



Benchmark Resilience

Sample Results Report

2008

Research carried out by
Amy Stephenson as part of
Ph.D. research at the
University of Canterbury.

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Benchmark Resilience

The Benchmark Resilience project is being carried out as part of Ph.D. research through the Resilient Organisations Research Programme. The purpose of the research is to develop a tool for measuring and benchmarking the resilience of organisations. Organisations, both big and small, are susceptible natural disasters, power cuts, data corruption, loss of key staff or reputation, property damage and public health issues like pandemic influenza. And it's not just the big problems that can cause trouble for organisations; many experience small disruptions on a daily basis. **But would your organisation be able to cope if you experienced the level of disruption that you normally see in one month, in the space of one day?**

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

Despite the business benefits of becoming more resilient, many organisations struggle to prioritise resilience and to link resilience to crisis or disaster, with the ability to operate effectively and efficiently during business as usual. Measuring and benchmarking organisational resilience is about two things, firstly asking 'as an organisation how resilient are we and what do we need to work on?', and secondly remembering that **what gets measured gets done!**

The purpose of this report is to present your organisation's results from the 2009 Benchmark Resilience research project. Results include:

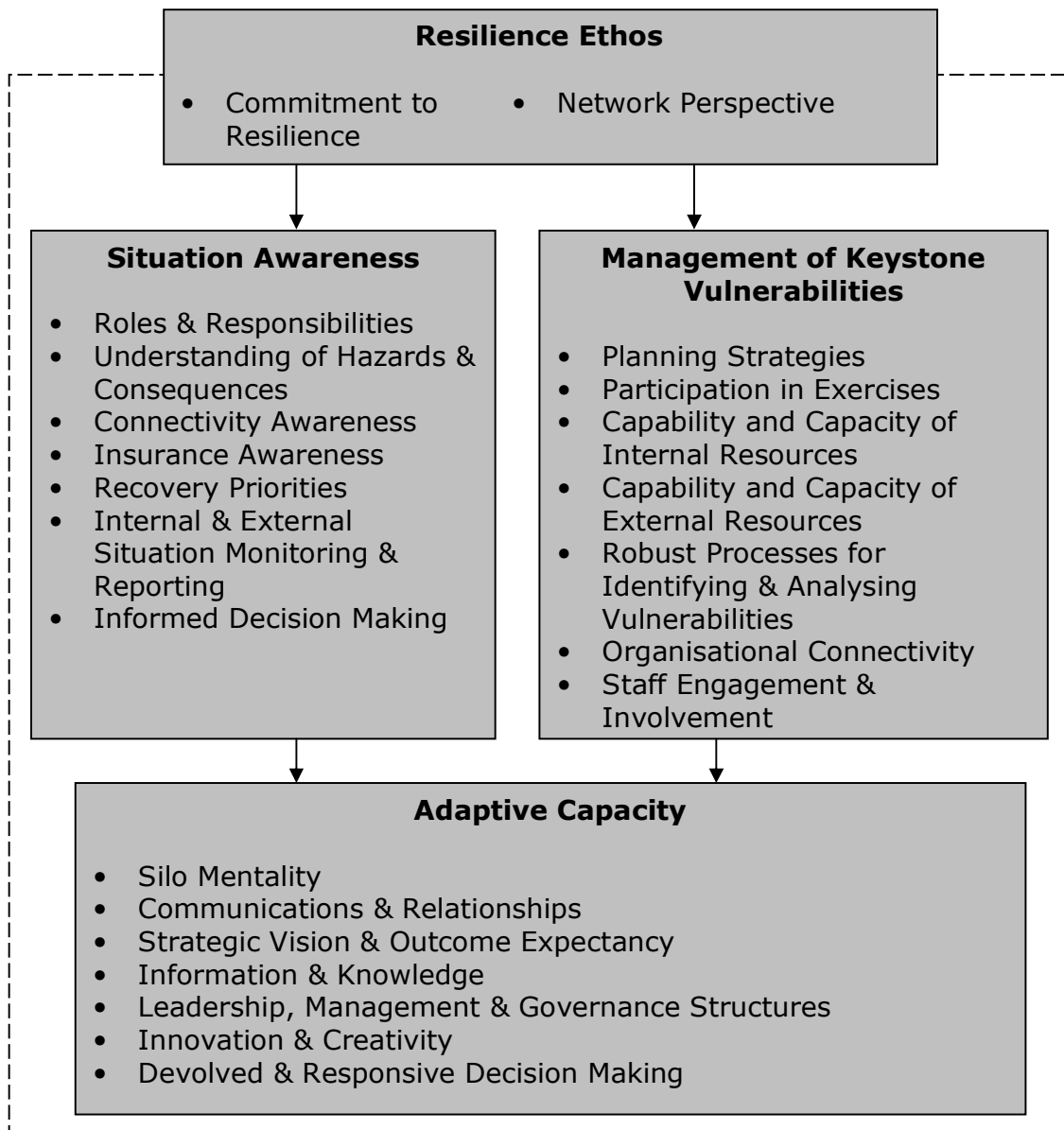
- A summary of your organisation's overall resilience
- Discussion of your organisation's strongest and weakest resilience points
- A benchmark which tells you how resilient your organisation is compared to other organisations in the Auckland region
- A benchmark which tells you how resilient your organisation is compared to other organisations in your industry sector (where available)

