



Resilience: Organizational and Operational

Maria VELUDO, PhD | 11/07/2022

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Organizational Resilience

What is Organizational Resilience?

According to ISO 22 316: 2017, Organizational Resilience is the ability of an organization to absorb and adapt in a changing environment to enable it to deliver its objectives and to survive and prosper.

Resilience can be a strategic organizational goal, and the outcome of not only sustainable and responsible practices, but also of effectively managing risk, knowledge, and innovation in value / supply chains, networks, and ecosystems. Resilience is the key to successfully leading lasting change & transformation. It generally embodies the entire organization, including people, process, technology, assets, and everything needed to operate in a sustainable and responsible manner.

Characteristics of a Resilient Organization

Based on the definition of Resilience by the International Organization for Standardization (ISO 22301, 2012), an organization could be considered resilient if it is able to continue its critical functions at least in the Minimum Business Continuity Objective (MBCO) level within the Maximum Tolerable Period of Disruption (MTPD) after any disruption. In this context, the strategic alignment of a supply chain to strategic objectives and operational results, is key. A resilient organization has:

- A greater awareness of itself, its key stakeholders, and the environment within which it operates, both on a day-to-day basis and in emergency situations.
- An increased ability to identify and manage its keystone vulnerabilities including the positive and negative impacts that these could have for the organization in a crisis.
- The ability to adapt to changed situations with new and innovative solutions and/or the ability to adapt the tools that it already must cope with new and unforeseen situations.



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Risk Management, the Foundation of Organization Resilience

We advocate that building Resilience requires the sound assessment, planning, monitoring, and communication about risk. Risk management provides the foundation that links different organisational capabilities such as emergency, business continuity, security, and crisis management. Risk management provides a common understanding of how uncertainty arising from highly volatile environments can affect the organisation's objectives.

Resilience Principles

The following principles and advice on putting the principles to work should help organizations take tangible steps toward becoming more resilient.

Principle (Adapted from: Larry Mallak)	Putting the Principle to Work
Ensure adequate external resources	Ensure access to adequate resources to allow positive adaptive response to approach a wide variety of possible events.
Expand decision making boundaries	Provide greater decision-making authority to support positive adaptive response and the use of resources to achieve the objective.
Be agile	Develop the ability to create solutions on the spot
Perform positive adaptive behaviours	Perceive change as opportunity, not danger.
Collaboration	Collaboration is a critical enabler to build organisational resilience. Collaboration is critical for optimal decision making, aligned implementation of business strategy and business efficiencies.



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Operational Resilience

What is Operational Resilience?

CERT - RMM defines Operational Resilience as the organization's ability to adapt to risk that affects its core operational capacities. According to CERT – RMM Resilience objectives for products, services and assets can be achieved through an Operational Resilience management (ORM) system. Such system includes all the value chain processes along with their associated and supporting programmes, policies, plans, and digital tools.

Risk, Problem Solving, Knowledge, and Innovation Management are considered to provide the foundations that link different operational resilience capabilities such as emergency, business continuity, and crisis management.

An Operational Approach to Resilience: From Vulnerability to Resilience

In the context of a continuum, Resilience becomes a system's desirable property towards which management should lean (Veludo, 2022). No organization, person, network, or system can be totally resilient. Resilience can never be static as it is constantly changing. Organization Resilience requires seeing crisis, disasters, disruptions, and incidents as opportunities for improvement, change and transformation.

Why building Organizational and Operational Resilience matters?

To achieve its purpose, mission, and objectives in a fast-changing world and in VUCA (vulnerable, uncertain, complex, and ambiguous) times, an organization needs to put the Resilience as a goal, at its centre, to survive and thrive in the face of threats, to comply with increasing regulatory schemes, and to prepare for the challenges yet to come.

More resilient organizations can anticipate, prepare for, respond to threats, and create breakthrough opportunities, arising from sudden or gradual changes in their internal and external context.



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What are key Challenges, Obstacles and Success Factors for Building Resilience in Organizations?

Challenges	Obstacles	Success Factors
Engage stakeholders to question assumptions, design robust metrics, and integrate double materiality into reporting.	Overly Concrete Metrics: In the quest to maximize shareholder value, only easily quantifiable material risks are measured.	<ul style="list-style-type: none"> ▪ Design metrics that also include cognitive-emotional dimensions. • Use digital collaborative tools to manage stakeholders and conduct double materiality analysis.
Understand the relationships between multiple time-horizons. It is a challenge to balance long-term ROI while remaining agile enough to quickly adapt to rapidly changing scenarios.	Short-sightedness: Shareholders tend to fixate on short-term gain at the expense of long-term resilience.	<p>Move beyond focusing on sudden and disruptive events in favour of anticipating the unexpected in daily organizing.</p> <p>Develop critical thinking and strategic foresight.</p>
Upgrade ability to take a complex systems perspective.	Linear, Static Thinking: Company leaders often focus on executing static plans. However, disruption, by definition, is not linear or predictable.	Resilience requires non-linear thinking, strategic foresight, and an aptitude for working with complex systems. The alternative to traditional planning is lean-agile, through learning by doing and collaborative intelligence.
Breaking down silos.	The illusion of independence: Companies tend to view themselves as independent entities rather than interdependent actors.	<p>Adopt an integrative and collaborative approach to managing value chains and networks.</p> <p>Adopt the perspectives of ecosystem and extended enterprise.</p>

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