FOREWORD

The Australian community, the economy and the delivery of government services are all dependent upon the provision of robust and resilient infrastructure, yet every year in Australia many communities and businesses experience events that disrupt their normal flow of operation.

‘Organisational resilience’ concepts and practices build capacity in businesses to better manage unforeseen risks to their operations. Resilient organisations are those which have developed their approaches to the management of risk to the point that they have an almost organic capacity to respond to, and even capitalise upon, change whenever it occurs.

We commend to you the Good Business Guide developed by the Resilience Expert Advisory Group (REAG), as one of a number of products developed to assist stakeholders to better understand and apply the concepts and practices of organisational resilience. We also invite you to undertake the Organisational Resilience HealthCheck self-evaluation tool to give key members of your organisation a shared understanding of your progress toward organisational resilience.

REAG will continue to assist the owners and operators of critical infrastructure to adopt an organisational resilience approach to their business and build capacity to better manage unforeseen and unexpected risks and threats.

Peter Brouggy
Co-chair
Resilience Expert Advisory Group

Michael Jerks
Co-chair
Resilience Expert Advisory Group
INTRODUCTION

How healthy is your organisation?

Does it regularly monitor its own progress to build on strengths and address weaknesses?

What are its vital functions and is it resilient enough to not only bounce back, but bounce forward after a major disruption?

All organisations including businesses, governments and communities must navigate a rapidly changing risk environment characterised by globalisation, disruptive technologies and increasing technological complexity, natural disasters, climate volatility and an accelerating rate of change in markets, the economy, society and the environment.

This rapidly changing world gives rise to greater uncertainty and emergent risks which can outpace an organisation’s ability to manage them. Increasingly interdependent networks and infrastructure creates new areas of common functional and geographic interest which means failures and disruptions can rapidly propagate via linkages in sometimes unpredictable ways. An organisation’s ability to manage emergent risks, to adapt and to seize opportunities in an uncertain operational environment will be a competitive differentiator.

In the face of uncertainty and adversity, resilient organisations will:

• have the operational flexibility to seize and maximise new opportunities

• have stronger business-as-usual (BAU) performance, higher profit margins and better return on investment

• during disruptions, maintain operational continuity for longer and return to BAU more quickly than competitors, and

• maintain and build reputation by minimising disruption to clients, communities and organisations reliant on their services.

The Australian Government is committed to improving the resilience of our nation, but this is not just a Government responsibility. This is a shared responsibility between governments, businesses, organisations and communities. Critical infrastructure owners and operators play a key role in improving our national resilience.

Whether you’re a risk manager, human resource officer, team leader, senior executive or CEO, the Organisational Resilience Good Business Guide and HealthCheck can help you and your team develop a shared understanding and identify possible treatment actions to improve your organisation’s resilience.
BACKGROUND

A key outcome of the Australian Government’s Critical Infrastructure Resilience Strategy (CIR Strategy) is a mature understanding and application of organisational resilience. This includes supporting critical infrastructure owners and operators, and all organisations, to understand and apply an organisational resilience approach to enhance their ability to manage unforeseen, unexpected and emergent risks and threats.

Australia is a world leader in developing and promoting the organisational resilience approach. The Resilience Expert Advisory Group\(^1\) (REAG), part of the Trusted Information Sharing Network (TISN) for Critical Infrastructure Resilience, continues to both research and promote the benefits and application of the organisational resilience model. It also develops and promotes a range of practical tools, resources and guidance material to assist owners and operators of critical infrastructure to adopt an organisational resilience approach. This guide is one tool to assist owners and operators to achieve a mature understanding and application of organisational resilience.

The REAG includes members from academia, business, peak bodies and government.

USING THIS GUIDE

This Organisational Resilience Good Business Guide (the Guide) identifies and explores the attributes and underlying behavioural indicators of resilient organisations which are needed to effectively respond to a crisis and thrive in uncertainty. The Guide will also assist your organisation to identify behaviours consistent with an organisational resilience approach and to assess and build resilience capability.

When using this Guide, it is important to remember all organisations face a unique risk landscape. A one-size-fits-all approach to risk is inadequate. Organisational resilience can be achieved through different methods and should be seen more as a journey, rather than an outcome.

OUTLINE

**Part A** provides a summary of the organisational resilience model and concepts, articulated in previous Australian Government publications\(^2\), and the benefits of an organisational resilience approach. It also explores those attributes and indicators which distinguish a resilient organisation from one which may be more vulnerable to unexpected events.

**Part B** provides an introduction to the Organisational Resilience HealthCheck, expanding upon the identified indicators of organisational resilience to provide a road-map for improving an organisation’s potential to survive unexpected events. Leveraging the 13 resilience indicators underlying the organisational resilience model, Part B also suggests treatment strategies to ground organisational resilience in a real-world context.
PART A – THE ORGANISATIONAL RESILIENCE APPROACH

WHAT IS ORGANISATIONAL RESILIENCE?
Organisational resilience refers to a business’ ability to adapt and evolve as the global market is evolving, to respond to short term shocks—be they natural disasters or significant changes in market dynamics—and to shape itself to respond to long term challenges, including the ability to ultimately prosper from adversity.

WHY ORGANISATIONAL RESILIENCE?
We live in a complex and rapidly changing world. Businesses, communities, the economy, our safety and security are reliant on an increasingly complex and interconnected web of infrastructure and technology. This connected and globalised world has given rise to new uncertainty, new risks and new opportunities. The complexity and pace of change makes anticipating vulnerabilities and threats both extremely challenging and prone to error.

There are an infinite number of disruption scenarios, but only a finite number of outcomes. Leading organizations do not manage specific scenarios, rather they create the agility and flexibility to cope with turbulent situations.


Many organisations realise corporate strategies need to evolve to keep pace with a rapidly changing environment and to respond effectively to unexpected events. Organisations need to be resilient. They need to be able to effectively respond to an event, absorb an event that necessitates change, adapt and continue to maintain their competitive edge and profitability.

The viability and sustainability of organisations will continue to be tested in a rapidly changing world. Understanding the attributes of organisational resilience, and integrating them into your organisation’s everyday life, philosophy and culture, will ultimately help your organisation to survive in times of adversity.

Perception bias can permeate an organisation’s thinking about foreseeable risk. This bias tends to discount scenarios that have not occurred in the recent experience of the decision maker and bypasses serious attempts to prove or disprove their plausibility. The constantly changing nature (and accelerating rate of change) of the economy, technology, environment and society mean that past events are not an adequate guide to determining plausible future risks.
An organisational resilience approach assists organisations to manage unforeseen or unexpected risks. That is, those events which are not planned for, might never have been experienced by an organisation before or where the consequences are significantly greater than assessed. These risks may not be foreseeable, and are not integrated into the formal risk management and mainstream decision making process within the organisation. Similarly, an approach based on an overly rigid response that emphasises centralised decision making demands that leaders have complete knowledge and expertise, and constant communication with responders. It is argued that organisations that build resilience through distributed decision making, unified by a strong sense of ownership and purpose and aided by adaptable tools and techniques, will have an enhanced ability to deal with both the foreseeable and unforeseen events.

