ORGANIZATIONAL RESILIENCE:
The Art of Being Ready for Anything

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National Disaster Resilient Universities (DRU) Network®
Presentation Overview

• Reframing how we look at risk and crisis management

• Gain an understanding of what resilience is and the 3 attributes, 13 key indicators and 3 cultures of organizational resilience.

• University of Oregon case study: how enterprise risk management and organizational resilience can work together.
The Disaster Cycle

- Training and Exercises
- Vulnerability Assessment
- Prevention & Mitigation
- Incident Response
- Business Continuity
- Recovery
How do we move from a reactive to proactive approach?

Maybe it is time to reconsider the disaster cycle?
Crisis Leadership Waves Concept

The Great Wave off Kanagawa - Katsushika Hokusai
Crisis Leadership Waves Concept

Source: André Le Duc Chief Resilience Officer and Associate Vice President, 2016
Are you ready for the unknown?
How do you handle fear and stress?
Understanding our brain and stress
Fight, Flight, or Freeze

**Prefrontal Cortex:**
Executive and Cognitive Functions

**Limbic System:**
Emotional State

**Brain Stem:**
Reptilian Brain
Meta-leadership during a crisis or disaster

“Meta-leaders...seek to influence and activate change well above and beyond established lines of their decision-making and control.”

“These leaders are driven by a purpose broader than that prescribed by their formal roles, and are therefore motivated and capable of acting in ways that transcend usual organizational confines.”

Wave successions and transitions

**Response Wave**

**Continuity Wave**

**Recovery Wave**

Source: André Le Duc Chief Resilience Officer and Associate Vice President, 2016
Do you have a plan for transitions?

Only 32% of campuses surveyed in 2016 have continuity plans.

Only 30% of campuses surveyed in 2016 have recovery plans.

Source: André Le Duc, Chief Resilience Officer and Associate Vice President, 2016
Optimized Crisis Leadership Waves

- Reduced lag time between response, continuity and recovery
- Reduced intensity of continuity and recovery waves
- Enhanced recovery trajectory
- Greater Organizational Resilience

Source: André Le Duc Chief Resilience Officer and Associate Vice President, 2016
How do we move from risk response to resilience?

The art of being ready for anything
The art of being ready for anything

Change Ready?
### Why Resilience?

We live in a VUCA world!

| VOLATILE       | The environment demands you react quickly to ongoing changes that are unpredictable and out of your control |
| UNCERTAIN      | The environment requires you to take action without certainty |
| COMPLEX        | The environment is dynamic, with many interdependencies |
| AMBIGUOUS      | The environment is unfamiliar outside of your experience |
Originally conceived as a way to think about ecosystems and the dynamic processes that occur within a system.

Adaptive Change!
“A resilient organization is one that is still able to achieve its core objectives in the face of adversity.”

“This means not only reducing the size and frequency of crises (vulnerability), but also improving the ability and speed of the organization to manage crises effectively (adaptive capacity).”

“To effectively manage crises, organizations also need to recognize and evolve in response to the complex system within which the organization operates (situation awareness) and to seek out new opportunities even in times of crisis.”

Source: Building Organizational Resilience: A Summary of Key Research Findings, Resilient Organizations Program, New Zealand 2006
Graphing Resilience

1. Initial condition
2. Extreme event
3. System shock
4. Disaster threshold
5. Recovery time
6. Lessons learned

Source: USGS - University of Oregon Research Collaboration, 2006
How do we address the reality that communities are complex, open, self-organizing social systems that change through time?
“Plans are worthless, but planning is everything.”

- Dwight D. Eisenhower
Planning and Adaptive Capabilities

Greater Resilience
A resilient organization has the ability to **survive** a disaster and **thrive** in a volatile and uncertain world
Resilience Organized!

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<th>Attributes</th>
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<td>3</td>
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<tr>
<td>13</td>
<td>Indicators</td>
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<td>Cultures</td>
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Attributes of Resilience

Leadership & Culture

Resilience

Networks

Change Ready
Indicators of Resilience

Leadership & Culture

Leadership

Staff Engagement

Situation Awareness

Decision Making

Innovation & Creativity

Effective Partnerships

Proactive Posture

Networks

Change Ready

Internal Resources

Breaking Silos

Unity of Purpose

Leveraging Knowledge

Stress Testing Plans

Planning Strategies

Resilience

Resilient Organisations

University of Oregon
Some indicators are more impactful
Cultures of Resilience

Resilience

Trust

Learning

Leadership & Culture

Networks

Change Ready

Collaboration
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 organizational goals.

