THE REQUIREMENT FOR ORGANISATION RESILIENCE

A LEADING UNIVERSITY'S COVID 19 RESPONSE - A CASE STUDY

Given the impact of the current global pandemic there has arguably never been a better time to examine businesses' attitude towards risk and resilience.

Organisational resilience is:
"the ability of an organisation to anticipate, prepare for, respond and adapt to incremental change and sudden disruptions in order to survive and prosper."
Deyner 2017

Or as the Chief Executive of the British Standards Institute put it:
"a resilient organisation is one that not merely survives over the long term but flourishes – passing the test of time".

Organisational Resilience encourages businesses to look beyond risk management and business continuity towards a more holistic view of the business' health and success.

The relatively new ISO standard, ISO 22316 (2017), identifies the following key attributes for organisation resilience:

- Shared vision and purpose
- Understanding and influencing the context
- Effective and empowered leadership
- A culture supportive of organisational resilience
- Shared information and knowledge
- Availability of resources
- Development and coordination of management principles in line with strategic goals
- Support continual improvement
- Ability to anticipate and manage change

James Crask, the Convenor of ISO/TC 292's working group, the group of experts that developed the standard, said

"improving the resilience of organisations ensures they are not only better placed for anticipating and responding to potential risks, but it enables them to harness opportunities as well".

The standard takes a wide view of the things that can drive resilience in an organisation; many of these are behavioural and have historically been overlooked.

Therefore, one of the key principles of the standard is to help them develop a culture that supports resilience. It also involves building upon existing forms of risk management, having shared values and an awareness of changing contexts, all the while underpinned by strong and empowered leadership.
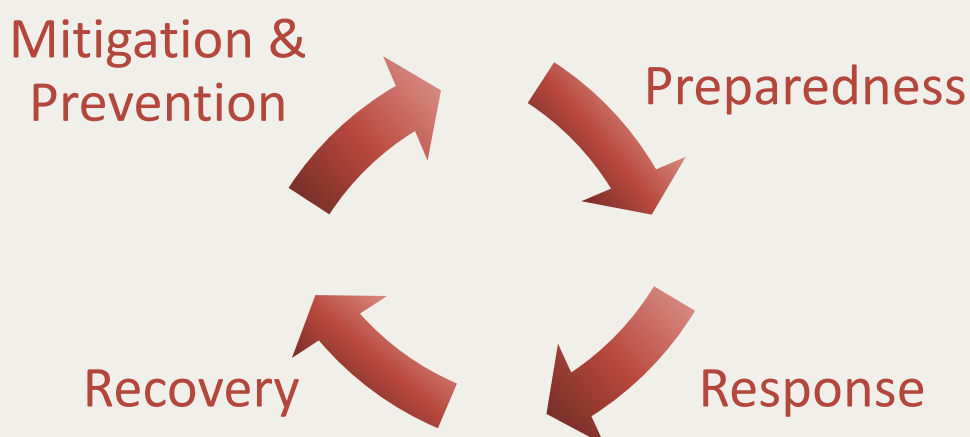
Following the logic articulated by Crask, then there is a clear link between resilience and competitive advantage; it is not a just matter of merely surviving. This point was made in an earlier ISARR paper – *Business Resilience in Time of Crisis – A Strategic, Integrated Approach*

As Cranfield University has identified, sticking to the status quo which served the organisation well to date may lead to success slowly eroding as other organisations come into the picture with different operating models or the latest services. This type of need for change can be insidious, only becoming apparent when it is too late. Organisations need to be open-minded about the need to future proof their practises and products. Organisational resilience is not only about avoiding or responding to adverse events but also changing before the cost of not changing becomes too great, leveraging opportunities and driving innovation to remain competitive in the face of challenging conditions.

Traditional risk management is limited by focusing on vertical operational risk frameworks, a limited range of disruptions, and the potential impact on individual systems and processes. Business continuity plans and incident management processes also tend to have a narrow focus on preserving the continuity of the provision of critical processes and services and on recovery capabilities. Organisational resilience is a broader perspective that augments, rather than replaces, conventional risk management and the business continuity planning approach by taking a strategic, performance-based, organisation-wide view that also takes into account the crucial importance of organisational behaviour and culture. That means a holistic approach built on the big picture to cope with the rapidly changing landscapes in which organisations are now operating.

This theory is further supported by a 2005 study "The Resilient Enterprise: Overcoming Vulnerability for a Competitive Enterprise" by Yossi Sheffi. This work argues that investment in resilience can lead directly to competitive advantage. This broader approach was described as **strategic resilience** that goes beyond business continuity practises and responding to a one-time crisis. This methodology is more evolutionary, continuously anticipating and adjusting before the case for change becomes an emergency. This strategic resilience goal has been embraced by key organisations such as the Council on Competitiveness in seminal papers such as: "Transform. The Resilient Economy". The approach is often summarised as: preparedness, protection, respond and recover, as shown in the cycle below:

Mitigation & Prevention → Preparedness → Response → Recovery →

UNIVERSITY BACKGROUND

The university that was reviewed had been established in 1920.