**ORGANISATIONAL RESILIENCE MODEL**

The organisational resilience model is structured around three broad behavioural attributes of resilience that build Business-as-Usual (BAU) effectiveness to enable a robust and agile response to, and recovery from, adverse events. These attributes can be applied to any aspect of organisational capability development and if promoted and developed within an organisation, it will thrive.

Behavioural indicators are used to determine how your organisation demonstrates the organisational resilience attributes. The 13 resilience indicators, grouped under the overarching attributes, expand upon and describe the elements of organisational behaviour that contribute to resilience.

**Organisational resilience**

**Attributes and Indicators**

The organisational resilience attributes and indicators are explored in further detail on pg. 9.
THE VALUE PROPOSITION

Organisations should seek to build capabilities to not only respond effectively to undesired events, but also to adapt and learn from adversity, gain a competitive edge and become more profitable. An organisation which effectively responds to, and learns from, a disruptive event is ultimately in a stronger position post-event than pre-event. It is now equipped with knowledge and experience it didn’t have before, which it can use to its advantage.

BOX 1

In response to lessons learnt during the 2009 Black Saturday bushfires in Victoria, the Water Services Sector Group\(^3\) (WSSG) revised the Water Industry Mutual Aid Plan. This plan facilitates support and the sharing of staff and resources between water industry organisations during times of adversity.

The mutual aid plan was adapted to the international environment, allowing for the deployment of personnel and resources in support of the 2011 Christchurch earthquake response. Composed of multiple companies, it was the first trans-Tasman deployment of its kind.

Whilst Christchurch gained significantly from the response provided by this taskforce, Australian companies acquired significant knowledge and experience in responding collaboratively to a major incident. These organisations have learnt from this experience and are now better prepared to deal with more local disasters.

Competitive advantage & profitability

Evidence clearly demonstrates how resilient organisations can gain a competitive edge in the market. A resilient organisation is likely to have capacity to be more creative during both good and uncertain times, gaining competitive advantage through improvements in performance.\(^4\)

Research indicates a link between the attributes required to effectively manage a disruptive event and profitability. A recent study into the leadership, culture and management practices of high-performing workplaces assessed organisational performance based on a number of intangible, organisational resilience related measures.\(^5\) The study found that organisations scoring highly on measures of leadership, innovation performance and employee experiences have a profit margin almost three times higher than lower performing businesses.
BOX 2

On average, the profit margin between Australian high performing workplaces (HPWs) and low performing workplaces (LPWs) is AU$8.8 million per organisation or, $40,051 per full time employee. The intangible assets of HPWs align closely with the attributes and indicators of organisational resilience. HPWs are more innovative, generating more new ideas than LPWs; they have in place more mechanisms (e.g. town hall meetings, innovation zones) for capturing ideas from employees and also have more formal processes for systematically assessing and responding to ideas from employees.

Leaders in HPWs spend more time and effort managing their people; they give employees opportunities to lead work assignments and activities, encourage employee development and learning, give increased recognition and acknowledgement to employees, are innovative and encourage employees to think about problems in new ways.

These intangible assets translate directly to competitive advantage and profitability. HPWs are more productive than LPWs, with HPWs more efficient at converting input into outputs. For every $1 of investment made, HPWs generate 12 cents more revenue than LPWs. HPWs have an average profit margin of 15.63% compared to 5.44% for LPWs and HPWs are better, by 34%, at achieving their stated financial targets.


Cultures consistent with resilient organisations have also been shown to have a significant and positive effect on organisational performance and profitability. A culture and set of values ‘where people welcome and seek to introduce change and innovation, where leaders care for their employees and foster collaboration, and where there is an ambition to deliver results and a focus on achieving goals’ has a significant and positive effect on organisational performance. However, an organisation that focuses on management control and stability, a ‘control culture’, exhibits a negative effect on organisational performance.

Further, it has been shown there is a significant relationship between highly resilient organisations, their profit, and return on investment.

Improved reputation

In addition to gaining a competitive advantage and increased profitability, resilient organisations will likely benefit from improved reputation and goodwill; or in some cases, limiting reputational damage and potential subsequent commercial impacts in the event of a disruption to services.

Successfully managing a crisis helps boost confidence in an organisation – it is likely to be perceived to be credible, reliable, responsible and trustworthy – and can also provide media and promotional opportunities. This can help retain current customers and investors, attract new ones and improve hiring and retention of employees. In turn, this can increase corporate worth and attractiveness.
Risk management

Resilient organisations act to achieve a balance between activities designed to drive performance and those designed to constrain potential negative effects. This gives them the best chance of continuing to achieve their objectives. They make judgements about allocating scarce resources to get the most effective balance for an organisation’s context. Building adaptive capacity into organisations is potentially a very good approach for treating low-probability, high-consequence risk.

Increased likelihood of surviving disasters and disruptive events

Disruptions of any kind can have a significant impact on an organisation. Supply chain disruptions have been shown to reduce stock returns by up to 40 percent over a three year period, regardless of the cause of the disaster.9 While in our increasingly technology driven world, 25 percent of companies that experienced an IT outage of two to six days went bankrupt immediately.10

An organisational resilience-aligned approach greatly increases the likelihood that your organisation, after experiencing a disaster or disruption, will successfully recover and survive. An organisational resilience approach accepts that not all risks can be readily identified and unexpected disruptions will inevitably occur. As such, the disposition of a resilient organisation is to ‘expect the unexpected’.

Stronger business as usual

Being able to cope with disruption means developing a mindset which accepts not all possible risks have been identified. Resilience means learning from previous failures and anticipating new ones, ensuring people are trained and are good at their jobs, fostering great leaders and strong relationships, having a clear organisational purpose and fostering adaptability.

This has productive impacts on the day-to-day running of an organisation, not just when dealing with a crisis. In effect, more resilient organisations are able to stretch the scope of their BAU activities to include disruptions and other events that are outside of BAU for other organisations and competitors.

Productive relationships

A resilient organisation has a strong culture where people understand their role and purpose and how their work contributes to organisational success.

This understanding and positive culture can create physical and psychological benefits for staff, generating a positive orientation and confidence that may consequently result in better productivity in a challenging environment.