The results provided in this report are based on a methodology which has been tested as part of this research.

Indicators of Organisational Resilience

Organisational resilience is composed of 4 dimensions; Resilience Ethos, Situation Awareness, Management of Keystone Vulnerabilities and Adaptive Capacity. Together the 4 dimensions are measured using 23 indicators of organisational resilience.

Model of Organisational Resilience



NB: This model of organisational resilience has been tested as part of this research.

Your Organisation's Overall Resilience

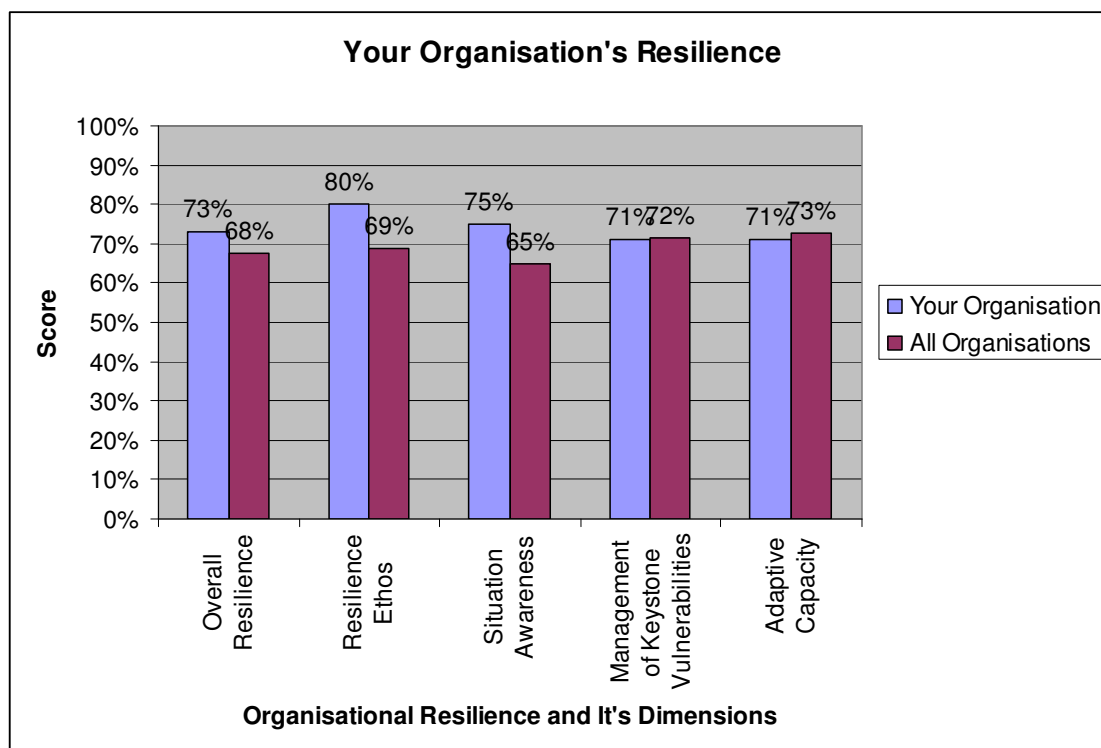
Your organisation's overall resilience score is 73% which means your organisation has an overall **Good** level of resilience. The table below shows the boundaries for the organisational resilience scores. These boundaries also apply to your organisation's scores for each of the four dimensions and 23 indicators of organisational resilience.

