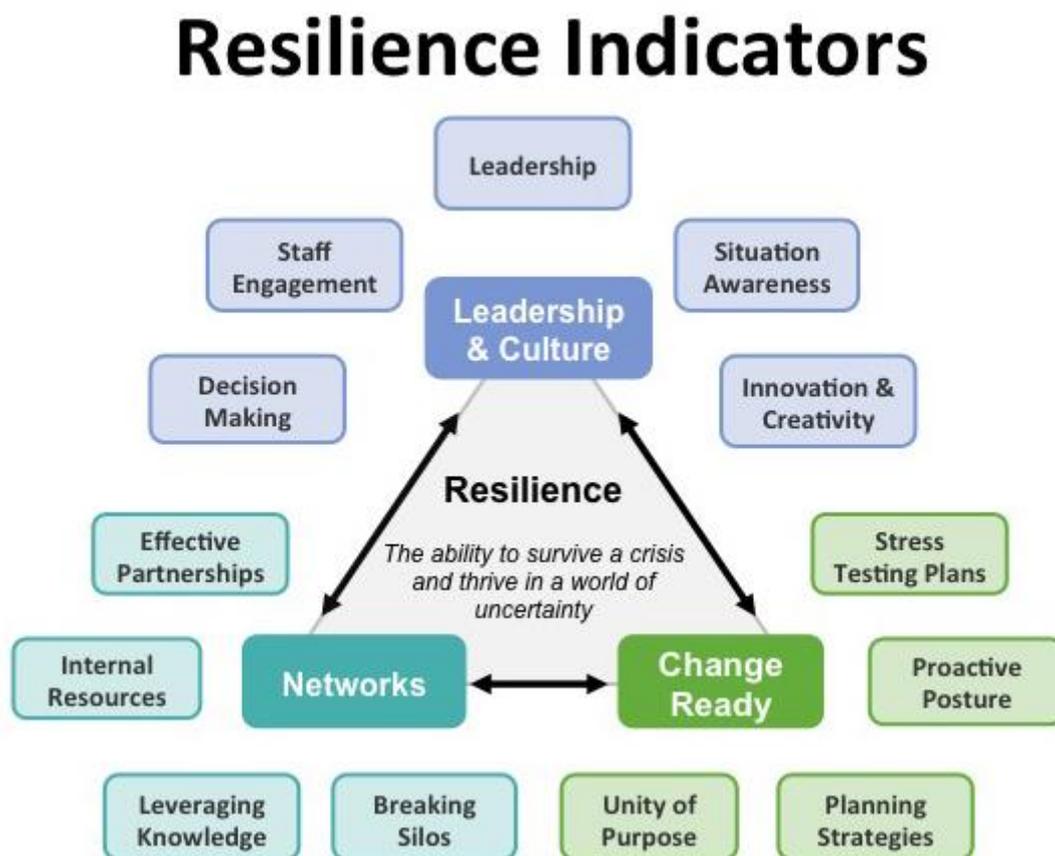


Figure 1: Model of Organisational Resilience Indicators

- **Leadership:** Strong crisis leadership to provide good management and decision making during times of crisis, as well as continuous evaluation of strategies and work programs against organisational goals.
- **Staff Engagement:** The engagement and involvement of staff who understand the link between their own work, the organisation's resilience, and its long term success. Staff are empowered and use their skills to solve problems.
- **Situation Awareness:** Staff are encouraged to be vigilant about the organisation, its performance and potential problems. Staff are rewarded for sharing good and bad news about the organisation including early warning signals and these are quickly reported to organisational leaders.
- **Decision Making:** Staff have the appropriate authority to make decisions related to their work and authority is clearly delegated to enable a crisis response. Highly skilled staff are involved, or are able to make, decisions where their specific knowledge adds significant value, or where their involvement will aid implementation.
- **Innovation and Creativity:** Staff are encouraged and rewarded for using their knowledge in novel ways to solve new and existing problems, and for utilising innovative and creative approaches to developing solutions.
- **Effective Partnerships:** An understanding of the relationships and resources the organisation might need to access from other organisations during a crisis, and planning and management to ensure this access.
- **Leveraging Knowledge:** Critical information is stored in a number of formats and locations and staff have access to expert opinions when needed. Roles are shared and staff are trained so that someone will always be able to fill key roles.
- **Breaking Silos:** Minimisation of divisive social, cultural and behavioural barriers, which are most often manifested as communication barriers creating disjointed, disconnected and detrimental ways of working.
- **Internal Resources:** The management and mobilisation of the organisation's resources to ensure its ability to operate during business as usual, as well as being able to provide the extra capacity required during a crisis.
- **Unity of Purpose:** An organisation wide awareness of what the organisation's priorities would be following a crisis, clearly defined at the organisation level, as well as an understanding of the organisation's minimum operating requirements.
- **Proactive Posture:** A strategic and behavioural readiness to respond to early warning signals of change in the organisation's internal and external environment before they escalate into crisis.
- **Planning Strategies:** The development and evaluation of plans and strategies to manage vulnerabilities in relation to the business environment and its stakeholders.
- **Stress Testing Plans:** The participation of staff in simulations or scenarios designed to practice response arrangements and validate plans.

