Benchmarking Organizational Resilience:
a Cross Sectional Comparative Research study conducted in the state of New Jersey, USA

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• Food for Thought
  
  “And I am also here to say that if something were to happen, we are prepared to respond swiftly, to respond effectively, and to respond strongly. That is our tradition as a country. And that is a tradition that we will uphold, regardless of any circumstance because this nation is one that is very, very strong and, indeed extraordinarily resilient.”

Introduction

- Why conduct research on organizational resilience?
  - Linkage between organizational resilience and business continuity
  - Need to expand from traditional business continuity “planning” only

- Identification of the problem
  - “resilience” is hard to define, let alone measure!
  - Proper “measurement” leads to an opportunity to “improve”

- Organizational Resilience Benchmark/Measurement Tool
  - After years of research, a resilience measurement tool has evolved
  - Significant enhancement have yielded a reliable measurement tool

- My professional and personal “passion”
  - Professional passion:
    - Utilizing an “outside of the box” approach to enhance COOP
  - Personal passion:
    - Super Storm Sandy phone calls from friends & small business owners
Abstract

- My research evaluated the resilience of organizations throughout the state of New Jersey and compared the findings with a similar study conducted in Auckland, New Zealand.

- The research then provided valuable information on organizational resilience strengths and weaknesses enabling New Jersey based organizations to learn their resilience posture and begin to develop a business case for additional investment in organizational resilience.

- An important aspect of this comparative research study was to identify any behavioral or cultural differences between the resilience of New Jersey and Auckland organizations.

- The presentation will present these and other interesting findings from this landmark research study comparing organizational resilience in the United States and New Zealand.
Research Questions

- What social or behavioral factors influence and determine organizational resilience among the participating organizations in New Jersey?

- What conclusions can be drawn from the data collected from this research about organizations in New Jersey?

- What conclusions can be drawn when comparing Auckland, New Zealand organizational resilience research results with results drawn from this research study?
Organizational Resilience Benchmark Tool Progression

- Larry A. Mallak (1998)
  - initially developed the organizational resilience benchmarking tool

- Scott Mc Manus (2007)
  - Performed interviews to assess the resilience of NZ case study orgs.
  - 3 “resilience dimensions” identified:
    - Situational Awareness, Keystone Vulnerabilities, Adaptive Capacity

- Amy Stephenson (2010)
  - Further refined the survey tool using Factor Analysis
  - 2 “resilience dimensions” remained:
    - Situational Awareness, Adaptive Capacity

- Future research ----→ my research study
Organizational Resilience Dimensions:

• **Adaptive Capacity:**
  – An organization’s ability to adapt is at the heart of its ability to display resilient characteristics. Resilience as adaptive behavior is increasingly being applied to the business environment to help explain how organizations manage the balance between stability and change.

• **Planning Indicators:**
  – The development and evaluation of plans and strategies to manage vulnerabilities in relation to the business environment and its stakeholders as well as to engage in overall crisis/disaster planning & preparedness (i.e. creation of plans, training and awareness and conducting exercises and simulations).

Reference: http://www.resorgs.org.nz
13 Organizational Resilience Indicators

• Adaptive Capacity Indicators*
  1. Leadership
  2. Staff Engagement
  3. Situational Awareness
  4. Decision Making
  5. Innovation & Creativity
  6. Effective Partnerships
  7. Leveraging Knowledge
  8. Breaking Silos
  9. Internal Resources

• Planning Indicators*
  10. Unity of Purpose
  11. Proactive Posture
  12. Planning Strategies
  13. Stress Testing Plans

Reference: http://www.resorgs.org.nz
Results & Findings

- Cronbach’s Alpha (Test of Reliability)
  - Result = .974 (All 100 questions combined)
    - Leadership = .803
    - Staff Engagement = .764
    - Situational Awareness = .821
    - Decision Making = .695
    - Innovation & Creativity = .808
    - Effective Partnerships = .895
    - Leveraging Knowledge = .864
    - Breaking Silos = .830
    - Internal Resources = .773
    - Unity of Purpose = .906
    - Proactive Posture = .910
    - Planning Strategies = .917
    - Stress Testing Plans = .894
- Original result = .950
Results & Findings (cont.)

- Overall Resilience Score
  - New Jersey: 68.60%
  - New Zealand: 65.23%

- Resilience Score by “Dimension”
  - Adaptive Capacity
    - New Jersey: 68.59%
    - New Zealand: 72.66%
  - Planning
    - New Jersey: 68.60%
    - New Zealand: 57.8%
## Results & Findings (cont.)