Strategic Enterprise Risk Management and Compliance Committee (SERMC)

UO Incident Management Team
Leadership

Setting the Values and Tone

TOUGH DECISIONS AHEAD
Situation Awareness

Focus on the important things
Silos

Working as a team with unity of purpose
Silos

Working as a team with unity of purpose

Network structure & combining networks
Innovation & Creativity

Willing and open to finding new and innovative ways to solve problems
Understanding Collaborative Behavior

- Trust
  - Supporting others to contribute

- Turf
  - Exchanging information
  - Altering activities

- Networking
- Coordinating
- Cooperation
- Collaborating

Enhancing Capacity, Exploring shared vision, Mutual resource development

Adapted from Collaboration Continuum from ACT for Youth
Introduction

Resilience is the ability of an organisation to survive a crisis and thrive in a world of uncertainty.

This questionnaire will help estimate the resilience of your organisation. The questionnaire will take approximately 5 minutes to complete. At the end of this survey you will be emailed a Resilience Report which includes an assessment of how your organisation’s resilience compares to other small and medium sized organisations, as well as practical things you can do to improve the resilience of your organisation.

We use the term ‘organisation’ throughout this questionnaire. By an organisation we mean anything from a one person small business, to a very large corporation, from a small not-for-profit to a large Government department.

The questionnaire has been developed by the Resilient Organisations Research Programme at the University of Canterbury in New Zealand. The questionnaire is confidential and any data identifying your organisation will not be shared with any third parties. The names of the participants or their organisations will not be used, published, or reported in any of the results. The Resilient Organisations research team may use your data to guide them in updating and improving the questionnaire, and to research ways to improve the resilience of organisations. Confidential and aggregate results and analyses will be published in reports publicly available on the Resilient Organisations website www.resorgs.org.nz, and in peer reviewed academic journals.

This project has been reviewed and approved by the University of Canterbury Human Ethics Committee, Private Bag 4800, Christchurch; email human-ethics@canterbury.ac.nz. By choosing to participate, your organisation is consenting to involvement in this study. You may withdraw your participation at any time, including any information you have provided after you have completed the questionnaire. All data will be retained for 10 years, then all of the data with identifiable information will be destroyed.

For more information, or if you would not like your data to be used as part of ongoing research, please contact Erica Seville or John Vargo (Co-leaders of the Resilient Organisations Research Programme) at erica.seville@mac.co.nz or john.vargo@canterbury.ac.nz, or go to our website at www.resorgs.org.nz.

https://www.resorgs.org.nz/resources/resilience-tools/
Benchmark Resilience Tool

• Developed and refined over nearly a decade at University of Canterbury in New Zealand

• The data collection tool and findings are robust and benefit both large and small organizations

• A combination of an organization-wide survey and subsequent focused discussions with subsets of the organization's population
Part one: Survey

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.

* 23. To what extent do you agree or disagree with the following statements for your organisation?

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly disagree</th>
<th>Strongly agree</th>
<th>Don't know</th>
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<tbody>
<tr>
<td>Should problems occur, staff have direct access to someone with authority to make decisions.</td>
<td>O O O O O O O O O O</td>
<td></td>
<td></td>
</tr>
<tr>
<td>We can make tough decisions quickly.</td>
<td>O O O O O O O O O O</td>
<td></td>
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</tr>
<tr>
<td>In our organisation, the most qualified people make decisions, regardless of seniority.</td>
<td>O O O O O O O O O O</td>
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Outputs: Where are we now
Outputs: Where do we go next
Is your organization change ready?
University of Oregon

Enterprise Risk Management and Organizational Resilience Model

Helping the UO plan for the best, mitigate the worst, and not only survive a disaster, but thrive in the face of adversity!
Risk aware, not risk-averse
Enterprise Risk Management Defined

"The culture, capabilities, and practices, integrated with strategy-setting and performance, that organizations rely on to manage risk in creating, preserving, and realizing value.“

...Over the longer term, enterprise risk management can also enhance enterprise resilience—the ability to anticipate and respond to change.”