Similarly, organisations which overlook culture in favour of short-term business needs have been shown to degrade their ability to effectively recover during adverse times. A study into US airline industry responses to September 11 showed companies, particularly Southwest Airlines which avoided staff layoffs as an offset to loss of revenue, maintained or strengthened their positive working relationships. This in turn enhanced organisational coping resources which enabled management and employees to respond cohesively to the crisis in innovative ways. This resulted in Southwest returning to pre-crisis performance levels significantly faster than its competitors.11

A positive culture has the additional benefit of increased staff retention rates and can have spin-offs for recruitment of talent. Employees contribute to the success of the organisation which is ultimately dependant on its people.
ORGANISATIONAL RESILIENCE ATTRIBUTES AND INDICATORS

Leadership and culture

The leadership and culture attribute describes ‘the adaptive capacity of the organisation created by its leadership and culture’.

The leadership and cultural indicators include:

**Leadership**: Strong leadership to provide good management and decision making before, during and after times of challenge and adversity, as well as continuous evaluation of strategies and work programs against organisational goals.

**Decision Making**: Employees have appropriate authority to make decisions related to their work and authority is clearly delegated to enable a rapid response. Highly skilled employees are involved in, or are able to make, decisions where their specific knowledge adds significant value, or where their involvement will aid implementation.

It has been found that, generally, organisations are not designed to cope effectively with critical breakdowns. There is a growing body of evidence that preparedness for critical breakdowns requires rapid and flexible decision making authority. Traditional organisational structures however, are typically rooted in shifting authority upwards.

**Staff Engagement**: Employees’ engagement and involvement to assist with their understanding of the link between their own work, their organisation’s resilience, and its long term success; employees are empowered and use their skills to solve problems.

**Situational Awareness**: Employees are encouraged to enhance their situational awareness of their organisation, its performance and potential problems; employees are rewarded for sharing good and bad news about their organisation including early warning signals and these are quickly reported to organisational leaders. Similarly management should observe and monitor their operational landscape and make decisive well communicated moves to mitigate potential issues.

**Innovation & Creativity**: Employees and management are encouraged and rewarded for using their knowledge in novel ways to solve new and existing problems, and for utilising innovative and creative approaches to developing solutions.

Networks and Relationships

The networks and relationships attribute describes ‘the internal and external relationships fostered and developed for the organisation to leverage when needed’.

The networks and relationships indicators include:

**Effective Partnerships**: An understanding of those relationships and resources an organisation might need to access from other organisations during times of adversity, and necessary preparatory planning and ongoing management to ensure this access.
Widespread flooding hit Queensland at the end of December 2010 and through January 2011, devastating parts of the state, contaminating drinking water and damaging infrastructure. Relationships established under the Australian Water Industry Mutual Aid Plan helped coordination of water industry response and recovery efforts, enabling organisations to restore services significantly faster than they might have alone. Organisations requesting aid under these guidelines were able to access both staff and resources they would not normally be able to access cost effectively or in a timely manner. Also available to affected companies were experienced disaster managers and technical specialists from unaffected water organisations who were able to provide important advice to affected companies to assist organisational response and recovery.

**Internal Resources:** Management and mobilisation of an organisation’s resources to ensure its ability to respond to challenges, operate during business as usual, as well as being able to provide extra capacity required to respond to and recover during times of adversity.

**Leveraging Knowledge:** Knowledge is captured and shared effectively throughout an organisation, with a strong focus on ensuring critical information is always available, with succession planning for key roles, an openness to learning, and drawing on internal and external expertise and lessons learnt.

The 22 November 2012 fire and resulting failure of the Telstra Warrnambool exchange left several communities and more than 100,000 people without communications and associated services, including access to the Triple Zero emergency service. As part of the response and recovery of services a number of investigations were conducted into the incident. Investigations indicated that while Telstra’s fire prevention and mitigation strategies were appropriate for the exchange, and there was no evidence to indicate the facility did not comply with current standards, there were unforeseen and unexpected elements that contributed to the incident. A fire in the roof space of the exchange had not been considered and consequently fire prevention and fire suppression strategies were dependent upon detection of fire or smoke within the exchange floor area. The Department of Broadband, Communications and the Digital Economy also noted in their report that Telstra found its suppression strategy did not account for a large fire requiring building-wide suppression action.

In response to the incident, Telstra identified nine of twenty recommendations to improve fire detection and/or undertake prevention actions at 200 similar exchanges throughout its network.

**Breaking Silos:** Minimisation of divisive aspects of social, cultural and behavioural silos, which can manifest as communication barriers and create disjointed, disconnected and detrimental ways of working.

**Change ready**

The change ready attribute describes ‘The planning undertaken and direction established to enable the organisation to be change ready’.

Change ready indicators include:

**Unity of Purpose:** An organisation wide awareness of what an organisation’s purpose and priorities would be following a challenging or adverse event, clearly defined at an organisational level, as well as an understanding of an organisation’s minimum operating requirements.
Planning Strategies: Development and evaluation of plans, strategies and capabilities to manage vulnerabilities in relation to the business environment and its stakeholders.

Three years before the tsunami which devastated Japan in 2011, one semiconductor manufacturer built flexible manufacturing capabilities into its supply chain as part of a strategy developed after an earthquake. It also established continuity plans for shifting production to unaffected facilities in other parts of Japan and Asia during a disaster. This strategy enabled this manufacturer to quickly respond to the 2011 tsunami and gain significant market advantage by recovering to pre-tsunami performance levels more quickly than its peers.16

Stress Testing Plans: Participation of both leadership and employees in simulations or scenarios designed to practice response strategies and validate plans and capabilities, and demonstrate dual advantages of agility and flexibility.

Proactive Posture: A proactive posture, strategically and behaviourally ready to identify and respond to early warning signals of change in an organisation’s internal and external environment before it escalates into a major challenge or adverse event.

See Part B - Guide to improving resilience capability within your organisation for more information on the organisational resilience attributes and their accompanying behavioural indicators.

1 The REAG is part of the Trusted Information Sharing Network (TISN) for Critical Infrastructure Resilience. More information on the TISN and the REAG can be accessed at http://www.tisn.gov.au/Pages/default.aspx
3 Members comprise Australian water infrastructure owners and operators as part of the Trusted Information Sharing Network (TISN) for Critical Infrastructure Resilience.
8 Stephenson A., Benchmarking the resilience of organisations (2010), A thesis submitted at the University of Canterbury.
13 Department of Broadband, Communications and the Digital Economy, Inquiry to learn lessons from the Warrnambool exchange fire (2013).
14 Ibid.
15 Ibid.
PART B – GUIDE TO IMPROVING RESILIENCE CAPABILITY WITHIN YOUR ORGANISATION

INTRODUCTION TO THE ORGANISATIONAL RESILIENCE HEALTHCHECK

The Organisational Resilience HealthCheck is a self-evaluation tool, developed by the REAG which may be applied across various areas of an organisation. Whether you’re a risk manager or human resource officer, a team leader or a senior executive, the HealthCheck can help you and your team develop a shared understanding of your organisation’s progress towards resilience, and identify possible treatment actions and inhibitors.