It is a world class research university in the top quartile of UK universities, it provides an outstanding undergraduate and postgraduate education and overall experience for 25,000 students over two main campuses, some 5 miles apart. It has been WhatUni Student Choice Awards - University of the Year in 2019 and 2020.

Its academic success is mirrored by its sporting and cultural success, and it is proud of its community and commercial links both locally and globally. With a large student population from 142 separate countries supported by 4000 staff it is essentially a small town with all the complexities that this brings for risk and resilience. It has an annual turnover of £317.5M.

The University's COVID 19 Planning and Response

The Covid pandemic fundamentally changed the way universities are able to work, deliver teaching and carry out research.

This university was no exception. With close links to Wuhan University and the Province itself (where the pandemic originated in Nov 2019 – 1st case recorded 1st Dec 2019, 1st death recorded 9th Jan 2020), and a mature incident management and business continuity organisation, the university acted very quickly to ensure the safety of students and staff and identified ways in which the academic community could assist using the extensive facilities and partnerships available to them.

At a governance and planning level, the Incident Management Team stood up on Thur 30 Jan 2020, the same day the WHO declared Covid 19 a Public Health Emergency of International Concern. It was declared a pandemic on 11 March with the UK going into lock down on 23 Mar 2020. The university's Incident Management Plan was enacted, and the Incident Management Team safely and successfully closed all but essential campus activity. With the exception of campus security teams, all staff were asked to work from home and quickly transitioned to online working, including converting the remaining teaching activity to online delivery.

Following the successful closure and decommissioning of buildings and services, the university established the Covid Recovery Planning Project, led by the Registrar and COO. Formal governance was put in place to provide oversight of the recovery planning activities. These activities included scenario modelling, the short-term phased re-occupation of the estate, longer term strategic plans (such as changes to the operating model as a result of the impact of Covid-19) and contingency planning in the event of a second spike. That said, even in the worst-case scenario none of the modelling envisaged a pandemic lasting as long as it has.

Seven workstreams were identified, each tasked to develop plans, policies and procedures for their respective areas. An initial set of planning principles and planning assumptions were produced to ensure that work streams had a consistent basis on which to plan. These assumptions were tested and changed over the course of the five months after the announcement of a national lockdown as Government guidance was revised and our understanding of the problem matured.

Investment to meet the required safety regulations relating to COVID-19, to enable new ways of working and to support the national effort to combat the virus, was £763k on non-pay expenditure in the period to 31 July 20. However, a further £7M was refunded to students who were unable to occupy their accommodation. A £1M budget was allocated for FY 20/21 for direct spend on COVID 19 measures. Not only was this a significant level of investment for a sector that historically operated on extremely tight margins, but the risk to future income from a fall in student admissions, particularly overseas students, and the cessation of commercial activity was extremely high.

At this stage there was a high probability that some higher education establishment could cease to exist post the pandemic.

Analysis of the response

There is no doubt that the university responded more quickly to the looming pandemic than most in the sector. They heeded the indicators and warnings realising their unique vulnerability with such close links with Wuhan. Indeed, in Jan and Feb 2020 they were ahead of Public Health Bodies and Government in realising the significance of the crisis. However, their response system was designed for a one-off incident in line with business continuity practices - the impact of which was likely to be more tactical such as a building fire, flood or IT event - all of which had contingency plans and an understood recovery period. It could be argued that no one could have anticipated this scenario that was global in its impact and a level of flexibility was required to deal with this worst-case event that impacted all universities across the world. Whilst to some extent this is true, could the university have been more resilient and better prepared and was the significance of this limited resilience masked as all universities faced the same problem simultaneously? This meant the customer base (students and research clients) had no alternative options. Consider for the moment if the virus impact had been more localised, such as a member of staff bringing Ebola back from Africa. The impact on the university and the immediate region could have been exactly the same, but their customers now had many alternatives potentially leaving them extremely vulnerable.

To understand how the university was geared to meet this extraordinary event we shall review each of the ISO 22316 key attributes and see how mature each attribute was at the university at the start of the pandemic.

Shared vision and purpose

A shared vision and purpose did not materialise until the recovery project identified the seven work streams (critical outputs), and central coherent planning assumptions and principles were issued. This did not start in earnest until June 2020 when it was realised the impact of the pandemic would reach into the following academic year, some six months after the start of the pandemic. Until this point they were content to see out the final semester with online learning and reduced outputs. Until this point the actions were focused on following Government and Public Health guidance. So, despite the early recognition of the problem, the actions were reactionary and not strategic in nature. If a clear Resilience Strategy had been developed in advance that enjoyed support from senior leadership and all critical outputs identified along with their critical supporting factors, then the university could have moved earlier to secure these critical outputs. In essence despite their early success in heeding the indicators and warnings they wasted this advantage by reacting to the situation and external guidance, not getting in front of the situation until much later in the year.