Committee on Sponsoring Organizations of the Treadway Commission (COSO)
Enterprise Risk Management: A Focused Framework

Source: Enterprise Risk Management Integrating with Strategy and Performance Committee of Sponsoring Organizations of the Treadway Commission (COSO) June, 2017
Enterprise Risk Management & Organizational Resilience

Committee on Sponsoring Organizations of the Treadway Commission (COSO)
The benefits of blending ERM and Organizational Resilience

• Identifies and allows leadership to manage and monitor multiple cross-enterprise vulnerabilities, risk exposures and capacities.

• Increases situational awareness and reduces operational surprises and losses

• Improves decision-making, adaptive capacities, and risk response

• Aligns strategy with operational capacity and risk appetite

• Improves deployment of limited resources - both human and financial

• Enhances organizational resilience at multiple levels of University
University of Oregon: Strategic Enterprise Risk Management and Compliance Committee
Committee charge, membership, and structure
Strategic Enterprise Risk Management and Compliance Committee (SERMC)

Committee charge from the President:

1. Develop tools and processes to actively identify, evaluate, and manage university risks

2. Ensure that systems and processes are in place to provide accountability for compliance with University’s legal and policy obligations

3. Encourage communications, problem-solving, and collaboration across divisions, units, and departments
Committee Members

• Vice President, Finance and Administration and Chief Financial Officer
• Vice President for Research and Innovation
• Vice President for Student Life
• Vice President for Student Services and Enrollment Management
• Vice President for University Communications
• Vice President for University Advancement
• Vice President and General Counsel to the University
• Vice President for Equity and Inclusion
• Executive Vice Provost for Operations
• Vice Provost for Information Services and Chief Information Officer
• Chief Resilience Officer and Associate Vice President for Safety and Risk Services
• Chief Human Resources Officer and Associate Vice President for Human Resources
• Chief Auditor
• Associate Vice President for Business Affairs and University Controller
• Senior Associate Vice President for Research and Innovation
• Director of Intercollegiate Athletics
Committee Operational Process

• Committee meets monthly to review:
  ➢ Strategic, enterprise-wide, and cross-unit risks
  ➢ Compliance, operational, and financial risks

• Brief each other on emerging exposures and/or mitigation efforts

• Receive updates from standing committees and work groups

• Prioritize risk exposures, discuss risk tolerance, and actively monitor the University’s risk exposure matrix
Vulnerability, Exposure, and Risk Assessment Overview

“Every choice we make in the pursuit of objectives has its risks. From day-to-day operational decisions to the fundamental trade-offs in the boardroom, dealing with risk in these choices is a part of decision-making.”

Committee of Sponsoring Organizations of the Treadway Commission (COSO) Enterprise Risk Management Integrating with Strategy and Performance, June, 2017
Emergence of Critical Risks for the Education Industry

From which of the areas listed below do you think the next critical risks for your organization will emerge?

Source: 2016 Marsh Report titled Emerging Risks: Anticipating Threats and Opportunities Around the Corner
Building a dynamic, agile and collaborative risk matrix

Risk management is a shared responsibility and requires simple, yet dynamic and agile tools to help leadership see the big picture and make sound decisions in an uncertain world.
Quadrant Risk Exposure Map Defined

Conditions or risk exposures that have a Very High / High likelihood of occurring but have the potential for a Moderate / Low impact on the University's ability to achieve its mission and require Continuous Monitoring and actions to reduce exposures.

Conditions or risk exposures that have a Low / Moderate likelihood of occurring but the potential for a Low / Moderate impact on the University's ability to achieve its mission and require Periodic Monitoring and actions to reduce exposures.

Conditions or risk exposures that have a Very High / High likelihood of occurring and also have potential High / Very High impact on the University's ability to achieve its mission and require Continuous Review and actions in reduce exposures.

Conditions or risk exposures that have a Low / Moderate likelihood of occurring but the potential for a High / Very High impact on the University's ability to achieve its mission and require Periodic Review and actions to reduce exposures.
Establishing the University Risk Exposure Matrix

Risk Exposure Overview
- Exposure Description
- Potential Risk Impact
- Risk Likelihood
- Relative Risk Exposure Score
- Residual Risk Exposure Score

Risk Exposure Tracking
- Risk Steward (or owner)
- Accountable Parties
- Campus Partners
- Controls / Mitigation Summary
- Controls / Mitigation Effectiveness Rating
- Residual Risk Rating
Risk Exposure Assessment and Information Sharing

Operations

Standing Committees and Work Groups

SERMC

President & Board
The risk exposure cards provide the University's management and leadership a summary of a potential exposure, condition, or event that could impact the University's mission or strategic objectives.