The HealthCheck is intended to act as a catalyst for teams and organisations to reflect and discuss how they relate to each resilience indicator and facilitate insights into resilience. Whilst the three attributes and thirteen indicators have been developed from extensive academic research, the HealthCheck is designed to be subjective. The value is intended to be derived from the discussion that will develop from stakeholders comparing responses to each of the various descriptors within the indicators. It could be taken initially in a workshop environment to jointly assess resilience attributes and identify opportunities to improve resilience capability. Once improvements have been made the tool can be used to reassess and to measure progress over time.

This HealthCheck asks respondents to rank their organisation according to a set of low and high level descriptors for 13 resilience indicators. These indicators are grouped under three overarching resilience attributes: Leadership and Culture, Networks and Relationships, and Change Ready.

Access the on-line HealthCheck at:
www.organisationalresilience.gov.au
HealthCheck instructions

1. Consider those behavioural indicators outlined in the tables below and chose a number from 1 (low) to 4 (high) you feel best represents your organisation.

2. Tally your responses.

3. Explain your rationale for each response by separately documenting examples where your organisation does and does not demonstrate each indicator.

4. As you discover how your organisation rates alongside each resilience indicator, a picture will begin to emerge identifying areas where your organisation can improve its performance.

Using the treatments tables, reflect on the rationale respondents provided in Step 3, and brainstorm a set of potential treatment actions (and likely inhibitors) your organisation’s resilience.

Note: These treatment options should be considered in conjunction with existing corporate governance systems and processes, including strategic planning, risk management and business/service continuity measures, and should not be used as a replacement for obtaining specialist technical or legal advice.

Key terms

Adversity: Consider an ‘adverse event’ to mean any non-routine disruption which causes significant impact to your organisation and affects its ability to respond and recover.

Challenge: This signifies an event which requires your organisation to step outside business-as-usual to respond and adapt to prevailing conditions. It could be a favourable event—such as a significant business opportunity—or an unfavourable event.

Organisation: You can choose to rate your organisation as a whole entity regardless of its size, or consider references to ‘organisation’ as a specific division within an organisation.
RESILIENCE INDICATORS AND TREATMENT OPTIONS

1. LEADERSHIP AND CULTURE

‘The adaptive capacity of the organisation created by its leadership and culture’.

1.1. Leadership indicator

*Strong leadership to provide good management and decision making during times of adversity, as well as continuous evaluation of strategies and work programs against organisational goals*

| DESCRIPTORS |
|-------------|-------------|-------------|-------------|
|            | LOW | (1) | (2) | (3) | (4) | HIGH |
| L1 | Leaders display behaviours fearful of adversity | Leaders display decisive leadership, innovation and seek opportunity, including in times of adversity |
| L2 | Leaders do not ‘walk the talk’ nor demonstrate behaviours aligned with the organisation’s values | Leaders ‘walk the talk’ and demonstrate behaviours aligned to the values of the organisation |
| L3 | Leaders are reactive and act under duress | Leaders are balanced and strategically focussed to ensure the organisation is acting with control and foresight |
| L4 | Leaders are compliance driven, process focused | Leaders are outcome driven / results focused |
| L5 | Leaders are oblivious to the needs of people working below them | Leaders care for the wellbeing of their people and their ability to thrive in times of adversity |
| L6 | Leaders are afraid or unwilling to make decisions without permission from senior management | Leaders are empowered to make decisions and are supported in doing so by senior management |
| L7 | Lack of visible executive and management buy-in to the need for resilience | Highly visible executive/senior management resilience champions and leader advocacy of the resilience agenda |

Total = /28
<table>
<thead>
<tr>
<th><strong>POSSIBLE TREATMENT ACTION</strong></th>
<th><strong>LIKELY INHIBITOR</strong></th>
</tr>
</thead>
</table>
| ✓ Establish clear Adversity Leadership Team, roles and objectives | ✗ Lack of clearly defined, communicated and shared:  
  - organisational vision and values  
  - plans, strategies and objectives  
  - roles and responsibilities, and  
  - guidance on rule breaking |
| ✓ Clearly define the roles and responsibilities during times of adversity – including position descriptions and performance agreements | ✗ Lack of clear Executive buy-in and sponsorship |
| ✓ Develop both Business As Usual (BAU) and adversity management roles and performance measures across all staff | ✗ Leaders are not visible and do not ‘walk the talk’ |
| ✓ Ensure adequate backup and redundancy for all Adversity Leadership Team roles | ✗ Leaders are not empowered by the Board to make decisive decisions. |
| ✓ Conduct alternative exercise scenarios without some/all of the primary leadership members to ensure depth of capability | ✗ Complacency – ‘it won’t happen to us, we will be all right’ |
| ✓ Develop a culture of managing problems locally and supporting teams centrally | |
| ✓ Consider having a resilience champion to engage executive and establishing a Resilience Steering Committee or Coordination Team to ensure a non-silo approach to resilience | |
| ✓ Establish a timely and consistent process for briefings and developing and disseminating communications and action plans during adverse events | |
| ✓ Ensure adversity management teams are multidisciplinary. This ensures diversity of problem solving strategies | |
| ✓ Ensure Post Incident Reviews (including Exercises) are undertaken and Lessons Learnt are incorporated into plans as part of a Continuous Improvement program. | |
1.2. Employee engagement indicator

Engagement and involvement of employees who understand those links between their own work, their organisation’s resilience, and its long term success: employees and management are empowered to use their skills to solve problems.