Interpretation of Benchmark Resilience Scores

Score	What Does It Mean?
80-100% Very Good	An organisation which scores 80-100% on the Benchmark Resilience tool has a very good level of resilience. Improvement for this organisation can be achieved by maintaining its high standards and addressing those indicators on which it scored less than 80%.
Good 60-79%	An organisation which scores 60-79% on the Benchmark Resilience tool has a good level of resilience. Improvement for this organisation can be achieved by addressing those indicators on which it scored less than 60%.
40-59% Poor	An organisation which scores 40-59% on the Benchmark Resilience tool has a poor level of resilience. Improvement for this organisation can be achieved by focusing on the Resilience Ethos dimension as well as those resilience indicators on which it score less than 40%.
20-39% Very Poor	An organisation which scores 20-39% on the Benchmark Resilience tool has a very poor level of resilience. Improvement for this organisation can be achieved by focusing on the Resilience Ethos dimension and promoting staff engagement and involvement.

Benchmark Resilience

Your organisation's scores for overall resilience and for each of the 4 dimensions of organisational resilience are shown by the blue bars in the table below. The average scores for all Auckland organisations are shown in the purple bars. Definitions of each dimension can be found in the appendix.



Your organisation's resilience benchmark allows you to compare your resilience with other organisations in the Auckland region. **Your organisation's overall resilience benchmark is 73%**. This means that, in Auckland, 72% of organisations scored lower than your organisation, and 27% of organisations scored higher than your organisation.

Your Organisation's Resilience in Detail

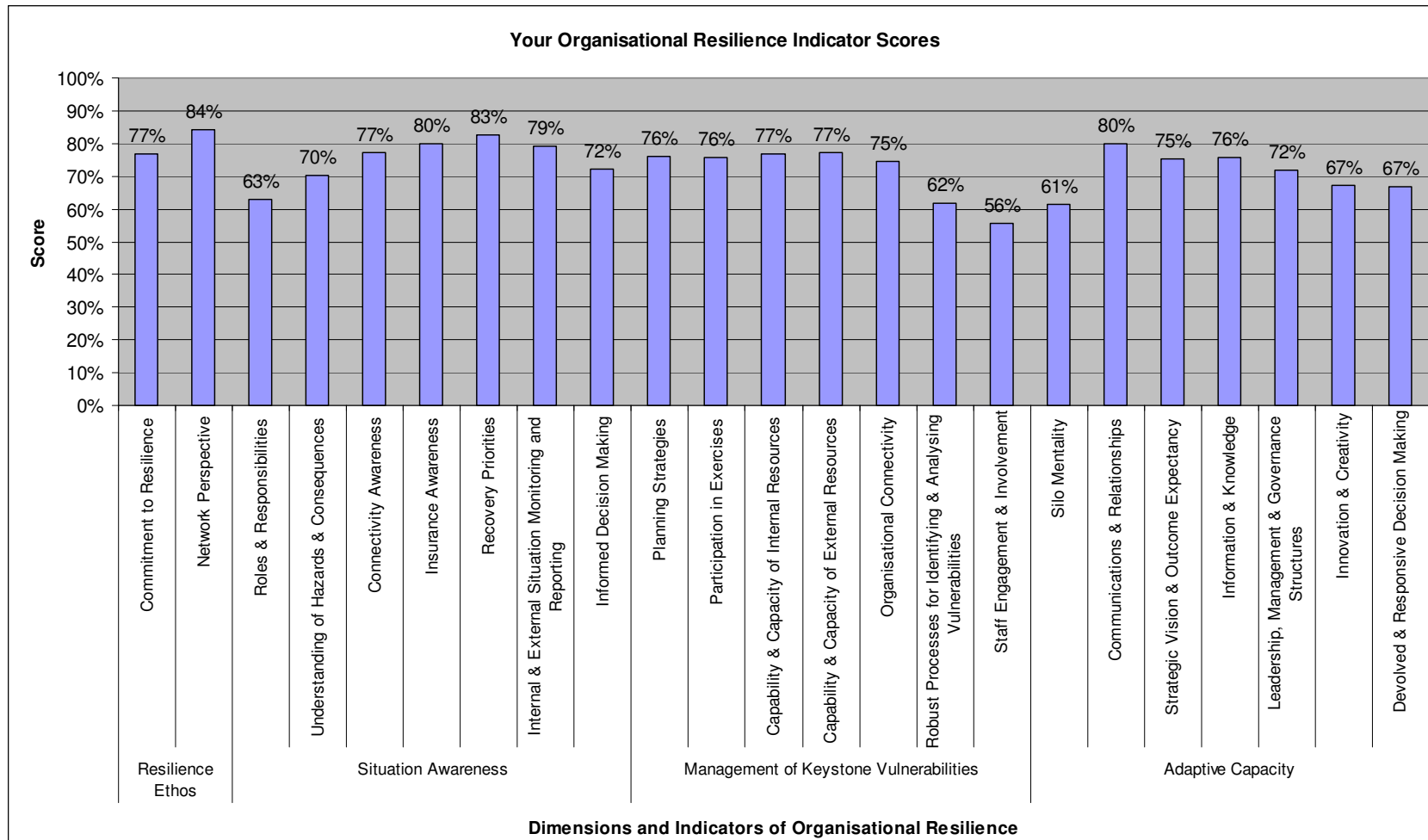
Your organisation's scores for each of the 23 indicators of organisational resilience are shown in the table below, definitions of each indicator can be found in the appendix.