WHAT GETS MEASURED - GETS DONE

Resilient Organisations have developed two measurement tools which allow organisations to measure their current levels of resilience. These tools enable organisations to estimate how their organisation compares to others in terms of resilience, what the organisation's strengths as well as their weakest aspects of resilience are, and provide a suggested action plan for improving resilience.

Resilience Benchmark Tool

The Resilience Benchmark Tool is a self-report survey that can be administered on-line, over the phone or as a paper-based survey. It can be used to support internal resilience development, as well as cross-sector or supply-chain resilience initiatives. It is intended to measure the resilience of an organization allowing them to benchmark against other organizations in the same or related industries. Such benchmarking can support sector and supply-chain resilience initiatives as well as provide the organization with a self-analysis of resilience strengths and weaknesses to support the Business Case for internal resilience initiatives. The survey is intended to be taken by as many individuals within an organization as possible to provide a comprehensive view of the organization by employee category and department comparison.

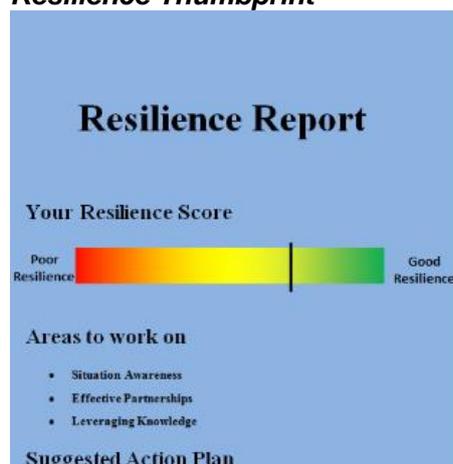
The survey is in two forms, one for all employees and a second form for completion by the CEO or other senior executive, which includes additional demographic and business performance measures on the organization.

Outputs from the process can be tailored to each organisation's requirement and can include analysis by departments, by regions or across organisations. Figure 2 illustrates one of the outputs from a recent report benchmarking the resilience of five Australian water companies identifying both their strengths and opportunities to improve their ability to adapt to future extreme climatic events.



Figure 2: Comparison of 3 resilience attributes for the 5 water utilities

Resilience Thumbprint



The second measurement tool is a greatly abbreviated version aimed at smaller businesses. This consists of an online or paper based survey which takes only five minutes to complete and provides a simple evaluation of their resilience profile, suitable for smaller organisations in the early stages of exploring the concept. Similarly to the benchmark tool, this measure can be tested repeatedly to measure progress or in conjunction with the benchmark tool to provide a time series for larger organisations.

Both of these tools have been tested for reliability and validity and provide a much needed way to ensure that organisational resilience can be measured, actions taken, and measurable progress made.

We live in an increasingly complex world dealing with a broad spectrum of crises arising from both natural and man-made causes. Resilient organisations are those that are able to survive and thrive in this world of uncertainty. Resilience can bring about greater optimism, adaptability and independence. It can lead to more innovative problem solving and faster recovery times, offering greater prospects of maintaining continuity of service in the face of extreme events. If you would like any further information about organisational resilience or are interested in using the measurement tools, please contact Erica Seville, Erica.seville@rsrc.co.nz , or John Vargo, john.vargo@canterbury.ac.nz , or see us at WCDM this year.

Resilient Organisations is a public good research programme based in New Zealand. We have been researching what makes organisations resilient since 2004.

Resilient Organisations is a collaboration between top New Zealand research universities, particularly the University of Canterbury and the University of Auckland, funded by the Natural Hazards Platform.

We are a multi-disciplinary team of over 30 researchers, representing a synthesis of engineering, science and business leadership aimed at

transforming organisations into those that both survive major events and thrive in the aftermath.

Erica Seville and John Vargo co-lead the Resilient Organisations Research and will be presenting at WCDM this year on “Resilience: Why some organisations thrive and others fail in the face of disaster”

About the Authors



Dr. Erica Seville is co-leader of the Resilient Organisations research programme which involves researchers from around New Zealand working to make organisations more resilient in the face of major crises.

Erica and her team have travelled to many disaster areas to better understand what enables some communities to recover better and faster than others, including being a member of the New Zealand reconnaissance team sent to Thailand following the Boxing Day Tsunami. She is the only non-Australian member of the Resilience Expert Advisory Group, providing advice and support to the Critical Infrastructure Advisory Committee of the Australian Federal Government.

Erica is a director of Risk Strategies Research and Consulting and an Adjunct Senior Fellow with the Department of Civil and Natural Resources Engineering at the University of Canterbury. She has a Bachelor of Civil Engineering degree and a Ph.D. in risk assessment.



Dr. John Vargo's interests focus on the building organisational resilience in the face of systemic insecurity in a complex and interconnected world. His research interests are in organisational resilience, information security, risk management, e-commerce and strategic planning. Dr. Vargo has been involved in industry for over 30 years.

See more at: <http://www.wcdm.org/blog/organisational-resilience.html#sthash.HXudFqBu.dpuf>