<table>
<thead>
<tr>
<th>DESCRIPTORS</th>
<th>LOW</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>HIGH</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EE1</strong></td>
<td>Organisation is unaware or not focused on employee and management morale</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Organisation recognises the importance of high staff morale and considers this in all factors of planning and response</td>
</tr>
<tr>
<td><strong>EE2</strong></td>
<td>Organisation is focussed on the bottom line or its own survival, regardless of the impact to employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Organisation demonstrates authentic ‘care’ for employees as best it can in the circumstances.</td>
</tr>
<tr>
<td><strong>EE3</strong></td>
<td>Employees are anxious or unwilling to contribute</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Employees have high sense of ‘teaming’ and collaboration, pulling together in adversity – ‘one in, all in’</td>
</tr>
<tr>
<td><strong>EE4</strong></td>
<td>Employees wait to be told what to do</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Employees are very clear about decision making ability and feel empowered and supported to take action</td>
</tr>
<tr>
<td><strong>EE5</strong></td>
<td>Employees feel little sense of long-term connection to the organisation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Employees feel strongly connected to the organisation and are likely to go out of their way to support it in times of adversity</td>
</tr>
</tbody>
</table>

Total = /20

**POSSIBLE TREATMENT ACTION**

✔ Use the ‘Organisational Resilience HealthCheck’ to regularly monitor the level of employee engagement

✔ Formulate surveys and/or 360° exercises that leverage employee engagement to identify & resolve problems

✔ If not already in place, ensure adversity plans address impact and support for employees and families during an adverse event

✔ Develop methods for rapidly disseminating information to employees & stakeholders about developing threats, response and recovery operations. e.g. Situation Reports, messaging groups, and Strategic Action Plans that include employees and contractors

✔ Consider optimal communications techniques for various demographic sectors e.g. face book, twitter, SMS messaging etc.

✔ Conduct an internal discussion exercise that requires business units to release employees to support another business unit for an extended period

**LIKELY INHIBITOR**

✗ Lack of clearly defined, communicated and shared organisational vision, values, goals and objectives

✗ Lack of clear management support and sponsorship

✗ Leaders are not visible and local management do not walk the talk

✗ Lack of defined organisational culture – low employee morale, lack of incentives towards commitment / involvement
1.3. **Situational awareness indicator**

Employees are encouraged to be vigilant about the organisation, its performance and potential problems. Employees are rewarded for sharing good and bad news about the organisation including early warning signals and these are quickly investigated and reported to organisational leaders.

<table>
<thead>
<tr>
<th>DESCRIPTORS</th>
<th>LOW</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>HIGH</th>
</tr>
</thead>
<tbody>
<tr>
<td>SA1</td>
<td>Leaders hide incidents and delete failure from corporate memory</td>
<td>Leaders capitalise on incidents and retain lessons from past incidents and failures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SA2</td>
<td>Employees feel they need to hide bad news or the truth and only report on good news</td>
<td>Employees feel comfortable to raise an issue with senior management and are positively recognised for driving continuous improvement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SA3</td>
<td>Change is implemented carelessly, disruptions result from change</td>
<td>Change is formally managed with care and control, improvements result from change</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SA4</td>
<td>Organisation has little or poor communication with key internal and external stakeholders</td>
<td>Organisation engages in regular trusted communication with stakeholders</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SA5</td>
<td>Organisation has few sources of information and is very insular in terms of where it sources facts and insights</td>
<td>Organisation seeks out, utilises and coordinates external and internal sources of information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SA6</td>
<td>Emerging threats and opportunities are not considered as part of strategic planning</td>
<td>Strategic planning explores emerging threats and opportunities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**POSSIBLE TREATMENT ACTION**

- Conduct employee 360° surveys and encourage open and honest two way feedback
- Establish suitable employee suggestion scheme and whistle-blower protection policy
- Conduct discussion exercises based on future and or stretch scenarios to explore how your organisation would adapt to an event if it occurs
- Participate in industry and/or national communities of interest on specific hazards
- Participate in external forums and sector exercises to understand developing risks and benchmark your strategies against others
- Conduct briefings on world supply chain risks to enable staff to understand their supply chain risks
- Conduct frequent risk assessments and horizon scanning to ensure early identification of developing risks
- Establish a whole of organisation committee to discuss and review developing external context and risks, i.e. a watch list, red flags
- Develop a ‘red flag’ process for sudden and rapidly developing risks

**LIKELY INHIBITOR**

- Lack of clear management support and sponsorship
- Leaders are not visible and local management do not ‘walk the talk’
- Lack of corporate culture - local management blocks ‘bad news stories’ and discourages employee commitment / involvement
1.4. Decision making indicator

Employees have the appropriate authority to make decisions related to their work and authority is clearly delegated to enable a rapid response. Highly skilled employees are involved, or are able to make, decisions where their specific knowledge adds significant value, or where their involvement will aid implementation.

<table>
<thead>
<tr>
<th>DESCRIPTORS</th>
<th>LOW</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>HIGH</th>
</tr>
</thead>
<tbody>
<tr>
<td>DM1</td>
<td>Organisation displays indecision and is non-communicative during adverse events</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Organisation possesses clear and communicative protocols for mobilisation during adverse events</td>
</tr>
<tr>
<td>DM2</td>
<td>Organisation engages in top down decision making</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Solutions to problems are encouraged at all levels in the organisation displaying rapid adaptive behaviour</td>
</tr>
<tr>
<td>DM3</td>
<td>Unclear who in the organisation has the mandate to make decisions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Organisation possesses clear and transparent processes for escalation</td>
</tr>
<tr>
<td>DM4</td>
<td>Employees are penalised for making independent decisions during an adverse event</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Employees are encouraged to use their authority to make decisions in an adverse event</td>
</tr>
<tr>
<td>DM5</td>
<td>Decision making is emotionally reactive</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Decision making follows a clear and transparent process</td>
</tr>
<tr>
<td>DM6</td>
<td>No record keeping or ability to document key decisions made</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Key decisions are recorded and well documented</td>
</tr>
<tr>
<td>DM7</td>
<td>Decision making is in conflict with customer, employee, shareholder, stakeholder expectations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Decision making is congruent with organisation’s purpose and values to meet expectations</td>
</tr>
</tbody>
</table>

Total = 28

POSSIBLE TREATMENT ACTION

- Establish clear Adversity Leadership Team structures, roles and objectives
- Develop adversity management structures that can be used for rapid decision making and breaks down any BAU silos. Structures need to be flexible, malleable and adaptable to the situation
- Develop management delegations that allow expanded delegations during times of adversity
- Clearly define the roles and responsibilities during times of adversity – including position descriptions and performance agreements
- Establish systems that allow devolved decision making with centralised objective setting and support coordination

LIKELY INHIBITOR

- Lack of clearly defined, communicated and shared: organisational vision and values, plans, strategies and objectives, roles and responsibilities, and guidance on rule breaking
- Leaders are not empowered by the Board to make decisive decisions
1.5. **Innovation & creativity indicator**

*Employees are encouraged and rewarded for using their knowledge in novel ways to solve new and existing problems, and for utilising innovative and creative approaches to developing solutions*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>IC1</td>
<td>Organisation does not look for opportunity in times of adversity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Organisation seeks out opportunity in times of adversity</td>
</tr>
<tr>
<td>IC2</td>
<td>Organisation discourages innovative thinking</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Organisation recognises and/or rewards thinking outside the box</td>
</tr>
<tr>
<td>IC3</td>
<td>Organisation discourages employees from challenging and improving workplace processes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Organisation actively encourages employees to challenge, identify and develop workplace process enhancements</td>
</tr>
<tr>
<td>IC4</td>
<td>Organisation is reactive to change</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Organisation is a proactive change-leader</td>
</tr>
<tr>
<td>IC5</td>
<td>Employees approach problem solving and assessments with a conservative, risk-averse mind-set</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Employees display courage in how to assess risk in problem solving</td>
</tr>
</tbody>
</table>