### Resilience Score by Resilience Indicator

<table>
<thead>
<tr>
<th>Resilience Indicator</th>
<th>New Jersey</th>
<th>New Zealand</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adaptive Capacity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership</td>
<td>72.88%</td>
<td>69.66%</td>
</tr>
<tr>
<td>Staff Engagement</td>
<td>74.46%</td>
<td>71.81%</td>
</tr>
<tr>
<td>Situational Awareness</td>
<td>72.63%</td>
<td>77.29%</td>
</tr>
<tr>
<td>Decision Making</td>
<td>72.23%</td>
<td>74.80%</td>
</tr>
<tr>
<td>Innovation &amp; Creativity</td>
<td>68.03%</td>
<td>71.69%</td>
</tr>
<tr>
<td>Partnerships</td>
<td>63.02%</td>
<td>n/a</td>
</tr>
<tr>
<td>Knowledge Usage</td>
<td>68.38%</td>
<td>71.28%</td>
</tr>
<tr>
<td>Silos</td>
<td><strong>60.85%</strong></td>
<td>73.27%</td>
</tr>
<tr>
<td>Internal Resources</td>
<td>64.83%</td>
<td>71.45%</td>
</tr>
<tr>
<td><strong>Planning</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unity of Purpose</td>
<td>71.28%</td>
<td>n/a</td>
</tr>
<tr>
<td>Proactive Posture</td>
<td>69.65%</td>
<td>70.06%</td>
</tr>
<tr>
<td>Planning Strategies</td>
<td>66.34%</td>
<td>45.55%</td>
</tr>
<tr>
<td>Stress Testing Plans</td>
<td>67.15%</td>
<td>56.60%</td>
</tr>
</tbody>
</table>
Results & Findings (cont.)

Overall Resilience Score by Industry Sector

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>New Jersey</th>
<th>New Zealand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>68%</td>
<td>66%</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>79%</td>
<td>63%</td>
</tr>
<tr>
<td>Health and Community</td>
<td>68%</td>
<td>76%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>59%</td>
<td>64%</td>
</tr>
<tr>
<td>Property/Services</td>
<td>65%</td>
<td>65%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>58%</td>
<td>66%</td>
</tr>
</tbody>
</table>
Summary & Conclusions

Research Question #1 (Social/behavior influences impacting resilience)

Positive Impact:
- Staff Engagement (74.6%) – Openly and encouraging staff engagement
- Leadership (72.88%) – Projecting strong crisis leadership

Negative Impact:
- Lack of building partnerships (63.02%) – Not seeking to building internal & external partnerships
- Exhibiting a Silo mentality (60.85%) – Allowing ‘silos’ to exist within the organization
Summary & Conclusions (cont.)

Research Question #2 (Conclusions drawn from New Jersey)

- New Jersey scored equally good at Adaptive Capacity and Planning
- Most resilient industry sectors: Finance/Insurance & Education
- Least resilient industry sectors: Retail Trade & Manufacturing
- Open-ended qualitative question on recent crises:
  - Overwhelming response: Super Storm/Hurricane Sandy
- Highest scoring questions:
  - Staff have access to someone with decision making authority (Decision-making)
  - Staff accept that management make decisions with little consultation (Leadership)
- Lowest scoring questions:
  - Staff are encouraged to move between departments and roles to gain experience (Silo)
  - Managers monitor workloads and reduce them when they are excessive (Leadership)
Summary & Conclusions (cont.)

Research Question #3 (Compare New Jersey and New Zealand results)

- New Jersey overall resilience score (68.60%) slightly higher than New Zealand (65.23%)

- Most resilient Industry sectors
  - New Jersey: Finance/Insurance & Education
  - New Zealand: Health and Community & Education

- New Jersey better at planning than New Zealand

- New Zealand scored higher overall in adaptive capacity versus New Jersey

- Additional research is needed to determine cultural and/or behavioral differences
Takeaways on how to enhance organizational resilience:

Evaluate the effectiveness of BCM through measuring resilience:
- Follow a 4-Step process (continuous loop):
  1. Measure Resilience Baseline
  2. Perform a BCM Action (see sample list below)
  3. Measure Resilience Improvement
  4. Evaluate and Compare BCM Action
     - (go back to step 1)

Examples of BCM Actions to perform:
- Development of a BCM policy document
- Defining roles and responsibilities
- Analyzing gaps in training and awareness
- Conducting business impact analyses across locations, BUs
- Increased involvement in industry groups

Promote thinking outside of the box when it comes to thinking about crises and responses.
Takeaways on how to enhance organizational resilience:

- Try to minimize any ‘silo mentality’
  - Silos are created when physical, cultural, social, or communication barriers isolate or separate people, processes or information in a way that prohibits effective working

- Provide an induction process for employees including risk awareness and incident management

- Ensure that senior management is trained and aware of their responsibilities

- Gain knowledge of third party providers’ impacts (contractual arrangements include proof of continuity of service) and build crisis contexts into contractual arrangements

- Conduct crisis planning with other organizations
Takeaways on how to enhance organizational resilience:

- Conduct multi-business unit scenario exercises to identify cross business consequences
- Conduct ‘scheduled’ sessions or a mechanism for considering the ‘what-ifs’
- Set aside time and resources for ‘what-if’ thinking
- Establish good relationships with the community
- Involve other organizations in exercises to test plans
- Participate in and conduct exercises!
- Conduct staff training to notice, report and review problems/situational or environmental (i.e. business changes) changes
Takeaways on how to enhance organizational resilience:

- Allow for open input from all into decision making (where appropriate)
- Understand that crisis management processes allow/require quick decisions
- Ensure that roles and responsibilities are understood and that everyone knows how decisions will be made in a crisis
- Regularly exercise and practice response arrangements
- Don’t continue to allow poor preparedness and ‘winging it’ in a response
- Reward risk taking
- Innovation should be encouraged at all levels of the organization
THANK YOU

• A special thanks goes out to my Doctoral Committee at New Jersey City University and to my colleagues at Resilient Organisations in New Zealand