

A new model of Organisational Resilience

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The Resilient Organisations Research Group

- ***“Building more resilient organisations, able to survive and thrive in a world of uncertainty, through research and practice”***
- A multi-disciplinary team of researchers and practitioners from around New Zealand



Defining Organisational Resilience

A resilient organisation is one that is not only able to survive, but is able to thrive in an environment of change and uncertainty.



How do you Judge Resilience?

- You can't just wait for the disaster to happen to find out
- Want a tool that is relevant for all types of organisations and for all hazards
- Can't just look at inputs....
 - Some organisations that don't plan, actually perform very well during a crisis...



Iteration 1 – case study analysis

Situation Awareness		Management of Keystone Vulnerabilities		Adaptive Capacity	
SA ₁	Roles & Responsibilities	KV ₁	Planning Strategies	AC ₁	Silo Mentality
SA ₂	Understanding & Analysis of Hazards & Consequences	KV ₂	Participation in Exercises	AC ₂	Communications & Relationships
SA ₃	Connectivity Awareness	KV ₃	Capability & Capacity of Internal Resources	AC ₃	Strategic Vision & Outcome Expectancy
SA ₄	Insurance Awareness	KV ₄	Capability & Capacity of External Resources	AC ₄	Information & Knowledge
SA ₅	Recovery Priorities	KV ₅	Organisational Connectivity	AC ₅	Leadership, Management & Governance Structures



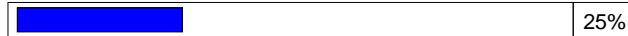
Iteration 2 – literature and practitioners

Resilience Ethos					
RE ₁	Commitment to Resilience				
RE ₂	Network Perspective				
Situation Awareness		Management of Keystone Vulnerabilities		Adaptive Capacity	
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SA ₅	Recovery Priorities	KV ₅	Organisational Connectivity	AC ₅	Leadership, Management & Governance Structures
SA ₆	Internal & External Situation Monitoring & Reporting	KV ₆	Robust Processes for Identifying & Analysing Vulnerabilities	AC ₆	Innovation & Creativity
SA ₇	Informed Decision Making	KV ₇	Staff Engagement & Involvement	AC ₇	Devolved & Responsive Decision Making



Development of the benchmarking tool

- Three questions for each indicator



To what extent do you agree or disagree with the following statement:

Strongly Agree Agree Disagree Strongly Disagree Don't Know

Our organisation is focused on being able to respond to the unexpected



Resilience Measurement Tool

- 63 questions measuring organisational resilience
- 2 versions of the tool – senior manager and all-staff
- 18 reflective questions – financial and management questions
- Approximately 20 minutes to complete
- Auckland Study:
 - 250 responses from 69 organisations

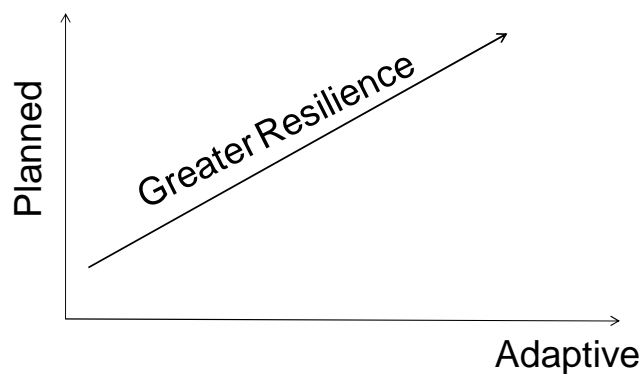


New model of Organisational Resilience

Planning Dimension	Adaptive Capacity Dimension
Proactive posture	Leadership
Planning strategies	Decision making
Recovery priorities	Innovation and creativity
Participation in exercises	Situation monitoring and reporting
Access to external resources	Mgmt of Information & knowledge
	Staff engagement
	Minimisation of silos
	Availability of internal resources

New Model...