**Total = /20**

<table>
<thead>
<tr>
<th>POSSIBLE TREATMENT ACTION</th>
<th>LIKELY INHIBITOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Evaluate and follow through on ideas and make them actions</td>
<td>✗ Cost of implementation</td>
</tr>
<tr>
<td>✓ Conduct adversity management exercises that stretch participants to encourage innovative solutions. Utilise scenarios where the solution is not known (non-routine) and involve varied and significant challenges</td>
<td>✗ Lack of clear management support and sponsorship</td>
</tr>
<tr>
<td>✓ Ensure that Post Incident Reviews (including Exercises) are undertaken and Lessons Learnt are incorporated into plans as part of the Continuous Improvement Program</td>
<td>✗ Local management solely focused on BAU output and do not encourage employee innovation and suggestions</td>
</tr>
</tbody>
</table>
2. **NETWORKS AND RELATIONSHIPS**

‘The internal and external relationships fostered and developed for the organisation to leverage when needed’.

2.1. **Effective partnerships indicator**

An understanding of the relationships and resources the organisation might need to access from other organisations during times of adversity, and the necessary preparatory planning and ongoing management to ensure this access.

<table>
<thead>
<tr>
<th>DESCRIPTORS</th>
<th>LOW</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>HIGH</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EP1</strong></td>
<td>Organisation tries to solve and control problems on its own</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Organisation actively collaborates and works with others in partnership</td>
</tr>
<tr>
<td><strong>EP2</strong></td>
<td>Organisation has few links to industry peers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Organisation has strong links with its industry peers</td>
</tr>
<tr>
<td><strong>EP3</strong></td>
<td>Organisation has few links with the community in which it operates</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Organisation is active in the community in which it operates</td>
</tr>
<tr>
<td><strong>EP4</strong></td>
<td>Organisation has predominately transactional relationships with suppliers and key customers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Organisation works hard to develop trusted relationships with suppliers and key customers</td>
</tr>
<tr>
<td><strong>EP5</strong></td>
<td>Organisation has adversarial relationships with regulators/authorities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Organisation has constructive relationships with regulators/authorities</td>
</tr>
</tbody>
</table>

**Total = /20**

**POSSIBLE TREATMENT ACTION**

- ✓ Map supply chain vulnerabilities and tipping points where they would fail. Ensure contracts include relevant Service Level Agreements and appropriate redundancy as required
- ✓ Build strong networks with sector peers and emergency services
- ✓ Involve critical suppliers and regulators in adversity management exercises
- ✓ Participate in local industry mutual aid groups to find out what support is locally available to you
- ✓ Develop strong trust with regulators in your risk management and adversity management capability. Engage them in your activities where possible
- ✓ Develop service level and mutual aid arrangements with other organisations in your sector or nearby neighbours to enable rapid extension of your organisations capability. E.g. electricity sector mutual aid arrangements
- ✓ Actively participate in community emergency planning committees and disaster exercises to gain an understanding of community priorities and approaches to responding to and recovering from disasters. This will also help your organisation to understand community disaster management arrangements
- ✓ Encourage staff at all levels in the organisation to be members of community organisations so they understand community thinking and interactions

**LIKELY INHIBITOR**

- ✗ Lack of clear management support and sponsorship
- ✗ Lack of knowledge/understanding of critical activities, dependencies and interdependencies
- ✗ Inability/unwillingness of third party suppliers to confirm required redundancy/resilience/commit to participation in joint adversity exercises
2.2. Leveraging knowledge indicator

Knowledge is captured and shared effectively throughout the organisation, with a strong focus on ensuring critical information is always available, with succession planning for key roles, an openness to learning, and drawing on internal and external expertise and lessons learnt.

<table>
<thead>
<tr>
<th>DESCRIPTORS</th>
<th>LOW</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>HIGH</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LK1</strong></td>
<td>Organisation has significant key person dependencies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Organisation invests in strong succession planning and redundancy</td>
</tr>
<tr>
<td><strong>LK2</strong></td>
<td>Organisation has no roadmap to the reserves of knowledge available to the organisation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Organisation knows where to find the knowledge and expertise to respond to a challenge or adverse event</td>
</tr>
<tr>
<td><strong>LK3</strong></td>
<td>Organisation has a tendency to base decisions off rumours and hearsay</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Organisation continuously validates information to ensure its quality and reliability</td>
</tr>
<tr>
<td><strong>LK4</strong></td>
<td>Organisation’s adversity capability is stand-alone and rarely utilised</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Organisation leverages business as usual capability in times of adversity</td>
</tr>
<tr>
<td><strong>LK5</strong></td>
<td>Corporate knowledge and lessons learnt rarely survive beyond personnel changes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Corporate knowledge is proactively retained and lessons are recognised, captured and shared</td>
</tr>
<tr>
<td><strong>LK6</strong></td>
<td>Organisation has limited networks to tap for knowledge</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Organisation has extensive and established networks to acquire and refine knowledge, including drawing on its supply chain partners</td>
</tr>
</tbody>
</table>

Total = /24

**POSSIBLE TREATMENT ACTION**

- Conduct a Post Incident Review/debrief of all significant incidents and keep a register of key learnings on the company internal website
- Establish a lessons learnt system to ensure lessons learnt are shared across the organisation and incorporated into plans and strategies as part of a Continuous Improvement Program
- Share appropriate lessons learnt from incidents with other sector members

**LIKELY INHIBITOR**

- Lack of clear executive and/or management support and sponsorship
- The executive fear of reputational damage/disclosure under potential FOI requests
- Limited available resourcing
- Limited corporate knowledge
- Time and cost to review and implement
2.3. Breaking silos indicator

Minimisation of divisive social, cultural and behavioural barriers, which are most often manifested as communication barriers creating disjointed, disconnected and detrimental ways of working.