Your organisation's strongest resilience indicators include:

- Network perspective – 84% - Very Good
- Recovery priorities – 83% - Very Good
- Insurance awareness – 80% - Very Good
- Communications and relationships – 80% - Very Good

Your organisation's weakest resilience indicators include:

- Staff engagement and involvement – 56% - Poor
- Silo mentality – 61% - Good
- Robust processes for identifying and analysing vulnerabilities – 62% Good
- Roles and responsibilities – 63% - Good



Descriptive Information

The majority of the questions in the Benchmark Resilience tool directly assess your organisation's resilience using the indicators discussed. However some of the questions are intended to provide rich descriptive data in addition to the quantitative measurement of resilience. Each of these questions is addressed below.

Which is the biggest risk facing your organisation?

Risk	Number of people
Natural hazards e.g. earthquake, flood, severe weather	2
Financial crisis	1
Major accident or fire	1
Pandemic e.g. influenza	1
Loss of critical services e.g. electricity, gas, water, communications	1
Reputation damage	3
Fraud	1
Regulatory changes	0
Staffing issues	1
Failure of a key supplier or customer	0
Other	0

In response to the threat of flu pandemic the perception in your organisation was that you had:

Level of planning completed	Number of people
Not done any planning	3
Discussed how a flu pandemic would be managed with key staff	4
Put formal plans in place to manage a flu pandemic if it happened	1
Engaged in formal planning with other organisations to manage the impact on of a flu pandemic our sector	2

Participants were asked whether, in their opinion, your organisation has experienced a crisis in the last 5 years.

Answer	Number of people
Yes	3
No	5
Don't Know	2

Of those people that said that your organisation has experienced a crisis within the last 5 years, each individual identified a different crisis.

Resilience Summary

Your organisation's resilience strengths lie in its understanding of how it is linked to other organisations and communities of stakeholders and how it communicates to manage these relationships. This stems from a large number of highly skilled staff that are able to draw on a wide network of established relationships within your business environment. Your organisation also has a sense of shared direction and common goals which would help you to manage a crisis effectively. These recovery priorities also allow your organisation to switch more easily from business-as-usual to crisis model making you more flexible and responsive.