- Planned and Adaptive, this is the key

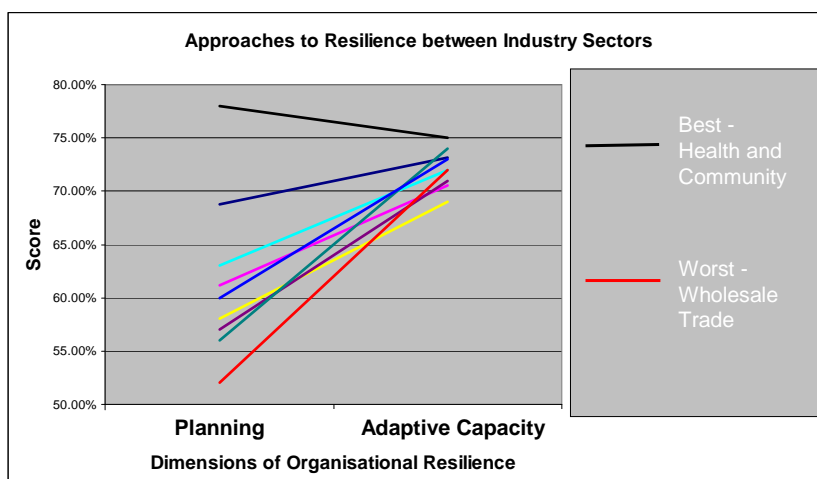


■ Resilience Strengths

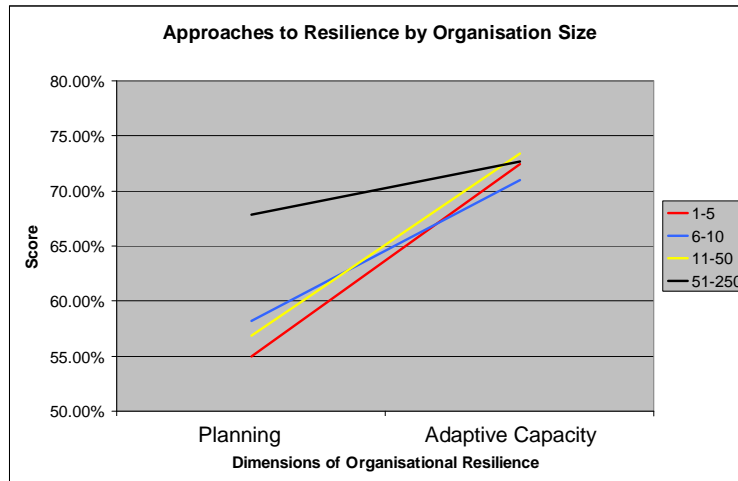
- Internal and External situation monitoring
- Devolved and responsive decision making

■ Resilience Weaknesses

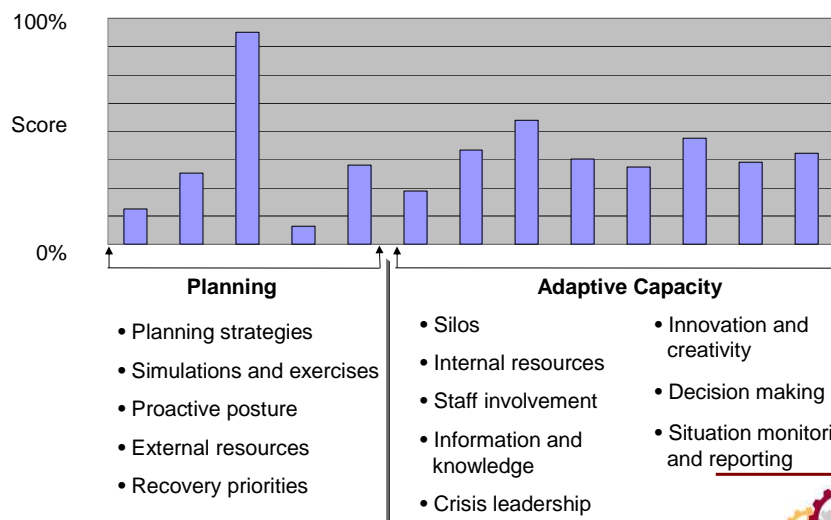
- Planning strategies (only 25% orgs have a plan. Less than ½ of staff think this plan is any good!)
- Capability and capacity of external resources



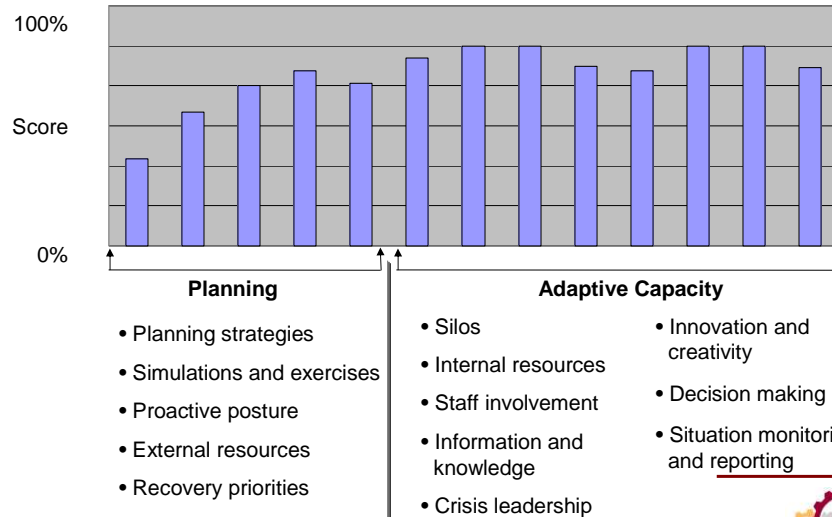
Approaches to Resilience – Organisation Size



The Least Resilient Organisation



The Most Resilient Organisation



How Organisations Can Use This Information?

■ Resilience scores

- Identify their overall approach to resilience
- Identify strengths and weaknesses and develop workplans to address them
- Increase awareness of resilience issues
- Provide evidence of progress over time

■ Resilience benchmarks

- Compare their organisation with others
- Provide evidence of progress over time



Reflective Measures

Reflective Measure	Significance# with Organisational Resilience
Debt to equity ratio	22.10%
Number of locations or sites	28.20%
Average annual staff turnover	42.80%
External directors on governing board	50.30%
Relocation in a crisis if building was inaccessible	65.70%
Back-up IT facilities	66.20%
Average annual sales growth rate	77.20%
Use of a staff satisfaction survey	97.00%
Number of full time staff	97.80%
Average annual profit-to-sales ratio	98.80%
Average annual return on investment	99.70%
Cash flow	99.80%

A score above 95% is considered significant, the closer to 100% the more significant



Making the business case for resilience development

- The case must:
 - go beyond just 'better insurance' or 'preparing for the big one',
 - go beyond managing risk
 - link to organisational strategy and competitiveness
- The case must be better than that for a new piece of equipment or a new staff member!



These are early days...

- Confirmatory study of the tool validity
- Build up the dataset
 - Local studies – rural/urban businesses in the Hurunui
 - Tool going 'online' end of this year
- Longitudinal studies
- Sector based assessment tools