The cards also identify who is responsible for monitoring the potential exposure, as well as any policies, plans, and mitigation actions intended to reduce the University's exposure to the condition or event.
**2018 University Institutional Risk Profile**

**Continuous Monitoring**

Examples of Exposures, Conditions or Events:

- Prevention and Response – Sexual Assault
- Regulatory Compliance – Research
- Civil Unrest – Demonstrations and Protests on campus
- Student Admissions and Retention
- Federal Funding Dependence

**Continuous Review**

Top Exposures, Conditions or Events

- Tuition Dependency
- Facilities and Infrastructure
- Information Technology Infrastructure
- Cyber Security

**Periodic Monitoring**

Examples of Exposures, Conditions or Events:

- Int'l Programs – Safety and Support
- Athletics Regulatory Compliance
- External Relations – Community, State, and Donor Relations
- Prevention and Response – Communicable Diseases Outbreak
- Building Safety and Security

**Periodic Review**

Examples of Exposures, Conditions or Events:

- Response and Recovery – Earthquake
- Research and Lab Safety
- Academic Quality
- Emergency Response Plans
- Crisis Communications Plan
Standing Committees (SC):  
UO committees or groups with a charge to address risk or safety

SERMC Committee:  
Serves as a “hub” for leadership to understand exposures, risks, and controls

SERMC Work Groups (WG):  
Topic-specific work groups charged by and reporting to SERMC Committee

SERMC Network Approach
Link, Align, and Leverage
Examples of Standing Committees and Teams connected to SERMC

- Behavioral Evaluation and Threat Assessment Team
- Campus Vulnerability Assessment Team
- Data Security Incident Response Team
- Incident Management Team
- Integrated Claims Management Team
- Institutional Biosafety Committee
- Laboratory Safety Committee
- Laser Safety Committee
- Radiation Safety Committee
- Safety Advisory Committee
SERMC Cross-disciplinary Work Groups

Source: http://strategicdoing.net/
Standing Committees (SC):
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Serves as a “Hub” for leadership to understand exposures, risks and controls

SERMC Work Group (WG):
Topic specific work groups charged by and reporting to SERMC Committee
SERMC Work Groups: Moving from Risk Identification to Action

SERMC identifies gaps or cross-disciplinary risks and develops work groups to address them.

SERMC provides a charge to the work group that:

- Determines work group membership
- Identifies specific needs
- Provides clear expectations on outcomes
- Establishes a timeline (90-120 days)
- Reviews work group recommendations and determines next steps or action plans
Current SERMC Work Groups

• Information Communication Technology Accessibility
• Enterprise Training Coordination and Systems
• University Records Work Group
• University Reporting Channels and Responsibilities
• Nighttime Safety and Violence Prevention
• Clery Act Compliance Work Group
SERMC Work Group Charge Components

• **Overview**: Brief summary of risks or potential exposure

• **Charge**: e.g., researching and cataloging. Request recommendations from the work group to mitigate risk or potential exposure.

• **Proposed Membership**: Institution-wide, cross-unit list of stakeholders

• **Next Steps**: A suggested plan of action for the work group
University Reporting Channels and Responsibilities Work Group

Charge

• Catalog all reporting channels and systems at the university.

• Identify potential opportunities to streamline systems through a review of existing reporting software and analyze whether the current software can be streamlined for efficiency.

• Explore establishing an easily identifiable, outward facing website that catalogs all reporting channels available to the campus community.
University Reporting Channels and Responsibilities Work Group

Membership

• Human Resources
• VPFA
• Internal Audit
• Business Affairs
• General Counsel
• Information Services
• Purchasing and Contracting Services

• University Communications
• Research and Innovation
• Student Life
• Investigations and Civil Rights Compliance
• Athletics
• Office of the Provost
• Safety and Risk Services
University Reporting Channels and Responsibilities Work Group

• Work group charged by SERMC – September 2018
• Recommendation to SERMC – April 10, 2019
• Implementation – April to May 2019
• Completion – June 2019
Closing Thoughts

• The charge should be constructed strategically to ensure the success of the work group.

• The work group charge is a living document and subject to updates and revision as needed.

• The work group structure is effective only to the extent the members trust one another and do not feel threatened.

• There must be a team approach. Each group member should feel as though they are “in the trenches” together working to mitigate the risk or exposure.
Questions

Contact Information:

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