<table>
<thead>
<tr>
<th>DESCRIPTORS</th>
<th>LOW</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>HIGH</th>
</tr>
</thead>
<tbody>
<tr>
<td>BS1</td>
<td>Risk identification and resilience building is performed independently within each area of the organisation</td>
<td>Approaches to risk and resilience are performed from an entire / integrated organisation perspective</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BS2</td>
<td>Organisation has silos, with little informal communication across the organisation</td>
<td>Highly integrated, transparent communication across all functions of the organisation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BS3</td>
<td>No responsibility taken for end to end process</td>
<td>Individual business functions seen as integral components of the end to end process</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BS4</td>
<td>Business units contain rigid teams not used to working collaboratively together</td>
<td>Business units unite to achieve objectives – ‘one in, all in’</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total = /16

<table>
<thead>
<tr>
<th>POSSIBLE TREATMENT ACTION</th>
<th>LIKELY INHIBITOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Implement employee feedback and corporate culture development program</td>
<td>☒ Lack of clearly defined, communicated and shared:</td>
</tr>
<tr>
<td>✓ Establish a timely and consistent process for briefings and developing and disseminating communications and action plans during BAU and adverse events</td>
<td>- organisational vision and values</td>
</tr>
<tr>
<td>✓ Ensure adversity management teams are multidisciplinary. This ensures diversity of problem solving strategies</td>
<td>- plans, strategies and objectives</td>
</tr>
<tr>
<td>✓ Consider optimal communications techniques for various demographic sectors, e.g. face book, twitter, SMS messaging etc.</td>
<td>- roles and responsibilities, and</td>
</tr>
<tr>
<td>✓ Conduct cross team activities including an internal discussion exercise that requires business units to release employees to support another business unit for an extended period</td>
<td>- guidance on rule breaking</td>
</tr>
<tr>
<td>✓ Identify opportunities for and implement job sharing/swap programmes</td>
<td>☒ Politics - lack of shared objectives - different / competing agendas and aspirations</td>
</tr>
<tr>
<td>✓ Establish a resilience steering committee to coordinate the organisations resilience outcomes</td>
<td>☒ Leaders are not visible and do not ‘walk the talk’</td>
</tr>
<tr>
<td>✓ Consider conducting an annual resilience conference with presentations by areas such as OHS, HR, Risk Management, BCM, and Crisis Management covering personal and organisational resilience</td>
<td>- Include contractors and suppliers in adversity simulations</td>
</tr>
</tbody>
</table>
2.4. **Internal resources indicator**

Management and mobilisation of the organisation’s resources to ensure its ability to operate during business as usual, as well as being able to provide the extra capacity required to respond to and recover during times of adversity

<table>
<thead>
<tr>
<th>DESCRIBERS</th>
<th>LOW</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>HIGH</th>
</tr>
</thead>
<tbody>
<tr>
<td>IR1</td>
<td>The organisation is under-resourced even under business as usual conditions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>The organisation has the ability to rapidly scale up or reallocate other business resources (such as finance, premises, plant, equipment, supplies) if required</td>
</tr>
<tr>
<td>IR2</td>
<td>The organisation’s rigid structures and systems provide little capacity to evolve and adapt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>The organisation’s structures, systems and processes are designed to maximise operational flexibility</td>
</tr>
<tr>
<td>IR3</td>
<td>Organisation does not have the financial capacity to support operational change</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Organisation has strong liquidity and cash flow position and can absorb the impact of modifying operations to respond to challenge or adverse event</td>
</tr>
</tbody>
</table>

Total = /12

<table>
<thead>
<tr>
<th>POSSIBLE TREATMENT ACTION</th>
<th>LIKELY INHIBITOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Cross skilling of employees to better manage unexpected change or adversity (role accreditation)</td>
<td>✗ Politics - lack of shared objectives - different/competing agendas and aspirations and narrow focus on BAU only</td>
</tr>
<tr>
<td>✓ Identify employees that belong to volunteer emergency services and defence reserves that may be unavailable during an emergency</td>
<td>✗ Funding constraints</td>
</tr>
<tr>
<td>✓ Map employees home locations so their vulnerability to hazards such as flood and bushfires is foreseeable. Encourage employees to ascertain their local child care, school, community and family emergency arrangements (for peace of mind and staff availability) in the event of an emergency</td>
<td>✗ Time</td>
</tr>
<tr>
<td>✓ Identify key people and ensure appropriate succession planning and redundancy is in place for them. Maintain a record of recent retirees/ex-employees (particularly with specialist skills) that may be called upon in times of adversity</td>
<td>✗ Resource availability</td>
</tr>
<tr>
<td>✓ Identify critical infrastructure, assets and other resource requirements and identify their resilience and redundancy options</td>
<td></td>
</tr>
</tbody>
</table>
3. **CHANGE READY**

‘The planning undertaken and direction established to enable the organisation to be change ready’.

### 3.1. **Unity of purpose indicator**

An organisation wide awareness of what the organisation’s priorities would be following an adverse event, clearly defined at the organisation level, as well as an understanding of the organisation’s minimum operating requirements.

<table>
<thead>
<tr>
<th>DESCRIPTORS</th>
<th>LOW</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>HIGH</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UP1</strong></td>
<td>Employees are not clear about the organisation’s objectives and goals, and have little unity of purpose</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>The organisation’s objectives and goals are clear and effectively communicated, and employees have strong unity of purpose</td>
</tr>
<tr>
<td><strong>UP2</strong></td>
<td>The organisation’s values are not aligned, shared or supported</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Organisational values are aligned, shared and supported</td>
</tr>
<tr>
<td><strong>UP3</strong></td>
<td>Little appreciation across the organisation of the organisational priorities, minimum acceptable service levels, and the potential vulnerabilities and breaking points</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Broad awareness of organisational priorities, minimum acceptable service levels, and the potential vulnerabilities and breaking points</td>
</tr>
</tbody>
</table>

Total = /12

### POSSIBLE TREATMENT ACTION

- ✓ Increased executive and management engagement with the individual business areas to understand their business processes, enablers and inhibitors
- ✓ Ensure employee communications and exercises highlight corporate vision, values and objectives and reinforce their priorities and sensible application
- ✓ Develop a culture that sees adversity as an opportunity. Adverse events can be an excellent time to strengthen employee morale and commitment, build self-esteem, improve public image etc.
- ✓ Develop a culture that recognises capability not seniority in an emergency
- ✓ Develop a strategy to boost staff involvement and commitment during times of adversity

### LIKELY INHIBITOR

- ✗ Lack of clearly defined, communicated and shared:
  - organisational vision and values
  - plans, strategies and objectives
  - roles and responsibilities, and
  - guidance on rule breaking
- ✗ Lack of clear executive buy in and sponsorship
- ✗ Leaders are not visible and do not ‘walk the talk’
- ✗ Complacency – ‘it won’t happen to us, we will be all right’
3.2. Proactive posture indicator

A strategic and behavioural readiness to identify and respond to early warning signals of change in the organisation’s internal and external environment before they escalate into a major challenge or adverse event.

