Characteristics of a Resilient Organization

Introduction

• This presentation takes a look at those characteristics that have been identified as visible in resilient organizations and lacking in those not as resilient.
  – Describe the characteristics of a resilient organization
  – Identify which characteristics are visible in your organization

The Need is Real

“The world is becoming turbulent faster than organizations are becoming resilient.”

Gary Hamel, Harvard Business Review
The Importance of Planning

战略沒有戰術是最慢的路線對勝利。戰術沒有戰略是噪聲在失敗之前

Strategy without tactics is the slowest route to victory. Tactics without strategy is the noise before defeat.

Sun-tzu
Chinese general & military strategist (~400 BC)

The Importance of Planning

贏取爭鬥的將軍做許多演算在他的頭裡在爭鬥進行之前。
予先丟失牌子但少量演算的將軍

The general who wins the battle makes many calculations in his temple before the battle is fought. The general who loses makes but few calculations beforehand.

Sun-tzu
Chinese general & military strategist (~400 BC)

Resilience Defined

A resilient organization is one that is able to achieve its core objectives under all conditions.
Resilience Defined

Resilience represents the next phase in the evolution of traditional place-centric structures to highly virtualized people-centric structures that enable people to work anytime and anywhere.

Key Questions

What are you trying to be resilient against?

What constitutes a crisis?

Natural Disasters

Ice Storm

Flooding

Lightning

Building Destroyed

Roads Closed

Fire
Security Issues

Executive Kidnappings

Civil Disorder and Consumer Protests

Human Resources Issues

Workplace Violence

Labor Strife

Operational Issues

Fires or Explosions

IT Failure

Loss of Power

Supply Chain Disruption

Environmental Issues
Legal / Regulatory / Government Regulations

F.A.A. Accepts Blame for Air Traffic Errors
FAA officials of Cleveland are warning airline crews to check the data.

April 14, 2010

Sheraton New Orleans

Business & Marketing Issues

Are Big High-Tech Companies Green Hypocrites?
Environmental groups say tech firms are gaining publicity for their green initiatives, but do they work hard enough to keep the commitment real?

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Corporate Governance or Malfeasance

The Truth Can Be Adjusted

Enron's Ride of Broken Dreams

Allegations of Misbehavior
Organizational Resilience Theory

“Hyper-Resilient” organizations don’t just fully recover from a crisis, but use the crisis as a catalyst for positive transformation

- Clair and Duffresne
Organizational Resilience Theory

• 6 outcomes for hyper-resilient organizations after a crisis
  1. Heightened attention to stakeholder relationships
  2. Re-asserted or re-shaped organizational mission, values and goals
  3. Heightened insight into organizational vulnerabilities

Organizational Resilience Theory

• 6 outcomes for hyper-resilient organizations after a crisis
  4. Issue and market leadership
  5. Renovation of deep-rooted organizational structures
  6. Enhanced understanding of the “wholeness” of life

5 Principals of Organizational Resilience

• Gartner has identified 5 key components that set forth a framework for creating a highly agile, synchronized, and knowledge-based organization
  1. Leadership
  2. Culture
  3. People
  4. Systems
  5. Settings
5 Principals of Organizational Resilience

1. Leadership
   - Setting priorities
   - Allocating resources
   - Communicates commitment to resilience
   - Supports with investments
     - Facilities
     - Security systems
     - Controls
     - Technology enhancements

2. Culture
   - Empowerment
   - Trust
   - Accountability

People who are properly selected, motivated, equipped and led will overcome almost any obstacle or disruption.
5 Principals of Organizational Resilience

4. Systems
   - A resilient organization is built on an infrastructure on extensive enterprise connectivity and information robustness.
   - Organizations are achieving agility and flexibility by combining a highly distributed workplace model with a highly robust and collaborative IT infrastructure.

5. Settings
   - Workplace safety and security
   - Identifying high-risk locations
   - Distribution of the workplace into multiple, dispersed settings
     - Say goodbye to the corner office
     - The network is the workplace
   - The workplace is agile

Characteristics of Resilient Organizations

- Characterized by dispersed people, knowledge, systems and workspaces
- Electronically integrated across employees, partners, buyers, suppliers, external sources and communities
- Deliberately designed to adjust quickly to misfortune, shock or major change
- Operate at full-speed, even in the face of adversity and caution

Diane Tunick Morello
A Blueprint for a Resilient Virtual Organization
Characteristics of Resilient Organizations

- Have sober, almost pessimistic, views on those aspects of reality necessary for survival.
- Call on enduring values to find meaning in hardship.
- Use whatever’s handy to overcome hardship.