Your organisation's resilience weaknesses stem from internal cultural and communications barriers, or silos, which make it more difficult for you to manage risks and interdependencies. This makes it difficult for staff to work towards common goals during business-as-usual as each silo operates independently making your organisation more fragmented. As a result general staff are not engaged and involved in resilience issues and resilience, risk and continuity are not included in day-to-day decision making and management processes. Staff are also unclear about their roles and responsibilities during times of crisis.

Your organisation should monitor staff engagement with resilience issues and make sure that it is emphasized as an important aspect of organizational management and operation. You should also make an effort to reduce silos within your organisation to enable your staff to better communicate and to manage both projects and crises effectively across departments and business units.

Action Points

The action points below are not prescriptive and are a guide only. They provide an indication of ways that your organisation could improve its overall resilience by addressing the weak points identified above.

Staff engagement and involvement – Staff within a resilient organisation are aware of resilience management programs including risk management and business continuity. They also understand the importance of these programs to the success of your organisation and they link this success to their own personal success. Engaging and involving staff in resilience means raising awareness of resilience issues and providing staff with ownership and opportunity to improve your organisations resilience. Ways to achieve this include:

- Run emergency exercises designed to practise the way that you would manage a crisis across your entire organisation and try to involve as many people as possible.
- Invite senior managers to observe exercises; this highlights the issue of resilience and gives them a practical appreciation of its importance and what your organisation's actual capabilities and capacities are.
- When your emergency or crisis planning function successfully implements a new initiative or runs a successful exercise, take the opportunity to publically acknowledge it within your organisation and the wider community.
- Raise awareness and staff engagement involving all managers in discussions on your organisation's resilience. Your organisation could also use performance indicators related to resilience for departments and senior managers.
- Include your organisation's strategic objectives and priorities, and your senior management team's vision and mission as part of your induction process. This communicates to staff at a very early stage, that resilience is important within your organisation.
- Make individual staff members responsible for the operational aspects of your resilience management program as it relates to their job. This requires education and awareness, but once staff know about resilience and how it affects your organisation, they are more able to help your organisation to improve.

Silo mentality - Silo mentality often occurs in larger or more fragmented organisations but can also occur between organisations. It is important that staff in your organisation can work together across organisational boundaries and hierarchies to achieve its objectives. Where silo mentality is present it reduces an organisation's ability to manage crises effectively because it blocks strengths and opportunities such as communication, ideas, innovation, creativity and efficiency, and creates weaknesses and threats such as isolation, lack of awareness, duplication, inefficiency and cost. People in organisations with silo mentality also tend to act more to achieve their own individual goals than the goals of the organisation. To address silo mentality your organisation can:

- Encourage staff to experience different roles within different parts of your organisation. Experience of the way that other departments or business units' function is invaluable. It will give them a better understanding of what different departments do during business as usual, what they may be capable of during crisis, and will also help to share informal knowledge. This can be achieved through short term job shadowing or mentoring as well as longer term internal work placements.
- Encourage staff to look internally for resources and skills before looking to external sources. Staff in your organisation will have many skills that they may not use in their day-to-day role; however these skills are a resource for your organisation. This can be achieved by discussing with staff how they approach new projects or problems; the key is to talk to as many people as possible to get different view points and a diverse resource of information.
- Encourage and provide opportunities for staff to meet to discuss issues that may not be directly related to their work. One way to achieve this is through inter-departmental or inter-organisational round tables. These meetings are designed to bring people from all levels of different departments or organisations together. Meetings can be structured on a rotating basis (it is important that everyone gets to take part) to discuss issues on three levels:
 - Strategic - where is the organisation now and where would we like to be in five years, this may take the form of a presentation from the senior management team followed by a discussion
 - Tactical - what are the projects, or skills that we need to develop to reach our goals
 - Operational - what have we achieved recently and what

were the reasons for our success, what either went wrong or nearly went wrong and why, what resources and training could we undertake that would help us to achieve more

Robust processes for identifying and analysing vulnerabilities –

Traditionally, vulnerabilities and risks are identified through continuous cycles of risk assessment and business impact assessments. While these are important, a resilient organisation needs to complete risk assessment and business continuity activities within a holistic and systematic program of resilience management. Keystone vulnerabilities are those that have the potential to cause the organisation to fail; they are either a catalyst for unexpected rapid change or the trigger for crisis. The pace of change of the organisational environment means that risks and vulnerabilities are constantly changing and shifting; a solution in one area can create vulnerabilities in another. Ways to achieve more robust processes for identifying and analysing vulnerabilities include:

- Create an awareness of vulnerability and remind people that unexpected events and situations often occur as the result of a number of very small (usually undetected) changes.
- Encourage staff to 'listen' for, and report, weak signals i.e. a small change in your organisation's environment. An early awareness of small changes creates the opportunity to make sure that your organisation is an industry leader initiating innovations to develop in order to minimise, avoid and take advantage of, environmental changes.
- Encourage staff to report mistakes and 'near misses' even if no-one else notices that anything has gone wrong. This can be vital as what is an insignificant mistake or a near miss for an individual could be very important information for an organisation. A 'near miss' is when something almost goes wrong but doesn't, such as a computer system that almost 'fell over' during your busiest period last year.
- Reward staff for spotting potential trouble spots. It is important that staff within your organisation feel able to report mistakes and near misses, and that they are recognised in a positive way when they do. This recognition will in turn send out a positive message that it is ok for other people to do the same.

Roles and responsibilities – It is important for staff within your organisation to know what their roles and responsibilities will be during a crisis as these will not necessarily be the same as during business as usual. Without this knowledge staff will be unable to manage a crisis effectively. It is also important for staff to have an awareness of each others roles and responsibilities as key members of staff may not be available during a crisis. Not all staff will have a specific role but they should know what to do in a crisis, even if that is only to wait at home until they receive further information. Ways to achieve this include:

- Formalise the membership and initial actions of your key staff in a crisis or emergency plan or planning document.
- Provide opportunities for staff to train and practise the roles and responsibilities through crisis and emergency exercises.
- Create a regular review schedule for updating roles and responsibilities – this should reflect changes in your organisations environment e.g. if your organisation merges with another or acquires a new site, as well as the hiring of new staff.
- Include crisis roles and responsibilities in job descriptions and induction programmes for new staff when they join the organisation.

Appendix

Dimension 1 – Resilience Ethos

Resilience Ethos can be defined as:

A culture of resilience that is embedded within the organisation across all hierarchical levels and disciplines, where the organisation is a system managing its presence as part of a network, and where resilience issues are key considerations for all decisions that are made.

An organisation's resilience ethos is evidenced through two indicators:

- Your organisation's commitment to resilience
- A network perspective

Commitment to Resilience can be defined as:

A belief in the fallibility of existing knowledge as well as the ability to learn from errors as opposed to focusing purely on how to avoid them. It is evident through an organisation's culture, training and how it makes sense of emerging situations.

A **Network Perspective** can be defined as:

A culture that acknowledges organisational interdependencies and realises the importance of actively seeking to manage those interdependencies. It is a culture where the drivers of organisational resilience, and the motivators to engage with resilience, are present.

Dimension 2 – Situation Awareness

Situation Awareness can be defined as:

An organisations understanding of its business landscape, its awareness of what is happening around it, and what that information means for the organisation now and in the future.

An organisations' situation awareness is evidenced through seven indicators:

- Understanding of roles and responsibilities
- Understanding and analysis of hazards and consequences
- Connectivity awareness
- Insurance awareness
- Your organisation's recovery priorities
- Internal and external situation monitoring and reporting
- Informed decision making

Understanding of Roles & Responsibilities can be defined as:

Roles and responsibilities are clearly defined and people are aware of how these would change in an emergency, the impact of this change, and what support functions it would require.

Understanding & Analysis of Hazards & Consequences can be defined as:

An anticipatory all hazards awareness of any events or situations which may create short or long term uncertainty or reduced operability, and an understanding of the consequences of that uncertainty to the organisation, its resources and its partners.

Connectivity Awareness can be defined as:

An awareness of the organisations' internal and external interdependencies and links and an understanding of the potential scale and impact that expected or unexpected change could have on those relationships.

Insurance Awareness can be defined as:

An awareness of insurance held by the organisation and an accurate understanding of the coverage that those insurance policies provide.