Understanding and influencing the context

The situational awareness at the strategic level grew slowly with time as the impact became glaringly obvious. At the start only the Incident Management Team understood the full context but lacked influence and authority to make critical decisions. The early advantage was lost as the Senior Management Team and College leads were slow to accept the early recommendation waiting for external legislative direction. The one exception was to release funding to enable the procurement of IT systems to enable online learning and working from home. Too often academic senior leadership wanted to benchmark against the sector and see what others were doing. There was a reluctance to be an early adopter or first mover to gain an advantage, perceiving the risk of failure may be too high. This thinking was not evidence based, more a comfort blanket approach for leaders reluctant to take the initiative and lead the sector.

Effective and empowered leadership

Until the impact of the pandemic was realised there had been limited senior interest in understanding or investing in resilience. The Leadership was content that an Incident Management structure existed with a number of well-defined contingency plans. That said, resilience as a broader concept with strategic impact was not understood or accepted. The Incident Management Team had limited empowerment beyond the standing contingency plans and limited delegated authority.

A culture supportive of organisational resilience

The culture supported standard risk management and business continuity but had not identified the need for resilience as a strategic goal. This was learned and adapted over time during the pandemic, which not only limited the initial approach but also undermined the early advantage in terms of successfully monitoring indicators and warnings. Indeed, from a risk management perspective even this was limited as a corporate risk appetite for specific risk areas was not set at the strategic level. This resulted in different departments setting their own risk appetite when establishing mitigation strategies, which led to inconsistencies in the approach to risk management.

Shared information and knowledge

The Incident Management Team ensured senior management and the wider university were aware of the progress of the pandemic via the John Hopkins University database on global cases and deaths. The communication team also ensured detailed briefing of actions required were distributed to the whole community as they happened. So, in terms of overall situation the information sharing process was good. However, analysis and consequences were slow to develop until the key work streams were identified.

Availability of resources

When senior management became involved in resource allocation as the multidisciplinary work streams developed then additional resources were prioritised and made available. That said, in the first five months the allocation of scarce resources, in particular finance, was initially confused as no strategic understanding of priorities existed. This often-meant strong personalities won the resource argument when investment would have been better allocated in another direction.

Development and coordination of management principles in line with strategy

This happened through osmosis as the pandemic played out, prior to the Recovery Project resilience was not on the strategic agenda.

Support continual improvement

In the normal business as usual the university supported continual improvement through the Policy and Strategic Plans Unit and College Management. However, its focus was narrow with resilience falling outside this strategic framework sitting at a more tactical level with limited investment under normal circumstances. That said, the University Registrar did accept the recommendation from the Head of Resilience and the Director of Information Systems to spend £2m prior to the Covid pandemic on IT resilience and recovery. The real problem was the Head of Resilience did not have a strategic voice and had to work through personal influence.

Ability to anticipate and manage change

The university spent considerable resources on teaching a broad spectrum of managers the principles of change management. However, very few senior managers took the time to attend any of these external courses. The ability to anticipate change was poor with group think and low staff turnover, many having spent their entire working life not only in academia but at one university – so strategic breadth was limited. By way of its limited horizon scanning the fall in domestic student numbers from 2018 due to a reduction in the UK birth-rate 18 years early appeared to come as a surprise. Even given the long lead time and clear data and information available from the National Office for Statistics. As a consequence, appropriate mitigation was not in place and a severe round of budget cuts were implemented until these numbers could be mitigated by an increase of overseas students. Then of course the pandemic hit.

CONCLUSION

The university acted as well as any other organisation in the sector and certainly in the early stages acted with impressive alacrity. However, the actions of the Resilience Team and Incident Management Team were curtailed by the lack of prior attention to strategic resilience by the Senior Management Team. Organisational resilience was never a corporate goal and those involved in resilience did not have any strategic voice. Consequently, when the pandemic hit, *despite a quick start out of the blocks*, the planning was reactive. The saving grace was that all the university's competitors faced the same situation. Had this been a regional issue the 5/6-months reaction time to reach the appropriate integrated planning and leadership would have resulted in the customer base choosing to go elsewhere and significant financial problems. The senior leadership team had not seen the need to consider resilience at the corporate level, as a strategic tool. Hopefully they will have learned the lesson provided here. The concern would be that in the heat of the moment they identify the lesson but as life returns to normal the work is not undertaken to fully learn the lesson appropriately and put the requisite structures in place to facilitate the key attributes identified by ISO 22316. There is no doubt that competitive advance is enhanced by strategic resilience and the leadership team must make the appropriate trade off decision between resilience and cost. Moving beyond normal risk management and business continuity to take a more holistic approach is the only way to ensure the longevity of your business.

The Author, Russ Huxtable, has six years experience in the sector as Head of Resilience at a leading university. He is a retired RAF Group Captain who headed the RAF Plans Division 2001-2004 and was the UK MOD's liaison officer to US Joint Staffs at the Pentagon 2009-2012. Working with ISARR he has developed a Strategic Resilience Centre of Gravity Concept based on military planning. This has been validated by a leading business school as being unique and supporting the principles of ISO 22316. ISARR have developed the business software to support this novel strategic resilience approach.

About ISARR

ISARR provides bespoke risk, resilience and security management solutions. The ISARR software platform consists of interconnected modules that support both routine operations and seamless escalation into crisis management.

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