Diane L. Contu
How Resilience Works, 2002
Harvard Business School

Organizations that had a clear vision and goals, which were well understood and communicated throughout the organization, found it much easier to approach a crisis situation and manage it in a coordinated way that was compatible with the organization’s overarching ethos.

Building Organizational Resilience: A Summary of Key Research Findings
www.resorgs.org.nz

Characteristics of Resilient Organizations

- Situationally aware
  - Recognize and evolve in response to the complex system within which the organization operates
- Reduced vulnerabilities
  - Reduce the size and frequency of crises
- Adaptive capacity
  - Improve the ability and speed of organization to manage crises effectively
- Seek out new opportunities – even in times of crisis

Resilient Organizations Programme
Characteristics of High-Performing & Robust Organizations

• Alert
• Agile
• Adaptable
• Aligned

- Paul Light: Four Pillars of Performance

Characteristics of High-Performing & Robust Organizations

• Alertness
  – Captures the organization’s focus on measuring results and establishing performance expectations

• Agility
  – Tied to improved communication and the sharing of decision-making authority throughout the organization

Characteristics of High-Performing & Robust Organizations

• Adaptability
  – A better understanding of customer needs and internal performance incentives

• Alignment
  – Created through extensive information and technology
Characteristics of Effective Emergency Management Organizational Structures

- Strong and definitive chain of command
- Similar organizational structures for both routine events and disasters
- Good interpersonal relationships within the organization
- On-going planning
- All-hazard approach
- Motivation for involvement in the program
- Public-private cooperation
- Internal alerting procedures

Resiliency Disciplines

Business Continuity Management

- Designing and developing organizational capabilities to address operational disruptions before, during and after a disaster event.
  - Based on risk assessment, business impact analysis, and strategy development
  - Focus is on business processes
Crisis Management & Communications

- The overall coordination of an organization’s response to a crisis with the goal of minimizing damage to profitability, reputation, and ability to operate.
- The development of communications such as key messages, and communications to all audiences and stakeholders.

Technical Infrastructure (ICT)

- Protection of technology and telecommunication systems
- Data protection
- Resilient technical design and architecture
- Records management / storage

Emergency Management

- Public and / private agencies that respond to public emergencies that threaten life safety, assets, or the community at large.
- Safety of personnel, the facility, or physical assets
- The relationship between public and private sectors
Facility Management
• Functionality of the built environment to integrate people, places, processes, and technology to provide a safe, healthy, and productive working environment
  – Physical security
  – Environmentals
  – Operations & equipment maintenance

Legal Compliance & Audit
• Procedures and controls essential to achieving regulatory compliance, meeting industry standards, and ensuring prudent practices are in place to protect organizational assets, stakeholders, shareholders, the customer, and value chain.

Organizational Behavior
• The need for resiliency needs to be embedded into the culture and systems of the organization.
  – Documented resiliency objectives that align and support the organization’s strategic goals
  – Encourages professional development of its members
  – Provides necessary policies and resources
  – Access to leadership
  – Empowered employees
  – Shared vision and goals
  – Strong sense of trust
Risk Management & Insurance

- Resilience requires risk analysis, investment, and a supporting environment
  - What do you want to be resilient against?
  - Aim investment at those areas and practices that will yield the greatest value and protection
  - Adequate insurance coverage

Social Resilience

- A shift from reactive to proactive
  - Utilizing strengths
  - Recognizing the layered effect of crisis
  - Addressing psychological needs
  - Multi-dimensional communication networks
  - Pride in one’s organization

Supply Chain, Logistics & Transportation

- One small failure in the supply chain can have detrimental results
- The effective management of the total supply chain is an essential ingredient for resiliency
Resilience Roadblocks

- Inaccurate view of organization’s importance to overall community resilience
- Inaccurate view of individuals on their importance to the organization
- Lack of integration across departments – silo effect – inhibits understanding of their dependencies
- Plans in place but not tested
- Difficulty in ensuring on-going commitment

How Resilient is Your Organization?

- How well do you...
  - “Face down reality?”
  - Encourage innovation & experimentation?
  - Build in flexibility?
  - Strengthen & broaden connection networks?
  - Build a sense of purpose?
  - Minimize emotional trauma?

Building Organizational Resilience
Ceridian Corporation 2006
Final Thought

“What does not kill me will make me stronger.”

Nietzsche

References


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