Recovery Priorities can be defined as:

An organisation wide awareness of what the organisations priorities would be following a crisis, clearly defined at the organisation level, as well as an understanding of the organisation's minimum operating requirements.

Internal & External Situation Monitoring & Reporting can be defined as:

The creation, management and monitoring of human and mechanical sensors that continuously identify and characterise the organisations internal and external environment, and the proactive reporting of this situation awareness throughout the organisation.

Informed Decision Making can be defined as:

The extent to which the organisation looks to its internal and external environment for information relevant to its organisational activities and uses that information to inform decisions at all levels of the organisation.

Dimension 3 – Management of Keystone Vulnerabilities

Management of Keystone Vulnerabilities can be defined as:

The identification, proactive management, and treatment of vulnerabilities that if realised, would threaten the organisations ability to survive.

An organisations' management of keystone vulnerabilities is evidenced through seven indicators:

- Planning strategies
- Participation in exercises
- Capability and capacity of internal resources
- Capability and capacity of external resources
- Organisational connectivity
- Robust processes for identifying and analysing vulnerabilities
- Staff engagement and involvement

Planning Strategies can be defined as:

The identification and evaluation of organisational planning strategies designed to identify, assess and manage vulnerabilities in relation to the business environment and its stakeholders.

Participation in Exercises can be defined as:

The participation of organisational members in simulations or scenarios designed to enable the organisation to rehearse plans and arrangements that would be instituted during a response to an emergency or crisis.

Capability & Capacity of Internal Resources can be defined as:

The management and mobilisation of the organisations physical, human, and process resources to ensure its ability to effectively address the organisations operating environment.

Capability & Capacity of External Resources can be defined as:

Systems and protocols designed to manage and mobilise external resources as part of an interdependent network to ensure that the organisation has the ability to respond to crisis.

Organisational Connectivity can be defined as:

The management of the organisation's network interdependencies and the continuous development of inter-organisational relationships to enable the organisation to operate successfully and to prevent or respond to crisis and uncertainty.

Robust Processes for Identifying & Analysing Vulnerabilities can be defined as:

Processes embedded in the operation of the organisation that identify and analyse the emerging and inherent vulnerabilities in its environment and enable it to effectively manage vulnerabilities to further the networks' resilience.

Staff Engagement & Involvement can be defined as:

The engagement and involvement of organisational staff so that they are responsible, accountable and occupied with developing the organisations resilience through their work because they understand the links between the organisations resilience and its long term success.

Dimension 4 – Adaptive Capacity

Adaptive Capacity can be defined as:

The organisations ability to constantly and continuously evolve to match or exceed the needs of its operating environment before those needs become critical.

An organisations' adaptive capacity is evidenced through seven indicators:

- Free from silo mentality
- Communications and relationships
- Strategic vision and outcome expectancy
- Information and knowledge
- Leadership, management and governance structures
- Innovation and creativity
- Devolved and responsive decision making

Free from Silo Mentality can be defined as:

An organisation free from cultural and behavioral barriers which can be divisive within and between organisations which are most often manifested as communication barriers creating disjointed, disconnected and detrimental ways of working.

Communications & Relationships can be defined as:

The proactive fostering of respectful relationships with stakeholders to create effective communications pathways which enable the organisation to operate successfully during business-as-usual and crisis situations.

Strategic Vision & Outcome Expectancy can be defined as:

A clearly defined vision which is understood across the organisation and reflects its shared values and empowers its stakeholders to view the organisations future positively.

Information & Knowledge can be defined as:

The management and sharing of information and knowledge throughout the organisation to ensure that those making

decisions or managing uncertainty have as much useful information as possible.

Leadership, Management & Governance Structures can be defined as:

Organisational leadership which successfully balances the needs of internal and external stakeholders and business priorities, and which would be able to provide good management and decision making during times of crisis.

Innovation & Creativity can be defined as:

An organisational system where innovation and creativity are consistently encouraged and rewarded, and where the generation and evaluation of new ideas is recognised as key to the organisations future performance.

Devolved & Responsive Decision Making can be defined as:

An organisational structure, formal or informal, where people have the authority to make decisions directly linked to their work and where, when higher authority is required, this can be obtained quickly and without excessive bureaucracy.