<table>
<thead>
<tr>
<th>PROACTIVE POSTURE</th>
<th>DESCRIPTORS</th>
<th>LOW</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>HIGH</th>
</tr>
</thead>
<tbody>
<tr>
<td>PP1</td>
<td>Leaders have little regard for reputation impacts</td>
<td>Leaders have a good record at building and maintaining trust</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PP2</td>
<td>Disruptions are feared and employees remain wary of challenge</td>
<td>Disruptions and challenges are recognised as an opportunity for improvement, to build strengths and capitalise on the incident</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PP3</td>
<td>Organisation is reactive, maintains status quo and resists change</td>
<td>Organisation is proactive, leverages lessons learnt and opportunities, and embraces change</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total = /12

POSSIBLE TREATMENT ACTION

✓ Clear understanding of change and action plan on how to respond (anticipate change & impact)
✓ Research new technology options and approaches for delivery of critical services. These can be utilised in response to and recovery from an event
✓ Ensure Adversity Management Teams are multidisciplinary ensuring diverse options are created solutions to problems
✓ Encourage staff to belong to community organisations and understand community networks
✓ Develop business rules that are flexible to cater for non-routine events
✓ Develop policies and procedures that are principle based not rule based allowing staff to adapt them to make essential decisions
✓ Ensure critical contracts provide scope for effective emergency response

LIKELY INHIBITOR

✗ Lack of clear executive buy in and sponsorship
✗ Leaders are not visible and do not ‘walk the talk’
✗ Complacency – ‘it won’t happen to us, we will be all right’
✗ Silos
✗ Poor communication
✗ Lack of engagement with right people/teams
### 3.3. Planning strategies indicator

The development and evaluation of plans, strategies and capabilities to manage vulnerabilities in relation to the business environment and its stakeholders

<table>
<thead>
<tr>
<th>DESCRIPTORS</th>
<th>LOW</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>HIGH</th>
</tr>
</thead>
<tbody>
<tr>
<td>PS1 Plans are weak and lack maturity in adapting to changing contexts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Plans show a depth of understanding in social, environmental and physically changing contexts</td>
</tr>
<tr>
<td>PS2 Limited or no planning and preparation for challenge and adversity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Planning and preparation for challenge and adversity is highly integrated into the business planning cycle and systems of the organisation and regarded as a priority</td>
</tr>
<tr>
<td>PS3 Supply chain criticalities and vulnerabilities unknown or poorly understood</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Planning demonstrates an understanding of supply chain criticalities and vulnerabilities</td>
</tr>
<tr>
<td>PS4 Planning does not factor in potential impacts on people</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Planning strategies are approached with a ‘people’ focus / clear understanding of and mitigation of employees vulnerabilities and impacts</td>
</tr>
<tr>
<td>PS5 Planning does not factor in potential community impacts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Planning strategies are approached with a community focus and allocates resources appropriately</td>
</tr>
<tr>
<td>PS6 Criticalities and vulnerabilities of changes to the organisation’s assets and resources unknown or poorly understood</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Criticality and vulnerability of changes to organisation’s assets and resources understood and planned for</td>
</tr>
</tbody>
</table>

Total = /24

### POSSIBLE TREATMENT ACTION

- Consider what your business would look like if you were starting from scratch. What new approaches or technologies would you utilise – ‘Have a dream’
- Conduct workshops with risk disciplines to try and identify potential threats and risks to the business objectives and explore the impacts of possible Black Swan events
- Identify all critical processes, their dependencies and interdependencies, impacts of business disruption and any potential single points of failure in the processes, infrastructure, people, assets, ITC, data sets etc.
- Identify the required minimum service levels and potential tipping points where your response plans will be inadequate/exceeded by an adverse event’s impacts and potential alternative solutions
- Identify tipping points that would change the community’s and key stakeholders expectations or attitudes to your organisation
- Develop and conduct resource based adversity management exercises that stretch existing resource capabilities and require participants to look at new and innovative solutions. Utilise scenarios where the solution is not known (non-routine) and involve varied and significant challenges to the organisation. Include critical service providers as/where appropriate
- Conduct exercises and scenarios that lead to landscape change where there is no return to the pre event status

### LIKELY INHIBITOR

- Lack of clear executive buy in, sponsorship and active participation
- Lack of change culture / cost to implement
- Lack of employee motivation & take-up
- Key person and employee turnover
- Executive failure to adapt & understand
- Not knowing about change until after it’s happened
3.4. Stress testing plans indicator

The participation of the leadership and employees in simulations or scenarios designed to practice response strategies and arrangements to validate plans and capabilities

<table>
<thead>
<tr>
<th>DESCRIPTORS</th>
<th>LOW</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>HIGH</th>
</tr>
</thead>
<tbody>
<tr>
<td>ST1</td>
<td>Plans are not exercised or tested to a sufficient level to validate adequacy and actual capability</td>
<td>Plans are rigorously tested to confirm capability with adequate resources available to implement plans and make continuous improvements in line with organisational changes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ST2</td>
<td>Exercises are designed to tick the box for compliance purposes</td>
<td>Exercises are designed to identify weaknesses and opportunities for improvement, as part of quality assurance and continuous improvement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ST3</td>
<td>Testing of plans address typical disruption scenarios</td>
<td>Plans are regularly stress-tested against a variety of scenarios relevant to changing contexts and environments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ST4</td>
<td>Plans are exercised or tested in isolation, without involving other business areas or organisations</td>
<td>Plans are exercised and tested with other business areas and organisations on a regular basis</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total = /16

POSSIBLE TREATMENT ACTION

✓ Ensure the Leadership Team actively participate as part of the exercise rather than only observing or facilitating it
✓ Conduct workshops with risk disciplines to try and identify potential threats and risks to the business objectives and explore the impacts of possible Black Swan events
✓ Identify all critical processes, their dependencies and interdependencies, impacts of business disruption and any potential single points of failure in the processes, infrastructure, people, assets, ITC, data sets etc.
✓ Identify the required minimum service levels and potential tipping points where your response plans will be inadequate/exceeded by an adverse event’s impacts and potential alternative solutions
✓ Identify tipping points that would change the community’s and key stakeholders expectations or attitudes to your organisation
✓ Develop and conduct resource based adversity management exercises that stretch existing resource capabilities and require participants to look at new and innovative solutions. Utilise scenarios where the solution is not known (non-routine) and involve varied and significant challenges to the Organisation. Include critical service providers as/where appropriate
✓ Ensure that Post Incident Reviews (including Exercises) are undertaken and Lessons Learnt are incorporated into plans as part of a Continuous Improvement Program.

LIKELY INHIBITOR

✗ Lack of clear executive buy in, sponsorship and active participation
✗ Leaders are not visible and do not ‘walk the talk’
✗ Complacency – ‘it won’t happen to us, we will be all right’
✗ Barrier of distance between different business operational locations